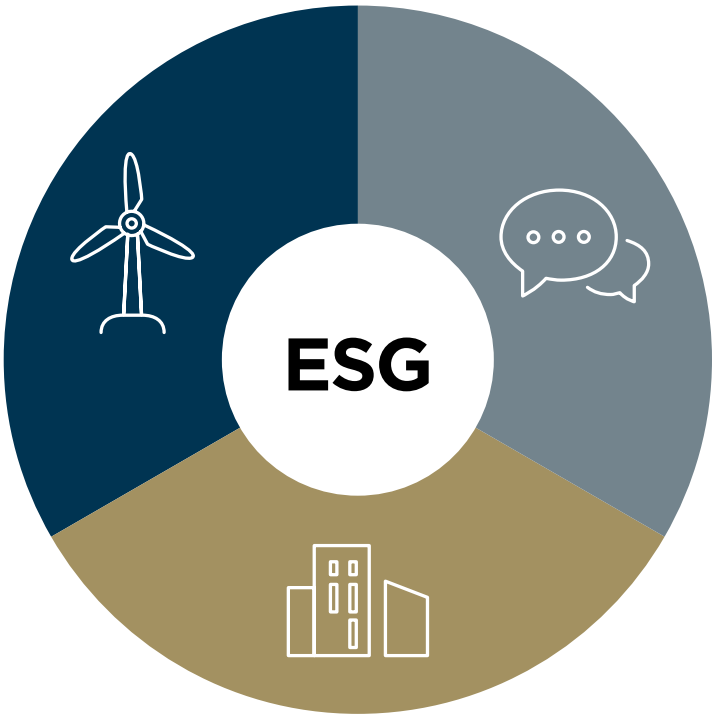
AKER

ESG REPORT

2019



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E *Environmental*

We are committed to being part of the solution

- Using our role as an active, responsible owner
- Being a driving force to reduce negative environmental impact from operations of our portfolio companies
- Making the Norwegian Continental Shelf a benchmark for safe, sustainable and profitable oil and gas production

S *Social*

We are committed to our employees and communities

- Investing in health and wellness of our employees
- We are committed to supporting and having a positive impact on our local communities, e.g. through Aker Scholarship and Stiftelsen VI
- Zero tolerance for discrimination, harassment and degrading treatment of employees

G *Governance*

We are committed to good governance

- Based on best practice recommendations from Oslo Stock Exchange and NUES
- Code of Conduct as governing document with expected alignment throughout the portfolio
- Regular risk reviews by the Board, including environmental and climate-related risks
- Ensuring employee representation in Aker's boardroom and in the boardrooms of all portfolio companies

ESG considerations are core premises for our business and investment decisions. We are simultaneously respectful about the fact that when the world is back to normal it will need more energy going forward.

A question we ask ourselves is how oil and gas are being produced. The largest emissions from crude oil do not stem from its production, but from its utilization. It is, nevertheless, important to produce the oil at as low emissions as possible. Aker BP is showing the way in this area. Their CO2 emissions per barrel produced is already among the lowest – approximately 7 kg per barrel compared to the worldwide average of 18 kg per barrel – and we continue to innovate in order to reduce emissions even further.

We are deeply committed to our shared responsibility to ensure that the environmental impact of our investment activities is mitigated. From ensuring production at the oil fields is as sustainable as possible, to the decisions we make as shareholders and citizens; a low-carbon future goes hand in hand with our strategy for long-term profitability."

President and CEO Øyvind Eriksen,
Excerpt from the CEO-letter in the Aker ASA Annual report 2019

Our company

Aker ASA ("Aker") is an industrial investment company that exercises active ownership to create value. In our capacity as an active owner, we combine industrial expertise industrial expertise and financial strength with knowledge about capital markets. We work to drive strategy developments, operational improvements, financing, restructuring and industrial transactions forward.

For nearly 180 years, Aker has been a driving force for the development of internationally focused, knowledge-based industry in Norway. Our ownership interests are concentrated in the oil and gas, maritime assets and marine biotechnology sectors. The investments consist of two portfolios:

Industrial portfolio companies: strategic in nature and managed with a long-term perspective. Comprise ownership interests in Aker BP, Aker Solutions, Akastor, Kvaerner, Ocean Yield, Aker BioMarine, Aker Energy and Cognite.

Financial investments: Comprise cash and other assets.

Vision and values

Aker's vision and core values enable a corporate culture in which people deliver excellent results in a responsible manner. Our vision is *proud ownership* – two words that define what we strive for and what inspires employees, fellow shareholders, working partners and others. As an active owner, we develop well-functioning companies that offer products and services in an environmentally, ethically and socially responsible manner.

Our four core values are:

Results-oriented

We establish ambitious, clearly defined goals, and work in a long-term and systematic manner to realise our objectives and create value

Opportunity-oriented

We remain focused on opportunities and solutions using our financial strength, flexibility and optionality

Knowledge-oriented

With our considerable expertise, our decisions are based on insight, understanding and experience

Cooperation-oriented

We build businesses and value through ongoing interaction with employees, partners, society and stakeholders

Active ownership

As an investment company, our ESG priorities are integrated in our role as an active owner. In this role, we seek to ensure that our portfolio companies implement processes and procedures for sustainable development in a way that ensures long-term value creation for our shareholders. Our ambition is that our portfolio companies represent the benchmark for profitable, safe and sustainable operations.

Our Investment Policy lays out the structure for management control and reporting framework for our investments, the annual review and follow up cycle, as well as a clear definition of roles and responsibilities anchored in our ownership agenda. Through board positions, investment reviews and close collaboration with the portfolio companies on strategy and performance, we seek to ensure that Aker is developing in a responsible, value-creating manner.

It is the responsibility of each industrial portfolio company to implement their own ESG procedures and adhere to relevant reporting standards. An annual ESG questionnaire is used to assess the status of the companies' climate-related risks and opportunities, ESG reporting and priorities. Aker also facilitates an ESG forum for sustainability and corporate responsibility with key employees within Aker and the portfolio companies.

The portfolio companies participate in our ESG Forum, formerly known as the CR Forum, which meets on a regular basis to:

- promote discussion and learning across the companies
- help identify material issues
- align on reporting standards
- discuss challenges and opportunities related to ESG considerations

> "We seek to ensure that our portfolio companies implement processes and procedures for sustainable development in a way that ensures long-term value creation for our shareholders.

