



CORPORATE RESPONSIBILITY REPORT

2016



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The Aker cooperation model was on the agenda at the Global Works Council's meeting in 2016. Employee representatives from Europe, Brazil and India attended the meeting together with the CEOs of Aker, Aker Solutions and Akastor.

ACTIVE AND RESPONSIBLE OWNERSHIP

Aker ASA (Aker) exercises active ownership with a view to creating value for its shareholders and society at large.

Directly or indirectly, Aker is the largest shareholder in eight companies listed on the Oslo Stock Exchange. The majority on the respective boards of the eight listed portfolio companies have no ties to Aker. Aker's management follows up the investments with the backing of an analytic, dedicated investment team. When evaluating and following up its investments, Aker considers financial, commercial, ethical, legal and environmental criteria.

GUIDELINES AND PRINCIPLES

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. As an industrial investment company, Aker has governing documents for ethical guidelines, sound corporate governance and company management, risk management and internal control. These form the basis for Aker's exercise of corporate responsibility. The governing documents have been adopted by the company's board of directors to secure and develop Aker's role as a responsible owner.

Aker's [Code of Conduct](#) is the company's governing document setting out ethical guidelines for employees and partners, and principles relating to workers' rights, human rights anti-corruption, societal conditions, health, the environment and safety (HSE), and the external environment. In 2016, the company updated its Code of Conduct, expanding it so as to also encompass Aker's expectations of the codes of conduct of its portfolio companies.

Each industrial portfolio company's board of directors adopts its own governing documents adapted to the specific business of the company. The stakeholders, relevant or important themes and specific challenges will vary from company to company, depending on its sector: oil and gas, maritime activities and marine biotechnology.

OBJECTIVES AND HOW THEY ARE PURSUED

Aker's board of directors defines expectations for responsible and ethical business operations, including how Aker exercises its ownership in its portfolio companies. Regulatory compliance is a minimum requirement. For Aker, the way in which its portfolio companies

achieve results is as important as the actual results. Each company's board of directors is responsible for regular result assessment and evaluation.

Aker's investment team, including the legal department, is responsible for the continuous follow-up of the portfolio companies. In cooperation with the finance and accounting department's controller and risk management function, the legal department also handles issues and questions related to compliance. Compliance is the day-to-day work to ensure that the company's actions are in line with its internal guidelines and principles, and that it fulfils regulatory obligations. Risk management is about predicting and analysing the risks the company faces, and how to avoid or handle undesired incidents.

Aker has set up a network consisting of key personnel working with corporate responsibility (HR) in its portfolio companies. In the CR Forum, participants discuss relevant issues and exchange insight and experiences. The objective is to promote learning and further improve the companies' work. The network is currently made up of about 20 individuals.

STAKEHOLDERS

The company's primary stakeholders are its shareholders and bond holders/investors/analysts, Aker and portfolio company employees, and the authorities. The CR report focuses on Aker's role as owner, emphasising values, expectations and priorities and the results that have been achieved — as well as how the industrial investment company Aker exercises corporate responsibility.

THE UNITED NATION'S GLOBAL COMPACT

Since 2006, Aker has defined four priority areas as being most important to the company's CR efforts: **people, environment, integrity and society**. These priorities are based on the United Nations' Global Compact.

THE FOUR PRINCIPAL AREAS

Due to staff reductions in the portfolio companies working in the oil sector, the most challenging and important area in 2016, as in 2015, has been **Society**. Society is thus an area closely linked to Aker's priority area **People**. In terms of **Integrity**, Aker has a joint anti-corruption policy for its own employees and those of its portfolio companies. In the area **Environment** Aker seeks to encourage its portfolio companies to work for greater resource efficiency and lower climate emissions.

Aker's 2016 CR report addresses each of these areas. The industrial portfolio companies, in which Aker has ownership interests, all publish their own CR reports.

CORPORATE RESPONSIBILITY REPORTING FOR AKER ASA



- CR reporting in accordance with the requirements of the Accounting Act
- Reports to the Carbon Disclosure Project (CDP)

Corporate responsibility reporting for the portfolio companies



- Reporting is in accordance with the requirements of the Accounting Act
- Reports to the Carbon Disclosure Project (CDP)



- Reporting is in accordance with the Global Reporting Initiative (GRI) G4 core level — guidelines and requirements in the Accounting Act.



