



CORPORATE RESPONSIBILITY REPORT 2015

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CORPORATE RESPONSIBILITY

Aker ASA (Aker) exercises active ownership with a view to creating value. Aker's most important contribution to society is to create value by continuing to develop forward-looking companies that supply products and services in a socially responsible, ethical and sustainable manner.

Aker is, directly or indirectly, the majority stakeholder in eight companies listed on the Oslo Stock Exchange. Although the majority of the directors on the boards of each of the listed companies have no ties to Aker, Aker exerts great influence on the companies' strategy and priorities by virtue of being the owner.

In 2016 Aker will celebrate its 175th anniversary. Knowledge that knows no boundaries runs through the company's history like a red thread. Aker is








about skilled blue and white-collar workers and engineers working together and engaging with authorities, schools and universities, local communities and partners. Since its inception, Aker has been a pioneer in seeking expertise across national boundaries, businesses and professions.

In the first half of 2015 five masters' students (studying organisational management and administration) from the University of Oslo conducted a study on the events that have shaped Aker's

history during the past 25 years. Their report illustrates the key role Aker has played for Norwegian industrial development, in particular in oil and gas and the fishing sector. Aker's DNA is described as consisting of three main traits: adaptability, knowledge, and the cooperation between the company's management/owners, its employee representatives and society at large.



INDUSTRIAL PORTFOLIO COMPANIES

Oil service og E&P		Maritime assets	Seafood/marine biotechnology
			
			

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 in Aker's portfolio companies. As an industrial investment company Aker has governing documents for sound corporate governance, risk management and internal control, ethical guidelines, communication and principles for 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 guidelines are based on its [Code of Conduct](#). The document sets out ethical guidelines for employees and partners, and principles relating to workers' rights, human rights, anti-corruption, social conditions and the environment. In 2015, the company updated these principles so that they stipulate more clearly Aker's expectations of the Codes of Conducts of its portfolio companies.

Aker's CR principles are outlined in the [Compass](#). This is a governance tool for how Aker exercises ownership and navigates challenging waters. The Compass sets out Aker's ambitions and governs the company's expectations of its staff and of that of its portfolio companies. In its capacity as owner Aker will lead by example through its values, actions and the exercise of its ownership.

Each industrial portfolio company's Board of Directors adopts its own governing documents adapted to the specific business of the company. Stakeholders,

relevant themes and specific challenges will vary from company to company, depending on its sector: oil and gas, maritime activities, seafood and marine biotechnology.

OBJECTIVES AND HOW THEY ARE PURSUED

Aker primarily exercises its ownership in the companies' boardrooms. Aker's Board of Directors and the portfolio companies' Boards set the expectations for and define CR objectives, and monitor the pursuance of responsible, sustainable and ethical business activities. Regulatory compliance is a minimum requirement, and a line and management responsibility in both Aker and the portfolio companies. Each company's Board of Directors is responsible for regularly assessing and evaluating results, as well as the social consequences and impact on society at large of its operations.

Aker's investment team is responsible for the continuous follow-up of the portfolio companies. The legal department supports this work and handles compliance issues, in collaboration with the finance and accounting department's Controller and risk management function. Compliance is the day-to-day work to ensure that the company's actions are in line with its internal guidelines and principles, and 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 in its portfolio companies,

the CR Forum. This is a forum where participants can discuss relevant issues and exchange insight and experiences to promote learning and improve the companies' work. The network is currently made up of about 20 individuals.

AKER'S FOUR PRIORITY AREAS

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

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 an owner, emphasising values, expectations and priorities and the results that have been achieved.

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

Aker's 2015 CR report addresses each of these areas. The industrial portfolio companies in which Aker has ownership interests all publish their own CR reports.



Our responsibility as an owner

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, describes how Aker works with CR and what CR results have been achieved, as well as Aker's CR ambitions, expectations and priorities going forward.

Aker is an investment company with industrial investments focused principally on the oil and gas sector, maritime assets and seafood/marine biotechnology. These businesses build on Norway's natural resources, in particular those of the sea and below the seabed. Aker adopts a careful approach, which takes into account questions of vulnerability and risks.

