



# Annual ESG Report 2024

Published April 2025



## Strategy & Vision

### *Working towards a sustainable, resilient future*

I am pleased to present our Annual Environmental, Social and Governance (ESG) Report for 2024 which demonstrates continued company-wide commitment to the safe, responsible, sustainable and ethical operation of our gas infrastructure.

Kellas' assets transport and process around 40% of all UK produced gas, making them critical to the UK's energy security. This report also demonstrates how we are extending our ESG commitment to our clean energy projects currently in development, where we are investing in new infrastructure that will supply low carbon hydrogen for large-scale decarbonisation of key UK industrial heartlands.

Our ESG strategy is an integral part of how we do business. Since our inaugural ESG report in 2021, we have continued to make significant strides year on year towards integrating ESG principles into all parts of our business, and I am immensely proud of the commitment shown by each member of our team.

#### **ESG IMPACT:**

Our overall carbon emissions decreased by around 16% in 2024. Throughout the year we maintained our focus on ESG learning and development, and achieved an

above-target 24.7 average hours of training per employee. With our three partner charities, we entered our third year of support, continuing to help them financially and through volunteering. At Teesside University, we welcomed a further three students onto our clean energy scholarship programme.

#### **BUSINESS HIGHLIGHTS:**

Our H2NorthEast blue hydrogen project being developed in partnership with SSE Thermal successfully completed front end engineering and design (FEED) at the end of 2024 and has been declared a Nationally Significant Infrastructure Project by UK Government. In June, our CATS terminal on Teesside successfully completed its 8-yearly full system turnaround (TAR) over a 21-day period, involving more than 400 people carrying out significant maintenance and upgrades, a number of which were focussed on increasing energy efficiency and lowering emissions at the terminal.

As we reflect on our progress, we are also mindful of the work that lies ahead. We will continue to operate our existing gas assets safely and responsibly, while investing in robust long-term integrity management for this critical national infrastructure. Kellas' vision is to be a leading low carbon infrastructure owner and operator. To achieve this we will invest strategically, work closely with our partners and stakeholders, and engage local communities to benefit both our shareholders and wider society.

I am confident that our ESG principles will lead us towards a sustainable, resilient and prosperous future. Thank you for your support as we navigate this journey together.

**Nathan Morgan**  
CEO, Kellas Midstream





## Our ESG Vision

As a responsible owner and operator of critical national infrastructure, we prioritise ESG in all aspects of our business activity.

Domestically-produced gas will play a pivotal role in the UK's energy landscape as a vital transition fuel.

Through our ESG strategy, we work with our employees, partners, stakeholders and communities to create the sustainable infrastructure solutions needed for a net zero future.





2020s

**Our strategy for this decade is:**

To establish at least one new material net zero infrastructure business.

To continuously improve the environmental footprint at CATS. Around £5m has been earmarked for energy efficiency and emissions reduction projects, and H2NorthEast will be an additional enabler for decarbonisation.

To responsibly develop our existing natural gas transportation and processing infrastructure business as natural gas continues to displace higher-emission hydrocarbons such as coal and fuel oil for power generation and heating.



2030s

**Our mid-term strategy is to grow our net zero carbon infrastructure business by bringing onstream another two to three material net zero carbon projects during the decade.**

As a midstream infrastructure company, we do not own natural gas reserves so our business is uniquely positioned to expand into the net zero carbon arena, by either integrating net zero opportunities into our existing gas transportation streams or operating new net zero projects as standalone businesses.



2040s

**Our longer term strategy is that net zero carbon infrastructure becomes the core Kellas business activity.**

Late life management of our existing natural gas infrastructure business will explore all opportunities to re-purpose existing gas infrastructure for new net zero business opportunities such as hydrogen transportation and carbon capture, utilisation and transportation.

## Powering the UK, now and in the future

### 2024 BUSINESS OVERVIEW

Our assets are at the heart of the UK's thriving gas transportation and processing network. We own and operate more than 600km of pipelines, two offshore platforms and one large onshore gas processing facility which deliver around 40% of all UK gas production.

We transported 387 billion standard cubic feet of gas through our CATS (Central Area Transmission System) pipeline and terminal, ETS (Esmond Transportation System) pipeline, and HGS (Humber Gathering System) pipeline, all of which operated at close to 100% availability for the year, and delivered a safe, reliable and dependable service to our customers.

