



ESG report 2021

 **Fred. Olsen Renewables**

# Environmental, social, governance (ESG) report 2021

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# 1 Introduction

## 1.1 CEO letter



*Anders Bade*  
*CEO Development, New Markets & Technologies*



*Ivar Brandvold*  
*CEO Construction & Operations*

In Fred. Olsen Renewables we have a strong commitment to develop renewable energy sources both as a sound business model as well as a genuine support of the shift to a decarbonised society. The company has over the last 25 years established itself as a renewables company of significance covering the whole value chain from developing to constructing and operating onshore windfarms. We are developing our business footprint further by moving into new regions, as well as offshore floating solar projects and other new technologies.

It is embedded in our company culture to maintain a sustainable business model and to minimise the environmental footprint in all our activities. Our objective when designing wind parks is to harmonise the layout and infrastructure with the terrain and topography. When constructing and operating the wind farms we have a risk-based approach to eliminate hazards and risks to protect the environment and personnel. We take pride in making effective use of the wind resources and thereby reducing the Green House Gas (GHG) emissions in our power generation activities and thus contributing to battling the climate change.

Social awareness and strong engagement with the local stakeholders and communities are essential prerequisites for a successful development project. We have a responsibility to engage with the local businesses, suppliers, and service providers to ascertain that our activities also benefit those. It is part of our operating philosophy that we train and employ technicians from the local communities. Further, we are committed to ensuring good working conditions, honouring labour rights, and promoting diversity.

The company governance is described and documented in our Safety Management System and Fred. Olsen Renewables Management System, available to all employees on the company intranet and SharePoint site. We are a company with high integrity and ethical standards, and with a commitment to comply with all applicable laws, rules, and regulations. This is described in our Code of Conduct, and it is expected that all employees and suppliers, at all times, behave and conduct their business in accordance with the principles of this code. We believe that active corporate governance is essential to the development of our company and to the benefit for shareholders, employees, and society.

Oslo, January 2022

A handwritten signature in blue ink that reads "Anders Bade".

Anders Bade  
CEO Development, New Markets &  
Technologies

A handwritten signature in blue ink that reads "Ivar Brandvold".

Ivar Brandvold  
CEO Construction & Operations

## Sustainability policy

In Fred. Olsen Renewables we have a strong obligation to the society and to our external and internal stakeholders to operate our business sustainably.

All work shall be conducted in compliance with laws, rules, and regulations.

Our strategy is to contribute to the shift towards a sustainable and decarbonised society by delivering renewable energy from onshore wind, floating solar, and through developing our businesses further into existing and new markets.

Our commitments:

- We will always choose the most sustainable alternative, taking environmental, social, technical, and economical aspects into account
- We maintain high ethical standards and integrity. Our Code of Conduct is mandatory for all our employees and for all companies and people working for us

Environment:

- We work systematically and continuously to reduce the impacts on the environment from air emissions, waste, and other hazardous substances under our control
- We follow the principles of recognised international standards when measuring direct and indirect Green House Gas emissions

Social:

- We have a zero injuries philosophy and are committed to the protection of health and safety for our employees and subcontractor personnel
- We care for the society around us
- We have a responsibility to ascertain that our activities benefit local communities

Governance:

- We define clear sustainability objectives and targets
- We are transparent and open in our communication with our stakeholders
- We govern our business by establishing, implementing, and maintaining a structured management system

Oslo, 23.11.2021

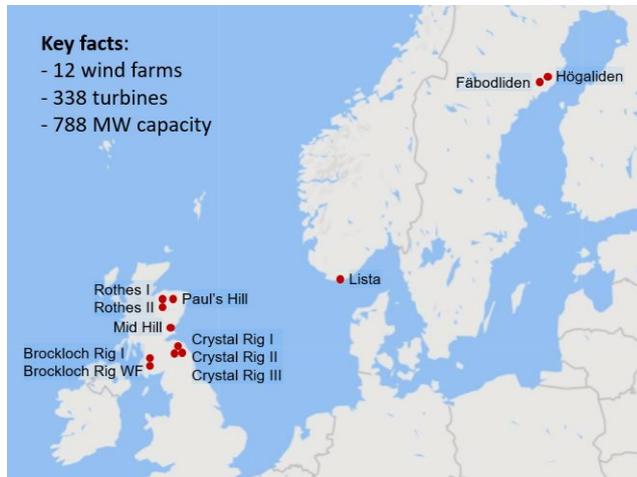
  
Anders Bade  
Chief Executive Officer  
Fred. Olsen Renewables

  
Ivar Brandvold  
Chief Executive Officer  
Fred. Olsen Renewables

## 1.2 Sustainability performance at a glance

- We own and operate 12 wind farms with 338 turbines in UK, Norway, and Sweden with a capacity of 788 MW
- We produced 1 713 000 MWh in 2021
- We covered the electricity needs of approximately 390 000 households
- Our production resulted in approximately 735 000 tonnes CO<sub>2</sub> equivalents (tCO<sub>2</sub>eq) of GHG emissions avoided
- Our own CO<sub>2</sub> footprint was 1 310 tCO<sub>2</sub>eq in 2021
- Our business development team is focusing on further expansion of the onshore wind portfolio in addition to developing floating solar prospects. We have two ongoing innovation projects to accelerate floating solar technology development
- Work related personnel incidents: Two lost time incidents and two medical treatment cases at our sites in 2021
- Environmental incidents: Two minor oil spills to ground, one dead bird after hitting a turbine and one dead deer after jumping on a vehicle
- We were 73 employees at the end of 2021. Our sickness absence rate was 2.3%. The female/male employee rate was 23%
- We contributed to the societies in Norway, Sweden, UK, and Italy by paying 228 million NOK in taxes
- We distributed more than 10 million NOK to various local activities through community benefit funds

## 1.3 About Fred. Olsen Renewables



Fred Olsen Renewables is an energy producer delivering clean and sustainable electricity to the European grid.

We operate 12 wind farms with 338 turbines in Scotland, Norway, and Sweden with a total installed capacity of 788 MW.

We have offices in Norway, England, Scotland, Sweden, and Italy.

The organisation consisted of 73 employees at end of the year. Including the work conducted by subcontractors and temporary personnel, 121 man-years were generated in 2021.

We are focusing on further expansion, and we are developing several prospects within both onshore wind power and floating solar.

We develop, build, own, and operate our own renewable energy assets. We have a life cycle perspective on our business. Life extensions and sustainable decommissioning are part of our long term business philosophy.

## 1.4 About the report

### 1.4.1 ESG reporting boundaries

This report is based on the World Economic Forum (WEF) framework. It provides a general description of the company, business context, activities, and performance in 2021 for the areas 'Governance', 'Planet', 'People' and 'Prosperity'.

Detailed results are listed in paragraph 4 'Key Performance Indicators'.

