



ESG Report

2020

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Message from the President and CEO

Last year, I wrote that environmental, social and governance (ESG) considerations are core premises for our business and investment decisions. The last twelve months put that statement to the test.

The pandemic swept over us at the beginning of the year and sparked economic devastation for businesses and communities alike, leading to the greatest recession since World War II. A microscopic organism held a mirror to many of our societies' problems and brought on a collective wakeup call for decision-makers around the globe. Aker is exposed to industries that have been hit especially hard.

Responding quickly with extraordinary measures

As the virus spread and oil demand and prices plummeted, extraordinary measures were quickly implemented across our portfolio companies. I am deeply impressed with the collaborative efforts to protect our workforce and adapt to a new normal. Management teams regrouped to respond around the clock to one of the gravest disruptions in recent memory and employees put in a tremendous effort to adapt to uncertainty, working from home, social distancing, and isolation. Today, many experts are increasingly raising concerns over the potential long-term impact on mental health – problems that could far outlast the virus – and social awareness and employee wellbeing remains at the top of our managements' and boards' agendas.

For Aker and the portfolio companies, Covid-19 also presented an opportunity to redefine our reason for being and the basis of our distinctiveness. As the pandemic hit, we asked ourselves:

“How can we tap into our 180-year history as industry builders to innovate, be a responsible employer and active owner through a time of crisis, and ensure profitable operations that both secure jobs and create value in a new market reality and outlook?”

ESG investing is gaining momentum

ESG investing has been gaining momentum for years, as climate change and other social shifts are causing a fundamental reallocation of capital. When the virus struck, companies were suddenly faced with an unprecedented intersection of emerging and existing risks: securing jobs and employee wellbeing while simultaneously reeling from a collapse in oil prices and economic uncertainty. All while managing megatrends that require adaptability, resilience and skill to remain relevant in the long-term.

During the summer months, Aker made a step change into renewable energy and green technologies by establishing Aker Horizons and, in parallel, bringing values in Aker Solutions into light by spinning off Aker Offshore Wind and Aker Carbon Capture to Aker and other shareholders. The diversification marked an acceleration of Aker's long-term strategy to diversify the portfolio.

Global capital allocation is shifting towards sustainable industries. Market and industry transitions that might have taken years to happen have instead unfolded in a matter of months. At Aker, we have been building this competency and industrial expertise for a long time. The timing was right for more dedicated capital and resource allocation to these new segments in our portfolio. Renewables and green industries are seeing the opposite trend of oil and gas. Cost of capital is going down, and with plummeting cost levels that rapidly improve competitiveness, investors see huge opportunities for value creation.

Executing Aker's long-term value creation strategy

Despite positive market and public response to the diversification of the portfolio, it does not mean that our strategy is changing to 'turning off brown and turning on green.' Nor is it a race. Rather on the contrary, it is an execution of Aker's long-term ambition to position ourselves in industries where we believe we can create strong shareholder value over time.

At Aker, we like to say that we build on the shoulders of existing capabilities. We transition when the time is right. We have the humans and financial resources needed to seize opportunities. However, the moves made this year would not have been possible without the actions taken by our employees and our external stakeholders, including our business partners and elected officials. The latter supported both activity of vital importance to maintain unique oil and gas competency and capacity and allocated funding to stimulate the ongoing energy transition. The wide, collaborative efforts made it possible for us to turn the year into an opportunity, positioning our portfolio for sustainable growth, creating jobs for the future, and protecting shareholder value.

The underlying results paint the picture: Aker Solutions and Aker BP were hard hit by the pandemic and the oil price collapse, but relentless work to protect jobs and ensure strong operations through volatile times paid off. In the fourth quarter, the

companies' value contribution to Aker increased nearly 79 percent and 50 percent, respectively. Simultaneously, our new renewables investment platform, Aker Horizons, contributed NOK 7.6 billion to Aker's Net Asset Value from its establishment to year-end, and is today Aker's second largest asset. In other words: collaborative efforts both internally and externally, and organic growth combined with M&A continues to be our recipe for creating value to shareholders in all parts of Aker.

Today, Aker is positioned with a diversified portfolio along several global trajectories, including industrial digitalization and renewable energy, but our main assets remain in oil and gas. We believe that for as long as demand for energy is rising, the global population growing, and large parts of the world urbanizing, demand for and consumption of oil and gas will continue for years to come.

“... it is an execution of Aker's long-term ambition to position ourselves in industries where we believe we can create strong shareholder value over time ”

A future-oriented strategy

With Aker BP as the largest asset in our portfolio, our strategy is to ensure that the company is at the forefront of tackling the challenge of bridging continued demand for its product with a world in a climate crisis. Aker BP has a future-oriented strategy that ensure it producing smarter, more efficiently and more sustainably than ever. It is leveraging partnerships and deploying technology to understand how to reduce its industry's footprint. This is largely enabled by its partnership with Cognite. In fact, software technology and digitalization are paramount to the success of the energy transition – both in more sustainable production of oil and gas, as well as in enabling optimal and increasing use of renewable energy sources. In this report you can read more about how we see industrial digitalization as a differentiator and key enabler to accelerate the shift to more sustainable development.

2020 – a year of opportunity and a transformative time to prosper

At the time of writing, many parts of the world are experiencing a resurgence in Covid-19 infections. Global cases have passed 100 million and fatalities are exceeding 2.3 million. While vaccines have introduced a path to recovery, we are still battling an ongoing threat, both to societies and economies. Nonetheless, looking back on 2020, with all its surprises and challenges, I also see a year of opportunities that we could hardly have imagined as we entered the new decade. I am deeply impressed by how Aker's portfolio companies, with employees, business partners and customers, weathered the storms and came together in an unparalleled effort. It has been an effort to keep each other and our families safe, but also an extraordinary endeavour that led to a transformation of the Aker group through the most challenging times in recent memory.

I think we may look back at this time of the pandemic and its widespread repercussions and see that it triggered fundamental changes to our portfolio of industrial activities more swiftly than envisioned and, as a result, created an even more prosperous Aker. It is undoubtedly a transformative time. One in which we are positioning ourselves for the future and unlocking significant value. I hope you find this report useful to learn more about how we are working towards sustainable value creation – both in our existing portfolio as well as in new investments. Environmental, social and governance considerations are no longer just premises for our business and investment decisions – they are the basis for our existence.

*Øyvind Eriksen,
President and CEO*

“ In this report you can read more about how we see industrial digitalization as a differentiator and key enabler to accelerate the shift to more sustainable development ”

This is Aker

Aker ASA (Aker) is an industrial investment company with ownership interests concentrated in oil and gas, renewable energy and green technologies, maritime assets, marine biotechnology and industrial software. We exercise active ownership to create value, combining industrial expertise with financial strength and capital market knowledge. We help to develop and strengthen each portfolio company by driving strategy developments, operational improvements, financing, restructuring, and transactions.

Sustainable value creation

Aker has a long-standing tradition of being a responsible company and owner. This has been fundamental to both our own business success and the success of our portfolio companies. Consideration for environmental, social and governance (ESG) topics underpins our investment and business decision-making. It enables us to create value over the long-term.

Our approach to ESG topics is executed in two core focus areas:

1) Responsible investing:

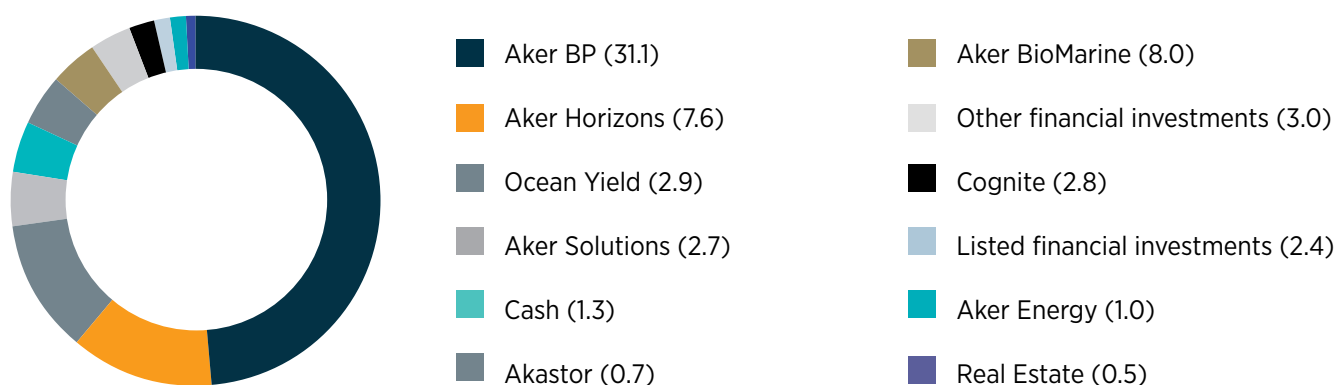
Responsible value creation and ESG issues are integrated into our investment policy and are addressed in our investment analysis and decision-making processes. We believe that this approach improves the resilience of our portfolio and it positions us well for investment opportunities which can create a sustainable future.

The investment policy is designed to ensure that Aker invests in companies which operate in an environmentally responsible manner, where the business plan is closely linked to a strategy for sustainable growth. The policy requires that investments are made into companies which respect human and labor rights, and have strong health, safety and environmental track records. Aker expects its portfolio companies to follow good corporate governance practices that are aligned with its own [Corporate Governance Principles](#) and [Code of Conduct](#).

2) Responsible engagement:

Our policy for responsible engagement relates to our own performance as a company and employer, as well as our role as an active owner. We seek to engage with our employees and our portfolio companies in a way that ensures sustainable development for long-term value creation. Read more about our [active ownership for sustainable development on page 9](#).

Distribution of Aker's NOK 63.9 billion gross asset value as at 31 December 2020:
(NOK billion)



About this report

This ESG report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (core option). The GRI Standards are the world's most widely used ESG reporting standard. The report covers material ESG impacts and the management approach of Aker and its industrial holdings portfolio for the 2020 calendar year.

We used the GRI Standards to identify our material topics

In 2020, we identified the ESG topics that are material to our business. We have defined our material topics for reporting in alignment with GRI's materiality principle. Topics which have a significant environmental, social or economic impact; or, are considered important by our stakeholders, are considered material.

Stakeholders were engaged in the reporting process

Our stakeholders include staff, investors, analysts, banks, NGOs and unions. We engaged an independent ESG consultant to carry out stakeholder interviews and an assessment of our material topics. Responses from the interviews and an analysis of the topics raised was presented to management with recommendations of which material topic to report.

Our material topics

The following ESG topics have been determined to be material for our 2020 sustainability report:

- Strategies for green growth
- Corporate governance
- Climate related risks
- Anti-corruption and anti-bribery
- Integrating ESG in investment decisions
- Active ownership and engagement
- Greenhouse Gas (GHG) emissions.

A more detailed description of the materiality assessment process, including stakeholders engaged and topics raised, is included in the [appendix](#).