- Reporting is in accordance with the requirements of the Accounting Act



- Reporting is in accordance with the requirements of the Accounting Act



- Reporting is in accordance with the requirements of the Accounting Act



- In the future, Aker BioMarine will report in accordance with the Global Reporting Initiative (GRI) G4 core level guidelines

List of the CR standards followed by Aker and its industrial portfolio companies.

Aker's corporate responsibility

The CR report has been prepared in accordance with section 3-3c of the Accounting Act, which requires large undertakings to report annually on their CR work. The report provides an account of Aker's role as shareholder in operational companies, and includes guidelines and a description of how Aker works with CR, as well as priorities, the CR results that have been achieved and the ambitions for 2017.

Aker is an investment company with industrial investments focused on the oil and gas sector, maritime assets and marine biotechnology. These businesses build on Norwegian natural resources, in particular those of the sea and below the seabed. Aker adopts a careful approach by taking into account vulnerabilities and risks.

Aker has not specified environmental goals for the areas in which the portfolio companies have operations. In response to an Aker initiative, the marine biotechnology company Aker BioMarine has worked with WWF Norway on sustainable harvesting of maritime resources for the past ten years. In the oil and gas industry Aker is a driving force for the development of and investment in knowledge-based products and technologies as a way of tackling environmental and climate problems. Aker is familiar with the UN's sustainability goals which define a global direction for nations, industry, and society. Aker's subsidiary Aker BioMarine is working on defining its operational goals for sustainable development in order to ensure that its operations take into account financial and environmental outcomes and impact.

Priorities and results in 2016 for Aker ASA

PRIORITIES IN 2016

ACHIEVED RESULTS IN 2016

1. Value growth

Exercise active ownership with a view to creating value.

+ 69% net asset value
+ 106% share price, including dividend

2. Working environment

Continue to build a competent, diverse and good work environment at Aker.

1.6% sickness absence rate (3.5% in 2015).

3. Code of conduct

We expect Aker's and its portfolio companies' employees to observe this governing document in their work.

Aker's Code of Conduct was updated and implemented and covers workers' rights, human rights, anti-corruption, societal conditions, health, the environment and safety (HSE) and the external environment.

4. The Aker model

Help develop Aker's cooperation model between the operational companies' management and union representatives.

Held the first global conference for union delegates and employee representatives in Aker's international portfolio companies. Aker's CEO and group union representative agree that the Aker model will be "exported" to more countries.

5. The zero-tolerance principle

Be a distinct and inspiring role model that has a zero-tolerance policy towards discrimination, harassment, degrading treatment and corruption.

An important topic at managerial meetings, union representative conferences and Aker arenas throughout 2016. Enshrined in an international cooperation agreement and anti-corruption policy for Aker and portfolio company employees.

6. Knowledge building

Continue the work to fuse knowledge and interests in energy, fisheries, maritime activities and the environment.

Jointly, Aker and Norway Royal Salmon (NRS) have developed a solution for a semi-submersible offshore fish-farming facility that has the potential to resolve environmental and space challenges. This is a unique cooperation fusing fish-farming capabilities (NRS), competencies from offshore construction (Aker Solutions and Kvaerner), environmentally-certified fisheries and operations in extreme waters (Aker BioMarine) with Aker's industrial capabilities and ownership.

7. Environment and climate on the agenda

To put crucial and relevant environmental and climate challenges on the agenda in Aker and its portfolio companies.

A natural part of Aker's and its portfolio companies' business development. Aker is represented on the board of Norsk Industri (the Federation of Norwegian Industries) and contributes to measures that enhance value creation and reduce climate emissions. In 2016 Norsk Industri developed a "road map" outlining ambitions and climate targets going forward.

Akersgaten

SOCIETY

HOW AKER RELATES TO SOCIETY
THROUGH ITS OPERATIONS

Creating value for society

Aker invests capital and knowledge in forward-looking companies that will, by exercising corporate responsibility in their operations, deliver satisfactory financial results in the long term.

The company promotes value creation for its shareholders, staff, customers and the society of which Aker and its portfolio companies form a part. By exercising active ownership, Aker takes responsibility for how these values are created.

Aker expects all its portfolio companies to engage in an open dialogue with all its partners and affected parties. Each company carries responsibility for continuing to develop relations to its stakeholders, both locally and internationally.

Overall, the number of staff and temporary hired personnel in the portfolio companies fell from 26 026 to 22 124 in 2016. This reduction is the consequence of the need to adjust capacity following a decline in activities in the oil sector.

