



Wood Thilsted
2023 Sustainability Report

Revision	Date	Description	Preparer	Checker	Approver
1	04/07/2024	Issued	RMH/SAL	RJW	DJB

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1. Message from Alastair Muir Wood

Sustainability is an essential component of WT's mission to create a cleaner, greener future for all. Our core values reflect our ambition to make the world a better place to live. WT is proud to operate in the renewable energy space where we help our clients deliver the world's largest offshore wind farms more efficiently and at progressively lower cost. This sustainability report aims to capture WT's impacts within our environmental, social and governance dimensions during the reporting period.

WT is committed to reducing its own direct negative impacts on the environment and to challenge clients to also reduce theirs. When required to travel for business WT challenge staff to consider the environmental impact and to make the greenest reasonable choice, within our pathway to net zero.

WT also recognises our responsibility to engage on social issues. We prioritise the safety and well-being of our employees, as we seek the best ways of working in the post-Covid world. WT has developed a strong internal focus on mental health and well-being with regular updates during our monthly staff calls and we have an inclusive support network for those in need. In line with our aspiration to make our overall impact on the planet a positive one, we're seeking to switch from minimising our negative impacts, to maximising our positive ones. You will see this in our ambition to define the Nature Positive offshore windfarm, and to keep employee satisfaction rising each year.

Finally, on behalf of the company I am proud to be a signatory to the United Nations Global Compact (UNGC). As part of the UNGC WT is committed to incorporating the Ten Principles related to human rights, labour, environment, and anti-corruption into our overarching strategy to establish a culture of integrity and respect. WT is also committed to the UN's broader mission including the Sustainable Development Goals to lead fundamental and impactful change in the world we live.



Alastair Muir Wood
Wood Thilsted Founder and Director

2. Executive Summary

We have focused our efforts this year on improving our data gathering and reporting techniques, and building a robust foundation on which to begin our pathway to net zero in earnest. Since our previous annual report we have overhauled our carbon reporting methodology, considering areas of the business we previously did not and increasing the reliability and accuracy of data from areas previously recorded.

As a result of our continued growth and new reporting methods we have seen greater than ever carbon emissions this year, mainly resulting from an increase in business travel. Our environmental processes and reporting continue to comply with ISO 14001:2015 standards.

We have set Key Performance Indicators (KPIs) regarding the implementation and tracking of Energy Returns on Energy Invested (ERoEI) on our projects, with the goal of having 100% of our projects including an ERoEI assessment and carbon reporting in five years time.

This year, our sustainability committee began the process of setting out a framework for social and charitable contributions as a company. We are continuing to refine our approach to social responsibility and plan to implement meaningful policies for company and employee contribution to positive social change in the near future.

Looking further, we have also set out four key objectives for our environmental journey as a company, outlined below:

- To fully understand the impact our work has on the environment and to communicate that clearly and openly, so that we can be held accountable.
- Influence our clients and supply chain partners to include 'green steel' at scale to reduce the carbon cost of foundation manufacture.
- Promote nature positive designs towards a Nature Positive Offshore Wind Farm.
- To secure a science-based trajectory to Net-Zero carbon emissions, making use of the Science-Based Targets initiative (SBTi).

We are continually reviewing our progress against these objectives and strive towards them across all areas of our business.

3. Company Overview

Wood Thilsted is a team of world-leading experts across every discipline of offshore wind engineering. Our team are world leaders in their fields working together to create innovative, efficient solutions for our clients. Working in partnership with our colleagues, clients and stakeholders we strive to constantly excel. We believe we are already changing the world, but only through unmatched engineering and the very best teamwork can we deliver all the benefits of the just and global transition.



Figure 1 – Wood Thilsted Values

The company aim defines our core idea. It is what we do:

“Designing the Global Energy Transition”

We focus on consultancy services where we make a difference - solving technical problems to design the global energy transition. WT is committed to promoting sustainable development and protection of the environment. Sustainability is important for improving both the performance of WT and engineering in general. Internally, WT strives to reduce the direct impact of the provision of our services on the environment. Externally, WT is committed to working with our clients and contractors to reduce the indirect environmental impact of our engineering solutions. In the long term, we seek to make the existence of Wood Thilsted net-positive for global sustainability in all areas, including carbon emissions, biodiversity and social equity.