Report boundaries

The report is limited to Aker ASA and companies in the industrial holdings portfolio, including Aker BP, Aker Solutions, Aker Horizons, Ocean Yield, Cognite and Akastor. While a part of the industrial holdings portfolio, Aker Energy had very limited operational activity in 2020 and is therefore not included in the portfolio progress report. Where this report refers to "the companies", "the portfolio", or the "Aker group" this includes industrial holdings portfolio only, and does not include the financial holdings portfolio or other investments. From 2021, following dissolution of Aker Kvaerner Holding, the "Aker Group" will not include Akastor and Aker Solutions. Please refer to the Annual Report available at www.akerasa.com for more information on the portfolio composition.



Focus topic: Responsible Engagement

Active ownership for sustainable development.

Acting responsibly and with integrity is important to Aker. As an active owner, we use our ownership rights and board positions to engage with each company on ESG-related issues with the aim of improving the long-term performance of the company and creating shareholder value. We actively work to ensure that Aker's footprint reflects transparency, integrity, and

sustainability, taking responsibility for the impact we and our portfolio companies have on the external environment and ensuring that the corporate culture in each company is based on good business practice, openness and honesty.

In 2020, we defined a set of shared principles for sustainability, to which we expect all our portfolio companies to commit:



In 2020, Aker developed and implemented a [Sustainability Policy](#) for a more systematic approach to minimize the carbon footprint of our investments. The policy sets out minimum requirements for the portfolio companies in regards to ESG policies, implementation, measurement and governance. The objective is to ensure that portfolio companies collect data over time, to ensure they have focus on important metrics, that policies are in place and that ESG issues are followed up at board level. It will also help the portfolio companies to identify areas in which they can improve.

The portfolio companies report to Aker on their commitments to the shared principles for sustainability and we expect each company to have a sustainability policy and strategy that is aligned with its overall corporate strategy. The policy should be expressed in terms of the impact the company has on ESG-related issues, as well as demonstrate how the company is using business development opportunities to ensure more sustainable development. The policy and

strategy are expected to be approved at the board level. Aker expects the Portfolio Companies to conduct materiality assessments and provide a progress update on the important topics identified through ongoing stakeholder dialogue.

Our responsible engagement also includes using our ability to exert influence on ESG strategies, plans and status. Our Investment Team works actively with the portfolio companies to identify business opportunities that support sustainable development. The Aker Board is updated on the portfolio developments on a quarterly basis and a risk review, including climate related risks for the portfolio, is conducted annually. Through the Aker ESG Forum, we work closely to support the companies in their ESG work, progress and continuous improvement. In 2020, the ESG Forum had a total of four meetings during which the heads of sustainability discussed implications of the EU Taxonomy, ESG data collection, reporting standards and other relevant topics.

Aker is committed to the Ten Principles of the UN Global Compact, derived from the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. Aker expects the portfolio companies to follow the UN Global Compact and to identify Sustainable Development Goals to prioritize as part of their sustainable development strategy.

Read more about Aker's expectations on the portfolio companies' sustainability strategy and reporting, as well as our expectations on managing climate-related risks and opportunities in the [Sustainability Policy](#) in Appendix.



Special topic: Energy transition

New energy sources are leading to structural and permanent changes in the world's energy mix. A fundamental transition away from fossil fuels and into renewable and clean sources of energy is underway. The Covid-19 pandemic and a tumultuous oil market in 2020 has only accelerated the movement towards more sustainable development and at Aker, we find that strong forces are pushing us in a greener direction.

Low cost, low carbon

The global energy sector is facing a predicament. On the one hand, demand for energy is rising, led especially by emerging markets. Global population is expected to grow by 1.7 billion by 2040 and increasing resources are required for billions to have a path out of poverty. On the other hand, the world is facing an urgent climate crisis largely due to ever-higher amounts of energy-related emissions. While there is an ongoing and rapidly increasing transition towards cleaner, renewable, and low-carbon energy sources, the rate is still too slow to reach the 1.5-degree goal set out by the Paris agreement.

Oil and gas are expected to lose market share to other forms of energy, yet consumption is expected to grow over the next decade. Even the International Energy Agency's scenarios, with ambitious decarbonization forecasts, show an ongoing, long-term role for oil and gas. Projected to account for more than 50 per cent of the global energy mix in 2040, significant investments will still be needed in oil and gas for years to come. To bridge this with a world in a climate crisis – and to prepare ourselves for high oil price volatility – we need to ensure global oil production has the lowest cost and lowest emissions possible.

At Aker, we are tackling this dual task head on. Oil and gas-related industries still make up the majority of our industrial holdings – but we are simultaneously pivoting to diversify our portfolio and protect long-term shareholder value. This endeavour is largely made possible by the upstream cash from Aker BP, which enables us to seize opportunities that further secures its position as a high-quality producer, as well as to future-proof our portfolio well

beyond peak oil. Aker BP is leveraging partnerships and deploying technology to understand how to reduce the footprint of its operations and product. Strong organic growth at low cost and low emissions, coupled with a strong upstream cash contribution, means Aker BP remains an important and attractive value and liquid investment in Aker's portfolio as we carve out our path forward in the energy transition.

Public private collaboration for a greener future

While we are charging ahead and taking steps to meet future needs and opportunities, we are dependent on a political framework that makes it possible. In early June in 2020, after weeks of negotiations and strong cooperation in the oil and gas industry, a broad political majority in Norway announced an agreement to make temporary changes to the petroleum tax scheme. The legislation allowed for a structured transition where we maintained the capabilities of Norway's world-class offshore supplier industry – an industry hit especially hard by the pandemic. Aker believes that it is on the shoulders of today's skilled oil service workers and engineers that we will succeed in making a green energy transition. Capabilities identified in Aker Solutions allowed us to spin off Aker Offshore Wind and Aker Carbon Capture, companies that have seen a significant value increase since their listing and that formed the first two building of our Aker Horizons platform for investments in renewable energy and green technology.



Aker Horizons – Investments for meaningful reduction of GHG emissions and value creation

This year's diversification is not a fundamental change in Aker's strategy. The ability to continuously adapt is in Aker's DNA. We have been building this competency and industrial expertise for a long time. The shift was in the timing being right for more dedicated capital and resource allocation to new segments in our portfolio. Since the establishment of Aker Horizons in July, the company has undergone remarkable growth.

Shortly into 2021, Aker Horizons added its next building blocks with the addition of Mainstream Renewable Power to its portfolio. Mainstream is a highly competent organization with presence in 11 countries and a significant portfolio of renewable projects within onshore and offshore wind and solar. In addition to adding invaluable competence to the Aker ecosystem, Mainstream further secures Aker Horizons' foothold in the growing market for hybrid

projects, where different renewable technologies can be combined. Aker Horizons' 'energy vision' is to create green value chains for a zero-emission society. This includes having a strong position across 1) energy production, such as wind and solar and converting intermittent renewable energy to baseload, 2) energy transmission, including innovative grid and power transmissions technology and lastly, 3) energy use, including capturing GHG emissions using carbon capture and replacing fossil fuels through clean hydrogen and green ammonia.

And there is no shortage of activities to reach this vision. Aker Horizons recently announced its entry into hydropower with the acquisition of the Norwegian company Rainpower as an entry point. Aker's history in hydropower traces back to the very start of the industry when Kvaerner developed the first ever Norwegian turbine and formed the basis for an entire Norwegian supplier industry, including Rainpower. Fast forward to 2021, and the story comes full circle. Aker Horizons will use Rainpower as a platform to build a next generation technology company to optimize hydropower developments

and operations. In true Aker spirit, we are identifying opportunities to build on our track record and capabilities to drive value creation.

Partnerships for growth

Partnerships are already an integral part of the way Aker does business. For decades, we have leveraged a combination of transactions and strategic, collaborative efforts to grow and create value. Finding solid, long-term partners with complementary capabilities is a cornerstone of our energy transition strategy going forward. Shortly into the new year, Aker Horizons announced a collaboration with Norwegian industry heavy-hitter, Statkraft, a company that has been making clean energy possible for over a century and is today's Europe's largest renewable energy producer. Together with Aker Offshore Wind, Aker Horizons will collaborate with Statkraft on offshore wind projects in Norway – where coupling Europe's largest renewable energy producer with Aker's 180-year track record and industrial expertise, especially on the Norwegian Continental Shelf, has the potential to redefine Norway as an energy nation. Norway's leading offshore industry, including a strong supplier industry, means we already have the building blocks and capabilities in place to be at the forefront of the offshore wind industry in Norway. Going forward, Aker Horizons' portfolio and partnerships will also allow it to evaluate export possibilities to Europe and the UK and electrification of oil and gas assets for possible value-adding offtake.

The partnership strategy was further exemplified with Aker Horizons' entry into hydrogen through its newly established Aker Clean Hydrogen and a partnership with Yara and Statkraft to establish Europe's first industrial-scale green ammonia project in Norway. The first project in the partnership will be to electrify Yara's existing ammonia facility in Porsgrunn, which

has the potential to be one of the largest climate initiatives in Norwegian industrial history. The partners will further target green hydrogen and green ammonia opportunities within shipping, agriculture, and industrial applications. The Herøya project will be a starting point for further electrification of Norwegian industry and realization of hydrogen as an energy carrier. This forms the basis for a new export industry built on unique competency and expertise already in high demand in Europe and other global markets. Not unlike the impact Ekofisk and other fields had on the development of the Norwegian oil and gas industry in the 1970s and 80s, the hydrogen project at Herøya could have major ripple effects for the development of the entire hydrogen value chain and supplier industry in Norway.

Aker Clean Hydrogen, which will carry out the partnership with Yara and Statkraft, already has a portfolio of nine clean hydrogen projects and prospects with a total net capacity of 1.3 GW under development, and additional pipeline and opportunities of 4.7 GW. Based on a proven execution model with scalability, the company aims to reach a net installed capacity of 5.0 GW by 2030. Building on the network effects from Aker Horizons' green value chain, unique capabilities of in-house engineering experts, proven execution and alliance model, and Aker's track record of developing modularized industrial production systems, Aker Clean Hydrogen is hitting the ground running. This is just the beginning of a journey to develop the best-in-class, cost-efficient leader for industrial scale hydrogen production

Looking ahead, Aker will continue its commitment to create shareholder value by being well positioned for its companies to take part in a prosperous journey towards a better future -- for our people and the planet.

Special topic: Industrial digitalization for a more sustainable future

The asset-heavy industry is undoubtably facing profound complexities. In addition to pressure from governments and society to operate at lower cost and lower emissions, we witness less predictability, shifting geopolitical tides, volatile prices, and increasing pressure of cyber security. Industrial digitalization is one of the few means to contend with these shifts. And the time is now.



Digitalization represent a 4 trillion US dollar annual value potential for asset-heavy industries alone, according to McKinsey. As we look back on 2020, with

its challenges and uncertainties, we see new winners and losers being crystallized based on how companies are making digitalization and automation a strategic tool for improvement and growth. Capturing this value potential has, therefore, never been more important. Using data to make better decisions today and predictive analysis to better anticipate the future.

Industrial digitalization remains a great white whale for many - enormous, elusive, and anxiously hunted. One reason is that these industries battle extraordinary inertia and other barriers to change that impede digital transformation. Data remains locked in separate systems and sensors, triggering inefficiencies, cost, and waste in different parts of the value chain. Cognite addresses this challenge. Its Cognite Data Fusion technology, or CDF, has been tackling an extremely complex task – even for the most brilliant programmers and data scientists – on how to break down silos, liberate operational data from all relevant sources, and enable smart applications to improve operations in a range of industries.