The reports Aker has received indicate that the staff reductions have been demanding, but that one is seeking to resolve these issues within the framework of Aker's and its portfolio companies' good and collaborative relations with the employee organisations.

AKER'S EXPECTATIONS OF ITS PORTFOLIO COMPANIES

Willingness and ability to adapt are decisive for forward-looking companies. Successful change and adaptation to the market is contingent on good cooperation with union representatives and their organisations. Aker has a long history of involving and including union representatives in processes that are likely to impact significantly on businesses and local communities. This continues to be a priority.

DEVELOPMENT IN VALUE CREATION AND EMPLOYMENT

Company	Value creation 2016 vs 2015	Number of employees		Comments
		2016	2015	
Aker ASA	+ 69%	40	44	Few employees, industrial investment company
- Net asset value	+ 106%			
- Share price, including dividend				
Aker BP*	+ 182%	1 371	523	Det norske and BP Norge merged in 2016
Ocean Yield*	+ 3%	21	20	Few employees, charters out ships, operates one vessel
Aker Solutions	+ 37%	14 385	15 395	Capacity adjustment
Akastor*	+ 35%	2 693	5 311	Sale of businesses and capacity adjustments
Kvaerner*	+ 47%	2 663	2 811	Capacity adjustment
Aker BioMarine*	-	208	164	New plant in Houston, USA

* Share price development and dividend in 2016. Aker BioMarine is not listed and is valued at book value.



A group of 21 young people, the first Aker Scholars, are posed in front of a brick building. They are arranged in three rows: the back row has seven people standing, the middle row has five people sitting or kneeling, and the front row has nine people sitting or kneeling. They are dressed in casual business attire, including button-down shirts, sweaters, and blazers. The building behind them is made of red brick and has arched windows.

The first 21 Aker Scholars

Ever since its foundation in 1841, Aker has been a driving force for the development of knowledge-based industry in Norway that reaches out internationally.

“Modern-day Norway – and Aker – owe their development to knowledgeable and skilled people. Aker is proud to support talented persons with the capacity to contribute to the development of business and society,” says Aker President and CEO Øyvind Eriksen.

Aker’s ambition is to continue to play an active role in developing knowledge-based business and industry

and society. The company’s main shareholders, Anne Grete Eidsvig and Kjell Inge Røkke, established the [Aker Scholarship](#) programme jointly with Aker to support Master’s and doctoral students at leading universities abroad. This scholarship offers Norwegian talents the opportunity to be exposed to new impulses, build networks and learn from the world’s best universities.

The first 21 Aker Scholars were selected in the autumn of 2016. This will be stepped up gradually, and the target for 2017 is that at least the same number of qualified candidates for grants for master’s and doctoral

students at the world’s leading universities as in 2016.

Aker scholarships are granted to candidates with the right abilities, social engagement and personal potential — from all disciplines and fields of knowledge. The candidates’ academic qualifications are assessed by an academic committee.

Support is provided for the full period of study, and the scheme is designed to supplement other arrangements so that Aker scholars receive full coverage of all costs, including accommodation and living expenses.

The first 21 Aker Scholars were selected in the autumn of 2016. Here they are portrayed in front of the building where Aker was first founded by the Akerselva river in 1841.





HOW AKER RELATES TO PEOPLE, HUMAN RIGHTS AND WORKERS' RIGHTS

People create Aker

Aker has an international agreement that governs working conditions, committing and uniting Aker and its portfolio companies.

The investment company, Aker, has 40 employees, all on permanent employment contracts. Of the staff, 24 are men and 16 are women. Employees are offered full wages in connection with birth and adoption maternity /paternity leaves, extending coverage beyond what is provided by the national insurance scheme. The company also pays full wages when employees' children or the person caring for the children, or other close family members are ill, providing that the national insurance scheme's criteria for payment of care benefits or attendance allowance are met. Aker's personal insurances cover mandated occupational injuries insurance, as well as personal accident insurance, group life insurance, sickness, disability and travel insurance. In 2016, Aker expanded its occupational health service for its staff. All Aker employees have access to a physician, health counselling and medical treatment insurance, and are offered an annual medical exam to prevent illness as well as individual follow-up as required.

