# Fred. Olsen Renewables Sustainability summary 2023



# **K** Fred. Olsen Renewables

# **Key figures for 2023**





### **Sustainability 2023**

The 'Fred. Olsen Renewables Sustainability Statement 2023' is a technical document that discloses information as deemed required by the European Sustainability Reporting Standards (ESRS).

It is available for key stakeholders on request.

This presentation provides a summary of our sustainability performance in 2023.



Sustainability statement 2023

K Fred. Olsen Renewables

### **Policies**

Our Sustainability Policy, Code of Conduct Policy, and HSEQ Policy are available at <u>fredolsenrenewables.com/</u> about us.

#### 🕅 Fred. Olsen Renewables

#### Sustainability Policy

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 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 Policy 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 Green House Gas emissions, waste, and hazardous substances under our control
- We follow the principles of recognised international standards when measuring direct and indirect Green House Gas emissions
- We are committed to preserving and enhancing biodiversity when developing new wind farms and in operations of our existing assets

#### Social:

- We have a zero injuries policy 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

This policy is in effect for Fred. Olsen Renewables AS with its subsidiary companies. We expect all our subcontractors and suppliers to adhere to our Sustainability Policy. 🔀 Fred. Olsen Renewables

#### Code of Conduct Policy

We are committed to maintain high ethical standards and integrity:

- All work shall be conducted in compliance with laws, rules, and regulations
- We shall always have the interest of our internal and external stakeholders in mind
   We respect the rights defined in UN's Universal Declaration of Human Rights. We have zero
- tolerance for human rights violations. We assess actual and potential adverse impacts and
- implement measures to cease, prevent or mitigate them
- We respect the rights in the ILO Declaration on Fundamental Principles and Rights at Work
   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 do not accept the use of child labour, modern slavery, forced labour, or human trafficking
   We shall not prevent or discourage employees from associating freely with any lawful
- workers' association or collective bargaining association of their choice
- We expect all our employees and suppliers to exercise good judgment in ethical dilemmas, and to report any incidents, hazards, risks, opportunities, or concerns they may have or become aware of
- 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 are transparent and open in our communication with our stakeholders, and we comply
  with the Transparency Act
- 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 or business gain
- Employees and external personnel are encouraged to report suspected misconduct and will
  not be subjected to reprisals unless such occurrences are found to be of a wilful or selfinflicted nature

This policy is in effect for Fred. Olsen Renewables AS with its subsidiary companies. We expect all our subcontractors and suppliers to adhere to our Code of Conduct Policy.

**K** Fred. Olsen Renewables

#### **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 management system, and through consultation with and participation of our employees.

This policy is in effect for Fred. Olsen Renewables AS with its subsidiary companies. We expect all our subcontractors and suppliers to adhere to our HSEQ Policy.

#### Fred. Olsen Renewables 🖥 Högaliden Fäbodliden Rothes I Paul's Hill Lista • Mid Hill **Crystal Rig I** Brockloch Rig I Crystal Rig II Country Wind farm **Capacity MW** Turbines Crystal Rig III Brockloch Rig WF Rothes I 50.6 22 Rothes II 41.4 18 Paul's Hill 64.4 28 Mid Hill 75.9 33 Crystal Rig I 62.5 25 Crystal Rig II 138 60 Crystal Rig III 13.8 6 Brockloch Rig I 21.6 36 Brockloch Rig WF 61.5 30 Lista 71.3 31 -Fäbodliden 79.2 24 17.2 4 -Högaliden 107.5 25

Total:

805 MW

342 turbines

### **About us**

Fred Olsen Renewables is an energy producer delivering clean and sustainable electricity from onshore wind.

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

We develop, build, own, and operate renewable energy assets. We have a long-term perspective on our business.

Life extension and sustainable decommissioning are part of our business philosophy.

## Materiality assessment

The materiality assessment identifies impacts, risks, and opportunities for each of the sustainability matters listed in the ESRS standards. The assessment defines which topics are most material for the company and the stakeholders.

Material sustainability topics	Negative impact	Positive impact	Risk	Opportunity
E1 Climate change > Climate change adaption	•		•	
E1 Climate change > Climate change mitigation		•		•
E1 Climate change > Energy		•	•	•
E4 Biodiversity and ecosystems > Impacts on species > <b>Species population sizes</b>	•			•
E4 Biodiversity and ecosystems > Impacts on ecosystems > Land degradation	•			
S1 Own workforce > Working conditions > Work-life balance	•			
S1 Own workforce > Working conditions > Health and safety	•		•	
S2 Workers in the value chain > Working conditions > <b>Health and safety</b>	•		•	
S3 Affected communities > Economic, social, cultural rights > Land-related impacts	•			
G1 Business conduct > Political engagement				•

## **Stakeholders**

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 table lists the principal stakeholders, primary and secondary external stakeholders, and internal stakeholders.