To date, Aker has not specified environmental goals for the areas in which the company has operations. Fish and krill are renewable resources. In response to an Aker initiative, the fishing companies Havfisk, which catches whitefish in the Barents Sea and Aker BioMarine, a harvester of krill in the Antarctic Sea, have for years worked together with WWF Norway on sustainably harvesting maritime resources. In the oil and gas industry Aker is a driving force for the development of knowledge-based products and technologies as a way of tackling environmental and climate problems. Aker believes that the UN's 17 sustainability goals are key to safeguarding the needs of people living today without destroying future generations' opportunity to meet their needs



HOW AKER RELATES TO SOCIETY THROUGH ITS ACTIVITIES:

As an industrial investment company, Aker's goal is to achieve long-term value creation through responsible, forward-looking and profitable work places in its portfolio companies.

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.

Taken together, Aker's portfolio companies are Norway's largest private industrial employer, primarily within the oil industry and whitefish industry. These are cyclical industries that are subject to fluctuations in prices and activity levels. The operational companies adjust their capacity in accordance with the changes in the market. Aker expects all its portfolio companies to engage in an open dialogue with all its partners and parties that are affected by these changes. Each company carries responsibility for continuing to develop relations to its stakeholders and local communities.

Overall, the number of staff and temporary hired personnel in the portfolio companies fell from approximately 29 000 to 26 000 in 2015.

While some portfolio companies have increased their staffing levels, others have had to downsize. Oil-related companies have adjusted their workforce by about 3500 employees in total, of which half were in Norway.

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.

Group union representative Atle Tranøy at Aker comments on the process as follows:

"In these processes, the trade union representatives and portfolio company management usually seek to reach a common understanding of the situation. We can have diverging opinions on how the company should handle the situation. Disagreements on workforce reductions may relate to the size of the cuts and the criteria to be applied in selecting candidates, i.e. whether to give weight to seniority, skills or social factors. The companies tend to stress skills while employee representatives usually base themselves on seniority, with authority in existing legislation and agreements. In Aker's collaborative tradition it is considered a goal in itself to come to an agreement through dialogue and negotiations in the companies themselves, without resorting to national tariff parties or the courts."

THE LARGEST WHITEFISH HARVESTING HOLDING

As owner of Havfisk and Norway Seafoods Aker is the largest player in whitefish harvesting and processing in Norway, and the company's ambition is to be a long-term and socially responsible industry player. In 2015 Aker submitted a consultative statement to

the Seafood Industry Committee's (the Tveterås Committee's) report. This was a joint statement from Aker's CEO and the group union representative and the CEOs of both Havfisk and Norway Seafoods stressing that fishing activities must be sustainable – both in economic, societal and environmental terms.

On 13 November 2015 the Norwegian government presented the White Paper "A competitive seafood industry," containing a number of proposals, including changes in the first-hand purchase of fish, the obligations relating to delivery, processing and activity, and rules for production on board. Taken together, these measures are intended to increase flexibility in the industry and simplify the rules governing it. In the process going forward Aker will work for resilient value chains that form the basis for profitable work places, both at sea and onshore.

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. Going forward Aker will continue to exercise its ownership of the portfolio companies as a driving force for involving and including union representatives in processes that are likely to impact significantly on businesses and local communities.

FOCUS ON:

Retaining core skills

The fall in oil prices swiftly resulted in cuts in both operating and maintenance budgets and investments on the Norwegian continental shelf. There is a danger that the capacity adjustments in the oil service industry will result in core skills being lost.

The Norwegian oil industry has been hard hit and the oil companies are reducing maintenance and operating costs, investments and personnel. The rule of thumb in the supply industry is that each workplace requires an annual turnover of NOK 2 million, which in turn also ensures the employment of two sub-supplier workers and others. Given that the activity levels fell by approximately NOK 40 billion from 2014 to 2016, there are 20 000 fewer jobs in the supply industry, which impacts an additional 40 000 jobs.

Ever since the Norwegian oil industry first came into existence 50 years ago, Aker has been a key player in this industry. The oil boom has created enormous values for Norwegian society and

laid the basis for the Norwegian welfare society and a knowledge-based oil industry. Oil prices fluctuate and Aker has many years of experience with changing investment and activity levels in this highly cyclical industry.

On this occasion the decline began in early 2014, months before the oil price fell from more than USD 100 per barrel. In 2015 the impact on the supply industry is evident and the activity on the Norwegian shelf is in decline. In this environment, the challenge is to retain the core skills and capacity required for the next upswing.

