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Find more sustainability information online <a href="https://www.statsgroup.com">www.statsgroup.com</a>



#### A MESSAGE FROM OUR CEO



Our 2023 Sustainability Report outlines our commitment to enabling higher levels of safety in the energy industry and supporting the energy transition. This was a transformative year for STATS Group as we started a new journey as a Mitsui & Co., Ltd company. For our new owner, Mitsui, this means advancing pipeline repair technology through STATS's range of products and services, thereby reducing and preventing greenhouse gas (GHG) leakage into the atmosphere. Our proprietary technology allows our clients to reduce their environmental impact while helping them meet their net-zero targets. I'm excited to see our clients buy in to this strategy, and collectively improve our industry's emission reduction performance.

As part of our growth strategy, we continue to internationalise our business in energy hubs around the world, thereby increasing our regional diversity, increasing the growth of our local supply chain in the communities we serve with the goal of reducing our international shipping/freight burden.

In 2023, we delivered on our plan to complete a materiality assessment, this helped prioritise our Environmental, Social, and Governance (ESG) actions around topics like GHG Emissions, Legal Compliance, Diversity and Inclusion. We also implemented scope 1 data collation and monthly reporting in all regions. As articulated in our 2023 Sustainability Report, this lays the foundation for scope 2 progress and emission reductions plans in future years. We continue to make progress on our safety performance with a reduction in our Total Recordable Incident Rate (TRIR) to 0.50 in 2023.

There is much to be proud of at STATS for the progress made thus far and we will continue to be steadfast in our sustainability focus in 2024 to build on the momentum of 2023.

8/\\_

**Stephen Rawlinson, Chief Executive Officer** 



#### MITSUI ACQUISITION

Mitsui & Co., Ltd. acquired STATS Group in July 2023, the acquisition combines STATS with Mitsui's Iron & Steel Business Unit and is complementary to Mitsui's plan to establish a strong, sustainable presence in the pipeline maintenance market as a service provider.





**IRON & STEEL PRODUCTS BUSINESS UNIT** 

PIPELINE MAINTENANCE

# JOINING FORCES TO PURSUE OPPORTUNITIES IN BOTH THE TRADITIONAL OIL AND GAS PIPELINE MARKETS AND THE EMERGING LOW CARBON MARKETS.



#### **COMPANY OVERVIEW**

STATS Group are market leaders in the supply of pressurised pipeline isolation, hot tapping and plugging services to the global energy industry. DNV type approved isolation tools provide leaktight double block and bleed isolation that enables safe and efficient maintenance and repair of onshore, topsides and subsea pipeline infrastructure.

STATS HAS GAINED AN EXCELLENT REPUTATION FOR PROVIDING A RESPONSIVE, CLIENT-CENTRED APPROACH COMBINED WITH EXPERTISE AND INNOVATIVE PRODUCTS WHICH:

DRIVE HIGHER LEVELS
OF SAFETY IN THE
INDUSTRY

ENHANCE
ENVIRONMENTAL
PERFORMANCE BY
REDUCING FLARING AND
VENTING ACTIVITIES

IMPROVE ASSET
PERFORMANCE WHILE
REDUCING SYSTEM OR
PLANT DOWNTIME

SUPPORT THE INDUSTRY
TO TRANSITION TO A
LOW CARBON FUTURE

Project management and engineering services are provided to support client needs including turnaround scopes, feasibility studies and contingency planning. In-house expertise extends over the entire life-cycle of hydrocarbon assets from construction, maintenance, asset life extension, through to decommissioning and on to hydrogen transportation and carbon capture and storage.

STATS PROVIDE HIGH QUALITY, FIT-FOR-PURPOSE SOLUTIONS TO ENSURE THE PIPEWORK AND PIPELINE INFRASTRUCTURE OF ITS CLIENTS MEET THE TECHNICAL, SAFETY AND ENVIRONMENTAL STANDARDS REQUIRED.