The report covers our total activities, including calculation of the effect of our clean energy production. For 2021, we have limited the ESG reporting with the following boundaries:

- WEF Theme: "Climate Change": The Scope 1, 2 and 3 GHG emissions are reported in accordance with the GHG Protocol Corporate standard. However, emissions from construction activities are not included this year due to lack of data from contractors. Also, commuting is not included in the Scope 3 figures due to lack of relevant data
- WEF Theme: "Nature Loss": We recognise that our wind farms have an impact on nature and the local societies, e.g., area usage, biodiversity, impact on peatland, visual pollution, etc. The aspects are covered (see 2.2.5), however we do not have reliable data to determine the effects of nature loss

### 1.4.2 Sustainability risks

As part of the corporate risk management system (see 2.1.5), a sustainability risk register has been established, covering environment, social, governance, and other sustainability risks.

The risk register is reviewed periodically and is subject to updates as needed. Currently, these are the top risks:

- GHG emission reductions
- Climate change – extreme weather
- Safety – personnel incidents
- Cyber security

Risk treatment actions are defined and followed up on a continuous basis.

### 1.4.3 Materiality assessment

The materiality assessment identifies the key environmental, social and governance topics. It considers the level of materiality of each topic against the importance for the stakeholders and impact on our own value creation.

The following topics are considered as material to Fred. Olsen Renewables:

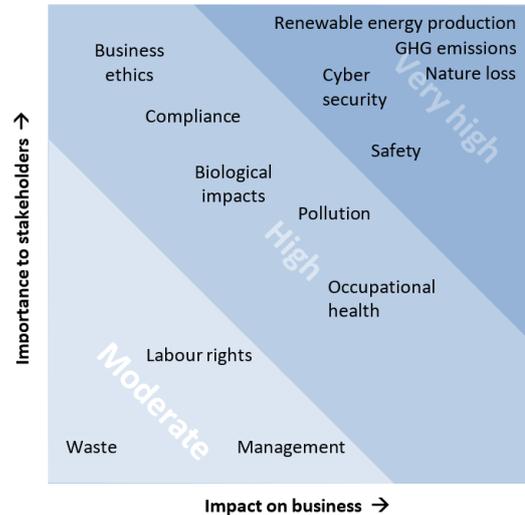
ENVIRONMENT:	SOCIAL:	GOVERNANCE:
<ul style="list-style-type: none"> <li>• <b>Renewable energy production</b></li> <li>• <b>GHG emissions</b></li> <li>• <b>Nature loss</b></li> <li>• <b>Pollution</b> <ul style="list-style-type: none"> <li>- Chemical spill to ground</li> <li>- Air pollution</li> <li>- Visual pollution (blades, navlights)</li> </ul> </li> <li>• <b>Biological impacts</b> <ul style="list-style-type: none"> <li>- Dead birds</li> <li>- Dead animals</li> </ul> </li> <li>• <b>Waste</b> <ul style="list-style-type: none"> <li>- Waste amounts</li> <li>- Waste management</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Safety</b> <ul style="list-style-type: none"> <li>- Personnel incidents</li> <li>- HSE risks</li> <li>- Safety culture</li> </ul> </li> <li>• <b>Occupational health</b> <ul style="list-style-type: none"> <li>- Physical health</li> <li>- Mental health</li> <li>- Work environment</li> </ul> </li> <li>• <b>Labour rights</b> <ul style="list-style-type: none"> <li>- Diversity, equality, inclusion</li> <li>- Discrimination, harassment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Business ethics</b> <ul style="list-style-type: none"> <li>- Bribes</li> <li>- Corruption</li> </ul> </li> <li>• <b>Management</b> <ul style="list-style-type: none"> <li>- Policies</li> <li>- Management system</li> </ul> </li> <li>• <b>Cyber security</b></li> <li>• <b>Compliance</b> <ul style="list-style-type: none"> <li>- Legal compliance</li> <li>- Financial compliance</li> <li>- Contractual compliance</li> </ul> </li> </ul>

Analyses have been undertaken on the topics' significance for each group of stakeholders, considering the likelihood for unwanted events related to each topic.

Finally, the most significant material topics are evaluated towards their expected importance to stakeholders and their impact on business.

Our material topics are rated as follows:

- Very high:
  - Renewable energy production
  - GHG emissions
  - Nature loss
  - Cyber security
  - Safety
- High:
  - Business ethics
  - Compliance
  - Biological impacts
  - Pollution
  - Occupational health
- Moderate:
  - Labour rights
  - Management
  - Waste



#### 1.4.4 Task force on Climate-related Financial Disclosures (TCFD) assessment

The 'Task Force on Climate-related Financial Disclosures' (TCFD) is a set of disclosure recommendations intended to help companies to provide information needed to help companies to provide information needed to appropriately assess and price climate-related risks and opportunities.

The TCFD recommendations were published in 2017 and UK is the first country to require large companies to disclose climate related financial data from April 2022.

Although our business is that of renewable energy and our end product contributes positively to the net zero trajectory, we acknowledge that our operations have an impact on the world in which we operate. We therefore intend to strengthen our climate governance and in 2022 we will start our work with the TCFD recommendations.

As a start we will identify and define our climate change governance and strategy as well as risks and opportunities. We also aim to expand this work to include scenario analyses in order to identify the long-term effects of climate change on our business model and thereby inform our stakeholders of potential future trajectories of our business with the effects of climate change on the market.



### 1.4.5 Compliance with EU Taxonomy

The EU Taxonomy is a classification system for sustainable activities and is meant as a tool to help drive capital towards sustainable economic activities and investments and help investors avoid greenwashing.

The EU Taxonomy regulation has defined technical screening criteria as well as 'Do No Significant Harm' (DNSH) criteria for six environmental objectives, relevant to a set of industries considered able to support the green transition, including shipping and energy from wind power. In Fred. Olsen Renewables, we will implement a project to screen our activities according to the EU Taxonomy during 2022 to be able to report our degree of sustainability in accordance with the Taxonomy in our next ESG report.



## 2 Governance, Planet, People and Prosperity

### 2.1 Governance

#### 2.1.1 Board composition

*(World Economic Forum (WEF) Theme: "Quality of governing body")*

The board consists of the following members:

- Anette Sofie Olsen (Chairman of the Board)
- Thomas Fredrik Olsen
- Richard Olav Aa

Board activities are conducted in compliance with applicable Norwegian laws and regulations.