Aker is a long-term owner in companies such as Aker Solutions, Akastor, Kvaerner and Det norske. These companies have all been affected in different ways by the drop in oil prices. The market for Modifications, Maintenance and Operations (the MMO market) especially has declined considerably as a result of the oil companies' short-term priorities. The market for subsea developments and installations has changed and is

uncertain, affecting Aker Solutions personnel in the subsea field. Akastor's fully-owned subsidiary MHWirth has seen the newbuild rig market grind to a halt. As a result several companies in the portfolio companies have had to make adjustments, impacting negatively on individual employees, families, sub-suppliers and local communities.

With the volatile oil price, planning for the future requires predictable framework conditions from the government. While the ongoing Johan Sverdrup development is set to be the largest industrial project in Norway during the next few years and will have positive spin-off effects for society at large, this project alone cannot sustain the Norwegian oil service industry.

Aker is firm in its belief in the long-term resilience of the Norwegian oil service industry and of the Norwegian continental shelf and is therefore focused on ensuring that the portfolio companies retain and continue to develop expertise.

Knowledge without borders

Over the course of its 175-year history, Aker has driven the development of knowledge-based industry in Norway, and spreading it internationally.

It all started as a smithy on the Akerselva river in Oslo in 1841. The founder was a naval officer by the name of Peter S. Steenstrup who had trained in England. In the early years the company served local businesses, supplying them with mechanical tools. The ambition was one day to build steam boats to transport people and goods, and in 1856 Aker delivered the first Norwegian-built steamer.

For generations, Aker has been a synonym for innovation and industrial development. Since 2009 Aker has been an industrial investment company, exercising active ownership in leading companies in oil, fishing and maritime activities.

Aker continues to pursue its vision of being active in the development of knowledge-based industry and society. In the autumn of 2015 the company's principal owners, Anne Grete Eidsvig and Kjell Inge Røkke, established the **Aker Scholarship** jointly with Aker so

as to support masters' 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 goal is to inspire scholarship winners to make a difference and do their bit for the development of Norwegian industry and society, thus benefitting future generations. The idea is to give the right people the right opportunities to learn from the world's leading experts – regardless of their financial situation or family background. There are no limitations on the fields of study eligible for support.

Aker Scholarships are awarded by the foundation "Anne Grete Eidsvig og Kjell Inge Røkkes allmenntilgittige stiftelse for utdanning," which translates as Anne Grete Eidsvig and Kjell Inge Røkke's philanthropic educational foundation. The foundation is funded with donations from TRG AS, a company owned by

the Røkke family and owner of 68 per cent of the shares in Aker ASA. Scholarships are granted to individuals with the right abilities, social engagement and personal potential. The candidates' academic qualifications are assessed by an academic committee, consisting of leading Norwegian academics with specialist expertise in engineering, natural sciences, medicine, social sciences and economics. The foundation's Board of Directors makes the final decision on who the scholarships are awarded to. The Aker Scholarship programme is run by Aker.

Aker Scholarship offers funding for masters' and doctoral studies at Harvard, MIT, Stanford, Caltech, University of Pennsylvania, Oxford, Cambridge, Imperial College and the National University of Singapore. The first Aker scholars are due to start their studies in September 2016.

www.akerscholarship.no



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

Aker initiates measures to promote employee participation in its portfolio companies. It is Aker's goal to have healthy and motivated employees. No form of discrimination, harassment or degrading treatment is tolerated.

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 44 employees, all on permanent employment contracts. Employees are offered full wages in connection with birth and adoption maternity leaves, extending coverage beyond what is provided by the national insurance scheme. Furthermore, the company pays full wages when employees, their 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.

Aker invests in many companies in different industries, and there is therefore little need for aggregate figures for all portfolio companies detailing the number of employees, the percentage of women and men at different levels (management and wages) and measures implemented to achieve various objectives. The portfolio companies report relevant and material information individually.

From Aker's point of view as owner, the primary criteria are that the portfolio companies have able, motivated and healthy employees that enjoy good and professional working conditions. These issues are critical, and are monitored by

Aker's representatives in the portfolio companies.

INTERNATIONAL 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 established in the global framework agreement with the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and TEKNA. This cooperation agreement, which dates from 2008, 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, Kværner, Aker BioMarine and Norway Seafoods. Ongoing follow-up of the agreement is the responsibility of the portfolio companies' management and union representatives. Aker's CEO

and group union representative, who also lead the international 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, it remains an area on which Aker continues to work in a dedicated and systematic manner.