In April, in partnership with North Sea Midstream Partners (NSMP), we announced the successful commissioning of the Lynx Line on Teesside, which secures a new long-term export route for gas condensate from our CATS terminal to NSMP's neighbouring Teesside Gas Processing Plant (TGPP).



Our H2NorthEast project to build a 1GW CCS-enabled (carbon capture and storage) low carbon hydrogen production facility next to the CATS terminal successfully completed FEED at the end of 2024 and started preparations for the planning application process.





## Bringing new energy to Teesside through low carbon hydrogen production

### H2NORTHEAST PROJECT

In partnership with SSE Thermal, we are developing H2NorthEast, a 1GW CCS-enabled blue hydrogen production facility to be co-located with our CATS terminal in the heart of industrial Teesside.

H2NorthEast will decarbonise energy-intensive industries across the region. Once sanctioned, it will unlock £2 billion of investment, support thousands of jobs, contribute 10% of the UK government's hydrogen production target, and capture up to 2 million tonnes of CO2 annually.

Due to the vital role it can play in helping the UK achieve its net zero target, H2NorthEast has been designated as a Nationally Significant Infrastructure Project by UK Government.

The project team successfully completed FEED at the end of 2024 with support from government through the Net Zero Hydrogen Fund, and aims to commence the Development Consent Order (DCO) planning application process and public consultation in 2025.

We are working hard to deliver H2NorthEast with SSE to supply affordable, low carbon hydrogen to Teesside industry.

### BLUE HYDROGEN

Blue hydrogen is produced from natural gas with CCS. It offers a pragmatic and cost-effective pathway for the UK to significantly reduce its carbon emissions. Producing blue hydrogen creates CO2, which is captured at source and securely stored. Blue hydrogen technology can be implemented now, and at the scale needed to help the UK transition to clean energy, by leveraging existing gas infrastructure.

# Business Overview

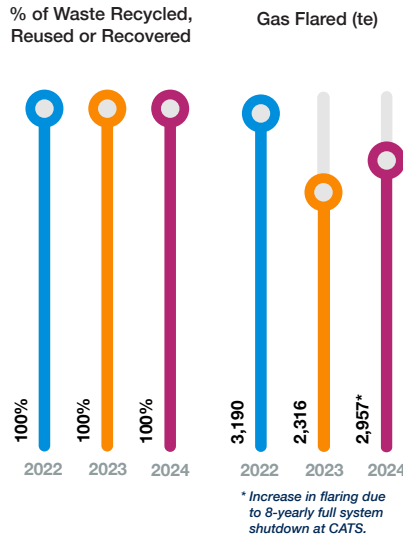
## ESG MATERIALITY

A Materiality Assessment (MA) is a systematic process used to identify, prioritise and understand the ESG issues most relevant to an organisation and its stakeholders. These issues are often referred to as material topics or material aspects. Using the Global Reporting Initiative's (GRI) Standard 11 for the Oil and Gas Sector, we created the MA shown on the right at a Kellas team development session two years ago, where employees contributed to the selection and ranking of the elements in GRI Standard 11.

The assessment was performed with a double materiality approach, looking at both impact of business operations and risks presented to the company. We deemed topics or aspects in GRI Standard 11 not shown in the Kellas MA as not applicable or below the materiality threshold for inclusion.



## 2024 ESG HIGHLIGHTS



## Materiality Assessment

Impact on Stakeholders	MORE	<p><b>Topic 11.1</b> GHG emissions</p> <p><b>Topic 11.8</b> Asset integrity and critical incident management</p> <p><b>Topic 11.9</b> Occupational H&amp;S</p>	
	<p><b>Topic 11.4</b> Biodiversity</p> <p><b>Topic 11.11</b> Non-discrimination and equal opportunity</p>	<p><b>Topic 11.3</b> Air emissions</p> <p><b>Topic 11.5</b> Waste</p> <p><b>Topic 11.10</b> Employment practices</p> <p><b>Topic 11.14</b> Economic impacts</p> <p><b>Topic 11.15</b> Local communities</p> <p><b>Topic 11.19</b> Anti-competitive behaviour</p>	<p><b>Topic 11.2</b> Climate adaptation, resilience, and transition</p> <p><b>Topic 11.7</b> Closure and rehabilitation</p>
	LESS	<p><b>Topic 11.6</b> Water and effluents</p> <p><b>Topic 11.20</b> Anti-corruption</p>	MORE
		Impact on business	



# Safety



## Prioritising safety across our operations

Safety is our top priority and at the heart of everything we do. Everyone at our operating assets and offices has a part to play in safety. We strive to maintain a safe working environment where everyone who comes onto our sites goes home safely.