Our Approach to ESG

About the report

The landscape for environmental, social and governance (ESG) considerations is evolving rapidly. At Aker we experience that employees, our portfolio companies, investors and regulators increasingly expect us to ensure that business activities deliver a positive return for society at large. We welcome this development. ESG topics are core premises for our investment and business decisions.

This ESG report provides an account of the processes and structures Aker has in place to support our commitment to ESG issues. The topics covered are those which affect our own and our portfolio companies' performance and long-term sustainability, and which we believe forms the best basis for investor assessments and decisions.

Throughout this report you will find information on E, S and G considerations along two pillars: 1) our own performance as a company and employer, and 2) an update on our role as an active owner and how we work to ensure that our portfolio companies progress towards enhancing positive environmental and social impact and mitigate negative impact of their business activities. As a company listed on the Oslo Stock Exchange, Aker is subject to rules on reporting of corporate responsibility. Aker adheres to the requirements defined by Section 3-3 a-d of the Norwegian Accounting Act. More information can be found in the section on our commitment to good Corporate Governance.

How we identify our material ESG issues

In 2019, we commissioned an independent third party to review our corporate responsibility reporting and validate our understanding of the issues most relevant to our business and of most interest to our stakeholders.

As an industrial investment company, our primary stakeholders are the shareholders and bondholders, analysts, Aker employees, and the authorities. Over the course of 2019, we surveyed the portfolio companies on their reporting practices, short-, medium, and long-term climate-related risks and opportunities, as well as prioritised ESG considerations. The mapping allows us to set our own priorities for our role as an active owner. Our ongoing stakeholder dialogue, media analysis and investor roadshows, have also helped narrow down the ESG topics most relevant to this report and that will have the most impact on our business.

At Aker, we have a continuous improvement approach. As a result, there are several changes in this year's ESG report. We focus on disclosing the most relevant performance metrics while embracing the principles and guidance of prevailing non-financial reporting standards, including the Task Force on Climate-related Financial Disclosures (TCFD) and CDP (formerly known as the Carbon Disclosure Project). The report aim to increase our transparency and disclosure on how we manage our most material ESG matters, as well as how we approach long- and short-term climate-related risks and opportunities, both in our role as an operating entity and as an active owner of a portfolio of industrial holdings.

Material topics

Environmental

- Climate change mitigation and adaption
- Demand for renewables / changing energy mix
- Harnessing the power of technology

Social

- Employee health and wellness
- Community engagement

Governance

- Board oversight and active ownership

Aker's commitment to the United Nations Sustainable Development Goals

Aker recognizes and respects the United Nations' 17 Sustainable Development Goals (SDGs), and have identified four SDGs that we positively impact. A self-assessment is used to identify where we have the most opportunity to contribute to the SDGs, based on the World Benchmarking Alliance's market analysis. Using context-specific analysis, we identify priority SDGs based on factors like geography, stakeholder engagement and business activities.

Aker has identified the following priority SDGs:

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Aker has established an international framework agreement for Aker and the industrial portfolio companies with international operations that sets out fundamental worker rights and refers to standards governing health, safety and the environment (HSE) work, pay, working hours and employment conditions.
- Aker has a Global Works Council, which promotes ongoing dialogue between management and employee representatives in Aker and portfolio companies and continually works to ensure alignment on corporate responsibility efforts in Norway and internationally (Goal 8.8).
- Aker actively supports and works with Stiftelsen VI to ensure that people with disabilities are given the same opportunities to perform as non-disabled (Goal 8.5).

Take urgent action to combat climate change and its impact

- Aker is committed to improving energy efficiency and reducing greenhouse gas emissions of its portfolio companies through its investments and board positions and is using the active owner role to encourage consideration of rebalancing the portfolio and diversify towards sustainable and renewable solutions (Goal 13.1, 13.3).
- Aker support portfolio companies' business opportunities, including Carbon Capture, Utilizsation and Storage (CCUS) technology and offshore wind shift towards a greater focus on renewables and Carbon Capture.
- Aker's ambition is to support technology development that can improve industry efficiency and reduce green house gas (GHG) emissions through C4IR Norway and the investment in Cognite (13.3).

Conserve and sustainably use the oceans, seas and marine resources

- Through a joint initiative with the World Economic Forum, Aker established C4IR Norway to improve the environmental footprint of ocean-related industrial activities through public-private cross-sector and cross-border partnerships (Goal 14.1-14.3 and 14.b).
- Continue supporting portfolio companies' efforts to have more sustainable operations, regulate harvesting and end overfishing, incl. Aker BioMarine (Goal 14.4).

Strengthen the means of implementation and revitalize the global partnership for sustainable development

- Aker is working to significantly enhance oil and gas capacity-building in Ghana and provide greater access to technology and innovation that can help build the nation's oil and gas industry (Goals 17.7, 17.9, 17.19).
- Through C4IR Norway, Aker seeks to enhance the global partnership for sustainable development by focusing on multi-stakeholder partnerships, sharing of technology, knowledge and expertise, and by encouraging and promoting effective public-private and civil society partnerships for better ocean health (Goals 17.16, 17.17).

Commitment to environmental responsibility:
As a company

Environmental considerations are premises for our business strategy and investment decisions, and we strive to minimise negative environmental impact of our investment and our own activities. In addition, we recognise the opportunity to be a driving force in finding collaborative, knowledge-driven solutions to promote sustainable development for industries at large, especially within ocean-related industries.

Our approach

Our long-term impact on sustainability and environmental concerns are part of both how we exert active ownership within our existing portfolio companies and how we evaluate new investment and business opportunities.

Our general guiding principles in working as an active owner towards a sustainable energy future:

1. Be a driving force to reduce negative environmental impact from operations of our portfolio companies
2. Increase focus on the portfolio companies' efforts and solutions to address environmental and climate-related challenges
3. Increase awareness of environmental and social outcomes and consequences of the portfolio companies' activities

Climate-related risks

Climate-related risks can be defined as physical risks, including extreme weather and natural disasters resulting from changes in our climate, as well as transition risks, including emerging policy and legislation, technological innovation and market and reputation risk. Both types of risks are relevant to Aker, however the main climate-related risks in Aker lies with our industrial investments, not with our own operations. Even though natural disasters and extreme weather are not likely to affect Aker directly in the short term, portfolio companies are geographically dispersed making them more vulnerable to physical risk.