4. Sustainability Governance and Strategy

The WT Environmental Committee is an advisory committee that brings together a unique assembly of knowledge and skills to enhance the company’s environmental performance. The purpose of the committee is to reduce the negative impacts of Wood Thilsted’s work and operations on the natural environment – such as carbon emissions and biodiversity loss – both in terms of day-to-day working practices, but also with respect to the engineering output. It is then our intention to make these impacts positive, through initiatives such as carbon sequestration and nature positive projects.

The committee was established to address a desire for WT to make a positive change in the world. The committee meets regularly to discuss ideas for reducing WT’s environmental impact, to monitor progress, and to recommend changes to business practices. Recommendations can relate to any aspect of WT’s work that affects the natural world. Recommendations are passed to WT’s Board of Directors for consideration and potential implementation across the company.

Responsibilities of the WT Environmental Group include:

- Updating and maintaining the WT Environmental Management System (EMS)
- Supporting the delivery of tangible change to support our EMS ambitions.
- Supporting the ISO 14001 auditing process.
- Generating annual and semi-annual WT environmental reports.
- Championing environment-positive work practices within WT
- Advising the board on specific environmental issues such as low carbon travel arrangements.

Specific roles within the committee include:

- The Chair of the committee – Danny Bonnett.
- The EMS Manager, who leads WT’s ISO14001 accreditation and auditing processes.

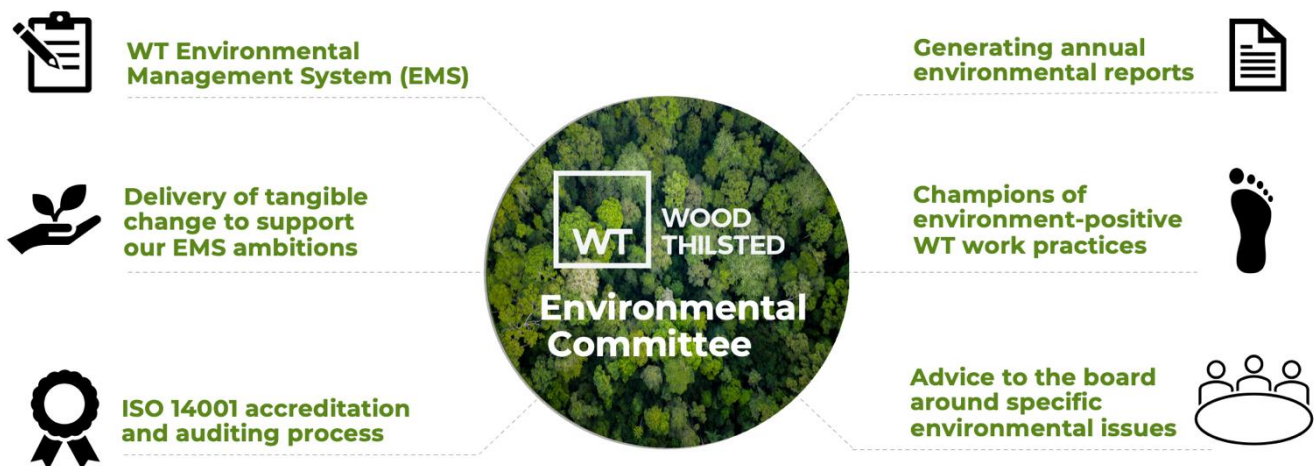


Figure 2 - Wood Thilsted Environmental Committee Responsibilities

5. Key Performance Indicators

WT has set several Key Performance Indicators (KPIs) furthering the goals of carbon measurement and reduction. These relate to Energy Returned on Energy Invested (ERoEI) and carbon reporting. The ERoEI of a project is a ratio of the energy produced by the project site against the energy required to develop the project (for example in producing the steel for a foundation, fabrication, transport and installation).

The higher the ERoEI ratio for a project, the more effective the project will be at delivering surplus renewable energy to society.

$$ERoEI = \frac{\text{Energy Returned over the lifetime of the OWF}}{\text{Energy Invested by constructing the OWF}}$$

Key performance indicators relevant to Wood Thilsted's projects for 2023 are listed below:

1) 50% of WT projects to undertake an ERoEI assessment, with this target to increase annually by 10%.

