



Task Force on Climate-related Financial Disclosures (TCFD)

Report 2021

As a private company, Aggreko is not subject to mandatory TCFD reporting, however, given the close links to our emission reduction ambitions and Group strategy, we produced our first TCFD report for FY 2020 and have committed to developing our reporting in this area.

Governance

Describe the Board's oversight of climate-related risks and opportunities

Our sustainability priorities are built into our business and well embedded within internal governance frameworks, leading to clearly defined oversight and reporting at the Operational Board.

The Operational Board has collective responsibility for the oversight of climate-related risks and opportunities and the named Executive Director with responsibility is the CEO.

The Operational Board oversees all high-priority environmental sustainability topics, given the integral part they play in the overall Group strategy, with updates received throughout the year. This is supplemented with an annual update on all sustainability topics and initiatives providing a holistic review of progress against our overall sustainability framework.

Describe management's role in assessing and managing climate-related risks and opportunities

Our CEO has specific responsibility for all sustainability matters and is supported in this role by the Executive Committee. The Executive Committee has overall responsibility for implementing the sustainability framework as approved by the Operational Board.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

The energy transition has a significant impact on power markets and demand, representing challenges that are both risks and opportunities for Aggreko. We describe the climate-related risks and opportunities within the following time horizons:

Short-term (0-5 years)

As our customers become increasingly subject to emission reduction legislation and/or our

customers adopt their own carbon reduction targets, there will be a pull towards more efficient engines, increased use of renewable diesel (eg HVO), a move towards gas and hybrid solutions incorporating renewable energy and energy storage systems. This represents an opportunity for Aggreko with a new generation of engines, for more gas and more efficient solutions, as well as our hybrid solutions which combine thermal energy with renewables and energy storage. There is a risk of decline in the rental of less efficient diesel generators and restrictions to the growth of heavy fuel oil activity.

Medium-term (5-10 years)

As further climate-related regulations are introduced, there is an acceleration of decarbonisation. A potential ban on fossil diesel could accelerate the decline of energy solutions adopting fossil diesel, but as the availability of renewable diesel and other biofuels grows, the cost of renewable energy technology and energy storage systems decreases. This presents increased opportunity for Aggreko's gas and hybrid energy solutions as well as for blending fossil fuels and gas with bio-solutions. If we don't actively manage the size our diesel fleet, there is a risk of having stranded assets on our balance sheet. Decarbonisation of transport, buildings and industry will drive electrification and will create new opportunities for Aggreko to service the increasing energy demands.

Long-term (10+ years)

As cleaner energy solutions become more competitive and available to customers and more fuel options are available, there will be a decline in the reliance on fossil diesel. If we are too slow to invest and adapt our technology, we face the risk of being unable to meet the changing energy needs of our customers. Our customers in the oil and gas, petrochemical and refining industries will have to adapt and do business differently. As these sectors represent one-third of our revenues we need to monitor how they evolve and continue to adapt to ensure that we can continue to service their needs as they evolve.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

To leverage opportunities from the energy transition, Aggreko will have to transform a significant part of its fleet and be able to offer a range of energy solutions for our customers. Our energy solutions will become more complex, combining several technologies and we will have to develop many new competences.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

We have conducted a comprehensive review of our markets to understand the impact of climate change on our customers and to assess the impact of the energy transition on our customers and the necessary evolution of our products and solutions. We conducted this analysis by sector and by region as our customers are at different stages and are impacted differently by climate change and the energy transition. We are developing plans for each region to enable us to meet the evolving needs of our customers as they adapt to address climate risks.

We have also reviewed our own business operations as we work towards reducing our own environmental impact. As part of this review, we are analysing our global footprint, how we deliver our services around the world and how our operations will need to adapt to address climate risks.

Risk management

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Twice a year, the Group Risk function updates the Group's risk registers and identifies emerging risks after discussions with business leaders and subject matter experts. These discussions include the potential impact and

likelihood of climate-related risks. As part of this review, we consider how climate risks could impact our ability to do business with certain customers. We also consider how customers; suppliers and our own people may be negatively impacted by climate change events.

In addition to the update process described above, the Group Risk function has used our risk management framework and the findings of TCFD to identify the specific risk scenarios that might be triggered by climate change. As a result, a climate change risk has been included in the Group's Register of Principal Risks.

In addition to our routine group risk management framework, we also continuously monitor business developments, risks and opportunities facing the business, as well as changes in legislation and the perspectives and needs of our stakeholders. Our material issues identify what matters most to our business and our stakeholders and informs us on actions we take. In 2020, we carried out our first materiality assessment to understand the importance of a range of sustainability topics to our stakeholders. We used the output from this assessment to inform our sustainability framework.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

We monitor and report our greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the location-based scope 2 calculation method, together with the latest emission factors from recognised public sources. We also track and monitor our energy consumption.

We also monitor our fleet composition, fuel consumption and revenue derived from cleaner energy solutions as we support

customers to reduce their environmental impact. As we work towards reducing our own environmental impact, we also monitor the composition of hybrid vehicles in our vehicle fleet, our business travel and our recycling rates.

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

These disclosures can be found in our GHG Report 2021.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

By 2030, we will:

- Reduce diesel fuel used in our customer solutions
- Reduce local air quality emissions from all customer solutions
- Reduce Scope 1 and 2 emissions across our own business operations