#### 2.1.2 Company structure

*(WEF Theme: "Governing purpose")*

Our vision: To be a class leading renewables company

Our objective: Growth and performance

Fred. Olsen Renewables AS, Norway is a fully owned subsidiary of Bonheur ASA, which is listed on Oslo Stock Exchange. Due to national laws and regulations, and for other legal purposes, several subsidiaries have been established in the countries that we operate in, the most significant being:

- Fred. Olsen Renewables Limited (UK)
- Fred. Olsen Renewables AB (SE)
- Fred. Olsen Renewables Italy S.R.L. (IT)
- One owning company for each wind farm (UK, NO, and SE)

Joint venture companies have been established where assets are co-owned with partners:

- Fred. Olsen Wind Limited (UK) – 51% ownership, partner Aviva
- Fred. Olsen CBH Limited (UK) – 51% ownership, partner TRIG

### 2.1.3 Stakeholders

(WEF Theme: “Stakeholder engagement”)

A stakeholder is a person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity.

The following stakeholders have been identified:

Principal stakeholders:	External stakeholders - primary:	External stakeholders - secondary:	Internal stakeholders:
Bonheur board	Grid operators	Environmental groups	Employees
Fred. Olsen Renewables board	Authorities	News media	Employees’ next-of-kin
TRIG (JV partner)	Landowners	Social media	Subcontractor personnel
Aviva (JV partner)	Suppliers	The public	Fred. Olsen & Co
Shareholders	Subcontractors		FOR sister companies
	Insurers		

Our stakeholders are important to us, and their views and opinions influence our materiality assessment (see 1.4.2), as well as our risk management. In addition, we utilise our list of stakeholders in communication and consultation.

When developing new wind farms, we create a close dialogue with local interests, especially the persons living close to the project and the local politicians. For projects in the north of Sweden the sami and reindeer interests are of extra concern. In close dialogue we explain the importance of renewable energy. We listen to different views and try to find solutions together to minimise any negative impacts. Local cooperation, dialogue, and acceptance are keys for a successful project.

### 2.1.4 Ethical behaviour

(WEF Theme: “Ethical behaviour”)

#### Anti-corruption and anti-bribery

The ‘Code of Conduct’ (see 2.3.2) states our policies for ethical behaviour. It is published in the management system, available for all employees. The Code of Conduct is subject to annual reviews and updates.

As part of communication and implementation of the policies, our employees undertake the following mandatory e-learning courses:

- GDPR awareness
- Code of Conduct
- Corporate Social Responsibilities
- Cyber Security Awareness
- Policy & anti-corruption/anti-bribery.

At the end of 2021, 71% of our employees had completed these compliance courses.

#### Protected ethics advice and reporting mechanism

Reporting routines for ‘whistle-blowing’ have been implemented, covering national regulations, what can be reported, whom to report to, how to do it, and how the organisation handles the reports.

Information about the whistle-blowing procedures is part of the e-learning courses on compliance.

## 2.1.5 Risk and opportunity management

(WEF Theme: “Risk and opportunity oversight”)

Risk management is an integrated part of all our work processes. A risk management system has been established and implemented, covering all parts of our activities:

- Corporate risk management database for the enterprise risks
- Sustainability risk register (see 1.4.2)
- Risk register for the wind farms, covering all relevant operational risks
- Operational risk assessments
- Safe Job Analyses (SJA) for task specific risks
- ‘Take2’ last minute point-of-work risk assessment

Consequence	Very high 5	5	10	15	20	25
	High 4	4	8	12	16	20
	Med 3	3	6	9	12	15
	Low 2	2	4	6	8	10
	Very low 1	1	2	3	4	5
		1	2	3	4	5
		Very low	Low	Med	High	Very High
		<b>Likelihood</b>				

Opportunities are identified and evaluated as part of all business processes.

## 2.2 Planet

### 2.2.1 Business context

Fred. Olsen Renewables is dedicated to the energy transition by producing clean renewable electricity.

We established our first onshore wind farm more than 20 years ago. Since then, we have constantly increased our portfolio and we continue to develop new projects to expand production capacity.

Together with renowned partners we are expanding our business into floating solar, opening new opportunities for solar generating capacity in countries with high population density and competing use for available land.

All projects undergo comprehensive Environmental Impact Analyses in line with the regulators’ requirements, evaluating all environmental aspects influencing construction and operations of the power plants. We are also utilising a thorough risk-based approach to eliminate hazards and risks, allowing us to implement project specific measures to minimise the overall environmental impact.

### 2.2.2 Our activities

#### Development

Our development department is responsible for the whole process from identification of new prospects until final consent has been given. Minimising negative impact on nature from future energy parks is at the centre of our rigorous process for choosing location and design. To ensure sustainability and to minimise the impacts of the projects, we are working with mitigation measures focusing on among others reducing the carbon footprint and re-establishing the natural vegetation.

Today, development is involved in several technologies and markets, both onshore wind and floating solar. We are also seeking opportunities in new markets and countries, and within new sustainable technologies.

## Construction

When the national authority has given consent for a new wind farm, our construction department takes over the responsibility for detailed planning and execution the project.

All construction projects are managed by in-house resources and all project team members have extensive experience from large scale construction projects.

Currently, Fred. Olsen Renewables has received consent to build four new wind farms. The projects are all in the planning phase. Subject to final investment decision, construction of the following sites is expected to start in 2022-2024:

Country	Wind farm	Capacity (MW)	Turbines	Turbine type
	Fäbodliden II	18	4	Vestas 4.5 MW
	Crystal Rig IV	49	11	To be decided
	Paul's Hill	21.1	6	To be decided
	Windy Standard III	83	20	To be decided

## Operations:

We currently operate 12 wind farms in the UK, Norway, and Sweden with the following installed power capacities:

Country	Wind farm	Capacity (MW)	Turbines	Turbine type
	Roths I	50.6	22	Siemens 2.3 MW
	Roths II	41.4	18	Siemens 2.3 MW
	Paul's Hill	64.4	28	Siemens 2.3 MW
	Mid Hill	75.9	33	Siemens 2.3 MW
	Crystal Rig I	62.5	25	Nordex 2.5 MW
	Crystal Rig II	138	60	Siemens 2.3 MW
	Crystal Rig III	13.8	6	Siemens 2.3 MW
	Brockloch Rig I	21.6	36	Nordtank 0.6 MW
	Brockloch Rig Wind Farm	61.5	30	Senvion 2.05 MW
	Lista	71.3	31	Siemens 2.3 MW
	Fäbodliden	79.2	24	Vestas 3.3 MW
	Högaliden	107.5	25	Vestas 4.3 MW
<b>Total:</b>		<b>788 MW</b>	<b>338 turbines</b>	

### 2.2.3 Performance - Renewable energy production

(WEF Theme: “Climate Change”)

Fred. Olsen Renewables’ total power production in 2021 was 1 713 435 MWh.