#### **2023 HIGHLIGHTS**





GLOBAL **OPERATIONAL BASES** 

- Aberdeen, UK
- Abu Dhabi, UAE
- Dammam, KSA
- Doha, Qatar
- Edmonton, Canada
- Houston, USA
- Kuala Lumpur, Malaysia
- Muscat, Oman
- Perth, Australia









#### PROUDLY SERVING THE FOLLOWING INDUSTRIES:









#### **VALUES**



## WE VALUE THE COLLECTIVE EFFORT

We're one global team We all have a role to play We listen to each other

# WE DEMONSTRATE INTEGRITY IN ALL THAT WE DO

We're open, honest and fair We play by the rules We do the right thing

## WE COMMIT TO RELIABLE DELIVERY

We're responsive to our clients' needs We understand commitment We deliver on time

## WE ENCOURAGE QUESTIONING MINDS

We learn by asking questions We make time to find safe, reliable solutions We celebrate efficient innovation

#### VISION



Our vision is to drive higher levels of safety and support the industry in the transition to a low carbon future. Our focus on innovation means we're ideally placed to continue this support, not only in the traditional hydrocarbon sector, but also as the industry transitions to more sustainable energy supplies.

#### SUSTAINABILITY STEERING GROUP - CHAIRS VIEW



Since the steering group started in 2021, it has grown momentum and it is now a key driver of the sustainability activity across the STATS group of companies. We try to ensure that each year we have a good communication strategy set up, to allow us to articulate our plans for the year and progress so far and we are measuring how that is going so everyone can see if we are on track.

We definitely see that STATS staff are really interested in ESG topics and keen to be part of the efforts to make improvements, raise awareness and see real progress. We have some great skills in the team that we can leverage to work on this diverse set of topics.

The community involvement and regional charity committees have created and attended some fabulous events, raised vital funds and carried out volunteering for local charities. We are very much part of all the communities where we are based. Over the course of 2023 we've seen progress in a number of areas and that is entirely due to the collective effort of the fantastic STATS team.

#### **Lisa Mitchell & Derek Smart**

Sustainability Steering Group Co-Chairs

# 1 Mutchell

#### THIS YEAR WE HAVE:



Implemented full KPI reporting on scope 1 and 2 data within 14 days of each month end



Increased our global female diversity by 1% in the year



Introduced a fully international community involvement programme in each of our regions



Created our materiality assessment to allow us to target our efforts in the most impactful way



HR data reporting to management on personnel composition

#### IN 2024V WE PLAN TO:



Conduct a full staff diversity survey



Create a detailed diversity action plan



Implement KPI reporting for scope 3 data with 14 days of month end



Review our waste and recycling arrangements to set specific measures for reduction



Conduct a full third-party review of our global carbon footprint

#### SUSTAINABILITY STRATEGY

We are committed to incorporating sustainability into our core activities to assess and measure our social and environmental impact.

#### SUSTAINABILITY STEERING GROUP

The actions we take in support of our Sustainability Policy are coordinated by our Sustainability Steering Group, co-led by Lisa Mitchell, Commercial Director and Derek Smart, Director of QHSE & HR, with representation from across our business and operations.



#### SUSTAINABILITY PILLARS

Our four-pillared approach to sustainability ensures the development and implementation of an integrated strategy across all aspects of our business and all regions in which we operate. Each of our pillars is cross-referenced against the relevant Sustainable Development Goals.



Creating a safe, healthy and inclusive work environment for all our people. Supporting the development and prosperity of the communities we work in across the globe.



Focusing on measured growth and business performance whilst ensuring we adhere to our governance and compliance requirements across the globe.



Measuring and reducing our environmental impact as a business.



Helping our industry move to a lower carbon future, using our innovation pedigree to develop new technologies to support and enable Energy Transition and Net Zero Targets.

In addition to the Sustainability pillars, the following key underlying themes are imperative to execute our strategy and support the pillars.