Aker's management consists of the President and CEO and the CFO. Both are men. The investment company invests in many companies in a variety of industries, and the respective portfolio company report their employee numbers, ratio of women/men at different levels, HSE and measures to improve in different arenas and promote various objectives. In its ownership capacity, Aker is focused on ensuring that the portfolio companies have able, moti-

vated and healthy employees that enjoy good and professional working conditions. This helps promote a diverse, inclusive and positive working environment. Competencies, professionalism and diversity are key issues followed up by Aker's representatives on the boards of its portfolio companies.

INTERNATIONAL FRAMEWORK AGREEMENT

Aker does not tolerate any form of discrimination, harassment or degrading treatment of employees – be it in Aker or its portfolio companies. This has also been set down in the [global framework agreement](#) with Fellesforbundet (the Norwegian United Federation of Trade Unions), IndustriALL Global Union, NITO (the Norwegian Society of Engineers and Technologists) and Tekna (the Norwegian Society of Graduate Technical and Scientific Professionals). At Aker, it is possible to raise issues or potential issues as part of the dialogue between the union representatives and the management. In 2016, as in preceding years, no events violating the 2008 agreement were reported.

This cooperation agreement establishes fundamental labour rights and refers to existing labour standards to secure the health, safety and environment (HSE), pay, working hours and employment conditions. The agreement commits Aker to respecting and supporting fundamental human rights and union rights in the countries where its portfolio companies have operations. These

principles are set out in the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and ILO's Declaration on Fundamental Principles and Rights at Work.

The agreement covers Aker and its industrial portfolio companies with international operations: Aker Solutions, Akastor, Kvaerner and Aker BioMarine. Aker and the portfolio companies will also use their influence to ensure that suppliers and customers comply with the principles in the agreement. Ongoing follow-up of the agreement is the responsibility of the portfolio companies' management and employee and union representatives. Aker's CEO and group union representative, who also lead the global works council for union representatives, communicate openly and directly. While acknowledging that implementing collaborative models in international businesses that differ greatly in their working life structures takes time, Aker continues to dedicate systematic efforts towards achieving this.

THE AKER MODEL

Aker has a long history of collaboration between its main owners, management and union representatives, and of open dialogue with the authorities and the social partners. This tradition of dialogue is referred to as "the Aker model," a model that brings together parties representing different groups with competing interests. The objective is to find solutions that benefit the companies and their employees. This collabo-

ration gives Aker a clear direction and strong implementation ability.

The employees are in a position to exert formal influence on decisions. The union representatives are represented in the boardrooms of Aker and its portfolio companies, Aker BP, Aker Solutions, Akastor, Kvaerner and Aker BioMarine. Aker's board of directors has six shareholder-elected representatives — three of whom are women and three men. The majority of Aker's directors are independent of Aker and its principal shareholder. In addition, the directors include four members elected among the portfolio companies' employees, none of whom represent the management.

THE GLOBAL WORKS COUNCIL

Aker has a global cooperation council in which the company, union representatives and the operational portfolio companies are represented. In 2015, a decision was made to expand Aker's European cooperation council, the European Works Council (EWC), and transform it into a global cooperation body, the Global Works Council (GWC). Aker's CEO and the portfolio companies' top management participated at the GWC's annual conference in 2016. In addition, Norwegian trade unions hold annual union representative conferences and working groups where Aker's CEO participates. The conferences and meetings with the union representatives are arenas for open dialogue and discussions on issues such as HSE, eth-

ics, cooperation, the market, capacity adjustment and staffing adaptation.

LIFESTYLE AND HEALTH

Aker wants to provide conditions that enable the company's own and its portfolio companies' employees to safeguard their health and deliver results through working with others. Two initiatives have been put in place in all companies, independent of company structure: Aker Care, a health-promoting service, and the lifestyle and performance portal Aker Active.

Aker Care fosters health and well-being and has the objective of identifying both personal and work-related health risks, and quickly addressing health problems. Aker Active promotes physical activity and measures to improve health for all Aker and portfolio companies' employees. The key to this is the global online portal Aker Active which has, since it was set up in 2010, attracted more than 25 000 unique users among Aker's portfolio companies.

A GOOD WORKING ENVIRONMENT

Aker has a good working environment, as has been documented through surveys, most recently in 2015, as well as in 2013.

Going forward, it is Aker ASA's ambition to maintain a good work environment with high levels of well-being, good health and able, motivated employees.