### STRONG SAFETY CULTURE

In January 2025, CATS celebrated 22 years without a lost time injury (LTI), which is a clear demonstration of the terminal's steadfast commitment to safety. However, while we celebrate this achievement and the exemplary work of everyone involved, our safety focus is forward-looking and we are never complacent based on past results.

In June, CATS completed its 8-yearly full system turnaround (TAR). Over 21 days, safety critical maintenance and inspections were successfully completed on time. Running concurrently was the CATS 6-yearly Train-1 TAR, a 35-day event performing maintenance activities and completing two important construction projects, namely fitting a tie-in point for H2NorthEast and

connecting the heat integration emissions reduction project. More than 400 people from multiple partner organisations worked 80,000 hours, completing 270 jobs and submitting 817 safety inputs. This essential scope of work ensures the CATS system continues to operate safely, efficiently and responsibly.

At HGS, the 2024 work program was dominated by monthly maintenance campaigns including an 8-day full system TAR in September, which utilised a walk-to-work vessel working at the Tolmount platform. We safely executed the TAR, as well as a further 11 helicopter-shuttling maintenance campaigns without a single reportable injury, demonstrating the excellent safety culture that has been established.

We work in a high-hazard industry and strive to control and mitigate against risks. We follow industry best practice safety management procedures for all our assets and encourage an open, collaborative safety culture with a focus on the leading indicators.



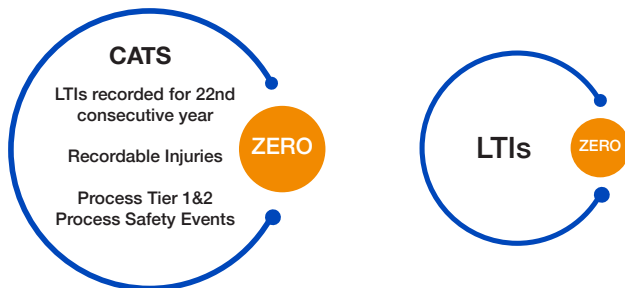
# Safety

## 2024 PERFORMANCE

We completed over 510,000 hours of work across our assets in 2024. We experienced two first aid cases at the CATS terminal, both of which occurred during the TAR. An operator received a small cut to their lip when an air hose detached from an impact torque gun, while another had particles/dust blown into their right eye. In both cases the injured personnel reported straight to the medic where they were checked over and cleared to continue with their work. A full investigation was completed for both incidents, corrective measures implemented, and opportunities for improvement identified and actioned.

There was also a first aid case on the CATS Riser Platform where an individual suffered a foreign body in the eye whilst working on a ladder. The operator reported to the medic and had their eye flushed prior to returning to work. Correct eye protection was being worn. Again, a full investigation was performed and corrective actions put in place.

There were no injuries, recordable or otherwise, at HGS in 2024. We promote a strong reporting culture at all our sites and encourage everyone to stop the job if a task is not fully understood or there are any concerns about safety.



## FOCUS ON THE LEADING INDICATORS

We maintain a strong focus on leading HSE indicators by encouraging everyone to take part in safety conversations, permit audits, assurance activities, job site checks, toolbox talks and other proactive safety activities.

Our total Annual Safety Inputs at CATS have increased year on year since 2020 and have recovered following a dip during the COVID-19 pandemic, when site staffing was at minimum levels. We also recorded 222 proactive safety inputs on HGS. We believe our focus on leading indicators is key to the strong safety performance we achieved in 2024.





