

# ENSURING SUSTAINABLE GROWTH AND RESILIENCE



# FOREWORD

**Sustainability is fundamental to what we do at James Fisher and is an integral part of our transformation journey.**

We have made good progress implementing our Sustainability Strategy and ESG (Environmental, Social and Governance) into our day-to-day operations and activities but acknowledge there is still a lot more to do.

The world is facing wide-ranging and significant challenges today and it is essential that we continue to be guided by our Sustainability Strategy to ensure that we build a stronger business for the future.

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- Click to print.

## ABOUT OUR 2023 REPORTING SUITE

The James Fisher and Sons plc Sustainability Report 2023 is part of a suite of reporting sources, including:

- [Annual Report 2023](#)
- [Sustainability Policy](#)
- [Modern Slavery Statement](#)
- [Gender Pay Gap Report](#)

Please visit [www.james-fisher.com](http://www.james-fisher.com) for further information.

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Registered in England no. 211475

# WELCOME



The Sustainability Strategy is fundamental to our success and this year, we have integrated it into the business, centred around three key pillars: People, Planet and Partnerships.

Our recent christening of the Lady Maria Fisher, our second dual-fuel tanker, is testament to the Sustainability Strategy in action. It brought together the strengths of our people, low-carbon technologies and partnerships with suppliers and customers, in pursuit of the net zero future. We also launched a new cross-company Exceptional Safety campaign, aimed at delivering a step change in our culture and training – including how we deliver it in partnership with our contractors.

Heading into 2024, we have a greater potential to deliver, particularly around our emissions reductions across the business. With the continued support and engagement of all our stakeholders, we will focus on progressing this priority and continue to embed sustainability more broadly across James Fisher.

**JEAN VERNET**  
Chief Executive Officer

**We have a strong heritage built on the foundations of our people and innovation. Alongside our valuable partnerships with customers, communities and suppliers, we are embedding a more sustainable approach across our business.**

## A SUSTAINABLY DRIVEN COMPANY PURPOSE



## KEY HIGHLIGHTS

### ✔ STRATEGY

Our first Group Sustainability policy adopted by the Board

### ⚙️ PLANNING

Climate gap analysis conducted to inform transition planning

### ⚙️ COLLABORATING

Focus areas embedded into existing divisional and functional strategies

### ☁️ NET ZERO

Scope 1 and Scope 2 net zero reduction target on track

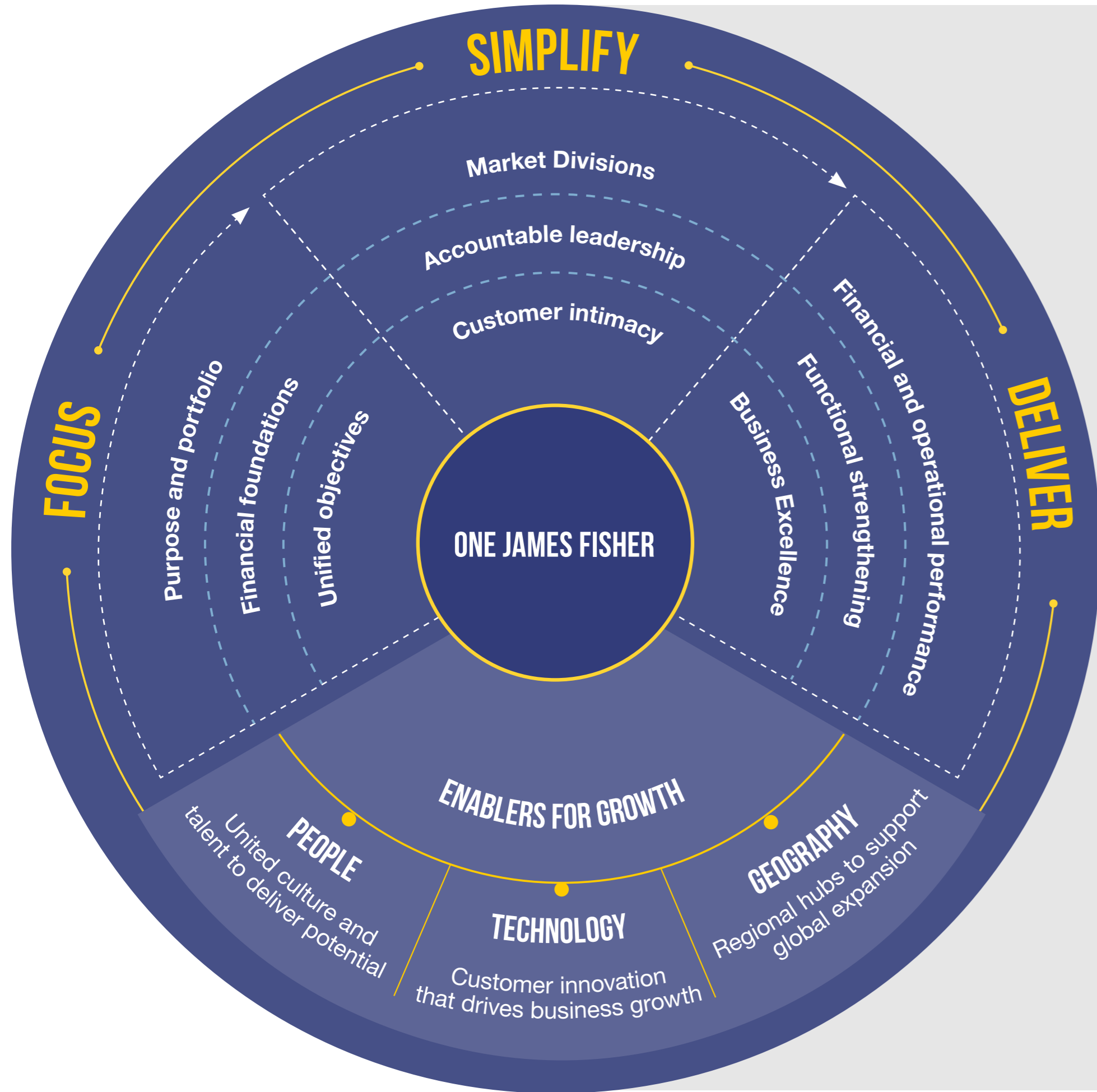
### 👤 EMPOWERING

Internal networking and community hub launched

### ⬆️ DRIVING CHANGE

Actively working to advance all our sustainability focus areas at a pace which is right for the business

# BUSINESS MODEL AND STRATEGY



## STRATEGY

### Journey to transformation

Our strategy is centred around the One James Fisher ambition. We are building a stronger, more cohesive company operating in the Blue Economy. The execution of this strategy is delivered through Focus, Simplify and Deliver underpinned by three enablers for growth.

### FOCUS

Regroup around our core as an engineering service company operating in the Blue Economy.

### SIMPLIFY

Restructure around three Divisions, aligned to the customer market verticals of Energy, Defence and Maritime Transport, with an emphasis on streamlined structures, standardisation and optimisation of resources in pursuit of operational leverage.

### DELIVER

Drive delivery through Business Excellence and a culture of accountability, with Product Lines in charge of meeting their financial and operational targets.

### Future growth

Our future strategic growth will be achieved by investing in:

- Developing our global talent and specialist competencies, alongside our commitment to stronger employee engagement.
- Prioritising our regional growth based on the key components of market drivers and customer needs.
- Investing in the right technology and innovation, including new product development that will differentiate us from the competition.

### DELIVERING IMPROVED PERFORMANCE

Our goal is to enable a return to top quartile sustainable profitable growth.

Our focus on operational excellence requires that our businesses achieve the following targets:

- Are cash-generative.
- Have operating margins in excess of 10%.
- Provide returns on capital employed in excess of 15%.

## OUR STAKEHOLDERS

We have five core stakeholders: shareholders, employees, customers and suppliers, local communities, and the environment. They inform our company purpose, direction and decision-making and are intrinsic to our Sustainability Strategy.



SHAREHOLDERS



CUSTOMERS AND SUPPLIERS



LOCAL COMMUNITIES



EMPLOYEES



THE ENVIRONMENT



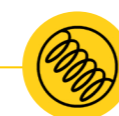
PIONEERING SPIRIT



INTEGRITY



ENERGY



RESILIENCE

# INTRODUCTION

Sustainability is an important part of our culture and remains critical to our transformation and success.

We remain committed to:

- Investing in capabilities and technologies to help deliver a responsible energy transition.
- Harnessing the potential of our pioneering employees.
- Being good citizens of our local communities.
- Becoming a trusted partner for our customers and suppliers.
- Driving performance to improve returns for shareholders.



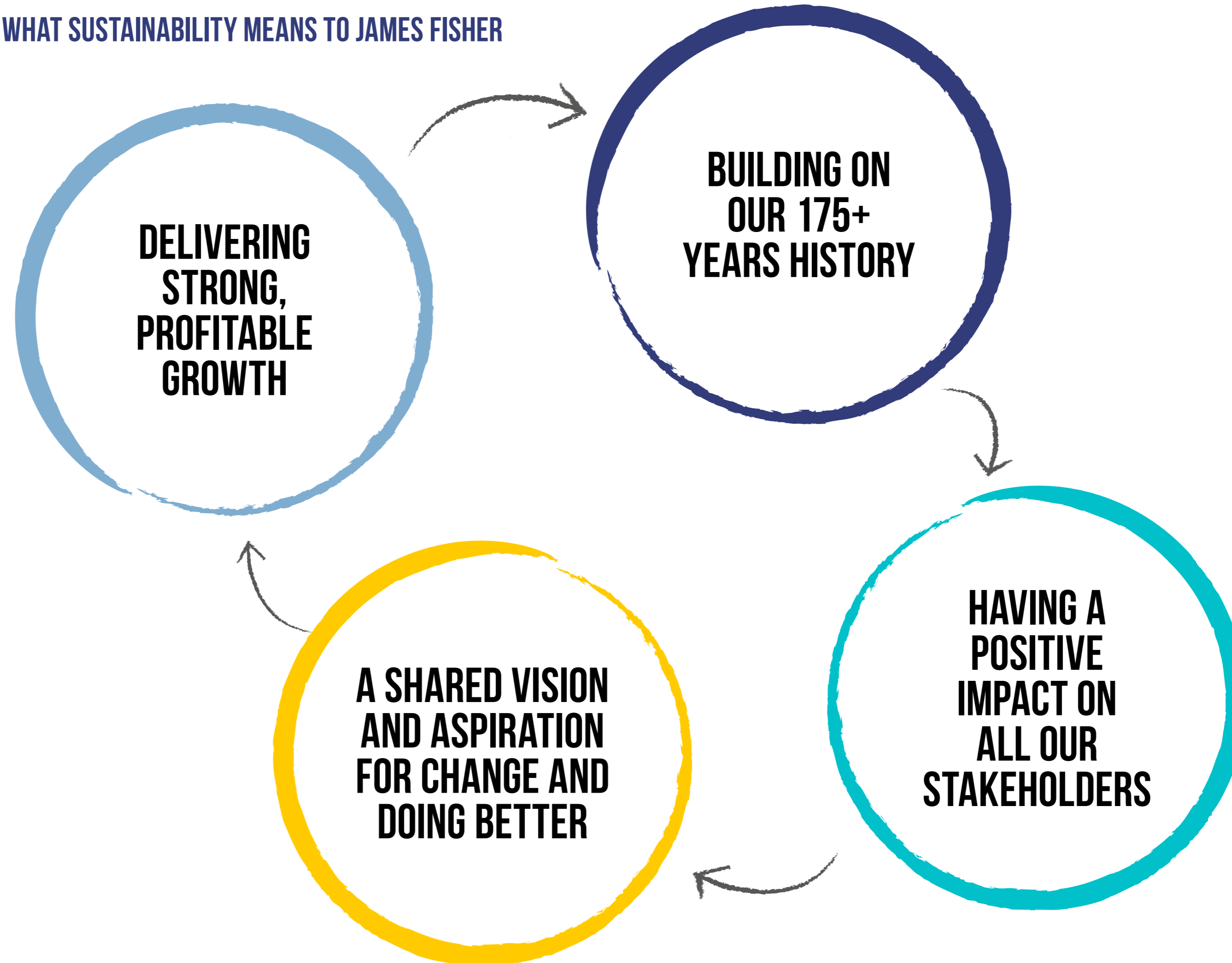
**Sustainability includes how we go about our work and day-to-day behaviours, as a business and individuals, enhancing our local communities, the environment or society as a whole.**

An innovative and responsible business enabling continual improvement and with a culture of belonging, is a Company we are proud to be a part of.

**JENNIFER COLQUHOUN**

Head of Group Sustainability

## WHAT SUSTAINABILITY MEANS TO JAMES FISHER



# SCANTECH OFFSHORE DELIVERS INNOVATIVE TECHNOLOGY SOLUTIONS FOR THE RENEWABLES MARKET

## At James Fisher we have pioneered air compressors designed specifically for big bubble curtain projects.

After much refinement and extensive testing, ScanTech Offshore developed the ST3100 air compressor. The ST3100 is the world's first air compressor designed specifically for big bubble curtain projects to protect marine life from loud noises during subsea operations.

The design delivers more than double the power compared to traditional air compressors, whilst reducing its operational footprint, even when equipment is not stacked. When stacked (as per the design) the footprint savings are much greater, providing up to three to four times more compressed air on the same footprint as some of the alternative solutions available in the market.

Designed with a Caterpillar engine, the ST3100 can deliver 3100cfm and is capable of working at pressures of up to 200 PSI, providing the Class Zero "clean air" necessary to create a bubble curtain that reduces noise by up to 90 percent. Additionally, their engines offer Stage V/EPA Tier Four Final emission standards which are required for compliance in both the European and US markets. There is also no need for additives, eliminating the need to store diesel exhaust fluid on a vessel.



**At ScanTech Offshore, we are committed to supporting project developers as part of a growing supply chain offering the capability to meet global demand for offshore wind and realise its potential as a renewable energy source.**

**It's this drive to pioneer new technology that made us realise the market needed a purpose-built solution and not just a compressor – which led us to develop the ST3100.**

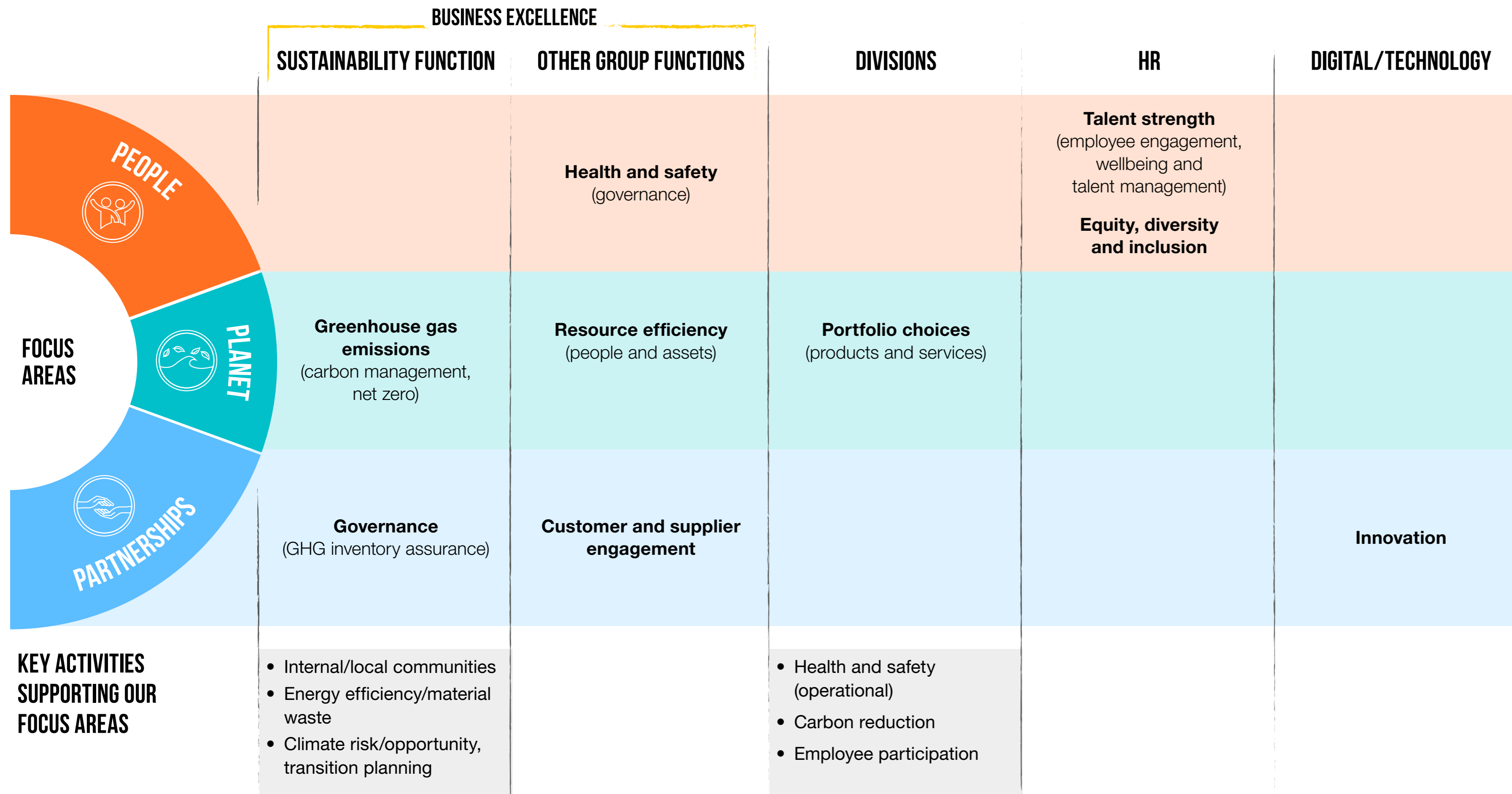
**Barry Craig**  
VP North America, ScanTech Offshore



The ST3100's Cat C32 engine offers Stage V/EPA Tier Four Final emission standards

# OUR SUSTAINABILITY STRATEGY

## INTEGRATING OUR SUSTAINABILITY FOCUS AREAS WITHIN EXISTING DIVISION AND FUNCTION STRATEGIES:



In 2023 we re-aligned the Company purpose with our sustainability agenda as part of our transformation strategy. This will ensure the organisation, governance and reporting structures are in place for greatest efficiencies.

Our Sustainability Strategy comprises value-driven activities and objectives appropriate to the Company's priorities and the Group's maturity in ESG-related matters.

**We share objectives and KPIs across the Group to deliver our Sustainability Strategy and to drive:**

- Improved teamwork and collaboration.
- Environmental, social, and economic considerations embedded into day-to-day practices.
- Improved and streamlined performance tracking.
- Clear, consistent, and transparent communication between organisational levels.
- Delivery of our sustainability commitments.

# OUR FOCUS AREAS

Our commitment to sustainability guided a materiality assessment in 2021 which consisted of three key phases; topic identification, stakeholder validation and topic prioritisation. Its outcome informed our three fundamental sustainability pillars and nine focus areas. During 2024 we will consider an appropriate point to re-assess stakeholder priorities enabling the Group to make informed decisions without overhauling what works.



## PEOPLE

Attract, develop, and retain a high-performing workforce and enhance people's lives by ensuring equal access to opportunities, providing purposeful and safe work, and promoting our core values where we operate.

### TALENT STRENGTH

Ensure talent is a strategic differentiator. Attract, engage, develop, and retain our talent and drive engagement and optimise capabilities through key talent and retention strategies.

→ READ MORE

### EQUITY, DIVERSITY AND INCLUSION

Work to promote a diverse and inclusive workplace by recruiting from our local communities and celebrating the uniqueness of individuals. Develop our internal community and work to ensure our actions promote equality, diversity, and social cohesion and enforce equal pay.

→ READ MORE

### HEALTH AND SAFETY

Prioritise the health and safety of our employees, customers, suppliers and local communities through education, engagement, advocacy, and policy development.

→ READ MORE



## PLANET

Transform and refocus our business to ensure our impact on the environment is reduced, and that we enable our stakeholders to do the same.

### PORTFOLIO CHOICES (PRODUCT AND SERVICES)

Refocus and develop our portfolio of products and services where appropriate, to support the global energy transition, with focus on sustainability, remediation capabilities, and improving customers' efficiency.

→ READ MORE

### RESOURCE EFFICIENCY

Adopt circular economy governed by 3Rs (Reduce, Repurpose, Recycle), and Lean principles in our DNA to minimise material waste and increase energy, people and asset efficiency.

→ READ MORE

### GREENHOUSE GAS (GHG) EMISSIONS AND NET ZERO

Reduce our GHG emissions footprint by switching to low-carbon energy and fuels and investing in emissions abatement initiatives to help contribute to a net zero future.

→ READ MORE



## PARTNERSHIPS

Leverage our deep industry expertise and track record for excellence to innovate responsibly and deliver consistent, value-generating results for our customers and shareholders.

### INNOVATION

Leverage expertise from industry players and Group-wide to pioneer creative solutions to complex challenges.

→ READ MORE

### CUSTOMER AND SUPPLIER ENGAGEMENT

Maintain our position as a trusted partner by strengthening our customer and supplier relationships to better understand and resolve complex industry challenges. Foster collaboration to drive shared success.

→ READ MORE

### GOVERNANCE

Commit to openness and accountability by living our valued behaviours. Maintain high ethical standards with the right policies, standards and controls, and improve transparency of our supply chain. Work with suppliers that align with our principles and commit to sustainable practices outlined in our Supplier Code of Conduct.

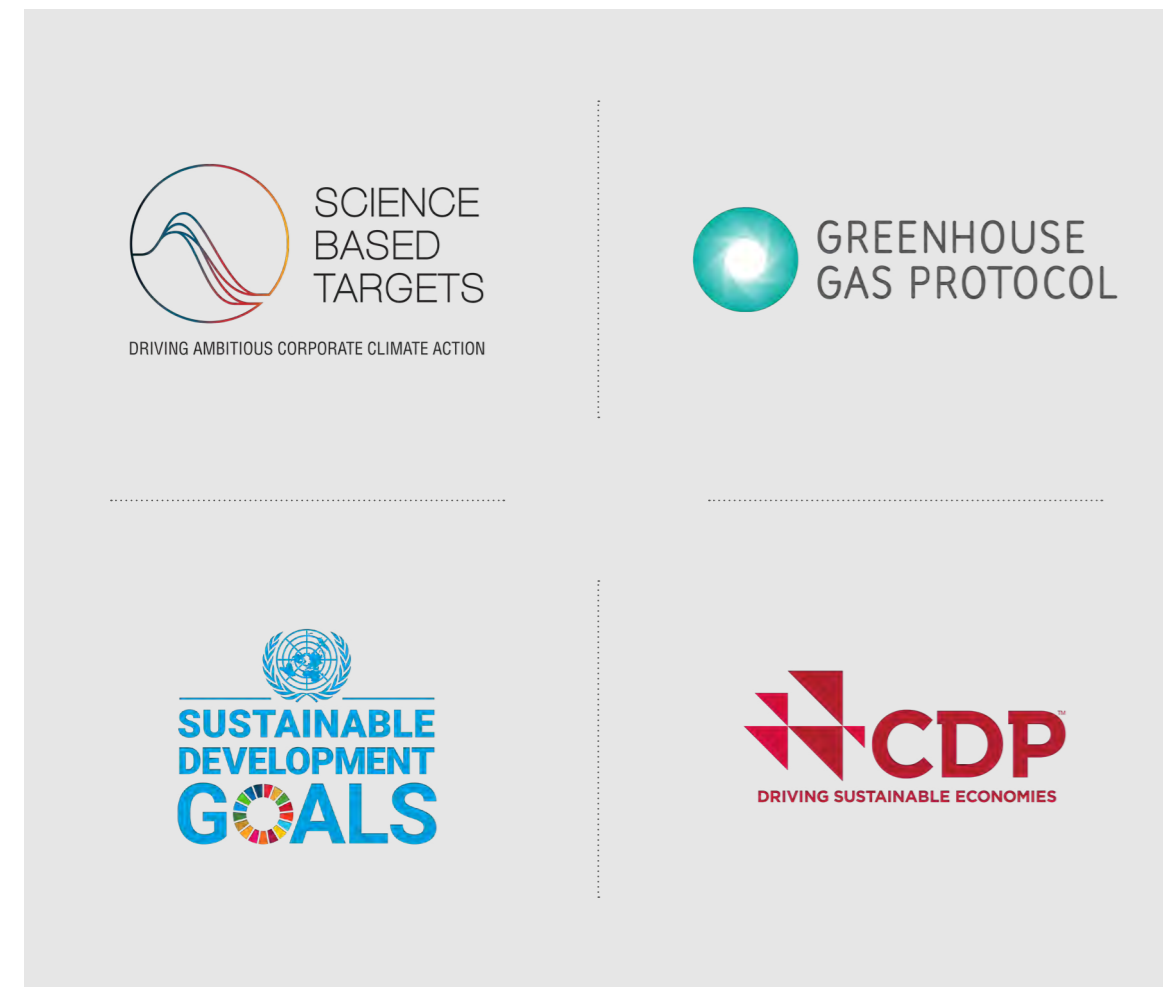
→ READ MORE



# ALIGNMENT WITH SUSTAINABILITY FRAMEWORKS

## CURRENT FRAMEWORK ALIGNMENTS

We are committed to providing comprehensive public disclosure on our Group-wide sustainability performance which is tracked using well established frameworks and with a continual alertness to changes in the external environment. During 2023 the Company, assisted by SLR, ESG consultants, conducted a transition gap analysis to assess the Group's climate-related disclosures. The frameworks considered for this piece of work were TCFD, IFRS Sustainability Disclosure Standards and the TPT (Transition Plan Taskforce) and the results will inform our detailed transition planning activities in 2024.



## SCIENCE BASED TARGETS INITIATIVE (SBTi)

We previously adopted the globally recognised Science Based Targets initiative (SBTi) criteria as these provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals.

Following our original notification of commitment to the SBTi in 2021, the SBTi paused validation of fossil fuel sector targets and commitments from fossil fuel sector companies. We are in the process of determining whether this still applies to James Fisher and intend to report our findings in our 2024 Annual Sustainability Report. In the meantime, we remain committed to the SBTi framework and principles and continue to provide responsible stewardship of oil and gas service provision to our customers.

## GREENHOUSE GAS (GHG) PROTOCOL

The GHG protocol guides our assessment of the Group's emissions impact of our operations across the entire value chain and identifies where to focus reduction opportunities. The GHG Protocol Corporate Accounting and Reporting Standard and guidance has been used in the development of our Scope 1, Scope 2 and Scope 3 identification, measurement, and reporting methodology.

## STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Group complies with the SECR regulations and is directed by the guidelines set out by the UK government.

[→ VIEW A COPY OF OUR 2023 SECR DISCLOSURE ANNEX B](#)

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In addition to the UK government mandating TCFD-aligned disclosure, we acknowledge the need for transparency. This includes the value of providing our stakeholders with visibility of the Group's actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning - where such information is material. Also how the Company identifies, assesses, and manages climate-related risks.

The TCFD framework provides a structured approach for effective climate-related disclosures to better inform on how we are handling climate-related risks, opportunities, and the Group's resilience to climate change.

We have prepared our 2023 climate-related disclosures in accordance with UK Listing Rule 9.8.6(8) and section 414CB of the UK Companies Act 2006.

[→ VIEW OUR 2023 TCFD REPORT ANNEX A](#)

## CARBON DISCLOSURE PROJECT (CDP)

The CDP reporting structure promotes visibility and accountability in our management of climate-related risks and opportunities. We maintained an overall score C in 2023 showing signs of stability whilst we continue to mature our level of disclosure. Our value chain engagement score increased while our score for the "Emissions reduction initiatives and low-carbon products" category came down from C to -C. All other categories were maintained. A scoring review is scheduled in 2024 to identify key gaps and the new CDP questionnaire structure.

## UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The SDGs are a call for action in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

James Fisher is undertaking activities that support 10 of the 17 SDGs.



Throughout the year we undertake activities and initiatives which contribute to all aspects of sustainability as part of our commitment to sustainable change and everyday stewardship and therefore are likely influencing other SDGs.

## CURRENT MEMBERSHIPS

We are proud to be a signatory to the Powering Net Zero Pact (PNZP).

The PNZP brings together different companies across all tiers of the power sector – including civils, shipping, renewables, electrical engineering, and others – that are committed to a fair and just transition to net zero carbon emissions.

The Group will continue to monitor upcoming changes in policy and regulation relating to climate and general sustainability disclosure, further supporting our sustainability performance.

# GOVERNANCE

**Our Group sustainability governance structure aligns with the existing Group business and governance model to ensure greatest efficiencies and no overlap.**

Key considerations are:

- A central team setting the strategy, priorities and metrics at Group level, with important contribution from Heads of Divisions.
- Interaction and engagement with Product Lines and employees through stakeholder steering teams driving accountability and alignment with Group objectives.
- Implementing a Group-wide feedback cycle of regular sustainability monitoring and reporting to enable continual improvement.
- Overarching responsibility for sustainability governance, risk management and performance monitoring with the Sustainability Committee.

During 2023 the Sustainability Committee carried out its periodic review of the sustainability organisation, governance and reporting structures. As a result, changes to the Committee were made to improve effectiveness. In particular:

- A Board member, Claire Hawkings, a Non-Executive Director, attends meetings on a regular basis. Claire brings ESG-related expertise while strengthening communication between management and the Board.
- The Group Heads of Divisions now form part of the Sustainability Committee to ensure we are drawing on divisional expertise and ensuring we have a strong team of management-level influencers in relation to ESG.

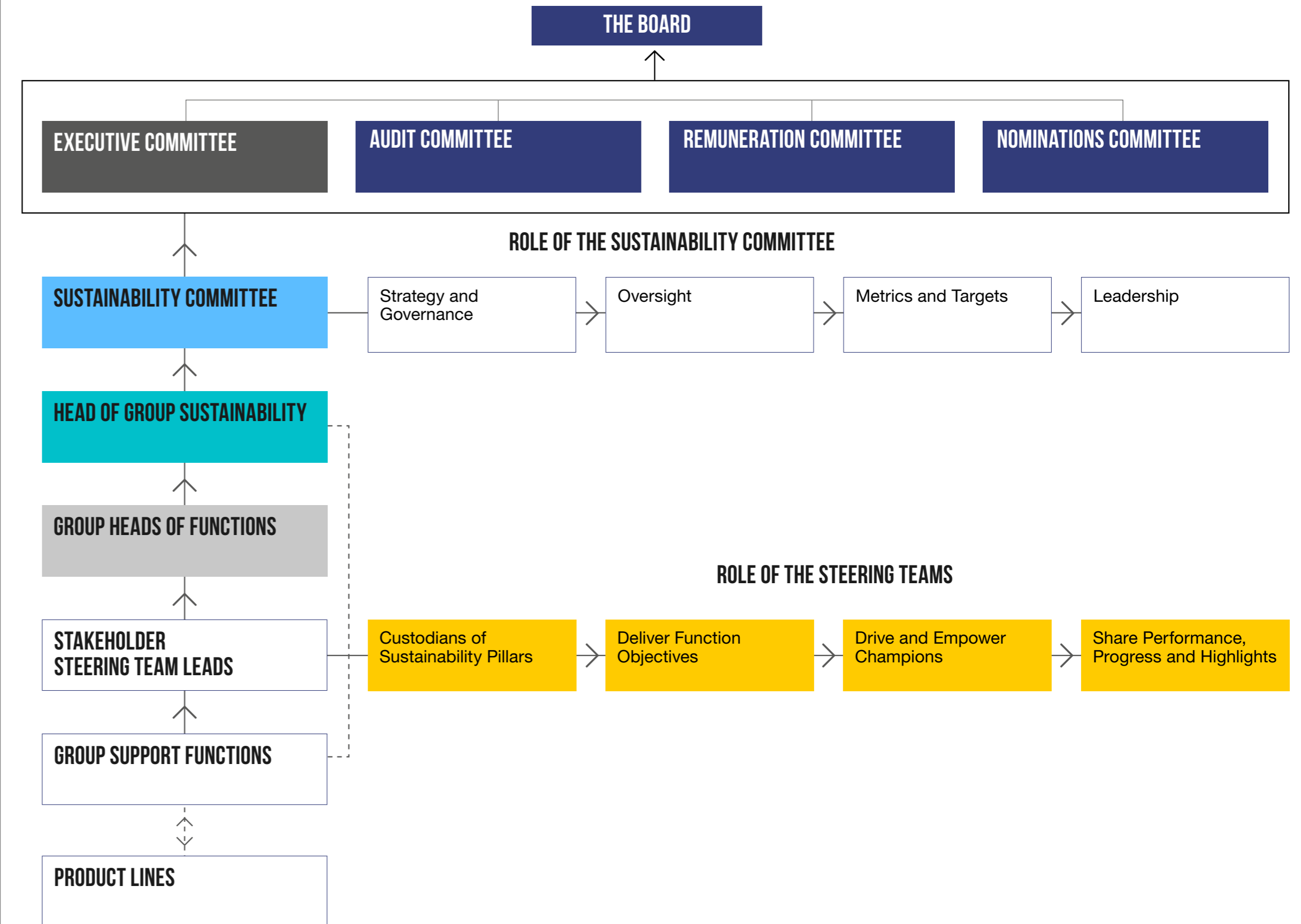
Importantly, the governance structure empowers our Divisions and Product Lines to focus on what is most important, and with an approach which is right for their business and capabilities, while in parallel, driving accountability and ensuring alignment with Group objectives and commitments.

## THE BOARD'S OVERSIGHT OF SUSTAINABILITY

The Company's Board of Directors (the Board) has ultimate responsibility for the Company's Sustainability Strategy and oversees progress against sustainability targets. The Board considers climate-related risks and opportunities on an ongoing basis, such as when deciding on the strategic direction of the Group, considering acquisitions and divestments, or deciding on major capital expenditures.

The Board delegates day-to-day responsibility for the Sustainability Strategy, including identifying and managing climate-related risks and opportunities, to the Group CEO and is kept informed of climate-related issues via management structures including the Risk Committee, the Sustainability Committee, the Audit Committee, and the Group Support Functional leads. A summary of this governance structure list of key reports used to inform different Committees and functions on climate issues, including frequency, is provided in our TCFD report, Annex A Figure 1 page 45 and Table 1 page 48.

## GOVERNANCE STRUCTURE



### Key

— Reporting

- - - - Support/Comms

# GOVERNANCE CONTINUED

## SUSTAINABILITY COMMITTEE

The Sustainability Committee is a sub-committee of the Executive Committee, mandated to assist the CEO in recommending to the Board the Group's Sustainability Strategy.

The Sustainability Committee manages the road map of key milestones and is responsible, along with input from Group Product Lines, for driving the strategy and monitoring the Group's sustainability performance. This includes supporting the Board in fulfilling its oversight responsibilities with respect to ESG matters.

### MEMBERSHIP OF THE SUSTAINABILITY COMMITTEE

The Committee, made up of the CEO and such other individuals as he or she may determine, consists of:

- The Group Head of Sustainability.
- The Group Chief HR Officer.
- The Group Head of Corporate Communications and Marketing.
- The Group Strategy Manager.
- The Group Head of Business Excellence.
- The Heads of Divisions.

Additionally, a Board member with ESG expertise attends scheduled meetings on a regular basis.

## RESPONSIBILITIES

- Setting and recommending to the Board, via the CEO, the Group's Sustainability Strategy.
- Monitoring and reporting on the Group's sustainability performance with Product Lines input and including our management of climate risk and opportunities and wider ESG-related matters.
- Driving and delivering strategy across the Group as part of a culture move, with Heads of Divisions representing Product Lines for key input. Ensuring alignment of key functions across the business supporting the Group's Sustainability Strategy and enabling devolved leadership, driving agile decision-making that optimises value creation.
- Advising the Executive Committee and the Board, in its oversight of climate and sustainability matters relating to its products and services, particular sectors and its own corporate activities.
- Considering current and emerging ESG matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and making recommendations on the Group's approach.
- Monitoring the extent to which ESG is integrated into business areas, and where the Company may benefit from improved integration. Including major change committees such as the Remuneration, Investment and Audit Committees.
- Reviewing and recommending to the Board for external disclosures and ESG-related internal controls with support from Group General Counsel and Finance.