Furthermore, digitalization and deploying industrial software is paramount to the success of the transition – both in more sustainable production of oil and gas, as well as in enabling optimal and increasing use of renewable energy sources. A key challenge in the global energy transition is the management of intermittent renewable power, like weather-dependent wind and solar. By deploying digital technologies, data can predict patterns of supply and demand, allowing for optimal coordination of when electricity should come from renewables and when it is needed from conventional power plants.

At Aker, this is an area we see great promise and in which we are well-positioned for growth. We will combine software expertise in Cognite and our newly established software application company, Aize, with Aker Horizons' strengthened renewables portfolio and Aker Solutions' superior track record within engineering, project management and execution. Yet again, we have an advantage of deep domain expertise across the Aker ecosystem where we can build on the shoulders of our existing capabilities. As Cognite and Aker BP have worked together to create two best-in-class companies, our industrial software experts in Cognite and Aize will be an integral part of the new parts of our portfolio within renewables and green technology.

Sustainable Development Goals

We focus on actively contributing to four Sustainable Development Goals. Aker recognizes the importance of the United Nations' 17 Sustainable Development Goals (SDGs) and through its business model supports their implementation. Based on Aker's business activities we have identified four focus areas where we can positively impact and actively contribute to the achievement of the SDGs.



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

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



Take urgent action to combat climate change and its impact

- Aker is committed to improving energy efficiency and reducing greenhouse gas emissions of its portfolio companies through its investments and board positions.
- Aker is using its active owner role to rebalance the portfolio and diversify towards sustainable and renewable solutions.
- In 2020, Aker established Aker Horizons for active ownership in renewables and green technology to meaningfully contribute to reducing greenhouse gas (GHG) emissions. The Aker Horizons' portfolio consists of companies in wind energy, solar power, hydrogen, hydropower and transmission technology.
- Aker is actively engaged in deploying software and digital technologies to accelerate the energy transition, including through Cognite and Aize, as well as through C4IR collaboration projects.



Conserve and sustainably use the oceans, seas and marine resources

- Aker established C4IR Ocean through a joint initiative with the World Economic Forum. The purpose of C4IR Ocean is to reduce the environmental impacts of ocean-related industrial activities. This is achieved through public-private, cross-sector and cross-border partnerships (Goals 14.1-14.3). Read more about C4IR Ocean on page 19.
- Supporting portfolio companies' efforts, including Aker BioMarine, to have more sustainable operations, regulate harvesting and end overfishing (Goal 14.4).



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

- Aker seeks to enhance global partnerships for sustainable development through its involvement in C4IR Norway. The multi-stakeholder partnerships facilitated and fostered by C4IR Norway share ocean health technology, knowledge and expertise (Goals 17.16 and 17.17).

ESG Progress Report

Investing in energy transition

Aker recognizes the opportunity to find collaborative, knowledge-driven solutions that promote sustainable value creation. Strong (and increasing) forces are driving us in a greener direction. We are following this opportunity closely and taking progressive steps to invest in renewable energy and other sustainable growth industries. During 2020 alone Aker's oil and gas related investments have shifted from around 90% of total portfolio value to less than 60%.

Continuing our ESG focus

While we transition, we are continuing our focus on improving the ESG performance of our existing investments and our own operations. Environmental, social and governance considerations underpin all of our business strategy and investment decisions.

Akers' view on ESG performance

- Aker's most significant ESG impacts occur through our portfolio investments. As a company committed to transparently addressing and reporting ESG performance, we believe it is important to apply the same rigorous approach in reviewing our own impacts, even though they are on a much smaller scale.
- Energy use, waste generated and GHG emissions all reduced in 2020, as a result of Covid-19. Movement restrictions meant substantially less travel was undertaken in 2020 and office occupation and use also greatly decreased. Making comparisons with previous years' performance is difficult in these circumstances.
- The gender diversity figure of 47.5% is pleasing to see, along with the low sick leave rate of 0.8%. Both diversity and employee health and wellbeing continue to be core focus areas for Aker.

Aker ASA's ESG performance in 2020:

E ENVIRONMENT

Energy consumption	0.611 MWh
GHG emissions ¹	972 tCO ₂ e
Reduction of GHG emissions	278 tCO ₂ e
Waste	140 tonnes

S SOCIAL

Employee retention	85% ²
Diversity (women)	47.5%
Employee health and safety	TRIF
Percent sick leave	0.8%
Community spending	NOK 7.7 million

G GOVERNANCE

Board diversity (women)	33%
Transparency and integrity	1 case reported, investigated and closed
Anti-corruption training and incidents	0 confirmed incidents
Environmental compliance	0 fines or sanctions

¹) Scope 1 and 2 emissions – scope 2 emissions calculated using location-based approach.

²) The high turnover in 2020 is largely due to employees transitioning from Aker to other portfolio companies, especially the newly established Aker Horizons

Portfolio ESG performance summaries

Aker's portfolio companies have reported to us against the ESG performance indicators for the first time in 2020. The portfolio reporting sets a baseline for future comparison. Where metrics are comparable, a total measure for the portfolio has been calculated, which is presented in the table below. Where metrics are not able to be usefully combined at portfolio level, the range for the measure across all portfolio companies is reported. For a description of the ESG metrics in the table [see the appendix](#). Individual company reporting is presented in the pages following.

Aker's view on ESG performance

During 2020, Aker implemented the [Aker Sustainability Policy](#) and are pleased to see that all portfolio companies have reported in accordance with the policy's KPIs with the exception of Aker Horizons, due to its establishment late in the year and with limited data on which to report for 2020. The data provided sets a useful baseline from which to improve and set targets

for various ESG considerations. The carbon exposure for the full group is relatively high largely due to the nature of the industries in the portfolio. As renewable energy and green technologies make up a larger portion of the portfolio, we expect this figure to decline over time. The group still has a way to go to increase diversity, especially gender diversity, and this is actively being worked on in the companies and through the establishment of a leadership development program. Aker is pleased to see that there is strong environmental compliance across the group and this will continue to be a core focus moving forward.

All Aker companies are required to implement a Code of Conduct which aligns with Aker's own governing document. Strong ethics and integrity processes are key and Aker encourages the company to keep up strong training level in anti-corruption to maintain a zero or low incident report level. As part of the Code of Conduct implementation, Aker expect that values are aligned and where deviations occur, there are processes in place to ensure business practices are established and maintained at the highest ethical standard.

Portfolio companies' ESG performance in 2020¹:

E ENVIRONMENT²

Energy consumption	5,196,437 MWh
GHG emissions	2,529,581 tCO ₂ e
Reduction of GHG emissions	91,889 tCO ₂ e
Waste	63,048 tonnes

S SOCIAL

Employee turnover	0 to 27.9%
Diversity (women)	17.5% to 40.0%
Employee health and safety	TRIF 0 to 41
Percent sick leave	0.2 to 3%
Community spending	NOK 31.81 million

G GOVERNANCE

Leadership diversity (women)	0 to 30%
Board diversity (women)	0 to 43%
Transparency and integrity ³	7 cases reported
Anti-corruption training and incidents ⁴	79 to 100%, 0 incidents
Environmental compliance	0 fines or sanctions

¹ Based on reported figures for 2020. See the portfolio progress reports on page 25-31 for more information.

² Excludes Cognite and Aker Horizons for which 2021 will be the base year for reporting energy consumption, GHG emissions and waste.

³ Excluding Aker Solutions due to variable case reporting criteria - see page 27 for Aker Solution's reported cases.

⁴ Excludes Cognite and Aker Horizons for which 2021 will be the base year for reporting anti-corruption training.

Environmental responsibility:

As a company

Climate risks



Aker is committed to addressing climate-related risks. As a responsible investor in the low carbon energy transition, we see opportunities to create value through investment in sustainable solutions.

As an active owner, we engage with our portfolio companies on climate-related risks and opportunities. We are taking progressive and deliberate steps to diversify our portfolio to deliver value in the ongoing energy transition.

Aker's own GHG emissions have decreased by 23% in 2020

In 2020, our total GHG emissions (including Scope 3) were 1 069 tonnes carbon dioxide equivalents (tCO₂e). Scope 1 and 2 emissions decreased 23% from 2019. The main reasons for the reduction in 2020 emissions are decreased air travel and lower building energy use. Both of these contributing factors resulted from enforced restrictions in movement during the Covid-19 pandemic.

	2020	2019
Scope 1 (t CO ₂ e)	964	1 242
Scope 2 location-based (t CO ₂ e)	8	10
Purchase and use of electricity, heat, steam and cooling (MWh)	609	881
Purchase and use of low-carbon electricity, heat, steam and cooling (MWh)	247	367

Aker received a "B" CDP score in 2020

Aker discloses its climate-related emissions and how it measures environmental risks, and manages its climate impacts strategically via CDP, formerly known as the Carbon Disclosure Project. In 2020 it was awarded a B score, up from a B- in 2019. An overview of Aker's CDP result and link to the full CDP response is included in the [appendix](#).

TCFD reporting on climate-related financial risks

The Taskforce on Climate-related Financial Disclosures (TCFD) has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes. Climate-related risks can be defined as physical risks, including extreme weather and natural disasters resulting from changes in our climate, as well as transition risks, including emerging policy and legislation, technological innovation and market and reputation risk. Both types of risks are relevant to Aker, however the main climate-related risks in Aker predominantly exist within our industrial investments, not with our own operations.

Climate-related risks are incorporated into Aker's corporate risk matrix. They are identified, assessed and managed on an annual basis as part of the annual risk review. Please refer to our [TCFD report in the appendix](#) to learn more about our approach to governance, strategy and management of climate-related risks, including the metrics and targets we use.

B

For 2020, Aker received a CDP score of B
up from a score of B- in 2019



Environmental responsibility:

As an active owner

Our portfolio companies both impact climate change and are impacted by climate change. They are inherently exposed to a range of both physical and transition risks. We are actively engaged with our portfolio companies in understanding and managing these risks. As the current energy transition accelerates, we are actively rebalancing the portfolio and diversifying towards sustainable and renewable energy solutions.

Responsible portfolio companies

Industrial portfolio companies are responsible for identifying, assessing and managing climate-related risks effectively. Each company takes responsibility beyond complying with relevant legal statutes and standards with the aim of minimising their environmental impact. As a minimum, portfolio companies are required to:

- Carry out relevant risk assessments
- Publish information on significant and relevant climate-related issues in their respective sustainability reports
- Ensure that crisis management plans are updated

Key environmental performance metrics for each portfolio company, including climate-related information, is presented on [pages 25 to 31](#) in this report.

EU Taxonomy

Aker is closely monitoring the EU's work on Sustainable Finance and the EU Taxonomy regulation. The new legislative and non-legislative actions introduced in the European Green Deal and the EU Sustainable Finance Action plan will require financial market participants and companies to consider and disclose how they are working with sustainability in a new and standardized manner.