Climate-related risks are incorporated into Aker's corporate risk matrix. As such, climate-related risks are identified, assessed and managed on an annual basis as part of the annual risk review.

Please refer to our full TCFD report to learn more about our climate-related risks.

COP 21 (the Paris agreement) adopted ambitious climate targets to reduce the rise in the global average temperature to well below two degrees Celsius compared with the preindustrial era. COP 21 also agreed that global, man-made greenhouse gas emissions between 2050 and 2100 should not exceed levels that can be absorbed by nature and through carbon capture, storage and use.

Aker and portfolio companies are involved in this effort, and we believe that coordinating targets and action plans through industry organisations and national associations is important. This is partly done through the collaborative arena, Konkraft, which brings together the Federation of Norwegian Industries (Norsk Industri) and Norwegian Oil and Gas (Norsk Olje og Gass) to form a shared road map for the Norwegian Continental Shelf.

Scenario analysis

The business areas relevant to Aker's climate-related scenario analysis are mainly the ones relating to the oil sector, as changes in oil price and pricing of CO_2 emissions have a direct impact on the profitability of several of our portfolio companies, including Aker BP, Aker Energy and Aker Solutions. We use the IEA Sustainable Development Scenarios in our scenario analysis, as it highlights implications for several of the companies in which Aker is a major investor. It is difficult to predict the development of oil prices beyond a two-year horizon; however, the IEA scenario provides important pointers for vulnerabilities in companies exploring and producing oil fields.

2019 performance metrics

CDP is a global, independent non-profit organization which encourages companies to measure and report climate emissions and climate-related issues. For 2019, Aker received a score of B-, up from a score of D in 2018.

B-

For 2019, Aker received a CDP score of B-

up from a score of D in 2018

CDP
DISCLOSURE INSIGHT ACTION

Aker ASA emissions as reported to CDP for the 2019 report:

Scope 1 emissions	**1 686**	metric tons CO_2e
Scope 2, location-based	**12**	metric tons CO_2e
Scope 2, market-based	**268**	metric tons CO_2e
Purchased and consumed electricity, heat, steam and cooling	**515**	MWh
Purchased and consumed low-carbon electricity, heat, steam and cooling accounted in market-based approach	**260**	MWh

Aker's own emissions are limited to office and travel-related emissions for 43 employees. Compared to climate-related issues in our investment activities, our own emissions are insignificant. Setting emission targets for our own operations has therefore not been a priority in our climate strategy. Scope 1 and 3 emissions are expected to go up due to increased overseas activities which necessitate more travel. Scope 2 emissions, which are from our office activities, are expected to remain stable over the next five years. The GHG emissions data is audited by an independent auditor (KPMG). 2019 figures will be audited in June 2020 in connection with reporting to CDP.

Commitment to environmental responsibility:
As an active owner

As our portfolio companies both impact climate change and are impacted by climate change, they are inherently exposed to a range of both physical and transition risks. It is the responsibility of the industrial portfolio companies themselves to identify, assess and manage these risks effectively. Each company takes responsibility beyond complying with relevant legal statues and standards with the aim of minimising their environmental impact. As a minimum, the portfolio companies are required to:

- Carry out relevant risk assessments and publish information on significant and relevant climate-related issues in their respective sustainability reports
- Ensure that crisis management plans are updated
- Consider rebalancing the portfolio and diversify towards sustainable and renewable solutions

In October 2019, Aker, together with Aker Solutions, Aker BP, Aker Energy, Kvaerner, Aker BioMarine, Cognite, and Kjell Inge Røkke's privately owned companies TRG and REV Ocean, announced a joint pledge of USD 11 million to three initiatives dedicated to developing disruptive technology solutions for a healthy and productive ocean. The USD 11 million pledge will go towards three initiatives, covering costs for the next three years. The initiatives include the Centre for the Fourth Industrial Revolution (C4IR) in Norway, which will receive USD 6 million, the Ocean Data Platform receiving USD 3 million, and the Plastic REVolution which is being granted USD 2 million.

Center for the Fourth Industrial Revolution (C4IR)

In September 2019, Aker and the World Economic Forum (WEF) announced the establishment of the Centre for the Fourth Industrial Revolution (C4IR Norway), dedicated to harnessing advances of technology to preserve our ocean and to improve the environmental footprint of ocean industries. Through public-private partnerships, the Centre will develop governance frameworks and solutions for a sustainable and profitable ocean economy.

The Norwegian technology centre will join the WEF's global C4IR Network. The Centre will provide a platform for partnerships on governance policies, research and business solutions that can accelerate the application of science, data and technology in the public interest. The initial projects of the affiliated centre will focus on three overarching topics:

- Improving the environmental footprint of ocean-related industrial activities through 4th industrial revolution (4IR) technology
- Better manage ocean data to improve ocean management and planning tools
- Using digitalization and technology to protect biodiversity of the ocean

Already identified use-cases:

Case: The Energy Optimizer
Lead: Aker BP
Goal: The Energy Optimizer aims to optimise energy usage, and by that reduce CO_2 emissions. A 10% reduction in energy usage should be within reach. A prototype "Energy Optimizer tool" will be tested on the Skarv FPSO in the coming year.

Case: The Emissions Optimizer
Lead: Aker BP
Goal: The Emissions Optimizer will reduce and optimise use of chemicals by making the use of chemicals visible all the time, in real time. Full visualisation and data-sharing to reduce consumption, but also to be transparent towards authorities, NGOs etc. We hope to replicate methodology and tool to other fields and industries. Aker BP aims at developing a prototype «The Emissions Optimizer» at the Ivar Aasen platform.

Case: Data capture and sharing from fishing trawlers in Antarctica
Lead: Aker BioMarine
Goal: Better use of data to improve ocean management and planning tools

Commitment to social responsibility:
As a company

Aker and its industrial portfolio companies are founded on expertise and industries in areas that form a fundamental part of Norway's history and society. Elected officials have through time created framework conditions that have helped Norway perform well in these industries, as well as on international rankings for transparency, high standard of living and high quality of life. This basis and position have provided Aker and the portfolio companies with the opportunity to recruit top candidates. As an owner, Aker seeks to ensure that the Norwegian cooperation model is also employed in the international segment of the industrial portfolio companies.