- To calculate ERoEI for relevant WT projects, looking to increasing ERoEI measurement across projects and to communicate the importance of ERoEI.
- To action this target, the online database 4C-Offshore will be used to generate automated ERoEI entries, which will be highly beneficial for early-stage projects as an initial starting point.
- Live ERoEI project results are shown below in Figure 3.

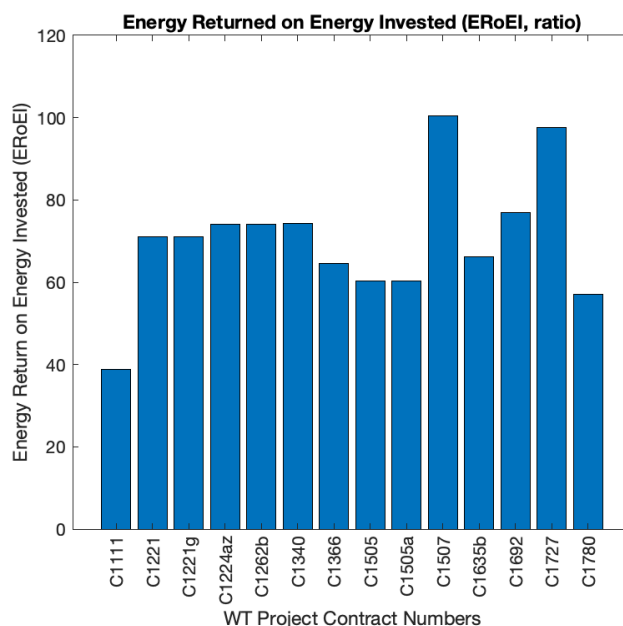


Figure 3 - ERoEI project results

2) 50% of applicable WT project deliverables to report on carbon, with this target to increase annually by 10%.

- Carbon implications of project decisions will be reported in WT deliverables, to provide timely information about project carbon emissions to our clients.
- To assist with the implementation of carbon reporting across all WT departments, environmental delivery guidance is to be established outlining the application for each discipline.
- Clients should be provided with information on the carbon implications of the project decisions to inform the project’s environmental impact.
- Live project carbon reporting results are shown below in Figure 4.

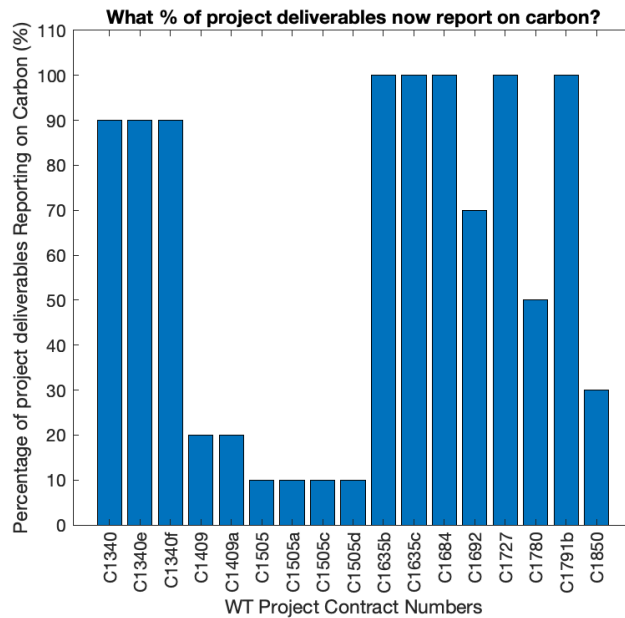


Figure 4 - Carbon Project Deliverables

6. Environmental Performance

This reporting period saw the highest total emissions and emissions per capita for WT to date. A significant increase in emissions resulting from business travel was the main driver for this change.

Scope 1 emissions from gas consumption in offices saw a reduction by approximately half from the previous reporting period. This is expected as there is lower demand for heating during the summer months. Scope 2 emissions from electricity consumption remained consistent with the previous reporting period.

Business travel's sharp increase in emissions from the previous report was due to an increased total estimated distance travelled during this period alongside an increase in the proportion of the distance travelled resulting from "long-haul" flights.