## STAKEHOLDER STEERING TEAMS

The Sustainability Committee is supported by Steering Teams, each with a Steering Team Lead who has responsibility for sharing information, performance, key initiatives and progress of the strategy in their area with the Head of Group Sustainability.

Steering teams identify, drive and influence best practice initiatives, for implementation by the Product Lines and assess appropriateness of Group-wide initiatives. Appointed by the Sustainability Committee or where applicable by the relevant business function owner, responsibilities include:

- Acting as a responsible custodian of the Group's sustainability pillars (People, Planet and Partnerships), helping to promote and deliver the Group's Sustainability Strategy and engagement activities.
- Identifying, recruiting, and empowering Sustainability Champions to drive engagement, collaboration, and participation.
- Supporting Product Lines with planning and implementation of the sustainability agenda, within the specific stakeholder context, ensuring alignment with Group commitments.
- Performance reporting for the appropriate stakeholder focus area for which they are responsible.



Angus Cockburn, Non-Executive Chairman of the Board and Nominations Committee

# GOVERNANCE CONTINUED



Krystyna Tsochlas, Head of Maritime Transport

## SUSTAINABILITY CHAMPIONS

Sustainability Champions are appointed to raise awareness and support delivery of the overall sustainability agenda. Responsibilities include:

- Promoting sustainability initiatives in their workplace, engaging other employees and acting as a point of contact, within the specific stakeholder context.
- Adopting common activities, communications and execution of the sustainability agenda among Product Lines and locations.
- Driving communication, engagement and execution of the sustainability agenda within their Product Line.
- Actively contributing to Working Groups, forums or other collaboration platforms in place for sustainability matters, driving innovation and participation.
- Providing direct communication between Product Line and the Steering Team Lead in relation to sustainability initiatives.

## EMPLOYEES

All employees at James Fisher are responsible for demonstrating sustainability stewardship by acting responsibly and upholding sustainable practices.

Responsibilities include:

- Continuously assessing how we work to make good ESG decisions and sustainable improvements without negatively impacting our stakeholders.
- Acting transparently and holding ourselves to account through verifiable data disclosure and performance reporting.
- Working to Company policies, standards and procedures designed to protect our people, local communities and the environment.
- On-time and concise sustainability-related reporting.

During 2023 Business Excellence has driven standardisation through the Group's internal processes. This will provide a framework to support our Product Lines in achieving their sustainability objectives, reducing operating costs, and growing profit through greater operational productivity and efficiency in our systems and processes.

## LOOKING AHEAD

During 2024 we intend to formalise how responsibilities for climate-related risks and opportunities are reflected in the business through our Sustainability terms of reference, mandates, role descriptions and other governance-related policies. To ensure accountability for the implementation and evolution of our climate transition plan and monitoring of progress and performance we intend to define management and monitoring through:

- Governance mechanisms in place to define roles, responsibilities and positions.
- KPIs to monitor performance against commitments as well as overall transition plan implementation.
- James Fisher culture, education and engagement initiatives.

# ESG-RELATED DISCLOSURES

The below table lists our current UK ESG-related disclosures, including the frequency of our reporting, the content of the disclosures and where the disclosures can be found.

## KEY

**A** REPORTED ANNUALLY

**4YR** REPORTED EVERY FOUR YEARS

**CG** IN CORPORATE GOVERNANCE REPORT

**DR** IN DIRECTORS' REPORT

**SR** IN STRATEGIC REPORT

SECR*	TCFD**	CRFD***	ESOS****	GENDER PAY GAP	MODERN SLAVERY ACT 2015 REPORT	PAY RATIO	s172(1) COMPANIES ACT	CORPORATE GOVERNANCE CODE
<p><b>A</b> <b>DR</b></p> <p>Report on global energy use and greenhouse gas emissions</p>	<p><b>A</b></p> <p>Climate-related financial disclosures under the UK Listing Rules</p>	<p><b>A</b> <b>SR</b></p> <p>Climate-related financial disclosures under the UK Companies Act 2006</p>	<p><b>4YR</b> Due: 5 June 2024</p> <p>Audit of energy used in James Fisher buildings, industrial processes and transport</p>	<p><b>A</b></p> <p>Differences between the mean and median hourly pay and bonuses of male and female employees</p>	<p><b>A</b></p> <p>Statement outlining the steps taken to ensure no slavery or human trafficking is taking place across our supply chains and business</p>	<p><b>A</b></p> <p>Ratio of our CEO's remuneration to median, lower quartile and upper quartile pay of our UK employees</p>	<p><b>A</b> <b>SR</b></p> <p><b>Directors' duties</b> Statement summarising how the Directors have promoted the success of the Company, taking into account a variety of matters including ESG considerations</p> <p><b>Workforce engagement</b> Statement explaining how we have engaged with our employees and how the Directors have regard to employee interests</p> <p><b>Engagement with suppliers</b> Statement summarising how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others</p>	<p><b>A</b> <b>CG</b></p> <p>Description of the corporate governance code that applies to James Fisher, how we applied the code and explanations for non-compliance, if any</p>
<p>→ VIEW THE SECR REPORT, ANNEX B</p>	<p>→ VIEW DISCLOSURES WITHIN OUR ANNUAL REPORT AND ACCOUNTS PAGES 41 TO 45</p> <p>→ VIEW DETAILED REPORT ANNEX A</p>	<p>→ VIEW DISCLOSURES WITHIN OUR ANNUAL REPORT AND ACCOUNTS PAGES 41 TO 45</p>	<p>EVIDENCE PACK AND COMPLIANCE DECLARATION TO THE ENVIRONMENT AGENCY</p>	<p>→ VIEW OUR 2023 GENDER PAY GAP REPORT</p>	<p>→ VIEW OUR MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT IN OUR ANNUAL REPORT AND ACCOUNTS ON PAGE 66</p> <p>→ VIEW OUR POLICY</p>	<p>→ VIEW OUR PAY RATIO REPORT IN OUR ANNUAL REPORT AND ACCOUNTS ON PAGE 105</p>	<p>→ VIEW OUR S172(1) STATEMENT IN OUR STRATEGIC REPORT WITHIN THE ANNUAL REPORT AND ACCOUNTS PAGE 36 AND FURTHER DETAILS ON HOW WE HAVE ENGAGED WITH OUR STAKEHOLDERS CAN BE VIEWED ON PAGES 14 TO 16 WITHIN THIS REPORT</p>	<p>→ VIEW OUR CORPORATE GOVERNANCE SECTION IN OUR ANNUAL REPORT AND ACCOUNTS FROM PAGE 70</p>

\* Streamlined Energy and Carbon Reporting. \*\* Task Force on Climate-Related Financial Disclosures. \*\*\* Climate-Related Financial Disclosures. \*\*\*\* Energy Savings Opportunity Scheme.

# ENGAGING FOR VALUE

## Growth creates value through a multi-stakeholder model.

The Group’s success depends on a deep understanding of the views, and challenges, our stakeholders face, and the complexities posed by the environments in which they operate.

The Board is committed to engaging with all its stakeholders factoring key decision-making on:

- How decisions align with the Group’s purpose.
- The likely short-, medium- and long-term consequences of the decision.
- The value created for our investors.
- The enhancement of our performance created by the decision.
- The potential impacts on our people, local communities, and environment.
- The need to create strong, mutually beneficial customer and supplier relationships.
- The Group’s commitment to business ethics.
- External factors which may impact decision-making and stakeholders.



James Fisher Senior Leadership Team Conference 2023

By considering key stakeholders and aligning our activities with our strategic plan, as well as the Company’s culture, values and Sustainability Strategy we aim to act fairly, transparently and in the best interests of the Company over the long-term. Examples of how the Directors have had regard to the factors set out in section 172 in practice over the past year can be found as follows:

➤ [SEE OUR ANNUAL REPORT AND ACCOUNTS TO VIEW OUR SECTION 172 STATEMENT](#)

**STAKEHOLDERS:**

- ➔ [SHAREHOLDERS PAGE 14](#)
- ➔ [CUSTOMERS AND SUPPLIERS PAGE 14](#)
- ➔ [LOCAL COMMUNITIES PAGE 15](#)
- ➔ [EMPLOYEES PAGE 15](#)
- ➔ [THE ENVIRONMENT PAGE 16](#)

➤ [FURTHER INFORMATION ABOUT HOW THE DIRECTORS HAVE ACCOUNTED FOR STAKEHOLDERS IN THEIR DECISION-MAKING IN 2023 IS SET OUT IN THE CORPORATE GOVERNANCE REPORT WITHIN OUR ANNUAL REPORT AND ACCOUNTS, PAGE 70](#)

## OUR STAKEHOLDERS

The Sustainability Strategy brings all our stakeholders into the heart of the Group and informs how we actively engage with them.



### SHAREHOLDERS

Promote a sustainability-driven business model and strategy that delivers attractive returns for Shareholders and delivers on our ESG metrics



### CUSTOMERS AND SUPPLIERS

Support our customers and suppliers to achieve their sustainability ambitions, through strategic partnerships and investment in innovation



### LOCAL COMMUNITIES

Invest in the communities in which we operate to position ourselves as a strong corporate citizen that can demonstrate its positive impact on society



### EMPLOYEES

Attract, invest in and retain our people to enable delivery of our strategy and position ourselves as a leading employer of choice ensuring wellbeing is at the heart of all we do



### THE ENVIRONMENT

Assess, quantify, and manage the impact of our operations on our planet, and how external factors may affect the Group's performance

# ENGAGING FOR VALUE CONTINUED

## BOARD ENGAGEMENT

## HOW WE SUPPORTED DURING 2023

## KEY AREAS OF FOCUS FOR THIS STAKEHOLDER



### SHAREHOLDERS

Promote a sustainability-driven Business model and strategy that delivers attractive returns for Shareholders and delivers on our ESG metrics

- The Directors had regular in-person meetings with investors, principally through investor roadshows, investor events and the Annual General Meeting (AGM).
- The Chairman met with the largest shareholders to discuss results and other announcements.
- With a dedicated investors section, the Annual Report and Accounts and the Company website set out the Group's strategy and progress against its strategy and key activities.

- The Board engaged with shareholders at the AGM.
- The Directors consulted with the Company's major shareholders regarding the 2024 Remuneration Policy.

- Operational and financial performance.
- Company strategy implementation.
- Capital structure, liquidity and capital allocation.
- Risk management and controls.
- Sustainability Strategy.



### CUSTOMERS AND SUPPLIERS

Support our customers and suppliers to achieve their sustainability ambitions, through strategic partnerships and investment in innovation

- The Board received regular updates from Product Line Directors via the Executive Committee on their strategic priorities, markets, and key customers.
- Through the Sustainability Committee the Board received updates on customer and supplier engagement.
- Where appropriate, Executive Directors, and Divisional Leads, worked with major customers to develop innovative products and services and to find solutions to their problems.

- A Chief Digital Officer was appointed and a new Chief Technology Officer role was created and appointed in January 2024.
- A Supplier Code of Ethics was re-developed to align with our Sustainability Strategy.
- Through the re-appointment of a Head of Group Supply Chain, we identified synergies and other benefits of procurement coordination and standardisation between Group businesses.

- Innovation and problem solving.
- High quality products and services.
- Trusted relationships.
- Social and environmental impacts.
- Payment practices.
- Supply chain resilience.

# ENGAGING FOR VALUE CONTINUED

## BOARD ENGAGEMENT

## HOW WE SUPPORTED DURING 2023

## KEY AREAS OF FOCUS FOR THIS STAKEHOLDER



### LOCAL COMMUNITIES

Invest in the communities in which we operate to position ourselves as a strong corporate citizen that can demonstrate its positive impact on society

- Through the Sustainability Committee, the Board received updates on community integration performance throughout the Group.
- The Board supported employees to engage with community-based projects that help make a positive impact, including charitable fundraising, volunteering and education, including STEM (Science, Technology, Engineering, and Mathematics) learning and events.

- We continued to support employees' local community initiatives and events through the donation of time, material, or provision of expertise, for example STEM event participation and local internships.
- We have formed a strong partnership with a local Education and Skills Partnership which brings schools, colleges, and local employers together who recognise the need to equip local young people with knowledge, skills, and aspirations.
- James Fisher has pledged its support as an employer, to the Young Persons Guarantee, a Scottish Government initiative to ensure all young people aged 16-24 have the opportunity of work, education and training.

- Environmental and social impacts of our operations.
- Health and safety.
- Employee wellbeing.



### EMPLOYEES

Attract, invest in and retain our people to enable delivery and position ourselves as a leading employer of choice ensuring wellbeing is at the heart of all we do

- Reporting back to the Board on a regular basis, Inken Braunschmidt (designated Non-Executive Director) as part of her role held until 31 December 2023, in the engagement team; attended a Defence Division open forum in Aberdeen where she met with employees and engagement champions.
- The employee Sharesave scheme encourages employees' involvement in Company performance.
- Employees can receive matching employer pension contributions of up to 7.5 percent of salary, with effect from 1 January 2023.
- The Board reviews the results of our annual employee engagement survey.

- We launched Engage in 2023, a quarterly all-employee webinar providing updates from across the Group and the opportunity for employees to feed back.
- We extended mental health first aid training and have 44 mental health first aiders trained in Suicide First Aid.
- We highlighted the Employee Assistance Programme to remind our employees of the support available including maintaining a healthy work/life balance; improving mental wellbeing; family issues; financial management and money issues.
- We launched our online employee community hub to inform, empower and connect our employees across the Group.
- A new HR ticketing system was launched for all HR-related enquiries.
- We celebrated the success of our first manager and leadership apprenticeships.
- The Group Head of Reward was appointed to shape and lead the reward strategy.

- Health and safety.
- Development and progression.
- Collaboration.
- Remuneration.
- Recognition.
- Equity, diversity and inclusion.



# ENGAGING FOR VALUE CONTINUED

## BOARD ENGAGEMENT

## HOW WE SUPPORTED DURING 2023

## KEY AREAS OF FOCUS FOR THIS STAKEHOLDER



### THE ENVIRONMENT

Assess, quantify, and manage the impact of our operations on our planet, and how external factors may affect the Group's performance

- The Board considered climate-related risks and opportunities on a continuous basis, such as when deciding on the strategic direction of the Group, acquisitions and divestments, or major capital expenditure.
- A Board member attended Sustainability Committee meetings on a regular basis, bringing ESG expertise while strengthening communication between management and the Board.
- The Board engaged with shareholders directly to understand their ESG priorities.

- We continued to focus on our performance and embedding ESG considerations into business as usual.
- As part of the Group's transformation, the groundwork is underway to reshape our portfolio including identifying innovative solutions to support our customers' energy transition.
- The Group continued its reporting and disclosures in accordance with the Carbon Disclosure Project (CDP), the UK SECR requirements, TCFD and the UK Government's introduction of reporting requirements through the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.
- Net zero and GHG emissions awareness webinar sessions took place and learning pathways were identified.
- A gap analysis was conducted which will inform our detailed climate transition planning activities in 2024.

- Carbon management.
- Net zero strategy.
- Climate disclosure.
- Climate risk and opportunity/energy transition.

# HARNESSING THE BLUE ECONOMY

# SEABASS INNOVATION RECOGNISED AT DECOM WEEK 2023

Our James Fisher SEABASS system was recognised at Decom Week 2023, an annual event held in Aberdeen by Decom Mission in partnership with ASCO, Bureau Veritas Marine and Offshore, and JF Decom.

The event brings together experts from across the spectrum of decommissioning to discuss factors influencing change in the industry, to share sector intelligence and to recognise ground-breaking work being undertaken by companies of all sizes and specialisms.

Our pioneering well plug abandonment system, SEABASS, received the "Innovation in Decommissioning Award" due to its ability to reduce operational risk and project down time. The system is designed with our customers in mind, providing peace of mind that their wells will be successfully plugged and abandoned, and the seabed left in its natural state.

Additionally, thanks to a reduced operational period, the system delivers time savings of up to 25 percent when compared to competing solutions. This is essential for risk-based abandonment activities and has the potential to decrease the project's carbon footprint.



Richard Henderson accepting Mission's 'Innovation in Decommissioning' award



It was an honour for James Fisher Decommissioning to receive the award for Innovation from Decom Mission and a credit to the team involved for their hard work and dedication to bring SEABASS to fruition.

The SEABASS tool was created through a combination of industry experience and discussions with operators and vessel companies with the aim of creating the optimal solution that provides cost efficiency and reliability to well abandonment. It's good to see that its capabilities are being recognised on such a prominent stage. The Decom Mission week was a superb, well-attended event with some excellent presentations, and a pleasure to be a part of.

**Richard Henderson**  
Director of Engineering at JF Decom



# PEOPLE

- HIGHLIGHTS
- HEALTH AND SAFETY
- TALENT STRENGTH
- EQUITY, DIVERSITY AND INCLUSION
- CASE STUDY: ENABLING OUR TALENT

Our employees are critical to the operation of our business, our greatest strength



We strive to recognise the incredible efforts of our people. United by a common purpose, our pioneering employees help to drive the Sustainability Strategy.

# HIGHLIGHTS

**Our employees are critical to the safe, successful operation of our business.**

United by a common purpose and shared valued behaviours, their pioneering spirit, integrity, energy, and resilience enable us to create value for all our stakeholders.

With James Fisher operations spread across six continents, our people are geographically dispersed and represent a multitude of cultures. We will continue to develop and build upon a culture which allows them to use their skills and develop career paths.

We are working towards improving diversity across the Group and nothing is more important than keeping our employees safe.

Gender diversity metrics

- 1 The Chief Executive Officer and Chief Financial Officer are members of both the Board and Executive Committee and are counted once in the Board category.
- 2 "Senior Managers" is defined in section 414C (9) and 414C (10)(b) of the Companies Act 2006 and, accordingly, the disclosure comprises the Executive Committee members and the Directors of all the subsidiaries of the Company.

## HEALTH AND SAFETY

**JAMES FISHER LIFE-SAVING RULES ROLLED OUT, BASED ON LEADING INDUSTRY PRACTICES**

**EXCEPTIONAL SAFETY CAMPAIGN LAUNCHED**

**ZERO LOST TIME INCIDENT FREQUENCY RATE IN 2 OF 3 DIVISIONS 2023**

→ READ MORE

## TALENT STRENGTH

**NEW LEARNING EXPERIENCE PLATFORM 2024**  
Delivering customised learning experiences through AI and reinforcing learning through collaboration

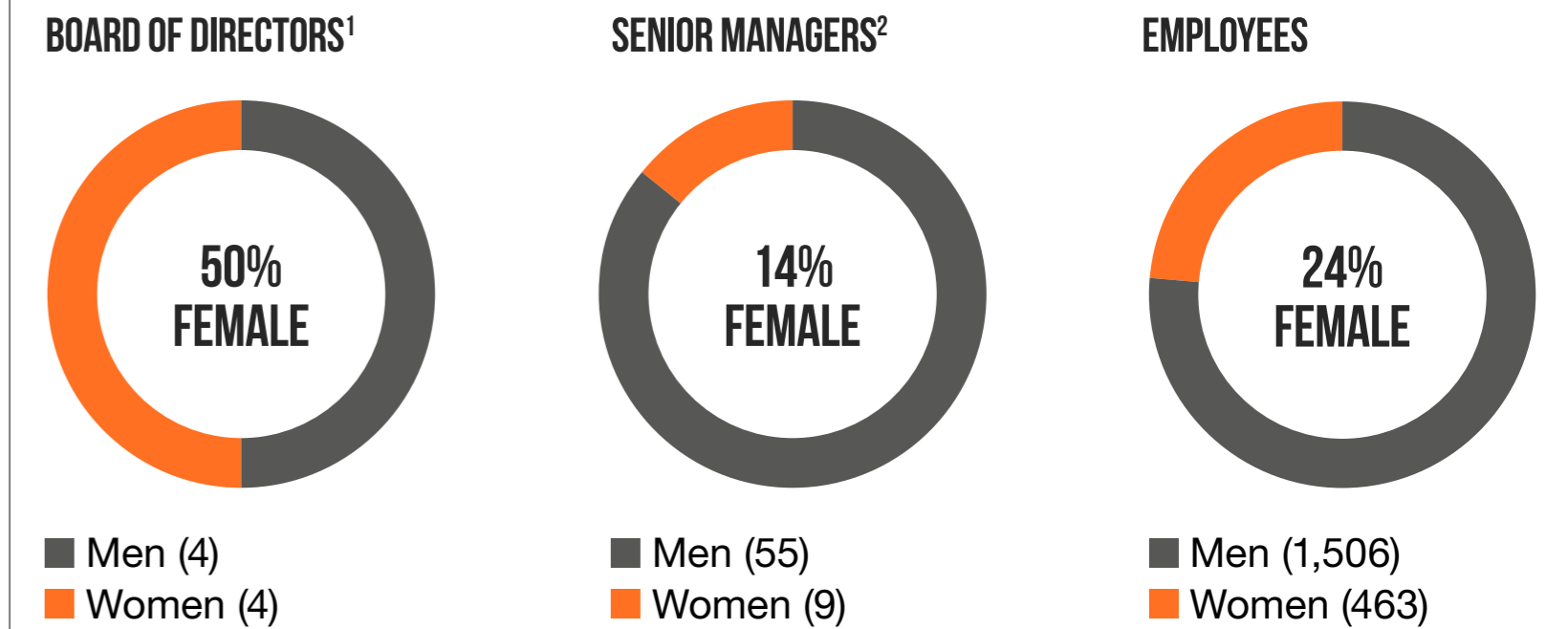
**EMPLOYEE ENGAGEMENT RESPONSE RATE INCREASED 3RD YEAR IN A ROW**

**OVER 36% OF MENTAL HEALTH FIRST AIDERS TRAINED IN SUICIDE FIRST AID**

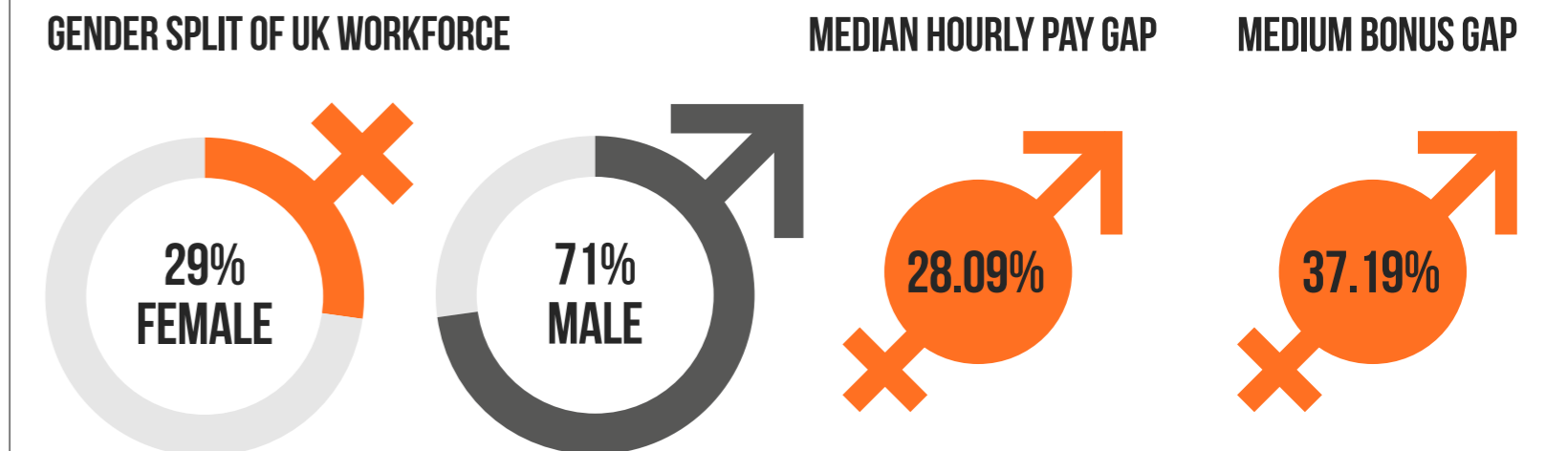
→ READ MORE

## EQUITY, DIVERSITY AND INCLUSION

**GENDER DIVERSITY METRICS** As at 31 December 2023



**2023 GENDER PAY GAP: SNAPSHOT**



→ SEE OUR 2023 GENDER PAY GAP REPORT

**ONE JAMES FISHER COMMUNITY HUB LAUNCHED**

→ READ MORE

# HEALTH AND SAFETY

**Safety is our number one priority at James Fisher. We want to ensure that everyone returns home safely to their friends, families and loved ones at the end of every working day. This requires the right safety culture as well as the right tools and training.**

The Group's Health and safety priorities, objectives, and performance monitoring are co-ordinated and governed by:

- The Health and Safety Committee: Chaired by the CEO and comprising the Executive Team, the Committee has oversight and conducts quarterly reviews of the Group's Health and Safety performance.
- The Safety Forum: Comprising HSS (Health, Safety, Security) leaders from each of our Product Lines, the forum is responsible for providing updates on Health and Safety issues and events, sharing best practices, and advising the Health and Safety Committee on Group-wide initiatives to improve our performance in this area.

In 2023 we launched Exceptional Safety which raises the profile of safety across the Group and provides a unified approach:

- We are all responsible for safety.
- We are all empowered to speak up, stop the job and champion safety.

We provided a new look, feel and tone of voice for Exceptional Safety to create more impact. Managers were provided with briefing packs, videos and animation to help them engage with their teams and to keep safety at the top of the agenda.

In 2023 we also appointed a Head of Group HSEQ to provide a unified approach to safety.

Exceptional Safety runs alongside the roll out of the James Fisher Life-Saving Rules based on industry leading practices to provide our employees with the knowledge and tools to help keep everyone safe. 73 percent of employees have been trained and this will become part of compliance training going forward.

In the recent employee engagement survey the three safety questions ranked highly. The question "safety is often talked about in my workplace" ranked highest at 4.40.

The focus on safety may not have delivered the improvements we were looking for but we remain committed to maintaining safety at the forefront of everything we do and intend to launch a Safety Culture Survey for all employees in 2024 to inform future activity.

The launch of Intelx, the new electronic HSEQ system for Incident Management and Reporting including hazard observation is a major milestone. Intelx is designed to help us quickly identify any issues or trends and respond effectively and will be an important tool to help improve safety for everyone working for James Fisher.

We are committed to having a zero-fatality workplace, and we are proud to report zero fatalities in 2023.



# TALENT STRENGTH

Our three key steering teams for talent strength are; talent management, engagement and wellbeing. We believe that managers must lead by example and be strong advocates for our talent initiatives.

We aim to focus our leaders on crucial aspects, empower managers to be effective coaches, and support employees in reaching their potential and delivering their best work.

## TALENT MANAGEMENT

Our Leading the Business programme (LTB) launched in 2023. Manager behaviour is pivotal to engagement, wellbeing, and retaining top talent.



James Fisher Senior Leadership Team Conference 2023

We adopted an innovative learning platform that we are excited to be implementing in 2024. This will improve the way employees experience learning, with interactive and engaging multimedia content through gamification, social features and personalised, self-paced learning.

**Our 2024 priorities include:**

**High potential identification:** Refining current processes and defining key indicators to identify high-potential individuals.

**Top talent retention:** Building on insights from 2023, we are dedicated to designing and implementing strategies and initiatives aimed at retaining our top talent.

**Employee development:** Extending across onboarding, continual learning, performance management, and talent mobility, we strive to create an environment that fosters continuous growth and skill enhancement.

**Early careers:** Attracting and recruiting high potential candidates through reformed apprenticeship, internships and work experience programmes and graduate schemes – driven by our newly appointed Early Careers Specialist.

” **Our Early Careers Specialist has been recognised as an Apprenticeship Ambassador in the UK and is leading our new Graduate and Internship Scheme and University Engagement Strategy in 2024. We look forward to an exciting year ahead for new and developing talent.**

**Laura Porter,**  
Talent and Development Manager, Plc



## ENGAGEMENT

We believe engagement in the Company's sustainability work enhances employee job satisfaction, providing employees with a sense of belonging, drive, passion, and purpose.

Considering the unprecedented period of change for the Group our grand mean score, derived through our annual engagement survey, has remained stable. Our response rate increased from 80 percent in 2022 to 83 percent. The results have informed our people strategy for 2024 which includes defining a Group methodology for gathering employee sentiment and applying a regular cycle of engagement with Non Executive and Executive Directors. We launched Engage, a quarterly all-employee webinar providing updates from across the Group and opportunities to feed back.

Divisional engagement champions were appointed in 2023 and are collaborating with the Senior Engagement Sponsor to spearhead engagement initiatives. Additionally, they supported Line Managers with understanding the annual survey results and developing action plans.

🏆 **Awarded to the brightest up-and-coming talent, James Fisher Decommissioning's Taylor Erridge was acknowledged as a pioneering figure in Aberdeen for 2023.**

Taylor, Business Development Manager, demonstrated great commitment, energy and creativity which catapulted her to the forefront of the decommissioning industry, along with 29 other young adults across a diverse set of industries. We love celebrating our people's achievements, especially our younger talent who are at the start of their careers.

# TALENT STRENGTH CONTINUED

## WELLBEING

We remain committed to providing a safe and healthy workplace in which our employees can thrive.

In 2023 the Wellbeing Working Group identified four areas of focus to ensure our employees' mental and physical wellbeing:

- **Mental:** Promote positive mental wellbeing in which every colleague can cope with the normal stresses of life, can work productively and make an effective contribution while enjoying their time at work.
- **Physical:** Encourage employees to achieve optimum physical wellbeing through positive lifestyle and behaviour choices that will improve general health and help avoid preventable diseases and conditions.
- **Social:** Create a positive physical and cultural working environment where people feel comfortable and relaxed, and have a strong sense of connection and belonging.
- **Career:** Support employees to take control of their career development. Help them to make good choices and ensure positive experiences associated with career progression.

To meet the above commitments we have Mental Health and Suicide First Aiders and we are embedding wellbeing into our policies and procedures.

Our wellbeing intranet page was redesigned in 2023 to improve access to information, training and support.

Wellbeing will feature as part of Exceptional Safety in 2024, recognising the strong link between wellbeing and making safe choices.



**At year end 2023, we had 122 Mental Health First Aiders across the Group, of which 44 are trained in Suicide First Aid. This represents a growth of 13 percent from 2022. We are proud to have SFAs in our business and continue to build on the numbers into 2024.**

### Emma Holmes

Steering Team Lead, Employee Wellbeing



Our colleagues in the Middle East celebrating Diwali

# EQUITY, DIVERSITY AND INCLUSION

## WE ARE CONTINUING TO PROMOTE DIVERSITY AND INCLUSION AND TO FOSTER A CULTURE WHERE EVERYONE FEELS RESPECTED AND SUPPORTED TO GROW AND THRIVE.

We are committed to equality, diversity and inclusion through:

- Carrying out business fairly, honestly and ethically and celebrating the uniqueness of our people.
- Engaging the communities where we live and work through recruiting locally, contributing to local economies, and investing in local supply chains.
- Ensuring global reach across all locations, work environments and taking into account those who think a little differently.
- Developing our understanding of being inclusive and diverse across all levels, to build a workforce inclusive of different backgrounds and national origins.

Activities during 2023 included the implementation of additional "Equality, Diversity and Inclusion at James Fisher" learning module as part of our training for all employees, and the ED&I Working Group are collaborating with the Communities Working Group on a STEM engagement programme which will be developed throughout 2024-25.

**OUR CURRENT FOCUS IS ON IMPROVING GENDER DIVERSITY AND DEVELOPING OUR UNDERSTANDING TO BUILD AN INCLUSIVE WORKFORCE AND CULTURE OF BELONGING.**

## ED&I WEBINARS HELD TO PROMPT DISCUSSION AND GAIN INPUT ON WHERE TO FOCUS

ED&I webinars hosted by Working Voices, a training and consultancy company specialising in interpersonal communication and leadership skills, were held in 2023 to prompt discussion and gain input on where to focus.

There is a clear appetite for additional knowledge, learning and support in this area. This will be our primary focus in 2024 with metrics remaining focused on gender diversity.

## KEY FINDINGS FROM OUR ANNUAL ED&I SURVEY 2023

- There has been an improvement in the representation of women leaders. Whilst this progress is an achievement, we plan further research to understand the new gaps emerging between how men and women leaders experience the workplace.
- Once in role, our people experience the workplace through the lens of their line manager – at least 70 percent of the variance between team engagement is explained locally. We plan to further equip our managers to "see, hear and develop" employees to prevent gaps emerging between men and women through our aspiring and developing managers programmes and managers guidance in relation to leveraging our sustainability credentials with potential, new and upcoming talent.
- The risk is that women leaders are more likely to leave if they do not feel included and/or that their experience is equitable to others in similar roles.

- Both our Energy and Maritime Transport Divisions are leading the way with employees feeling comfortable with being themselves at work and feeling that everyone is treated fairly. Defence also have better gender diversity in parts of the Division which provides good foundations to build on.
- Our operations in Norway and Sweden are excelling with 75th+ percentile rating with employees feeling comfortable being themselves at work, with Brazil, UAE and the UK close behind.

**Assessing our survey response rates and survey outputs with low representation, is a priority in 2024.**

## LOCAL COMMUNITY INTEGRATION

We are committed to being a good citizen and active member of the local communities in which we operate through:

- Encouraging our employees to engage and make a difference.
- Creating local employment and sourcing opportunities within our communities.
- Investing and engaging in people development, wellbeing, training, and other initiatives to enhance the lives of people in the community.

### Some of our activities included:

- Our partnership with Meldrum Academy where we work closely with North East DYW (Developing the Young Workforce). Some of the initiatives we carry out include: Mentoring, careers events, S5/S6 Inductions, mock interviews, design projects and #Nowrongpath events.

- James Fisher has pledged its support as an employer for the Young Persons Guarantee, a Scottish Government initiative to ensure all young people aged between 16 and 24 have the opportunity of work, education and training. The five asks include: Prepare young people for the world of work, help all young people to achieve their potential, invest in a skilled workforce, create jobs, volunteering and training opportunities and create an inclusive and fair workforce.
- We took part in the Children's Skills Conference in November 2023 where we delivered a series of sessions around Maritime Rescue and Future Ship Design allowing students to develop key skills for their future.
- We were accepted as a basic member of the 5% Club, a UK industry-led initiative which focuses on driving momentum into the recruitment of apprentices, graduates, and sponsored students. Following an audit we now proudly have over 8 percent of our UK workforce on "earn and learn" programmes.
- We proudly donated to the Norwegian air ambulance foundation which works to provide fast medical help anywhere in Norway. They also took part in local community events bringing young children together to socialise and be physically active.
- Our team at Knutsford undertook a charity walk organised by, and to help raise awareness of, Parkinsons.

We plan to extend our Group initiatives to incorporate all continents in which we operate.