We invest in our employees

It is Aker's ambition to maintain a good working environment with high levels of well-being, low levels of absence due to illness, and generally ensure and retain a highly skilled and motivated workforce. Alongside competitive compensation, we offer comprehensive benefits packages to all employees, including on-site health and wellness centres, and an Aker insurance package which includes insurance against occupational injuries, personal accidents, sickness, disability, travel, as well as group life insurance.

To better support our employees, Aker offers full wages for primary caregivers in the event of childbirth or adoption. Aker also pays full wages when employees' children or other primary caregivers for the children, or other close family members are ill, provided that the national insurance scheme's criteria for payment of care benefits or attendance allowance are met.

Invest in health and wellness

In addition to healthcare and insurance plans, Aker offers a comprehensive wellness program for all Aker employees. This includes unlimited access to an on-site health and wellness centre, Moloklinikken, where all Aker employees have access to a physician, health counselling, and medical treatment. All employees are offered an annual health assessment to help identify potential or existing health risks. All Aker employees are also offered memberships to the on-site Lifestyle fitness centre, as well as a membership in the training and lifestyle portal Aker Active.

2019 key figures Aker ASA:

- Number of employees: 43
- Share of women: 44%
- Rate of healthiness: 99.32% (sick leave 0.68%)

Invest in our communities

Stiftelsen VI
Stiftelsen VI ("The WE Foundation") was founded in 2018 with an ambition to work to ensure that people with disabilities are given the same opportunities to perform as non-disabled.

People with disabilities are an important resource in our society, however a disproportionate number of people with disabilities experience reduced quality of life, poorer general health and higher levels of isolation from the community. People with disabilities are also given fewer opportunities to engage in physical activity and other interests. Stiftelsen VI seeks to address this large gap in opportunities for disabled people.

Kjell Inge Røkke's privately held company, TRG, funds the foundation's basic capital of NOK 25 million, as well as costs associated with the foundation's administration and operation. Aker is one of several VI companies and has committed to contribute NOK 10 million over a five-year period. In addition, nine portfolio companies contribute NOK 10 million each to Stiftelsen VI to support measures and activities for people with disabilities over a five-year period, bringing total donations up to NOK 100 million.

Aker Scholarship
Aker Scholarship awards grants to Master and Ph.D. students who can make a difference in the development of industry and society at large. Over the course of four years, 99 students have been granted scholarships, of which 24 were granted in 2019. The grant is awarded by Anne Grete Eidsvik and Kjell Inge Røkke's Charitable Foundation for Education, funded by donations from Kjell Inge Røkke's private company TRG. Aker is responsible for operating the foundation, with CEO Øyvind Eriksen as the Chairman of the foundation's Board.

Students that can demonstrate a strong academic record, documented social engagement and personal potential for contributing to academia and society, and that are accepted into one of nine world-leading universities are eligible for grants. An academic committee evaluates the candidates' academic qualifications. Support is provided for the full period of study and is designed to be supplemental to other support schemes to ensure all recipients get full coverage of costs, including accommodation and living expenses, for the duration of their study.

2019 Aker Scholars.

Commitment to social responsibility:
As an active owner

By exercising active ownership, Aker takes responsibility for how and where value is created. Aker expects all its companies to engage in an open dialogue with all its partners and affected parties. Each company carries the responsibility for continuing to develop positive relationships with its stakeholders, both locally and internationally.

International framework agreement

Aker practices a zero tolerance for discrimination, harassment and degrading treatment of employees in its portfolio companies. This is also set out in the international Framework Agreement between Aker and its industrial portfolio companies with international operations (Aker Solutions, Akastor, Kværner, Cognite, Aker Energy and Aker BioMarine) and with the Norwegian trade unions Fellesforbundet, IndustriALL Global Union, the Norwegian Society of Engineers and Technologists (NITO) and the Norwegian Society of Graduate Technical and Scientific Professionals (Tekna).

The International Framework Agreement sets out fundamental workers' rights and refers to standards governing health, safety and the environment (HSE) work, pay, working hours and employment conditions. Through the agreement, Aker and its industrial companies have committed to respecting and supporting fundamental human rights and trade union rights in the countries in which the portfolio companies operate. The applicable principles are laid out in the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work. Together with the industrial portfolio companies, Aker also uses its influence to ensure that the portfolio companies' supply chains and customers comply with the principles set out in the agreement.

The management and employee representatives for technical administrative personnel and skilled workers/ union representatives in the respective portfolio companies are responsible for the ongoing follow-up.

The Global Works Council

Aker has a global cooperation council in which the company, employee representatives and industrial portfolio companies are represented, the Global Works Council (GWC). Aker's CEO and the operative companies' top management participate actively in the GWC dialogue and two formal GWC conferences were held in 2019. The GWC brings together liaison bodies' representatives from Angola, Brazil, England, Germany, India, Malaysia, Norway, Scotland, and the U.S.

Aker Active

In its ownership capacity, Aker is focused on ensuring that the companies have able, motivated and healthy employees that enjoy good and professional working conditions. This helps promote a diverse, inclusive and positive working environment.

Across the portfolio companies, employees have access to health and wellness programs. Aker Active promotes physical activity and measures to improve health for all Aker and the portfolio companies' employees.

Aker Active by the numbers:

- 90 official groups (78 in 2018), 726 unofficial groups (670 in 2018)
- 16 195 members (15 000 in 2018)
- Aker Active hosted 14 activities in 2019 with participants from across the portfolio companies

2019 key figures Aker-owned companies

- Number of employees: 21,865
- Share of women: 17%
- Rate of healthiness: 97.37

Commitment to good governance:
As a company

Effective corporate governance provides the foundation for our value creation. Aker's corporate culture is based on good business practices, openness, honesty and respect for other people. These principles form the basis for sound equity investments.

Good corporate governance is therefore a key concern for Aker's Board of Directors, management and employees, as well as in the exercise of ownership of Aker's portfolio companies. As Aker's main shareholder, TRG Holding AS, is actively involved in Aker through its main owner, Kjell Inge Røkke. Aker is closely involved in the monitoring and follow-up of companies in which Aker is the main shareholder.