The EU Taxonomy, a cornerstone of this work, establishes a classification system with criteria for which economic activities can be considered environmentally sustainable. Large companies will be required to disclose to what extent their turnover, investments and operational costs align with the EU Taxonomy criteria.

Going forward, Aker plans to analyze and disclose how our operations align with the EU Taxonomy criteria. Aker will also assess how the framework can be used for internal risk management, financial planning, and strategy processes.

“We are actively rebalancing the portfolio and diversifying towards sustainable and renewable energy solutions.”



Centre for the Fourth Industrial Revolution

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



C4IR Ocean provides a platform for partnerships on governance policies, research and business solutions that can accelerate the application of science, data and technology in the public interest. The initial projects of the affiliated centre focus on three overarching topics:

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

Ocean Data Action Coalition

In 2020 C4IR entered into a partnership with Microsoft to lead a crucial project for the Ocean Panel. The Ocean Panel is a unique initiative by 14 world leaders controlling nearly 40 percent of the world's coastlines and 30 percent of the world's exclusive economic zones (EEZs), to protect health and wealth of our ocean for future generations. The project will enable the use of data, technology, and governance frameworks to protect the ocean and increase the sustainability of ocean-based industries.

Ongoing ocean environment projects

In partnership with Aker and its portfolio companies C4IR is continuing to facilitate a range of innovative and collaborative projects. These include:

- **AkerBP Next Generation Emissions and Discharge Optimiser:** A digital application that will optimize, track and eventually develop better and more efficient practices for oil and gas chemical consumption and discharge.
- **Next Generation Shipping Emissions monitor:** An application running on the Ocean Data Platform (ODP) that uses ship tracking data (AIS) combined with secondary sources to quantify and visualize the greenhouse gas emissions from the shipping sector.
- **Digital Offshore Wind Impact Assessment and Approval:** Building the relevant tools and data connections on the ODP required to enable a fully digital impact assessment of offshore wind production.
- **C4IR Ocean Plastics Project:** Leveraging the ODP, 4IR technologies, and the various Aker initiatives to deliver impact on reducing plastics in the Ocean space.
- **Flexible Fishery Management:** Using close to real time echo-sounder and sensor data from fishing vessels and unmanned ocean vehicles to create a best practice fishery management system and an application running on the ODP.

Social responsibility:

As a company

Our commitment to social value creation

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

We invest in our employees

Aker's ambition is to create wellbeing in the workplace. We aim to do this by providing a good working environment, enabling low levels of absence due to illness and retaining a highly skilled and motivated workforce. Alongside competitive compensation, we offer comprehensive benefits packages to all employees, including on-site health and wellness centers. We also offer an Aker insurance package which includes insurance against occupational injuries, personal accidents, sickness, disability, travel, as well as group life insurance.

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

Investing in health and wellness

In addition to healthcare and insurance plans, Aker offers a comprehensive wellness program for all Aker employees. This includes unlimited access to an onsite health and wellness centre, Molokliniken,

where all Aker employees have access to a physician, health counselling and medical treatment. All employees are offered an annual health assessment to help identify potential or existing health risks. All Aker employees are also offered memberships to the onsite Lifestyle fitness center, as well as a membership in the training and lifestyle portal Aker Active.

Key figures Aker ASA, as per 31.12.2020:

- Number of employees: 40
- Share of women: 48%
- Rate of healthiness: 99.2% (sick leave 0.8%)

Investing in our communities

Stiftelsen VI

Stiftelsen VI ("The WE Foundation") was founded in 2018 by Kjell Inge Røkke's private company The Resource Group and Aker ASA with the goal of ensuring equal opportunities and quality of life for people with disabilities. Aker's Chairman Kjell Inge Røkke's privately funds the foundation's basic capital as well as its operational costs. Aker is one of several VI companies and has committed to contribute NOK 10 million to the foundation over a five-year period. Together with the contribution from the portfolio companies, the total contribution to Stiftelsen VI from the Aker group is NOK 100 million from 2019-2023.

Aker Scholarship: investment in future leaders

The Aker Scholarship awards grants to Master and Ph.D. students who can make a difference in the development of industry and society at large. Over the course of five years, 125 students have been granted scholarships, of which 26 were granted in 2020. The grant is awarded by Anne Grete Eidsvik and Kjell Inge Røkke's Charitable Foundation for Education, which is privately funded by Kjell Inge Røkke. Aker is responsible for operating the foundation, with CEO Øyvind Eriksen as the Chairman of the foundation's Board.

Social responsibility:

As an active owner

Open dialogue for collaboration

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

International framework agreement for workers' rights

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

The International Framework Agreement sets out fundamental human rights, workers' rights and refers to internationally-recognised standards governing health, safety and the environment (HSE), pay, working hours and employment conditions.

The Global Works Council enables worker representation



Aker has a global cooperation council, the Global Works Council (GWC), in which the company, employee representatives and industrial portfolio companies are represented. Aker's CEO and the operative companies' top management actively participate in GWC dialogue. The GWC brings together liaison bodies' representatives from Brazil, England, Germany, India, Malaysia, Norway and Scotland. During the year, Angola and the US moved from being Observers to full formal members. Two ordinary GWC conferences were

held digitally in 2020, in addition to one extraordinary digital meeting following the proposed merger between Aker Solutions and Kvaerner and the establishment of Aker Offshore Wind and Aker Carbon Capture as Aker Solutions spin-offs. The ordinary conferences focused mainly on Covid-19 global response and management, ensuring close dialogue between leaders and employees, the challenging situation for supplier companies following the oil price collapse, and discussion around several relevant ESG topics for Aker and the portfolio companies. This included a full review of the Aker Sustainability Policy, during which the GWC members had the opportunity to comment and provide feedback on the policy prior to it going to the Aker ASA board for approval and implementation.

Diversity

As the owner of portfolio companies, Aker is concerned with diversity in competence and highly qualified board members and managers that serve as role models in their companies. Women are well represented on the boards, but are underrepresented in leadership roles. Aker has for several years worked to recruit more female leaders, and several of the portfolio companies have made progress in this area. Three of four of Aker Horizons' platform portfolio companies, established in 2020, have female CEOs and the work to integrate more women in management in other parts of the portfolio continues. This includes work through an Aker Leadership Programme that is currently under establishment and is expected to be launched during 2021.

2020 key figures Aker-owned companies*

- Number of employees: ~28,000 (17,000 in Norway)
- Share of women: 19%
- Rate of healthiness: 98.6 %

*These figures includes own employees and contract workers.

Aker Active by the numbers

- 87 official groups (90 in 2019)
- 747 unofficial groups (726 in 2019)
- 20 736 members (16 195 in 2019)
- Due to Covid-19, Aker Active held 0 activities for its participants in 2020

Governance:

As a company

Effective corporate governance provides the foundation for Aker's ability to create value. Aker's corporate culture is based on good business practices, openness, honesty and respect for people. These principles underpin our approach to sound equity investments.

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



Board Composition and Governing Principles

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

The Norwegian Corporate Governance Board (NUES) has issued recommendations on corporate governance for companies listed in Norway. The Oslo Stock Exchange requires listed companies to publish an annual statement on their policy on corporate governance in accordance with NUES in force at the time. Aker complies with all applicable laws and regulations, as well as with the current edition of the code, issued 17 October 2018, in all material respects. See more information in the [Board of Directors' report for 2020](#) and the [Corporate Governance Report for 2020](#).

Risk assessment

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

Governance:

As an active owner

Ensuring good corporate governance

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

The Aker Model of cooperation

Aker has a long tradition of cooperation on employment matters between the main shareholder, management and union representatives, alongside an open dialogue with authorities and other partners. This is referred to as the "Aker model." In addition to statute-based cooperation, engagement through the GWC and dialogue governing working life, we encourage informal interaction between leadership and employees, based on mutual trust, openness and respect.

We are represented by our CEO at annual union representative conferences organised by the Norwegian trade unions. These are arenas for open dialogue and discussion on strategy, development, HSE, ethics and cooperation. This forum gives Aker a clear direction and enables our ability to implement useful employment representation and reform.

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

Code of conduct

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

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

Whistleblower channel

Aker has an open and independent third-party whistleblower channel where suspected or censurable activities can be anonymously reported. These can include breaches of HSE rules, harassment, insider trading, money laundering, fraud, bribes and kickbacks, or other violations of ethical guidelines. In 2020, Aker received one report through the whistleblower channel, which was investigated and resolved using the appropriate channels and with assistance from an independent third party.

Whistleblower reports on matters in portfolio companies are addressed via their own channels. All of Aker's industrial portfolio companies have their own independent whistleblowing channels. Aker's audit committee is briefed on how relevant matters are handled and may become involved in cases involving breaches of significant compliance matters or the anticorruption policy.

Portfolio progress report

Transparent ESG reporting by portfolio companies

Aker requires its portfolio companies to report on their commitments to the sustainability principles contained within Aker's Sustainability Policy. Each portfolio company also reports against a standard suite of ESG performance measures including environmental, social and governance metrics. Aker expects each portfolio company to conduct regular materiality assessments and provide progress updates on the important topics identified through ongoing stakeholder dialogue. The following section presents the ESG performance reporting for each portfolio company, along with commentary and linkages to more detailed disclosure.



Aker BP

Chairman: Øyvind Eriksen

CEO: Karl Johnny Hersvik

Aker's ownership interest: 40%

Aker BP is a pure-play E&P company on the Norwegian Continental Shelf, with a 2020 average daily production of 210.7 million barrels of oil equivalent. In 2020, the CO₂ intensity was 4.5 kg CO₂ per barrel of oil equivalents (net Aker BP), which is less than one-third of the world average. In 2020, Aker BP reduced their Scope 1 GHG emissions with 77,650 metric tonnes of CO₂ equivalents and 2.1% of these are annual lasting reductions.

ESG performance in 2020:

E Environment	
Energy consumption	4,397,126 MWh
GHG emissions	Scope 1: 843,600 tCO ₂ e Scope 2: 157,046 tCO ₂ e Scope 3: 88,534 tCO ₂ ¹
Reduction of GHG emissions	77,650 tCO ₂ e (Scope 1)
Waste	43,870 tonnes ²
S Social	
Employee turnover	3.5%
Diversity (women and nationalities)	21.5%, 30 nationalities
Employee health and safety	Total Recordable Injuries Frequency (TRIF) - own employees + contractors: 1.2 per mill exp. hrs Serious Injury Frequency (SIF): 0.5 per mill exp. hrs
Percent sick leave	3%
Community spending	NOK 9 million
G Governance	
Leadership diversity	23% women
Board diversity (women)	36%
Transparency and integrity	3 cases. Appropriate action was taken and all 3 cases were closed
Anti-corruption training and incidents	97%, 0 incidents
Environmental compliance	Discharge Issue under Investigation

¹) Scope 3 emissions only include CO₂ emissions and are partially identified
²) Includes hazardous and non-hazardous waste

ESG reporting in 2020:

Aker BP produces an annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards. Aker BP discloses its climate-related issues that include risks and opportunities. The CDP response includes a management approach as well as their performance. In 2020 it was awarded a "B" score. Aker BP also prepares a climate risk review annually and follows the Financial Stability Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The reports are available at www.akerbp.com.