# EQUITY, DIVERSITY AND INCLUSION CONTINUED

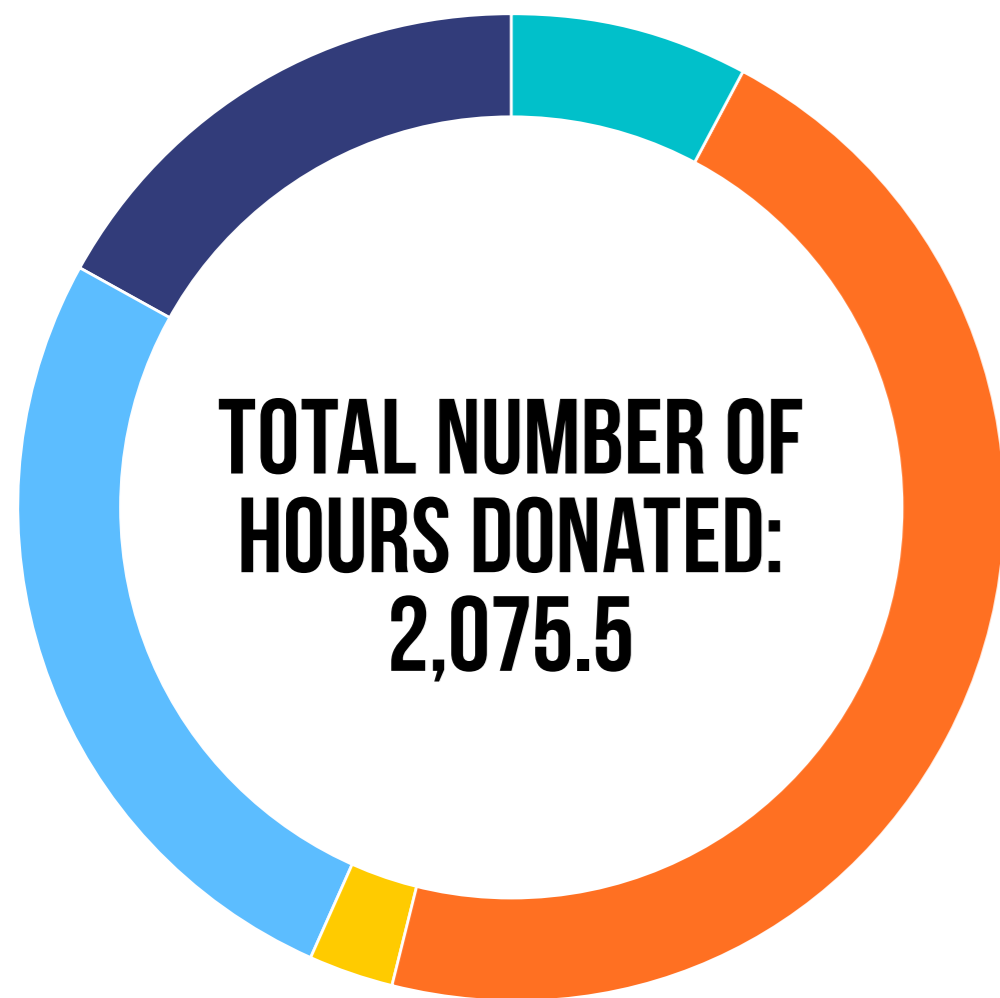
## OUR COMMUNITIES WORKING GROUP

The Communities Working Group is tasked with supporting internal and local community Group objectives and helping to empower and connect employees and local communities to build collaborative, considerate and culturally diverse ways of working. During 2024 we will look at developing our STEM support activities in collaboration with the ED&I Working Group, conducting regional reviews to identify common themes and local community projects important to our employees.

## 2023 COMMUNITY INITIATIVES

We are working towards capturing all community activity centrally and we are looking to roll out employee volunteering campaigns.

## SPLIT BY THEME (HOURS DONATED)



Key

- Charity 162.5
- Local community group 550
- Health and wellbeing 960
- STEM/School/education (other) 346
- Local Business Support 57

## BEHIND THE SCENES

We want our employees to feel they are working towards a greater goal as a source of inspiration.

The One James Fisher Community Hub launched in 2023 with an aim to motivate our employees through sustainability engagement, recognition, and participation both internally and within our local communities – providing every employee with the information to contribute and make a difference. Hosted by the Group Sustainability intranet site, the foundations are in place for connecting our people across the Group while informing on our sustainability performance both at Group and Product Line level. We aim to expand on this in 2024 to include an employee forum for which we are exploring various options.

## GENDER DIVERSITY DATA

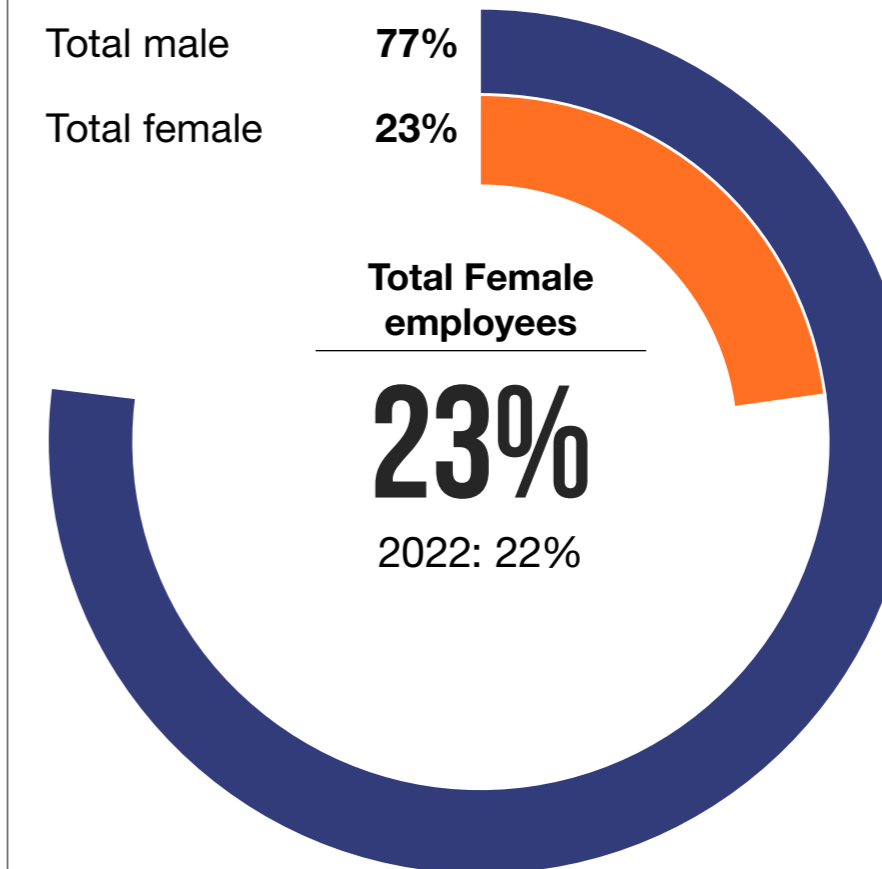
	Men	Women	
Board of Directors <sup>1</sup>	4	4	<b>50%</b>
Senior Managers <sup>2</sup>	55	9	<b>14%</b>
Employees	1,506	463	<b>24%</b>
Total employees	1,565	476	<b>23%</b>

1. The Chief Executive Officer and Chief Financial Officer are members of both the Board and Executive Committee and are counted once in the Board category.
2. "Senior Managers" is defined in section 414C (9) and 414C (10)(b) of the Companies Act 2006 and, accordingly, the disclosure comprises the Executive Committee members and the Directors of all the subsidiaries of the Company.

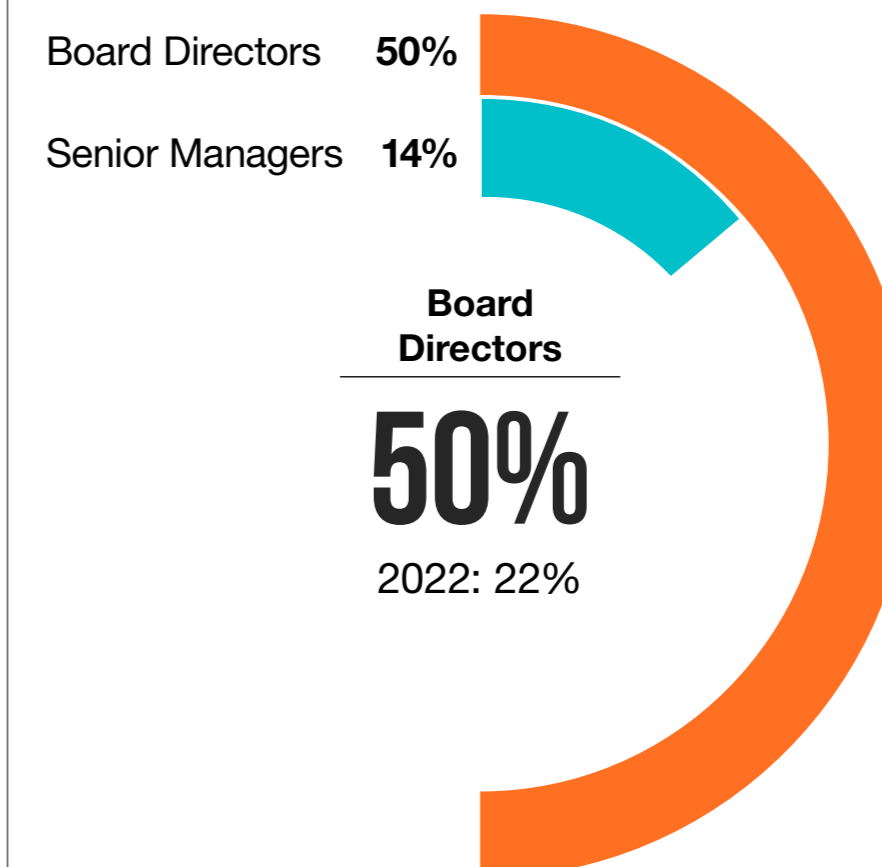
[➤ READ MORE ON DIVERSITY-RELATED DISCLOSURES WITHIN THE ANNUAL REPORT GOVERNANCE SECTION FROM PAGE 70](#)

[➤ SEE OUR 2023 GENDER PAY GAP REPORT](#)

## GENDER DIVERSITY



## FEMALE MANAGEMENT



# ENABLING SUSTAINABLE CHANGE

It is important that we provide the right environment to ensure we unlock the potential of our people.

Our employees know the business better than anyone. By striving to improve, taking their ideas forward and making connections they play a critical role in creating long-term success.



## EVOLVING OUR APPROACH TO LEARNING

At James Fisher we recognise the need to provide the necessary resources for employees to undertake their role, develop and take new ideas forward.

We are using digital technology as an enabler to greatly enhance the learning experience for our employees through a personalised, interactive, and engaging platform.

Everyone can access courses any time, on any device globally and employees will have access to self-paced learning, multimedia content through gamification and collaboration features.

As we move our learning into the digital age we are enabling our people to grow, pioneer and succeed.



**I'm thrilled that we have launched our new learning platform and a milestone investment in all our employees enabling them to grow and pioneer. This people-first platform brings our proud legacy of expertise-sharing into the digital age. When we invest in people, we all rise together. That's the One James Fisher way.**

**Laura Porter**  
Talent and Development Manager, Plc.



# PLANET

- HIGHLIGHTS
- PORTFOLIO CHOICES (PRODUCTS AND SERVICES)
- RESOURCE EFFICIENCY
- GREENHOUSE GAS (GHG) EMISSIONS AND NET ZERO
- CASE STUDY: LEAN SIX SIGMA

Our activities are inextricably linked to environmental considerations

## CASE STUDY PREVIEW

In 2023, James Fisher embarked on its Lean Journey to equip its people with the skills to drive standardisation through the Group's internal processes and promote inter-Group connections.

→ [READ MORE PAGE 34](#)

# HIGHLIGHTS

Our activities are linked to tackling climate change. We aim to minimise our emissions and reduce our impact on the environment.

We are focused on embedding ESG considerations into business-as-usual throughout our operations to ensure our impact on the environment is reduced, and that we enable our stakeholders to do the same.

We are committed to minimising and eliminating (where applicable) the detrimental impact of greenhouse gas (GHG) emissions from our operational activities. We also recognise the importance of helping our customers reach their own net zero emissions targets, and last year we made a science-based commitment to be net zero by 2050.

In this context, net zero means reducing the Group’s Scope 1 and Scope 2 GHG emissions to as close to zero as possible by 2050 and applying a residual strategy to neutralise the residual emissions.

We have prepared our 2023 climate-related disclosures in accordance with UK Listing Rule 9.8.6(8) and section 414CB of the UK Companies Act 2006.


→ FULL DETAILS OF OUR PROGRESS WITH TRANSITION PLANNING AND HOW WE MANAGE CLIMATE-RELATED RISK, OPPORTUNITIES, GOVERNANCE, CLIMATE STRATEGY AND METRICS/TARGETS CAN BE FOUND WITHIN OUR 2023 TCFD REPORT ANNEX A

## PORTFOLIO CHOICES (PRODUCTS AND SERVICES)

### JF RENEWABLES STRENGTHENED ITS GLOBAL PORTFOLIO

Contributing towards the delivery of a further **857MW of clean renewable energy into the transmission network**, through a multi-million pound contract at Triton Knoll offshore transmission (OFTO) project, providing complete end-to-end operations and maintenance (O&M) services.


### COLLABORATION WITH TOKYO GAS ENGINEERING SOLUTIONS TO PROVIDE O&M SERVICES IN JAPAN’S OFFSHORE WIND MARKET

 CHIEF DIGITAL OFFICER APPOINTED AND CHIEF TECHNOLOGY OFFICER ROLE CREATED

→ READ MORE

## RESOURCE EFFICIENCY

### SUSTAINABILITY CREDENTIALS SESSIONS HELD AS PART OF THE LEAN GREEN & BLACK BELT TRAINING CURRICULUM

 CARBON REDUCTION AND ENERGY EFFICIENCY INITIATIVES SITE LAUNCHED FOR TRACKING AND COLLABORATIONS

LEAN SIX SIGMA CERTIFICATIONS: **38 GREEN BELTS TRAINED** OF WHOM 8 ARE WORKING TOWARDS BLACK BELT ACCREDITATION

LEAN IN USE THROUGHOUT 100% PRODUCT LINES

→ READ MORE

## GREENHOUSE GAS (GHG) EMISSIONS AND NET ZERO



### ON TARGET WITH NET ZERO REDUCTION PATHWAY SCOPE 1 AND SCOPE 2

- ✓ CLIMATE PEER REVIEW
- ✓ TRANSITION GAP ANALYSIS
- ✓ BUNKER SOFTWARE IN USE TO IDENTIFY VESSEL EFFICIENCY OPPORTUNITIES

→ READ MORE

# PORTFOLIO CHOICES (PRODUCTS AND SERVICES)

Our focus during 2023 has been to align the organisation with our "One James Fisher" model. This will allow us to harness our collective strength in order to achieve a safe, sustainable transition to a low-carbon future.

Offshore wind is an important growth area for James Fisher and we will centre our expertise around installation, commissioning and Operations and Maintenance services.

Technology innovation remains key to meeting our own and customers' sustainability ambitions. We will be working closely with the newly appointed Chief Digital Officer and Chief Technology Officer through a shared drive to pioneer innovative and sustainable solutions and services and maintain our position as a trusted partner.

**In 2023 our revenue from renewables and remediation was 16.4 percent and we expect this to rise again in 2024.**

## JAMES FISHER RENEWABLES (JFR) SUCCESSES:

- JFR and Tokyo Gas Engineering Solutions (TGES) have formed a collaboration agreement (signed February 2024) to jointly provide construction and operations and maintenance (O&M) services in Japan's offshore wind market. Under the agreement, James Fisher and TGES will support the industry in delivering effective operations at a crucial point in time. The JFR team has already delivered 29 offshore wind projects in Asia Pacific through its local Taiwanese office, with a global portfolio of 7.9GW.
- Launched the James Fisher Academy, with the first dedicated training programme in James Fisher's history focusing solely on renewables skills development.
- Remained proud members of RenewablesUK (RUK) and in 2023 co-exhibited with RUK at the International Partnering Forum and Wind Europe.
- Continued to reduce the number of offshore inspections undertaken, thus reducing the use of crew transfer vessels and subsequently carbon emissions.



**This was a momentous milestone and JFR were proud to kick-start the Academy programme with our internal pathway, focused on high voltage safety, an area in need of skilled personnel to sustain the industry's rapid rate of growth.**

**We will continue to review our offerings and look at ways to combat the skills shortage challenge which looms over our industry.**

**It is important to strengthen the offshore wind workforce to support the energy transition and fill this widening gap with skilled personnel who can deliver the job safely and efficiently.**

**We strive to attract, develop, and retain a high performing workforce. By upskilling our employees and providing them with in-demand renewables skills and certified credentials, we are opening doors and providing new opportunities, whilst at the same time improving our service offering for customers.**

**The Academy is part of our commitment to developing the talent needed to realise the full potential of offshore wind and usher in a new era of sustainability.**

**Maida Zahirovic**  
Product Line Director, James Fisher Renewables



Launch of the JF Renewables Academy

# PORTFOLIO CHOICES (PRODUCTS AND SERVICES) CONTINUED

## Bringing termination and testing expertise to Ørsted and Eversource's South Fork Wind project

James Fisher Renewables (JFR) is overseeing critical testing and termination services at State of New York's first offshore wind farm, working with offshore wind leader Ørsted and their joint venture partner, Eversource.

During the summer the big bubble curtain solution was utilised during the installation phase. Using new technology developed in-house, the big bubble curtain created a barrier surrounding the piling of the wind turbine foundations, attenuating noise by up to 90 percent and protecting marine wildlife.

## Multi-million-pound, long-term operations and Securing maintenance contract at Triton Knoll wind farm

A multi-million-pound contract was secured in 2023 at Triton Knoll offshore transmission (OFTO) project located in the UK, with the offshore platform 20 miles off the coast in the North Sea. We will provide complete end-to-end operations and maintenance (O&M) services to support informed decision-making for the OFTO, owned by funds managed by Equitix and TEPCO Power Grid UK.

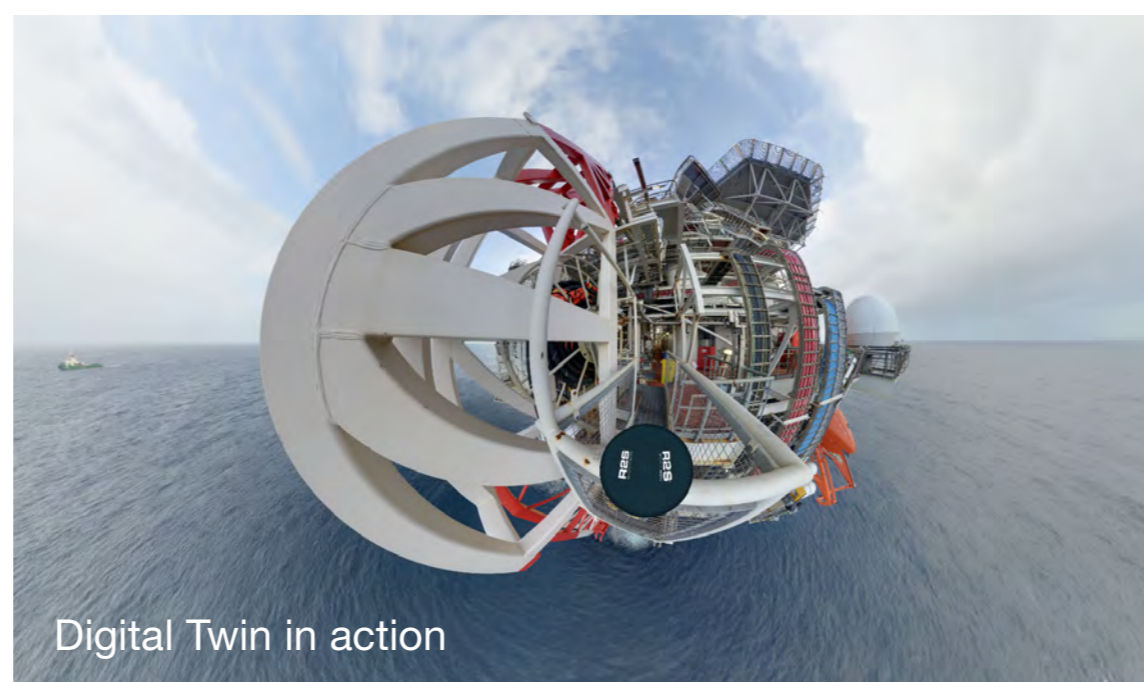
We will operate, control and monitor critical assets through our 24/7 High Voltage Control Centre, and will implement a proactive approach to condition monitoring. **This will ensure continued high voltage transmission availability and reduce unplanned outages; mitigating potentially significant financial consequences and impact on progress towards net zero emissions.**

The contract will also see the team support Triton Knoll OFTO, ensuring the safety of the system is in line with high-voltage (HV) safety rules, which have been developed and tailored by the James Fisher team.

## NEW OPPORTUNITIES:

**Digital Twin:** The digitalisation of inspection and maintenance activities for offshore wind farms, enhancing efficiency and reporting quality.

→ [READ MORE ON PAGE 37](#)



Digital Twin in action

**Implementing cutting-edge technology (DAS and DTS\*) JFR cable care package could reduce the number of vessels undertaking routine subsea surveys and supports the move to a risk-based approach collecting continuous real-time operational data.**

This philosophy has a positive environmental impact in both emissions and reducing the number of hours spent at sea.

\* DAS: Distributed Acoustic Sensing.  
DTS: Distributed Temperature Sensing.



Greater Gabbard offshore wind farm

# RESOURCE EFFICIENCY

**We aim to ensure our resources are used in a sustainable manner, that we protect the life systems that support the planet's natural resources, and that our workforce applies social and environmental awareness day-to-day.**

## PEOPLE AND PROCESS EFFICIENCY

The James Fisher Lean operating system was fully deployed during 2023. The immediate areas of focus are people, production and processes efficiency. This is supported by the Head of Group Sustainability through the implementation of sustainability credentials sessions as part of the Green and Black Belt training curriculum.

Our Product Lines are at various stages with the implementation and use of Lean system including; completion of Kaizen Funnels, value stream mapping, implementation of Gemba boards and the Obeya process.

2024 will see further cohorts of Six Sigma Green and Black Belt training with all Black Belt practitioners assigned a major target aligning with Group and Sustainability priorities.

## RESPONSIBLE CONSUMPTION

Our long-term aim is to deliver more with less than is required today. We seek to **maximise the use of people resource, energy and materials through responsible consumption in processes** and management of all business operations through our Lean operating system.

Through energy efficiency audits, consumption monitoring, and the application of three R's principles (Reduce, Re-purpose, and Recycle) we aim to reduce material waste and conserve natural resources throughout the business.

Our approach will include collaboration and the all-employee launch of our carbon reduction and energy efficiency initiatives site in 2024. The Environmental Working Group, in collaboration with the Health and Safety Forum, are developing a Group Waste Management standard which will outline the Group's expectations around responsible use and re-purposing of materials prior to responsible disposal.

Waste reduction is connected to many of the United Nations' SDGs and minimising it is an integral element of our Sustainability Strategy. To date, lack of comprehensive data has been an issue, mostly due to property lease agreement types where waste disposal arrangements are owned or shared with companies outside James Fisher. Our focus has remained on improving data collection methods, training and processes implementation throughout the Group. To support this, SLR, ESG consultants to James Fisher, are conducting an audit readiness review in preparation for a planned internal audit on our GHG inventory in 2024.

## ENERGY EFFICIENCY/ENERGY SAVINGS OPPORTUNITY SCHEME (ESOS)

During 2023 we have been working, with the support of third-party assessors, towards our ESOS phase 3 disclosure and plan to submit a notification of compliance in line with the ESOS deadline in June 2024. We plan to use the audits outcomes and the identification of carbon reduction and energy efficiency opportunities throughout the Group.

→ FURTHER INFORMATION ON ENERGY EFFICIENCY INITIATIVES UNDERWAY CAN BE FOUND WITHIN OUR SECR REPORT

## ASSETS EFFICIENCY

Recognising there is a natural alignment between asset management and sustainability, our Group Project Management Office (PMO) is working to improve assets and resources utilisation. The team is supporting our Divisions in identifying asset efficiency opportunities through the standardising of frameworks and key processes.

A draft White Book Rate methodology was developed in 2023 defining roles, responsibilities and next steps for implementation. This includes rationalisation of Fixed Asset Registers, Asset Management Tracking and Professional Role definitions.

Improved recognition of operational asset costs has been established through a standardised approach for Project Status Reporting including Cost Tracking for Projects within PMO Governance Framework.

During 2024 we aim to establish a common Assets Management System and utilisation tracking across the Group.



Celebrating our first cohort of Lean Black Belts

**Our Lean programme focuses on business performance improvements through the elimination of resource waste and defects, as well as equipping employees with the skills required to become subject matter experts on continual improvement.**

Definitions for some of the terms used within the James Fisher Lean programme:

“Lean” encompasses a set of principles aimed at improving working conditions through simple yet effective productivity improvements to both processes and production.

“Six Sigma”: a structured approach aimed at increasing product and service quality by focusing on the reduction of process variation – one of the above inefficiencies.

Combining the two philosophies, Lean Six Sigma helps to achieve higher customer satisfaction, lower operating costs, and establish a competitive advantage through consistent high quality.

“Kaizen Funnels”: a means to capture improvement opportunities, ranked by links to corporate goals and impact of the opportunity.

“Gemba Boards”: A visual ‘at a glance’ communication tool where leaders attend short and regular meetings to monitor and communicate priorities, subsequently identifying and resolving issues in a timely manner.

“Obeya Process”: defined as a 'Large Room' this is a method of communication and decision-making where management information is stored as one source of truth. Leadership review the Obeya room periodically to check progress against targets.

# GREENHOUSE GAS (GHG) EMISSIONS AND NET ZERO

We are committed to minimising and possibly eliminating the detrimental impact of greenhouse gas (GHG) emissions from our operational activities. We also recognise the importance of helping our customers reach their own net zero emissions targets and last year we made a science-based commitment to be net zero by 2050.

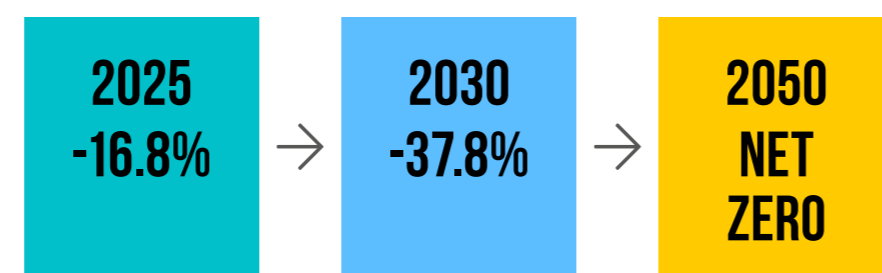
In this context, net zero means reducing the Group’s Scope 1 and Scope 2 GHG emissions to as close to zero as possible by 2050 and applying a residual strategy to neutralise the residual emissions.

The Group recognises that the transition to a lower-carbon economy will affect certain sectors within which it operates and that it will take innovation, technological change, and resources, both human and financial, to achieve its net zero ambition.

The work already undertaken in the development of our emission reduction pathways will help monitor how the Group’s performance is progressing from an emission basis. This is a core component to achieving a transition to net zero, but not the only component. Over the last year, the Group has taken preliminary action to ensure the Company is on the right track to develop a coherent and actionable transition plan that will align itself with a low-carbon economy.

GHG emissions results and progress against targets are summarised within this report section for reporting year 1 October 2022 to 30 September 2023.

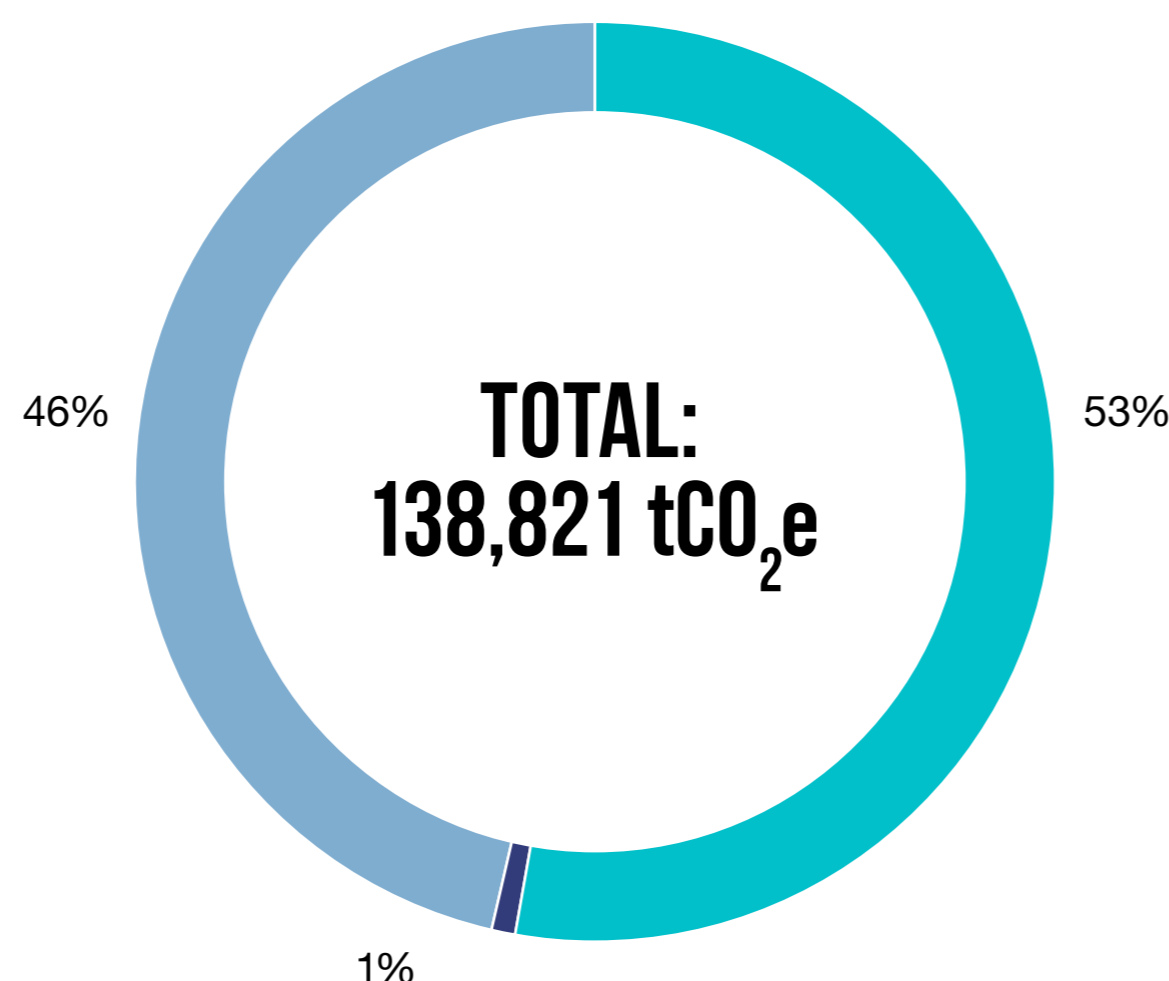
## SCOPE 1 AND SCOPE 2 REDUCTION TARGETS



Note: % reduction relative to the base year 2021.

2023 TARGET: 77,595 tCO<sub>2</sub>e, RESULT: 74,707 tCO<sub>2</sub>e

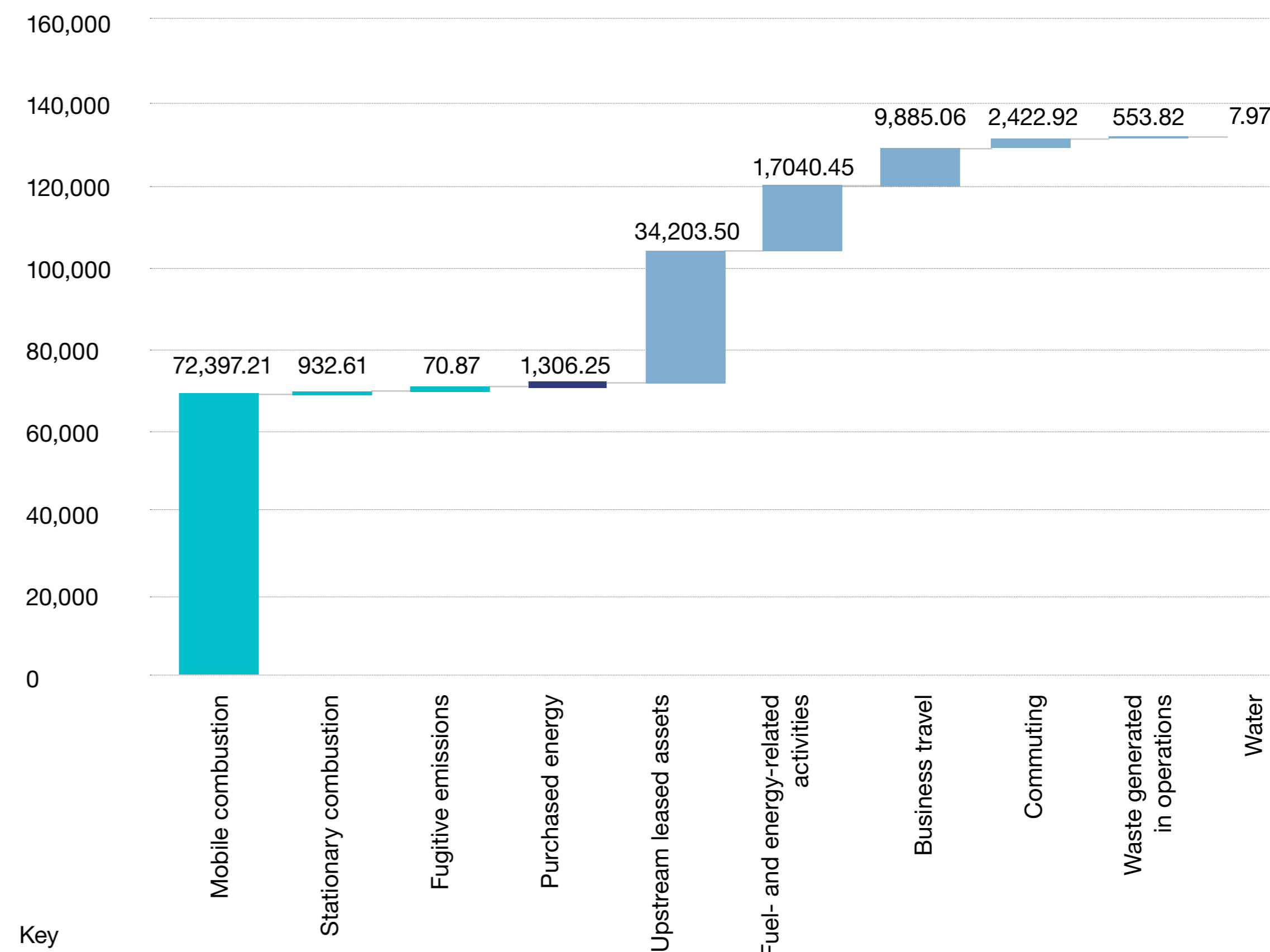
## tCO<sub>2</sub>e % SPLIT 2023



Key

- Scope 1 (73,401 tCO<sub>2</sub>e)
- Scope 2 (1,306 tCO<sub>2</sub>e)
- Scope 3 (64,114 tCO<sub>2</sub>e)

## 2023 EMISSIONS - TYPE/SCOPE (tCO<sub>2</sub>e)



Key

- Scope 1
- Scope 2
- Scope 3

Note: Scope 3 categories shown above are those which the Group is currently reporting on. For all emissions categories shown, our calculations are guided by the GHG protocol.