Board Composition and Governing Principles

Aker's board of directors determines the overall principles for our management and control functions. Aker ASA is a Norwegian public limited liability company (ASA), listed on the Oslo Stock Exchange and established under Norwegian laws. In accordance with the Norwegian Accounting Act, section 3-3b, Aker includes a description of principles for corporate governance as part of the Board of Director's report in the annual report of alternatively makes a reference to where this information can be found.

The Norwegian Corporate Governance Board (NUES) has issued the recommendation on corporate governance for companies listed in Norway. The Oslo Stock Exchange requires listed companies to publish and annual statement on their policy on corporate governance in accordance with code in force at the time. Aker complies with all applicable laws and regulations, as well as with the current edition of the code, issued 17 October 2018, in all material respects

See more information in the Board of Director's report for 2019 and the Corporate Governance Report for 2019.

Risk Assessment

Risk management is an integral part of a well-functioning system for internal controls and contributes to both securing and developing shareholders' investment in Aker and securing our assets. Aker's objective for risk management and internal control is to be aware of manage risks, rather than eliminate exposure to risk. Our risk management supports compliance with laws and regulations, including recommendations from NUES, in all material respects.

Commitment to social responsibility:
As an active owner

Code of Conduct

Aker's Code of Conduct and other governing documents set out principles on important issues such as bribery, gifts, and other possible forms of corruption. All Aker employees are expected to be familiar with the Code of Conduct and anti-corruption policy and complete an eLearning program to familiarise themselves and stay updated on the policies set forth in the Code of Conduct.

Aker's Code of Conduct also expresses Aker's expectations of the portfolio companies' respective governing documents. The board of directors of each portfolio company is responsible for implementing policies adapted to the specific business area, stakeholders, important themes and specific challenges relevant to that company. Aker follows up that its portfolio companies implement and meet Akers expectations and key figures are reported annually to the Aker audit committee, including on how many of the portfolio companies have undergone eLearning, how much time the employees spend on training, how many have confirmed reading the Code of Conduct, and whether the Code of Conduct is compliant with Aker's Code of Conduct.

Whistleblower channel

Aker has an open third-party whistleblower channel where suspected, censurable activities such as breaches of HSE rules, harassment, insider trading, money laundering, fraud, bribes and kickbacks, or other violations of ethical guidelines can be anonymously reported. In 2019, Aker received three reports through the whistleblower channel, all of which were investigated without finding any need for further follow-up in the relevant portfolio companies.

Whistle-blower reports on matters in the portfolio companies are addressed via the appropriate channel within the company in question. All of Aker's industrial portfolio companies have their own whistleblowing channels. Aker's audit committee is briefed on how relevant matters are handled and may become involved in cases involving breaches of significant compliance matters or the anti-corruption policy.

Commitment to good governance:
As an active owner

Aker's commitment to good governance extends to our role as an active owner. In addition to having expectations on the portfolio companies' adherence to Aker's governing documents, including the Code of Conduct, we actively encourage cooperation and dialogue based on the statutes and agreements governing working life. However, day-to-day informal exchanges and interaction built on mutual trust, openness and respect play an even greater role, and form the foundation for cooperation on development, productivity and improvement.

The Aker Model

Aker has a long tradition of cooperation between the main shareholder, management and union representatives, and of having an open dialogue with authorities and other partners. This is referred to as the "Aker model." In addition to the statute-based cooperation, engagement through the GWC and dialogue governing working life, we encourage informal interaction between leadership and employees, based on mutual trust, openness and respect. We are represented by our CEO at annual union representative conferences organised by the Norwegian trade unions. These are arenas for open dialogue and discussion on strategy, development, HSE, ethics, cooperation that gives Aker a clear direction and strong implementation ability.

Aker employees are in a position to exert formal influence on decisions. Union representatives serve on the boards of all Aker companies. Aker's own Board of Directors has four shareholder-elected representatives, the majority of whom are independent from Aker and the main shareholder. In addition, the directors include three members elected among the portfolio companies' employees, none of whom represent the management. One of the employee representatives is a member of the Audit Committee, which also handles compliance.

Aker's group employee representative and head of the GWC, Atle Tranøy, together with Aker CEO Øyvind Eriksen and employee representatives.

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Portfolio overview

Aker BP

Chairman: Øyvind Eriksen
CEO: Karl Johnny Hersvik
Aker's ownership interest: 40%

Aker BP is an exploration and production company. Measured in terms of production, Aker BP is one of Europe's leading independent listed oil companies. The company's total production in 2019 was 155 600 barrels of oil equivalent per day on average. CO_2 emissions were on average 7 kg per barrel of oil marketed, under half of the global average of approximately 18 kg per barrel.

ESG considerations:

Aker BP is prepared to lead the way in reducing CO_2 emissions and aims to be a benchmark for safe, sustainable and profitable oil and gas activity. The company systematically applies LEAN methodologies to reduce waste and boost efficiencies.

- Aker BP is effectively measuring its risks and opportunities to position itself to meet the low-carbon economy recognised in the Paris Agreement and ensuring it reaches its obligation of reducing CO_2 emissions annually.
- Aker BP evaluates climate risks with regards to the following areas: market, regulatory, technical, reputational, physical and operational.
- The company has mid-term strategies for addressing energy efficiency, flaring reduction, fuel switching, fugitive emissions, and detailed emission reporting.
- Aker BP is exploring the opportunity to continue with power from shore through an area-wide hub approach in collaboration with other NCS operators. Other examples include exploring the opportunity to make use of wind farms directly in connection with the installation.

Reporting standards:

Aker BP follows the guiding principles of ISO 14 001 in its management of external environment and ISO 50 001 for energy management. It evaluates external environment aspects and performs a risk-based analysis based on internal or external triggers. Environmental barrier development and barrier control follow regulatory and company requirements in addition to specific Norwegian petroleum standards (NORSOK).