This figure went from approximately one quarter of total distance in the previous period to account for around 60% of all business travel by distance in the current period. As the most carbon-intensive method of business travel measured in this report, this was the main factor for the emissions rise.

Emissions from purchased assets this period were lower than but still comparable with emissions from previous reporting periods.

Our Environmental processes are used to ensure the accuracy and reliability of sustainability data and reporting. We ensure compliance with ISO 14001:2015 and industry standards by undertaking internal and external audits each year.

Table 1 – Environmental Reporting Summary

Scope	Category	CO ₂ e emissions by period [tCO ₂ e]				
		H2 2023	H1 2023	H2 2022	H1 2022	H2 2021
Scope 1	Office gas consumption	3.07	6.41	11.00	6.09	7.17
Scope 2	Office electricity consumption	4.52	4.90	14.87	6.09	7.17
	Office district heat consumption	0.79	0.73	-	-	-
	Sub-total Scope 2	5.31	5.63	14.87	6.09	7.17
Scope 3	Business travel	212.28	137.77	111.01	27.67	10.01
	Purchased assets	27.86	33.10	36.38	24.00	52.97
	Remote data storage	1.31	1.28	-	-	-
	Employee commuting	18.82	17.61	-	-	-
	Sub-total Scope 3	260.27	189.76	147.39	51.67	62.98
Total		268.65	201.80	173.26	63.85	77.32
	Number of employees	194	181	156	152	132
	Total CO ₂ e per employee	1.38	1.11	1.11	0.42	0.59

7. Social Responsibility and Community Engagement:

Wood Thilsted is keen to support charities and employee volunteering, whether through charitable donations to eligible organisations, paid time off for employees volunteering efforts or the provision of other resources.

Wood Thilsted will focus its efforts to support eligible charities and non-profit organisations in accordance with criteria listed below:

Mandatory Criteria

Wood Thilsted will only support charities and other non-profit organisations that:

- Bring benefit to people or communities, on a local or global scale.
- Align with Wood Thilsted's core values.
- Are not-for-profit and are registered charitable organisations.
- Publicly disclose all relevant corporate and personal conflicts of interest.
- Provide information about their fundraising and administrative costs and be transparent about how funds are allocated.
- Do not support political candidates or political organisations.
- Are not of a religious nature.
- Do not have employment policies or practices that discriminate on grounds of race, sexual orientation, gender, disability, or age.

Additional Criteria

Wood Thilsted aims to support charities and other non-profit organisations that:

- Have clear long-term goals and objectives.
- Operate in a sustainable transparent manner.
- Take an innovative approach to their projects and initiatives.

Wood Thilsted will endeavour to be transparent in all charitable giving. Priority will be given to charitable giving and volunteering efforts that align with our core values. Figure 5 shows WT's Charity Engagement core values which include the following:

- Programmes supporting Renewable Energy and Sustainability.
- Science, Technology, Engineering, and Mathematical (STEM) education
- Programmes that champion Diversity & Inclusion in Engineering
- Initiatives that have a direct benefit on our local communities

Supporting our communities through charitable giving and volunteering is part of our culture and we encourage all employees to participate.