Aker has a long history of collaboration between the main owners, management and employee 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 collaboration gives Aker a clear direction and strong implementation ability.

The employees are in a position to exert formal influence on decisions. The employee representatives are represented in Aker's and its portfolio companies' boardrooms. Aker's Board of Directors has six shareholder-elected representatives, of which the majority 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 management.

KEY FIGURES:

	2015	2014
Number of employees at Aker ASA	44	47
Women, percentage	45%	47%
Rate of healthiness	96.4%	97.6%
Number of staff in Aker-owned companies	26 000	29 000
Women, percentage	21%	22%
Rate of healthiness	96.9%	97%

THE GLOBAL WORKS COUNCIL

Aker has a global cooperation council in which the company, employee 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 two EWC/GWC meetings in 2015. In addition, Norwegian trade unions hold annual union representative conferences and working groups where Aker's CEO participates.

The most important matters in 2015 were related to adjusting capacity and staff size (see p. 6 of the report), gradual extension of cooperation from a European to a Global Works Council (GWC) and implementing the Aker model in more countries.

EXPECTATIONS OF THE PORTFOLIO COMPANIES

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 any health problems that may arise with the employee. Aker Active promotes physical activity and measures to improve health for all employees in Aker and its portfolio companies. Since it was set up in 2010, more than 25 000 employees have visited the internet portal Aker Active, which had more than 11 000 regular visitors in 2015. After Aker in April 2015 ended its cooperation with the Norwegian Ski Association as Norwegian cross-country skiing's main sponsor, the portfolio companies now showcase their own "heroes" among their employees to inspire colleagues to pursue a healthy lifestyle and safeguard their own health.


A GOOD WORKING ENVIRONMENT

Aker moved to new, modern offices at Fornebuporten in the vicinity of Oslo on 30 November 2015. According to a survey carried out in 2015 by the occupational health service that assesses the level of job satisfaction and the psychosocial work environment, the company's work environment is considered to be good. The results are generally somewhat bet-

ter than the 2013 survey.

The survey covers work load, work content, individual influence on work tasks, colleagues' support and sense of community, ability to realise personal potential, responsibility and quality requirements, management, information, job safety, sense of belonging and well-being. In 2015 the score for each of these criteria lay in the interval 4.0 to 5.1, with 1 being "very poor" and 6 "very good". The occupational service has received no reports that any staff have experienced or seen others be subjected to bullying or harassment.

Going forward, it is Aker's ambition to maintain a good work environment with high levels of well-being, good health and able, motivated employees. The most important measures in this regard are the new offices at Fornebu and the initiatives Aker Care and Aker Active.



"Aker has a global cooperation council in which the company, employee representatives and the operational portfolio companies are represented"

FOCUS ON:**From EWC to GWC**

It will take some time to implement the Aker model that improves collaboration between employee representatives and the companies' managements, in operational portfolio companies outside of Europe

The chair of the GWC, group union representative Atle Tranøy at Aker comments on his perception of how the company relates to people, human rights and workers' rights:

"Aker has been clear about the company's beliefs and expectations, but making this vision a reality will take more than words. In the portfolio companies it is a question of setting priorities and ensuring capacity with the companies' management and the employee representatives. Implementing this is the companies' responsibility. It is Aker's task to make sure that this happens and to monitor achievements.

One project initiated in 2015 was to im-

plement the Aker model first in Brazil and then in Malaysia. This effort stranded because it emerged that the Brazilian trade unions needed more time. Naturally, we respect the fact that working life structures and forms of collaboration between employee representatives and management vary from culture to culture. In Brazil, each of the parties had well-founded positions, each from their own perspectives. The country's trade union movement is understandably reluctant to commit to any collaboration before it is confident that it is not binding itself to something that may prove to be advantageous to the company, but at the employees' expense. We see that greater openness, information and participation lead to results, but that growing the confidence and trust needed to enter binding forms of cooperation takes time.

In Aker and Norwegian businesses it is a given that the employee representatives are informed of the company's

actual financial situation and are involved in internal decisions that affect the company and its people. This way of working builds on mutual trust and the certainty – and experience – that this is in the best interest of all parties. It is this mind set and form of collaboration that GWC wishes to spread, backed by Aker as a large owner.