# Our commitment to the environment

ENVIRONMENTAL KEY PERFORMANCE INDICATORS			
	2022	2023	2024
Energy Intensity (kWh per boe throughput)	0.34	0.35	0.34
Carbon Intensity (kgCO <sub>2</sub> e/boe throughput)	0.73	0.74	0.70
Gas flared (te)	3,190	2,316	2,957
Methane emissions (te)	53	38	49
Methane Intensity (%)	7.14E-06	5.61E-06	8.04E-06
Scope 1 GHG emissions (teCO <sub>2</sub> e)	58,967	55,519	46,886
Scope 2 GHG emissions (teCO <sub>2</sub> e)	0	0	0
Scope 3 GHG emissions (teCO <sub>2</sub> e)	N/A	N/A	15,508
Waste recycled, reused or recovered (%)	100%	100%	100%

## POLICY COMMITMENTS



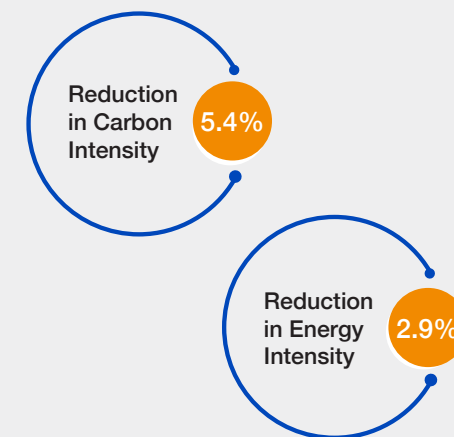
- > ISO 14001
- > Environmental Aspects and Impacts Register
- > Health, Safety, Security, Environment and Assurance (HSSEA) Policy
- > Biodiversity Action Plan
- > Flare Minimisation Strategy

Environmental responsibility is embedded in our culture and our day-to-day activities. We are actively taking steps to reduce our operational emissions to meet our net zero ambitions.

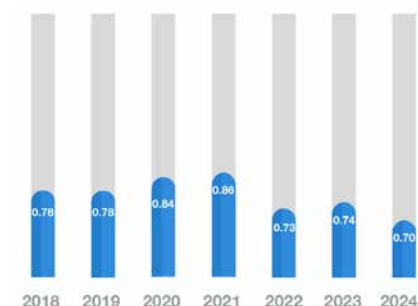
A key aspect of our business is managing and reducing our greenhouse gas (GHG) emissions. Scope 1 emissions from our gas transportation and processing operations are projected to reduce significantly once H2NorthEast is operational, as CATS plans to re-fuel its fired heaters to burn hydrogen instead of natural gas.

In 2021 we set sustainability linked lending Key Performance Indicators (KPIs) for Carbon Intensity, Energy Intensity and ESG training, and we measure our performance against these KPI targets each year.

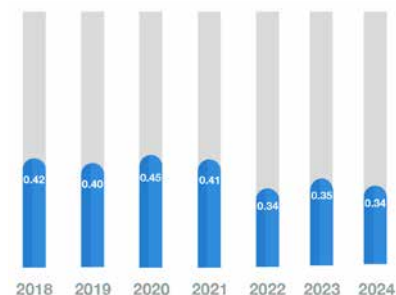
In 2024 we achieved our ESG training KPI. While we emitted less CO<sub>2</sub>e and consumed less power in 2024 than the ESG KPI targets, we did not achieve our Carbon Intensity or Energy Intensity KPIs due to lower-than-expected total throughput for the year compared to the 2021 business plan reference case.



Carbon Intensity (kgCO<sub>2</sub>e/boe)



Energy Intensity (kWh/boe)





## CONTINUING OUR CARBON REDUCTION JOURNEY

Overall carbon emissions decreased by approximately 16% in 2024, mainly due to the commissioning and subsequent operation of the heat integration project at CATS. As with 2023, emissions from the ultra-low emissions Tolmount platform have been included in our reporting, even though the resulting volumes fall below the reporting requirements for UK ETS (Emissions Trading Scheme).

CATS has one of the lowest carbon intensities of all gas processing facilities in the UK and our energy efficiency projects, particularly the heat integration project, will help reduce our emissions even further over the coming years. At the 2024 NEPIC Annual Industry Awards, the CATS team won the Corporate Environmental Award for its emissions reduction and efficiency improvement work, and a CATS process engineer won the Young Achiever of the Year award.

CATS is also looking at a hot oil heater fuel switching project to replace the current hydrocarbon fuel source with hydrogen sourced from the H2NorthEast facility. This fuel switching project is currently in concept stage, with FEED expected in 2026 and the new fuel system to be commissioned in line with H2NorthEast commencing operation. Current forecasts assume a 95% hydrogen / 5% fuel gas mixture fuelling the two heaters, which will in turn reduce GHG emissions from the heaters by 95%.