→ FURTHER DETAILS, INCLUDING HOW THE GROUP WILL MEET ITS REDUCTION TARGETS CAN BE FOUND WITHIN OUR 2023 TCFD REPORT ANNEX A

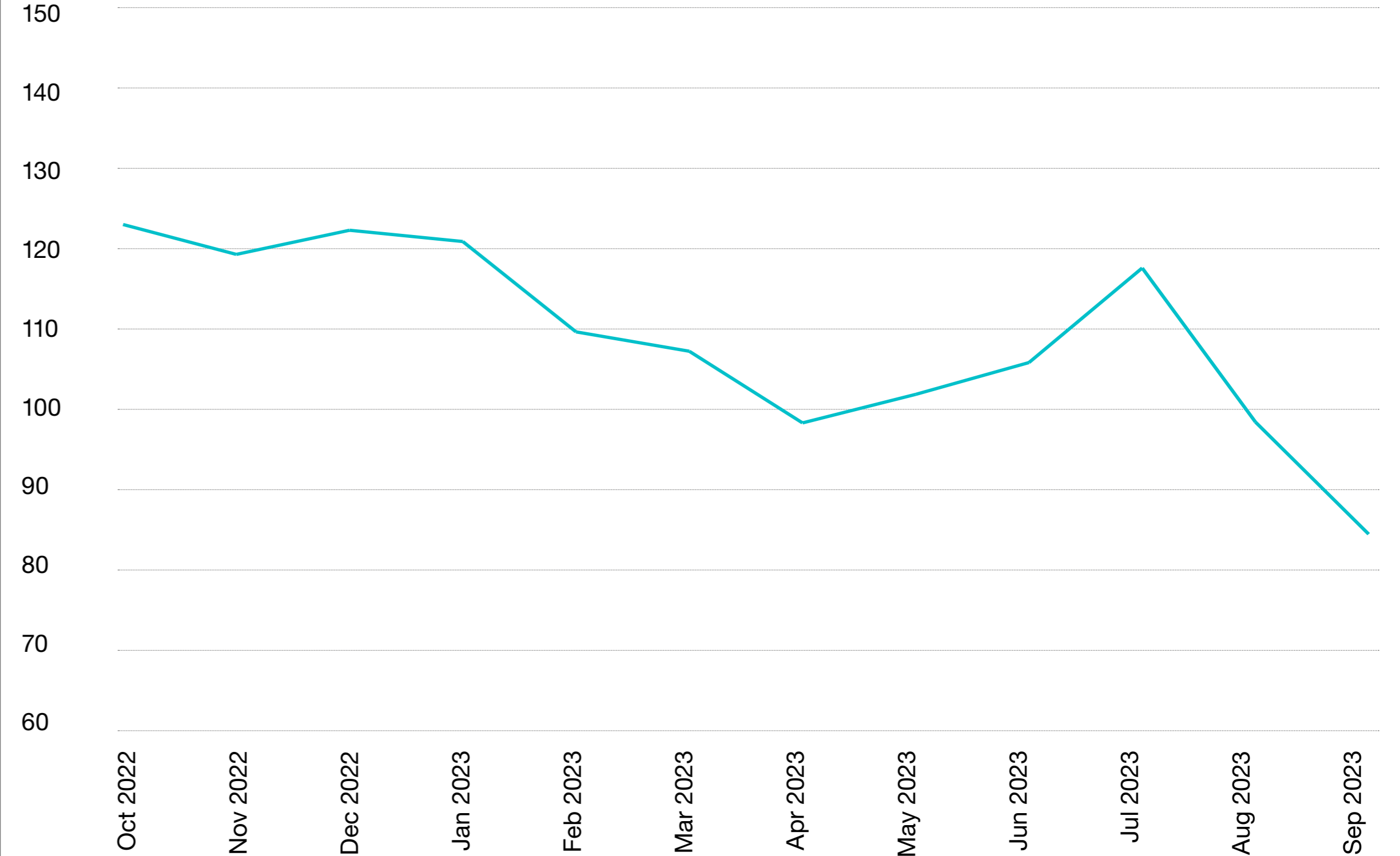


# GREENHOUSE GAS (GHG) EMISSIONS AND NET ZERO CONTINUED

2023 - SCOPE 1 AND SCOPE 2 TOTAL EMISSIONS BY TYPE/DIVISION (tCO<sub>2</sub>e)



TOTAL PURCHASED ENERGY\* (tCO<sub>2</sub>e)



\* Includes Scope 2 emissions from electricity, district heating and chilled water.  
 \* The Group's disclosures are based on location-based results, further details can be viewed within our SECR disclosure Annex B.

# GREENHOUSE GAS (GHG) EMISSIONS AND NET ZERO CONTINUED

## EMISSIONS REDUCTIONS PATHWAYS

The Group conducted an analysis into potential emission reduction pathways enabling the Company to determine that the near- and long-term Scope 1 and Scope 2 targets which we have since committed to, are achievable subject to external factors which may influence. The objectives of this modelling were as follows:

- Model the business-as-usual emissions under three climate scenarios.
- Identify and prioritise emission reduction options.
- Model reduction pathway to net zero.
- Identify key challenges and opportunities.

## CARBON REDUCTION EFFORTS THROUGHOUT THE GROUP

### Vessels

Throughout 2023, Tankships installed a bunker software on its vessels. The software improves data analysis and identification of trends through digital reports and is expected to increase opportunities to optimise bunker efficiencies.

The software analyses real data and models what the optimum speeds and consumptions should be for a range of corresponding weather conditions.

This enables the Operations team to assess: vessels' actual bunker consumption compared to expected performance, hull clean opportunities, potential requirement for slow steaming, performance variations between sisterships and bunker consumption forecasts.

A fuel enhancer trial is in planning for 2024. A biofuel-based additive that can be mixed directly with fossil fuels to reduce fuel consumption and emissions. We will conduct the trial to verify the 10 percent emission reduction promoted by the supplier. If the trial is successful, we will consider expansion to the rest of our fleet.

## Day-to-day operations

Group-led initiatives include: Accelerating energy efficiency in buildings through energy audits, progressing to 100 percent renewable purchased energy across UK Product Lines, employee guidance on reducing the footprint through leveraging our digital capabilities, and implementing ESG considerations into Company policies, procedures and guidelines for example procurement and business travel.

## ENHANCING HOW WE MEASURE, MONITOR AND ENABLE CARBON REDUCTION INITIATIVES

James Fisher completed the development of a dedicated carbon reduction initiatives hub in 2023 to monitor more effectively across the Group. The hub provides visibility of initiatives throughout the Group, collaboration opportunities, sharing of experiences and a resource area which will be developed over time.

## DEVELOPING OUR CLIMATE- AND WIDER ESG-RELATED MATURITY

### 2022 Key activities

- Climate Scenario Analysis completed.
- Assessed the impact and likelihood of both physical and transition risks.
- Target modelling completed for the Group's Scope 1 and Scope 2 targets.
- Carbon reduction pathways mapped out for the Group's gross reduction targets to demonstrate pathways to achieve the Science-Based Target.
- Scope 3 emissions mapping commenced using an incremental approach.
- Residual emissions strategy developed.

### 2023 Key activities

- Peer review conducted to understand the maturity and quality of climate-related disclosures for companies similar to James Fisher.

- Transition Gap Analysis conducted to create a roadmap of actions to develop our climate maturity. The output includes a transition maturity tool for future assessments.
- A foundational transition developed which lays the foundations for the actions we will take in 2024 to develop our transition plan and prepare for future disclosure in line with the TPT guidance.
- To further understand the origin of emissions within our products, and start to identify emission hotspots, we undertook a product Life Cycle Assessment (LCA) on one of our products. The information gathered will help us to identify emissions reduction opportunities and the analysis forms part of initial steps towards a more granular approach to understanding product carbon emissions.

→ FURTHER DETAILS CAN BE FOUND WITHIN OUR 2023 TCFD REPORT

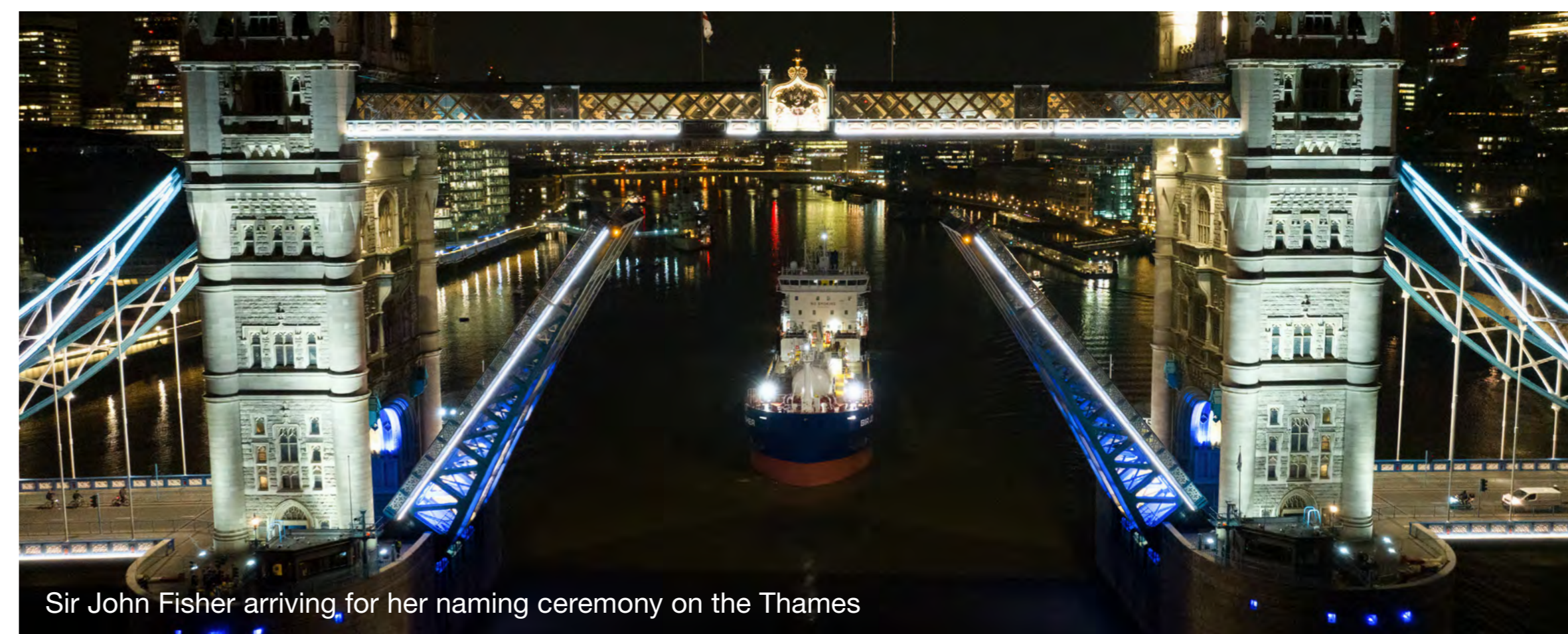
## 2024 Key planned activities

### Net zero and climate risks and opportunities:

- Supplier engagement planning (Scope 3).
- Review target pathways and underpinning assumptions.
- Transition planning activities including development of roadmap to close gaps identified through the gap analysis conducted in 2023, stakeholder engagement strategy and defining management and monitoring.

**Carbon Management:** We are preparing to mature our processes through:

- Establishing a base year recalculation policy for the Group which clearly articulates the basis and context for any recalculations.
- Formalising our GHG inventory management procedures and guidelines through a Group Inventory Management Procedure.
- Preparing for future assurance of GHG emissions data.



Sir John Fisher arriving for her naming ceremony on the Thames

# DRIVING SUSTAINABLE CHANGE AND CULTURE

## At James Fisher we believe Lean Six Sigma is instrumental in supporting a culture of sustainability.

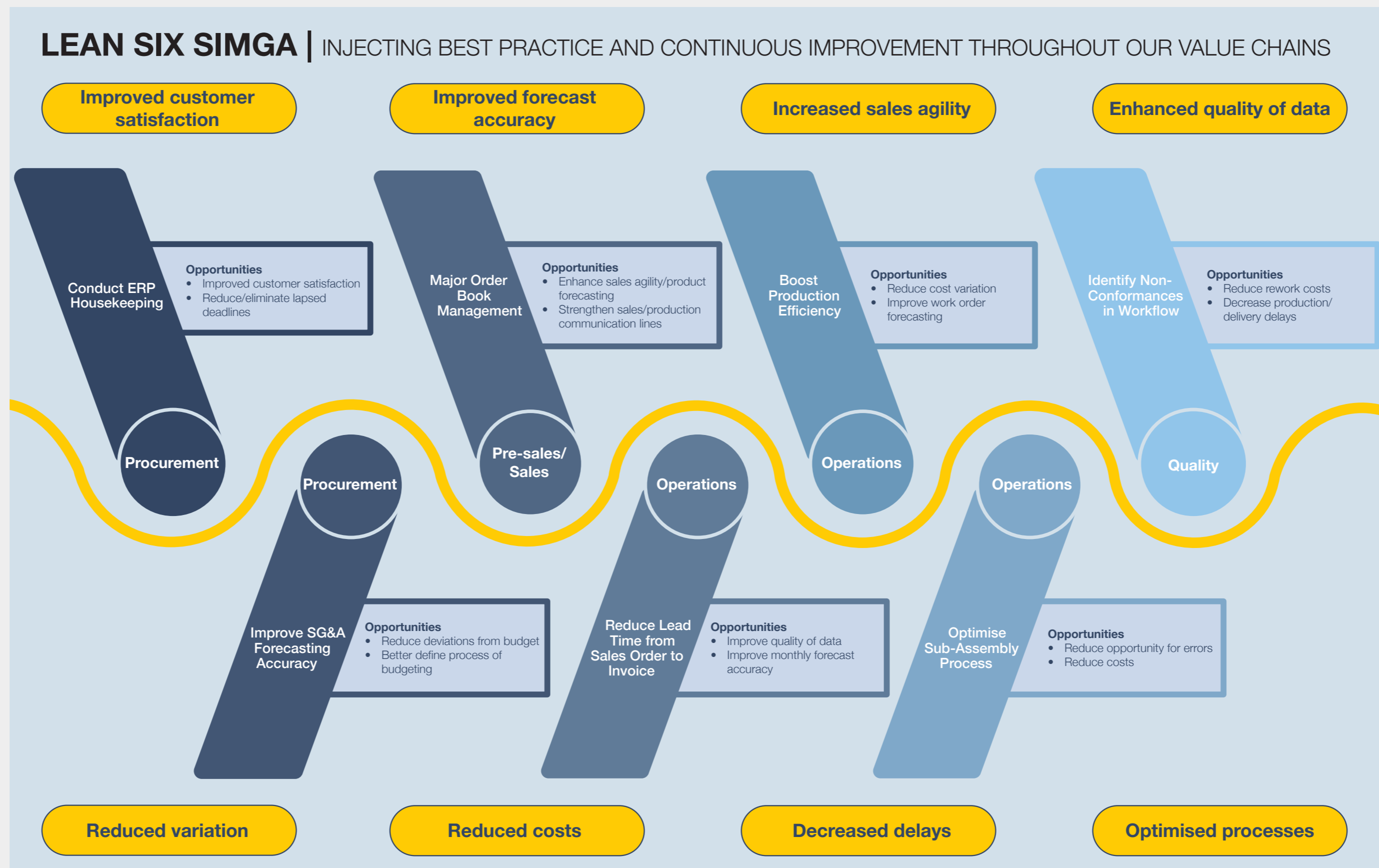
We are working to instil the values of efficiency, waste reduction (people, assets, materials and energy), and continual improvement, enabling our employees to contribute to the Group’s sustainability agenda.

In 2023, James Fisher embarked on its Lean journey to equip our people with the skills and tooling to help drive our ambitions forward and promote inter-Group connections.

Combining Lean principles with Six Sigma, our Lean programme is aimed at increasing product and service efficiency by focusing on the reduction of process variation and establishing a competitive advantage through consistent high quality.

38 Green Belts have been trained since the start of James Fisher's Lean journey, and several have gone on to achieve their Black Belt accreditations.

Through Lean projects, our Defence Division has championed continual improvement across its entire value chain. Green and Black Belt practitioners have been hard at work promoting performance improvements within their departments and driving sustainable change at each stage of the value chain.



## EXAMPLES OF HOW THE LEAN PROGRAMME COMPLEMENTS OUR SUSTAINABILITY AREAS OF FOCUS.

**Waste reduction:** By focusing on waste reduction, (including material waste and wasted time and resources) we aim to become more efficient and more environmentally friendly.

**Reducing defects through process efficiency and resource utilisation:** We aim to reduce resources required which directly corresponds to lesser consumption of resources and energy.

**Continuous improvement:** One of the pillars of Lean Six Sigma is the concept of continuous improvement or "kaizen" which can be used to continually improve environmental efficiency.

**Health and Safety:** Improvement projects very often help to improve mental wellbeing.

It's exciting to see that our first waves of Green Belts and Black Belts are already forming networks and putting their new found skills to use as they come to the completion stage of their projects.

Ray Parfitt,  
Master Black Belt



# PARTNERSHIPS

- HIGHLIGHTS
- INNOVATION
- CUSTOMER AND SUPPLIER ENGAGEMENT
- GOVERNANCE
- CASE STUDY: LADY MARIA FISHER

In our 175+ years history, we have differentiated ourselves through innovation and technology



**WELCOMING LADY MARIA FISHER**  
Welcoming Lady Maria Fisher at the Port of Sunderland, colleagues and local delegates came together for the vessel's naming ceremony.  
→ [READ MORE PAGE 40](#)

# HIGHLIGHTS

At James Fisher our culture of shared success means that we seek out collaborations with customers, suppliers, and other industry players that align with our values and contribute to our shared vision for a sustainable future.

By working closely with our customers, and suppliers, to fully understand the requirements and challenges faced, we are able to draw on our specialist skills to create bespoke solutions that solve complex industry challenges.

## INNOVATION

**PVI (PRODUCT VITALITY INDEX) TRACKING IMPLEMENTED**

  
**KEY CLIENT ENGAGEMENTS RESULTED IN SERVICE INNOVATION COLLABORATIONS**

  
**REVISED NEW PRODUCT DEVELOPMENT PROCESS TO BE IMPLEMENTED ACROSS THE GROUP**

→ [READ MORE](#)

## CUSTOMER AND SUPPLIER ENGAGEMENT

**PARTNERING WITH LOCAL SUPPLIERS**

PLANNING UNDERWAY TO STANDARDISE PPE PROCUREMENT



NEW TRAVEL SUPPORT PROVIDER APPOINTED

- ✓ Supporting traveller wellbeing and sustainable travel habits
- ✓ Aligned with our sustainability principles

**NEW CUSTOMER FEEDBACK APPROACH IN PROGRESS**

**CRM SYSTEMS AND PROCESSES UNDERGOING STANDARDISATION**

→ [READ MORE](#)

## GOVERNANCE

 **SUSTAINABILITY POLICY IMPLEMENTED BY THE GROUP**

 **HEAD OF GROUP ETHICS AND COMPLIANCE APPOINTED**

Comprehensive update to existing internal mandated policies and related documents in progress

**New Group sanctions screening procedure** for customers and suppliers in development

**New document control** intranet site developed

Preparing for **Supplier Code of Conduct** roll out

→ [READ MORE](#)

# INNOVATION

**We recognise innovation is a critical element for sustainable growth enabling the Group to meet our current customer expectations, enhance our contribution to help customers meet their own sustainability ambitions, and to optimise new opportunities.**

Chief Digital Officer and Chief Technology Officer roles were created, and appointments made in October 2023 and January 2024.

The appointments provide an exciting opportunity for us to build key partnerships with customers, suppliers and technology institutes and plays a critical role in our climate transition.

Various client engagement meetings took place in 2023 to discuss how we can support and work together, resulting in service innovation work with some of our key customers.

## LOOKING AHEAD

With focus on client value creation, energy transition and harnessing the blue economy we are driving innovation and R&D at James Fisher via digital transformation and New Product Development (NPD).

During 2024 we plan to:

- Combine our deep industry expertise with strategic digital partners to co-develop new products and services and drive client value creation.
- Build our skills around Core Technology; autonomy, IOT (Internet of Things), workflow optimisation and digital twin, to create new client value and drive operational efficiencies.
- Develop and test robust NPD processes providing consistency, transparency and accountability.

- Develop an innovation pipeline across the Group with prioritised portfolio choices for each of our Product Lines.

Through application of our core technology there is significant opportunity to reduce travel to and from assets and comprehensive monitoring systems will help identify operational efficiency opportunities. Digital solutions will drive efficiencies through the full asset lifecycles bringing a range of potential benefits to the triple bottom line including reducing our carbon footprint.

As we work to embed ESG considerations into key processes and procedures throughout the Group and ensure we are proactive and responding to customer demand for more sustainable products and services, we will ensure opportunities are proactively acted upon, effectively tracked and, where there is value, realised. This includes:

- Development and/or expansion of low emission goods and services.
- Development of new products or services through R&D and innovation.

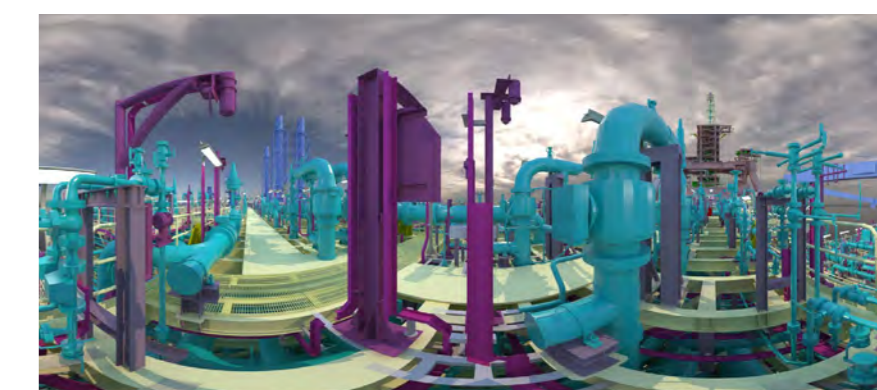
## AIR COMPRESSORS DESIGNED FOR BIG BUBBLE CURTAINS

James Fisher's ScanTech Offshore developed the stackable ST3100, a 20ft CSC/DNV2.7-1 containerised air compressor with a Caterpillar engine and original radiator technology that can deliver 3100cfm and capable of working pressures of up to 200 PSI, providing the air required to create a bubble curtain that reduces noise by up to 90 percent.

→ **FURTHER INFORMATION ABOUT OUR BUBBLE CURTAIN TECHNOLOGY CAN BE FOUND ON PAGE 5**

## INITIAL STEPS TO EMBED ENVIRONMENTAL CONSIDERATIONS INTO DESIGN AND DEVELOPMENT PROCESSES

To further understand the origin of emissions within our products, and start to identify emission hotspots, we have undertaken a product Life Cycle Assessment (LCA) of one of our products. This assessment calculated the embedded emissions within the product from its origin as raw materials through to how it is disposed of in its end-of-life. The information gathered from this exercise allows us to allocate effort to finding more carbon-efficient alternative materials, methods, or operations.



## Digital Twin increases the safety, accuracy and efficiency of rig surveys.

James Fisher's Digital Twin technology enhances the safety and efficiency of well testing campaigns by reducing the number of visits to assets.

Digital Twin provides teams with remote access to complex assets in harsh environments, enabling them to visually plan and deliver on project lifecycles in a safe and timely manner. This is simultaneously achieved while reducing emissions as a result of mobilising personnel and minimising costs from onboarding.

Additionally, the technology provides enhanced data governance and document management of assets, supporting future well testing tendering processes, procurement and material management.

# CUSTOMER AND SUPPLIER ENGAGEMENT

**With a network of world-wide operators, partners, industry experts and support bases, we are well placed to support our customers across the globe.**

## OUR CUSTOMERS

At James Fisher we recognise the importance of working closely with our customers. We are well placed to influence and help our customers through shared ambitions and an unrivalled 175+ years of expertise spanning marine, energy and defence.

As we strive for excellence throughout the business, we are inspired and driven by our customers, collectively pioneering specialist solutions to some of the most demanding industry, operational and technical challenges around the globe.

Importantly, we share the need to ensure continuity of service, often in time sensitive or emergency response situations, while enhancing our contribution to help customers shift their energy portfolio towards lower-carbon emissions and working collaboratively to develop our low emission products and services.

Additionally, in collaboration with our Project Management Office we are working towards Group-wide standardisation of our customer feedback approach.

## LOOKING AHEAD

We are seeing increased value in Asia Pacific for Offshore wind solutions, and market demands and pressures driving sustainable change. James Fisher is already able to support and provide solutions to the market such as electric compressors vs. diesel operated, and we are continuing to build on this.

The Group's new customer feedback process will roll out in 2024 as part of a transformed order to cash framework in development. Additionally our CRM systems and processes are undergoing standardisation which will better serve our customers.

We are working towards the implementation of Net Promoter Score (NPS) as a performance indicator across the Group. Currently data capture is inconsistent which we are addressing.

## OUR SUPPLIERS

At James Fisher our suppliers are a critical element for sustainable growth and long-term resilience, enabling the Group to meet its current and ongoing customer expectations. We also recognise the importance of enhancing our contribution to help our suppliers meet their own sustainability ambitions.

Strong leadership is central to achieving supply chain excellence. As part of the Group's restructuring and our commitment to standardise best practices, strengthen supplier engagement and ensure a resilient supply chain, a Head of Group Supply Chain (SC) function is now established. Our overarching goals remain:

- Promote our safety culture in all we do.
- Achieve resilience without inflating costs, in fact reducing them.
- Build a resilient SC through standardised best practices uniformly across the Group.
- Apply focus to single source suppliers, particularly within our Defence Division who manufacture products for human occupancy and support emergency rescue operations.
- Balance sustainability and cost. Driving the Group's Sustainability Strategy in the context of SC, including the expansion of Scope 3 data collection and reporting which in turn, will provide visibility into upstream supply chains that are built for resilience.

## NEW OPPORTUNITIES

Planning is underway to standardise PPE (Personal Protective Equipment) procurement across the Group which will provide opportunities for local suppliers to tender for the work award. We will be starting with the UK supply as this currently has the largest demand for PPE with a view to extending globally.

## SUPPLY CHAIN RESILIENCE

A robust supply chain is critical to business delivery and success. We're working closely with our employees, contractors and partners to build a stronger framework and supply chain, centred around efficient execution and delivery. During 2024 we intend to deliver the following:

- Develop and implement SC Management framework.
- Establish the SC organisation including roles, responsibilities, core and specialist competencies, and commence upskilling requirements (identified following a gap analysis) in order to meet our SC commitments.
- Roll out of the James Fisher Supplier Code of Conduct through a staged implementation plan.
- Finalise timeline, target(s) and drive the Group's initiative to shift to 100 percent purchased energy for all UK Product Lines.
- Identify appropriate methods and tools for developing mutually sustainable, beneficial, and collaborative supplier partnerships that offer superior value whilst attaining the highest standards aligned to our Group values.
- Support our GHG emissions Scope 3 data collection and reporting expansion through the Group's supplier engagement strategy planned for development in 2024.
- Realise new economies of scale through Group-wide use of strategic suppliers and strategic supplier agreements.

It is important to us that local start-up businesses, entrepreneurs, small- and medium-sized enterprises (SMEs), voluntary and social enterprises (VCSEs) have the opportunity to support our Product Lines. We do not currently measure this at Group level, however we are considering how our ERP system(s), or alternative methods, can support this.

# GOVERNANCE

**We believe that ethical leadership and effective stewardship, consistent with our valued behaviours are essential attributes for the Group's success.**

## BUSINESS ETHICS AND VALUES

We expect every James Fisher employee to embrace our valued behaviours – pioneering spirit, integrity, energy, and resilience. We also expect the suppliers, sub-contractors, and trusted partners that we work with to be aligned with and able to demonstrate their adherence to our values.

Our business ethics commitments are established in the Group's Code of Ethics, Anti-Bribery and Corruption Policy and Modern Slavery Policy, which are reviewed on a periodic basis to ensure they are current and align with evolving challenges in the world. Clear expectations and obligations are set out with our employees, partners, suppliers, and customers in alignment with these policies, and processes are in place to monitor compliance.

In recognition of our commitment to corporate governance excellence, a new Head of Ethics and Compliance role was created in 2023. This role will further enhance the governance controls already in place to ensure that we have a robust governance framework that will enable the Group to continue to deliver value for all our stakeholders whilst managing and minimising our risk exposure.

Refer to pages 56 to 66 of the 2023 Annual Report and Accounts for further information on our principal risks, and pages 68 to 69 for information on several training programmes and assurance processes supporting our policies.

## OUR SUSTAINABILITY POLICY

During 2023 the Board approved our first Sustainability Policy which sets the expectations for James Fisher aligned with our Sustainability Strategy, and ESG (Environmental, Social and Governance) performance.

To bring our sustainability pillars (People, Planet and Partnerships) to life the Sustainability Policy states we aim to:

- Demonstrate sustainability stewardship by acting responsibly and upholding sustainable practices.
- Continuously assess how we work to make good ESG decisions and sustainable improvements without negatively impacting our stakeholders.
- Act transparently and hold ourselves to account through verifiable data disclosure and performance reporting.
- Work to Company standards, procedures and policies designed to protect our people, local communities and the environment.

As part of our ongoing governance processes, we monitor and measure sustainability to ensure our policies are effective and being complied with. This helps us shape our policies, standards, procedures and drive continual improvement. The Sustainability Policy will also be reviewed periodically.

**→ THE POLICY CAN BE VIEWED HERE AND OUR CURRENT AND PLANNED ACTIVITIES ACROSS OUR NINE SUSTAINABILITY FOCUS AREAS WILL ENABLE US TO MEET THESE COMMITMENTS**

## CORPORATE GOVERNANCE

During 2023 we have continued to enhance the Governance protocols of the Group. This work will continue during 2024 following the appointment of our Head of Ethics and Compliance who is leading a review of all current policies, procedures and guidance documents. With a renewed Working Group to support and as we work towards embedding environmental and social considerations into business as usual, we will be screening all governance documents to ensure ESG considerations have been made.

Our document control platform was upgraded during 2023 providing enhanced support to our Group functions in the publication, revision and withdrawal of controlled documents through quick links and resource documents.

During 2024 we aim to:

- Finalise the design of the wider Group Governance framework and three-year implementation plan.
- Complete the development, approval and implementation of new and updated Group policies, standards, procedures and guidelines across all Group functions.
- Complete the implementation of our new document control framework and processes to ensure a consistent framework for the development, review and approval of Group Governance documents.
- Design and implement a new third-party risk mitigation strategy to assess and mitigate legal and reputational risks associated with doing business with and/or the assistance of third parties.
- Implement new internal approval and reporting controls for gifts, hospitality, sponsorships and donations.
- Draft a new Group Code of Conduct.
- Update the training provided to our employees on the new Governance controls implemented in 2024.

## SUSTAINABLE SUPPLY CHAINS

We expect our suppliers and sub-contractors to adhere to our principles and to commit to sustainable business principles and practices generally. It is important to have accountability and transparency on issues such as human rights, health and safety, product and service quality, and environmental impacts.

Our supplier onboarding process requires the completion of a detailed questionnaire capturing each suppliers' governance processes, policies, and commitments, and examines the credentials of their own supply chains. It is expected that the process will be renewed during 2024 as part of our Group supply chain standardisation to ensure maximum efficiency and alignment with Company policies including the Group's Sustainability Policy.

2024 will see the roll out of our Supplier Code of Conduct ensuring the highest standards of legal and ethical compliance throughout the Group and its suppliers.



# BUILDING THE TANKER FLEET OF THE FUTURE

In a strong example of bringing together our three sustainability pillars – People, Planet and Partnerships – we welcomed to our tanker fleet a second dual-fuel LNG vessel, Lady Maria Fisher (LMF).

## Partnerships

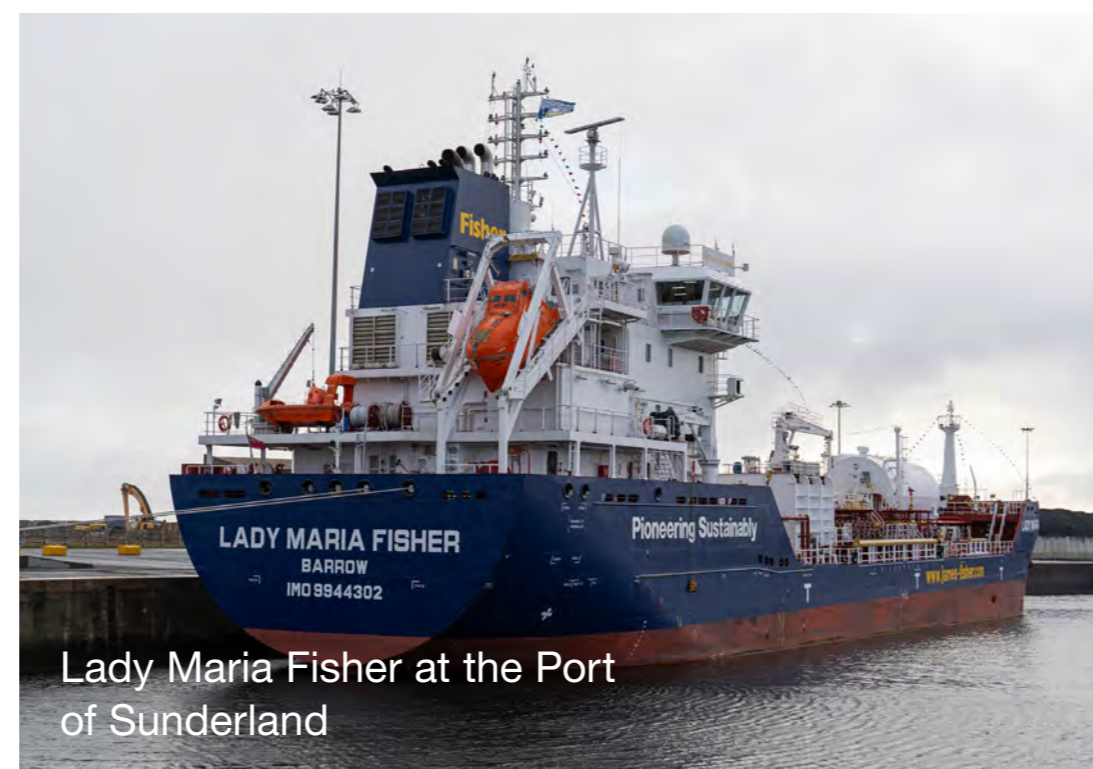
Combining the strengths of our people, seafarers, customers and the highly capable project team at China Merchants Jinling Shipyard (CMJL), the introduction of LMF and her sister vessel, Sir John Fisher (SJF) in 2022 marks the next step for us in building the tanker fleet of the future. Additionally, the innovative design has allowed us to continue servicing our existing long-term customers in Northern Europe, such as P66.

## Planet

With dual-fuel engines capable of running on liquefied natural gas (LNG), both vessels boast enhanced hydrodynamic performance and improved efficiency when it comes to cutting carbon emissions. Such features are designed not only to help us achieve our own net zero targets, but also to help our customers meet their own sustainability goals.

## People

In January 2024 LMF was welcomed to the Port of Sunderland for her naming ceremony. The event brought together colleagues, crew and our partners at CMJL to celebrate and recognise the fantastic achievement for all those involved in her delivery. Our seafarers' commitment to safety and efficiency is testament to the Sustainability Strategy in action.



## INTRODUCING THE LADY MARIA FISHER GODMOTHER

Debbie Smith, Finance Manager for James Fisher Tankships was immensely proud to have been chosen as Vessel Godmother.