KEY FIGURES:

	2016	2015
Number of employees, Aker ASA	40	44
Percentage of women	40%	45%
Sick leave	1.6%	3.5%
Number of employees, Aker-owned companies	22 124	26 026
Percentage of women	19%	21%
Sick leave	2.8%	3.1%



The Aker model globally

The Aker model is being “exported” to new countries so as to intensify the cooperation between the portfolio companies’ union representatives and management.

This was an important item on the agenda at the meeting of Aker’s European Works Council (EWC) in October 2016. The employee representatives from Europe, Brazil and India attended the meeting together with the CEOs of Aker, Aker Solutions and Akastor. The Works Council is gradually expanding to become a Global Works Council.

Aker’s President and CEO Øyvind Eriksen and group union representative Atle Tranøy, who heads the Global Works Council, agree that the Aker model for union/employee representatives and the management/principal shareholder will be rolled out globally. Both are fully aware that implementing the Aker model outside of Europe will take time. One of the reasons is that there are cultural differences in working life structures and forms of cooperation among countries.

“One of the things that makes the Norwegian cooperation model unique is the fact that the employees are just as concerned about the company’s welfare as the management and owners,” says group union representative Atle Tranøy, and goes on:

“Active involvement creates a sense of belonging and ownership to one’s place of work, and fosters motivation and commitment to one’s own company. Due to the large cultural differences, rolling this model out internationally is complicated. But if we show trust, openness and respect it can be done. Rolling out the Aker model internationally will demand dedication and commitment of portfolio company management teams, as well as willingness to face and solve challenges that arise.”

Tranøy and Eriksen comment:

“It is essential to understand that the role of Aker’s informal cooperation culture is just as important as the formal aspects. The cooperation model is built on the contact and dialogue in the statutory bodies and bodies established in the agreements. However, the role of informal day-to-day dialogue and interaction based on openness, trust and respect is even more important. In fact, it is at the informal level that most matters are resolved and the foundation for cooperation and development, productivity and improvement is built.”

Aker’s group union representative Atle Tranøy heads the Global Works Council.



CODE OF CONDUCT

HOW AKER ADDRESSES CORRUPTION AND ETHICAL CHALLENGES

Zero tolerance for corruption

Aker has zero tolerance for all forms of corruption. This applies to all employees in Aker's portfolio companies.

Aker's Code of Conduct and anti-corruption policy contain principles on important issues such as bribery, gifts and services, and other possible forms of corruption. All employees are expected to be familiar with the [Code of Conduct](#) and anti-corruption policy in their area. The Code of Conduct was expanded and updated in 2016, and measures to implement the policy have had high priority for Aker and portfolio company staff, the boards of Aker and the portfolio companies, at managerial meetings and at conferences for union and employee representatives.

Aker employees are expected to lead by example and have sound ethical values and morals based on [Aker's core values](#) and governing documents. All Aker employees have gone through an e-learning programme. The portfolio companies update and revise their respective codes of conduct in accordance with Aker expectations.

INTEGRITY CHANNEL

Aker has an open integrity channel on the company's [website](#) where matters of concern such as breaches of HSE legislation, harassment, insider trading, money laundering, fraud, bribery and kickback schemes and other breaches of Aker's ethical guidelines can be reported. All such reports are forwarded to a third party, and are processed un-

der the appropriate policy for this channel. It is possible for persons reporting matters through this channel to remain anonymous in relation to Aker and only reveal their identity to the third party. Aker will not retaliate or sanction persons that report possible matters of concern.

In 2016, Aker received no reports relating directly to Aker.

EXPECTATIONS TO THE PORTFOLIO COMPANIES

The portfolio companies have procedures for notifying Aker if situations arise or if there are matters that are – or may be – in breach of the anticorruption policy. All of Aker's industrial portfolio companies – Aker BP, Aker Solutions, Akastor, Kvaerner, Aker BioMarine and Ocean Yield – have their own whistleblowing channels. Aker's audit committee is informed of and becomes involved in cases involving potential breaches of the company's anti-corruption policy and other compliance matters related to certain defined criterias.. Any matters under the portfolio companies are reported by the companies individually.

Aker expects the portfolio companies to have clear guidelines for their work with suppliers and their use of sub-suppliers.



Open dialogue

"In Aker, we strive to keep an open dialogue with our stakeholders," says CEO Øyvind Eriksen.