The table below shows the energy production, number households that were covered, and our contributions to the environment with avoided GHG emissions:

Country:	Energy production:	Covered electricity needs for number of households: *	Avoided GHG emissions (estimated): **
United Kingdom	1 104 945 MWh	298 622 households	474 000 tCO <sub>2</sub> eq.
Norway	207 498 MWh	12 206 households	89 018 tCO <sub>2</sub> eq.
Sweden	400 992 MWh	80 180 households	171 986 tCO <sub>2</sub> eq.
<b>Total for 2021:</b>	<b>1 713 435 MWh</b>	<b>~ 390 000 households</b>	<b>~ 735 000 tCO<sub>2</sub>eq.</b>

\* The figures are broad estimates and based on the average household consumption of electrical power per year (UK: 3 700 kWh; Norway 17 000 kWh; Sweden 5 000 kWh).

\*\* Wind power replaces non-renewables power (gas, coal, and other fossil sources), thus avoiding GHG emissions. In our calculation, a factor of 0.429 for our energy production has been used. It should be noted that the figures are broad estimates.

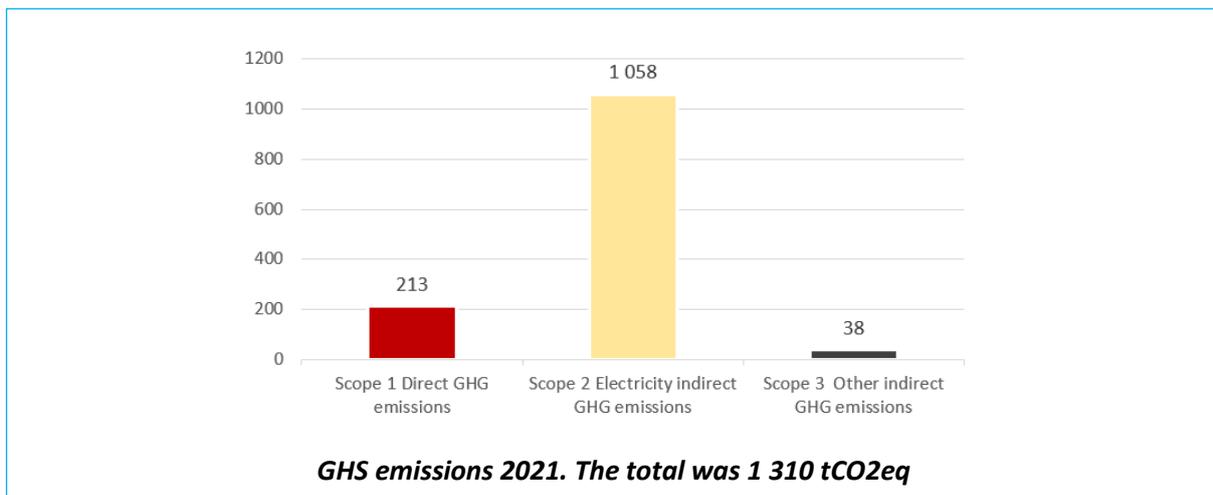
### 2.2.4 Performance - Green House Gas emissions (Scope 1, 2, and 3)

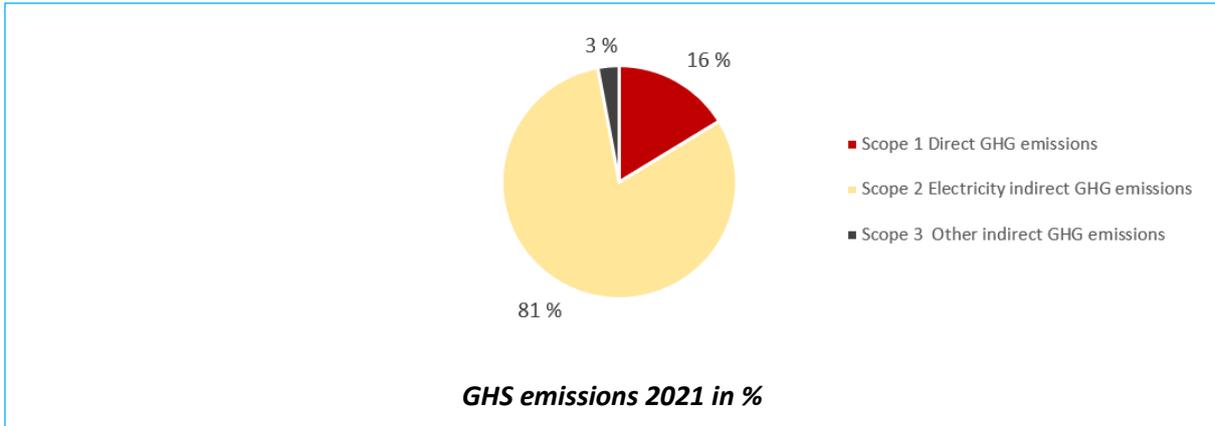
(WEF Theme: “Climate Change”)

Our total GHG emissions in 2021 were 1 310 tCO<sub>2</sub>eq.

While we are a significant net contributor to reducing GHG emissions, we are also conscious of our impact on the climate. Our Scope 1, 2, and 3 emissions in 2021:

GHG emission source:	GHG emissions:	Remarks:
GHG emissions – Scope 1	213 tCO <sub>2</sub> eq	Direct emissions (use of site vehicles)
GHG emissions – Scope 2	1 058 tCO <sub>2</sub> eq	Electrical indirect emissions (import power, utility power)
GHG emissions – Scope 3	38 tCO <sub>2</sub> eq	Indirect emissions (see details below)
<b>Total:</b>	<b>1 310 tCO<sub>2</sub>eq</b>	





**Scope 1 - Direct GHG emissions**

Scope 1 emissions were 213 tCO<sub>2</sub>eq in 2021.

Direct GHG emissions from our operations are vehicle usage at the sites. The wind turbines do not discharge any greenhouse gases.

In 2021, we used a total of 78 628 litres of diesel at the wind farms. A diesel/CO<sub>2</sub> conversion factor of 2.71 has been used to calculate the emissions.