COMMITMENT TO SAFETY



OPERATIONAL EXCELLENCE AND SERVICE DELIVERY

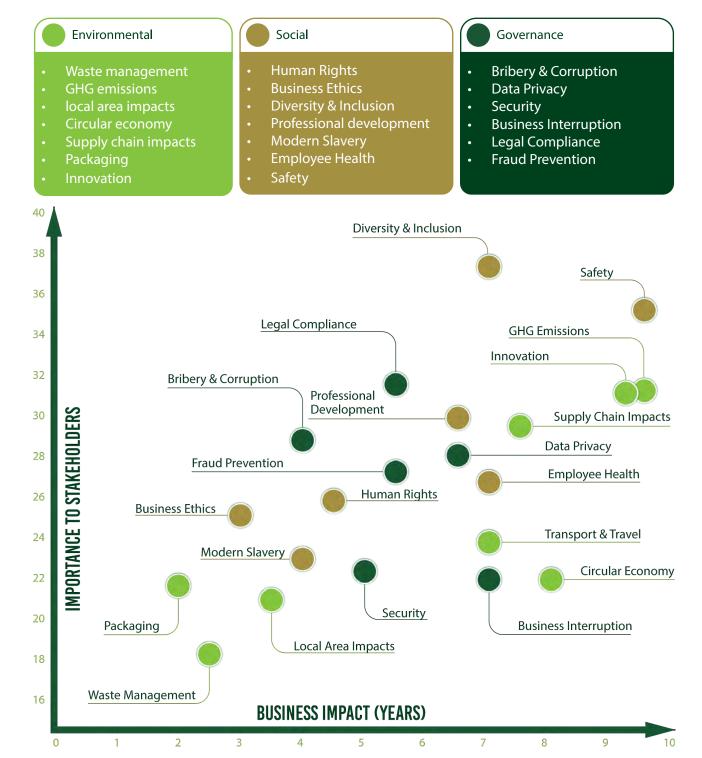


BUSINESS PRINCIPLES
AND ETHICS



#### MATERIALITY ASSESSMENT

In 2023, STATS set to work on preparing a detailed materiality assessment, helping us to define the key drivers for us and our key stakeholders. We assessed the impact each factor had on the business overall, allowing us to prioritise the factors we identified in the review. The process involved first identifying the key areas of focus and then dividing them in to the three key areas of Environmental, Social and Governance (ESG). The factors we identified were as follows:



We applied a scoring to the factors based on their priority to key stakeholders and then their impact on the business overall and came out with this map of the factors we had identified. As we go forward on to the next year, we'll use this assessment to help us prioritise and maintain our focus on all these important areas. We will review our assessment every 2 years to see if our priorities remain the same or if we need to review any factors (or add new ones).

#### **CARBON REDUCTION JOURNEY** 2021 Sustainability 2020 Steering group formed Sustainability · Change to green Policy Implemented electricity supplier for UK 2022 Expert Appointed 2023 to perform gap Define materiality analysis of carbon assessment footprint data Implement all region scope 1 data collation and 2024 monthly reporting • Implement all region scope 2 data 2025 collation and monthly reporting Implement Scope 1 & 2 Emissions 10 year 2026 reduction plan • Baseline all Scope 3 emissions 2027 • Implement all 2030 region scope 3 data collation and • Implement Scope 3 monthly reporting Emissions 10 year reduction plan 2035 Reassess exposures 2040 - determine full Reassess exposures reduction potential determine full - Scope 1 and 2 reduction potential - Scope 3 2041 Assess carbon credits requirements 2042 • Implement final 3 2043 year reduction plan Appoint external - scopes 1, 2 and 3 assessor to reassess full carbon footprint **Achieve Net-Zero Plan**

#### **PILLAR 1: PEOPLE AND SOCIETY**

Creating a safe, healthy and inclusive work environment for all our people. Supporting the development and prosperity of the communities we work in across the globe.

- Proactively seek and support opportunities to improve the health and well-being of our employees.
- Provide learning and career development opportunities across the organisation.
- Proactively promote and encourage diversity & inclusion (D&I) across the company.
- Continually engage, support and add value to the local communities where we operate.
- Educate and encourage our people to help us collectively achieve the sustainability targets we set.













#### IN THIS SECTION:

Safety, Health, Environment & Equality
Training and Competency
Diversity and Inclusion
2023 Data



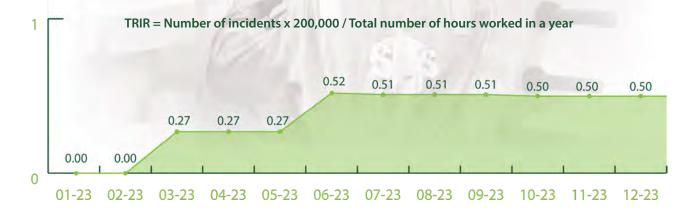
#### SAFETY, HEALTH, ENVIRONMENT AND QUALITY

STATS is committed to the health and safety of our workforce and the communities where we operate. Our goal is to have everyone, everywhere, go home safe every day. STATS encourages everyone within the company to be responsible for safety and to implement safe work practices to ensure no one gets hurt. Our commitment to safety is embedded in the STATS Values, and our safety culture is continuously reinforced by executive leadership, with oversight from our Board of Directors.

Occupational health and safety, operational safety and pressure testing are among our most important issues, and we continue to prioritise continuous improvement in these areas through our environment, health and safety strategy.