Through fostering clearly defined and open relations, Aker wants to continue growing trusting relations with employees, employer organisations, employee organisations, investors/analysts, authorities, financial bodies and educational institutions, NGOs and other stakeholders. To summarise, Aker and Aker-owned companies represent a sizable member of NHO (the Confederation of Norwegian Enterprises) and Norsk Industri (the Federation of Norwegian Industries). Aker is represented on the board of Norsk Industri and in 2016, Aker became an associated member of the foundation World Economic Forum.

Aker does not support political parties or organisations, be it financially or otherwise. As in previous years, the company has not engaged any external lobbyists in 2016.

"In Aker, we strive to keep an open dialogue with our stakeholders,"

CEO Øyvind Eriksen.



HOW AKER DEALS WITH ENVIRONMENTAL AND CLIMATE-RELATED CHALLENGES

Our environmental commitments

Aker works to ensure that its portfolio companies help improve resource efficiency and reduce climate emissions.

Aker is an investment company with no operating activities, and its direct negative impact on the environment, apart from work-related travel, is minimal. The company takes responsibility for the environment, mostly through adherence to three guiding principles:

- Being a driving force to reduce any negative environmental impact from the operations of its portfolio companies.
- Increasing the focus on the portfolio companies' efforts and solutions to address environmental and climate challenges.
- Increasing awareness of environmental and social/societal outcomes and consequences of the portfolio companies' activities.

EXPECTATIONS TO THE PORTFOLIO COMPANIES

The industrial portfolio companies develop their own plans to minimise their environmental and climate impact, and are responsible for reducing any negative environmental impact. Each company's board of directors adopts its own governing documents, which also include environmental guidelines. The companies publish information on significant and relevant environmental issues in their respective CR reports. As owner, Aker expects its companies to take responsibility for minimising their environmental impact above and beyond the requirements of international and local law and norms.

CR FORUM

Aker is the driving force behind and coordinator for the Corporate Responsibility Forum (the CR Forum). This is a network consisting of key personnel working with corporate responsibility in Aker and its portfolio companies, where they can share insights and experiences. Environmental and climate problems are important items on the agenda. Aker believes in the importance of setting goals, and that the most effective way of reducing emissions globally is to replace coal with Norwegian natural gas.

CDP

The Carbon Disclosure Project (CDP) is a global, independent non-profit organisation, which encourages companies to measure and report climate emissions and climate-related issues. Aker participated in the CDP survey in 2016, and was awarded a D. This is on a par with the result achieved in 2014 and is thus a satisfactory result. Aker does not submit any emissions accounts and can thus not expect to earn a high score. Aker encouraged Aker BP to join the CDP survey, and the company earned a C in 2016.

AKER SOLUTIONS

Aker's agenda as an owner of companies working in the oil and gas sector is to also assist in the development and commercialisation of technologies and solutions that improve oil recovery in existing fields. Compression and pumping technologies and CO₂ injection are examples of such efforts. Since 1996,

Aker Solutions has been a leading engineering and technology company in the field of handling CO₂ challenges in relation to offshore petroleum activities.

Aker has been a driving force for the capture and storage of CO₂, investing more than NOK 400 million in Aker Clean Carbon, which is now part of Aker Solutions' engineering and technology community. Aker Solutions is a driver for improved cost-efficiency in the oil industry and helps bring down CO₂ emissions through developing and supplying technology. Close collaboration with customers, partners and suppliers is key in this context.

Aker Solutions is now working on further solutions and business models to use re-injection of CO₂ in reservoirs for improved oil recovery. Using CO₂ to this effect can give the additionally produced oil a lower carbon footprint and at the same time store CO₂ safely, thus making the oil and gas industry more sustainable. The company supplies technology to a value chain that captures, transports and injects CO₂ in offshore fields, either for permanent storage or in order to utilise CO₂ for enhanced recovery. Land-based industry, too, can benefit from CO₂-capturing technology to reduce emissions. Aker Solutions has succeeded in effectively capturing about 90% of CO₂ in flue gas.

Capturing CO₂ from cement production is a promising step in the international climate context, as approximately 5% of



global CO₂ emissions are related to this industry. Aker Solutions' technology has been tested, with good results, at Norcem's cement plant in Brevik (Heidelberg Cement Group). Similar results were achieved at Oslo's waste management and energy recovery plant.

AKER BP

In 2016 Aker increased its exposure in oil exploration and production. Aker's role in the merger between Det norske and BP Norge to form Aker BP was pivotal. Aker believes that oil and gas will continue to make up an important part of the energy mix for many decades, with production-related risks being an important part of this conversation going forward. There is a need to address risk management with innovation that gives importance to safety and climate problems.