- Norwegian Accounting Act
- GRI sustainability reporting guidelines, including the oil and gas sector supplement
- UN SDGs
- UN Global Compact ten principles
- TCFD
- CDP

Aker's view:

- As an owner with a 40% stake in Aker BP, Aker's concern is that the E&P company acts responsibly, to the highest HSE standards, and contributes to more sustainable oil and gas production. Through our role on the Aker BP board, we have ownership of climate-related objectives and expectations in Aker BP's climate strategy. The improvement agenda includes energy management and the implementation of energy efficiency and emissions reducing measures.
- Aker supports Aker BP's ambitious targets for growth and its transition into a sustainable future, which requires Aker BP to implement energy efficiency improvements and remove waste through optimised solutions.
- Aker BP will continue to lead the digital transformation of the oil and gas industry and aims to be a benchmark for using digitalisation to improve safety, security and reliability, as well as ensuring more efficient operations
- Aker welcomes Aker BP's contribution to C4IR through the Energy Optimizer and Emissions Optimizer projects aimed at using digital technology to calculate and identify energy loss and reduce emissions and to reduce and optimise the use of chemicals.

Aker Solutions

Chairman: Øyvind Eriksen
CEO: Luis Araujo
Aker's ownership interest: 34.8%

Aker Solutions is a global oil service company that delivers technologies, products and solutions in the Subsea and Field Design segments, as well as offshore maintenance, modification and operational (MMO) services. Combined with its long history of engineering for the most challenging environments, Aker Solutions' approach delivers superior performance for customers and stakeholders worldwide. Aker Solutions has 16 000 employees in about 20 countries around the world that embrace innovation and collaboration.

Aker Solutions takes a proactive and precautionary approach to environmental management and has identified significant opportunities to address environmental impact through its products and services by being at the forefront of technological developments and predicting customer needs.

ESG considerations:

- 20/25/30: Aims to generate 20% of revenues from renewable energy and 25% from low carbon solutions by year-end 2030
- Focus areas: offshore floating wind, carbon capture and low carbon solutions incl. subsea gas compression and electrification of fields
- Self-assessment and alignment on the UN Global Act for Human Rights and certification against ISO 37000 for anti-corruption
- Increasing studies with low carbon offering and Key Environmental Performance Indicators
- Continuing its HSSE Mindset Campaign
- All Balance Scorecard owners to have at least one ESG KPI
- Continue its sponsorship of Ridderrennet, Stiftelsen VI and C4IR Norway

Reporting standards:

Aker Solutions reports in accordance with the following standards/initiatives:

- Norwegian Accounting Act
- GRI
- UN SDGs
- TCFD
- CDP

Aker's view:

- Aker has been a driving force for the Aker Solutions' efforts within carbon capture, utilisation and storage (CCUS) with investments and targeted efforts through the board.
- Aker's top priorities for Aker Solutions are increased competitiveness through operational improvements, success in winning new contracts and openness to partnerships, alliances and transactions, where Aker Solutions can play a key role in continuing to develop and offer solutions to decarbonize the conventional oil and gas industry
- Aker Solutions already has qualified and field-proven products and technologies that can lower emissions, e.g. subsea gas compression, CCUS, products for offshore floating wind, and unmanned platforms. Going forward, Aker supports the company's targets to increase revenue from renewables (20%) and low carbon solutions (25%)

Aker BioMarine

Chairman: Ola Snøve
CEO: Matts Johansen
Aker's ownership interest: 98%

Aker BioMarine is an integrated biotechnology company that develops, markets and sells krill-based ingredients for the consumer, salmon-feed and animal-feed markets. Aker BioMarine has the highest standard certification, including environmental certification by the Marine Stewardship Council (MSC), the highest standard for sustainable fisheries, and an "A" rating for well-managed fishery from the Sustainable Fisheries Partnership (SFP).

ESG considerations:

- Sustainability has been an integral element of Aker BioMarine's business model since the company's establishment in 2006.
- The company has selected four of UN's sustainable development goals:
  - SDG 2– effective food systems for increasing fish farmers' production through supply of krill
  - SDG 3–krill oil is a natural source of omega-3 and helps promote a healthy lifestyle and strengthens the heart, brain and joints
  - SDG 12– high level of quality assurance and identifying room for improvement within employee rights, human rights and other sustainability risks and opportunities
  - SDG 14– contribution through responsible fishing and research in the Antarctic
- Main risks include emissions due to incident or plant failure, krill availability and climate change impact, including ice conditions and extreme weather events.
- Planning various strategic initiatives with effects on reducing industrial footprint or enhancing corporate social structures, including:
  - Defining framework and implement methodology and target for Green Procurement
  - Waste-water management improvement at Houston plant
  - Mapping plastics use across the entire supply chain and analysing possibilities for reusing, reducing and recycling plastics

Reporting standards:

Aker BioMarine reports in accordance with the Global Reporting Initiative (GRI) core level guidelines, as well as the requirements of the Norwegian Accounting Act. As part of its strategic reporting project starting in November 2019, Aker BioMarine developed targets and baseline tracking for selected KPIs relevant to its corporate structure. As part of this strategy, the company is evaluating relevant standards currently applied among well-performing listed companies, but will develop and apply a reporting regime tailored to Aker BioMarine's context and scope.

Aker's view:

- Ensuring the well-being of the krill biomass and contributing towards a thriving Antarctic ecosystem remains a core priority for Aker's active ownership in Aker BioMarine.
- Following any larger investment, e.g. the new krill harvesting vessel Antarctic Endurance, sailing its first season in 2019, Aker will support Aker BioMarine in efforts to lower carbon emissions through concept choices.
- Focus remains on optimising resource efficiency and lower the industrial footprint for any new technology investment, in line with Aker BioMarine's focus on tangible impact towards UN SDG 12: Responsible Consumption and Production.

Ocean Yield

Chairman: Frank O. Reite
CEO: Lars Solbakken
Aker's ownership interest: 61.7%

Ocean Yield charters ships on long-term contracts, a strategy which offers predictability with respect to future earnings and dividend capacity.

Main ESG considerations:

- The company has one of the most fuel-efficient fleets in the market with average age of only 3.8 years. By continuing to invest in modern vessels with eco-design, the company will continue to have an efficient fleet.
- Based on vessel specification, it is estimated that Ocean Yield's product/chemical, crude, dry bulk and container vessels have about 9% lower fuel consumption on average than the corresponding global fleet.
- The company has since the launch of Poseidon Principles implemented requirements in new bareboat charters, imposing the counterparty to report to Ocean Yield in accordance with the Poseidon Principles.
- Ocean Yield's main risks relate to new technology development and potential new regulations to reduce fuel consumption and emissions.