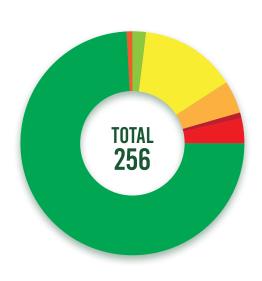
Our safety performance across all our facilities and in the field has been good throughout 2023. Our Total Recordable Incident rate is 0.50 for 2023.

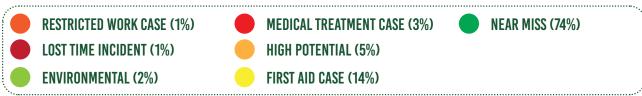
#### TOTAL RECORDABLE INCIDENT RATE



#### **INCIDENT BREAKDOWN 2017 - 2023**

	2017	2018	2019	2020	2021	2022	2023	Total
Environmental	1	0	2	1	0	0	1	5
First Aid Case	5	9	4	1	5	5	7	36
High Potential	1	3	3	1	2	2	0	12
Lost Time Injury	1	0	0	0	1	0	0	2
Medical Treatment Case	0	3	2	0	3	0	1	9
Non Injurious Accident / Near Miss	53	56	21	15	11	17	17	190
Restricted Work Case	0	0	0	0	1	0	1	2
Total	61	71	32	18	23	24	27	256





#### TRAINING AND COMPETENCY

Our training and competency systems are focused on ensuring no harm to people and no damage to equipment or the environment whilst Managing Pressure and Minimising Risk. By ensuring our employees are well-trained and competent our projects are executed safely, minimising errors, and maximising positive impacts.





The Engineering Construction Industry Training Board said:

"STATS was committed to fostering competency and a culture of improvement across the organisation, adopting the mantra "if you're not competent, don't do it" which underlined the company's dedication to training".

STATS has invested in on-the-job competency assessments and expanded training to include sustainability, diversity and mental health, which has resulted in improved safety, operational efficiency, compliance and employee satisfaction, underpinning the company's substantial revenue growth.

Andy Buckworth, Training and Competence Manager at STATS Group, said:

"We put a platform in place and people have responded by committing to training and development. Everyone's bought into obtaining higher level skills relevant to the on-the-job work that we're doing.

"When it comes to training and development, we have a role and responsibility as an employer to support our staff in personal and professional attainment, but they've got to want to do it, and when that comes together the combined efforts are significant."



#### **DIVERSITY AND INCLUSION**

At STATS we recognise that the success of our business is directly tied to the people who work with us. We understand that a diverse team fuels innovation and fosters a vibrant company culture where people feel respected and empowered. By actively seeking, recruiting, encouraging and developing talent from a wide range of backgrounds, we leverage a broad range of perspectives and experiences, driving even better success in a rapidly evolving industry.



WE ARE PROUD TO CONTINUE TO FOSTER DIVERSITY WITHIN OUR WORKFORCE, AND WE ARE SETTING ASPIRATIONAL TARGETS TO CREATE A DIVERSE AND INCLUSIVE WORKFORCE AT ALL LEVELS ACROSS THE BUSINESS.

We are committed to creating an inclusive and productive work environment that is representative of and responsive to various cultures and groups. Our goal is to provide equal opportunities for everyone to thrive, and we achieve this by employing fair, objective, and innovative practices throughout all stages of employment. We are dedicated to ensuring that:

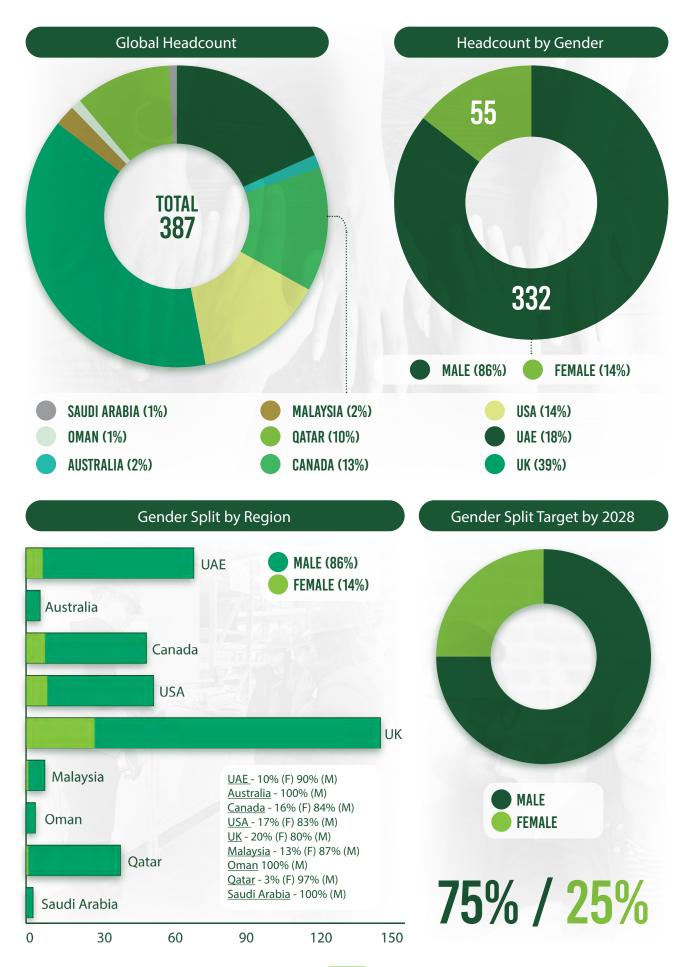


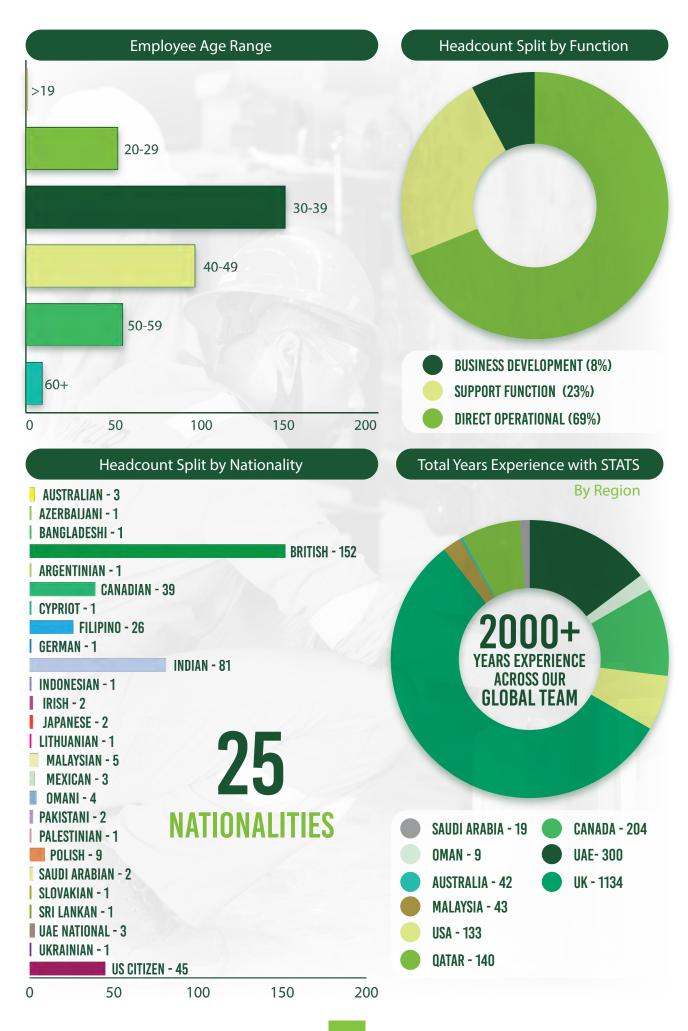






#### **2023 DATA**





#### **PILLAR 2: ECONOMIC**

Focusing on measured growth and business performance whilst ensuring we adhere to our governance and compliance requirements across the globe.

- **Comply** with environmental **legislation**, regulatory and other relevant reporting requirements.
- Progress with our **considered** and **profitable growth** strategy with focus on local delivery.
- Proactively seek collaboration opportunities with industry partners that enable our sustainability goals to be achieved.
- Continually assess opportunities for implementation of a circular economy approach within our business.