As an owner with a 40% stake in Aker BP, Aker is concerned that the exploration and production company acts responsibly and to the highest health, environment and safety (HSE) standards, and contributes to more environmentally friendly oil and gas production through its operations, research and development.

Aker BP is one of Europe's largest independent exploration and production companies with a portfolio of 97 licenses on the Norwegian shelf at the end of 2016, of which 46 are own-operated. Aker BP's production in 2016 was an average of 118 200 BOE (barrels of oil equivalent)

per day. Average CO₂ emissions were 46 kg per produced standard cubic metre (Sm³ o.e.). This is about 20% lower than the average on the Norwegian shelf (58 kilo/Sm³ o.e.). According to the International Association of Oil & Gas Producers (IOGP) the average for the sector is 110 kilo/Sm³ o.e.

ELECTRIFICATION

The Ivar Aasen field began production on schedule in December 2016. Ivar Aasen is supplied with power from the Edvard Grieg platform and will become fully electrified as part of the Utsira height development.

The provision of onshore electricity reduces the Aker BP-operated oil field Valhall's CO₂ emissions to the tune of emissions from 100 000 cars per year. At the Valhall field the low-pressure flare was closed in November 2015, and this was the end of continuous flaring. The design of the new production platform at Valhall was based on a closed flare system (high-pressure and low-pressure flares). The emissions from this field were reduced with 38% in 2016 relative to 2015.

About 16% of Aker BP's total production in 2017 is produced with onshore power. In addition, the NO_x emissions have been more than halved through low-emissions turbines and closed flare systems.



The emissions from the Valhall field were reduced with 38% in 2016.

Putting climate problems on the agenda

Aker is represented on the board of Norsk Industri (the Federation of Norwegian Industries), the largest national association in NHO (the Confederation of Norwegian Enterprises) working for enhanced value creation and lower climate emissions. Throughout 2016 Norsk Industri has developed several industry-specific road maps to promote industrialisation and solve climate problems.

COP21 (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 pre-industrial era. COP21 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, use and storage.

Aker, Aker BP, Aker Solutions and Kvaerner have involved themselves in this effort, and Aker believes that co-ordinating targets and action plans through industry organisations and national associations should be a pri-

ority. Working through the collaboration arena KonKraft, Norsk Industri and Norsk Olje og Gass (Norwegian Oil and Gas) have drawn up a road map for the Norwegian continental shelf. Other members include LO (the Norwegian Confederation of Trade Unions), including Fellesforbundet (the Norwegian United Federation of Trade Unions) and Industri Energi (the Norwegian Union of Industry and Energy Workers), and Norges Rederiforbund (the Norwegian Shipowners' Association). The road map has two overriding objectives:

1. Outline the industry's ambitions for long-term production and value creation on the Norwegian continental shelf in the period leading up to 2030 and 2050.
2. Outline ambitions for lower greenhouse gas emissions in the petroleum business for the same period.

Prepare action plans to describe industry initiatives to achieve results and resolve climate problems. KonKraft has a role in ensuring long-term improvements in the Norwegian oil and gas sector.

Sustainability enhances competitiveness

Through taking the initiative and working closely with partners and other stakeholders, Aker BioMarine has turned sustainability into its competitive edge.

Sustainability has always been an integral part of Aker BioMarine's business model. The company has been a pioneer in building up sustainable catch operations in the Antarctic. Aker BioMarine has done this in partnership with stakeholders who are experts in those areas where Aker BioMarine lacks the necessary expertise. In cooperation with environmental organisations and other stakeholders, Aker BioMarine has identified challenges and sought out opportunities. These efforts are an important aspect of Aker BioMarine's business development.

Over the course of a mere ten years, Aker BioMarine has grown from scratch to a turnover of NOK 1 billion, and the company is now the world's leading supplier of krill-based ingredients. Billions have been invested throughout the value chain, all the way from sustainable catching to environmentally certified vessels (MSC-certified) to innovative product development, production, logistics and long-term partnership agreements with global leaders in supplying consumers and trademarks.

As part of its commercial development, Aker BioMarine gives great importance to its financial and en-

vironmental results and impact. It is this emphasis on sustainability that makes the company competitive. The UN's sustainable development goals form a global framework that provide guiding principles and inspiration for Aker BioMarine's business development. Cooperation with non-governmental organisation (NGOs), authorities, business partners and other players has been — and continues to be — important to the company's development.