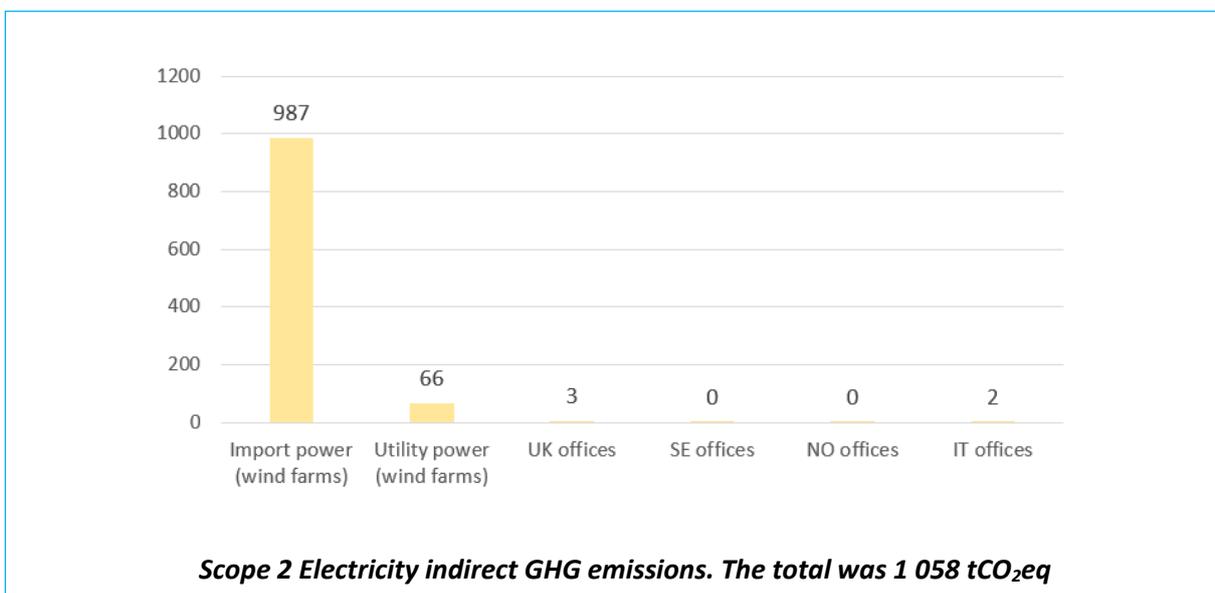
**Scope 2 - Electricity indirect GHG emissions**

Scope 2 emissions were 1 058 tCO<sub>2</sub>eq from an electricity consumption of 5,5 million kWh.

Our electricity indirect GHG emissions are generated from three main sources:

1. 'Import power' used for de-icing of blades and idling of turbines in zero wind situations or in cases of downtime
2. 'Utility power (wind farms)' used at site offices and storage buildings
3. 'Utility power (offices)' used at the office buildings in UK, Norway, Sweden, and Italy

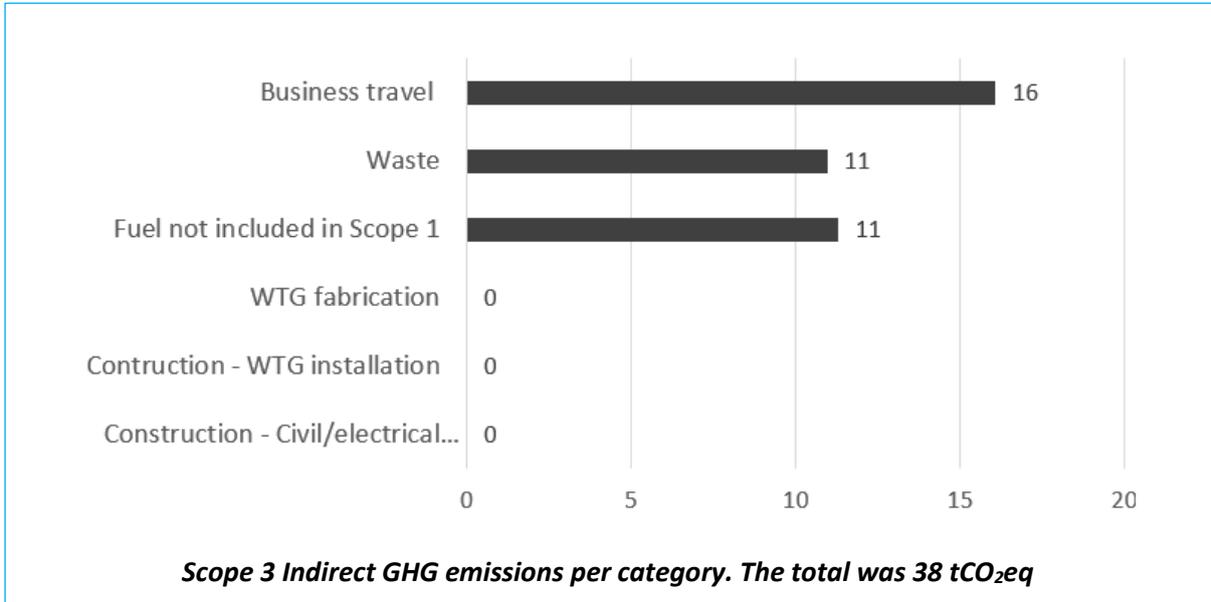
The Scope 2 power consumption in kWh are multiplied with the relevant emission factor for each country (Norway 27 gCO<sub>2</sub>eq/kWh; Sweden 29 gCO<sub>2</sub>eq/kWh; UK 213 gCO<sub>2</sub>eq/kWh)



### Scope 3 - Other indirect GHG emissions

Scope 3 emissions were 38 tCO<sub>2</sub>eq in 2021.

The 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' has been used for estimating our indirect emissions.



Five of the 15 Scope 3 categories are considered relevant for our activities. Their GHG emissions are specified in the table below:

Category	Remarks	GHG emissions
<b>1. Purchased goods and services*</b>	Civil/electrical work and wind turbine installation activities on site	0 (no data provided by principal contractors for 2021)
<b>2. Capital goods</b>	Fabrication of new wind turbines	0 (no turbines fabricated in 2021)
<b>3. Fuel and energy related activities not included in Scope 1 and 2</b>	Vehicle usage, i.e., field surveys or other development activities. 8 336 km driven with diesel and petrol cars	<b>11.3 tCO<sub>2</sub>eq</b>
<b>5. Waste generated in operations</b>	Waste generated at wind farms. 55 148 kg waste in 2021. The calculation is shown in 2.2.7	<b>11.0 tCO<sub>2</sub>eq</b>
<b>6. Business travel</b>	CO <sub>2</sub> generated from air travel. Data provided for each flight	<b>16.1 tCO<sub>2</sub>eq</b>

\* Due to lack of data, the GHG emissions from the installation works at Högaliden wind farm have not been included (see 1.4.1). Construction of new wind farms are significant sources for GHG emissions and will be included in future reports.

We will actively seek to reduce the CO<sub>2</sub> footprint, e.g., by the use of a new type of cement in the concrete turbine foundations - we are aiming to develop a concrete mix with our civil construction partner that meets the wind turbine's technical requirements and at the same time reduces the GHG emissions by up to 25 %.

The remaining Scope 3 categories are considered not applicable (N/A) or lacking data and have not been included in our GHG emission calculations:

- Category 4 - Upstream transportation and distribution: Included in Category #1
- Category 7 - Employee commuting: Lack of data
- Category 8 - Upstream leased assets: N/A
- Category 9 - Downstream transportation and distribution: N/A
- Category 10 - Processing of sold products: N/A
- Category 11 - Use of sold products: N/A
- Category 12 - End-of-life treatment of sold products: N/A
- Category 13 - Downstream leased assets: N/A
- Category 14 - Franchises: N/A
- Category 15 - Investments: N/A

### 2.2.5 Performance – Nature loss

(WEF Theme: “Nature Loss”)

We recognise the fact that all wind farms to some degree have impact on the environment. We are committed to ensure that nature loss is reduced to an absolute minimum.

