

Ethics and Sustainability Committee Report



Margaret Amos

Chair of the Ethics and Sustainability Committee

The work of the Ethics and Sustainability Committee has focused on the expansion of our carbon reporting and to improve our external reporting of key environmental and sustainability metrics to enable our stakeholders to better understand the excellent work which underpins our business model and strategy.

	Member	Invitation
Number of meetings held	2	
Number of meetings attended (actual/possible):		
Margaret Amos (Committee Chair from 17 April 2024)	2/2	–
Annell Bay (to 1 February 2025)	2/2	–
Stuart Brightman	–	2/2
Carol Chesney	2/2	–
Bruce Ferguson	–	2/2
Jay Glick (Committee Chair to 17 April 2024)	–	–
Paula Harris	2/2	–
Jim Johnson	–	2/2
Cathy Krajicek (from 3 March 2025)	0/0	–
Keith Lough	2/2	–

Introduction

In the year, the Committee received reports on management's initiative to expand our scope 3 emissions reporting. In 2023, we began a process of determining the scope 3 emissions of the Group's Hunting Titan operating segment, predominantly due to the straightforward nature of the organisation, but also due to the contribution of Hunting Titan to the Group's total emissions. This data was used to extrapolate Group-level scope 3 emissions for 2023, as reported last year.

During 2024, management expanded scope 3 data collection to include the Subsea Technologies, EMEA and Asia Pacific operating segments. The 2024 scope 3 carbon emissions data is, therefore, based on four of the five operating segments of the Group and provides a solid foundation for the reporting of Hunting's total scope 1, 2 and 3 greenhouse gas ("GHG") emissions footprint, from which further carbon reduction initiatives will be derived in the coming years.

In 2025, the North America operating segment will be added to our data collection scope.

The Committee also oversaw procedures to improve Hunting's external ESG ratings, based on better external disclosures, but also improving our understanding of how we are scored by a range of third-party reporting agencies. A clear path to improve our externally published information has been formulated, which in part can be seen with the new disclosures in our ESG and Sustainability Report on pages 68 to 87.

The Committee continues to monitor our human resources, quality assurance, health and safety, sanctions and other ethics-related matters.

New workstreams are being agreed with management that will input into the wider project on internal control and risk management, which will include operational and compliance-related control matters.

In summary, the Committee is well placed to contribute to the enhanced expectations of the 2024 UK Corporate Governance Code.

Composition and frequency of meetings

The Committee comprises the independent, non-executive Directors of the Company and is chaired by Margaret Amos.

Dr Amos joined the Committee on her appointment as a Director on 10 January 2024.

Jay Glick stepped down from the Committee on 17 April 2024 when he retired as a Director, with Margaret Amos succeeding him as Committee Chair on the same date. Stuart Brightman also stepped down from the Committee on his appointment as Company Chair.

Annell Bay retired as a Director on 1 February 2025 and stepped down from the Committee on the same date.

Cathy Krajicek joined the Committee on her appointment to the Board on 3 March 2025.

The Committee met twice in the year, as planned, in June and December 2024.

The attendance of the Ethics and Sustainability Committee is noted in the table on the left.

Ethics and Sustainability Committee Report continued

“
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Terms of reference and Committee effectiveness

The Committee operates under written terms of reference approved by the Board, which are published on the Company’s website at www.huntingplc.com.

At its December 2024 meeting, the Committee reviewed its terms of reference and, as part of the externally facilitated Board effectiveness evaluation completed by Clare Chalmers Limited, considered its effectiveness in H2 2024, concluding that its performance had been satisfactory during the year.

Responsibilities

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

- Monitor the Group’s scope 1, 2 and 3 GHG emissions and the initiatives to contain and reduce its carbon footprint;
- Monitor public disclosures in respect of the Task Force on Climate-related Financial Disclosures (“TCFD”) framework and the UK Climate-related Financial Disclosures (“UKCFD”);
- Monitor the risks and opportunities which climate change 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 certain key stakeholders, including customers, suppliers and communities;
- Monitor the Group’s modern slavery act initiatives;
- Monitor the Group’s policies and procedures in respect of sanctioned territories;
- Monitor the Group’s culture;
- Monitor the Group’s whistleblowing procedures; and
- Monitor the Group’s anti-bribery and corruption initiatives.