Since its formation, Aker BioMarine has cooperated successfully with WWF. The company's patent-protected catch technology Eco-Harvesting® ensures that any by-catch is at an absolute minimum. Both vessels have been certified by the Marine Stewardship Council (MSC), which confirms that krill catch is sustainable and that products are 100% traceable to the site of catch. Aker BioMarine set up the special interest organisation ARK ([Association of Responsible Krill Harvesting Companies](#)). The organisation is open to all krill operators and promotes responsible resource management. Moreover, Aker BioMarine also took the initiative to form the Antarctic Wildlife Research Fund (AWR). Its research is funded by Aker BioMarine and its business partners. Leading scientists and environmental organisations/NGOs define the need for new knowledge and undertake ecosystems research in the Antarctic.

Profitable and forward-looking companies

The primary aspect of Aker's corporate responsibility is to continue to develop profitable, forward-looking companies and workplaces. This is contingent on achieving positive financial, environmental and societal outcomes and consequences, i.e. sustainable development.

As an investment company, Aker has a required yearly rate of return of at least 12% over a cycle. Since Aker was re-listed on the Oslo Stock Exchange in September 2004, average annual shareholder return has been 27.3% through share price development and paid dividends.

Aker is an able, professional ownership community and will continue its good work, pushing for human and workers' rights in its portfolio companies, and pursuing a zero-tolerance policy for discrimination, harassment and corruption. Aker will support "exporting" the Aker model for management-employee representative cooperation to other countries.

So far, Aker has not defined environmental or sustainability goals for its portfolio companies, but the company has intensified its efforts to raise awareness in the portfolio companies regarding environmental and societal priority-setting and solutions. As owner, Aker will continue to form part of the solutions for environmental and climate problems.

Priorities and objectives for corporate responsibility 2017

■ PEOPLE: HUMAN RIGHTS AND WORKERS' RIGHTS

Aker ASA	Portfolio companies	Objectives
A. A good working environment with competent and motivated employees at Aker		Higher scores on measurement criteria than were achieved in the company's last survey in 2015
B. Increase the rate of employee healthiness at Aker and its portfolio companies		98% rate of healthiness or higher at Aker and its portfolio companies
C. Evaluation of the cooperation agreement among IndstriALLGlobal Union, Fellesforbundet (the Norwegian United Federation of Trade Unions), NITO (the Norwegian Society of Engineers and Technologists) and Tekna (Norwegian Society of Graduate Technical and Scientific Professionals)		No discrimination, harassment or degrading treatment of employees
D. Implement the Aker cooperation model in companies in more countries		At least one non-European country

■ INTEGRITY: PROMOTE HEALTHY, SOUND ATTITUDES AND COMMERCIALLY APPROPRIATE ACTIONS

Aker ASA	Portfolio companies	Objectives
A. Focus on following up that the portfolio companies update their codes of conduct in accordance with the one adopted by Aker in 2016	A. Implement Aker's Code of Conduct in the portfolio companies' codes of conduct	The portfolio companies shall have codes of conduct that comply with Aker's requirements and expectations
B. The Audit committee has defined some Key Performance Indicators (KPI) for compliance training at Aker and portfolio companies.		Final KPI standards and reporting to be put in place in 2017

■ ENVIRONMENT: PART OF THE SOLUTION

Aker ASA is a company with no operating activities, and its direct impact on the environment is therefore minimal. Aker plays a significant role as owner in the oil industry and works to **promote technologies and solutions for lower greenhouse gas emissions and increased cost-efficiency**. Objectives and results in this area are followed up and reported by the respective portfolio companies individually.

Since Aker first began catching krill in the Antarctic Sea in 2003, Aker has worked on the basis of stricter environmental standards than are defined by international regulations and laws. **Aker's overarching objective has been that Aker BioMarine continue to be a leading company at the forefront of sustainable business development throughout the value chain** — from catch to finished product and applications.

■ SOCIETY: RESPONSIBLE OWNERSHIP — LONG-TERM VALUE CREATION

Ever since its foundation in 1841, Aker has been a driving force for the development of knowledge-based industry. As an industrial investment company, **Aker's goals are long-term value creation through responsible and forward-looking workplaces in its portfolio companies**. Required rate of return: **At least 12% per year**.

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