Over the remaining lifetime of the CATS asset, the fuel switching will result in a material reduction in GHG emissions.

## SITE GENERATED ELECTRICITY

Since 2019, 100% of imported electricity to CATS has been from certified renewable sources, resulting in zero Scope 2 emissions from our operations. The CATS turbo-expander uses otherwise wasted process energy to generate zero-emissions electricity which is used to power onsite operations. It generates around 80% of the

site's required electricity. Our continued focus on minimising electricity import, including another excellent year of performance from the turbo-expander, resulted in a 16% reduction in electricity consumption in 2024 compared to plan.

100% of electricity required by the Tolmount platform is generated by its power generation system. The primary power generation system on the platform is a 200kW micro gas turbine which is fed by fuel gas from the Tolmount wells with back up diesel driven generators.



# Environment

## Improving energy efficiency and reducing emissions at CATS



Installation of new energy efficient flare tips during 2024 CATS shutdown

We are focused on continuous improvement in our energy efficiency at CATS to help us achieve our 2025 aspiration of reducing onsite emissions by 25% from 2020 levels, and reducing our site power consumption.

### WE HAVE IDENTIFIED FOUR KEY FOCUS AREAS:

**Heat integration:** In 2024 CATS successfully implemented its Heat Integration project to reduce fired heater emissions. The project uses waste heat from the CATS fractionation process to pre-heat the sales gas upstream of the sales gas heater. This reduces the process heat demand on the sales gas heater which in turn reduces the load on the fired heaters providing process heat to the sales gas heater, and therefore reducing site CO<sub>2</sub> emissions. The project was sanctioned in 2022 with detailed design, fabrication and scaffolding completed in 2023. Installation and final commissioning of the project was achieved during the 8-yearly shutdown of the terminal in summer 2024. CATS is already seeing the benefits of the project with a reduction of approximately 20% in CO<sub>2</sub> emissions from Train-1 due to a reduction in fuel gas flow, allowing one burner to be turned off. In addition, CATS is also seeing electricity savings with three of the four fin-fan coolers on Train-1 being switched off, saving 30kW each. Initial operating data suggests that the Heat Integration project will reduce total site CO<sub>2</sub> emissions by 126,000 tonnes over the life of the CATS asset to 2046.

**LED lighting replacement:** This project involved replacing traditional sodium lamp lighting around the CATS terminal with energy efficient LED lighting. In 2023, CATS completed the planned LED upgrade scope with approximately 620 sodium lamps around the terminal being replaced with more efficient LED lighting. The new LED lighting is brighter and reduces energy consumption for the site, with the

electrical load estimated to reduce by around 45kW. In 2024, light replacement was completed on an ad hoc basis, installing the new LED lights when any of the remaining sodium lamps stopped working.

**Compressor valve replacement:** In 2024 CATS completed its programme to replace existing overhead compressor valves with new energy efficient valves, reducing the electricity consumption from the compressors by around 21kW each. The energy efficient valves have now been fitted to all four compressor machines, one in 2022, another in 2023 and the final two overhauls completed in 2024.

**Flaring minimisation:** Flare metering improvements at the CATS terminal have been implemented to ensure purge rates are optimised and flaring emissions are minimised, resulting in much lower flaring in 2023 than in 2022. In December 2022, Flare Master, an independent meter for calculating flow rate through both HP (high pressure) and LP (low pressure) flares, was installed which improved accuracy and redundancy of flow measurement throughout 2023/2024. Although flaring emissions were higher in 2024 due to increased purging activities during the 8-yearly shutdown, multiple flaring modifications were completed which will reduce future emission levels from flaring. During the shutdown, a valve overhaul campaign was conducted to reduce undesirable emissions to the flares and post-campaign testing confirmed reduced leakage rates, saving an estimated 300 tCO<sub>2</sub>/yr. New flare tips installed on the HP and LP flares during the 2024 shutdown have increased efficiency, using 25% less gas, saving a further estimated 70 tCO<sub>2</sub>/yr.