Reporting standard:

- The Norwegian Accounting Act.
- The company has an ongoing process to review relevant reporting standards for future ESG reports.

Aker's view:

- Through its position on the Board and in active dialogue with the company, Aker supports Ocean Yield's strategy to invest in modern vessels with new technology and minimize the residual value exposure. The company currently has three vessels that uses gas as fuel for propulsion. Aker supports the willingness to continue to invest in vessels with new technology to reduce GHG emissions, such as LNG propulsion.
- The company has concrete and measurable targets for its environmental impact for the two vessel it operates. Aker supports the company to implement clauses to documentation in new bareboat contracts to get access to operational data for its clients to better be able to disclose figures on climate-related issues .

Akastor

Chairman: Kristian Røkke
CEO: Karl Erik Kjelstad
Aker's ownership interest: 36.7%

Akastor is an oil-services investment company with a portfolio of industrial and financial holdings. The company has a flexible mandate for active ownership and long-term value creation. Akastor's focus and goal is to create added value in its holdings by being an active owner and to make value-generating transactions. Akastor is able to make a contribution as a financially robust, well established and committed owner with clear goals for growth and profitability.

Akastor works to ensure that its portfolio companies implement strategies to reduce adverse impact on the environment caused by their products or operations. All Akastor portfolio companies also strive to protect the health, safety, human rights, labour rights, and well-being of their workforce. Akastor has an international portfolio and a widespread local presence. Its goal is to safeguard that the value derived from operations also benefits the societies in which the company is present.

Main risks and opportunities

- Each Akastor portfolio company includes ESG risk in the annual risk assessment. Climate related risks and opportunities are included in the annual risk review process for 2019. Akastor will have a summary of all portfolio companies' assessment of climate related risk in 2020.
- The main environmental risks are related to extreme weather, which may halt operations, as well as government regulations as a result of climate change that could affect the scale of investment in oil and gas related products and services.
- Akastor's largest portfolio company, MHWirth, has included climate risk assessment as part of their corporate risk assessment procedure from 2019.

Reporting standards:

Akastor's annual corporate responsibility report builds on and is inspired by GRI, UN Global Compact and the Oslo Stock Exchange's guidance on corporate responsibility reporting, however it is not fully compliant.

Akastor has taken initial steps to prepare for implementing TCFD recommendations in its reporting for 2020.

Aker's view:

Aker supports Akastor's efforts to work to ensure that its portfolio companies work to reduce adverse impact on the environment. The company is looking at how it can increase its revenue from non-fossil products, and Aker will support Akastor in further developing MHWirth's "greener drilling".

Aker Energy

Chairman: Karl Johnny Hersvik
CEO: Svein Jakob Liknes
Aker ownership share: 49%

Aker Energy has a 50 per cent operating interest in the Deepwater Tano Cape Three Points (DWT/CTP) block in a prolific petroleum region approximately 70 miles offshore Ghana.

Given the historic oil price collapse in the first quarter of 2020, as a result of the corona situation and the price war between Saudi Arabia and Russia, the company, with support from Aker, has decided to postpone the Pecan project indefinitely. The company has had an ambition to be in production 37 months after the project is sanctioned. Under today's restrictions on travel and transport, and given today's uncertain market situation, the company does not consider this schedule as possible. The focus in the future will be on the potential for improvement, including the technical solution. It is also natural to consider transaction opportunities in the further development of Aker Energy. Aker Energy continues its constructive dialogue with the authorities in Ghana, with a common understanding of the challenges now being faced.

As a result of the strategic choice to postpone the development of Pecan indefinitely, Aker Energy's organization will be reduced to a smaller core team.

Reporting standards:

Aker Energy reports in accordance with the Accounting Act and IFC Performance Standards.

Cognite

Chairman: Øyvind Eriksen
CEO: John Markus Lervik
Aker's ownership interest: 64%

Cognite is a global software company supporting the full-scale digital transformation of heavy-asset industries around the world. With Cognite Data Fusion (CDF), Cognite supplies contextualised data to drive industrial applications that increase safety and efficiency and drive revenue.

Main ESG considerations:

- Cognite is a software company and does not produce any emissions outside regular office operations.
- The company is focused on and sees a great opportunity in developing and deploying technology that helps industrial companies to operate safer and to reduce the environmental footprint of their operations, including reducing CO_2 intensity. Cognite's technology also helps industrial companies to use data-driven decision-making to reduce emissions to air and water and to improve HSE by providing high-quality reliable data for decision-making.
- As a software company, the operations are mainly exposed to risks in the area of cybersecurity. To address the cybersecurity risk, Cognite has a top talent team and has cybersecurity as a feature in all operations and product development steps.

Aker's view:

- Cognite Data Fusion (CDF), Cognite's core product, has great potential to advance sustainability of asset-heavy industries worldwide, and Aker supports the company's efforts to commercialise the product.

Kvaerner

Chairman: Leif-Arne Langøy
CEO: Karl-Petter Løken
Aker's ownership interest: 28.7%

Kvaerner is an international contractor and preferred partner for operators and contractors within oil and gas, renewable energy and in the field of engineering and fabrication. Kvaerner delivers complete oil and gas offshore platforms and onshore process plants to operators and other customers.

Main ESG considerations:

- The increased societal demand to invest in reduced climate emissions is an opportunity for Kvaerner, as it may further increase the market for low-carbon solutions or zero-emission solutions, such as CCS facilities or offshore wind power. These may represent important business opportunities for the company moving forward.
- Kvaerner's main climate-related risks are tied to new political frame conditions which may limit or remove some expected new projects, especially some new oil and gas field developments offshore. Weather-related issues, such as more frequent heavy rain and wind, may also have some limited effect on productivity.

Reporting standards:

- The Norwegian Accounting Act
- Kvaerner is taking steps to follow the TCFD recommendations in its reporting. The company expects to gradually implement full TCFD reporting over the coming year.

Aker's view:

- Aker supports Kvaerner's efforts to position itself for a low-carbon future. The company is well-positioned to take a leading role in offshore wind solutions, building on decades of experience from demanding offshore oil and gas projects.
- Aker is positive to the company's strategic shift to expand this part of its business and believes the company has the opportunity to make significant contributions in industrialising solutions and reducing costs for future offshore wind power projects.