Aker's view:

- In 2019, the Norwegian Environmental Agency (NEA) identified discharge issues on the Ivar Aasen and Alvheim fields. Following the Ivar Aasen inspection, Aker BP improved its systems for monitoring chemical usage and discharge across all its assets and the report was closed. The Alvheim matter had already been identified and handled by the company and after responding to the report, the process was closed in 2020. Both matters were reported by the NEA to Norwegian police in 2020 and the cases remain open. Aker treats all compliance and integrity issues with utmost seriousness and is awaiting the outcome of current investigations. Please see Aker BP's 2020 Sustainability Report for more information.
- Strong organic growth at low cost and low emissions, coupled with a strong upstream cash contribution, means Aker BP remains an important and attractive value and liquid investment for Aker's forward pathway in the energy transition.
- Aker BP will remain a pure-play oil and gas company, maximizing value creation, minimizing emissions, and sharing data and competence with other industries. In 2020, Aker BP's CO₂ intensity was reduced to 4.5 kg per barrel of oil equivalents (boe), which is less than one third of the global industry average. Aker is supporting the company to reduce emissions further.
- Aker is pleased with Aker BP's response to the Covid-19 pandemic, taking swift actions to preserve its financial strength and delivering on its operational targets. Aker and Aker BP collaborated closely along with partners to achieve temporary changes to the tax system, allowing the industry to resume investment plans, increase activity and protect jobs.

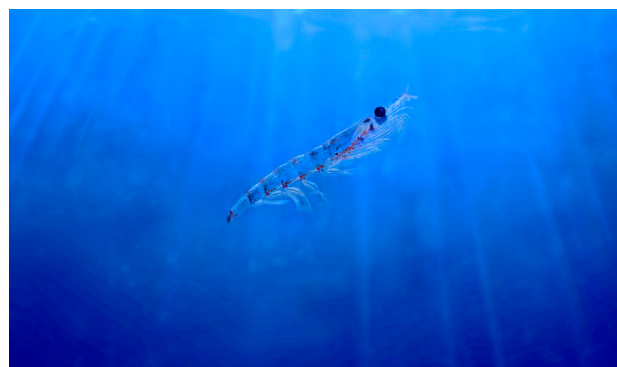
Aker BioMarine

Chairman: Ola Snøve

CEO: Matts Johansen

Aker's ownership interest: 77.8%

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



ESG reporting in 2020:

Aker BioMarine produces an annual ESG report in accordance with the GRI Reference, and reports a climate risk review in accordance with the TCFD recommendations. The reports are available at www.akerbiomarine.com.

ESG performance in 2020:

E <i>Environment</i>	
Energy consumption ¹	415,580 MWh
GHG emissions	118,755 tCO ₂ e
Reduction of GHG emissions	3,186 tCO ₂ e
Waste	395 tonnes
S <i>Social</i> ²	
Employee turnover	AKBM: 27.9% Norway: 7.8%
Diversity (women and nationalities)	AKBM: 24.2% Oslo: 49.6%, 40 nationalities ³
Employee health and safety	AKBM: 41 Norway: 1
Percent sick leave	AKBM: 0.23% Norway: 1.9%
Community spending	NOK 4.54 million
G <i>Governance</i>	
Leadership diversity	30% women
Board diversity (women)	43%
Transparency and integrity	0 reported incidents / no actions taken
Anti-corruption training and incidents	98%, 0 incidents
Environmental compliance	0 fines or sanctions

¹⁾ Excluding transport.

²⁾ AKBM refers to figures for the whole of Aker BioMarine, Norway refers to figures for Norway only.

³⁾ Excluding figures for USA due to legal restrictions in identifying employees by nationality.

Aker's view:

- Ensuring the well-being of the krill biomass and contributing towards a thriving Antarctic ecosystem remains a core priority for Aker's active ownership in Aker BioMarine.
- Aker supports the strategic decision for Aker BioMarine to control its entire supply chain - from harvesting krill, to producing its krill oil end-products. The company is especially focused on its eco-harvesting technology which reduces by-catch to a minimum, as well as fully transparent operations and Marine Stewardship Council (MSC) certification.
- Aker supports the company's investments to reduce its carbon footprint by 50% per tonn krill produced in 2030 and to be net-zero by 2050.
- In 2020, Aker BioMarine launched its own circularity company AION to repurpose product and plastic waste into new products. Aker supports this work.
- The Covid-19 pandemic caused several issues for Aker BioMarine like shipping delays in product delivery, and prolonged processing time in customs, as well as unforeseen costs. The outbreak caused the company to take significant steps to protect employees and its operations. Aker was pleased to see that adequate procedures were put in place which ensured that the company was able to carry out all planned crew shifts without any outbreaks or operational disruption on any of the vessels. In addition, there were no major outbreaks or operational disruptions at the Houston plant.

Aker Solutions

Chairman: Leif-Arne Langøy
CEO: Kjetel Digre
Aker's ownership interest: 33.3%

Aker Solutions is a global supplier company to both the oil and gas industry as well as to renewable energy segments.

In 2020, Aker Solutions merged with Kvaerner to form an optimized and even stronger supplier company. The merged company is taking a proactive and precautionary approach to environmental management and has identified significant opportunities to address environmental impact through its products and services by being at the forefront of technological developments and predicting customer needs.

ESG performance in 2020:

E Environment	
Energy consumption	145,520 MWh
GHG emissions ¹	24,914 tCO ₂ e
Reduction of GHG emissions	10,345 tCO ₂ e
Waste	16,183 tonnes
S Social	
Employee retention	5.8%
Diversity (women and nationalities)	17.5%, 87 nationalities
Employee health and safety	TRIF 1.26
Rate of sick leave	3.02%
Community spending	NOK 8.5 million
G Governance	
Leadership diversity	23.8%
Board diversity (women)	40%
Transparency and integrity ²	169 whistleblower reports
Anti-corruption training and incidents	85%, 0 incidents
Environmental compliance	0 fines or sanctions

¹⁾ Excludes some scope 3 emissions.

²⁾ The global Risk & Compliance Hotline Benchmark provided by Navex Global represents 12 industries and includes companies of various size and geography. It reported a global median of 1.4 reports per 100 employees in 2020. Aker Solutions recorded 1.1 reports per 100 employees, with 59% of reports concerning employee relations and human resources issues.



ESG reporting in 2020:

Aker Solutions produces an annual ESG report in accordance with the GRI Standards. Aker Solutions discloses its climate-related emissions and how it measures environmental risks, and manages its climate impacts strategically via CDP. In 2020 it was awarded a "C" score. Aker Solutions prepares a climate risk review annually and follows the TCFD recommendations. The reports are available at www.akersolutions.com.

Aker's view:

- Aker Solutions has played a key role in the diversification of Aker's portfolio in 2020. Capabilities and opportunities identified in Aker Solutions formed the first two building blocks in Aker Horizons with Aker Carbon Capture and Aker Offshore Wind, companies that have seen a significant value increase since their listing.
- During the year, Aker Solutions completed its merger with Kvaerner to form an optimized supplier company, protecting invaluable competency and jobs, which will be critical in the ongoing energy transition from low carbon oil and gas project or from renewable energy business.
- Looking ahead, Aker sees opportunities for Aker Solutions to enable customers and society to accelerate the transition to sustainable energy production. The company delivers complete facilities for oil and gas production with minimum environmental footprint, as well as projects for renewable energy. The targets are to have one third of its revenues come from low carbon and gas projects or from renewable projects by the end of 2025, and two thirds by the end of 2030. By 2030, Aker Solutions has committed to reducing absolute carbon emissions (Scope 1 and Scope 2) by 50 percent, using 2019 as a baseline.

Ocean Yield

Chairman: Frank O. Reite

CEO: Lars Solbakken

Aker's ownership interest: 61.7%

Ocean Yield is a vessel-owning company focusing on investments in vessels with long term charters. The company has a broad and diversified portfolio spread over eight different shipping segments, with long-term charters to 20 international counterparties that operate within shipping and oilservice.



ESG performance in 2020:

E <i>Environment</i>	
Energy consumption	211 MWh
GHG emissions	Scope 1: 0.01 million tonnes CO ₂ e ¹ Scope 2: 0 Scope 3: 1.21 million tonnes CO ₂ e ²
Reduction of GHG emissions	Not reported
Waste	Not reported
S <i>Social</i>	
Employee turnover	0%
Diversity (women and nationalities)	40%, 2 nationalities
Employee health and safety	TRIF 0
Percent sick leave	~1%
Community spending	NOK 2 million
G <i>Governance</i>	
Leadership diversity (women)	12.5%
Board diversity (women)	40%
Transparency and integrity	0 reported incidents / no actions taken
Anti-corruption training and incidents	100%, 0 incidents
Environmental compliance	0 fines or sanctions

¹⁾ Scope 1 emissions includes all operated vessel (Connector). Dhirubhai-1 excluded, as this vessel is in lay-up and classified as discontinued operations.
²⁾ Scope 3 emissions includes all vessels owned in 2019 with exception of 6 container vessels (50% ownership) and the SBM Installer (75% ownership due to no data).

ESG reporting in 2020:

Ocean Yield produces an annual ESG report available at www.oceanyield.no. The report contains disclosures from the World Economic Forum's efforts to develop a core set of common sustainability metrics, and from the Norwegian Shipowners' Association Guidelines on ESG reporting in the shipping and offshore industries. The company also uses reporting guidance from Euronext and selected TCFD recommendations.

Aker's view:

- Through its position on the Board and in active dialogue with the company, Aker supports Ocean Yield's strategy to invest in modern vessels with new technology and minimize the residual value exposure. The company currently has three vessels that uses gas as fuel for propulsion. Aker supports the willingness to continue to invest in vessels with new technology to reduce GHG emissions, such as LNG propulsion.
- The company has concrete and measurable targets for its environmental impact for operated vessels.
- In 2020, Ocean Yield began collecting emissions data for its fleet, increasing transparency and providing data for measurable targets over time. The emissions figure represents CO₂ equivalent emissions for Ocean Yield's fleet as reported by their counterparties. While the emissions are beyond Ocean Yield's direct operational control and represent the company's Scope 3 emissions as defined by the GHG protocol, Aker encourages continued transparency and that Ocean Yield continues to disclose the environmental impact of its assets. This includes supporting the company to implement clauses to document in new bareboat contracts to get access to operational data for its clients to better be able to disclose figures on climate-related issues.

Akastor

Chairman: Kristian Røkke

CEO: Karl Erik Kjelstad

Aker's ownership interest: 36.7%

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

ESG performance in 2020¹:

E Environment	
Energy consumption	238 000 MWh
GHG emissions	76,723 tCO ₂ e ²
Reduction of GHG emissions	708 tCO ₂ e
Waste	2,600 tonnes
S Social	
Employee turnover	7%
Diversity (women and nationalities)	18%, 42 nationalities
Employee health and safety	TRIF 1.7
Percent sick leave	2.7%
Community spending	NOK 1.27 million
G Governance	
Leadership diversity (women)	0%
Board diversity (women)	37.5%
Transparency and integrity	4 cases reported, investigated and closed
Anti-corruption training and incidents	79 %, 0 confirmed incidents
Environmental compliance	0 fines or sanctions

¹⁾ ESG performance data for 2020 includes AKOFS Offshore, which is 50% owned by Akastor.
²⁾ Includes Scope 1, 2 and 3 emissions.