- **Environmental impact studies:** Prior to building new wind farms, we always undertake comprehensive environmental studies to ensure that all potential effects are taken into consideration. The studies are conducted with support from external expertise and in close dialog with local authorities and stakeholders
- **Biodiversity:** For windfarms under development, our objective is to compensate for any negative impact on biodiversity. An example of such compensation in the UK is restoration of peat bogs and ecological habitats which has resulted in many types of plant and animal life having returned to the moorlands. Some projects involve acquiring nearby forest and land that will be used to replace the felled forestry to accommodate a wind farm’s infrastructure. In other cases, we plan to actively restore nature loss for that same purpose
- **Area usage – reducing size of crane pads:** Installation of wind turbines needs heavy cranes that require build-up of large crane pads by each turbine. Fred. Olsen Renewables are involved with company Nekkar ASA in the development of SkyWalker, an innovative solution that eliminates the use of heavy cranes for turbine installation. It will allow for significantly reduced installation times, reduced GHG emissions, and may reduce the crane pad sizes with up to 40%
- **Area usage – eliminating need for temporary blade storage:** Today, turbine blades, towers, and nacelles are temporarily stored at site during the installation phase. This requires large storage areas to be built. For future project, we will investigate further the possibility to implement the ‘just-in-time’ principle for turbine component logistics, thus reducing the need for temporary storage areas at the sites
- **Peatland:** All future construction projects are designed to minimise impact on peatland. Considerable efforts have been made to remove drainages and manage water flow to restore peatlands. Internal roads in the wind farm area will be routed around peatland if possible. Changing local water flow in a way that reduces the ecological status is in practice prohibited, and the design of roads, hardstands and foundations reflects this

- **Visual pollution from rotating turbine blades** is a source for local resistance against new wind farms. When identifying potential development projects, we seek to reduce the visual pollution effects when planning the site layout. If possible, we avoid placing turbines on hilltops or positions in the terrain that affect the local population negatively
- **Visual pollution from air navigation lights:** Impact from blinking air navigation lights can be reduced by using the lights only for the turbines located at the outer perimeter of the wind farm. The visual pollution can be further reduced with emerging technologies utilising transponder-based solutions that activates the lights only if an aircraft approaches, instead of having the lights on continuously. It should be noted that these solutions are subject to approval from national civil aviation authority
- **Public access to the wind farm area:** In Scandinavia and in the UK, the right-to-roam laws means that the public has general un-motorised access to our wind farm area. The internal site roads are open for hikers and bikers. The roads are also used by landowners for forestry and may also enable farmers to expand the grazing areas for their livestock

Our sustainability objectives (see 3) specify how we aim to reduce the impacts on nature loss.

## 2.2.6 Performance - Waste

(WEF Theme: "Solid waste")

Our wind farms generated 55 tonnes of waste in 2021, which resulted in emissions of 11 tCO<sub>2</sub>eq.

All waste is segregated in compliance with local municipality recycling regulations for the actual site and offices.

About 1/3 was general waste. The remaining 2/3 was recyclable waste, categorised in plastics, food waste, wood, metal, paper and cardboard, electrical waste, oil, oily rags and filters, and hazardous waste.

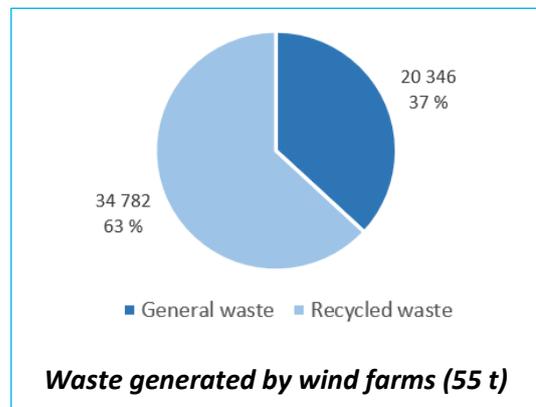
2021 was the first year of detailed recording of waste from the sites. Going forward, our objective is to reduce the amounts, especially the general waste (non-recyclable waste) share.

Due to lack of consistent and reliable data, it has not been possible to estimate the waste from the offices in Norway, Sweden, UK, and Italy in 2021.

When calculating GHG emissions from waste, the following conversion factors were used:

- **General waste** (non-recyclable waste): Disposed with thermal treatment. The combustion process requires energy and releases CO<sub>2</sub>. In the absence of internationally accepted common standards, we have used conversion factor 0.502 as defined by Statistics Norway
- **Recyclable waste:** We have used conversion factor 0.021 as defined by UK Department for Environment, Food & Rural Affairs (DEFRA).

It should be noted that the calculations of CO<sub>2</sub> from waste are estimates.



## 2.2.7 Performance - Environmental spills

(WEF Theme: "Spills")

Our wind turbines and transformers contain oil and lubricants. Vehicles use fuel and oil. Chemicals are used in operating the sites, however the amounts are limited. Substances are in closed systems and environmental spills to ground very seldom occur.

We experienced two minor vehicle related oil spill incidents in 2021. In both cases, the contaminated soil was removed and delivered to local waste reception facilities.

## 2.3 People

### 2.3.1 Business context

Fred. Olsen Renewables has business activities in UK, Norway, Sweden, Ireland, and Italy. Human Resources are managed in compliance with the labour laws and regulations for each country.

The personnel management system (SIMPLOYER) contains 'Personnel Handbook', work regulations, and 'HSE handbook' and provides the necessary rules and guidelines for the employees.

### 2.3.2 Our activities

All our employees and subcontractors are required to follow the principles of our HSEQ Policy and our Code of Conduct:



### HSEQ policy

We are committed to be recognised as a leading organisation for Health, Safety, Environment and Quality (HSEQ) management.

We are committed to the protection of personnel, the environment, and equipment. In fulfilling this, we will establish and maintain a safe and healthy work environment.

We are committed to conduct our work in compliance with regulatory laws, rules and regulations, and industry standards.

We are committed to eliminate hazards and reduce risks through the use of systematic risk assessments as an integrated part of our work.

Our aim is always:

- Meeting or exceeding our stakeholders' requirements and expectations
- Zero injuries
- Zero environmental incidents
- Zero defects
- On time delivery
- Continuous improvement

We achieve these goals by conducting our work in compliance with our HSEQ Management and Safety Management Systems, and through consultation with and participation of our employees.

Oslo, 23.11.2021



Anders Bade  
Chief Executive Officer  
Fred. Olsen Renewables



Ivar Brandvold  
Chief Executive Officer  
Fred. Olsen Renewables



### Code of Conduct

In Fred. Olsen Renewables we are committed to maintain high ethical standards and integrity.

