



HUNTING PLC

CLIMATE CHANGE POLICY

The Directors of Hunting PLC have published its Climate Change Policy. The Policy was originally approved by the Board in December 2020 and was amended in December 2022, following the new emissions reduction targets agreed.

As a leading, publicly listed Company, Hunting PLC takes its climate change responsibilities seriously, and has implemented policies, risk management procedures and carbon reduction strategies across the Group, in order to meet its targets.

Paris Climate Agreements

The Directors of the Company acknowledge the commitments made by global governments at the 2015 Paris Climate Summit, with the target to keep long-term global temperature increases to below 2.0°C of above pre-industrial levels; and to pursue efforts to limit the increase to 1.5°C. Hunting's carbon emission targets noted below have been designed to contribute to this commitment.

Risk Management

The Company has, as part of its insurance programmes, assessed its acute and physical climate risks for many years. These assessments, which include the risk of more volatile weather, such as windstorms and flooding, have contributed to the Group's risk management framework and its current geographical footprint of its operations.

The Company reports in alignment with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD), which includes an assessment of its climate risks and opportunities.

Carbon Emissions Targets

Hunting has committed to reducing the absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 50% by 2030 from the levels reported in 2019. In 2019 the Group's total Scope 1 and 2 emissions were 35,874 tonnes, implying a reduction to 17,937 tonnes. Strategies to further lower this target, which may over time include a plan to reach a Net Zero position, will be considered by the Board over time.

The Group is also committed to containing its carbon intensity factor to less than 30, which is based on emissions per unit revenue. In 2019, the Group's carbon intensity factor was 37.4.

In 2023, a materiality assessment of the Group's scope 3 emissions will be undertaken.

Roadmap to Lower Carbon Emissions

Approximately 80% of the Group's Scope 1 and 2 emissions are derived from the consumption of electricity. It is the Company's intention to meet the above targets by sourcing more electricity from lower carbon sources, and by using less electricity by installing higher efficiency plant and machinery, higher efficiency lighting and improving insulation.

Revenue Diversification

The Group's business, for the most part, manufactures quality-assured products for the upstream oil and gas industry. The Advanced Manufacturing group, comprising Hunting's Electronics and Dearborn businesses, have more diverse revenue profiles and since 2014 have developed non-oil and gas business. Given the Group's expertise in precision engineering, more businesses are pursuing diversification from oil and gas sales. However, the Directors also recognise that current energy consumption projections suggest that oil and gas will remain a significant component of the energy market for at least the next two decades. These projections provide confidence to the Board that a well-managed revenue diversification programme can be executed, focusing on the Group's leadership in quality-assured, precision engineered products.

Jim Johnson, Chief Executive
Hunting PLC

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