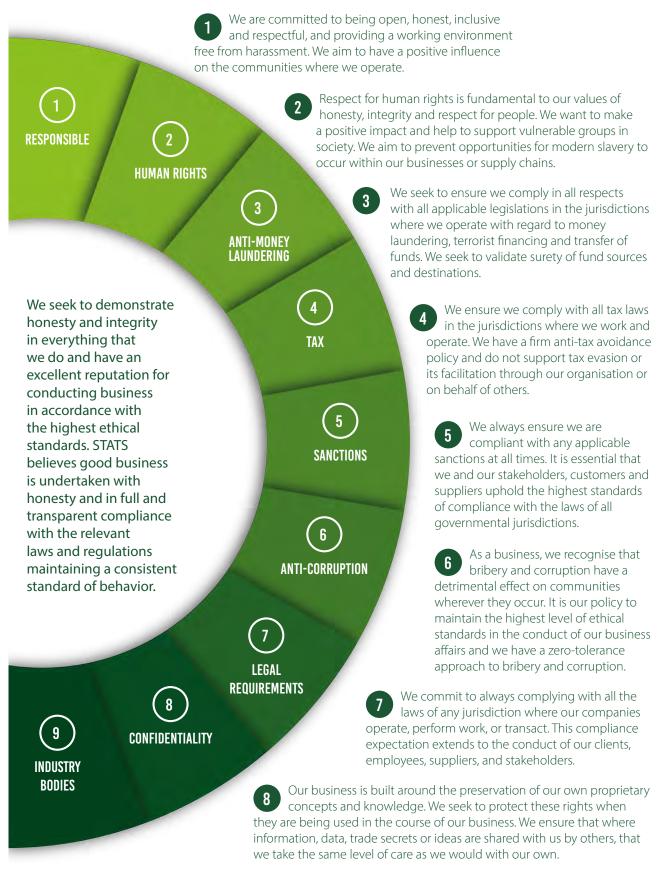




Corporate Responsibility
In-Country Value
Community Engagement



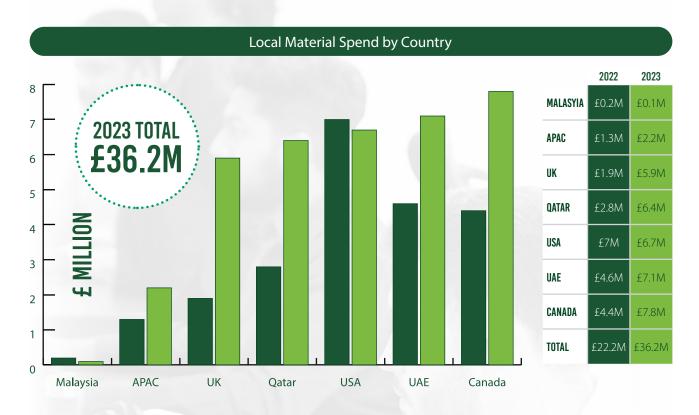
#### CORPORATE RESPONSIBILITY



9 We actively participate in the wider energy industry and aim to be at the forefront of technology, standards development and compliance. Our vision is to drive higher levels of safety and support the industry transition to a low carbon future.

#### **IN-COUNTRY VALUE**

Our strategy of localisation has enabled STATS to be closer to its customers, ensuring faster response times, lower cost delivery, a more personalised service, and a reduced client carbon footprint associated with transporting equipment internationally. Not only has this model been vital in building resilience during challenging periods, but it equally offers a bright, scalable, sustainable future for the company.





#### **COMMUNITY ENGAGEMENT**

Our success is interdependent with the prosperity of the communities where we operate. At STATS we are committed to engaging with communities to make a positive contribution to charities and community-driven solutions.

£71,500

£7,000

**425hrs** 

2015-2023 VOLUNTEERING HOURS TOTAL















£13,500 Donated

£1,700 Fundraised

83hrs **Volunteered** 



















#### **PILLAR 3: ENVIRONMENT**

Measure and reduce our environmental impact as a business.

- Assess, baseline and manage our overall environmental impact and performance.
- Proactively seek opportunities to reduce our carbon footprint.
- Support our clients and the wider industry to reduce emissions within our core business activities.
- Continually seek and implement solutions to reduce waste that we produce as a business, and manage our resources efficiently.