**I was delighted to offer the role of Godmother to the Lady Maria Fisher to Debbie, to show our gratitude for her dedication to supporting the Tankships team and fleet for over 20 years! Debbie is a role model for young women in shipping who aspire to lead!**

**Krystyna Tsochlas**  
Head of Maritime Transport Division



**I was born in Barrow-in-Furness and growing up I was very aware of James Fisher and Sons and the contribution the Company has made in the history of the town's development. I joined James Fisher in January 2001, and am proud of the 23 years I have enjoyed working for the Company.**

**It is fitting, therefore, for me to see our Company heritage reflected in the names chosen for the first of our new vessels. Lady Maria Fisher was a famous opera singer and co-founded, alongside her husband, the Sir John Fisher Foundation which focuses on their passions of seafaring and the arts. With the naming of this vessel, she gets the recognition of her contribution to the Company and its legacy within British shipping.**

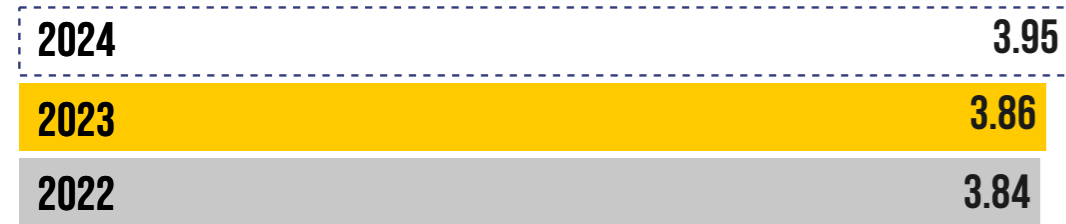
**Debbie Smith**  
Finance Manager



# NON-FINANCIAL KEY PERFORMANCE INDICATORS

## EMPLOYEE ENGAGEMENT SCORE

3.86

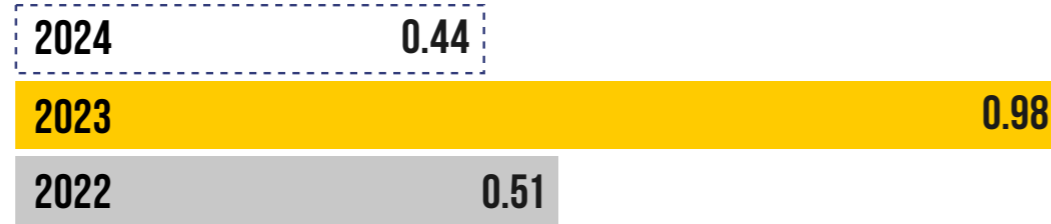


BASE YEAR  
2021  
BASELINE  
3.6



## LOST TIME INCIDENT FREQUENCY (LTIF)\*

0.98



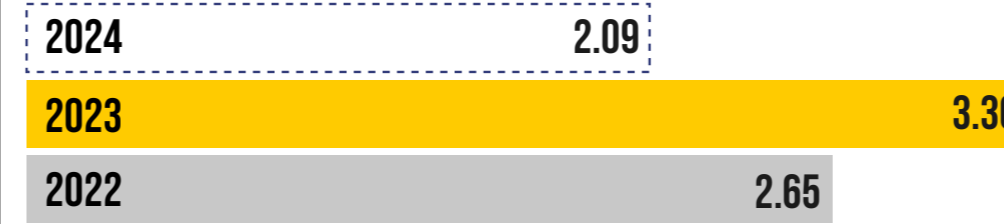
BASE YEAR  
2021  
BASELINE  
2.6

\* LTIF = (Number of lost time injuries x 1,000,000) / (Total hours worked).



## TOTAL RECORDABLE CASE FREQUENCY (TRCF)\*

3.30



BASE YEAR  
2021  
BASELINE  
7.4

\* TRCF = (Fatality + Lost Time Injury + Restricted Work Day Case + Medical Treatment Case) x 1,000,000 / (hours worked).



## HOURS SPENT SUPPORTING LOCAL COMMUNITIES\*

2,076



BASE YEAR  
2022  
BASELINE  
66%



\* Total hours spent based on two hours per employee headcount.

## SCOPE 1 AND SCOPE 2 EMISSIONS (TCO<sub>2e</sub>)

74,707



BASE YEAR  
2021  
BASELINE  
84,711

\* Net zero interim target year. Refer to our TCFD report/ Annual Sustainability Report Annex A for further details.

\*\* Reduction due to overall decrease in commercial activities throughout our vessels fleet during the reporting period.



## % VOLUNTARY ATTRITION

14%



BASE YEAR  
2022  
BASELINE  
18%



Key

Target

2023

2022

# BUILDING THE FOUNDATIONS FOR THE FUTURE

Underpinned by our purpose and valued behaviours, the three pillars of our Sustainability Strategy – People, Planet, and Partnerships – reinforce each other and, together, support our business growth and transformation strategy.



**Our commitment to safety, people, good governance and sustainability, particularly carbon reduction, is central to the future success of James Fisher.**

Angus Cockburn  
Chairman

## CONTACT INFORMATION

Jennifer Colquhoun,  
Head of Group Sustainability.  
Sustainability@james-fisher.com

James Fisher and Sons Plc  
Fisher House, Michaelson Road, Barrow-in-Furness,  
Cumbria, LA14 1HR

The companies in which James Fisher Plc directly and indirectly has an interest are separate and distinct legal entities. In this document, “James Fisher”, and “the Group” are used for convenience only where references are made to James Fisher Plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words “we”, “us” and “our” are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.



**I will advise young women to stay focused and be determined. You can achieve success by staying fearless and always striving to establish your knowledge in your areas of work.**

Precious Amarachi Arinze  
Offshore Engineer



➤ **OUR 2023 ANNUAL REPORT**  
Find out more in our Annual Report 2023

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES

## James Fisher and Sons plc (the Company) and its group of companies (the Group) has prepared its 2023 climate-related disclosures in accordance with UK Listing Rule 9.8.6(8) and section 414CB of the UK Companies Act 2006 (the Companies Act).

The Group considers that its climate-related disclosures set out in this Annex A to be consistent with the four recommendations and 11 recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD). See page 44 (compliance table) for further details.

Pages 41-45 of the 2023 Annual Report and Accounts include the Group's climate-related disclosures for the purposes of the Companies Act.

### INTRODUCTION

During 2022 the Group completed the identification, impact and reporting for climate-related risks and opportunities, and how these map over the short-, medium-, and long-term. We also extended the metrics used by the Company to support our transition to net zero.

Our understanding and management of climate-related risks and opportunities was enhanced in 2022 through a detailed qualitative and quantitative scenario analysis exercise. We evaluated the results of this scenario analysis at multiple levels within the business, including at Board-level, and have been using them to influence our business strategy and financial planning.

In 2022 we concluded the mapping of our emissions reduction pathways for Scope 1 and Scope 2 emissions which demonstrate pathways to achieving our net zero ambition.

During 2023, James Fisher underwent a substantial internal restructuring that re-prioritised internal activities towards facilitating this process successfully. For this reason, and in recognition of the expectation that scenario analysis should be refreshed every three years, we did not conduct further detailed climate scenario analysis in 2023. Our internal restructuring provided an opportunity to consolidate our position on our climate ambition and reaffirm our objectives, notably setting a strategic transition plan objective to align the Company with a low-carbon economy.

**In 2024, we intend to develop our first climate transition plan with reference to the disclosure framework designed by the UK Transition Plan Taskforce (TPT). This is expected to consolidate all our work to date on developing our climate-related position and outline a strategy to achieve our wider sustainability objectives, including our committed emission targets, and transition to support the Group to a low-carbon economy.**

### OVERVIEW OF OUR PREVIOUS WORK AND FUTURE PLANS:

#### 2023

James Fisher underwent an internal restructuring with the objective of unifying all elements of James Fisher's business under a simplified "One James Fisher" operating model. This, under a renewed Senior Leadership Team, has provided James Fisher with the opportunity to rethink its sustainable and climate transition strategic objectives.

James Fisher has worked to further embed the institutional processes that are necessary to ensure the Group; complies with its regulatory obligations; has a robust control environment for ESG-related data; is on course to achieve its climate-related priorities and upholds the tenets of sustainable disclosure, accountability, leadership, integrity, stewardship, and transparency. This objective, informed following a gap analysis conducted in 2023, will support the business in developing our first climate transition plan.

James Fisher conducted a Life Cycle Assessment (LCA) for one of its products to identify emissions hotspots and work to identify emissions reduction opportunities. This analysis forms part of initial steps towards a more granular approach to understanding its carbon emissions.

#### 2024

- Greenhouse Gas analysis**  
 James Fisher intends to undertake further detailed analysis of its Scope 3 emissions, by calculating the emissions related to categories 1 (Purchased Goods and Services), 2 (Capital goods) and 13 (Downstream leased assets).
- Supplier engagement**  
 James Fisher will be undertaking work to design a supplier engagement strategy to help support its ambitions to reduce emissions within the value chain.
- ESG-data robustness**  
 An assurance readiness review commenced in 2023 and is due to be completed early in 2024 to ensure James Fisher processes and documentation are well prepared for public assurance in future emissions reporting cycles.
- Transition planning**  
 James Fisher has committed to creating a climate transition plan in line with the UK's TPT guidance. This is a culmination of the Group's climate work previously completed, configured into a long-term actionable strategy that is intended to help achieve the Group's climate ambitions.

#### OUTCOME

Having laid the foundations in 2022 and 2023, we plan to complete a full inventory of our Scope 3 emissions, which will further refine our medium- and long-term emissions reductions targets.

In 2024 we will continue to strengthen and improve our ESG data collection tools and training processes. We will also begin work on our first transition plan to drive future climate targets and associated workstreams.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## TCFD RECOMMENDED DISCLOSURES

<p><b>GOVERNANCE</b></p> <p>Disclose the organisation's governance around climate-related risks and opportunities.</p>	<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGE 45</p>	<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 45 TO 49</p>	
<p><b>STRATEGY</b></p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.</p>	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 52 TO 54, 57 AND 61</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 55 TO 56</p>	<p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 50 AND 56</p>
<p><b>RISK MANAGEMENT</b></p> <p>Disclose how the organisation identifies, assesses, and manages climate-related risks.</p>	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 58 TO 60</p>	<p>b) Describe the organisation's processes for managing climate-related risks.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 45 TO 48</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 51 AND 59</p>
<p><b>METRICS AND TARGETS</b></p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p><b>Status: Disclosed</b></p> <p>→ PAGES 62 AND 67</p>	<p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p><b>Status: Scope 1 and Scope 2 emissions disclosed. Scope 3 emissions categories 3, 5, 6, 7 and 8 are disclosed. The remaining material categories are being calculated across 2024 &amp; 2025.</b></p> <p>→ PAGES 62 TO 65</p>	<p>c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p> <p><b>Status: Scope 1 and Scope 2 climate targets disclosed. Scope 3 targets are in process and are intended to be set once the Group fully understands its Scope 3 footprint, which is expected to be at the end of 2025.</b></p> <p>→ PAGES 65 TO 66 AND 72</p>

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## CLIMATE GOVERNANCE

The Group sustainability governance structure aligns with the existing Group business and governance model to ensure the greatest efficiencies and no overlap. Key considerations are:

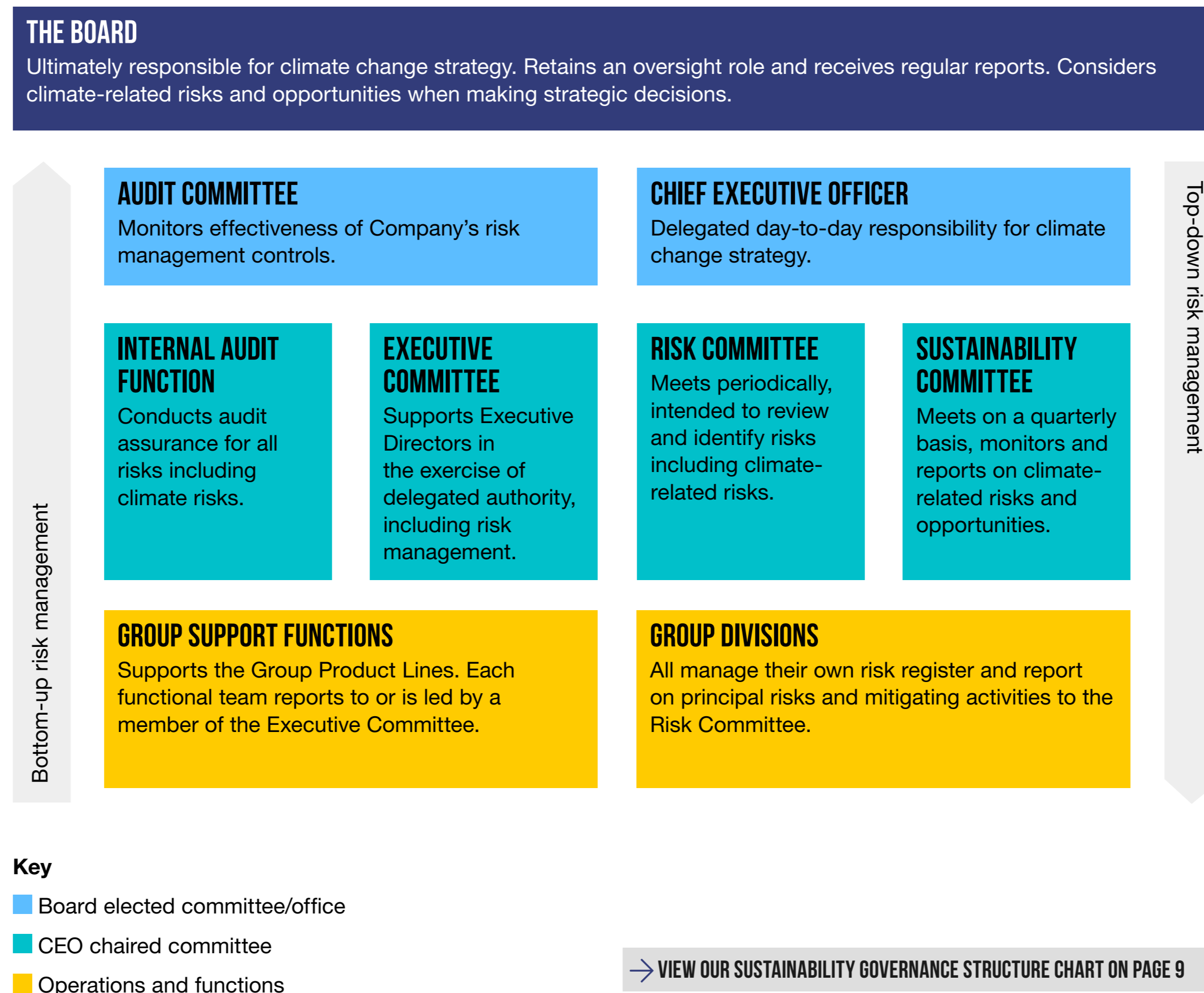
- A central team setting the strategy, priorities and metrics at Group level, with important contribution from Heads of Divisions which have decision-making rights to ensure priorities and activities are appropriate for the business.
- Interaction and engagement with Product Lines and employees through stakeholder steering teams focused on core delivery within Product Lines, driving accountability and alignment with Group objectives.
- Implementing a Group-wide feedback cycle of regular sustainability monitoring and reporting to enable continual improvement.
- Overarching responsibility for sustainability governance, risk management and performance monitoring with the Sustainability Committee.

### THE BOARD'S OVERSIGHT OF CLIMATE ISSUES

The Company's Board of Directors (the Board) has ultimate responsibility for the Company's climate change strategy and oversees progress against climate-related targets. The Board considers climate-related risks and opportunities on an ongoing basis, such as when deciding on the strategic direction of the Group, considering acquisitions and divestments, or deciding on major capital expenditures.

The Board delegates day-to-day responsibility for the climate strategy, including identifying and managing climate-related risks and opportunities, to the Group CEO and is kept informed of climate-related issues via management structures including the Risk Committee, the Sustainability Committee, the Audit Committee, and the Group Support Functional leads.

Figure 1. Governance framework overview



A summary of this governance structure is provided in Figure 1 and a list of key reports used to inform different Committees and functions on climate issues is provided in Table 1 page 48.

The Board is overseeing major capital expenditure, acquisitions or divestitures, and to ensure consistency, with a staged approach and primary focus on GHG emissions impact, work is underway to develop an appropriate method for James Fisher to both embed ESG-related criteria within existing decision-making papers, and how this informs our decisions, particularly when projects directly affect emissions, energy efficiency, or changes in the portfolio.

Additionally, we are exploring suitable internal carbon pricing approaches to gain a better understanding of the potential impact of external carbon pricing on the profitability of new projects, products and services, or investments-risks posed by existing and potential regulatory carbon pricing regimes, for example extension of the UK Emissions Trading Scheme (UK ETS) to domestic shipping as of 2026. This will allow for Group-wide monitoring of these integral considerations becoming part of business-as-usual.

→ FURTHER INFORMATION OF HOW THESE BODIES WORK TOGETHER TO MANAGE RISK IS DESCRIBED BELOW AND ON PAGES 46 TO 48

### BOARD COMMITTEES AND MANAGEMENT FUNCTIONS WITH CLIMATE RESPONSIBILITIES

#### AUDIT COMMITTEE

The Audit Committee is made up of Non-Executive Directors. The Audit Committee supports the Board in determining the Group's principal risks including climate-related risks, and in monitoring the effectiveness of the Company's risk management and internal control systems. In relation to climate, representatives of the Audit review our TCFD disclosures before they are sent to the Board for approval.

→ VIEW OUR SUSTAINABILITY GOVERNANCE STRUCTURE CHART ON PAGE 9

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is outsourced to PricewaterhouseCoopers (PwC LLP). The main responsibilities of this function are to:

- Conduct audit assurance for all operational, compliance, financial, climate and other risks in all businesses and locations throughout the Group, both existing and under development.
- Provide assurance over current mitigation of risks and advise on gaps and progress on the closure of gaps previously identified.
- Provide consulting and advisory services related to governance, risk management and control so long as Internal Audit's independence will not be compromised.

The annual Internal Audit plan is determined on a risk assessment basis and is reviewed and approved by the Audit Committee. PwC attends all scheduled Audit Committee meetings and, presents a summary of the internal audit findings, recommendations, and implementation progress on an ongoing basis.

An Internal Controls function was created in 2022, headed by the former Group Head of Internal Audit, in part due to the Company's internal controls and the UK Government consultation paper released in March 2021, which outlined its proposals for strengthening the UK's framework for major companies and the way that they are audited.

The Head of Internal Controls, is supported by external advisers BDO LLP, to manage the internal controls enhancement programme that will enable the Group to be better prepared to meet the final requirements.

Internal Controls implement the annual risk evaluation process and the internal control and risk management review questionnaire process with the individual businesses. Within this review climate risks and opportunities are considered as an integrated part of the procedure.

## EXECUTIVE COMMITTEE

The Board operates an Executive Committee that meets monthly and is chaired by the CEO. The Committee consists of the CEO, Chief Financial Officer, Group General Counsel, Chief HR Officer, Group Business Development Director, Head of Business Excellence, Head of Corporate Communications and Marketing and Divisional heads. Effective January 2024, the Committee also includes the Chief Technology Officer.

The Committee is responsible for supporting the Executive Directors in the exercise of their delegated authority from the Board and the day-to-day operation of the Group. As such, climate change is a regular agenda item to allow for discussion of information escalated by sub-committees e.g. Sustainability Committee and Risk Committee.

## SUSTAINABILITY COMMITTEE

The Sustainability Committee, a sub-committee of the Executive Committee, is mandated to assist the CEO in recommending to the Board the Group's Sustainability Strategy.

The Sustainability Committee reports to the Board via the Executive Committee, and is responsible for the creation and implementation (with input from local management), of the Group's Sustainability Strategy, including its climate strategy.

The Sustainability Committee manages the road map of key milestones and is responsible, along with input from Group Product Lines, for driving the strategy across the Group and monitoring the Group's performance in relation to sustainability performance. This includes supporting the Board in fulfilling its oversight responsibilities with respect to ESG matters.

The Sustainability Committee is scheduled to meet quarterly and is made up of the CEO and other individuals, which includes:

- The Group Head of Sustainability.
- The Group Chief HR Officer.
- The Group Head of Corporate Communications and Marketing.
- The Group Strategy Manager.
- The Group Head of Business Excellence.
- The Heads of Divisions.

In 2023 the Sustainability Committee terms of reference were updated to specifically refer to a Board member, Claire Hawkings, a Non-Executive Director, attending meetings on a regular basis, Claire brings ESG-related expertise while strengthening communication between management and the Board. In addition, drawing on divisional expertise and ensuring a strong team of influencers in relation to ESG matters, the Group's Heads of Divisions formed part of the Sustainability Committee from 2023.

## Responsibilities

- Setting and recommending to the Board via the CEO, the Group's Sustainability Strategy.
- Monitoring and reporting on the Group's sustainability performance, with input through Divisions and Product Lines and including our management of climate risk and opportunities and wider ESG-related matters.
- Driving and delivering strategy across the Group as part of a culture move, with Heads of Divisions representing Product Lines for key input. Ensuring alignment of key functions across the business supporting the Group's Sustainability Strategy and enabling devolved leadership, driving agile decision-making that optimises value creation.

- Advising the Executive Committee and the Board, in its oversight of climate and sustainability matters relating to its products and services, particular sectors and its own corporate activities.
- Considering current and emerging ESG matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders, including climate-related risk and opportunities, and making recommendations on the Group's approach.
- Monitoring the extent to which ESG is integrated into business areas, and where the Company may benefit from improved integration. This includes major change committees such as the Remuneration, Investment and Audit Committees.
- Reviewing and recommending to the Board for external disclosures and ESG-related internal controls with support from Group General Counsel and Finance.

The Sustainability Committee's terms of reference are periodically reviewed and updated. This process is informed by the Group's deeper understanding of its climate risk exposure. Should the Group's risk position change on climate, this will be reflected in the terms of reference, particularly within role responsibilities.

THE GROUP GOVERNANCE FRAMEWORK IS DESCRIBED IN DETAIL ON PAGES 70 TO 76 OF THE 2023 ANNUAL REPORT AND ACCOUNTS

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## RISK COMMITTEE

The Risk Committee meets periodically and is attended by the Executive Directors and the heads of functional teams.

Responsibility for identifying, assessing and managing climate-related risks principally sits with the Risk Committee, but it is the responsibility of each functional head to provide a report that identifies any matters in their functional area which relate to the Group's principal risks and uncertainties, or to individual Division's risk registers (including climate-related matters). Climate change risk is considered a principal risk by the Group and therefore is regularly discussed by the Risk Committee.

Risk Committee meetings are reported to the Board via the Executive Directors, and any key issues raised are discussed at meetings of the Board. The main responsibilities of the Risk Committee are to:

- Keep under review the effectiveness of the Group's overall risk management framework and processes and ensure corrective action is taken where necessary.
- Make recommendations to the Board/Audit Committee with respect to the risk appetite set by the Board.
- Review the principal and emerging risks that the Group is monitoring across all major activities considering the Group's risk appetite, long-term strategy and the interest of all stakeholders impacted by the Group's activities – shareholders, employees, customers and suppliers, the environment, and local communities.
- Review reports from functional heads on risks encountered in interactions with the Divisions.
- Review reports from the Divisions on their principal risks and mitigating activities, as well as any emerging risks.
- Ensure that a robust assessment of the principal and emerging risks facing the Group has been undertaken annually by reference to risk registers from Product Lines and functions.

The terms of reference of the Risk Committee are aligned to bring recommendations for improvements of risk reporting to the Audit Committee and the Board at the appropriate time in the Board's corporate cycle. The Risk Committee terms of reference are reviewed annually.

## GROUP SUPPORT FUNCTIONS

The Group's Product Lines are supported by Group Support Functions. Each functional team reports to or is led by a member of the Executive Committee.

The Board retains an oversight role and receives regular reports on key issues from the following functional areas:

- Strategy and sustainability matters, including climate strategy risks and commitments, from the Head of Business Excellence.
- Legal and regulatory matters from the Group General Counsel.
- Financial, tax and treasury matters from the Chief Financial Officer.
- People and Human Resources (HR) matters from the Chief HR Officer.

## GROUP DIVISIONS AND PRODUCT LINES

Responsible for ongoing management of their Company-specific risk register including climate-related risks, reporting on sustainability matters via the appropriate Group Committees and reporting cycles, and making recommendations for improvement to risk management processes. The Divisions are responsible for quarterly reporting to the Risk Committee on their principal risks and mitigating activities, as well as any emerging risks.

Table 1 on the next page illustrates reporting structures that exist to inform the Board, key stakeholders, and committees about climate-related risks across the Product Lines. These structures support the management of climate-related risks. In relation to embedding standardised management of climate-related opportunities into our business management processes, company restructuring which included significant changes to the Senior Leadership Team during 2023 subsequently required re-organisation of the Group's sustainability organisation. During this process we identified a need to re-familiarise the Sustainability Strategy and key objectives and socialise previous work carried out prior to undertaking further activities. Our transition planning activities scheduled for 2024 incorporate this, meanwhile our Product Lines have continued to independently manage climate-related risks.



# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

Table 1.

## REPORTING CYCLE USED TO IDENTIFY, REPORT AND MANAGE CLIMATE-RELATED ISSUES

SOURCE OF REPORT	RECIPIENT OF REPORT	CONTENT OF REPORT	FREQUENCY
Audit Committee	The Board	Summary of the Internal Audit findings, recommendations, and implementation progress.	At every meeting
Audit Committee	The Board	Results of annual risk evaluation process.	Annually
Audit Committee	The Board	Results of internal control and risk management review questionnaire.	Annually
Risk Committee	The Board	Recommendations regarding appropriate risk appetite for the Group.	Annually
Risk Committee	The Board and the Audit Committee	Recommendations for changes to the reporting of the Group's principal and emerging risks.	Appropriate time in the Board's corporate cycle
Risk and Audit Committees	Sustainability Committee	Climate specific: Internal Audit findings, recommendations, and progress, results of annual risk evaluation process, internal control and risk management review questionnaire, recommendations on appropriate risk appetite for the Group and changes to reporting of the Group's principal and emerging risks.	Effective from 2024
Functional Heads	Risk Committee	Risks encountered in interactions with the Product Lines.	Quarterly
Functional Heads	Risk Committee	Risk register.	Bi-annually
Divisions	Risk Committee	Report on principal risks and mitigating activities.	Bi-annually
Divisions	Risk Committee	Risk register.	Bi-annually
Internal Audit	Audit Committee	Annual Internal audit plan.	Annually
Internal Audit	Audit Committee	Recommendations for improvement to risk management processes.	Annually
Sustainability Committee	The Board	List of actions, recommendations, and decisions.	Quarterly
Sustainability Committee	The Board	Sustainability highlights and lowlights including climate-related risks and opportunities if applicable, and Group performance results for key ESG-related targets and objectives where the item is measured quarterly.	Quarterly

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## INCENTIVES

The annual bonus opportunity for Executive Directors and Executive Committee members continues to be linked, in part, to strategic objectives aligned to short-term business priorities for the Group. For 2023, this strategic scorecard included objectives relating to health and safety as well as employee engagement. Recognising that our employees remain our most important assets, and critical to the operation of our business and its wider success, the strategic scorecard for the bonus in 2024 will again include linkage to these measures. As described in last year's Annual Report, the 2023 bonus was additionally subject to a discretionary assessment by the Committee of progress on other important initiatives during the year, including our environmental agenda. Our Divisions and Product Lines are also expected to consider incentives at operational level in recognition of, and to drive efforts and contributions towards, the Group's sustainability objectives.

For 2024, the Remuneration Committee has also introduced to the scorecard for the LTIP a performance condition based on progress towards the Group's ambition to transition to net zero by 2050. The payout of this element of the LTIP will be linked to the achievement of targets set in relation to an absolute reduction in Scope 1 and Scope 2 GHG emissions over the period of three financial years 2024-26. Following engagement with the Group's shareholders on the Remuneration Policy and its proposed implementation for 2024, the strategic element (within which this sustainability metric sits) has been weighted at 20 percent of the maximum opportunity for each participant; the sustainability metric comprises one-third of this. Threshold performance (below which the sustainability element will lapse in full) has been set at an 18 percent reduction versus the 2021 baseline. At Threshold, 25 percent of this element will pay out, increasing on a straight-line basis to 100 percent payout for a reduction of at least 21 percent.

The weighting of, and targets attaching to, this metric will be kept under review for future cycles to ensure it is weighted appropriately to drive the right behaviours towards delivering our sustainability ambition and balanced with other key performance indicators for the Group.

## PROFILE AND CAPABILITIES OF THE BOARD AND ITS COMMITTEES

The Board benefits from the climate expertise of Independent Non-Executive Director Claire Hawkings. Claire regularly attends scheduled Sustainability Committee meetings bringing ESG expertise and key strengths and knowledge including experience in the energy sector, ESG/sustainability leadership and management expertise. In addition, a broad understanding of the development and delivery of organisational strategies including business process transformation, leadership succession, diversity, and inclusion. Claire also has experience in portfolio management and leading complex commercial transactions.

The remaining Board members receive periodic updates via other internal functions throughout the year that help to provide context to the Company's climate position and the progress James Fisher is making towards its climate-related targets. Further information on the reporting structures used to identify, report, and manage climate-related issues can be found on page 48.

In addition, Neil Sims (Head of Energy) who reports to the Chief Executive Officer, has a long-standing career in the energy industry including ESG and energy transition strategies. As such, he brings a vast expanse of knowledge critical to the Group's energy transition.

In 2023 we explored methods and tools to assist the Board, and all management levels within the Company, with their knowledge of climate and broader ESG-related matters. For example SLR, ESG consultants, attended periodic Sustainability Committee meetings to share workstream progress and expertise in the areas of carbon management, climate risk and opportunities management and ESG reporting regimes. This work will continue in 2024.

## CULTURE

We aim to motivate and empower our people through targeted engagement activities, knowledge and learning experiences, recognition, and participation both internally and within our local communities – we want our people to want to be a part of sustainable transformation and change. During 2023, as part of a review of all-employee communications, we launched regular all employee webinars to share updates from across the Group and encourage feedback. We expanded on our GHG emissions reporting guidance with the support of Planet Working Group representatives across the globe. We identified various learning pathways for 2024 and beyond including our new learning management system with capabilities around driving engagement through gamification, social features, and integrated recommendations. With Exceptional Safety we started to build a unified safety culture in 2023.

We launched an all new "One James Fisher" Sustainability hub in 2023 which hosts our first ever community networking hub with information on sustainability and our performance beyond the bottom line, connecting employees to resources and information areas and providing a space to collaborate and share wins and experiences.

We remain proud members of RenewableUK (RUK) and in 2023 engaged through: co-exhibiting with RUK at the International Partnering Forum and Wind Europe.

The Head of Product Development, James Fisher Renewables (JFR), presented at the RUK Global Offshore Wind and we attended the RUK Global Offshore Wind Conference 2023 Awards with one of our JFR team members having been nominated. The Product Line Director of James Fisher Renewables also ran for a place on the RUK Board in April 2023.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## STRATEGY

Climate change is an important consideration in defining the strategic direction of our businesses. Consequently, it was considered fundamental to understand James Fisher's exposure to climate-related risks and opportunities and the potential impacts associated. To this end, we conducted a detailed scenario-analysis exercise in 2022 with support from SLR Consulting, an external specialist consultancy.

The results from our assessment were presented to the Board of Directors via the Executive Committee and has been cascaded throughout the senior management levels of the business during 2023 through socialising of the results. The outcomes of the scenario analysis process are in the process of being incorporated into business strategy and financial planning to ensure that the Group is prepared to meet the challenge posed by climate change and its net zero transition.

The Group now has a tool for quantifying the financial impact of these value drivers which will be used on an ongoing basis. The data and assumptions in this tool will be edited and updated as necessary.

The Group now has a deeper understanding of its climate-related risks and opportunities, their relative importance and how the risks may change across time horizons and climate scenarios.

## NEXT STEPS

We intend to refresh our qualitative and quantitative scenario analysis every three years, as per UK guidance, to ensure that risks are continually assessed, and scenario analysis results are sufficiently up-to-date.

This section describes the process that was followed, the outcomes from this analysis, how we are integrating these results into our strategic planning, and how we intend to continue building on this process in the future.

## CLIMATE SCENARIO ANALYSIS PROCESS

The scenario analysis exercise included a qualitative assessment of identified climate-related risks and opportunities, which were scored across three time horizons and three climate scenarios. Scoring was informed by globally authoritative data sets, desk-based research, as well as workshops and questionnaires with Group Executives and Division Leads.

This was followed by a quantitative scenario analysis, focusing on the various value drivers and impact pathways associated with the most significant climate-related risks and opportunities. The process involved modelling the evolution of value drivers over time and across different climate scenarios and projecting how changes in these value drivers could impact the performance of the Group.

The results from the scenario analysis were discussed with the Board and other key stakeholders throughout the Group. Informed by the results, continued efforts are being made to:

- i) Further inform our climate-related target setting.
- ii) Identify metrics to track performance and monitor material risks.
- iii) Guide our strategic decision-making processes.
- iv) Contribute to our financial planning.

A more detailed summary of the scenario analysis and methodologies is provided in Figure 2 overleaf and in the Risk Management section.

## TIMEFRAMES AND SCENARIOS

James Fisher's qualitative and quantitative climate scenario analysis uses a short-term period of 0-1 year, a medium-term period of 1-5 years, and a long-term period, of over 5 years (up to 2050).

The selected time horizons are aligned with the Group's risk management framework to ensure consistency and to facilitate the integration of findings within wider business and strategic planning. For the quantitative assessment, our analysis goes out to 2050 for the long-term period. This ensures we account for the increase in potential climate issues which are expected to materialise over longer time periods than other business risks.

Climate scenarios and projections were used to inform both the qualitative and quantitative scenario analysis processes. For the qualitative assessment we used data from globally authoritative datasets and climate models sourced in 2022\* (e.g. the IPCC WGI Interactive Atlas, the World Bank Group Climate Change Knowledge Portal, the NGFS IIASA Scenario Explorer) to inform our analysis. For the quantitative, we sourced climate projections from the suite of climate scenarios defined by the Network for Greening the Financial System (NGFS) as this database had the relevant and available information required for our analysis.

All climate scenarios considered are commonly used as a starting point for analysing climate risks and were used to align the scenario analysis with best practice. We have not deviated from the assumptions, or methodologies underpinning these climate scenario categories.

To ensure our assessment was comprehensive and provided insights into various potential climate eventualities, our methodology included three climate scenarios each with varying levels of projected global warming. The assumptions underlying each climate scenario are explained in the below table.

\* Sources: <https://interactive-atlas.ipcc.ch/>, <https://climateknowledgeportal.worldbank.org/>, <https://data.ene.iiasa.ac.at/ngfs/#!/login?redirect=%2Fworkspaces>

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## THE NGFS CLIMATE PROJECTIONS USED ARE DERIVED FROM THE FOLLOWING REPRESENTATIVE SCENARIOS:

SCENARIO NAME	ORDERLY TRANSITION	DISORDERLY TRANSITION	HOT HOUSE WORLD
DESCRIPTION	Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices are typically higher for a given temperature outcome.	Hot House World scenarios assume that some climate policies are implemented in some jurisdictions but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risks including irreversible impacts like sea-level rise.
	↓	↓	↓
SCENARIO PATHWAY	NET ZERO 2050	DELAYED TRANSITION	CURRENT POLICIES
DESCRIPTION	This scenario limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO <sub>2</sub> emissions around 2050.	Delayed transition assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.	Current policies assumes that only current implemented policies are preserved, leading to high physical risks.
TEMPERATURE INCREASE BY 2100	1.4-1.6°C	1.7-1.8°C	2.9°C+

Figure 2. Scenario analysis process

### QUALITATIVE SCENARIO ANALYSIS PROCESS

- Peer reviews, desk-based research and initial interviews with business Divisions were used to generate a long list of climate-related risk and opportunities that the Group is exposed to. Initial Sensitivity and Adaptive Capacity scores were also generated using this process.
- A series of workshops and online surveys with Executives and Division Leads was used to validate the highest-ranking risks and opportunities and generate Division-specific Sensitivity and Adaptive Capacity scores.
- Exposure, Adaptive Capacity and Sensitivity information was used to generate a Vulnerability score.
- Likelihood and Magnitude scores were generated over three time horizons and three climate scenarios using information from globally authoritative datasets and climate models (e.g. the IPCC WGI Interactive Atlas, the World Bank Group Climate Change Knowledge Portal, the NGFS IIASA Scenario Explorer).
- Risk scores were generated over the scenarios and time horizons using the information on Likelihood, Magnitude, and Vulnerability. The risks were then prioritised and ranked. (See risk management section page 60 for scenario analysis risks scoring diagram).  
  
For opportunities, scores were generated based on opportunity size and ability to execute (i.e. the ease with which the Group could action opportunities).

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## RESULTS - QUALITATIVE SCENARIO ANALYSIS

We consider the analysis conducted in 2022 and the risks identified to remain applicable in 2023 and our risk position on the risk scores also remains stable.