## SCOPE 3 EMISSIONS

In 2024 Kellas committed to reporting Scope 3 emissions. As a responsible owner and operator of midstream infrastructure, effective emissions reporting is critical for us to ensure compliance with regulatory requirements, demonstrate environmental stewardship and build trust with stakeholders.

We have aligned our reporting procedure with the ISO 14064:2018 standards and the Greenhouse Gas Protocol, two globally recognised frameworks for GHG accounting, to ensure accuracy, transparency and consistency in emissions reporting.

**Materiality:** We conducted a Scope 3 materiality assessment which reviewed the 15 Scope 3 emissions categories as defined under Greenhouse Gas Protocol and IPIECA/API, and concluded that the following categories were material to Kellas and should be included in Scope 3 emissions calculation:

- **Category 1:** Purchased Goods and Services
- **Category 2:** Capital Goods
- **Category 5:** Waste
- **Category 6:** Business Travel
- **Category 15:** Investments

**Methodology:** For our Scope 3 emissions calculations, we predominantly used a spend-based GHG methodology. It is a way of estimating GHG emissions by using financial spending data and applying a relevant emissions factor from an industry recognised source. This approach estimates emissions for activities or goods where detailed emissions data (like direct measurements or activity-based data) is unavailable. We do have access to some activity-based data, which was used where available.

**Scope 3 Reporting:** As a result of the activities detailed above, we calculated that in 2024 Kellas produced Scope 3 emissions totalling 15,508 teCO<sub>2</sub>e. Going forward, this number will be used as a benchmark with the aim of reducing our Scope 3 emissions on a year to year basis and identifying areas where we can increase efficiency, thus reducing our emissions.



## Protecting and enhancing our natural world

We are passionate about protecting the natural environment and fostering biodiversity. As part of our environmental responsibility, we actively work with nature in the communities where we operate, with ongoing initiatives that promote ecological balance and conservation.

### CATS GREEN TEAM

The CATS Green Team is an enthusiastic group of volunteers focused on improving sustainability and minimising the environmental impact from operations at the Teesside terminal. The main environmental focus for CATS in 2024 was the execution of emissions reduction projects during the TAR in June. The Green Team also continued with its Biodiversity Action Plan in partnership with the Industry Nature Conservation Association (INCA).



### EMISSIONS REDUCTION

- > Implementing the heat integration project reduced CATS' CO2 emissions by 5,500 tonnes per year, which is a 12% reduction in CO2 emissions from 2023.
- > Other key initiatives included overhauling passing valves, replacing flare pilots and re-routing the off gas from the Turbo Expander lube oil drainer, and these resulted in a saving of approximately 700 tonnes of CO2 per year.



### BIODIVERSITY

- > The Small Blue butterfly colony that was originally established in 2022 continued to thrive. The enhanced habitat, constructed using drilling spoil in 2023, flourished and saw the butterfly numbers increase significantly in 2024.
- > The number of moth species found at CATS increased to 261 in 2024, with 17 new species recorded including the Golden-rod Pug, Double-striped Pug, Willow Ermine and Common Emerald.
- > The Green Team continued to nurture the diversity of flora and fauna around the CATS terminal and invasive plant species such as Cotoneaster were managed in the reedbed area.
- > The CATS terminal continued to host four colonies of honeybees, which provided more than 80 jars of honey.



## Engaging our team

We invest in our people with the aim of having a happy, healthy and motivated team. We care that everyone working at Kellas, or connected to us through operating partnerships and stakeholder relationships, feels part of a business that prioritises health, safety and the environment.

### KEY ACHIEVEMENTS

- > Continued our focus on improving Learning & Development
- > Maintained our positive engagement survey results for another year where 98% of employees are proud to work at Kellas
- > Welcomed two industrial graduate placement team members and two interns

### Focusing on health and wellbeing

We develop a Kellas People Plan each year that promotes employee engagement, health and wellbeing, skills and development, individual performance delivery and people governance.

The 2024 People Plan enhanced engagement through personal development plans, town halls, lunch and learns, and opportunities for employees to provide feedback through our annual engagement survey.

Throughout the year we continued a range of health and wellbeing initiatives including biweekly yoga classes, knowledge sharing through regular bitesize communications on health and wellbeing topics, drop-in stress and wellbeing support with a trained counsellor, family social events, and planning for the launch of subsidised gym and health club memberships. We held two team-wide development sessions on climate change challenges and opportunities, and explored unconscious bias through a privilege walk. We undertook new start development sessions on Inclusive Leadership and Mental Wellbeing and Stress Awareness.