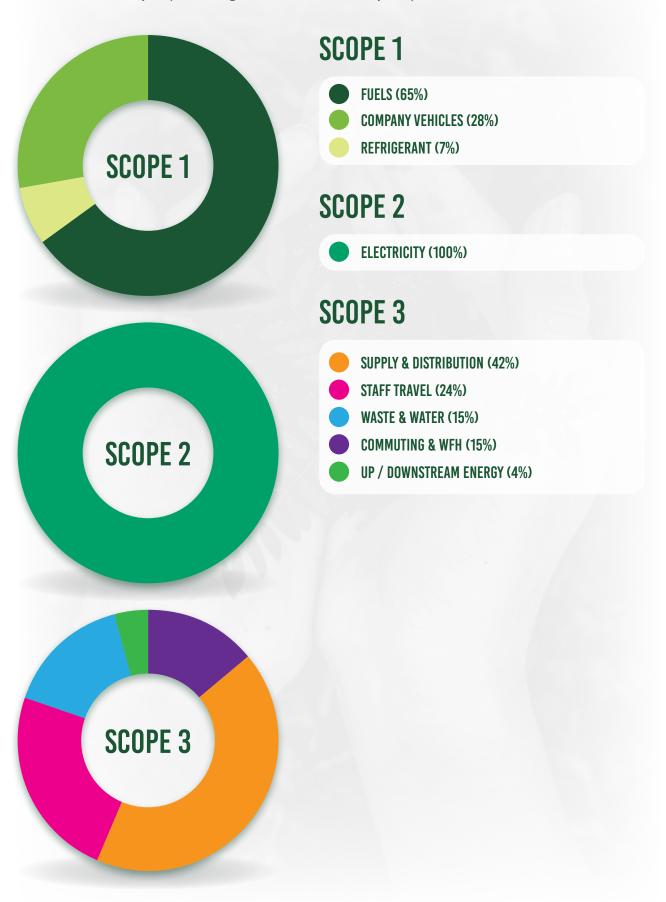
#### IN THIS SECTION:

Emissions
Reducing Venting and Flaring



#### **EMISSIONS**

Below is a summary of percentage carbon emissions by scope:

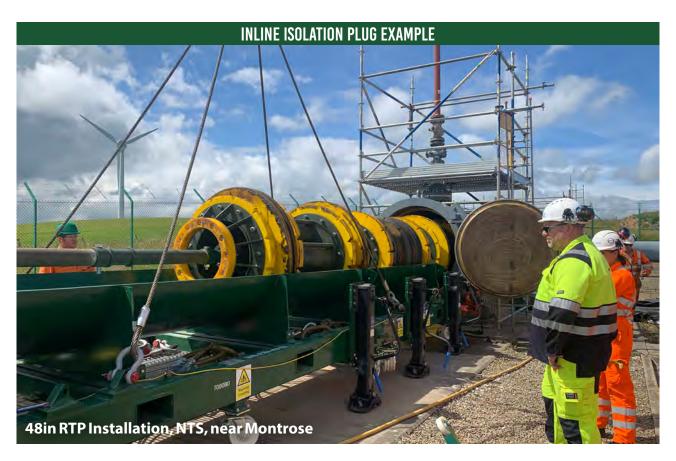


#### REDUCING VENTING AND FLARING

Operators can often encounter difficulties in isolating sections of their pipeline to facilitate safe planned maintenance or emergency repair activities. Traditional methods of performing maintenance work on an in-service pipeline include blanking or blinding a pipeline section from the pressurised system, venting and purging or displacing the hazardous substance to provide the required isolation.

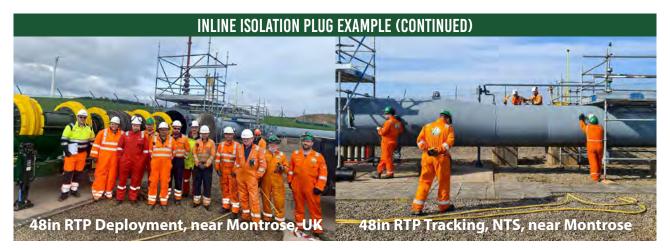
Depending on the infrastructure in place, it may not be possible to disconnect and blind or blank off the pipeline, isolation valves may not be double block and bleed or do not sufficiently hold pressure, or there may be a downstream requirement which limits the duration in which a pipeline can be out of service, among various other reasons isolating and preforming maintenance on a pipeline can be challenging. Temporary mechanical isolation tools offer an alternative when facing this issue, providing fully proven and monitored dual seal barriers that ensure the safe breaking of containment on pressurised systems in compliance with the highest industry standards.

ISOLATION TOOLS REDUCE, AND IN SOME CASES ELIMINATE, THE REQUIREMENT TO VENT AND FLARE SECTIONS OF PIPELINE, THEREBY AVOIDING THE NEED TO DISCHARGE SIGNIFICANT QUANTITIES OF GREENHOUSE GASES INTO THE ATMOSPHERE.



In June 2023, STATS deployed a Remote Tecno Plug to allow an insulation joint (IJ) on the UK National Transmission System to be successfully replaced. The isolation plug sealed a 56km-long, 48-inch pipeline at 55 bar, ensuring a leak-proof and fail-safe isolation allowing isolation joint to be cut out and new one welded into the pipeline. The 6 week project was successfully conducted in June 2023 and would have taken up to 12 weeks using the alternative method of recompression units.