Several of the portfolio companies could have demanded to have their respective work council at the European level, based on an EU directive. However, there is a consensus around the fact that cooperating at the Aker level is better and more effective. Aker acts as the hub for these cooperation processes and actively encourages the operational companies to participate in them. The move from a European to a genuinely global collaboration is only possible because the employees want this form of collaboration, and because the companies facilitate it," Tranøy explains.



HOW AKER DEALS WITH ENVIRONMENTAL AND CLIMATE-RELATED CHALLENGES:

Aker is a company that has no operating activities and as such its environmental impact is minimal. Aker is a sizable owner in the oil industry and works to develop technologies and solutions that will reduce climate emissions and increase cost-efficiency.

Aker takes responsibility for the environment

Aker works to ensure that its portfolio companies help improve resource efficiency and do their part in reducing 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 therefore minimal. The company takes responsibility for the environment, mostly through adherence to two guiding principles:

- To reduce any negative environmental impact from operations in Aker and its portfolio companies.
- To increase the focus on the portfolio companies' efforts and solutions to address environmental and climate challenges.

AKER'S EXPECTATIONS OF ITS 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. As the portfolio companies' owner, Aker expects the companies to take responsibility for minimising their environmental impact above and beyond complying with applicable international regulations and standards.

Each company's Board of Directors adopts its own governing documents, including environmental guidelines, a process which Aker is able to influence through its presence in the boardrooms. The companies publish information on significant and relevant environmental

issues in their own CR reports.

AKER SOLUTIONS – PART OF THE SOLUTION

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 field. Compression and pumping technologies and CO₂ injection are examples of such efforts. Aker Solutions is a driver for improved cost-efficiency in the oil industry and helps bring down CO₂ emissions through the development and supply of technology. This is done by means of internal and external improvement programmes. Close collaboration with customers and suppliers is key in this context.

Statoil's enormous Åsgard Subsea Compression IOR (Increased Oil Recovery system), with Aker Solutions' compression and pumping technology, was delivered in 2015. According to Statoil this innovation has increased the Mikkil field's oil recovery rate from 59 to 84 per cent and from 67 to 87 per cent for Midgard. Aker Solutions' analyses show that subsea compression reduces CO₂ emissions with 25-50 per cent compared with other solutions.

Aker Solutions is now working on further solutions and business models to use CO₂ 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 use CO₂-capturing technology to reduce emissions ([see box story](#)).

DET NORSKE – LOWER EMISSIONS AND R&D

As the majority owner of Det norske, it is important for Aker that the oil company conducts its operations responsibly and adopts the highest health, safety and environment (HSE) standards, and that it contributes to more environmentally friendly oil and gas production through its operations and Research and Development work. At the Alvheim field, where Det norske is the operator, low-emission turbines have reduced NOx emissions with more than 60 per cent. The field also has a closed flare system. There were no reports of any accidental discharges of chemicals or oil from rigs in 2015.

OCEAN YIELD REPORTS ON SUSTAINABILITY

Aker's largest investment in the maritime sector is Ocean Yield. Aker founded the ship-owning company in 2012, and it

was listed on the Oslo Stock Exchange in 2013. Ocean Yield, which owns and charter out a modern fleet of ships, has defined environmental targets, reports good results and prepares its own sustainability report. None of the company's ships had accidental discharges in 2015.

AKER BIOMARINE AND HAVFISK ARE INVESTING IN SUSTAINABLE OPERATIONS

Aker's agenda as an owner in the seafood industry is based on sustainable stock management. In order to reduce air pollutant emissions, both Havfisk and Aker BioMarine have invested in energy-saving measures.

Each of Havfisk's vessels has NOx emissions-reducing targets and action plans, and in 2015 the company was paid more in total support from the NOx fund for energy-efficiency measures than the vessels paid to the fund in the form of NOx tax (approximately NOK 0.15 per litre of fuel). However, as the vessels chalked up more days of operation, the overall fleet saw a small increase in CO₂ emissions in 2015, and Havfisk is working on measures to reduce future emissions.

Since setting up Aker BioMarine in 2006, Aker has been a driving force to turn Aker BioMarine into an international standard setter for sustainable krill fishery and environmental targets. One

of Aker BioMarine's company objectives is comprehensive reporting of the company's carbon emissions by the end of 2018.