We introduced an electric vehicle scheme to our package of employee benefits and continued our 'bike to work' scheme.



SOCIAL KEY PERFORMANCE INDICATORS			
	2022	2023	2024
Gender diversity - % female employees	14%	14%	13%
Lost Time Injury Frequency (LTIF)	0	0.63	0.54
Employee turnover rate (%)	3.9%	3.2%	2.3%
Employee absenteeism rate (%)	0.4%	0.3%	0.8%
Employee training received (hours per employee)	21.8	23.9	24.7
Community grants and funding (in thousands of £)	71.7	93.2	93

In recognition of business growth and increased opportunities within Kellas, as well as a commitment to personal and career development, nine members of our team were promoted in 2024.

At the end of 2024, Kellas had a full time equivalent (FTE) staff of 55.2. Wood, our operating partner for the CATS terminal and pipeline, had an FTE staff of 118.5 committed to CATS. ODE AM, our operating partner for the HGS pipeline and Tolmount platform, had an FTE staff of 3 dedicated to HGS.

# Social

## Creating a culture of sustainability

Effective EGS training is imperative to the success of our business. We continued to invest in training for our team, empowering them with the knowledge and skills to understand and play their part in implementing our ESG strategy, and learn about the issues impacting our operations and the environment. In 2024 we achieved 24.7 hours of ESG training per employee covering topics such as climate change, inclusive leadership, unconscious bias and stress awareness.



*Kellas volunteers engaged in STEM activities with a Teesside primary school*



*Visit to CATS by Teesside University students and staff*

Five high school students completed work placements in our Aberdeen and Teesside offices, and two interns join our team, one on a five-week summer placement and another on a four-month placement. These learning experiences offered insights into business functions including operations, economics, legal and marketing.

In June with Children Challenging Industry, Kellas volunteers worked with pupils from Bewley Primary School in Teesside on a range of science and engineering-focused activities. We also sponsored the Environmental Award for North East Primary Schools at the 2024 NEPIC Annual Industry Awards.

We joined forces with Developing the Young Workforce (DYW) in Aberdeen to conduct mock interviews with high school students to offer interview experience and



### INVESTING IN, NURTURING AND SUPPORTING EMERGING TALENT

We continued our valued partnership with Teesside University that helps remove financial barriers to learning by offering clean energy scholarships to talented individuals. In 2024 our programme continued supporting a BSc student in their second year of study, and welcomed three new MSc students, all eager to gain the knowledge and skills needed for a future career in energy and to play a role in the transition to net zero. We were delighted to host the students on a visit to the CATS terminal in November.

prepare them for the world of work. A member of our team provided mentoring support to a high school student during the first half of the year with Aberdeen charity, MCR Pathways.

The CATS team hosted visits from graduate engineers and apprentices at the terminal, providing them with valuable site exposure, and began preparations for their next primary school visit in conjunction with Children Challenging Industry that is planned for 2025.

A member of our leadership team continued to sit on the Board of TechFest, a charity that promotes STEM activities to young people in Aberdeen, and the Inverurie Youth Sports Foundation which supports the future development of youth in sport.



# Social

## Making a difference

We are committed to making a positive impact in the local communities where we operate. Our social investment, on the themes of Education, Community Engagement and People, are detailed in our Corporate Social Responsibility (CSR) plan.

Our CSR committee met monthly in 2024 to coordinate our charitable support in the Aberdeen and Teesside areas where our assistance, both financial and hands-on, can make a genuine difference. We retained our partner charities, the Camphill Wellbeing Trust, ALK Positive and Balmedie Beach Wheelchairs.



In addition to our partner charities, we supported several seasonal appeals for food donations and toys. Members of our team also took part in a range of fundraising activities throughout the year including the Aberdeen Kiltwalk, Banchory Beast Race, Ride the North and Movember. Overall, we increased our total CSR spend by 76% from 2023, which included our continued funding of clean energy scholarships at Teesside University.

The CATS team made a number of financial donations to causes including Spinal Research UK, Prostate Cancer UK and the South Tees Hospital Charity. They also raised a further charity fund of £4,950 during the 2024 TAR which was shared between Great North Air Ambulance Service, Border Collie Rescue and MIND.