This stakeholder list is general and covers multiple scenarios and situations.

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 (minority ownership)	Local communities	Social media	Subcontractor personnel
Aviva (minority ownership)	Landowners	The public	Fred. Olsen & Co
Hvitsten (minority ownership)	Suppliers		Sister companies
Shareholders	Subcontractors		
	Insurers		

### **Risk management**

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

- Impacts, risks, and opportunities materiality assessment
- Climate risk assessment
- Risk register for the wind farms
- Operational risk assessments
- Safe Job Analyses (SJA) for task specific risks
- 'Take2' last minute point-of-work risk assessment





# ENVIRONMENT



### **Environment**

### Applicable UN Sustainability Development Goals:



This chapter covers energy production, GHG emissions, energy consumption, CO2 avoided, initiatives to reduce GHG emissions, environmental incidents, climate risk assessment, EU taxonomy, biodiversity and ecosystems, and new technologies.

### **Objectives:**

#### **Renewable energy production:**

- Increase onshore wind capacity through realisation of consented projects, subject to final investment decision
- Develop hybrid solar/wind

#### **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
- All new company vehicles to be electrical, if possible
- All power agreements to be with renewable electricity deals ("green tariffs"), if possible

#### Waste:

• Reduce the portion of general (non-recyclable) waste with 10 percentage points per year

### **Energy production**

#### Production was 1 787 871 MWh (1.8 TWh) in 2023.

Compared with previous year, we experienced a decrease due to less favourable wind conditions.

#### 510 000 households supplied with renewable energy

Using the official average power consumption for each country, the total number of households that were supplied with our green energy is estimated:

Country	Production	Average consumption	Number of households
Norway	218 645 MWh	15 000 kWh	14 577
Sweden	500 439 MWh	5 000 kWh	100 088
UK	1 068 778 MWh	2 700 kWh	495 844
Total number of households:			510 509







## **Total Green House Gas (GHG) emissions**

# In 2023, our GHG emissions were 5 429 tonnes CO2 equivalents (tCO2eq).

Our emissions are calculated in accordance with the GHG Protocol Corporate Standard.

Compared with 2023, there was a significant increase, mainly due to emissions related to concrete foundations and wind turbine fabrication for the Fäbodliden II construction project.



## Scope 1, 2 and 3 GHG emissions

- Scope 1 Direct emissions: CO2 from diesel vehicles used for operations of the wind farms (321 tCO2eq)
- Scope 2 Indirect electricity generated emissions: CO2 from import power and utility power usage at the wind farms (670 tCO2eq)
- Scope 3 Other indirect emissions (4 438 tCO2eq):
  - Capital goods (4 350 tCO2eq)
  - Fuel not included in Scope 1 (40 tCO2eq)
  - Waste generated in operations (7 tCO2eq)
  - Business (air) travel (41 tCO2eq)



### **Energy consumption**

#### We consumed total 4 849 MWh of energy in 2023:

- Import power at the wind farms: 4 646 MWh
- Fuel usage: 127 000 litres = 29 MWh\*
- Utility power at the offices: 173 MWh

\*Fuel is converted to MWh by using conversion factor 0.24.

#### 54% of the energy we used was renewable

The sources for the energy is found by using the el-mix for each country:

- Norway: 98.6 %
- Sweden: 69.8 %
- UK: 38.6 %
- Italy: 42.7 %

(For comparison, we produced 1 787 871 MWh in 2023.)



### **CO2** avoided

# In 2023, an estimated 450 000 tCO2eq were avoided from production and CO2 reduction initiatives.

"CO2 avoided" from production is based on the assumption that our renewable electricity is replaced by either imported or domestic power from other sources.

To find CO2 avoided, the production in MWh is multiplied with the European Environmental Agency's factor for GHG emissions of electricity generation (currently 0.251).

(For comparison, our CO2 footprint was 5 400 tCO2eq.)

### CO2 avoided vs. CO2 footprint



### **Initiatives to reduce GHG emissions**

In 2023, we reduced our CO2 footprint with 748 tCO2eq through these initiatives:

- "Green tariffs" on import power: During the 2024, we re-negotiated the import power deals to renewable electricity deals for the UK wind farms. Reduction: 474 tCO2eq
- 2. Biodiesel (HVO-100) in Project FAB2: Transition to low emission fuel for Project FAB2. Reduction: 68 tCO2eq
- 3. "Green concrete" in Project FAB2: Use of lower emission concrete for turbine foundations. Reduction: 215 tCO2eq
- Electrical site vehicle at Fäbodliden: Our ambition is that all new company vehicles shall be electrical, if possible. The first el-SUV delivered to Fäbodliden at the end of the year. Reduction: 1.2 tCO2eq



### **Environmental incidents**

We had 21 environmental incidents in 2023:

#### Dead animals or birds (4)

Three deer collided with site vehicles. One dead bird was found near a turbine. The incidents were reported to authorities.