ESG Reporting in 2020:

Akastor produces an annual ESG report inspired by the GRI standards. Akastor Solutions prepares a climate risk review annually and follows the TCFD recommendations. The reports are available at www.akastor.com.

Aker's view:

- Akastor's portfolio is largely invested in the oil and gas service industry and Aker expects Akastor to work to find ways to contribute to reducing the industry's carbon footprint, either by developing more efficient products and services for its customers, or by rebalancing their product and service lines towards more sustainable operations. Examples of this work include MHWirth's contributions to delivering solutions to offshore wind farms, AGR's carbon capture and storage services, and AKOFS Offshore's investment in battery packs that will reduce fuel consumption and CO₂ emissions.
- Through the Covid-19 pandemic, Akastor has taken an active role in both finding ways to mitigate market turmoil and position its portfolio towards more sustainable operations and energy-efficient technical solutions. Aker has worked actively with the company through 2020 to identify more of these opportunities across the Akastor portfolio which will help drive long-term, sustainable value creation. This includes in the offshore wind space and other opportunities for growth.

Cognite

Chairman: Øyvind Eriksen
CEO: John Markus Lervik
Aker's ownership interest: 62%

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



ESG performance in 2020¹:

S Social	
Employee turnover	6%
Diversity (women and nationalities)	26%, 56 nationalities
Employee health and safety	LTIR 0
Percent sick leave	1.27%
Community spending	NOK 6.5 million
G Governance	
Leadership diversity (women)	24%
Board diversity (women)	0%
Transparency and integrity	0 reported incidents / no actions taken

¹⁾ 2021 will be the base year for reporting energy use, GHG emissions and waste in Cognite.

Aker's view:

- Aker believes Cognite can play a key role in using data to drive more sustainable operations. Cognite's core product, CDF delivers data and operational insight for impactful change towards the energy transition. Through the year, the company has established a number of important use cases, including a performance-based business model between Aker BP and Framo which reduced maintenance by 30 percent and shutdowns by 80 percent, a program with Aker BP to use machine learning and physics to improve water contamination detection, representing significant cost savings, and using computer vision and acoustic data to help wind farm operators limit their impact on wildlife and reduce operational expenses by over 20 percent.
- Aker is working closely with Cognite's new minority owner, global venture capital firm, Accel, to further scale and commercialize CDF for global growth.
- Going forward, Aker sees great opportunities for Cognite to take a greater part in offering solutions within renewable energy and green technology, including through collaboration with the Aker Horizons' portfolio companies.

Aker Horizons

Chairman: Øyvind Eriksen

CEO: Kristian Røkke

Aker's ownership interest: 80%

Aker Horizons, established in 2020, is an investment company with a focused portfolio in the renewable energy and low-carbon technologies space. The company has a flexible mandate to engage in active ownership to build and develop leading companies in emerging industries, through M&A, organic growth and long-term value creation. As a newly formed entity in 2020, Aker Horizons will report complete ESG performance metrics for the 2021 calendar year.

ESG Reporting in 2020:

2021 will be the base year for integrated ESG reporting for the full Aker Horizons portfolio. Sustainability reports for 2020 for the individual portfolio companies can be found at www.akercarboncapture.com, www.akeroffshorewind.com and www.mainstreamrp.com. Aker Clean Hydrogen was established after year-end.

Aker Horizons' platform portfolio:



Aker's view:

- The investment in Aker Horizons is aligned with our core investment strategy. Aker believes the time is right for more dedicated capital and resource allocation to new segments in our portfolio. The significant growth experienced by the company since its formation validates this view.
- Aker endorses Aker Horizons' energy vision to create green value chains for a zero-emission society and actively supports the approach it is taking to renewable energy investments, including its collaborative partnership for clean hydrogen with Yara and Statkraft.
- Going forward, Aker sees great opportunities for Aker Horizons to create value through its investments in renewable energy, collaborative partnerships and leveraging potential synergies.



APPENDIX

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GRI Content Index

GRI Indicator:		Reference:
<i>Organizational profile</i>		
102-1	Name of the organisation	Aker ASA
102-2	Activities, brands, products, and services	www.akerasa.com/en/investments
102-3	Location of headquarters	www.akerasa.com/en/contact
102-4	Location of operations	Global
102-5	Ownership and legal form	Publicly listed company on Oslo Stock Exchange
102-6	Markets served	www.akerasa.com/en/investments
102-7	Scale of organisation	www.akerasa.com/en/investments
102-8	Information on employees and other workers	Page 15
102-9	Supply chain	www.akerasa.com/en/investments
102-10	Significant changes to the organisation and its supply chain	www.akerasa.com/en/investments
102-11	Precautionary Principle or approach	Aker ASA applies the precautionary principle in its day to day decision-making
102-12	External initiatives	Pages 19-20
102-13	Membership of associations	NHO, World Economic Forum, and IndustriALL Global Union
<i>Strategy</i>		
102-14	Statement from senior decision maker	Pages 3-5
102-15	Key impacts, risks, and opportunities	Pages 3-6, 8-13, 15-16, 20-31 & 38
<i>Ethics and integrity</i>		
102-16	Values, standards, principles and norms	Pages 39-40 and www.akerasa.com/en/about/vision-and-values
102-17	Mechanisms for advice and concerns about ethics	Page 23 and www.akerasa.com/en/about/integrity-channel
<i>Governance</i>		
102-18	Governance structure	www.akerasa.com/en/about/board-and-management
<i>Stakeholder engagement</i>		
102-40	List of stakeholder groups	Page 37
102-41	Collective bargaining agreements	Not reported due to limited size of company
102-42	Identifying and selecting stakeholders	Pages 7 and 37
102-43	Approach to stakeholder engagement	Pages 7 and 37
102-44	Key topics and concerns raised	Page 37
102-45	Entities included in the consolidated financial statements	See 2020 Annual Report
<i>Reporting practice</i>		
102-46	Defining report content and topic Boundaries	Pages 7 and 37
102-47	List of material topics	Page 7
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	2020 calendar year
102-51	Date of previous report	March 2020 (2019 ESG Report)
102-52	Reporting cycle	Annual
102-53	Contact point	Christina.Glenn@akerasa.com
102-54	Claims of reporting in accordance with the GRI Standards	Page 7 GRI Standards (core option)
102-55	GRI content index	Page 34-35
102-56	External assurance	Provided by KPMG page 45

Topic disclosures

GRI Indicator		Reference
<i>Economic value and climate-related financial risks</i>		
103	Management approach	Pages 3-6, 8-13, 15-16, 20-31 & 38, see also Annual Report
201-1	Direct economic value generated and distributed	See Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Pages 17-18 & 38
<i>Anti-corruption</i>		
103	Management approach	Page 23
205-2	Communication and training about anti-corruption policies and procedures	Pages 15-16 & 25-31
205-3	Confirmed incidents of corruption and actions taken	Pages 15-16 & 25-31
<i>Greenhouse gas emissions</i>		
103	Management approach	Pages 3-6, 8-13, 15-18, 22-31 & 38
305-1	Direct (Scope 1) GHG emissions	Pages 15-17 & 25-31
305-2	Energy indirect (Scope 2) GHG emissions	Pages 15-17 & 25-31
305-3	Other indirect (Scope 3) GHG emissions	Pages 15-17 & 25-31
305-5	Reduction of GHG emissions	Pages 15-17 & 25-31
<i>Non-compliance with environmental laws and regulations</i>		
103	Management approach	Pages 15-18 & 25-31
307-1	Non-compliance with environmental laws and regulations	Pages 15-16 & 25-31
<i>New employee hires and employee turnover</i>		
103	Management approach	Pages 15-16, 20-21 & 25-31
401-1	New employee hires and employee turnover	Pages 15-16 & 25-31
<i>Diversity and equal opportunity</i>		
103	Management approach	Pages 15-16, 20-21
405-1	Diversity of governance bodies and employees	Pages 15-16, 20-21 & 25-31
<i>Financial services sector supplement</i>		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	100%

ESG performance metrics

Aker uses the following ESG metrics and qualitative assessments for measuring key aspects of its portfolio's sustainability performance.

KPI:

Measurement:

E *Environmental*

Energy consumption	Total energy consumption across all business units (MWh)*
GHG emissions	Total direct (Scope 1) GHG emissions and indirect (Scope 2) emissions across all business units (tCO ₂ e)*. Other indirect (Scope 3) emissions to be reported where deemed relevant.
Reduction of GHG emissions	Emissions reduced as a direct result of reduction initiatives (tCO ₂ e) and the Scope (1, 2 or 3)
Waste reduction	Total waste across all business units (tonnes)
Business opportunities	New business opportunities identified as part of solving environmental and climate challenges

S *Social*

Employee retention	Percent of FTEs leaving
Diversity	Percent of female employees, number of nationalities represented
Improving employee health and safety	HSSE incident frequency (number of incidents)
Community spending	NOK spent on community initiatives (e.g. Stiftelsen VI)

G *Governance*

Leadership diversity	Percent of women in management
Board diversity	Percent of women on Board
Transparency and integrity	Number of confirmed incidents through whistleblower channel and actions taken
Anti-corruption	Percent of staff having completed anti-corruption training, confirmed incidents of corruption and actions taken
Compliance with environmental laws and regulation	Total monetary value or total number of significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations

Materiality assessment

An independent materiality assessment was undertaken in 2020 to identify and prioritize material ESG topics for inclusion in this report.