"GREEN FOCUS" AT FORNEBU

Aker's property development company Fornebuporten Holding gives importance to cost and energy efficiency, waste management, green areas and people in a vibrant residential and business environment. In 2015 Aker moved from Aker Brygge to the newly built Fornebuporten outside Oslo. The office buildings have been certified as Energy class B, which is a high grade for energy-efficiency. Energy grades range from A to G. A grade B signifies that a heat pump or solar energy has been installed for heating and/or that better insulation and windows have been installed than that mandated by official building regulations. Aker has been an active lobbyist for expanding public transport to the Fornebu area, and has designed the Fornebuporten premises so as to facilitate the construction of a metro station between the two office buildings in the future.

CLIMATE CHALLENGES ON THE AGENDA

In the CR network that brings together the portfolio companies, knowledge and experiences are shared, and environmental and climate challenges are

important issues addressed. In 2015 the government proposed that Norway cut its greenhouse gas emissions with at least 40 per cent by 2030 compared with 1990. 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.

The Carbon Disclosure Project (CDP) is a global, independent non-profit organisation, which encourages companies to measure and report climate emissions and issues in a common format. In 2013 and 2014 Aker participated in the CDP survey. As there was little change in 2015 relative to 2014, Aker decided not to participate in the survey last year. In 2015 Aker suggested that Det norske participate in the CDP, and the company intends to do so after the Ivar Aasen field begins production towards the end of 2016.

As an industrial owner, Aker's priorities going forward are to work with the portfolio companies' management, strategy, commercial opportunities, risk management, emissions reporting, verification and dialogue with environmental organisations and other stakeholders.



Aker's agenda as an owner in the seafood industry is based on sustainable stock management. Both Havfisk and Aker BioMarine have invested in energy-saving measures in order to reduce air pollutant emissions.



The technology center at Mongstad is the world's largest plant for testing and development of CO₂ capture technology delivered by Aker Clean Carbon. The technology is being tested in the cement industry and at energy recovery plants.

FOCUS ON:

Reducing climate emissions

The oil sector has built the foundation for Norway's welfare system and has fostered internationally leading, knowledge-based companies. At the same time, environmental and interest organisations point to the oil industry as an important cause of the climate challenges we are facing.

Aker has been a crucial player in the Norwegian oil industry since the mid-1960s, primarily as a mainspring for the development of a knowledge-based oil service industry. It was the Aker-built drilling platform "Ocean Viking" that discovered Ekofisk on 23 December 1969, the first commercial oil field on the Norwegian continental shelf. Since 2009 Aker has been the majority shareholder in Det norske, giving Aker the opportunity to push for the transformation of Det norske from an exploration company to a fully-integrated oil company with an operator role.

The Norwegian oil and gas industry operates to high environmental and safety standards, and the supply industry and the oil companies on the Norwegian shelf today are international leaders in environmentally-friendly exploration and production of oil and gas. The work to develop technologies and solutions that can further reduce greenhouse gas emissions, discharge of environmentally hazardous substances to the sea and the environmental risks associated

with these emissions and discharges, is ongoing.

Aker has been at the forefront of CO₂ capture and storage and invested more than NOK 400 million through Aker Clean Carbon, which has now become part of the engineering and technology community at Aker Solutions. The company has succeeded in effectively capturing about 90 per cent of CO₂ in flue gas. Capturing CO₂ from cement production is a promising step in the international climate context, as approximately 5 per cent of global CO₂ emissions are related to cement production. In 2015 Aker Solutions was awarded a contract by Norcem (HeidelbergCement Group) to undertake a feasibility study at the Brevik factory. Norcem has been active in testing a variety of CO₂ capturing technologies since 2013 and has indicated that Aker Solutions was chosen on the basis of test results and technology. The CO₂ capture technology is also being tested at Oslo's waste management and energy recovery plant.

Det norske is one of Aker's largest investments. Aker's ownership ambition is that exploration, drilling, production and transport of oil and gas shall be done safely, cost-efficiently and as sustainably as possible. Det norske's two most important assets, its ownership interests in the Ivar Aasen and Jo-

han Sverdrup fields, are both part of the Utsira Height, which will be electrified by 2022.

In the short term, Norwegian natural gas can improve climate emissions by replacing coal – while specialised players in renewable energy sources simultaneously concentrate their efforts in their area of expertise. Aker believes it is possible to achieve a reduction in total CO₂ emissions through a combination of natural gas, wind power, solar power, hydropower, oil and other sources of energy, thus helping achieve the UN's 2°C climate target, defined as the global temperature rise by 2100 not exceeding two degrees relative to the pre-industrial age (pre-1850).