The qualitative scenario analysis has allowed the Group to identify a wide range of climate-related risks and opportunities that are relevant to James Fisher. The risks and opportunities were assessed and scored across multiple time horizons and climate scenarios, which allowed for ranking and prioritisation.

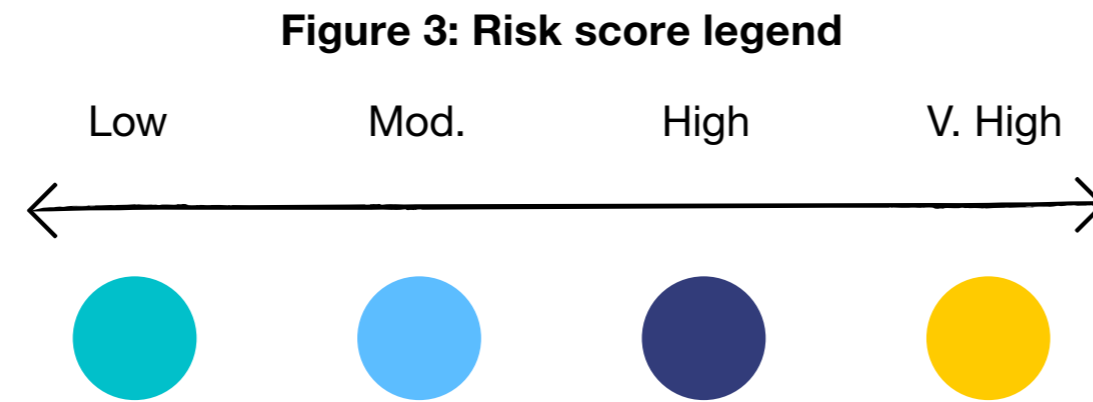
The findings of the qualitative climate-related risk assessment are in Tables 2-6. Each table focuses on a TCFD-related risk category (i.e. physical, policy and legal, market, technology, and reputation).

Each risk category incorporates multiple risk drivers that have the potential to negatively impact the Group. Risks are considered in relation to the Group rather than individual Product Lines. The risks and opportunities are increasingly understood at the local level and incorporated into wider management practices.

### HOW TO READ THE QUALITATIVE SCENARIO ANALYSIS COLOUR CHARTS

Each risk category is associated with overall risk scores (from "low" to "very high"), which are representative of the most significant risk within each category (Figure 3).

The evolution of risk scores across different time horizons and climate scenarios represents the direction of travel of expected risk impact.



## CLIMATE-RELATED RISKS AND OPPORTUNITIES

Table 2. Physical climate-related risks and opportunities

### PHYSICAL (ACUTE & CHRONIC)

CONTEXT	SIGNIFICANT RISKS	GROUP RISK			
		Short-term (<1)	Med-term (1-5)	Long-term (>5)	
Marine and coastal operations are globally distributed (e.g. North Sea, Mediterranean, Middle East, Caribbean, Indian Ocean, and Eastern Pacific) and physical climate-related hazards will vary by location (e.g. tropical, and extratropical storms, sea-level rise and storm surges, wave climate, and heat stress). Whilst we have not yet experienced any climate-related incidents to date, in the medium- to long-term time frames (1-5+ years), the frequency and severity of climate hazards may change this. Additionally, there may be opportunities for James Fisher to become a specialist in providing operations and services in extreme conditions.	• Extreme weather events impacting marine and coastal operations.	Orderly	●	●	●
	• Climate-related hazards impacting facilities and offices.	Disorderly	●	●	●
	• Supply chain disruption from climate-related hazards delaying service provision.	Hot House	●	●	●

### RESPONSE OPTIONS AND OPPORTUNITIES

- Undertaking location and operation-specific physical climate risk assessments and developing suitable bespoke response measures.
- Extreme weather protocols are maintained and regularly updated by the Maritime Transport Division, helping to ensure continued safe operation in changing climates. James Fisher aims to continue developing next generation health and safety protocols and specialising in providing operations and services under extreme climate conditions.
- Using bunker software to track relationship between increased climate hazards and time spent sheltering in ports for James Fisher vessels.
- Extending provision of maintenance and repair services to accommodate increasing client demand as a result of asset damage due to the manifestation of physical climate risks.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

**Table 3. Policy and legal climate-related transition risks and opportunities**

## POLICY & LEGAL

CONTEXT	SIGNIFICANT RISKS	GROUP RISK																
Sustainability and climate-related regulations are already present in key markets for the Group and uptake of legislation is expected to continue to grow. The changing regulatory landscape is likely to present new and evolving risks such as more stringent regulations to follow or increases in litigation for environmental negligence. We expect the impacts from these risks to manifest in the medium- to long-term (1-5+ years). However, there may be co-benefits to compliance and from developing high quality approaches as climate strategies become increasingly important to stakeholders and investors.	<ul style="list-style-type: none"> <li>Regulatory pressure on carbon intensive industries increasing direct and indirect costs.</li> <li>Carbon prices increasing direct costs.</li> <li>Revoking of permits for operations failing to meet standards reducing revenue.</li> <li>Litigation, if environmental regulations are breached, impacting brand and potential for legal costs.</li> </ul>	<table border="1"> <tr> <td></td> <td>Short-term (&lt;1)</td> <td>Med-term (1-5)</td> <td>Long-term (&gt;5)</td> </tr> <tr> <td>Orderly</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Disorderly</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Hot House</td> <td>●</td> <td>●</td> <td>●</td> </tr> </table>		Short-term (<1)	Med-term (1-5)	Long-term (>5)	Orderly	●	●	●	Disorderly	●	●	●	Hot House	●	●	●
		Short-term (<1)	Med-term (1-5)	Long-term (>5)														
	Orderly	●	●	●														
Disorderly	●	●	●															
Hot House	●	●	●															

## RESPONSE OPTIONS AND OPPORTUNITIES

- Continuing to provide responsible stewardship of oil and gas service provision and maintaining climate-responsible oil and gas service lines (e.g. carbon-efficient well decommissioning).
- The following metric is tracked at the Group level: the proportion of revenue streams from renewables and remediations operations versus revenue from other products and services. Increasing the proportion of revenue from low-carbon-aligned activities, which are less exposed to risk from climate-related regulations (e.g. renewables and remediations). Where James Fisher Divisions have direct involvement in carbon-intensive activities, e.g. oil and gas, revenue targets have been introduced.
- Delivering the James Fisher Sustainability Strategy and investing in energy transition capabilities and technologies.
- Reducing emissions across the Group and achieving net zero status. Implemented emission reduction measures are discussed from page 68 and include Division-specific measures such as Tankships' installation of bunker software across the full fleet which will be used to reduce emissions through increasing operational efficiencies.
- Setting Scope 3 baseline and strengthening supplier relationships to enable future reductions.

**Table 4. Technology climate-related transition risks and opportunities**

## TECHNOLOGY

CONTEXT	SIGNIFICANT RISKS	GROUP RISK																
Improvements in renewable energy technologies are expected to contribute to the growth of renewables in the global energy mix. James Fisher acknowledges that proactive engagement in the global energy transition is needed to recognise the potential opportunities for energy efficiencies and new low-carbon services. The extent of global action will determine how large an opportunity this will be. There is also a potential risk associated with delaying investment in these areas, as well as the potential for James Fisher to be surpassed by competitors who invest earlier in this field. Companies that transition early are set to benefit from access to capital, cost-saving efficiencies, and revenue growth from new and expanding service lines.	<ul style="list-style-type: none"> <li>Renewable and green energy technologies becoming more cost-competitive, decreasing demand and revenue.</li> <li>Competitors gaining market share from investment into low-carbon technologies and operations.</li> <li>Missed opportunities from delayed investment into low-carbon technologies and services.</li> </ul>	<table border="1"> <tr> <td></td> <td>Short-term (&lt;1)</td> <td>Med-term (1-5)</td> <td>Long-term (&gt;5)</td> </tr> <tr> <td>Orderly</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Disorderly</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Hot House</td> <td>●</td> <td>●</td> <td>●</td> </tr> </table>		Short-term (<1)	Med-term (1-5)	Long-term (>5)	Orderly	●	●	●	Disorderly	●	●	●	Hot House	●	●	●
		Short-term (<1)	Med-term (1-5)	Long-term (>5)														
	Orderly	●	●	●														
Disorderly	●	●	●															
Hot House	●	●	●															

## RESPONSE OPTIONS AND OPPORTUNITIES

- Continuing growth and expansion of James Fisher Renewables (JFR) and associated service lines through current technologies, e.g. new technologies such as implementing cutting-edge (DAS and DTS\*). JFR cable care package works towards reducing the number of vessels undertaking routine subsea surveys. This has a positive environmental impact by reducing the number of hours spent at sea and the emissions associated.
- Exploring synergistic partnerships with low-carbon technology providers already active in energy transition markets (e.g. to reduce direct and indirect emissions and/or gain access to emerging markets such as carbon capture and storage).
- Introducing LCA analysis as part of product R&D to reduce indirect emissions and better position James Fisher as a provider of low-carbon solutions.
- Adopting green energy technologies for reducing costs, increasing efficiencies internally and for customers, differentiating from the competition, and safeguarding against volatile energy prices.
- Capitalising on existing climate and environment-related internal initiatives and rolling out best practices consistently across the Group.
- New role of Chief Technology Officer created (appointed in January 2024) will focus on client value creation, energy transition and harnessing the blue economy.

\* DAS: Distributed Acoustic Sensing, DTS: Distributed Temperature Sensing.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

**Table 5. Market climate-related transition risks and opportunities**

## MARKET

CONTEXT	SIGNIFICANT RISKS	GROUP RISK	Short-term (<1)	Med-term (1-5)	Long-term (>5)
The Divisions and Product Lines have varying exposure to market-related transition risks. The level of risk exposure is also dependent on external, macroeconomic factors, such as changing oil and gas prices, supply, and demand. We expect in the medium- to long-term these factors will play an increasingly disruptive role in the Group’s operations. However, James Fisher is protected to an extent due to the breadth of service offerings across the Group and by the Group’s ability to support clients in volatile oil and gas markets. Further opportunities may be available from extending into new and growing market opportunities.	<ul style="list-style-type: none"> <li>Energy and fuel price volatility increasing operational costs.</li> <li>Sensitivity to oil and gas markets and impact on demand and revenue.</li> <li>Uncertainty surrounding evolution of global energy mix, potential for high capital costs.</li> <li>Changes in customer behaviour demanding climate-engaged service providers leading to reduced market share and lower revenue.</li> </ul>	Orderly	●	●	●
		Disorderly	●	●	●
		Hot House	●	●	●

## RESPONSE OPTIONS AND OPPORTUNITIES

- Enhancing business segments in new and growing market opportunities, such as renewables service lines and meeting the growing demand for chemical cargo carriers.
- Growing maintenance and repair service lines for assets that will experience damage under climate change.
- Diversifying operations and services to avoid reliance on, and over-exposure to, volatile markets.
- Collaborating with partners in emerging markets to safely secure increased market share by providing unique specialised services (e.g. partnering with onshore and offshore wind turbine developers set to benefit from increasing public commitment to renewables growth).

**Table 6. Reputation climate-related transition risks and opportunities**

## REPUTATION

CONTEXT	SIGNIFICANT RISKS	GROUP RISK	Short-term (<1)	Med-term (1-5)	Long-term (>5)
Customers and investors have a growing interest in working with companies with robust sustainability and climate-related strategies that align with national and international standards. We expect the impact of these trends may be likely to materialise over the medium- to long-term (1-5+ years). However, it is still important to maintain a strong tendering position through a positive brand reputation and robust and realistic sustainability and climate strategies.	<ul style="list-style-type: none"> <li>Decreased competitiveness from weak sustainability and climate-related credentials leading to reduced market share.</li> <li>Negative perceptions of involvement with carbon and energy-intensive industries leading to a downturn in investor interest and decreased market share and access to capital.</li> </ul>	Orderly	●	●	●
		Disorderly	●	●	●
		Hot House	●	●	●

## RESPONSE OPTIONS AND OPPORTUNITIES

- Aligning sustainability and climate reporting with international disclosure standards such as the SEC, SFDR, EU Taxonomy, SBTi, IFRS, TPT and TCFD.
- Publishing ambitious and realistic climate targets, such as Group-wide emissions reduction targets, and committing to regular progress reporting.
- Demonstrating that James Fisher is a sustainable business with a vision of moving toward a low-carbon future by preparing James Fisher’s climate transition plan.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## 2023 UPDATE

Energy markets remain a key source of Group revenue, including both the oil and gas and renewables industries. With the strategic focus of the Group supporting the “energy transition”, from oil and gas to renewables, with increased investment in oil and gas decommissioning and renewables markets, the Board continues to consider the impact of climate change on energy markets as one of the Group’s principal risks, as well as one of the Group’s key strategic opportunities.

The risk of climate change to the Group’s strategy is mitigated by the continuing diversification of the Group into new markets which, aligned with focused strategic opportunities, targets the ongoing long-term sustainability of the Group. In line with multiple external sources, including the International Energy Agency, the Board believes that the global market for renewable energy will continue to grow, and therefore sees the energy markets as both a risk (long-term oil and gas, post decommissioning) and an opportunity (renewables).

## QUANTITATIVE ASSESSMENT

The most significant climate-related risks and opportunities, as identified in the qualitative climate risk and opportunity assessment, were shortlisted and linked to value drivers for projection modelling (Figure 4 below). Value driver projections were built around a set of assumptions that can be disclosed and parameterised to stress test financial impacts under different assumed conditions. Value drivers and their interactions with the Group are discussed below.

**Figure 4. Key Risks and their Value Drivers for Quantitative Scenario Analysis**

KEY RISK/OPPORTUNITY (as described in tables 2-6.)	VALUE DRIVER
<b>Policy &amp; Legal:</b> Carbon prices increasing direct costs.	Carbon prices.
<b>Market:</b> Sensitivity to oil and gas markets and impact on demand and revenue.	Oil and gas prices.
<b>Market:</b> Uncertainty surrounding the global energy mix impacting revenue stream.	Global fossil fuel investment.
<b>Acute and Chronic:</b> Extreme weather events distributing services increasing operating costs and loss of revenue.	Global GDP decline.
<b>Market opportunity:</b> Growth of renewable and green technologies.	Global wind energy investment.

## RESULTS - QUANTITATIVE SCENARIO ANALYSIS

The outputs from the qualitative scenario analysis fed into the quantitative assessment and our understanding of the potential financial impacts of climate change on the Group. The motivation behind the quantitative analysis is to develop estimates of how climate-related trends might impact future revenue or costs based on assumptions about climate and macroeconomic conditions.

As a business operating in energy transition markets, growth rates that we see are heavily dependent upon the rate of investment into either mitigating climate risk, transitioning energy sources, and/or migrating away from traditional markets; at the same time, we recognise that our ability to compete is dependent upon understanding the attractiveness of our offerings in this evolving landscape. Therefore, the risk and opportunity assessment is implicit in our budgetary and strategy planning processes.

An example of how climate risks and opportunities are considered within decision-making is the purchase of James Fisher’s first two LNG dual-fuel IMO II tankers which completed their sea trials in 2022 and 2023. As part of the review process required to approve these purchases, an analysis of the impact of the energy transition on the increased demand for chemical volumes, as well as an analysis of shipping regulations on GHG emissions, was undertaken. The analysis took into consideration IEA forecasts of changes to UK chemical consumption as well as changes to global renewable energy markets, and a James Fisher-commissioned study on European chemical production from 2022 to 2035. The subsequent purchase of the two LNG dual-fuel IMO II tankers better enables James Fisher to capitalise on the opportunity to expand James Fisher’s offering in meeting the demand for the carriage of lower-carbon, chemical cargoes.

We have not yet evolved our strategic planning to a level where we can incorporate the implications of different scenarios, but this is planned as part of our ongoing quantitative scenario analysis to develop estimates of how climate-related trends might impact future revenue or costs based on assumptions about climate and macroeconomic conditions.

Results from the quantitative scenario analysis will inform how sensitive Product Lines are to changing oil and gas prices and markets and explore the significant potential positive exposure to growing renewables markets. In 2023, we considered additional metrics to report against which have a direct impact on our climate-related risks, opportunities, and overarching targets, and are considered most relevant to the Group. In particular, the Group is tracking the percentage of Group revenue from renewables and remediation offerings which will help us monitor these sensitivities and exposures.

In 2024, we intend to continue our discussions on how best to track the Group’s climate performance through useful metrics. Key topics of discussions will include: Assets optimisation, the proportion of Executive Management remuneration linked to climate considerations, and the percentage of revenue from new product development (NPD) spent.

→ YOU CAN VIEW OUR METRICS AND TARGETS FROM PAGE 62

→ READ ABOUT OUR ST3100 AIR COMPRESSORS ON PAGE 05 AS AN EXAMPLE OF THE GROUP’S INVESTMENT IN RESEARCH AND DEVELOPMENT



# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## CARBON PRICES

The cost of carbon is a potential material climate risk, particularly over the medium- and long-term. Carbon pricing mechanisms are more likely to materialise in Orderly (i.e. a gradual ramp up) and Disorderly (i.e. delayed yet aggressive) Transition scenarios. Existing carbon pricing mechanisms (e.g. the UK Emissions Trading Scheme (UK ETS)) do not yet apply to the activities of the Group. However, the Group may (partially or wholly) come under carbon pricing mechanisms in the future due to its diverse range of sectors and geographies.

While the Group is actively engaged in carbon accounting and reporting, and reducing GHG emissions across its Product Lines, we need to build an appreciation of the financial implications of future carbon pricing policies in case they were to materialise. These efforts will help to enhance climate resilience across the Group if existing carbon pricing mechanisms expand in their scope and requirements.

James Fisher is aware of the UK ETS's extension to cover domestic shipping as of 2026 and has conducted the necessary due diligence to understand the risks involved with this. With most of our fleet operating in coastal waters and the regulation targeting larger vessels over 5,000 gross tonnages, the risk of this expansion is considered minor. However, to ensure we are continually monitoring changes in regulation and the external landscape, the Sustainability Committee have been tasked with making sure we are ready to adapt to all ESG-related matters. Part of this task will fall under the climate transition planning the Group is undergoing in 2024.

The Maritime Transport Division, responsible for Group compliance with shipping regulations, is tasked with keeping the Head of Group Sustainability informed of shipping-related changes which may impact the Group's sustainability commitments and/or ESG-related disclosure requirements.

## OIL AND GAS PRICES

As a number of our Product Lines are closely aligned with oil and gas markets, the Group has some sensitivity to price changes in these markets. Relationships between individual Product Lines and oil and gas prices vary due to value chain positioning and business model, so that changes in market conditions do not necessarily represent negative exposures to Product Lines. For example, changes within fossil fuel markets to support the transition to a low-carbon economy, such as decreasing reliance on oil and an increasing reliance on natural gas, may position some Product Lines favourably in terms of demand and (e.g. natural gas) price rises. Building an intimate understanding of how Product Lines are likely to experience differing impacts from market transitions is crucial for building climate resilience into the future.

## GLOBAL FOSSIL FUEL INVESTMENT

The future of the global energy mix is material to the Group and will be considered in strategic decision-making due to close associations with oil and gas markets. Energy mix risk factor pathways that impact the Group include, for example, the decline in demand for service lines associated with oil extraction industries as the world transitions towards a low-carbon economy. However, the low-carbon transition is also likely to create opportunities for some Product Lines, such as the increase in demand for remediation services (e.g. offshore well capping and decommissioning). Quantitative scenario analysis at the Divisional level will provide an opportunity to explore the interactions between changing energy mix through clean energy sources, and impact on the Group, by using the fossil fuel investment landscape as a proxy for demand of oil and gas related services. Projections of global fossil fuel investment under different climate scenarios will allow us to test how different Product Lines may be impacted under different climate futures and will help to inform decisions on strategy and financial planning.

## GLOBAL RENEWABLES INVESTMENT

The Group considers the transition away from fossil fuels and the exponential growth of the renewables market to represent both a risk and an opportunity. By assessing climate-related risks and opportunities and undertaking scenario analysis, the Group is seeking to position itself as a beneficiary of the global transition to a lower-carbon economy. Over recent years the Group has been exploring new revenue streams associated with renewables markets. We are committed to further expanding its provision of renewables and remediation service lines (see Metrics and Targets section) and is using projections of global wind energy investments to explore the potential impact of these growth markets on the Product Lines across different time horizons and climate scenarios.

## GLOBAL GDP DECLINE

The physical impacts of climate change on the global economy will vary across geographies and sectors and will be exacerbated under higher warming scenarios. We recognise that global warming is a product of rising greenhouse gas emissions in the atmosphere and that fossil fuel industries have an important role in the transition to a lower-carbon economy. Understanding the potential physical and transition impacts of further global warming is crucial for guiding our transition strategies. As part of our scenario analysis, we are exploring how potential impacts on global GDP (as defined by the Swiss Re Institute, 2021) might affect opportunities for our Product Lines.

## RESILIENCE AND CLIMATE-RELATED OPPORTUNITIES

The future may present a variety of outcomes that will impact our business differently, such as under lower warming scenarios regulation and energy price stability will be the main concern, whilst under higher warming scenarios our exposure to service disruption by physical climate hazards will increase. Assessing across a range of indicators ensures the outcomes cover the spectrum of potential impacts.

The Group currently considers itself, through the scenario analysis output, resilient to the risks currently posed to the Group by climate change. This is because our Product Lines provide a range of services that are crucial to a low-carbon transition. As a business we are prepared to help facilitate both disorderly and orderly transitions through our services in supporting the growth of the renewable energy sector (e.g. offshore wind power), the responsible decommissioning of redundant oil and gas assets, and the maintenance and repair of assets that are exposed to extreme climate conditions. Our operations and safety controls already in place mean that we do not face significant disruption from physical climate hazards at present, and expect to be resilient to potential future increases in a "Hot House World" scenario where physical risks are more extreme.

We have assessed climate-related opportunities in line with TCFD recommendations and have identified 15 material opportunities that the Group is poised to benefit from. Opportunities were scored (low, moderate, high, or very high) based on the opportunity size and ability to execute (Figure 5). Highest ranking opportunities included the growth of renewable and green technology markets, increasing demand for existing services due to climate change, and benefitting from the roll-out of carbon reduction strategies across the Group (Figure 6).

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

Figure 5. Opportunity score legend

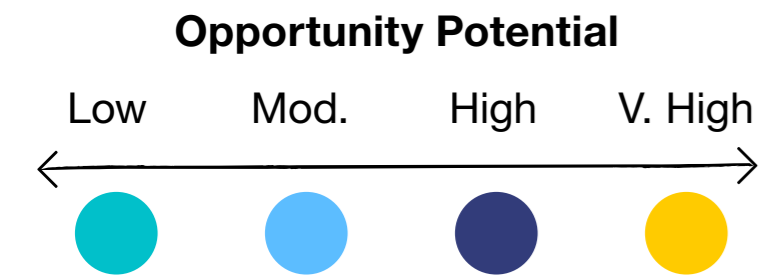


Figure 6. Summary of climate-related opportunities

PRODUCTS & SERVICES	MARKETS	ENERGY	RESOURCE EFFICIENCY	RESILIENCE
<ul style="list-style-type: none"> <li>Increasing demand for services resulting from negative impacts of climate change.</li> <li>New service opportunities from low-carbon transitions and low-carbon infrastructure. For example, in 2023 we began using LCA to understand product emissions with the aim of leveraging avoided emissions to guide product development and support industry-wide transition to a low-carbon economy.</li> <li>New service opportunities from negative impacts of climate change (e.g. infrastructure at risk).</li> <li>New revenue stream from emerging technologies.</li> <li>Regulatory pressure increasing demand for emissions reduction services.</li> </ul>	<ul style="list-style-type: none"> <li>Growth of renewable and green technologies.</li> <li>Changing physical climate conditions growing market size.</li> </ul>	<ul style="list-style-type: none"> <li>Energy use reduction strategies and rolling out best practice. For example; responsible procurement practices such as progressing to 100 percent renewable purchased energy across UK Product Lines, and investing in energy efficient Company vehicles, and instilling a culture of making good decisions in our day-to-day behaviours, for example installing signage around our offices/sub-stations, reminding staff to turn off lights and equipment when not in use.</li> </ul>	<ul style="list-style-type: none"> <li>Capitalising on more circular business models to improve product and resource efficiency. For example, Lean principles and tooling is in place across 100 percent of our Product Lines and to date, we have over 30 trained Six Sigma Green Belts all working toward sustainable change.</li> <li>Adopting new technologies and digital approaches to gain efficiencies. For example, through the application of our core technology there is significant opportunity to reduce travel to/from assets and comprehensive monitoring systems will help identify operational efficiency opportunities.</li> <li>Reviewing and maximising vessel utilisation efficiencies. For example use of bunker software which produces optimum speed based on "coach data". And use of fuel enhancer - a biofuel based additive that can be mixed directly with fossil fuels to reduce fuel consumption and emissions. Trials to validate the reduction opportunity are due to commence in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Extending carbon reduction strategies across the Group.</li> <li>Extending the scope of the environment forum, promoting peer learning and inclusivity.</li> <li>Establishing recognised sustainability and climate credentials.</li> <li>Reviewing and diversifying supply chain providers, ensuring business continuity. This work is currently underway with our newly appointed Head of Group Supply Chain.</li> </ul>

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## TRANSITION PLANNING

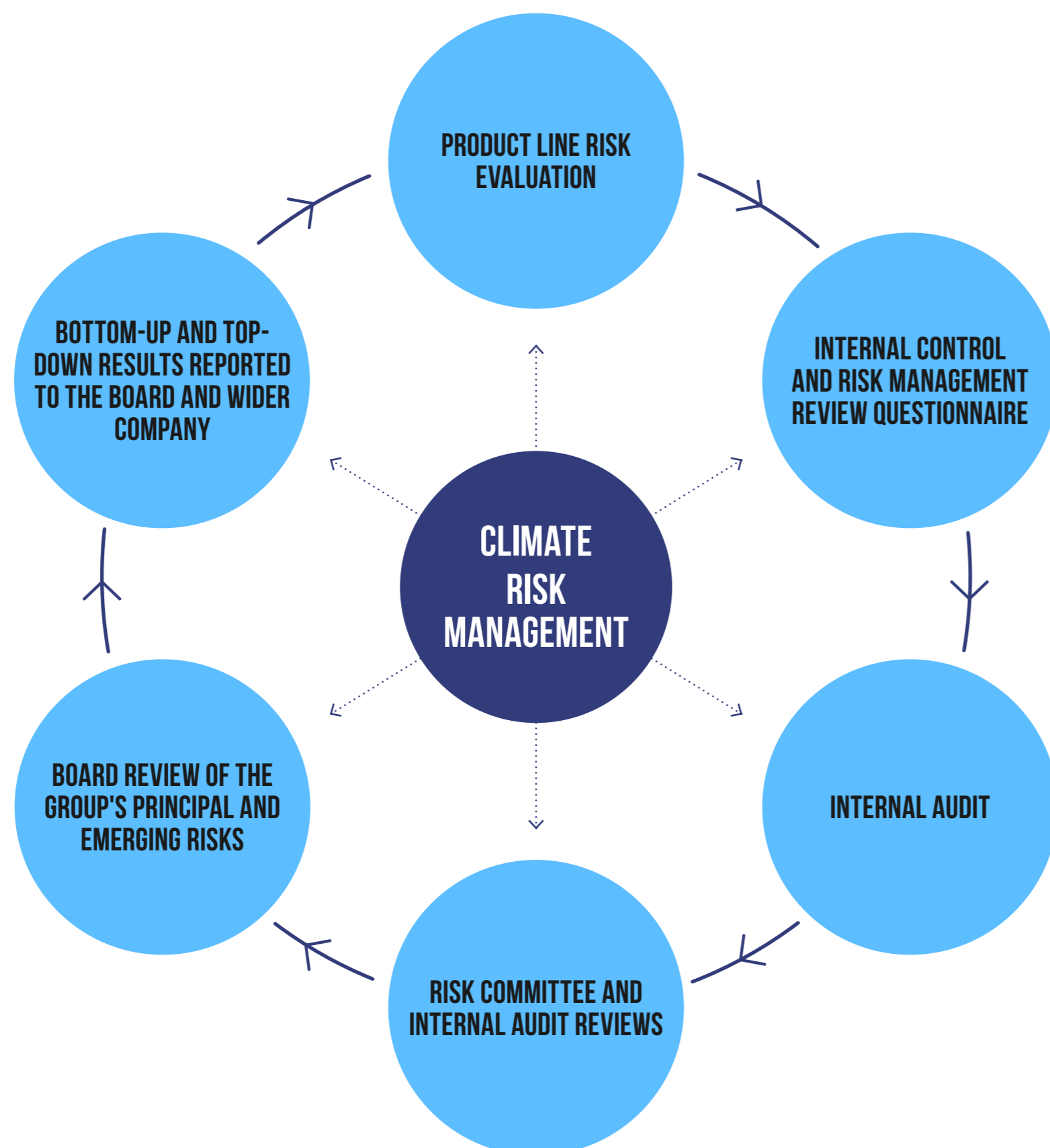
Transition planning is fast becoming the direction of climate reporting and we want to ensure James Fisher is engaged and prepared to comply with all climate-related matters. We are aware of the FCA's proposal to consult on making the disclosure of transition plans mandatory under the UK Listing Rules and this will inform our transition planning activities in 2024.

During 2023 with the support of specialist ESG consultants SLR, we conducted a gap analysis of our past disclosed information against the recently released TPT's guidance. The objective of this exercise was to understand how James Fisher can develop an informed and aligned climate transition plan according to best practice.

The results from this analysis are currently being processed internally and we plan to implement them during 2024.

## RISK MANAGEMENT

### JAMES FISHER'S RISK IDENTIFICATION AND MANAGEMENT PROCESS, INCLUDING CLIMATE



The Group employs a bottom-up and top-down approach to identifying, assessing, and managing climate risks. In 2022 the Group employed a scenario analysis approach to climate risk management for the first time. We are currently in the process of integrating this method into our risk management process.

## BOTTOM-UP AND TOP-DOWN APPROACH

### Bottom-up perspective

- Product Lines conduct quarterly business reviews which provide a forum to discuss and report changing risks and mitigation options. Any changes are then communicated to the Risk Committee through divisional reports.
- Product Lines conduct an annual risk evaluation process to identify the significant operational and financial risks facing the business (including climate-related risks) factoring in, amongst other things, existing and emerging regulatory requirements. Each Product Line maintains an up-to-date risk register, which identifies key risks. Key risks are identified based on an impact score (1-5) being multiplied by a likelihood score (1-5). This is assessed pre- and post-mitigation, based on the planned controls to be implemented and the effectiveness of these controls. The Product Lines use a range of inputs to assess these scores, such as industry data, market intelligence and historical data, but ultimately they are based on a management judgement of risk to the business.
- Heads of Divisions complete an internal control and risk management review questionnaire on an annual basis. This exercise is a robust self-assessment of operational controls and compliance with Group policies, applicable laws and regulations relating to their business. This ensures that Heads of Divisions identify risks and relevant mitigating strategies, and have in place adequate control systems to identify, mitigate, and report any weaknesses that require management attention.

- Assurance is provided by Internal Audit on a risk based approach. Detailed risk registers are maintained by the Divisions and top risks are periodically reviewed and updated by the Executive Committee.

### Top-down perspective

- The Risk Committee overlays the Product Line risks (provided by their registers and questionnaire responses), with the view from the functional teams, and with any macro external issues which are impacting or may impact on the Group. Through this exercise which is undertaken periodically, the Committee can determine the potential size, scope, and materiality of climate-related risks to the Group, and make recommendations on whether to mitigate, transfer, accept or control those risks.
- The risk registers are reviewed by Internal Audit as part of the business as usual audits, the Risk Committee, and the Board. They are used by the Board to help determine the Group's principal and emerging risks and uncertainties, their potential impacts, how they are being managed and/or mitigated, and any change in the nature of the risk. Internal Audit uses them to define its areas of focus for the forthcoming period.
- At most scheduled Board meetings, there is an in-depth assessment of at least one of the Group's principal risks and, twice annually, the Board reviews the Group's principal and emerging risks, their mitigating activities, any changes, and the Company's risk appetite.
- The Risk Committee and Executive Directors report the results of this bottom-up and top-down approach to the Board and Audit Committee.

➔ THE RESULTS OF THE ABOVE ASSESSMENT, INCLUDING GROUP RISK MANAGEMENT AND MITIGATING ACTIVITIES ARE SET OUT FROM PAGES 56 TO 66 OF THE 2023 ANNUAL REPORT AND ACCOUNTS

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## INTERNAL CONTROLS AND FRAMEWORKS

The internal control and risk management framework comprises a series of policies, processes, procedures, and organisational structures which are designed to ensure that the level of risk to which the Group is exposed (including climate-related risk), is consistent with the Group's risk appetite and strategic objectives, as defined by the Board.

An assessment of the Company's risk management and internal control systems is carried out annually by the Audit Committee on behalf of the Board.

→ FURTHER DETAILS CAN BE FOUND ON PAGES 45 TO 48 INCLUDING CLIMATE-RELATED RISK GOVERNANCE

## INTEGRATING CLIMATE INTO GROUP RISK MANAGEMENT, INCLUDING STRATEGY

Climate change risk management is incorporated into Group-wide risk processes as opposed to being identified, assessed and managed as part of a separate climate-specific process.

Following a review of the Group's risk management systems by PwC in 2022, the Group realigned its risk management process with its strategic review cycle so that risks, including climate-related risk, are considered alongside the Group's strategic review. This change in the risk reviewing schedule has helped include climate-related issues as part of the central risk management process. This is important as it further integrates climate and the energy transition into the Group's central strategy discussions and procedures.

This shift in procedure allows each Division to review and present to the Board its strategy over five years and enables the Divisions and Product Lines to build their principal and emerging risks (and opportunities), including those climate-related, into their strategic outlook at an operating level.

By way of example, this process has enabled:

- ScanTech Offshore, a Product Line that traditionally operates an oil and gas business, to identify opportunities for noise attenuation during piling for offshore wind projects.
- The Maritime Transport Division has made investments in two new dual-fuel vessels, offering customers a lower emissions option for the transfer of their products.

These risk and opportunity processes have been and will continue to be assisted by the Sustainability Committee which recommends the Group's Sustainability Strategy and approach to the Board.

To further integrate climate into our existing processes, James Fisher's identification of climate-related risks and opportunities will be undertaken as part of the Group's strategy review with the Board, with related policy and day-to-day management of climate matters continuing to be overseen by the Sustainability Committee. This will bring closer alignment between the Group's environmental commitments and the Group's strategy, both at a Group and individual Product Line level.

Climate-related risks continue to be included in the Group's principal risks and uncertainties as the Board recognise its importance and potential impact on the Group's activities (further details on the Group's principal risks and uncertainties can be found within the Annual Report and Accounts from page 56).

## 2023 update

Following a risk management process effectiveness review, all risk types, the Group identified various improvement opportunities which are in the process of implementation.

No new climate-related risks have been identified and no climate-related risks have yet been mitigated to the point where they have been removed from the Group's principal risks, including climate-related risks. As noted in the Group Interim Financial Statements, emerging risks such as the macroeconomic financial environment and geopolitical tensions affecting global stability and commodity pricing continue to be monitored.

