



TRANSPARENCY ACT REPORT FOR AKER ASA 2022



TRANSPARENCY ACT REPORT

This report has been prepared, guided by, the Norwegian Transparency Act (the “Transparency Act”) section 5 and summarizes the policies and procedures in Aker ASA (“Aker”) with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of Aker’s due diligence.

ABOUT AKER

Aker is an industrial investment company with ownership interests concentrated in oil and gas, renewable energy and green technologies, industrial software, seafood, and marine biotechnology sectors. In 2022, Aker also established active asset management as a business area with the first capital raise expected in 2023.

As an industrial investment company Aker exercises active ownership to create value, combining industrial expertise with capital market expertise and financial strength. Through its’ board positions in the companies in which Aker is invested, Aker helps to develop and strengthen its portfolio companies by driving strategy developments, operational improvements, financing, restructurings, and transactions.

Aker is the largest shareholder, directly or indirectly, in 9 companies listed on the Oslo Stock Exchange and Euronext Expand Oslo. In addition, Aker is invested in several privately held companies. In 2022, Aker and companies in which Aker is the largest investor had a total turnover of more than NOK 200 billion, and a workforce of approximately 34,000 in 58 countries, including temporary hires. About 20,500 of the workforce are employed in Norway. Aker ASA itself only has 48 employees, all located in offices at Fornebu, Norway.

Aker respect and acknowledges the fundamental principles of human rights, labor rights and decent working conditions¹⁾. Aker strives to ensure that its business operations do not cause or contribute to, or is directly linked to, actual or potential adverse impact on human rights and decent working conditions. Aker has a long tradition of involving employees and their unions in the operation of its business, and has forward-looking ambitions within the areas of equality, diversity, and inclusion.

During 2022, Aker reviewed and strengthened its efforts to safeguard human rights and decent working conditions in several ways. While sound policies and systems were in place before the new Act, Aker’s governing documents were further strengthened, and some new procedures

were also implemented. The process for implementation of the new Act was anchored with the Aker Board of Directors and progress is reported to the Board to enable monitoring. Aker also performed an overall impact analysis and a human rights due diligence, invested in a monitoring tool and implemented human rights training for employees. Exercising active ownership, Aker also worked with its portfolio companies to contribute to their compliance with the Act. Several of Aker’s portfolio companies are subject to the Transparency Act themselves and will issue their own, separate reporting in due time.

GOVERNANCE OF HUMAN RIGHTS

GOVERNING DOCUMENTS

Aker’s human rights policy is embedded in Aker’s Code of Conduct, the Sustainability Policy, and the Code of Conduct for Business Partners, which form important premises for Aker’s business strategy, investment decisions and how it exercises its ownership interests. The Code of Conduct contains Aker’s ethical commitments and requirements, including Aker’s expectations to personal conduct and business practices. Aker’s Sustainability Policy governs environmental, social and governance (“ESG”) impacts of Aker’s own performance and investment decisions, as well as Aker’s role as an owner of companies. Clause 3.4 of the Sustainability Policy states that Aker shall perform human rights impact assessment and due diligence to understand and mitigate potential and actual adverse impact and strive to ensure that Aker, through its operations, does not cause or contribute to adverse human rights impacts. Aker shall implement and enforce effective systems to reduce risks of adverse human rights impact in its operations and in its value chain. If Aker cause or contribute to adverse human rights impact Aker shall take necessary steps and strive to remedy the adverse impact.

The Code of Conduct for Business Partners provides an important foundation for Aker’s engagement with business partners setting out Aker’s expectations to business partners such as suppliers, customers, service providers, joint venture partners etc. The Code of Conduct

¹⁾ Including the principles and rights set out in the ten fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, supported by guiding principles for corporate responsibility to respect human rights set out in the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises. Further, Aker recognizes the UN Convention on the Rights of the Child and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and responsibilities under these.

for Business Partners reflect an expectation that business partners respect fundamental human rights and decent working conditions, carry out risk-based human rights due diligence to identify and assess risks of adverse impact and take measures to cease, prevent or mitigate any actual or potential adverse impact they identify. Aker's commitments to respect basic human rights, trade union rights and decent working conditions are also reflected in the Global Framework Agreement between Aker, Fellesforbundet, IndustriALL, Global Union, NITO and Tekna. This agreement relates to all companies that are part of Aker, i.e., where Aker is a significant shareholder. At the time of writing this report the Global Framework Agreement is under revision and renegotiation. The proposed new agreement is significantly strengthened on key elements and includes an obligation to perform human rights impact assessment and due diligence to identify and mitigate potential and actual adverse impact in line with Aker's policies and requires the related Aker companies to do the same.

All these governing documents address the areas of human rights and decent working conditions and include requirements, responsibilities, and ambitions for driving positive progress.

RESPONSIBILITIES

Aker's Board of Directors (the "Board") has the oversight responsibility of the management of the company, including oversight of risks related to adverse impact on human rights and decent working conditions, and strive to ensure that respect for human rights and decent working conditions are systematically integrated into Aker's policies, investment decision-making and in the active monitoring of the portfolio companies. The Board's responsibilities are clearly addressed in the Rules of Procedure.