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 discussion. Innovation is key to risk management. As a shareholder in companies that are technology leaders in oil service, exploration and production, Aker will continue its efforts to be part of the solution to global energy and climate challenges. Aker's fundamental approach is that enduring solutions to environmental and climate problems must also foster value creation in terms of business economics.

Sustainable fishing

Aker has a history of years of cooperation with WWF Norway on the sustainable management of wild-caught whitefish in the Barents Sea and krill in the Antarctic Sea.

Aker began its collaboration with WWF Norway in 2006 and Aker's operational harvesting companies, Havfisk and Aker BioMarine, have worked in direct partnership with WWF since 2011. Aker has a simple philosophy: Either we fish sustainably, or we don't fish at all.

Havfisk and WWF Norway have collaborated closely and well for many years. Excellent results have been achieved in terms of sustainable management and harvesting, and in the joint battle against illegal fishing. Havfisk and WWF Norway agreed to conclude their formal collaboration at the end of 2015.

The development of Aker BioMarine's business concept and the way the company has positioned itself has been through dialogue with WWF Norway. Aker and the company's principal shareholder, Kjell Inge Røkke, have spearheaded the development of the innovative Eco-harvesting® method where the design of the fishing net ensures that there is no by-catch of fish, birds and other animals. Antarctic krill is managed

under CCAMLR (the Convention of the Conservation of Marine Living Resources), which is the body that ensures legal sustainable harvesting of krill in the Southern Ocean. Aker BioMarine has CCAMLR inspectors on board its vessels. Aker's wholly-owned subsidiary was the first krill-catching company in the world to be certified as sustainable by the Marine Stewardship Council (the MSC criteria). Aker BioMarine was re-certified for the next five years by MSC in 2015, and its krill products are 100 per cent traceable.

In 2015 Aker took the initiative to set up the Antarctic Wildlife Research Fund. The fund finances and promotes research on Antarctic ecosystems and has representatives from Aker BioMarine, WWF Norway and the umbrella organisation ASOC (Antarctic and Southern Ocean Coalition). Eight leading researchers on the Antarctic are on the fund's Science Advisory Group. Aker has contributed USD 500 000 in initial capital. In addition, Aker BioMarine's customers support the fund financially.

The fund works to ensure continued sustainable use of marine resources, with special research emphasis on krill, which is an important food source for marine animal species such as penguins, seals and whales.

Following recommendations from the fund's Science Advisory Board, the Fund's Board of Directors gave its backing to three research projects. Scientists from five different countries will study penguins, humpback whales and krill. The proposed studies were presented to the research community, NGOs and diplomats at the annual CCAMLR meeting in October 2015.

In 2015 Aker BioMarine was the only company to be given the highest score (an A-rating) by the independent organisation Sustainable Fisheries Partnership (SFP).



HOW AKER ADDRESSES CORRUPTION AND ETHICAL CHALLENGES:

Aker works to promote healthy, good values and the right, commercial actions. Aker has introduced its anti-corruption policy in its portfolio companies.

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. Aker employees are expected to lead by example and have sound ethical values and morals based on [Aker's core values](#) and governing documents.

Aker promotes a culture of open dialogue, where any potential dilemmas can be discussed openly. [The Compass](#) is a tool that is intended to make it easier for Aker and its portfolio companies to navigate challenging waters, especially in countries where the risk of corruption is considered to be high.

Aker has an open [integrity channel](#) 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 under the appropriate policy for this channel. Four matters were reported through the investment company Aker's whistleblowing channel in 2015, all pertaining to work-related matters in the portfolio companies. The reports were followed up by the companies in question and Aker saw no need to activate any external follow-up mechanisms.

The portfolio companies also 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 Code of Conduct.

AKER'S EXPECTATIONS OF ITS 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 anti-corruption policy. In developing the anti-corruption policy in 2014 and 2015, Aker collaborated closely with its portfolio companies to ensure that the policy added value to the companies in their everyday work. The policy was approved by Aker's Board of Directors and it has been implemented. In collaboration with its portfolio companies Aker Solutions and Akastor, Aker has designed a special anti-corruption e-learning programme. Aker's CEO Øyvind Eriksen sent emails with this course to a total of 17 742 employees in Aker and the portfolio companies, for whom the course was mandatory. As per the end of 2015, 83 per cent had completed the course. Compliance representatives in each of the companies will ensure that the remaining employees complete the programme.

