

Ethics and Sustainability Committee Report

John (Jay) F. Glick
Chairman



The formation of the Ethics and Sustainability Committee reflects the Board's commitment to environmental, social and governance matters, with new monitoring and reporting procedures being put in place to enable the Board to guide Hunting's sustainability agenda for the years ahead.

Particular attention had been given to climate and carbon reporting, with Hunting reporting against the Task Force for Climate-related Financial Disclosures framework in the year. While we know Hunting is at the start of this journey, the Committee is now well positioned to provide support to management to effect real change across the Group's businesses as we drive for a more sustainable future.

Our employees continue to be our most important asset, particularly as the Group's businesses exit from the impact of the pandemic. The work of the new Committee will formalise our reporting of human capital issues, to ensure our investors understand our values which in turn are driven from the commitment from our workforce, customers and suppliers."

John (Jay) F. Glick
Committee Chair

| | Member | Invitation |
|---|----------|------------|
| Number of meetings held | 1 | |
| Number of meetings attended (actual/possible): | | |
| Annell Bay | 1/1 | |
| Carol Chesney | 1/1 | |
| Bruce Ferguson | | 1/1 |
| John (Jay) Glick (Committee Chair) | 1/1 | |
| Richard Hunting | | 1/1 |
| Jim Johnson | | 1/1 |
| Keith Lough | 1/1 | |

Composition and Frequency of Meetings

The Committee currently comprises the independent non-executive Directors of the Company and is chaired by Jay Glick.

Details of the Committee's experience can be found in the biographical summaries set out on pages 96 and 97.

The Committee held its maiden meeting in December 2021 and will meet bi-annually going forward. The Committee operates under written terms of reference which were approved by the Board in August 2021 and are published on the Company's website at www.huntingplc.com.

The attendance record of Committee members and Board invitees is noted in the table on the left.

In addition to the Directors, the regular attendees to meetings of the Committee include the Group's Chief Operating Officer, the Chief HR Officer, the Global Director QAHSE and the Group's General Counsel.

Responsibilities

The principal responsibilities of the Ethics and Sustainability Committee are to:

- Monitor the Group's Scope 1 and 2 greenhouse emissions and the initiatives to contain and reduce its carbon footprint;
- Monitor Hunting's public disclosures in respect to the Task Force for Climate-related Financial Disclosures framework;
- Monitor the risks and opportunities which climate presents to the Group's operations;
- Monitor the Quality Assurance and Health, Safety and Environmental reports prepared by the Executive Committee;
- Monitor the Group's employee and human capital matters, including engagement with Hunting's workforce;
- Monitor the Group's interaction with other key stakeholders, including customers, suppliers and communities;
- Monitor the Group's Modern Slavery Act initiatives;
- Monitor the Group's policies and procedures in respect to sanctioned territories;
- Monitor the Group's whistleblowing procedures; and
- Monitor the Group's anti-bribery and corruption initiatives.

Work Undertaken by the Committee During 2021

The Committee discussed, reviewed and made a number of decisions on key areas in 2021, which are set out below:

| | Dec |
|---|-----|
| Carbon and Climate | |
| Procedures for measuring and monitoring the Group's Scope 1 and 2 emissions | • |
| TCFD analysis and reporting | • |
| Climate scenario reports | • |
| Stakeholders | |
| Employee and workforce report | • |
| Code of Conduct training report | • |
| Whistleblowing summary report | • |
| Health and Safety and Quality Assurance report | • |
| Community report | • |
| Ethics | |
| Anti-bribery and corruption reports | • |
| Entertainment and hospitality summary | • |
| Modern slavery analysis | • |
| Customer and supplier risk analysis | • |
| Sanctions and export compliance | • |

Adoption of SASB Reporting Framework

During the year, the Group has made strong progress in improving its governance and reporting practices in the areas of sustainability and climate. In August 2021, the Board of Directors approved a proposal submitted by the executive Directors to align its public reporting on sustainability matters to the frameworks published by the Sustainability Accounting Standards Board ("SASB"). The Group has elected to report against the Oil and Gas – Services and Industrial Equipment and Machinery standards, which are noted on pages 226 and 227.