#### Chemical spills from turbines (9)

Minor leakage of oil or hydraulic fluid from turbines, caused by various technical faults.

#### Chemical spills from vehicles (8)

Minor hydraulic oil or diesel leakage to ground from trucks or civil works machinery involved with construction activities.

#### **Corrective actions**

For all the chemical spills incidents, the contaminated soil was removed and delivered to the local waste reception facilities.



#### ■ Oil spill from turbines ■ Oil spill from vehicles ■ Dead animal or bird



## **Climate risk assessment**

The frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Taxonomy were used to identify the climate related risks:

### **Transition risks (TCFD)**

- Increased pricing of GHG emissions
- · Enhanced emissions-reporting obligations
- Mandates on/regulation of products and services
- Unsuccessful investment in new technologies
- Uncertainty in market signals
- · Increased cost of raw materials
- Stigmatisation of sector
- Increased stakeholder concern or negative feedback

### Physical risks (EU Taxonomy)

- Cold wave/frost
- Wildfire
- Storm (including blizzards, dust and sandstorms)
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Landslide
- Avalanche
- Heat stress



### **EU Taxonomy**

EU Taxonomy is a classification system that determines if economic activities are sustainable.

We have conducted a thorough review of our business activities in line with the EU Taxonomy. We are eligible to category "4.3 *Electricity generation from wind power*", divided into three activities:

- 1. General (company level)
- 2. Onshore wind farms (operations & maintenance)
- 3. Construction projects (construction of new wind farms)

#### EU Taxonomy score

The assessment concludes that we are "100% Aligned".





### **Biodiversity and ecosystems**

We recognise the fact that all wind farms to some degree may have impact on the environment.

We are committed to ensure that nature loss is reduced to an absolute minimum.

- Environmental Impact Assessments: Prior to building new wind farms, we undertake very comprehensive studies to ensure that all potential environmental impacts are taken into consideration.
- **Biodiversity**: For windfarms under development, our objective is to compensate for negative impact on biodiversity.

- **Peatland**: All future construction projects are designed to minimise the impact on peatland. Roads in the wind farm area will be routed around peatland where possible.
- 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.
- 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.



# **Examples of biodiversity and ecosystems initiatives**

Measures to conserve hen harrier and bird populations (Paul's Hill) Biodiversity measures include heather management where appropriate, drain blocking, and annual ecological monitoring of the success of these prescriptions.	<ul> <li>Broadleaf planting and barn owl boxes (Crystal Rig)</li> <li>Broadleaf planting conducted along riparian corridors to increase biodiversity.</li> <li>Barn owl boxes have also been installed on the site and have been successfully used by the local barn owl population.</li> </ul>	Bog restauration to benefit nesting raptors and other bird populations (Rothes I) Measures designed to provide suitable nesting areas for raptors and to promote red grouse, golden plover and other birds. Ecological monitoring is undertaken to monitor the success.
<ul> <li>Biodiversity measures (Mid Hill)</li> <li>Measures taken to promote black grouse habitat and general biodiversity :</li> <li>Forestry clearance</li> <li>Furrow and drain blocking to restore bog habitats</li> <li>Broadleaf planting and tree control</li> <li>Ecological monitoring</li> </ul>	<ul> <li>Biodiversity corridor to benefit black grouse (Rothes II)</li> <li>Restore open moorland habitat with native broadleaf woodland by peatland restorations, broadleaf planting, and deer fence to protect planting.</li> <li>Ecological monitoring is undertaken to monitor success.</li> </ul>	<ul> <li>Planning road layout together with biologists (Lista)</li> <li>When building Lista wind farm, we worked closely with biologists to reduce the impact of the site roads and crane pads.</li> <li>This included routing of roads around areas with peat and ponds and to maintain the natural flow of water in the area.</li> </ul>

## New technologies

**Hybrid onshore wind/solar**: To optimise land and infrastructure usage for renewable energy, we seek to develop hybrid power plants through combining solar and wind technologies.

We are investigating sites for both wind and solar in combination, seeking to develop a hybrid power plant.

A hybrid power plant could increase power production from a wind power regulated area with 25%, introducing solar at the same area.