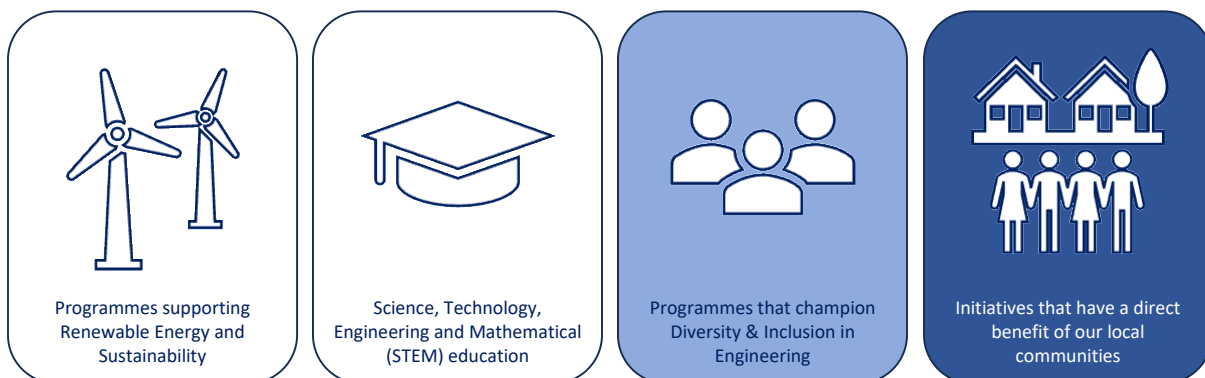


Figure 5 - Wood Thilsted's Charity Engagement Core Values

8. Future Outlook:

Our goal as a company is to be an engineering pioneer; not just in terms of our technical capabilities, but also by leading the field and setting an example for sustainable engineering practices in the 21st century.

To this end, we have set up an Environmental Management System to try to ensure that our results ultimately match our ambitions.

Accountability is also a key to ensuring long term success, and we are openly stating our objectives to the world so that we can be held up against them in the years to come.

Our Key Objectives:

- To fully understand the impact our work has on the environment and to communicate that clearly and openly, so that we can be held accountable.
- Influence our clients and supply chain partners to include ‘green steel’ at scale to reduce the carbon cost of foundation manufacture.
- Promote nature positive designs towards a Nature Positive Offshore Wind Farm.
- To secure a science-based trajectory to Net-Zero* carbon emissions.

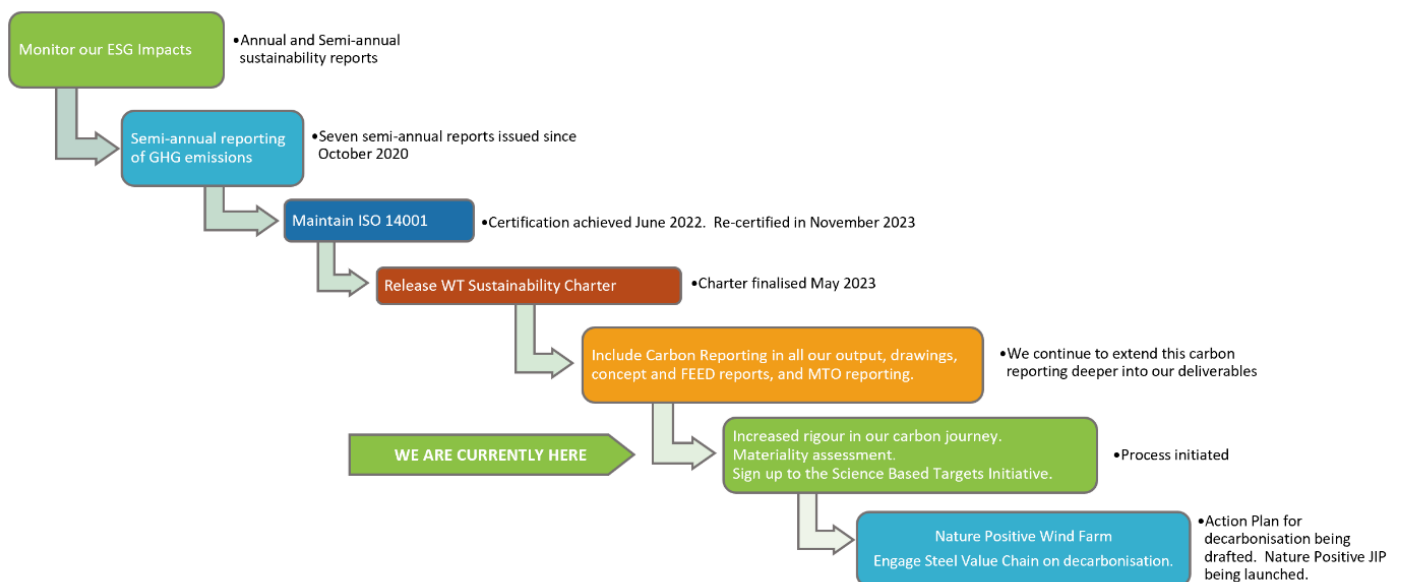


Figure 6 - WT's Sustainability Journey

**WT recognise the gravity of the use of the term “Net-Zero”. We’re in the process of agreeing our targets with the SBTi (the Science-Based Targets initiative). The targets will be fully disclosed when the pathway is agreed.*