In addition to the above, the Group's Investment Committee has become an increasingly important cornerstone of the Group's risk management framework; the Sustainability Committee is under new leadership and has a sharper focus; and the Board continued with its ongoing cycle of principal risk deep dives at Board meetings.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## RISK SCORING GUIDE

		ESTIMATED LIKELIHOOD <sup>1</sup>				
		RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN
Impact score relates to reasonably foreseeable overall business impact <sup>2</sup> .		Likely only in exceptional circumstances (5% Likelihood)	Likely only in unusual, irregular circumstances (6%-20%)	As likely as unlikely to occur (21%-50% likelihood)	Likely to occur in the planning period (51%-80%)	Highly likely to occur in the planning period (over 80%)
LEVEL	SCORE	1	2	3	4	5
VERY HIGH	5	5	10	15	20	25
HIGH	4	4	8	12	16	20
MEDIUM	3	3	6	9	12	15
LOW	2	2	4	6	8	10
VERY LOW	1	1	2	3	4	5
		Extremely unlikely over the next 0 to 5 years	Unlikely over the next 0 to 5 years	Fairly likely over the next 0 to 5 years	More likely over the next 0 to 5 years	Almost certain over the next 0 to 5 years

1 Likelihood of an event is not necessarily influenced by it happening.  
 2 The current controls/mitigation in place to manage the identified risks should be shown along with the risk score that this creates.  
 3 Where the risk score is amber/red any planned actions to reduce this further are to be given with the expected reduction in scores.

## ASSESSMENT METHODOLOGY

### Guidelines for scoring the business risks identified:

**Current:** The risks to be included here are those that are currently impacting or, expected to impact the Group's ability to achieve its objectives within our planning horizon i.e. short-term is 12 months, medium-term is 1-5 years, long-term is over 5 years.

**Emerging:** The risks to be included here are those that are not currently, but may become, so tough that any likelihood/impact is uncertain e.g. legislation changes which are so uncertain that they are difficult to predict and may not yet be fully understood but will probably impact future strategy, spending decision and budgets.

Standard scoring is required to allow cross business/function comparisons to be made. Decimal points are discouraged but may be used to prioritise where one risk is slightly higher/lower than another.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## SCENARIO ANALYSIS IN RISK MANAGEMENT

In 2022, we incorporated scenario analysis into our risk management process. This benefited our assessment of potentially growing risks, through size (indicated by risk score) and scope of those risks (indicated through the delta in risk score across time horizons and climate scenarios).

## SCENARIO ANALYSIS RISK SCORING

Our risk-scoring assessment followed risk determination guidelines provided by the Intergovernmental Panel on Climate Change (IPCC) and was aligned with the Group's internal risk management processes.

Our scenario analysis utilised multiple time horizons and climate scenarios as outlined in the timeframes and scenarios section of this report. Including these scenarios is important as for example, most physical risks associated with climate change (e.g. flooding, drought etc.) are expected to occur more frequently, and have a greater impact, under higher-emissions/higher-warming climate scenarios, with this trend escalating into the future. However, transition risk (e.g. policies implementing rapid decarbonisation of the economy) may be more likely and have a greater impact under lower-emission climate scenarios as well as in the near-term (e.g. if nation-states impose regulations within the next 12 months). The impact from transition risks will be subject to how the global policy interacts with climate. As climate change worsens and various tipping points are surpassed, it is likely that under a disorderly transition policy makers may react in unpredictable ways with knee-jerk policies potentially leading to harsher regulations and an escalation in potential resulting impacts. To cater for these potential eventualities, it was necessary to include multiple time horizons and climate scenarios.

James Fisher has defined the term "risk" to signify the possibility of adverse effects in the future, such as the Company's financial position or performance, Group

assets, or the Group's ability to meet the needs of our customers driven by the occurrence of a hazard. Therefore, to determine the level of **vulnerability** to risk, three terms were considered: **exposure**, **sensitivity**, and **adaptive capacity**.

- **Exposure** reflects the presence of operational systems in places or settings that could be adversely affected.
- **Sensitivity** reflects the predisposition of organisations, assets, societies, processes, or systems to be adversely affected by climate-related risks.
- **Adaptive capacity** refers to characteristics or actions that may reduce the level of risk posed by a hazard and thereby alleviate vulnerability.

Except for risk exposure, which was binary, the risk scoring methodology was based on a five-point scoring system:

- Very high **sensitivity** indicates an organisation, asset, society, process, or system that is very highly predisposed to being adversely affected.
- Very high **adaptive capacity** indicates an organisation, asset, society, process, or system that is very highly capable of alleviating risk through mitigation or adaptation actions.
- A high **vulnerability** score (a function of sensitivity and adaptive capacity) indicates an organisation, asset, society, process, or system that has very high sensitivity to risk and very low adaptive capacity.
- Very high **likelihood** scores indicate risks that are "very likely" to occur.
- Very high **magnitude** scores indicate a very high (catastrophic) impact should a risk occur.

The sensitivity and adaptive capacity scores of the hazards identified were validated at a Group and operating level by respective representatives at a series of workshops held in 2022.

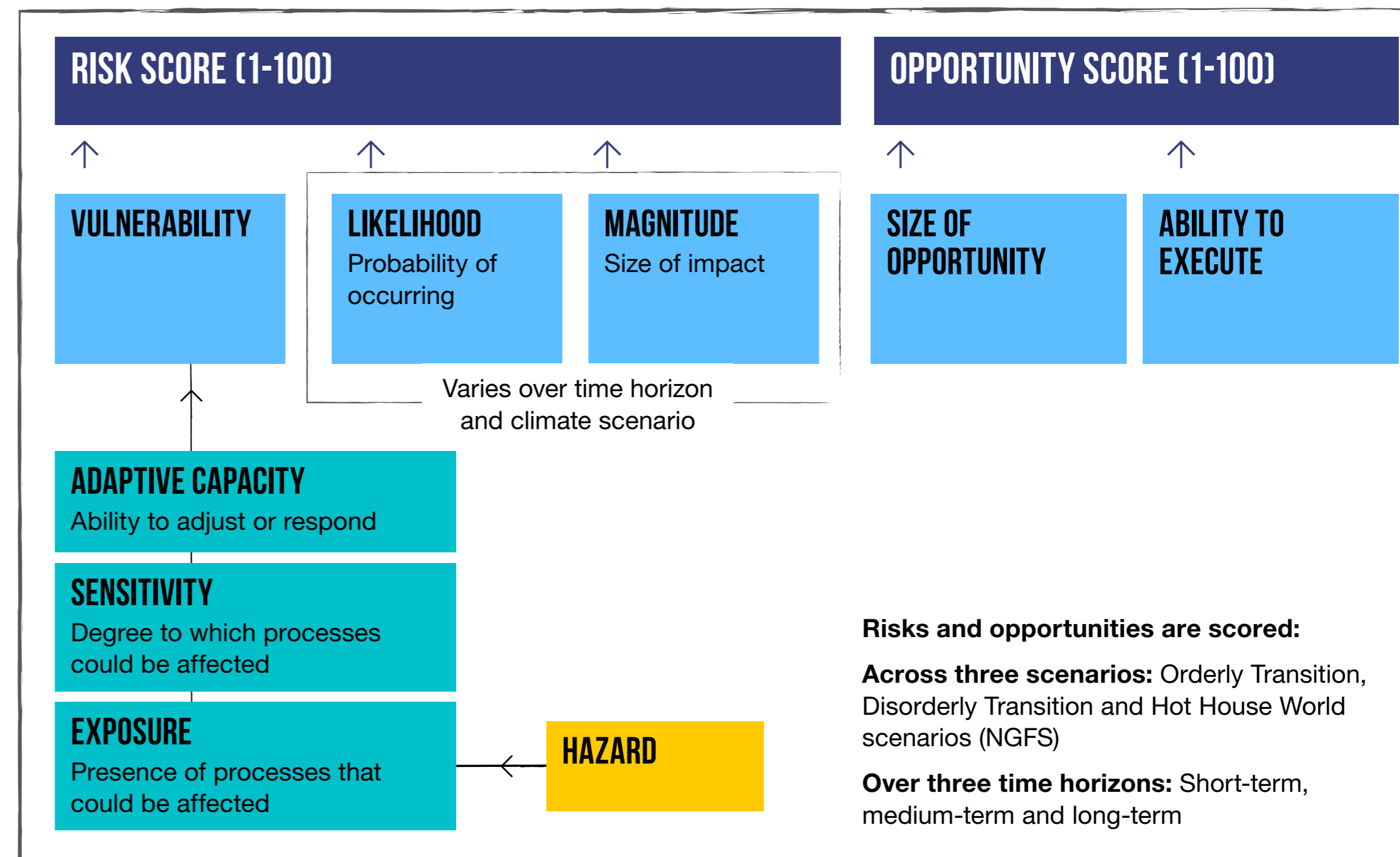
Final risk scores were then determined by considering vulnerability in conjunction with the likelihood of occurrence (likelihood) and the magnitude of impact (magnitude). Likelihood and magnitude were variable factors contingent on time horizon and climate scenario. As a result, total risk scores varied on a scale between 1 and 125.

These scores were then normalised to 100 to provide intra- and inter-company comparability. The highest scoring risks were those that are most significant to the Group and informed our selection of the top five significant risks.

## OPPORTUNITY SCORING PROCESS

Opportunities were scored against two key metrics: opportunity size, and ability of the relevant Product Line to execute the opportunity. The objective of the approach was to provide an indicative score to assist with future prioritisation.

The opportunities identified were validated at a Group level and at a Product Line level during a series of workshops held with representatives from the Group functions and Product Lines respectively.



# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## METRICS AND TARGETS

### OUR COMMITMENTS TO ENHANCE OUR PERFORMANCE MONITORING

#### Value chain

By 2025 we expect to have completed our assessment of our full value chain emissions to further develop our Scope 3 emissions reporting to cover further Scope 3 categories and gain a holistic view of emission hotspots across our business operations.

#### Targets

In line with the growing importance of limiting global warming to 1.5°C by 2050, as outlined in the Paris Agreement, James Fisher has spent time comprehensively modelling the Group's pathway to net zero. Following our original notification of commitment to the SBTi in 2021, the SBTi paused validation of fossil fuel sector targets and commitments from fossil fuel sector companies. We are in the process of determining whether this still applied to James Fisher and intend to report our findings in our 2024 Annual Sustainability Report. In the meantime, we are continuing to use its Standard to ensure the Group is abiding by well-established guidance principles. We have now set targets to achieve net zero of our Scope 1 and Scope 2 emissions only and will review the feasibility of setting Scope 3 targets in the future.

#### Residual emissions

Whilst the successful implementation of abatement measures will mitigate the GHG emissions from the Group's operations, there may still be emissions sources that remain unabated by 2050. These hard-to-abate emissions will be neutralised via a residual emission strategy which is currently being developed with the help of external environmental consultants SLR in 2024. "Neutralisation" refers to measures that permanently remove and store carbon from the atmosphere.

## CLIMATE-RELATED METRICS

James Fisher uses a range of metrics to monitor its impact and exposure to climate-related risks. As set out on page 72, our climate-related metrics are primarily focused around GHG emissions (particularly Scopes 1 and Scope 2) as well as financial revenue associated with low-carbon-aligned activities. As we strengthen our understanding of the potential impacts of climate-related impacts, we will consider the measurement and disclosure of additional metrics. Below we describe our emission-related metrics which is a critical proxy used for our impact and risk exposure. Refer to page 72 for our climate-related metrics in remuneration.

#### Reporting year

The Group is diverse, made up of several Product Lines which independently collate and report on their own company emissions data. To mitigate the risk of reduced data integrity and allow sufficient time for GHG inventory reconciliation, the Group reporting period runs from 1 October to 30 September.

#### Scope 1 and Scope 2 emissions

The Company's baseline year of 2021 allows the Group to track and measure its performance in emission reductions against a fixed point. Our 2021 data set was considered the most appropriate to use as our baseline following an extensive emissions footprint reporting and consolidation exercise across the Group for which we engaged the services of specialist advisors.

This exercise was preceded by a coaching session on reporting definitions, standards, and criteria to ensure that those responsible for reporting in a diverse group of Product Lines do so effectively. The Sustainability Committee is now working to enhance our climate-related training material, methods, and platforms for continued competency.

In 2024, we are preparing to add more sophistication to our processes through the following:

- Establish a base year recalculation policy for the Group which clearly articulates the basis and context for any recalculations.
- Conduct an internal review of our GHG emission documentation process and create an updated Inventory Management Procedure to allow for our data to be assured in the future.
- Prepare for future assurance of GHG emissions data.

#### Scope 3 emissions

During 2022, the Group started to map out its Scope 3 emissions using an incremental approach and following the requirements of the GHG Protocol: A Corporate Accounting and Reporting Standard. A screening of all Scope 3 categories was undertaken to determine which of the 15 categories were applicable and which categories were the most material for our Product Lines. Out of the 15 Scope 3 categories screened, three categories were found to not apply to James Fisher, these were:

- Category 10. Processing of sold products.
- Category 14. Franchises.
- Category 15. Investments.

In 2022, the Group built on the previous year's reporting to include emissions for five Scope 3 categories:

- Category 3. Fuel- and energy-related activities.
- Category 5. Waste generated in operations.
- Category 6. Business travel.
- Category 7. Employee commuting.
- Category 8. Upstream leased assets.

In this report, we have included Scope 3 emissions for the same categories, however, the Company is committed to understanding and calculating the full breadth of its Scope 3 emissions across all applicable categories.

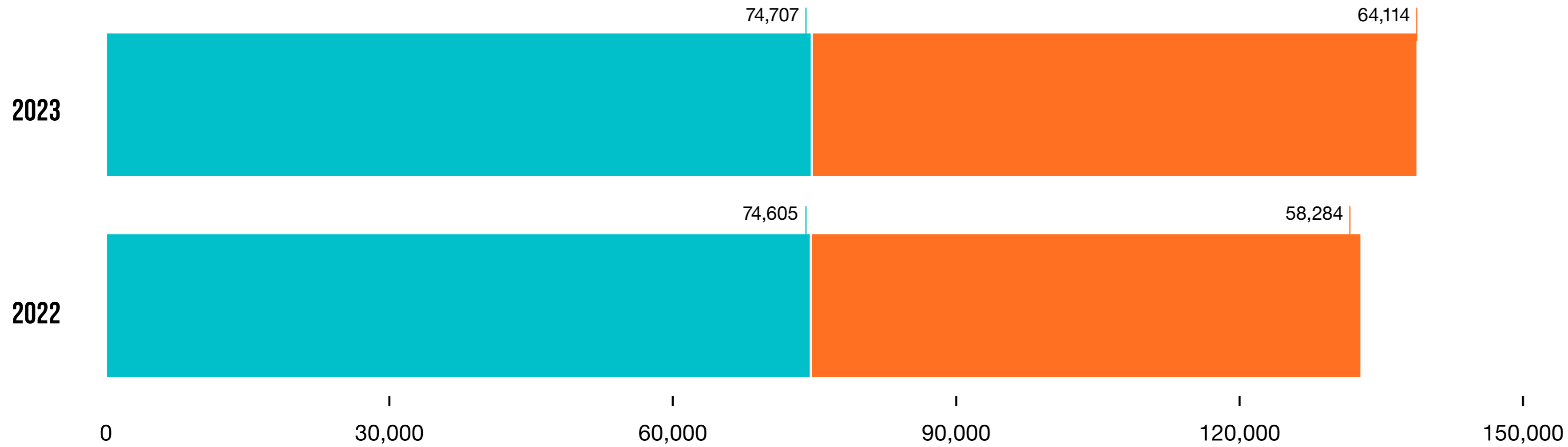
Due to the scale and variability of James Fisher's operations, this process has taken longer than anticipated. With the help of SLR Consulting who supported our initial Scope 3 screening in 2022, we are conducting additional analysis into how to gather the information required for these calculations. Across 2024 and 2025 we aim to have all material Scope 3 categories calculated and intend to have a completed Scope 3 footprint within the next two years.

→ RESULTS ARE SHOWN BELOW AND PAGES 63 TO 65

	2023	2022
SCOPE 1	73,401	72,978
SCOPE 2	1,306	1,627
SCOPE 1 AND SCOPE 2	74,707	74,605

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

OUR FOOTPRINT: SCOPE 1, SCOPE 2 AND SCOPE 3 (REPORTED CATEGORIES) (tCO<sub>2</sub>e)



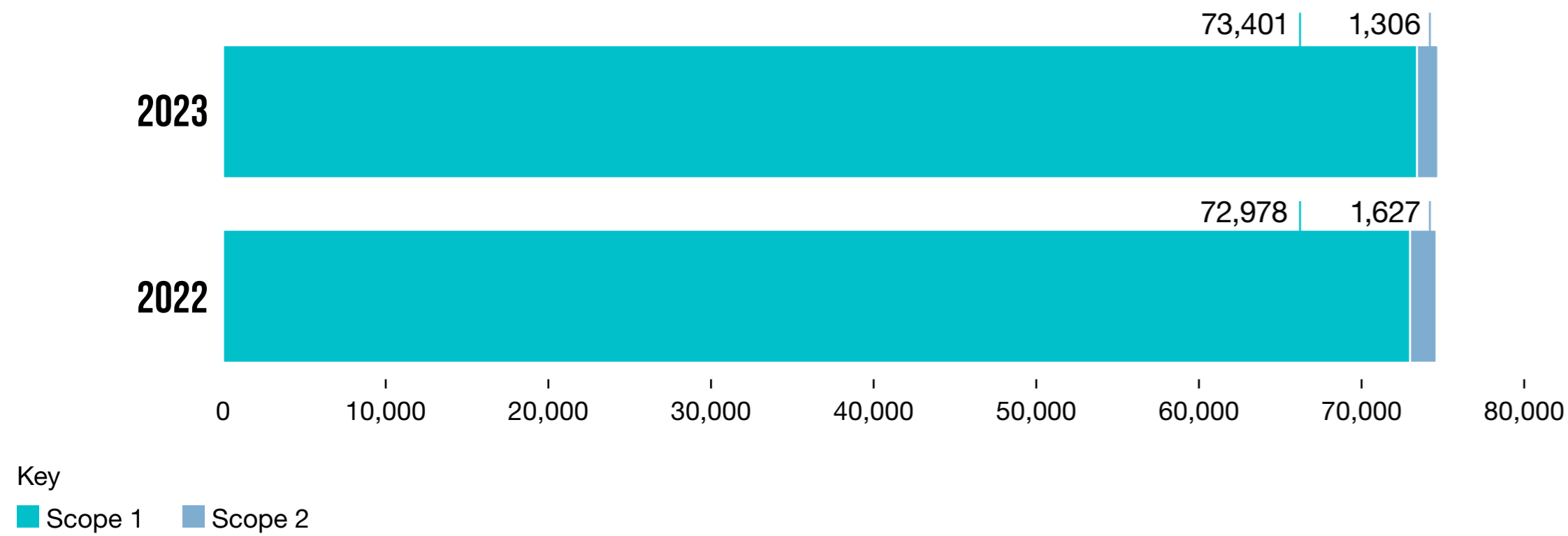
Key  
■ Scope 1 and Scope 2 ■ Scope 3

SCOPE 1 AND SCOPE 2 EMISSIONS GROUPS	SCOPE 3 CATEGORIES
Fugitive emissions	Fuel- and energy-related activities
Mobile combustion	Waste generated in operations (inc. water)
Stationary combustion	Business travel
Purchased energy	Employee commuting
	Upstream leased assets

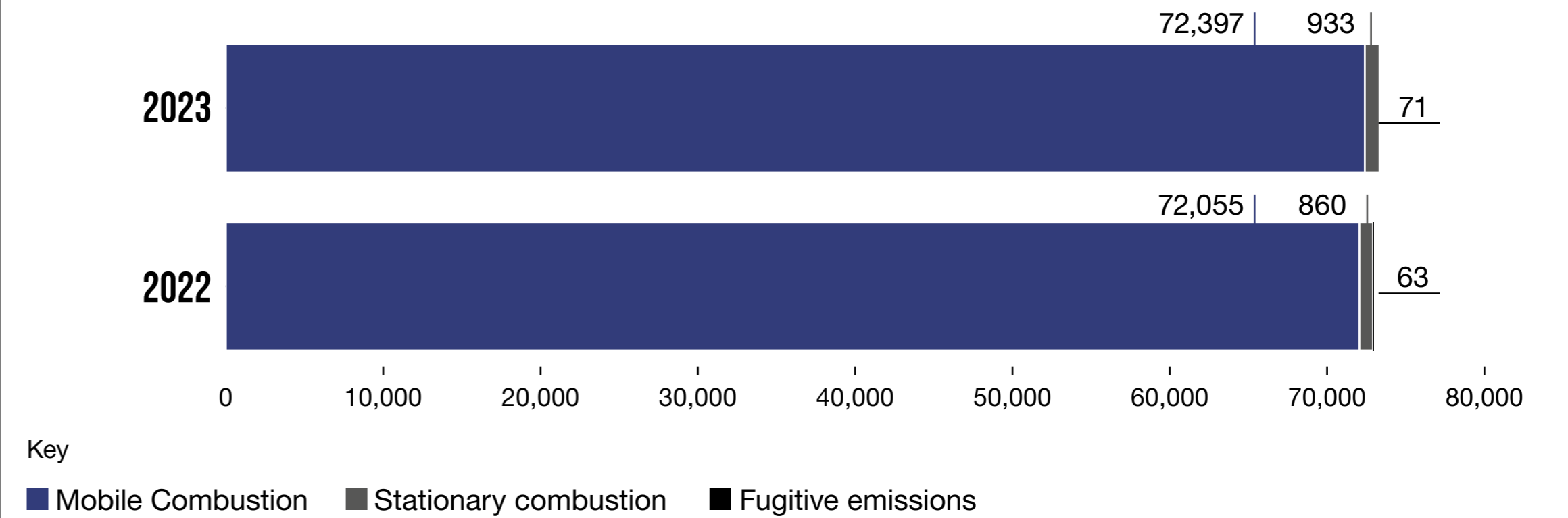


# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

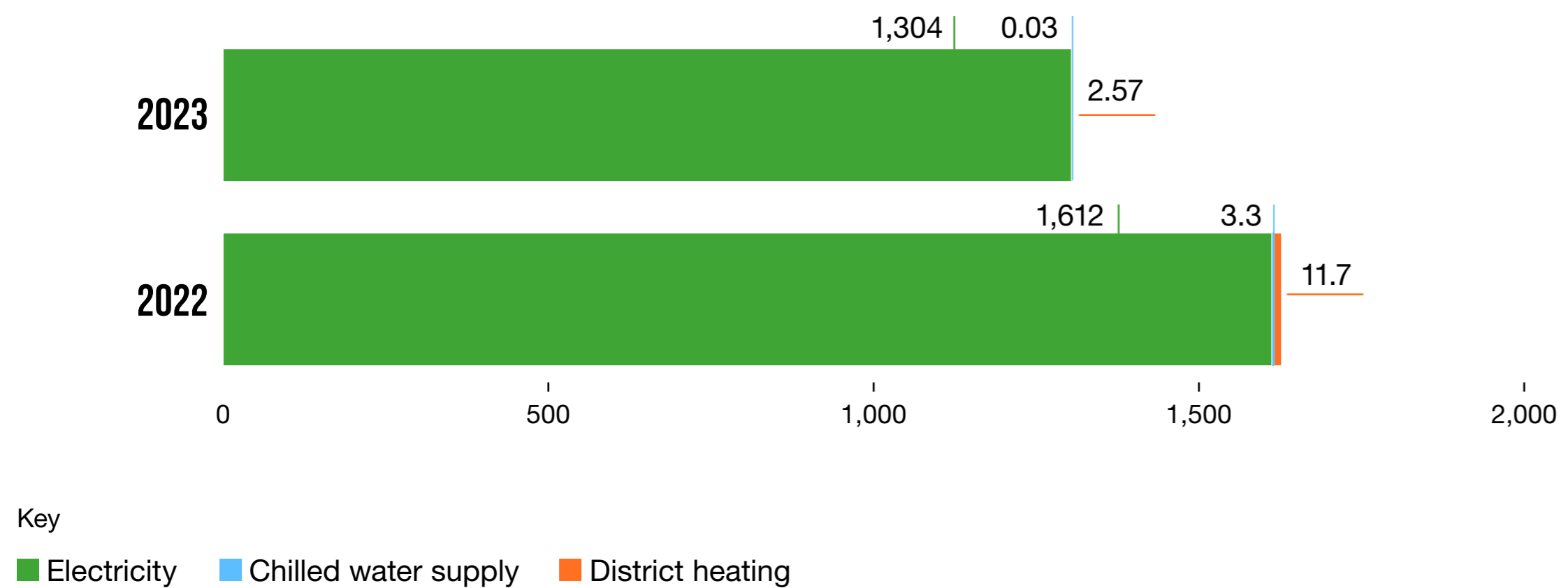
## SCOPE 1 AND SCOPE 2 EMISSIONS (tCO<sub>2</sub>E)



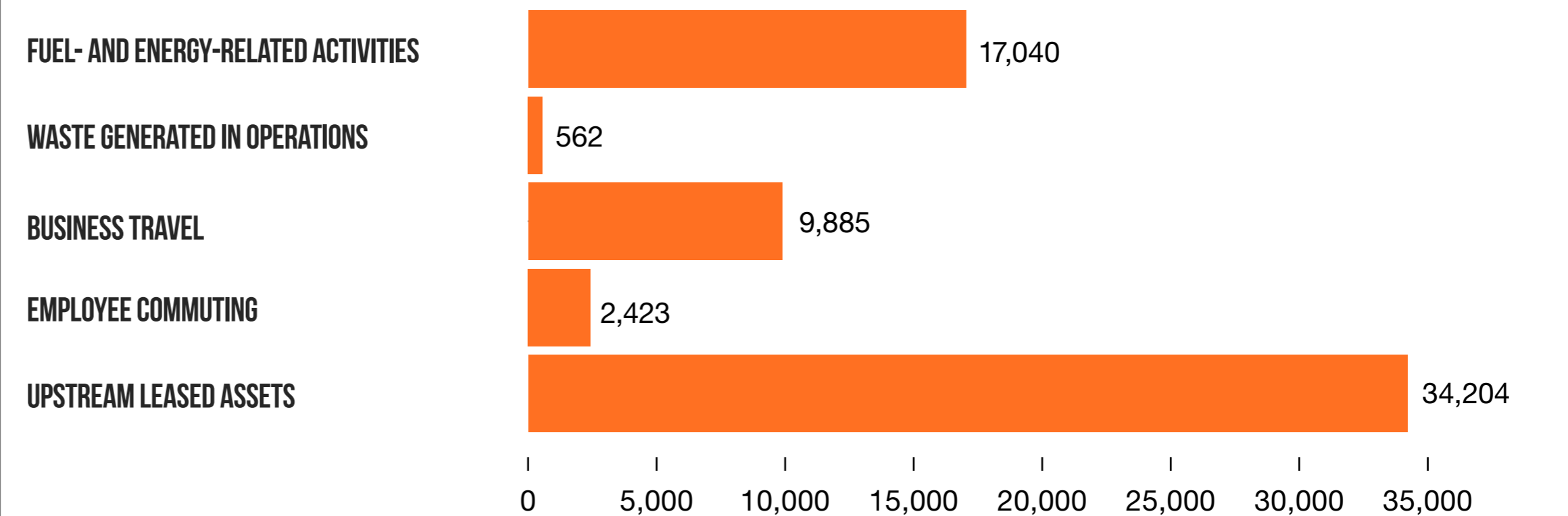
## SCOPE 1 EMISSIONS PER CATEGORY (tCO<sub>2</sub>E)



## SCOPE 2 EMISSIONS PER CATEGORY (tCO<sub>2</sub>E)



## SCOPE 3 EMISSIONS PER CATEGORY (tCO<sub>2</sub>E) 2023



# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## 2022 DATA

While every effort is made to identify anomalies within the current reporting year including training and internal quality checks, there are instances, "aided" by an automatic system trigger which highlights a current versus previous year entry were significantly different, where the anomaly is found during the following reporting year reconciliation and subsequently the relevant Scope is re-calculated. For example, in 2023, Scope 1 decreased from previously reported 77,602 tCO<sub>2</sub>e to 72,978 tCO<sub>2</sub>e due to a duplicate data value identified. Additionally, Scope 2 increased by 199 tCO<sub>2</sub>e due to electricity data changing scopes which were incorrectly allocated at the time (1,508 up to 1,627 tCO<sub>2</sub>e), and there was a Scope 3 reduction of 2,160 (60,444 down to 58,284 tCO<sub>2</sub>e), in part to a unit of measure error (k tonnes corrected to "tonnes"). The revised figures are incorporated into the data that appears within this report. Our work towards ensuring a robust control environment for GHG emissions data and planning for limited assurance will play a key role in mitigating such errors.

Although our total Scope 1 and Scope 2 emissions came down through the inventory adjustment, for the reporting period we saw an increase in around 9,700 tCO<sub>2</sub>e through additional vessels' days in our Energy Division.

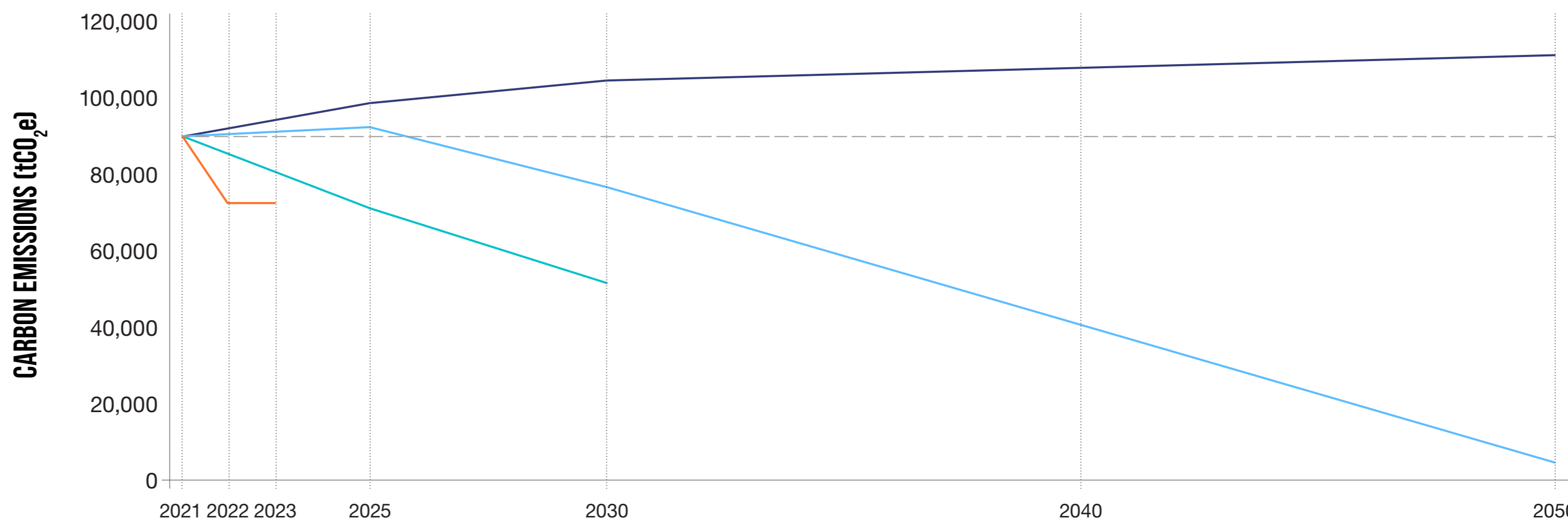
## EMISSIONS REDUCTION PATHWAYS

The Group conducted a decarbonisation analysis into potential emission reduction pathways enabling the Company to determine that the near- and long-term Scope 1 and Scope 2 targets which we have since committed to, are achievable subject to external factors influencing. The objectives of this modelling were as follows:

- Model the business-as-usual emissions under three climate scenarios.
- Identify and prioritise emission reduction options.
- Model reduction pathway to net zero.
- Discuss some of the key challenges to and opportunities for achieving net zero.

In order to account for the Group's future growth, and the associated increase in greenhouse gas (GHG) emissions, three business-as-usual (BAU) emission pathways were modelled.

## PROGRESS AGAINST TARGETS - SCOPE 1 AND SCOPE 2



KEY	2021	2022	2023	2025	2030	2040	2050
<span style="color: #00A651;">■</span> 1.5°C TARGET	84,711	–	–	70,480	52,690	–	–
<span style="color: #2E3192;">■</span> BAU PATHWAY	84,711	–	–	97,928	105,122	–	116,250
<span style="color: #00A651;">■</span> BAU REDUCTION PATHWAY	84,711	–	–	92,360	75,918	–	278
<span style="color: #555555;">■</span> BASELINE	84,711	84,711	84,711	84,711	84,711	84,711	84,711
<span style="color: #FF8C00;">■</span> CURRENT SCOPE 1 AND SCOPE 2 PATHWAY	84,711	74,605*	74,707	–	–	–	–

\* Reduction due to overall decrease in commercial activities throughout our vessels fleet during the reporting period.

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

The Business-as-usual (BAU) emission pathways were based on the projected investments in fossil fuels and wind energy in the future under the three climate scenarios: Orderly, Disorderly, and Hot-House World. The projections were sourced from the NGFS's Scenarios Portal.

In the Orderly Transition scenario, the increase in emissions up until 2025 is likely to be more significant due to early investments in renewables. From 2025 to 2030, emissions are likely to decrease gradually, dropping sharply between 2030 and 2040 due to a decrease in investments in both O&G (Oil and Gas) and renewables. From 2040, the decline in emissions is likely to be more gradual due to a renewed increase in investments in renewables.

In the Disorderly Transition scenario, emissions are likely to rise sharply between 2030 and 2035 due to an increase in investments in renewables. Thereafter, emissions will decrease sharply with a drop in investments in oil and gas and renewables up until 2045. From 2045, there is likely to be a gradual increase in emissions due to a renewed investment in renewables.

In the Hot House World scenario, emissions are likely to continue to increase gradually from 2030 to 2050.

As of 2023, the Group's emission reduction performance is tracking the required annual reductions to exceed the target reduction pathway. Our long-term performance is dependent on the expected technological innovations enabling zero carbon maritime travel (See page 71 which references the target dependencies).

## LIMITATIONS AND ASSUMPTIONS

Future investments in fossil fuels were included in the business as usual emission pathways as a proxy for revenue derived from oil and gas. It was assumed that oil and gas will continue to be an important source of revenue for the Group in the future, particularly in the short- to medium-term.

Future investments in wind energy were included in the business as usual emission pathways as a proxy for revenue derived from renewables. In 2023, the revenue from renewables and remediation activities accounted for 16.4 percent of the Group's total revenue. Based on the Company's portfolio choices and growing renewables and decommissioning capabilities, it has been assumed that renewables will continue to grow and become an important source of revenue for the Group in the future, particularly in the medium-term.

In order to limit the unknowns and to focus on those sectors that are likely to be most affected by a changing climate, it was assumed that the revenue derived from the other sectors in which the Group operates would remain unchanged.

## EMISSIONS REDUCTIONS TARGETS

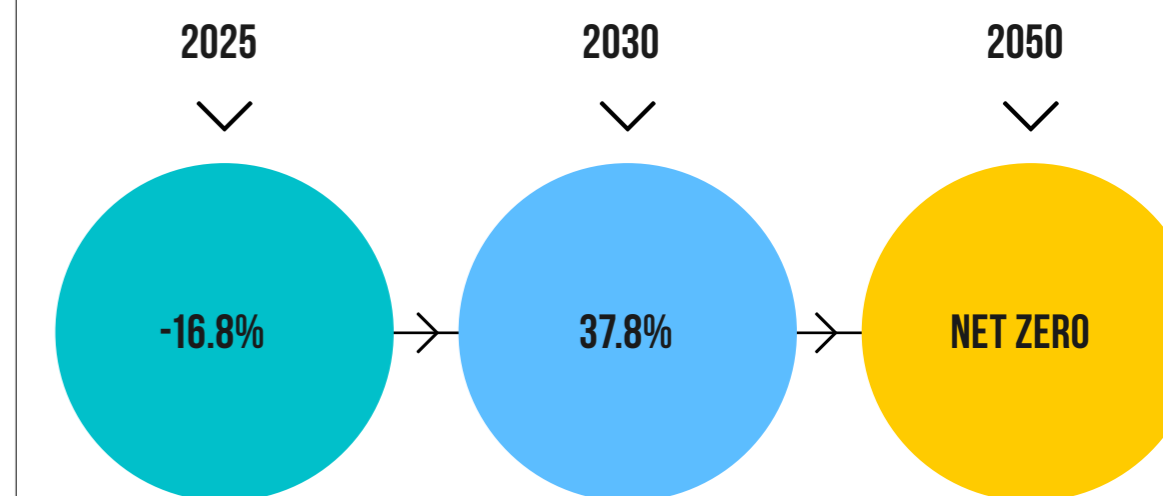
The results of our reduction pathway modelling have been used to inform the setting of emissions reduction targets for Scope 1 and Scope 2 which are science-based, measurable, realistic, and ambitious.