#### REDUCING VENTING AND FLARING



#### **KEY PROJECT ADVANTAGES**

Emissions were reduced **24 times**, discharging **9.5tonnes of gas** (plug) vs. **233tonnes** (recompression) and worse case venting would have equated to **2215tonnes**.

Carbon dioxide emissions **cut by 95%** compared with venting pipeline contents to atmosphere - the equivalent of switching off **1,760 gas boilers** for a year or taking **1,000 cars** off UK roads.

Prior to the use of isolation plug technology, National Gas's yearly emissions from pipeline venting operations was about **11% of the total yearly emissions**, equating to around **542 tonnes**, so the technology will make a real impact on this statistic when the results are updated for 2023.

It took **under 24 hours** to install, pig, set and test the plug **vs. 6 weeks** for a pipeline recompression operation.

Cost savings of over £100,000 of gas not wasted.



#### **PILLAR 4: INNOVATION**

Helping our industry move to a lower carbon future, using our innovation pedigree to develop new technologies to support and enable Energy Transition and Net-Zero targets.

- Support the industry's energy transition and net-zero initiatives, through our technology excellence – including hydrogen and CCUS sectors.
- Continue seeking and implementing digital solutions to reduce our environmental impact and improve business efficiency.
- Act as a supply-chain champion for energy industry SME's to help deliver a lower carbon future.







#### IN THIS SECTION:

Hydrogen In-service Welding Joint Industry Project (JIP)

New Developments
Supporting Clients for a SAFER energy industry



#### HYDROGEN IN-SERVICE WELDING JOINT INDUSTRY PROJECT (JIP)



BLENDING HYDROGEN INTO NG PIPELINES



Potential to significantly reduce GHG emissions



Means of delivering pure hydrogen to markets

ABILITY TO SAFELY WELD ONTO AN IN-SERVICE PIPELINE THAT IS OR HAD BEEN IN HYDROGEN BLEND SERVICE COULD BE Adversely affected by hydrogen





Welding onto an in-service pipeline that contains pure or a mixture of hydrogen and methane results in a manageable risk of hydrogen cracking – depending on partial pressure, wall thickness and pipeline vintage



Work is ongoing to develop guidance pertaining to measures that can be taken to mitigate the risk



#### **NEW DEVELOPMENTS**

With investment in carbon capture and storage and hydrogen accelerating, there is a growing focus on how existing pipeline infrastructure can be repurposed.

The requirement for isolation and intervention technology to isolate these critical energy pipelines safely and efficiently for repair, maintenance and modifications is increasingly important.

Supporting pipeline owners and operators' transition to more sustainable energy, STATS double block and bleed isolation technology is already proven to provide high integrity isolation in both hydrogen and high-pressure liquid CO2 pipelines.





THE LTS FUTURES PROJECT IS A £30MILLION PROJECT FUNDED BY SGN, OFGEM AND THE OTHER NETWORKS TO CONFIRM THAT GAS PIPELINES CAN BE REPURPOSED TO HYDROGEN USE. MORE INFO HERE.



STATS WILL INSTALL A DNV SUPPLIED EPOXY TEE, WHICH ARE COMMONLY USED IN THE UK, UNDERTAKE A HOT TAPPING OPERATION AND BISEP DEPLOYMENT ON THE LIVE TRIAL.



THE LIVE TRIAL IS ON THE 30KM PIPELINE BETWEEN GRANGEMOUTH AND GRANTON (EDINBURGH), IN Q2, 2025.



UPON COMPLETION THE WORLD'S SAFEST LINE STOPPING TECHNOLOGY, THE BISEP WILL HAVE BEEN PROVEN/QUALIFIED IN HYDROGEN, WHICH IS MORE VOLATILE THAN TRADITIONAL GAS.

#### **SUPPORTING CLIENTS**

STATS provide high quality, fit-for-purpose solutions to ensure that the pipework and pipeline infrastructure of its clients meet the technical, safety and environmental standards required. We have gained an excellent reputation for providing a responsive, client-centred approach combining expertise and innovative products



# SPECIALIST TOOLS AND TECHNOLOGY SERVICES FOR A SAFER ENERGY INDUSTRY

STATS aim is to drive higher levels of safety and support the industry in the transition to a low carbon future. Our focus on innovation means we're ideally placed to continue this support, not only in the traditional hydrocarbon sector, but also as the industry transitions to more sustainable energy supplies.