"Aker, together with Aker Solutions and Akastor, has designed a special anti-corruption e-learning programme. The course is mandatory for all employees working in Aker and portfolio companies"

FOCUS ON;

Raising anti-corruption awareness

Aker is a Norwegian company with 44 employees; its portfolio companies have approximately 26 000 employees, a turnover of NOK 73 billion in 2015 and are represented in almost 60 countries.

Aker is a transparent and well-organised company that exercises ownership in Norwegian-registered companies through its shareholdings. In 2015 Aker re-enforced the compliance function, which is tasked with ensuring that the company acts in line with and fulfils its obligations. The compliance function has given importance to anti-corruption and ethical guidelines.

Aker has observed that corruption in the industry negatively influences society at large, companies, individuals

and markets. Moreover, corruption hinders social development and competition on equal terms in the regions where Aker's portfolio companies have operations, thus affecting business opportunities. Corruption is a serious form of crime that must be addressed. Aker and its portfolio companies therefore have a zero-tolerance policy for all forms of corruption. In order to clarify what this means for the employees, an online mandatory training programme was developed, upon the initiative of Aker's CEO. The objective was to increase awareness of what Aker means by zero tolerance.

The operational companies have an independent responsibility for pursuing this work, and each company has its

own, business-specific ethical guidelines that are intended to spread the right values and responsible actions. Familiarity with international legislation and practices is a prerequisite for the prevention of corruption. This is important for some of the companies in Aker's portfolio, and Aker expects its portfolio companies to have the competence and resources needed to comply with the anti-corruption policy and their own ethical guidelines.

Aker's compliance function will continue to build on the constructive work that has been initiated in this area in 2016. Training in potential dilemmas is an important part of raising awareness and developing the right values.

Transparency and openness

Aker gives importance to engaging in open and direct contact with the company's stakeholders.

Aker does not support political parties or organisations, be it financially or otherwise. The company has not engaged any external lobbyists in 2015.

Through fostering clearly defined and open relations, Aker wants to continue growing trusting relations with employees, employer organisations, employee organisations, investors/analysts, authorities, financial and educational institutions, NGOs and other stakeholders. To summarise, Aker and Aker-owned companies represent a sizable member of the Confederation of Norwegian Enterprise (NHO) and the Federation of Norwegian Industries (Norsk Industri). Aker is a member of the American Chamber of Commerce in Norway and the Norwegian-German Chamber of Commerce.

Transparency is the cornerstone in all communication with the capital market. This encompasses quarterly reports and other forms of dialogue with Aker's share and bond owners, investors, analysts and financial markets in general. The company's website provides a list of its 20 largest shareholders, and includes information on the de facto owners behind the so-called nominee accounts (where a stockbroker holds shares belonging to clients). Aker does its utmost to ensure that its shareholders' voices are heard. It is possible to vote in advance of the general meetings, and Aker's general meeting 2016 will be webcast from Aker's home page www.akerasa.com.

Aker's ambitions and expectations going forward

AKER'S PRIORITIES IN 2016:

1. Exercising active ownership to create value for shareholders, employees, customers and the society of which Aker and its portfolio companies are a part.
2. Continuing to build a competent, diverse and good work environment at Aker – characterised by openness, well-being, good health and motivated employees.
3. Clearly expressing Aker's expectations of its portfolio company's values, actions and measures in terms of CR.
4. Supporting the continued development of the Aker model for management-employee representative collaboration in the operational companies, in dialogue with the trade unions.
5. Being a clear and inspiring role model for zero tolerance for all types of discrimination, harassment, degrading treatment and corruption.
6. Continuing the work to unify knowledge and interests in the fields of energy, fishing, maritime activities and the environment.
7. Putting critical and relevant environmental and climate change issues on Aker's and the portfolio companies' agenda.

"People with knowledge and integrity build Aker and create value for society. This is the company's legacy and future. Aker has shown that it is possible to unify interests and expertise in oil, fishing, maritime activities and the environment and will continue to be a part of the solution to environmental and climate challenges."

Øyvind Eriksen,
CEO and President Aker ASA





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