*We completed our third volunteering day with the Compass Project in Aberdeen, helping with gardening activities to support the creation of an inclusive community space.*

*Kellas volunteers braved the Aberdeenshire weather to support users of the Balmedie Beach Wheelchairs charity.*



*Our cycling enthusiasts completed Ride the North in August and raised over £2000 for Friends of ANCHOR.*

*Members of our team completed a daring 131ft abseil in Aberdeen, raising £300 for Spina Bifida Hydrocephalus Scotland.*



# Governance

## Integrity, Partnership, Tenacity

Our leadership team operates under the stewardship of transparent corporate governance principles which strengthen the confidence and trust of our stakeholders. The Kellas principles of Integrity, Partnership and Tenacity guide how we conduct our business and we have a suite of robust governance and management processes in place.



### POLICY COMMITMENTS

- > Anti-Bribery and Corruption Policy
- > Speak Up Policy and Procedure
- > Anti-Slavery and Human Trafficking Policy
- > Personal Data Protection Policy
- > IT and Cyber Security Policy

### GOVERNANCE KEY PERFORMANCE INDICATORS

	2022	2023	2024
% female board members	17%	0%	0%
Number of board meetings	11	11	11
Anti-bribery and corruption training compliance	100%	100%	100%
Cyber security NIS-D improvement plan completeness	97%	85%*	92%*
Number of cyber security incidents	0	0	0

*\* In 2023, to drive continuous improvement in cyber security of critical national infrastructure, the Department for Energy Security and Net Zero (DESNZ) issued a revised and more rigorous NIS-D scoring mechanism which we began utilising as a benchmark. In 2024 we saw continued improvement in our cyber compliance, meeting 36 of the 39 principles (92%) issued by DESNZ, and we encountered zero cyber incidents across all our assets.*





Online employee governance training for new employees progressed well, including 1 or 2-yearly refreshers.



Continued SECR (Streamlined Energy and Carbon Reporting) in annual accounts.



NIS-D Cyber and data security compliance of 92%.



Welcomed our Board on its annual visit to Teesside in October.

## Taskforce for Climate-related Financial Disclosure (TCFD)

In 2024 we began to consider how the TCFD voluntary disclosure protocol could be used by Kellas' owners and lenders to enhance our reporting. In May 2024 we conducted a high-level assessment against the four TCFD pillars of governance, strategy, risk management and metrics and target, and found we are meeting many of the TCFD expectations already. In February 2025 we undertook a deeper assessment against 82 questions targeting best practice across the four TCFD pillars, which will help us to close gaps and develop an initial disclosure for our 2025 ESG report.

## Cyber Security

As an operator of critical national infrastructure, cyber security has a vital role to play in the management of our business activities and is more crucial than ever in the context of current world events.

Kellas-operated assets are covered by the UK security NIS (Network & Information Systems) regulations, and we work with government to demonstrate compliance and minimise the risk of business interruption and major accident hazard aspects of cyber security.

We had no cyber security incidents at CATS in 2024 and the facility was audited by independent industrial cyber security experts, TEKSEM, with the results showing strong performance and no major issues were highlighted. The CATS team also completed a cyber security emergency response exercise as part of its security preparedness training.

We continued to invest in cyber security maintenance and improvements. In 2023, to drive continuous improvement in cyber security of critical national infrastructure, the Department for Energy Security and Net Zero (DESNZ) issued a revised and more rigorous NIS-D scoring mechanism which we reported against in 2024 and will continue to do so moving forward.







## Looking ahead

As we navigate the complexities of a rapidly changing energy landscape, our focus on ESG continues to gather momentum. We made excellent headway on our 2024 ESG journey with energy efficiency improvements and emissions reduction in our existing operations, and we continued to positively contribute to the natural environment and our local communities.

Moving forward, our ESG principles remain deeply embedded in our corporate strategy and we are committed to playing our part in creating a sustainable future, fostering resilience and driving impactful change for generations to come.

### **Kellas Midstream Limited**

6th Floor, The Capitol,  
431 Union Street,  
Aberdeen AB11 6DA

+44 (0)1224 084520

[info@kellasmidstream.com](mailto:info@kellasmidstream.com)  
[www.kellasmidstream.com](http://www.kellasmidstream.com)