## SCOPE 1 AND SCOPE 2 EMISSIONS TARGETS

The Group has selected the absolute contraction approach. With this approach, the Group is committing to an overall reduction in GHG emissions to the atmosphere in the target year relative to the base year (e.g. reduce annual emissions by 37.8 percent by 2030, from 2021 levels).

The Group's emissions reduction targets are based on the 1.5°C trajectory in line with the goals of the Paris Agreement and requirements for setting a science-based target (SBT). This is equivalent to an absolute reduction of approximately 4.2 percent per annum from a 2021 baseline. The 1.5°C trajectory represents the emission reductions required by the Group to reach net zero by 2050 in order to contribute to international efforts to limit global warming to 1.5°C above pre-industrial levels.

## SCOPE 1 AND SCOPE 2 REDUCTION TARGETS



Note: % reduction relative to the base year.

## IN MORE DETAIL

1.5°C TARGET	tCO <sub>2</sub> e REDUCTION				tCO <sub>2</sub> e REDUCTION		
	Baseline	2025	Absolute	%	2030	Absolute	%
	84,710.72	70,479.55	14,231.16	16.80%	52,690.24	32,020.47	37.8%

➔ FURTHER DETAILS ON OUR ACTIVITIES WITHIN THE RENEWABLES MARKET CAN BE FOUND ON PAGES 28 TO 29 IN OUR 2023 ANNUAL REPORT AND ACCOUNTS

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## EMISSIONS MONITORING

In 2021, the Group engaged the services of specialist advisors and conducted an extensive emissions footprint reporting and consolidation exercise across the Group, to ensure that those responsible for reporting in a diverse group of Product Lines do so effectively for this and future reporting cycles.

As a result, and with a change in methodology, the capture of additional assets under Group control and due to a change in reporting calendar and operational boundaries, our baseline was updated in 2022. The update did not change our baseline year, which remains 2021.

## INTENSITY METRICS

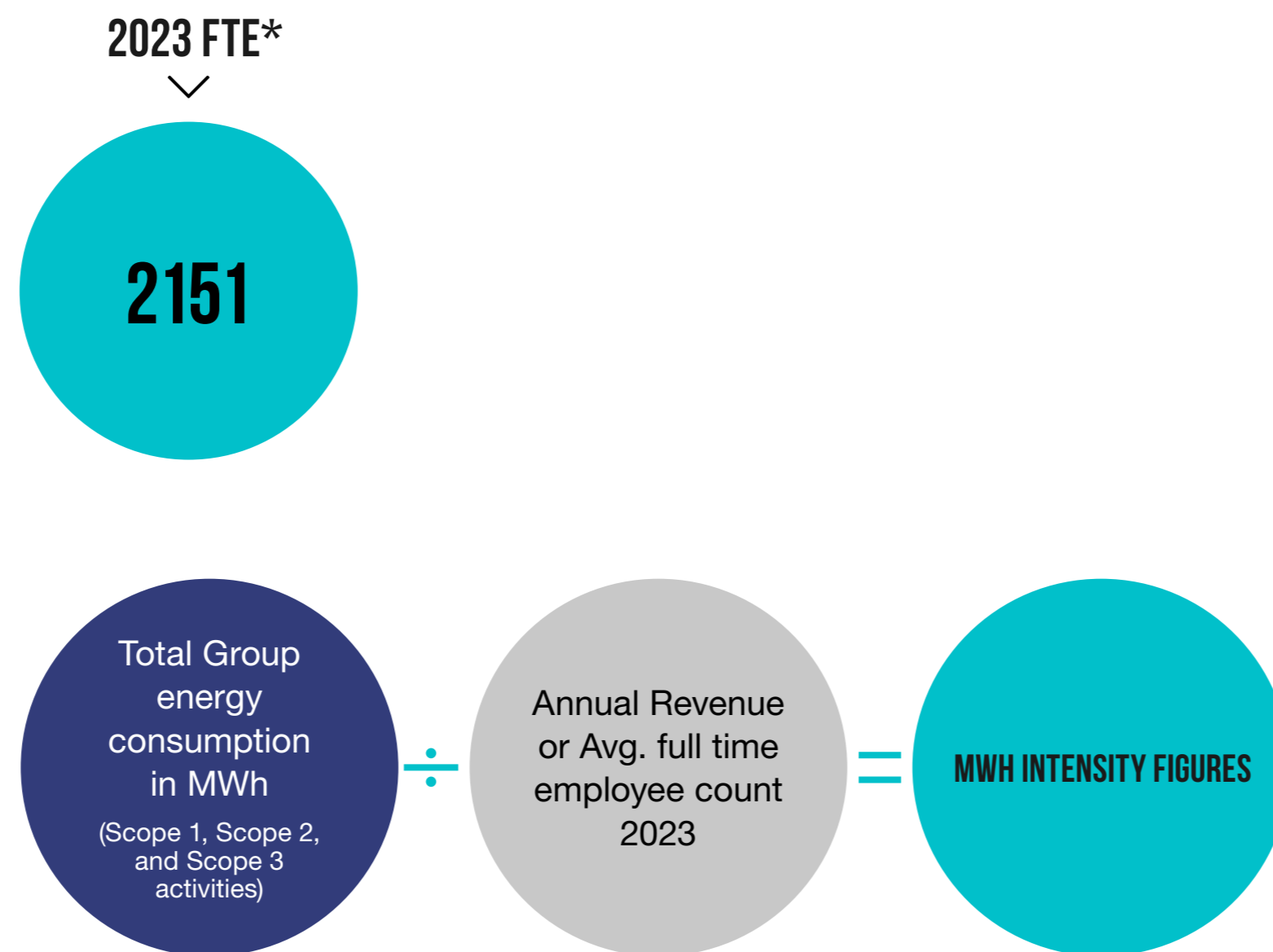
The energy intensity of our vessels is measured internally, using the Carbon Intensity Index to align with the International Maritime Organisation’s climate goals, and in line with SBTi guidance this will lead to absolute emission reductions which are reported on within our Annual Reports.

To understand the impact of growth on our absolute targets we are tracking two emission-based intensity indicators (total Scope 1, Scope 2 and Scope 3), and consumption-based intensity indicators by Scope 1 and Scope 2, and total Scope 1, Scope 2 and Scope 3.

- tCO<sub>2</sub>e/FTE.
- tCO<sub>2</sub>e/£m revenue.
- MWh/FTE.
- MWh/£m revenue.

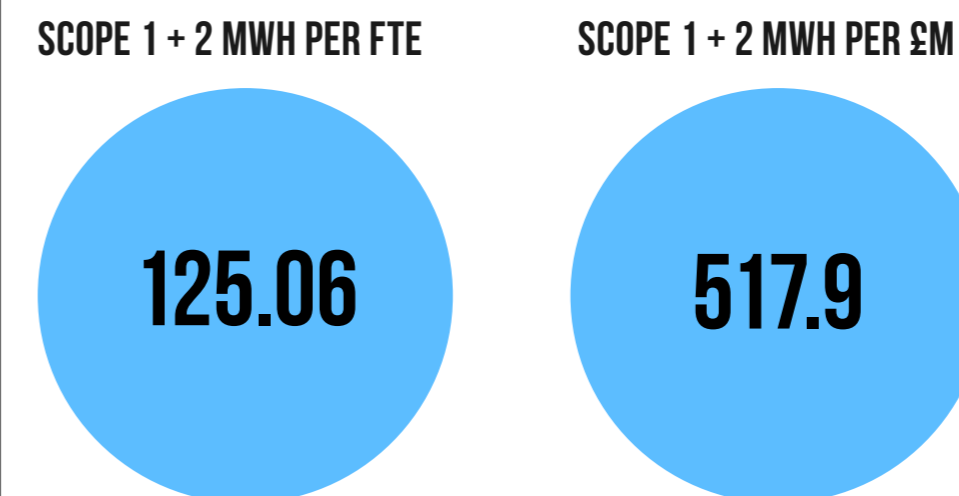
Our emission-based intensity indicators include the following Scope 3 emissions categories: fuel and energy-related activities category 3, waste generated in operations category 5, business travel category 6, employee commuting category 7, and upstream leased assets category 8.

We will report on these year-on-year, using 2023 as our baseline having moved from employee headcount to FTE in 2023.

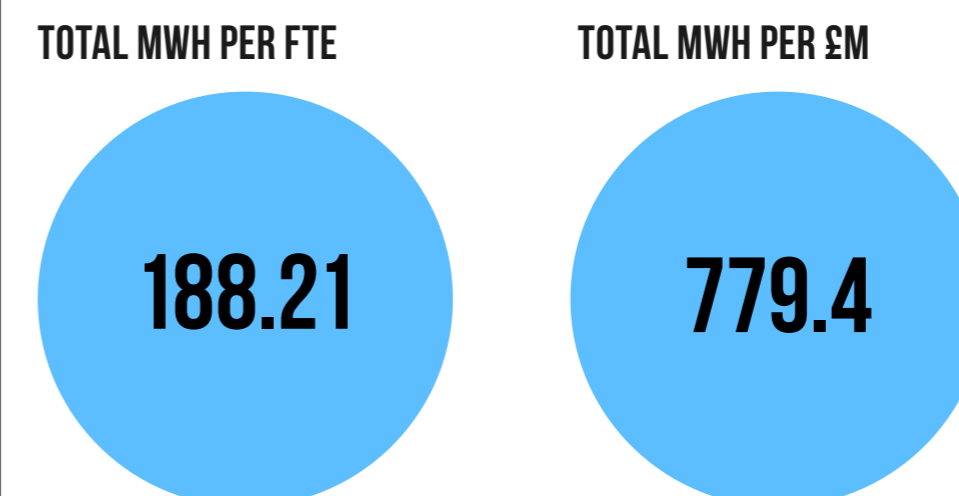


\* FTE headcount reporting year ending 30 September 2023.

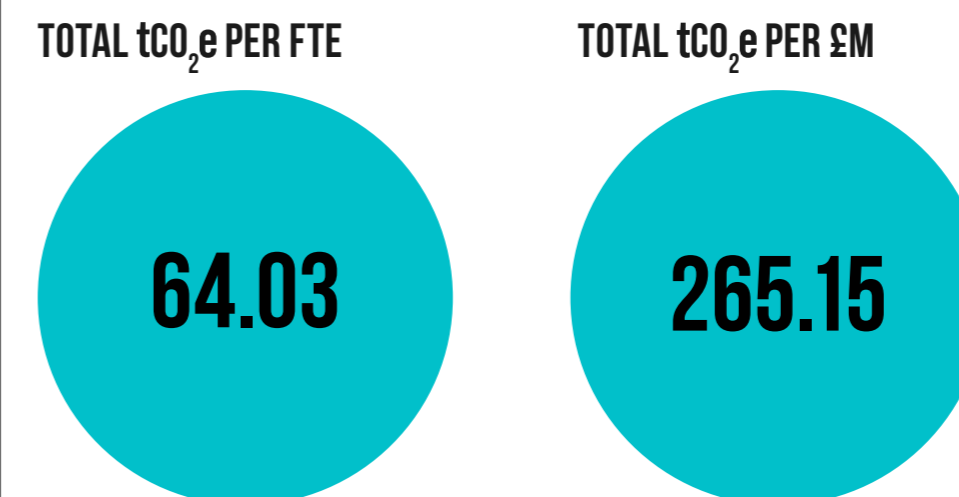
## CONSUMPTION-BASED (SCOPE 1 AND SCOPE 2)



## CONSUMPTION-BASED (SCOPE 1, SCOPE 2 AND SCOPE 3)



## EMISSION-BASED (SCOPE 1, SCOPE 2 AND SCOPE 3)



# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## HOW THE GROUP PLANS TO MEET THE REDUCTION TARGETS

### Reduction options

An initial list of emission reduction options identified in 2022 was reduced during reduction modelling. The shortlisted items were included to define the reduction pathway to net zero.

To make provision for options that may be phased in over time, the model allows for the implementation of options in three different periods; short-term (2025), medium-term (2030), and long-term (2050). The vessels reduction opportunities list was shortened further through further investigation and as opportunities evolved.

A selection of the priority reduction opportunities identified through the Groups reduction pathway modelling is summarised below, noting for the current fleet, focus is on operational efficiencies as well as exploring biofuels and fuel additives. All of which are viable reduction opportunities for all three time periods, spanning all shipping companies.

## VESSELS REDUCTION OPTIONS (NOT LIMITED TO)

	TANKER STATUS	DESCRIPTION	POTENTIAL REDUCTIONS
Optimising bunker consumption basis data analysis	Current fleet	<p>Throughout 2023, we have installed a bunker software on our vessels, called Coach Solutions. This system replaces previous manual data entries into log and has saved significant time for our team. The use of reports also improves data analysis and identification of trends and opportunities to increase bunker efficiencies.</p> <p>The software analyses real data and modelises what the optimum speeds and consumptions should be for a range of corresponding weather conditions.</p> <p>This enables the Operations team to assess:</p> <ul style="list-style-type: none"> <li>• Vessels' actual bunker consumption compared to expected performance</li> <li>• Hull clean opportunities</li> <li>• Potential requirement for slow steaming</li> <li>• Reduce performance variations between sisterships</li> <li>• Improve bunker consumption forecast</li> </ul>	<p>Up to 5 percent Scope 1 depending on the outcome of data analysis.</p> <p>Monthly performance meetings between the operations, commercial and technical teams have been scheduled to start in 2024 to assess output of the individual ship performance and fleet comparisons.</p>
Fuel switch – MFO (Marine fuel oil)/MGO (Marine gasoil) to biofuel	Current fleet	<p>The Operations department is responsible for bunkering operations and identifying where biofuels become available in our trading regions.</p> <p>Each grade of fuel identified is scored in an environmental matrix, including the fuel cost, its emission reduction potential and technical suitability with our engines.</p> <p>The highest scoring fuels will be trialled, and the results will inform our decision to expand to the rest of the fleet.</p>	<p>With ongoing monitoring we expect to be able to provide future potential reductions.</p>

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## VESSELS REDUCTION OPTIONS (NOT LIMITED TO)

VESSELS REDUCTION OPTIONS (NOT LIMITED TO)	TANKER STATUS	DESCRIPTION	POTENTIAL REDUCTIONS
Adopting LNG (Liquefied Natural Gas) fuel	Fleet replacement	<p>James Fisher has taken the next step in building the tanker fleet of the future, with delivery of a second chemical tanker equipped with an LNG dual-fuel engine as part of a continued commitment to meet sustainability targets during the Group's transition to net zero.</p> <p>James Fisher is preparing for its first LNG bunkering operations in the course of 2024. The crew is being trained for LNG handling and the Operations team has secured LNG supply at key UK ports.</p>	<p>Up to 21 percent CO<sub>2</sub> reduction when using LNG compared to MGO.</p> <p>Reduction data source: SGMF (Society for Gas and Marine Fuel).</p>
Sustainable procurement policy for newbuild vessels	Newbuild vessels	Build newbuilding vessels' specification incorporating the most efficient, sustainable options available for our vessel types in partnership with the design house and shipyard.	Refer to the above purchase for example.
Hull cleaning/re-coating management	Current and newbuilds	The Coach software indicates the optimum speed and consumption ratios for each vessel. It will flag the vessels that seem to be under-performing for investigation by our team which may lead to hull cleaning if appropriate.	In 2023, two vessels had hull cleaning outside of their normal dry-docking cycle thanks to this system, which saved between 0.2 and 1mt of bunkers consumed per day.
Fuel enhancer	Current and newbuilds	A biofuel based additive that can be mixed directly with fossil fuels to reduce fuel consumption and emissions.	A six-month trial is in planning for 2024 to validate the supplier's estimated 10 percent reduction of tCO <sub>2</sub> e.
<b>Potential reduction option identified in 2022 which may be explored in the medium-term.</b>			
Draft displacement optimisation in ballast	Current fleet	Develop and implement a standard operating procedure for draft displacement optimisation in ballast. This includes training of the crew.	

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

Additional reduction options identified in 2022 and not shortlisted, may be explored in the long-term as external factors and assumptions evolve, and as we assess the Group’s year-on-year progress against targets.

To ensure that our reduction pathways, estimate reductions and risks/assumptions remain current, we will be undertaking a thorough review of our reduction pathway model and targets during 2024 where necessary amendments will be made.

**Despite vessels accounting for the vast majority of the Groups carbon footprint, a significant reduction in emissions not associated to our vessels, for example from fleet vehicles, offices, and industrial facilities, is an important part of our net zero commitment.**

- These are relatively low in cost when compared to cost of emission reduction options for the vessels.
- They can be implemented relatively easily in the short-term, contributing to our near-term emissions reduction targets.

- The reductions, or efficiency improvements, are all relatable and will play a significant part in developing a sustainability culture and changing our day-to-day habits. There is a significant opportunity for increasing overall engagement, continual improvement mind-set, and embedding sustainable good working practices.

**Life Cycle Assessments (LCA)**

To further understand the origin of emissions within our products, and start to identify emission hotspots for further reductions, we have undertaken an LCA of one of our products. This assessment calculates the embedded emissions within one of our products from its origin as raw materials through to how it is disposed of in its end-of-life. The information gathered from this exercise allows us to allocate effort to finding more carbon-efficient alternative materials, methods, or operations for said product. The assessment follows the LCA methodology as outlined by the GHG protocol.

**EXAMPLE ACTIVITIES INCLUDE:**

EMISSION SCOPE	ACTIVITY	DESCRIPTION	EXPECTED ROLLOUT
Office-based Scope 1 and Scope 2	Group-wide fuel switching.	James Fisher will continue to monitor opportunities to improve the efficiency of its office buildings such as switching appliances with more efficient alternatives and guaranteeing sources of energy and electricity are from renewable origins.	Supply Chain efforts are progressing, following re-appointment of our Head of Group Supply Chain, and will continue to be a point of focus for the Company in 2024. We intend to focus on, not limited to, the UK transition to 100 percent renewable energy supplier and helping to drive the Group’s Sustainability Strategy in the context of Supply Chain.  To date, the guidance has not been available to effectively estimate reduction opportunities at this level throughout the business. 2023 saw the development of our Carbon Reduction/Energy Efficiency initiatives intranet site which hosts our initiatives tracker and provides visibility across our James Fisher community enabling collaboration and sharing of experiences. The site hosts a resource area to assist with reduction estimates, this will be developed over time.
	Accelerating energy efficiency in buildings. For example insulating garage/workshop doors and implementing timed heat controls for heating systems.		
	Switching to 100 percent renewable sources.		
	Investing in energy-efficient fleet vehicles. For example RMSpumptools have followed JFD UK and ScanTech Norway in switching to electric company fleet vehicles.		
	Implementing Group-wide standardising sustainable procurement practices energy efficiency procurement Group-wide and supporting policies, ensuring a robust and sustainable supply chain without inflating costs.		
	Investing in our people – with 38 trained Six Sigma Green Belts and 8 Black Belts each key drivers in sustainable change through production and processes using the Lean principles and tooling.		

# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## CONSIDERATIONS AND ASSUMPTIONS

The Group conducted this assessment in 2022 and will revisit periodically to adjust as necessary. During 2023, the Group has undergone an internal restructuring that will consolidate its strategy moving forward. As such this is a good time for the continued growth of the Company as it can reflect its new objectives.

The Group's overall emissions may increase through to 2025 due to the underlying market growth in oil and gas markets. Up until 2025, the compensating Scope 1 and Scope 2 emission reduction may not be sufficient to compensate for the market growth as there are limited short-term options for reducing emissions from the current fleet of vessels, in line with the limited shipping regulations currently applicable to coastal tankers. However, the shipping industry has committed to be net zero by 2050 and we expect stringent regulations to be implemented in the mid-term. As the plans evolve and are cascaded through the organisation, we hope to accelerate the carbon intensity reductions.

While the identified emission reduction options are insufficient to align with the trajectory of the absolute 1.5°C target in the near-term (i.e. 2021-2030), they show alignment with the trajectory of the 1.5°C target in the long-term (i.e. 2030-2050) provided that low/zero emission technology (new fleet design or alternative fuel) has been developed for commercial use.

Importantly, the emissions reduction model is based on the overall assumption that all the current emissions sources will be replaced by a source of a similar size, which will perform the same function as the one being replaced. For example, a vessel will be replaced by one of the same size and function.

This is to ensure the model is mapping out the reduction in emissions due to the shortlisted options and not the downscaling of the fleet or office size (would require reset of base year).

Due to the limited available options for reducing emissions from the Group's current fleet of vessels the Group's short-term focus is on operational reduction efficiencies throughout the Group, for example, energy efficient procurement policies, building management systems, energy efficient fleet vehicles and business travel policies.

### Examples of limitations include (vessels specific):

- Absence of infrastructure and supply of alternative fuels in the UK currently, the shipping industry is working on developing regulations to promote this.
- Limited/no opportunity for retrofitting current fleet to burn alternative fuel in the short-term due to the high retrofitting costs and our vessels nearing the end of their economic life.
- Having investigated the hybrid propulsion systems further, the benefits are not evidenced for our size and type of vessels.
- Having investigated the Air cavity lubrication further we found the solution incompatible with our size and type of vessels, compromising cargo capacity and operational simplicity.
- Coastal tankers trade on short sea voyages, so there are less opportunities for material efficiency opportunities than on larger vessels which spend more time at sea.
- Where the vessels are chartered, the charterers are responsible for selecting the most efficient ships available.
- Shift in customer behaviour and a willingness to pay a premium for zero-carbon shipping services.

## IN SUMMARY

The Group has set a Scope 1 and Scope 2 net zero target in alignment with the goals of the Paris Climate Agreement. This is a significant step on our journey towards sustainability in a complex and challenging industry. We are committed to re-assessing our metrics and targets on a periodic basis, to ensure we are minimising impact on the environment through our operations.

The Company recognises that the transition to a lower-carbon economy will affect certain sectors within which it operates and that it will take innovation, technological change, and resources, both human and financial, to achieve its net zero ambition. The work already undertaken in the development of our emission reduction pathways will help monitor how the Group's performance is progressing. This is a core component to achieving a transition to net zero, over the last year, the Group has taken preliminary action to ensure it is on the right track to develop a coherent and actionable transition plan that will align with a low-carbon economy.



# ANNEX A TRANSITION TO NET ZERO AND TCFD DISCLOSURES CONTINUED

## SUMMARY OF JAMES FISHER'S CLIMATE-RELATED METRICS AND TARGETS

<b>GHG EMISSIONS</b>	<b>Target</b>	<ul style="list-style-type: none"> <li>Achieve a reduction in Scope 1 and Scope 2 emissions by 16.8 percent by 2025 and 37.8 percent by 2030, from 2021 levels.</li> </ul>
	<b>Metric</b>	<ul style="list-style-type: none"> <li>Absolute Scope 1, Scope 2 and Scope 3 GHG emissions (tCO<sub>2</sub>e).</li> <li>Relative carbon emissions equivalent per tonne per full-time employee (tCO<sub>2</sub>e/FTE).</li> <li>Relative carbon emissions equivalent per tonne per million pounds of revenue (tCO<sub>2</sub>e/£m revenue).</li> </ul>
	<b>Associated risks</b>	<ul style="list-style-type: none"> <li>Regulatory pressure on carbon-intensive industries increasing direct and indirect costs.</li> <li>Carbon prices increase direct costs.</li> </ul>
<b>TRANSITION RISK</b>	<b>Target</b>	<ul style="list-style-type: none"> <li>Increasing the proportion of revenue from low-carbon-aligned activities, which are less exposed to risk from climate-related regulations (e.g. renewables and remediations).</li> </ul>
	<b>Metric</b>	<ul style="list-style-type: none"> <li>Proportion of revenue from low-carbon activities (£m).</li> </ul>
	<b>Associated risks</b>	<ul style="list-style-type: none"> <li>Sensitivity to oil and gas markets and impact on demand and revenue.</li> </ul>
<b>REMUNERATION</b>	<b>Target</b>	<ul style="list-style-type: none"> <li>LTIP effective from 2024, over the period of three financial years 2024-26. Performance condition based on progress towards the Group's ambition to be net zero by 2050.</li> </ul>
	<b>Metric</b>	<ul style="list-style-type: none"> <li>Completeness of bonus scorecards and the achievement of environmental criteria.</li> </ul>
	<b>Associated risks</b>	<ul style="list-style-type: none"> <li>Decreased competitiveness from weak sustainability and climate-related credentials leading to reduced market share.</li> </ul>



# ANNEX B STREAMLINED ENERGY & CARBON REPORTING (SECR)

## ANNUAL ENERGY USE

As reported in our 2023 Annual Report and Accounts.

In 2023, the Group's total energy consumption associated with Scope 1 and Scope 2 was 271,151 MWh. The Group's non-UK facilities accounted for 61 percent, with the UK facilities accounting for the remaining 39 percent. Across the Group, mobile combustion (fuel) was the largest source of energy consumed (96.6 percent).

Fuel consumption includes liquid fuels, namely diesel, petrol, burning oil, fuel oil, and gas oil, used for stationary (e.g. generator sets) and mobile combustion (e.g. vessels and company fleet vehicles) activities. Gas consumption includes gaseous fuels, namely natural gas, and liquid petroleum gas, used for stationary (e.g. boilers) and mobile combustion (e.g. forklifts) activities.

SECR	2022				2023			
	UK		NON-UK		UK		NON-UK	
	TCO <sub>2</sub> E	MWH	TCO <sub>2</sub> E	MWH	TCO <sub>2</sub> E	MWH	TCO <sub>2</sub> E	MWH
Fugitive Emissions (Scope 1)	27.22	–	36.24	–	14.91	–	55.96	–
Mobile Combustion (Scope 1)	18,592.93	67,552.99	53,462.11	193,933.32	28,022.46	101,333.43	44,374.75	160,723.51
Stationary Combustion (Scope 1)	643.15	3,048.56	216.46	950.25	461.67	2,175.79	470.93	1,943.57
Purchased Energy (Scope 2)	774.64	3,908.18	852.58	2,273.16	528.51	2,611.23	777.74	2,363.52
<b>Scope 1 &amp; 2 Total</b>	20,037.90	74,509.73	54,567.39	197,156.73	29,027.55	106,120.45	45,679.38	165,030.60
Business travel by car (Scope 3)	224.53	904.27	398.91	1,495.05	166.63	673.99	566.83	2,134.48
<b>Scope 1 &amp; 2 + business travel by car (Scope 3)</b>	20,262.47	75,414.01	54,966.31	198,651.79	29,194.18	106,794.44	46,246.22	167,165.07
Business travel (Scope 3)	2,595.60	1,350.67	4,183.35	1,495.05	6,020.47	759.07	3,864.59	2,188.67
Commuting (Scope 3)	562.54	2,326.01	2,479.14	9,478.59	569.28	2,202.33	1,853.64	6,832.75
Fuel- and energy-related activities (Scope 3)	4,627.53	–	12,433.08	–	6,631.48	0.35	10,408.97	–
Upstream leased assets (Scope 3)	17,745.59	64,784.17	12,802.71	46,721.01	18,169.05	66,349.29	16,034.45	58,579.29
Waste generated in operations (Scope 3)	433.06	–	409.17	–	123.29	–	430.53	–
Water (Scope 3)	8.60	–	3.97	–	5.51	–	2.46	–
<b>Scope 3 excluding business travel by car (Scope 3)</b>	25,748.39	67,556.58	31,912.51	56,199.60	31,352.45	68,637.05	32,027.81	65,466.23
<b>Total tCO<sub>2</sub>e</b>	46,010.86		86,878.81		60,546.64		78,274.03	
<b>Total MWh</b>		142,970.58		254,851.39		175,431.49		232,631.30
Scope 1 & 2 + business travel by car (Scope 3) CO <sub>2</sub> e intensity ratio (tCO <sub>2</sub> e/£m revenue)	39.60		107.43		55.76		88.33	
Scope 1, 2 & 3 CO <sub>2</sub> e intensity ratio (tCO <sub>2</sub> e/£m revenue)	89.92		169.79		115.64		149.50	

# ANNEX B STREAMLINED ENERGY & CARBON REPORTING (SECR) CONTINUED

## GREENHOUSE GAS EMISSIONS

In 2023, the Group's total Scope 1 and Scope 2 greenhouse gas emissions was 74,707 tCO<sub>2</sub>e. As with energy consumption, the Group's non-UK facilities accounted for most of the greenhouse gas emissions (61 percent), with the UK facilities accounting for the remaining 39 percent.

Assessing the full Scope 3 emissions across the Group is an ongoing exercise. However, we have reported on certain Scope 3 emissions: fuel- and energy-related activities category 3, waste generated in operations category 5, business travel category 6, employee commuting category 7, and upstream leased assets category 8.

→ FURTHER DETAILS ON OUR SCOPE 3 REPORTING AND COMMITMENTS CAN BE FOUND WITHIN OUR 2023 TCFD REPORT

## EMISSIONS INTENSITY RATIO

The energy intensity of our vessels is measured internally, using the Carbon Intensity Index to align with the International Maritime Organisation's climate goals. In line with SBTi guidance this may lead to absolute emission reductions which are reported on within the Annual Report and Accounts. We are tracking two emission-based intensity indicators (total Scope 1, Scope 2 and Scope 3), and consumption-based intensity indicators by Scope 1 and Scope 2, and total Scope 1, Scope 2 and Scope 3. 2023 results are shown below:

- tCO<sub>2</sub>e/FTE headcount: 64.03.
- tCO<sub>2</sub>e/£m revenue: 265.15.
- MWh/FTE headcount: total energy intensity: 188.21, Scope 1 and Scope 2: 125.06.
- MWh/£m revenue: total energy intensity: 779.40, Scope 1 and Scope 2: 517.90.
- As a multi-sector business the use of FTE and Revenue £m allows consistency and comparability for the Group.

## METHODOLOGY

The Group is diverse, made up of various Product Lines which independently collate and report on their own company emissions data. The work in consolidating our combined emissions data takes a significant period of time. Therefore, to mitigate the risk of reduced data integrity, the Group adopted a change in methodology in 2021 moving the reporting period from a financial year (ending 31 December) to 1 October to 30 September. This allows sufficient time before the financial year end to report on the data.

James Fisher operates a fleet of vessels across its business units. In order to account for these vessels in the SECR disclosure, the Group has used the trading area of the vessel to distinguish between its UK and non-UK footprint as the trading area most closely indicates where fuel is consumed and, therefore, where the associated emissions should be accounted for.

The Group used verifiable activity data, namely meter data and invoices, where reasonable and practicable. Where verifiable data was not available, estimates based on data from previous comparable time periods were used to close the gaps. The activity data was reported at Product Line level and collated and analysed at Group level. Our greenhouse gas emissions are calculated in accordance with the requirements of the GHG Protocol: A Corporate Accounting and Reporting Standard, revised edition. Emission conversion factors from:

Department for Business, Energy and Industrial Strategy (2023). 2023 Government GHG Conversion Factors for Company Reporting.

Department for Business, Energy and Industrial Strategy (2022). 2022 Government GHG Conversion Factors for Company Reporting.

United Nations (2023). UN Statistics Division - 2020 Energy Balance Visualizations. <https://unstats.un.org/unsd/energystats/dataPortal/> #IPCC (2019). Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge. (No refinement from 2006).

EPA (2022). Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020. United States Environmental Protection Agency. Online: [www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks-1990-2020](http://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks-1990-2020).

EPA (2023). GHG Emission Factors Hub. Center for Corporate Climate Leadership. April 2023. [www.epa.gov/climateleadership/ghg-emission-factors-hub](http://www.epa.gov/climateleadership/ghg-emission-factors-hub). Accessed April 2023.

EPA (2024). eGrid2022. Release : 1/30/2024. Online: [www.epa.gov/egrid/download-data](http://www.epa.gov/egrid/download-data). Accessed February 9 2024.

The Group's disclosures are based on location-based results. We recognise there are benefits in monitoring market-based data and are in the process of applying market-based instruments.

Note: Factor sources provided by our reporting platform provider Ecometrica Limited, 01 March 2024.

# ANNEX B STREAMLINED ENERGY & CARBON REPORTING (SECR) CONTINUED

## ENERGY EFFICIENCY ACTION

As part of our commitment to setting net zero targets in alignment with the Paris Climate Agreement, emissions reduction pathways have been modelled at Group level. In 2023 the relevant reduction options were integrated into the strategies and plans for Tankships, part of our Maritime Transport Division and highest emitters. This does not replace the detailed planning already in place at this level but enhances and ensures alignment with Group priorities and targets. 2024 will see the relevant reduction opportunities identified through the Group reduction pathway modelling and opportunities identified by the Product Lines, integrated into the strategies and carbon reduction plans across the Group.

Throughout the Company we are continuing to install energy-efficient lighting, replace end-of-life appliances with energy efficient alternatives and, while paused in 2023 due to Company restructuring, we plan to explore the use of voltage optimisation technology to regulate incoming power supply. Some Product Lines are transitioning to energy-efficient fleet vehicles.

Identifying efficiency improvements and changing our day-to-day behaviours plays a significant role in our sustainable culture change. We are investing in our people with over 30 trained Green Belts and 8 Black Belts, each acting as key drivers in sustainable change through Lean Six Sigma. Lean manufacturing and continuous improvement will help to identify and drive energy efficiency opportunities and help make greater use of what we have through increased productivity in our systems and processes.

In 2024 we intend to review our policies and guidance around responsible use of appliances and leveraging our digital capabilities.

James Fisher is in the process of transitioning across to a one hundred percent renewable energy supplier for our UK-based Product Lines. While this does not directly lead to increased energy efficiency, it does lead to less emissions (market-based) and greater awareness of our net zero activities throughout the Group. When it comes to workplace energy expenditure, we believe our employee's day-to-day habits are significantly influential.

Energy efficiency campaigns and initiatives planned for 2024 will focus on encouraging energy-efficient habits. This may include utilising energy audit outcomes to drive efficiencies across the Group for example conserving energy through stabilising indoor temperatures through roofs and ceilings, minimising the use of printers, installation of motion sensors, use of energy-efficient equipment with an Energy Star rating and the use of smart meters to monitor consumption.

## 2022 DATA

While every effort is made to identify anomalies within the current reporting year including training and internal quality checks, there are instances, "aided" by an automatic system trigger which highlights a current versus previous year entry where significantly different, where the anomaly is found during the following reporting year reconciliation and subsequently the relevant Scope is re-calculated. For example, in 2023, Scope 1 decreased from previously reported 77,602 tCO<sub>2</sub>e, to 72,978 tCO<sub>2</sub>e due to a duplicate data value identified. Additionally, Scope 2 increased by 199 tCO<sub>2</sub>e due to electricity data changing scopes, which were incorrectly allocated at the time (1,508 up to 1,627 tCO<sub>2</sub>e), and there was a Scope 3 reduction of 2,160 (60,444 down to 58,284 tCO<sub>2</sub>e), in part to a unit of measure error (k tonnes corrected to "tonnes". The revised figures are reflected in the table at the start of this report.

Our work towards ensuring a robust control environment for GHG emissions data and planning for limited assurance will play a key role in mitigating such errors.

We are continually developing and enhancing guidance, supporting with tools and training for those involved with reporting, such as providing step-by-step instructions to assist with accounting for the emissions across the different scopes. Additionally, in 2023 we started an assurance readiness review supported by specialist ESG consultants SLR Consulting, in preparation for internal GHG inventory audits in 2024 and working towards Limited Assurance.

→ FURTHER DETAILS CAN BE FOUND WITHIN THE GHG EMISSIONS SECTION PAGE 31, AND OUR 2023 TCFD REPORT ANNEX A

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