- All work shall be conducted in compliance with laws, rules, and regulations
- We expect all our employees and suppliers to act in a safe manner and to strive for meeting our aim of zero injuries and zero environmental incidents
- We expect all our employees and suppliers to exercise good judgment in ethical situations or dilemmas, and to report any incidents, hazards, risks, opportunities, or concerns they may have and/or become aware of
- We shall always have the interest of our internal and external stakeholders in mind
- We are committed to equal opportunities for all
- We do not accept any form of discrimination on the basis of gender, age, ethnic origin, nationality, disability, sexual orientation, religion, political opinion, or otherwise
- We respect fundamental employment rights
- We shall not prevent employees from associating freely with any lawful workers' association or collective bargaining association of their choice
- We do not accept the use of child labour or modern slavery
- We do not accept any form of corruption and shall not offer or accept bribes or other inappropriate gifts or benefits in order to achieve business or personal advantages
- Employees shall not have interests which may negatively impact the business
- Employees shall not receive loans from any of our business partners
- All our employees are under the duty of confidentiality and shall prevent unauthorised persons' access to information. The duty of confidentiality continues to apply after termination of the contractual relationship with us
- We do not accept use of insider information for personal gain
- We expect all employees and all our suppliers to be in compliance with the principles of this Code of Conduct at all times

Oslo, 23.11.2021



Anders Bade  
Chief Executive Officer  
Fred. Olsen Renewables



Ivar Brandvold  
Chief Executive Officer  
Fred. Olsen Renewables

### 2.3.3 Performance - Personnel

(WEF Theme: "Dignity and Equality")

The personnel policy is defined in our Personnel Handbook and is reflected in the above Code of Conduct covering fundamental employment rights, non-acceptance of child labour, acceptance of labour union memberships, and non-tolerance against discrimination of any kind.

Fred. Olsen Renewables aims to be a workplace with equal opportunities, offering challenging and motivating jobs to all personnel, regardless of nationality, culture, religion, or gender.

Our female/male ratio was 23% in 2021. The composition of genders reflects the available recruitment base for the industry, which traditionally has a higher proportion of men. We offer equal opportunities for male and female applicants and efforts are made to attract female employees.

Employees	UK	Norway	Sweden	Italy
Male	9	31	12	4
Female	9	7	1	0

There were no reported cases of nonconformities related to implementation of the personnel policy or related to dignity and equality in 2021.

### 2.3.4 Performance - Health, Safety, Environment (HSE) management

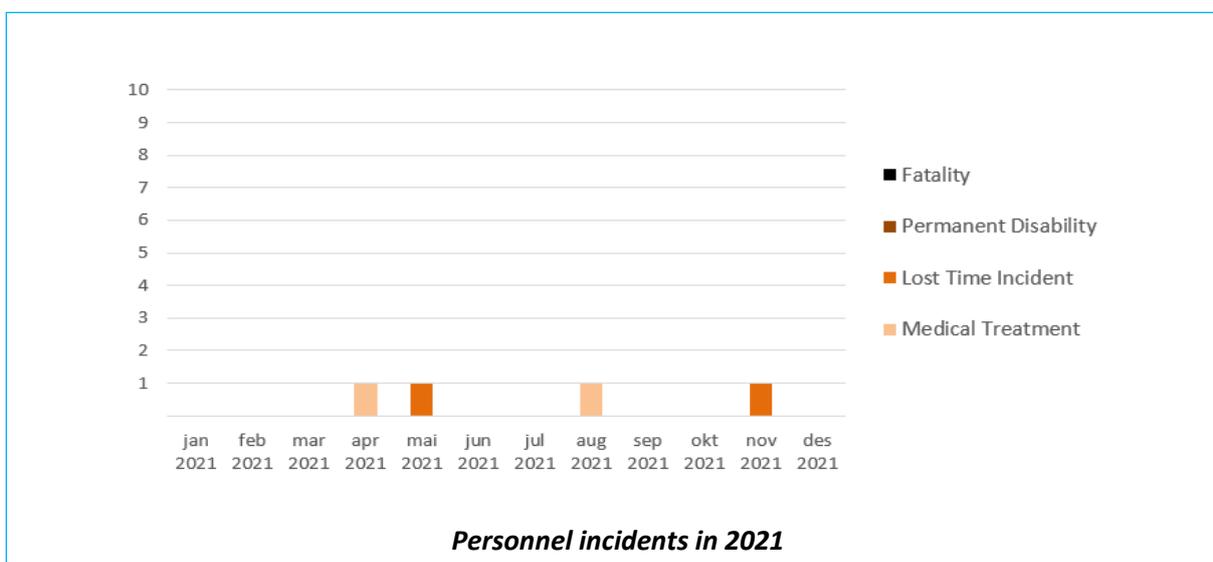
(WEF Theme: "Health and Well-Being")

The 'Fred. Olsen HSE Manual' is the governing document for all our activities. It specifies the safety performance standards and safety requirements within each hazard area.

A comprehensive safety management system has been implemented, consisting of procedures, work instructions, risk assessments, emergency response, and incident reporting system.

In 2021, we had four minor personnel incidents - two Medical Treatment Cases and two Lost Time Incidents. We experienced two COVID related occupational illness cases in 2021 (occurrences where personnel most likely were infected at the workplace).

The sickness rate was 2.3% in total for the company.



### 2.3.5 Performance - Training

(*WEF Theme: "Skills for the Future"*)

All personnel shall be trained and competent for the work they do. Both the person conducting the work and his/her manager are responsible for ensuring that he/she has the necessary training and certifications to perform the work.

Detailed competence requirements are covered in the job descriptions, and mandatory safety training has been specified in the HSE Manual to ensure that all personnel have the necessary knowledge and skills to safely perform their work.

## 2.4 Prosperity

### 2.4.1 Business context

Prosperity is divided into wealth creation, continuous improvement, new technologies, tax payments, and community contributions.

### 2.4.2 Our activities

Profitability is a prerequisite for the wealth creation and for long term commitment to creating green energy. To be able to maintain our strong market position and enable future growth, we have a high focus on continuous improvement and development of new technologies.

Contributions to the local societies are an essential component in our sustainability efforts.

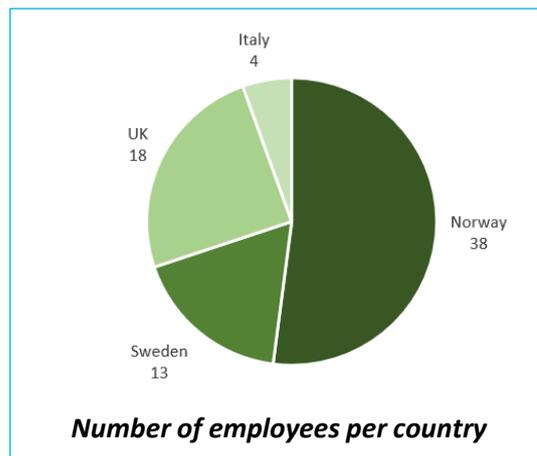
### 2.4.3 Performance - Wealth creation

(*WEF Theme: "Employment and wealth generation"*)

A total of 221 000 hours were worked in 2021. This corresponds to approximately 120 man-years generated.