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continued

Carbon and Climate

The Group has reported Scope 1 and 2 emissions in its Annual Reports for a number of years and in 2019 published its first carbon reduction targets.

The Committee and wider Board has monitored the enhancement of the internal reporting of the Group's carbon emissions data, with arrangements to track carbon data being reviewed.

The Committee also reviewed the work completed in the year in respect to its TCFD disclosures, which are included on pages 63 to 73. Hunting's TCFD reporting aligns with the four recommended pillars of governance, strategy, risk management and targets. Further, the disclosures include the 11 recommended areas of narrative proposed by the TCFD panel, which was issued in 2017.

Employees

The Committee received a workforce report from the Group's Chief HR Officer, which included details of employee changes, tenure and engagement initiatives undertaken in the second half of the year. The report also included diversity and inclusion planning which are to be put in place in the coming years.

HSE and Quality

As part of its review work, the Committee received a Health and Safety and Quality Assurance report from the Group's Director for Health and Safety and Quality Assurance.

It was noted that from 2022, and in line with SASB reporting, vehicle incident data would be tracked.

Code of Conduct

The Group's Code of Conduct contains policies and procedures covering how the Group conducts business and maintains its relationships with business partners. The Code of Conduct is available on the Group's website and is sent to most customers and suppliers. In the year, the Committee reviewed training reports submitted by each business unit.

Communities

The Committee also reviewed a report which summarised Community initiatives which were undertaken by the Group's businesses throughout the year.

Whistleblowing

The Company's Senior Independent Director, Keith Lough, is the primary point of contact for staff or other key partners of the Group to raise, in confidence, concerns they may have over possible improprieties, financial or otherwise. In addition, the Group engages the services of SafeCall Limited to provide an independent and anonymous whistleblowing service available to staff across all of Hunting's operations. All employees have been notified of these arrangements through the corporate magazine, Group notice boards and the Group's website.

Bribery Act

In compliance with the UK Bribery Act, Hunting has procedures in place, including the publication of Anti-Bribery and Corruption policies and detailed guidelines on interacting with customers, suppliers and agents, including specific policies for gifts, entertainment and hospitality. Senior managers across the Group are required to report their compliance activities, including an evaluation of risk areas.

The Group has completed a screening exercise to identify relevant employees who face a heightened risk of bribery, with all relevant personnel completing a formal training and compliance course, in line with the Group's procedures.

The Committee reviewed the compliance procedures relating to the Bribery Act at its December meeting, which incorporates risk assessments completed by each business unit and gifts and entertainment disclosures made during the reporting period. The Group's internal audit function reviews local compliance with the Bribery Act and reports control improvements and recommendations to the Committee, where appropriate.

Modern Slavery Act

The Modern Slavery Act 2015 was enacted in 2016 and requires companies to evaluate internal and external risks related to human trafficking and modern slavery. Procedures were introduced during 2016 and continued in 2021, whereby each business unit across the Group completed due diligence on its workforce to highlight employment risks in relation to trafficking and slavery.

All businesses within the Group also completed a risk-mapping exercise of their known supply chain to evaluate those customers and suppliers to the Group who operate in those jurisdictions where trafficking and slavery is more prevalent. Hunting published its Modern Slavery Act report in March 2021, located at www.huntingplc.com. Since 2018 the Group's "Code of Conduct" training course has been rolled out to all employees of the Group, which incorporates information on modern slavery and trafficking.

Sanctions and Export Compliance

The Group sells products to over 70 countries which presents a general risk of export and sanctions compliance. Hunting has detailed procedures in place that monitor sales in medium to high risk territories, where End User disclosures, company evaluation and analysis are completed prior to a sales order being agreed. The Committee received regular reports on these sales and procedures.

On behalf of the Board



John (Jay) F. Glick
Chairman

3 March 2022