Work undertaken by the Committee during 2024

The Committee discussed, reviewed, and made a number of decisions on key areas in 2024, which are set out below:

	Jun	Dec
Carbon and climate		
Procedures for measuring and monitoring the Group’s scope 1, 2 and 3 GHG emissions	•	•
TCFD and UKCFD analysis and reporting	•	•
Climate scenario reports	•	•
Review resourcing needs		•
Stakeholders		
Employee and workforce reports	•	•
Code of Conduct training reports	•	•
Whistleblowing summary reports	•	•
Quality assurance and health and safety reports	•	•
Community reports	•	•
Ethics		
Anti-bribery and corruption reports	•	•
Entertainment and hospitality summary	•	•
Modern slavery analysis	•	•
Customer and supplier risk analysis	•	•
Sanctions and export compliance	•	•
Review resourcing needs		•

SASB reporting framework

During the year, the Group reported against the SASB reporting standards for Oil & Gas – Services and Industrial Equipment & Machinery, which are noted on pages 86 and 87.

The ISSB has issued its S1 and S2 reporting standards, which are still being evaluated by the UK regulator. However, the Committee anticipates that reporting against these standards will align with the SASB reporting framework and, on this basis, is implementing plans to report S1 disclosures aligned with data reported under SASB.

Carbon and climate

As noted above, a major workstream has been completed in 2024 to expand the collection of the Group’s scope 3 carbon emissions data to four of the five of the Group’s operating segments.

A third-party expert was commissioned to assist with the evaluation and processing of the data, with the results reported in the Strategic Report on pages 31, 73 and 84.

In 2025, the North America operating segment will be included in the data collection process, after which a carbon reduction plan for the whole Group will be prepared.

The Committee also reviewed the work completed in the year with respect to the TCFD and UKCFD reporting requirements, which are included on pages 88 to 101. Hunting’s TCFD reporting aligns with the four recommended pillars of governance, strategy, risk management and targets. Further, the TCFD disclosures include the 11 recommended areas of narrative proposed by the TCFD panel, which was issued in 2017 and updated in 2021.

For further information on the areas of carbon and climate, please refer to the Strategic Report.

Employees

The Committee received workforce reports from the Group’s Chief HR Officer in the year, which included details of employee changes, tenure and engagement initiatives undertaken. Of note has been the focus on the development of talent across the Company, with training and development programmes being a key area of consideration.

The HR reports also included diversity and inclusion planning, which are to be put in place in the coming years.

Ethics and Sustainability Committee Report continued**Quality assurance and HSE (“QAHSE”)**

As part of its review work, the Committee received quality assurance and health and safety reports from the Group’s Director for QAHSE.

As noted in the introduction, efforts to increase our external disclosures on QAHSE, to include contractor HSE statistics and other key information monitored by external agencies, has led to additional information being disclosed in the ESG and Sustainability Report on pages 68 to 87.

For further information on QAHSE performance, please refer to the Strategic Report.

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 deals with a broad range of issues, including:

- Preventing corruption, including measures that prevent bribery and corruption in our dealings with government officials;
- Personal integrity, including money laundering;
- Conflicts of interest;
- Employee share dealing;
- Human rights;
- Harassment and equal opportunity;
- Tax evasion and facilitation of tax evasion; and
- Our approach to national and international trade, including compliance with laws and regulations, competition, and export and import controls.

The Code of Conduct is available on the Group’s website and is distributed to most customers.

The Committee was pleased that the first phase of the Code of Conduct training for employees was completed in the year.

Supplier Code of Conduct

In 2023, the Company also introduced a Supplier Code of Conduct, which commits businesses within Hunting’s supply chain to many of the principles contained in the Company’s Code of Conduct.

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 noticeboards and the Group’s website. During the year, the posters detailing these arrangements were refreshed.

Communities

The Committee also reviewed a report that summarised Community initiatives, which were undertaken by the Group’s businesses throughout the year. A number of these initiatives are described in the Section 172(1) Statement on page 112.

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, as part of the Code of Conduct training, 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 2024, 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 jurisdictions where trafficking and slavery is more prevalent. Hunting published its Modern Slavery Act report in March 2024, located at www.huntingplc.com.

The new Code of Conduct training course rolled out during 2023 and 2024 incorporates information on modern slavery and trafficking and is completed by all members of staff.

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, and company evaluation and analysis are completed prior to a sales order being agreed.

Culture

The Board has delegated the monitoring of the Group’s culture to the Committee. A framework to monitor and report on culture has been agreed and the metrics noted on page 124 will be adopted for reporting across the coming year. As part of this, the Committee will also assess how the Company’s culture is embedded across the Group.

On behalf of the Board



Margaret Amos
Chair of the Ethics and
Sustainability Committee
6 March 2025