A hybrid power plant will also allow a higher utilisation of the grid at site and the export grid. Solar power requires high grid capacity per produced power. Hybrid technology will allow more power from renewables with less grid infrastructure.



# SOCIAL



## **Scope and objectives - Social**

#### Applicable UN Sustainability Development Goals:



This chapter covers employees and third-party personnel, health and safety, competence, equality and antidiscrimination, and human rights

#### **Objectives:**

#### 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

#### **Occupational health:**

• Zero work related sick leave cases

#### Human rights:

• Zero labour rights cases

#### Equality and discrimination:

- Zero cases of discrimination
- Implement actions to ensure equality related to gender, age, ethnic origin, nationality, disability, sexual orientation, religion, or political opinion

### **Employees and third-party personnel**

#### Number of employees

Fred. Olsen Renewables had 87 Full Time Employees (FTE) at the end of the year, 62 male (71%) – 25 female (29%).

#### Man-years generated

A total of 328 000 man-hours were worked in 2023. This corresponds to approximately 179 man-years generated.

Of these, 92 man-years were conducted by third-party personnel: Management of the UK sites is outsourced to a contractor, and in addition, consultants, temporary employees, and technical specialists are engaged when needed.

### 87 employees in 2023 62 male (71%) – 25 female (29%)



### Health and safety

#### **HSE** incidents

In 2023, we had four personnel incidents:

- 2 Lost Time Incidents (slips, trips, falls and manual handling)
- 4 First Aid Cases (minor injuries)

Each of these incidents were followed up with corrective actions to prevent similar incidents in the future.

Total Recordable Incident Frequency (medical treatment cases and above) was 0.6, the SafetyOn industry benchmark was 0.7.

### Occupational illness and sick leave days

There were no reported cases of occupational illness.

The sick leave days were 1.4 % in total for the company.



### Sick leave per country in 2023 (total 1.4 %)





### Competence

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 adequate training and certifications to perform the work.

Competence requirements are covered in the job descriptions.

Mandatory safety training is specified in the HSE Manual to ensure that all personnel have the necessary knowledge and skills to safely perform their work.



### **Equality and anti-discrimination**

Our Code of Conduct Policy states:

"We do not accept discrimination on the basis of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age, or other significant characteristics of a person".

We have conducted an equality and anti-discrimination risk assessment, identifying the most important potential risk areas:

- 1. Gender imbalance
- 2. Ethnic, religious, cultural, or national background
- 3. Pregnancy, maternity, paternity leaves
- 4. Age discrimination
- 5. Physical disabilities

We strongly believe in the value of diversified teams and work actively for equality and anti-discrimination.

Measures to mitigate the risks are listed in the risk assessment. The most relevant actions are:

- Seek to achieve a balanced group of female/male employees when possible
- Encourage recruiting candidates of different backgrounds
- Zero tolerance towards discrimination
- Emphasise policy to encourage diversity

See <u>fredolsenrenewables.com/About us/Sustainability</u> for further details.

## **Human rights**

Historically, we have operated in Norway, Sweden, and UK, countries that are rated as relatively low-risk areas regarding human rights.

As our business expands globally, and our suppliers to a larger extent are fabricating components globally, a higher focus is needed on fundamental human rights and decent working conditions.

#### OECD Due Diligence for responsible business conduct

In accordance with the Transparency Act, a due diligence has been conducted, following the OECD six-step process:

- Step 1: "Embed responsible business conduct"
- Step 2: "Identify and assess adverse impacts"
- Step 3: "Cease, prevent or mitigate adverse impacts"
- Step 4: "Track implementation and results adverse impacts"
- Step 5: "Communicate how impacts are addressed"
- Step 6: "Provide for or cooperate in remediation when appropriate"

See <u>fredolsenrenewables.com/About us/Sustainability</u> for further details.



# GOVERNANCE



### **Scope and objectives - Governance**

#### Applicable UN Sustainability Development Goals:



This chapter covers responsible business conduct.

#### **Objectives:**

#### **Compliance:**

• Zero cases of noncompliance with laws and regulations

### Ethical behaviour:

• Zero cases of corruption and bribery

# **Responsible Business Conduct**

#### **Reported cases in 2023**

We had no cases of noncompliance with laws and regulations or cases of corruption and bribery.

#### Anti-corruption and anti-bribery

The 'Code of Conduct Policy' and "Code of Conduct Manual' states our policies for ethical behaviour. It is published in the management system, available for all employees.

### Reporting of suspected misconduct ("whistleblowing")

Routines are in place, covering national regulations, what can be reported, whom to report to, how to do it, and how the organisation will handle the reports.

#### Compliance training for all employees

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

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