TCFD Report 2019

Core elements

Governance

The organization's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

Risk Management

The process used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

1	Describe the board's oversight of climate-related risks and opportunities.	The Board reviews risks regularly, including climate-related risk. Climate-related risk factors (physical and transition risks) are included in the corporate risk matrix, which is reviewed annually. Aker is currently developing a more active strategy for board oversight regarding climate-related issues in the investment portfolio, including relevant risk assessments in respective portfolio companies. This comprises integrating climate factors more systematically into investment policies and more active monitoring of progress from the boards in the portfolio companies, as well as the Board of Aker. The risk process is described in the annual Corporate Governance Report, and comments to the company's risk exposure is included in a separate section within the quarterly reports.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	The management of Aker ensures that the corporate risk matrix captures relevant risks. To achieve timely reporting on key issues, management calibrates the matrix on a regular basis and evaluates how portfolio companies are likely to perform in the short, medium and long term. The management team of Aker also takes a role in supporting portfolio companies towards more climate resilient products strategies. This includes: ▪ Aker's chief economist produces forecasts of energy markets and regulatory changes and shares this with Aker's portfolio companies to better inform their individual risk and opportunity assessments ▪ Taking an active role in cross-sector, industry-wide collaboration through the Centre for the Fourth Industrial Revolution (C4IR) in Norway, a technology centre for the ocean and environment launched together with the World Economic Forum and eight of Aker's portfolio companies. The centre is dedicated to harnessing advances of technology to preserve the world ocean and improve the environmental footprint of ocean industries through cross-sector partnering and public-private partnerships. ▪ Aker supports strategy shifts and efforts that reduce emissions in portfolio companies, e.g. Aker BioMarine using UN SDGs to guide its strategy; Aker Solutions announcing its new 20/25/30 strategy in 2019 whereby 20 percent of its revenues will be from Renewables and 25 percent from Carbon Capture and Storage by 2035; and Kvaerner establishing new focus areas to expand operations in renewable industries and floating production units.

Strategy

3	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**RISKS:** Climate-related regulations: Aker's oil and gas exposure, representing a significant amount of Aker's NAV, is considered a top risk. Primary risks relate to carbon tax, energy efficiency requirements or emission caps that will impact the value of investments in companies producing oil or providing oil services, i.e. Aker BP, Aker Energy, Akastor, Aker Solutions and Kvaerner. Reallocation of capital away from oil and gas: increased focus on green investments may impact investors' and banks' appetite for funding projects and companies within the fossil fuel industries to which Aker is significantly exposed. Transition to low-emission technolgies: The maritime industries are experiencing increased energy efficiency requirements and emission regulations, which could impact the profitability of the current fleet and incur costs of renewing to lower emission vessels. This may impact Aker's investments in the portfolio companies Aker Biomarine and Ocean Yield. Climate changes in the oceans: Aker Biomarine harvests krill in the Antarctica - increasing sea temperatures and acidification of the oceans may negatively impact yields and profitability of the company. **OPPORTUNITIES:** Demand for climate technologies: Aker invests in companies that develop and employ climate solution technologies, including carbon capture and storage and offshore renewable energy production (Aker Solutions, Kvaerner). Demand for low-emission solutions: Aker invests in companies that develop solutions that help to reduce customers' emissions. This includes technologies that increase the extractability of deep water reservoirs (Aker Solutions) and data solutions for energy efficiency (Cognite). With increasing costs of CO_2 emissions, Aker expects greater ROI from these types of investments.

Strategy (cont.)

4	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Given that Aker's investments both impact climate change, and are impacted by climate change, Aker developed a more active approach to managing climate-related issues in its investment portfolio in 2018. The company is considering implementing a sustainable investment policy. The macro and financial analyses conducted by Aker's Chief Economist informs the investment and ownership strategies of Aker, and are also communicated regularly to the portfolio companies.
5	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Aker has not published calculations on how different climate scenarios will impact the strategy. However, Aker is regularly reviewing the resilience of the investment strategy in terms of diversification potential. Investments in R&D as well as M&A are part of this process. Some of the more exposed portfolio companies, including Aker BP, Kværner and Aker Solutions, have also undertaken a scenario-analysis based on IEA's World Energy Outlook.

Risk management

6	Describe the organization's processes for identifying and assessing climate-related risks.	Aker reviews its risk matrix annually through a process involving the major function within the organisation, such as the investment team, treasury, security, legal/compliance, communications/CR/ sustainability and Investor Relations. This process safeguards a risk matrix tailored for the Board's monitoring. The risk matrix includes climate related risks.
7	Describe the organization's processes for managing climate-related risks	mechanism for oversight and active management of the industrial investments are through the board of the companies in which Aker invests. Aker is represented in all the boards of its industrial investments, while it is the individual company's duty to oversee and report all material risks and opportunities to Aker. Aker expects its portfolio companies to identify and manage climate-related risks as part of their core business procedures. It is important to underline that Aker may not impose any decisions on its portfolio companies, however, Aker is deeply involved in nominating board members, and expects that portfolio companies as a minimum: ▪ Include relevant risk assessments in respective portfolio companies. ▪ Ensure that crisis management plans are updated. ▪ Take a clear stance on sustainability and environmental issues ▪ Consider rebalancing the portfolio in relation to oil exposure.
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Climate related risks are part of the corporate risk matrix (physical and transition risks). Identified risks are registered in a risk matrix that currently contains 43 active risks. The magnitude of each risk is measured by the product of its probability and consequence – where the consequence is measured as the potential effect on Aker's Net Asset Value (NAV).

Metrics and targets

9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	In 2019, Aker assessed which climate-related metrics may be relevant for management purposes, i.e. related to diversification and M&A. The company will consider making these public in 2020.
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	The emissions from the legal entity Aker ASA are as follows, as reported to CDP for the 2019 report: ▪ Scope 1: 1,686 metric tons CO_2 ▪ Scope 2 (location based): 12 metric tons CO_2 ▪ Scope 2 (market based): 268 metric tons CO_2 ▪ Scope 3: 538 metric tons CO_2
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	As described in point 9, Aker has assessed relevant targets to manage climate-related risks. This will be further developed in 2020, and performance associated with the chosen target may be published going forward.

Images: **CIK Media , Ilja Hendel and Akers portfolio companies.** Design: **Tania Goffredo Design.**

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