73 persons were permanently employed at the end of the year. The remaining man-years were conducted by 3<sup>rd</sup> party personnel. Management of the UK sites is outsourced to a contractor. In addition, consultants, temporary employees, and technical specialists are engaged when needed.

For financial results, reference is made to the quarterly and annual reports at [www.bonheur.no](http://www.bonheur.no).



## 2.4.4 Performance - Continuous improvement

(WEF Theme: “Innovation of Better Products and Services”)

Operations Department is managing a pipeline of continuous improvement programmes optimise energy output, reduce production losses, and optimise the cost base through technical innovations and improved operational processes. Notable projects in 2021 were:

- Roll-out of High Wind Ride Through (HWRT), an innovation enabling wind turbines to operate at higher wind speeds and consequently produce more power
- Modernisation/digitalisation of the asset management platform
- The application of artificial intelligence and machine learning in performance management and analytics
- Insourcing of business-critical Operations & Maintenance activities, such as blade maintenance and major component exchanges

Annual gain or savings from all improvement projects is estimated to 4 700 000 NOK.

## 2.4.5 Performance - New technologies

(WEF Theme: “Innovation of Better Products and Services”)

As part of developing floating solar as a clean energy source, Fred. Olsen Renewables has entered a bilateral agreement with the Solar Energy Institute of Singapore (SERIS) to develop unique competence in offshore and near-shore floating photovoltaic (FPV) systems in marine/salt-water conditions. The agreement will subsequently be expanded to include additional partners, typically FPV technology providers that want to test and qualify their technology for use in marine conditions. Fred. Olsen Renewables is also leading an EU-supported (through the Horizon 2020 programme) consortium that will demonstrate one innovative technology for FPV in offshore conditions (the “BOOST” project). Fred. Olsen Renewables’ own technology development is focused on effective and cost-efficient mooring and anchoring of large-scale FPV systems.

## 2.4.6 Performance - Tax payments

(WEF Theme: “Community and Social Vitality”)

Total tax payments to UK, Norway, and Sweden were 228 million NOK in 2021.

Society contributions were made through tax payments to the governments, divided in social security tax, property tax and corporate tax. Note that the indirect society contributions through the employee’s income tax and other taxes are not included in the figures.

Tax	UK	Norway	Sweden	Italy
Social security tax	2 317 731 NOK	6 402 408 NOK	2 763 873 NOK	685 875 NOK
Property tax	42 184 171 NOK	4 175 436 NOK	3 383 403 NOK	
Corporate tax	165 899 560 NOK			
Sum per country:	<b>210 401 462 NOK</b>	<b>10 577 844 NOK</b>	<b>6 147 276 NOK</b>	<b>685 875 NOK</b>
Total:	<b>227 812 457 NOK</b>			

## 2.4.7 Performance - Community contributions

(WEF Theme: "Community and Social Vitality")

Total contribution to local communities was 10 million NOK in 2021.

We have established community benefit funds as part of the ongoing commitment to communities in the vicinity of the wind farms. The purpose of the funds is to enable the local society to carry out improvements to their area in any sphere, including the environment, local amenity, or tourism.

For 2021, the following expenditures to local communities were made:

Country	Expenditures made to local communities
UK	9 539 400 NOK
Norway	129 000 NOK
Sweden	530 000 NOK
<b>Total:</b>	<b>10 198 400 NOK</b>

### 3 Sustainability objectives

#### 1. Increase renewable energy production:

- Increase onshore wind capacity with 170 MW by 2023 through realisation of consented projects, subject to final investment decision
- Continue development of offshore floating solar. First plant in operations by 2025
- Implement prototype hybrid solar/wind at one existing wind farm by 2025

#### 2. Reduce GHG emissions:

- For new construction projects, implement GHG emission as key evaluation criteria when selecting civil works contractor and turbine supplier
- Improve collection of Scope 3 GHG emission data, including CO<sub>2</sub> footprint from construction work and turbine fabrication
- For new construction projects, use low-emission concrete and reduce concrete amounts, if possible
- All new company vehicles to be electrical, if possible
- All new power agreements to be with renewable electricity deals (“green tariffs”), if possible

#### 3. Reduce environmental impacts:

- Seek to achieve biodiversity neutrality for new sites where possible
- Zero environmental spills to ground

#### 4. Reduce area usage:

- For new sites, road layouts to be planned with minimum use of area and avoiding impact on peatland where possible
- For new construction projects, reduce or eliminate the need for temporary blade storage areas

#### 5. Reduce visual pollution:

- Subject to national civil aviation authority approval and technical/economic feasibility, implement solutions that activate lights only when aircraft are approaching and/or use active air navigation lights only at the outer perimeter of the wind farms

#### 6. Reduce waste:

- Reduce general waste (non-recyclable) at the wind farms with 10% in 2022

#### 7. Ensure safety:

- Zero personnel injuries
- Zero material damages
- Implement quarterly safety campaigns and emergency response exercises
- Conduct HSE inspections and audits in accordance with annual audit plan

## 4 Key Performance Indicators

The table below lists sustainability related key performance indicators (KPIs) and results for 2020 and 2021.

ENVIRONMENTAL KPIs	2021	2020	Reference
Renewable energy production	1 713 435 MWh	1 862 000 MWh	2.2.3
GHG emissions – Scope 1	213 tCO <sub>2</sub> eq	N/A	2.2.4
GHG emissions – Scope 2	1 058 tCO <sub>2</sub> eq	N/A	2.2.4
GHG emissions – Scope 3	38 tCO <sub>2</sub> eq	N/A	2.2.4
General waste generated at wind farms (%)	37% (20 tonnes)	N/A	2.2.7
Environmental incidents – spills to ground	2	2	2.2.8
Biological incidents - dead birds or animals	2	2	1.2
SOCIAL KPIs	2021	2020	Reference
Personnel incidents	4	3	2.3.4
Occupational illness cases	2	0	2.3.4
Sickness absence rate	2.3%	2.9%	2.3.4
Female/male rate - employees	23% (17 of 73)	29% (17 of 58)	1.3
Labour rights cases	0	0	2.1.4
Contributions to society - tax payments	227.8 million NOK	214.7 million NOK	2.4.7
Contributions to society - Community funds	10.2 million NOK	5.7 million NOK	2.4.7
GOVERNANCE KPIs	2021		Reference
Corruption/bribery cases	0	0	2.1.4
Corporate fines	0	0	2.1.4
Whistle-blowing cases	0	0	2.1.4