Stakeholder engagement

A representative selection of internal and external stakeholders was identified based on GRIs stakeholder inclusivity principle and an assessment of stakeholders' salience. The following stakeholders were interviewed:

- Folketrygdfondet
- DNB
- SEB
- KLP
- Incentive
- Norron AB
- ABG Sundal Collier
- Carnegie
- Sissener Canopus
- Norwegian Confederation of Trade Unions (LO)
- Confederation of Norwegian Enterprise (NHO)
- Næringsdepartementet
- REV Ocean
- Norsk Industri
- Aker ASA internal stakeholders

Materiality determination

Topics identified by stakeholders were also rated by stakeholders. An independent report was prepared which recommended material topics for reporting based on importance to stakeholders and significance of impacts, in line with GRIs materiality principle. The following topics, raised and assessed by stakeholders, were considered for inclusion in this report:

E <i>Environment</i>	
GHG emissions	Monitoring & reducing GHG emissions.
Reduction of other environmental impacts	Initiatives to reduce negative environmental impacts related to i.e. biodiversity loss, water consumption, waste and local pollution.
Climate related risks	Strategy to assess and manage climate related risks, i.e. a changing physical climate and the transition to a low-carbon economy.
S <i>Social</i>	
Contribution to society and local community	Employee volunteering initiatives (Stiftelsen VI) and contribution to R&D (C4IR etc).
Engaging with trade unions / employee representatives	Ensuring a close dialogue with internal stakeholders in the organisation.
Attracting and retaining talent	Long-term planning for people development, including training and career path support.
Employee well-being	Facilitating work-life balance, access to physical exercise, e.g. Aker Active
Diversity and inclusion	Providing equal opportunities to current and future employees, at all levels in the organisation.
Health and safety	Ensuring a safe and secure workplace.
Human rights	Respecting freedom of speech, freedom of organisation, privacy.
G <i>Governance</i>	
Corporate Governance framework	Best practice compliance controls, board nominations processes, whistleblowing and dividend policy.
Anti-corruption and anti-bribery procedures	Programmes in place to corruption, e.g. risk assessments, training and monitoring.
Tax transparency	Corporate structures enabling external stakeholders to understand the company's payment of taxes (country-by-country reporting).
Supply chain management	Setting ESG requirements to suppliers and follow-up of supplier performance.
ESG board oversight & risk management	Defined risk tolerances and key performance indicators also in the area of ESG.
Compensation and remuneration	To what degree performance based pay is aligned with the strategy horizon of the company.
Integration of ESG issues in investment decision process	ESG due diligence.
Strategies for green growth	Clear strategy for green growth e.g. Diversification/sector mix or proportion of EU Taxonomy aligned revenue in portfolio
Contributing to ESG initiatives and frameworks	Contribute to raising ESG standards through standards and frameworks, e.g. SDG, GRI, WEF, CDP etc.
Active ownership: Assisting portfolio companies in becoming more sustainable	Expectations, internal monitoring, KPIs to support ESG development in portfolio companies
Active ownership: Expectations and Board communication	Competence, training/induction of board members nominated by Aker ASA.
ESG monitoring & reporting	External transparency through ESG reporting.

TCFD assessment



Core elements

Governance

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

Strategy

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

Risk Management

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

Metrics and Targets

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

Governance

1	Describe the board's oversight of climate-related risks and opportunities	<p>Aker has an active strategy for board oversight regarding climate related issues in the investment portfolio, including relevant risk assessments in portfolio companies. This comprises integrating climate factors systematically into our investment policies and active monitoring of progress from the boards in the portfolio companies, as well as the Board of Aker.</p> <p>The timing was right in 2020 for more dedicated capital and resource allocation to renewable energy and green industry segments in Aker's portfolio. The board is actively involved in the oversight of this investment strategy, seeing significant opportunities for value creation. Increasing regulations are considered an opportunity to accelerate the diversification of our portfolio, especially as the cost of capital is decreasing for renewable industries. We see increasing interest in the capital markets for these kinds of investment opportunities. We also consider that this is a good opportunity to build on Aker's industrial track record and engineering and project management expertise, as well as leveraging synergies across our portfolio i.e. using digitalization and software capabilities to strengthen and differentiate our industrial companies.</p> <p>The Board reviews risks regularly, including climate-related risk. Climate-related risk factors (physical, regulatory, market and transition risks) are included in the corporate risk matrix, which is reviewed quarterly, and more frequently if there are developments or events that put climate-related risks on the agenda. In cases of major climate related issues, these are reported by the portfolio companies to the Board of Aker as part of the corporate risk management process.</p> <p>Aker's energy market analyst updates the board on energy transition risks and opportunities. Aker's entry into renewable energy has meant reviews of several market related issues, including for onshore and offshore wind, solar energy, hydrogen and hydropower. A full analysis of the portfolio, in relation to the EU Taxonomy has been requested by the Board. These risk and opportunities have been part of the regular Board update calls. The issues identified through the portfolio analysis will be incorporated into the risk matrix and included in the annual risk review in 2021.</p> <p>The risk process is described in the annual Corporate Governance Report, and comments about the company's risk exposure is included in a separate section within the quarterly reports.</p>
2	Describe management's role in assessing and managing climate-related risks and opportunities	<p>Aker's management team ensures that the corporate risk matrix captures relevant risks. To achieve timely reporting on key issues, management calibrates the matrix on a regular basis and evaluates how portfolio companies are likely to perform in the short, medium and long term. The CFO is actively involved in ESG Forums related to the EU Taxonomy and is leading the portfolio review in relation to the Taxonomy.</p> <p>The management team of Aker also takes a role in supporting portfolio companies towards more climate resilient strategies. These include:</p> <ul style="list-style-type: none"> Aker's chief economist produces forecasts of energy markets and regulatory changes and shares this with Aker's portfolio companies. This work is increasingly related to renewable energy industries, including solar, onshore and offshore wind and hydrogen Aker takes an active role in cross-sector, industry-wide collaboration on climate risk, for example, through its support of, and involvement with the Centre for the Fourth Industrial Revolution (C4IR). In 2020, the Aker group worked with NHO to submit feedback for criteria on relevant industries in the EU Taxonomy. Aker actively supports strategy shifts and efforts that reduce emissions in portfolio companies. Aker's CFO and Head of Legal have been actively involved with the Aker ESG Forum in 2020, including reviews on the implications of the EU Taxonomy and how to leverage opportunities that arise from stricter regulations.

Strategy

3	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	<p>RISKS:</p> <p>Climate-related regulation: Aker's oil and gas exposure, representing a significant proportion of Aker's NAV, is considered a priority risk in the medium to long term. Primary risks relate to carbon tax, energy efficiency requirements or emission caps that will impact the value of investments in companies producing oil or providing oil services, i.e. Aker BP, Aker Energy, Akastor and Aker Solutions. Aker actively supports Aker BP's work to keep record low emissions per barrel of oil and is encouraging the company to share its data and competence with other industries, which could open up for collaboration opportunities and projects to reduce the company's and industry's footprint.</p> <p>Transition to low-emission technologies: The maritime industries are experiencing increased energy efficiency requirements and emission regulations, which could impact the profitability of the current fleet and incur costs of renewing to lower emission vessels. This may impact Aker's investments in the portfolio companies Aker BioMarine and Ocean Yield.</p> <p>Climate changes in the oceans: Aker BioMarine harvests krill in the Antarctica - increasing sea temperatures and acidification of the oceans may negatively impact yields and profitability of the company.</p> <p>OPPORTUNITIES:</p> <p>Zero emissions, renewable energy and climate technologies: Aker Horizons, established in 2020, is an investment company 100% owned by Aker with a focused portfolio in the renewable energy and low-carbon technologies space. The company has a flexible mandate to engage in active ownership to build and develop leading companies in renewable energy sectors, including through M&A and organic growth for long-term value creation. The company is currently positioned within onshore and offshore wind, solar energy and hydrogen, as well as hydropower and transmission technologies. Aker is facilitating collaboration between Aker Horizons' companies and Aker's industrial software and application companies, Cognite and Aize, to identify opportunities for climate technologies and how to deploy software and digitalization in the use of intermittent energy solutions. Furthermore, Aker sees great opportunities in the hybrid projects space, where different renewable energy segments and technologies are combined to match fluctuating demand and availability.</p> <p>Demand for low-emission solutions: Aker invests in companies that develop solutions that significantly reduce their customers' emissions. This includes technologies that increase the extractability of deep water reservoirs (Aker Carbon Capture and Storage) and data solutions for energy efficiency (Cognite). With increased demand for low-emissions solutions, Aker Solutions can leverage its strong position within engineering and project management to provide services to emerging renewable energy and green technology industries. During 2020, the company increased its targets to have one third of revenues come from energy transition projects by the end of 2025, and two thirds by the end of 2030. The high tendering activity, combined with leading capabilities for the energy transition, should turn into a number of interesting opportunities for the company moving forward. With increasing costs of GHG emissions, Aker generally expects greater ROI from investments in low-emissions technologies and solutions, and from companies that service these industries.</p>
4	Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	<p>Aker's investments both impact climate change, and are impacted by climate change. In response Aker has made significant investment into renewable energy and green industry segments. Aker Horizons is a pure-play green company with subsequent investments in renewable energy, climate technologies and other green activities. Aker has developed an active approach to managing climate related issues in its investment portfolio overall. This includes integrating climate issues more systematically into the investment strategy, more active monitoring of progress from the boards in the companies in which Aker invests, and more systematic oversight from the Board of Aker. Aker requires all its portfolio companies to report a comprehensive suite of ESG metrics, including climate-related metrics, annually. Alongside the specific metrics, Aker expects its portfolio companies to produce their own ESG report, to report in line with TCFD recommendations and submit a report to CDP. Aker has actively diversified its portfolio for greater resilience with significant investment in the renewable energy sector. The macro and financial analyses conducted by Aker's Chief Economist informs the investment and ownership strategies of Aker, and is also communicated regularly to the portfolio companies.</p>

Strategy (cont.)

5	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Aker has an active investment strategy, including portfolio rebalancing toward low and no emissions investemnts. The current portfolio is diversified with 44% non O&G related by current asset value and 16% of the portfolio classified as renewables and green technologies (as of year-end 2020). Aker is yet to publish calculations on how different climate scenarios will impact the investment strategy. However, Aker is regularly reviewing the resilience of the investment strategy in terms of diversification potential, with investments in R&D and M&A being part of this process. Some of the more exposed portfolio companies have undertaken a scenario-analysis based on IEA's World Energy Outlook, including Aker BP.
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Risk management

6	Describe the organization's processes for identifying and assessing climate-related risks	Aker reviews its risk matrix annually and conducts an annual risk review. The review process is a cooperation between the major functions within the organisation, including the investment team, treasury, security, legal/compliance, communications/CR/ sustainability and Investor Relations. This process safeguards a risk matrix tailored for the Board's monitoring and strategic priority considerations. The risk matrix is also an important tool for management level decision-making. Climate related risk was introduced as a new risk category in the 2019 update and remains a key risk category.
7	Describe the organization's processes for managing climate-related risks	<p>Aker has made substantial investments into renewable energy and green technologies. The recently formed Aker Horizons company has successfully capitalized on demand for green activity investment, creating significant value in a very short period of time. These investment have rebalanced Aker's portfolio towards a much lower carbon intense activity base. Some climate related concerns in Aker remain in its industrial investments. The main organizational mechanism for oversight and active management of the industrial investments are through the board of the companies in which Aker invest. Aker is represented in all the boards of its industrial investments, and it is the individual company's duty to oversee and report all material risks and opportunities to Aker. Aker expects its portfolio companies to identify and manage climate related risks as part of their core business procedures. It is important to underline that Aker may not impose any decisions on its portfolio companies, however, Aker is deeply involved in nominating board members, and expects that portfolio companies as a minimum:</p> <ul style="list-style-type: none"> ▪ Include relevant risk assessments in their respective portfolio companies ▪ Disclose climate-related metrics and risks, including reporting in line with TCFD recommendations and submitting reporting to CDP ▪ Ensure that crisis management plans are updated ▪ Consider portfolio rebalancing towards low and no carbon activities.
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<p>Risk management is part of Aker's system for internal controls and falls under the responsibility of the Board, as stipulated in the Norwegian Code of Practice for Corporate Governance ("NUES"). Risk management in Aker is described in detail in a Risk Management Policy. In accordance with this policy, and in accordance with the NUES recommendation, an annual risk update is provided to the BoD. The last update was in May 2020. Externally, the risk update process is described in the annual Corporate Governance Report and comments to the company's risk exposure is also included in a separate section within the quarterly reports available at www.akerasa.com.</p> <p>Based on the magnitude, the risks are categorized into three broad categoriees: Top risks (red), Tier two (yellow) and Tier three (green). Only Top and Tier Two risks are reported to the BoD. Tier Three risks are monitored but not included in the annual BoD reporting. For each risk, relevant mitigation actions are identified. These mitigation actions will reduce the risk and create awareness around the risk, but in most cases, it is not possible to eliminate the risk without excessive cost or full exit from the business from which the risk originates. Climate related risks are part of the corporate risk matrix (physical, market, regulatory and transition risks). Identified risks are registered in a risk matrix that currently contains 41 active risks. The magnitude of each risk is also measured by the product of its probability and consequence – where the consequence is measured as the potential effect on Aker's Net Asset Value (NAV), where minor risk is considered to be from 0-1000 mNOK, moderate from 1000-2000 mNOK, high from 2000-4000 mNOK and a major risk has an impact of more than 4000 mNOK. This is also an important part of preparing substantial R&D and M&A investment decisions.</p> <p>In 2020, oil and gas sector exposure was considered a Top Tier (Red) risk, as significant amount of Aker's NAV is exposed to the oil and gas sector. Mitigating actions include rebalancing the portfolio towards other industries, as well as increasing operational excellence and reducing CAPEX. Environmental and social focus and sanctions that impact funding sources is also considered a Top Tier risk, whereby focus on green investments may impact investors and banks' appetite for funding fossil fuel projects. Mitigating actions include keeping a close dialogue with banks and debt investors to ensure proper assessment of the risk, and during 2020, Aker initiated the establishment of a Green Finance Framework to fund other parts of the portfolio and optimize the flexibility of funding. Generally, climate-related risks are considered a Top Tier risk as failure of climate change mitigation and adaptation combined with extreme weather events shape the global opinion and regulatory conditions. Aker believes that companies looking to manage climate-related risks need to be agile and integrate sustainability into core business procedures. Aker has included relevant risk assesments, both for physical and transition risks, in the respective portfolio companies and works to ensure that crisis management plans are updated. Aker also works actively to ensure that the companies have specific targets for activity related to sustainability and environmental issues and to ensure satisfactory annual reporting and third-party ratings. The assessment of each portfolio company is mainly carried out through the close dialogue and regular reporting between the portfolio companies and Aker's investment team.</p>

Metrics and targets

9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk process	In 2020, Aker assessed which climate related metrics are relevant for management purposes, i.e. related to diversification, R&D and M&A. The company actively monitors these metrics through tis own reporting and the reporting of portfolio companies. Key metrics included portfolio composition, EU Taxonomy green activity classification alignment, GHG emissions, energy use and emission reductions.
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks	<p>The emissions from the legal entity Aker ASA are as follows:</p> <ul style="list-style-type: none"> ▪ Scope 1: 964 metric tonnes CO₂e ▪ Scope 2 (location based): 8 metric tonnes CO₂e ▪ Scope 2 (market based): 145 metric tonnes CO₂e ▪ Scope 3: 97 metric tonnes CO₂e <p>Scope 1 & 2 emissions for all portfolio companies are reported both in Aker's own ESG report and in individual company reports. On going efforts to reduce Aker's own and its portfolio company emissions are coupled with a low carbon investment strategy to reduce risk.</p>
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	As described in point 9, Aker has established metrics for measuring climate related risks. These will be further developed in 2021, including performance targets for lowering carbon intensity in alignment with industry and national reduction commitments.

Code of conduct

Trust is a key ingredient to success

A key ingredient to success for our diverse ownership portfolio is trust; a fundamental principle that never changes no matter where we are in the world. We achieve trust by acting with integrity, honesty and transparency.

Our Code of Conduct is our main governance document

Our **Code of Conduct** is our main governance document, which aims to build trust and demonstrate our commitment to be a respected business and societal actor. The principles in the Code of Conduct describe our ethical standards and expectations, and guide the behavior of our employees, our portfolio companies and our partners.

Compliance with laws and regulations

Aker complies with all applicable laws and regulations and conduct its business with integrity, respecting cultures, dignity and rights of individuals everywhere we operate. In the event that there are differences between laws and regulations and the standards set out in the Code of Conduct, the highest standards consistent with applicable local laws shall be applied.

Application of the Code of Conduct

This Code of Conduct applies to Aker ASA and to subsidiaries of Aker ASA (to the extent not being part of an Aker Family Company, as defined below) hereinafter together referred to as "Aker". The term "Aker employee" comprises employees, contract workers/hires-ins, officers and directors in Aker. Intermediaries, lobbyists, consultants, contractors, and other who act on behalf of Aker, are expected to adhere to standards which are consistent with this Code of Conduct.

Aker ASA expects that each of its portfolio companies, currently including Aize Holding, Akastor, Aker BP, Aker BioMarine, Aker Energy, Aker Horizons, Aker Property Group, Aker Solutions, Cognite, Ocean Yield and Philly Shipyard (jointly referred to as the "Aker Family Companies"), implement their own Codes of Conduct that adequately addresses the principles included in this Code of Conduct.

Further, the companies that fall outside the above-described scope for this Code of Conduct, Aker ASA expects board members appointed by Aker ASA to strive to implement guidelines which hold the same standard as those described herein.

Suppliers, subcontractors, and other contracting parties of Aker are also expected to adhere to standards which are consistent with this Code of Conduct and applicable laws and regulations, and Aker shall do its best to ensure such adherence.



Sustainability Policy

This is an excerpt of Aker ASA's sustainability policy. The full policy can be found at www.akerasa.com.



Acting responsibly and with integrity is essential to Aker's DNA

As an active owner we ensure that our footprint – mainly through the activities of our portfolio companies – reflects transparency, integrity, and sustainability. This means taking responsibility for the impact we and our portfolio companies have and ensuring that the corporate culture in each company is based on good business practice, openness, honesty and the highest integrity standards.

Defining Aker's framework for sustainability

The purpose of this policy is to define Aker's framework for sustainability. **The sustainability policy** describes how we integrate sustainability in our investment process, our own operations, expectations on our portfolio companies, and the governance of our organization. The sustainability policy is supplemented by our Code of Conduct, Corporate Governance Policy and annual corporate risk assessment. It is reviewed by Aker's Audit Committee and approved by the Board of Directors.

Principles for sustainability

Based on the main governing document in the Aker group, the shared Code of Conduct, we expect all our portfolio companies to adhere to the following Principles for Sustainability, and also ensure that business partners and suppliers act accordingly.

- Commitment to a good working environment
- Commitment to good governance
- Commitment to environmental responsibility and being part of the solution
- Commitment to human rights, labor rights and freedom
- Commitment to equal opportunities and diversity
- Commitment to ethics, honesty, and sincerity.

The policy is divided into two subsections:

- 1. Engagement policy** – how we engage with our portfolio companies on sustainable development.
- 2. Investment policy** – how we implement ESG considerations in our investment decisions.

Corporate Governance Principles

Effective corporate governance provides the foundation for value creation, which in turn is the ultimate goal for Aker. It is a prerequisite for an industrial investment company to succeed. Corporate governance is therefore a key concern for Aker's board of directors and employees, and in the exercise of ownership in Aker's underlying companies.

Aker believes in active ownership. Shareholders with clearly defined strategic goals for the company and who are involved through the boardroom and direct dialogue with company management, promote shareholder value. The active ownership provides direction and purpose.

Aker's main shareholder, TRG Holding AS, is actively involved in Aker through its main owner, Kjell Inge Røkke. Similarly, Aker is closely involved in the monitoring and follow-up of companies in which Aker is the main shareholder. Aker's management model is discussed in the Board of Directors' Report for 2020.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance, most recently revised in the autumn of 2019, the board has reviewed and updated the company's corporate governance principles.

Aker's principles are largely consistent with the updated recommendations and they include:

1. Corporate governance
2. Business purpose
3. Share capital and dividend
4. Equal treatment of shareholders and transactions involving related parties
5. Shares and negotiability
6. Annual general meetings
7. Nomination committee
8. Board of directors – composition and independence
9. The work of the board of directors
10. Risk management and internal control
11. Board remuneration
12. Remuneration of executive management
13. Information and communications
14. Takeover
15. Auditor

CDP Report



CDP (formerly known as the Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors and companies to manage their environmental impacts, including climate-related emissions.

Aker discloses its climate-related emissions and how it measures environmental risks, and manages its climate impacts strategically, via CDP. In 2020 it was awarded a B score, up from a B- in 2019. Please refer to Aker's full CDP response on the [CDP website](#) (login required).

Aker's CDP disclosures include:

- Governance
- Risks and opportunities
- Business strategy
- Targets and performance
- Emissions methodology
- Emissions data
- Emissions breakdowns
- Energy
- Additional metrics
- Verification
- Carbon pricing
- Engagement
- Portfolio impact

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Independent auditor's assurance report to Aker ASA

We have been engaged by the management of Aker ASA to provide limited assurance in respect of the carbon emission data in the ESG Report of Aker ASA. Included in the scope is the following; total GHG emissions (including scope 3) and table on carbon emission data on page 17 of the ESG Report 2020.

Our conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described below, nothing has come to our attention, to indicate that the carbon emission data on page 17 in the ESG Report 2020 is not presented, in all material respects, in accordance with the criteria as defined by the GRI Standard 305: Emission.

Management of Aker ASA's responsibility

The management of Aker ASA is responsible for the preparation and presentation of the carbon emission data for 2020 in accordance with the criteria as defined by the following GRI Standards; Disclosure 305-1, Disclosure 305-2 and Disclosure 305-3: Core option. It is important to view the information on the carbon emission data for 2020 in the context of these criteria.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the information on the carbon emission data for 2020 that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to provide a limited assurance conclusion on Aker ASA's preparation and presentation of the carbon emission data for 2020.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3410): "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board.

ISAE 3410 requires that we plan and perform the engagement to obtain limited assurance about whether the information of the carbon emission data for 2020 is free from material misstatement.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Offices in:

Oslo	Grimstad	Molde	Trondheim
Alta	Hamar	Narvik	Tynset
Arendal	Haugesund	Sandnessjøen	Tønsberg
Bergen	Knarvik	Stavanger	Ålesund
Bodø	Kristiansand	Stord	
Elverum	Larvik	Straume	
Finnsnes	Mo i Rana	Tromsø	

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Limited assurance on the carbon emission data for 2020

The procedures selected depend on our understanding of the carbon emission data for 2020 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. Our procedures for limited assurance on the carbon emission data for 2020 included, amongst others:

- Interviews with relevant staff at corporate level responsible for providing the information, carrying out internal control procedures and consolidating the carbon emission data for 2020
- Reviewing relevant internal documentation, on a limited test basis, in order to determine the reliability of the carbon emission data for 2020

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for Aker ASA for the purpose of assisting management in determining whether Aker ASA's limited assurance carbon emission data is prepared and presented in accordance with the GRI Standards; Disclosure 305-1, Disclosure 305-2 and Disclosure 305-3: Core option and for no other purpose or in any other context.

Oslo, 18 March 2021

KPMG AS



Arve Gevoll
State Authorized Public Accountant



Anette Rønnov
Director



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