The Audit Committee supports the Board in executing oversight over the management of the company and has been given a review role related to ESG topics, including risk of adverse impacts on human rights and decent working conditions. This allows for a thorough treatment of the area and that the reporting is in line with the obligations set out in the Transparency Act. The Board and the Audit Committee review risks regularly, including risks related to actual or potential adverse impact on human rights and decent working conditions. Relevant risk factors are included in the corporate risk matrix, which is reviewed annually, and more frequently human rights adverse impact risks and incidents (if relevant) are part of the quarterly reporting to the Audit Committee on integrity and ESG topics. Upon implementation of the new Transparency Act in 2022, the responsibilities and the implementation process were anchored with and approved by the Aker Board, and developments are reported to the Audit Committee to enable monitoring of progress.

The President and CEO in Aker is responsible for the daily operations of the company, including policy implementation and ensuring that ESG impacts are taken into consideration as part of the company's daily work. This includes assessing and managing risks of adverse impact on human rights and decent work related to Aker's investments activities. The CEO reports to the Board monthly.

The more detailed implementation processes, including training and establishment of risk-based assessment, monitoring and control procedures are in practice the responsibility of the General Counsel and the Chief Sustainability Officer. The two latter are also responsible for handling of information requests under the Transparency Act, as per the new Information Request Procedure implemented as part of the implementation process of the Transparency Act, and reports to the Audit Committee on Integrity and ESG topics on a quarterly basis. In addition to on-boarding and training sessions on specific topics, Aker conducts a yearly Code of Conduct training where the Aker employees also sign off on that they have read and understood the Code of Conduct.

STRATEGY AND EXERCISE OF ACTIVE OWNERSHIP TOWARDS PORTFOLIO COMPANIES

Some portfolio companies are controlled by Aker, others are not, but for most investments Aker is the largest, or a large, shareholder. Aker exercises active ownership by contributing to development of the portfolio companies using its influence as shareholder, mainly through board positions. As an owner, Aker follow-up to strive to ensure that portfolio companies have in place governing documents and processes ensuring respect for, and adherence with, the fundamental principles of human rights and labor rights, and that risks of actual or potential adverse impact on human rights and decent working conditions are assessed, monitored, and mitigated, guided by the Transparency Act.

The portfolio companies are fully responsible for their own businesses, including implementing policies and monitoring adherence, but for some particularly important areas of group-wide relevance, Aker requires governing documents to be implemented in the portfolio companies within the framework of Aker's own governing documents. Aker expects its portfolio companies to adhere to the principles set forth in Aker's human rights policy as reflected in its Code of Conduct and Sustainability Policy. Aker requires the portfolio companies to implement their own Code of Conduct in line with that of Aker or by using Aker's Code of Conduct within their own business. The same applies with respect to Aker's Code of Conduct for Business Partners and as set out in Aker's Sustainability Policy, Aker also expects its portfolio companies to have a board approved sustainability policy and that the companies integrate sustainability in their corporate business strategy, targets and operations. The Global Framework Agreement is shared with portfolio companies with clear expectations of adherence.

As an active owner, Aker also often engages with the portfolio companies' managements and relevant functions, such as legal, compliance and sustainability resources, both on regular basis (such as at quarterly investment reviews), and more ad hoc related to specific topics. Aker also offers various networks with participants from across the group, such as a CEO-network, legal network, compliance network, finance and treasury networks, sustainability network, communication network and more. Within these networks, Aker share expectations and invite to discussions, promote best practice, and offers webinars for training and competence sharing among others related to human

rights and decent working conditions.

Aker requires all portfolio companies to report a comprehensive suite of ESG metrics, including on topics related to risk of actual or potential adverse impact on human rights and decent working conditions, and expects its portfolio companies to produce their own ESG report and to report in line with the Transparency Act.

DUE DILIGENCE WITH RESPECT TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS

In accordance with Aker's Investment Policy, Sustainability Policy and M&A Integrity Procedure, risks related to any actual or potential adverse impact on human rights and decent working conditions shall be evaluated as part of the due diligence on business partners and in relation to mergers and acquisitions. The inherent risk related to the concrete business partner or related to the transactions in question is what determines Aker's level of due diligence.

During 2022, Aker has engaged in several due diligences which has addressed actual or potential adverse impacts on human rights and decent working conditions. Aker has not discovered any actual adverse impacts. Further, no significant risk of potential adverse impact was identified, but where relevant, have implemented mitigating actions to reduce risks of potential non-significant adverse impacts.

IMPACT ASSESSMENT

Aker's core business is to invest in or create new companies, own, and operate companies and to divest (and/or alternatively close). Aker has therefore developed routines for how to evaluate and monitor actual or potential adverse impact on human rights and decent working conditions in relations to potential new investments, for the monitoring of current holdings and in relation to divestments and/or close-downs. Aker is also conducting due diligence of business partners and of its suppliers, the latter pursuant to a risk-based approach.

RISK INCIDENT MONITORING

Aker is using RepRisk for a high-level continuous monitoring of actual or potential negative impact on human rights and decent working conditions. Aker has created watchlists covering its investments, suppliers and business partners, and the main industries and countries in which Aker is exposed. These watchlists monitor all global adverse media on ESG issues. If there are any adverse incidents related to Aker, the Chief Sustainability Officer and General Counsel will be notified and will investigate and handle the case according to its routines. Aker also has an open whistleblowing channel managed by an independent third party for reporting of serious matters, such as potential breaches of ethical guidelines and violations of the law.

SPECIFIC INSTANCE PROCESS BEFORE THE OECD CONTACT POINT FOR RESPONSIBLE BUSINESS CONDUCT

On 31 May 2022, Aker and Aker BP received a complaint filed with the Norwegian OECD Contact Point for Responsible Business Conduct (the NCP) by eight civil society organizations, regarding the acquisition of Lundin Energy Norway AS from Lundin Energy AB (new name Orrön Energy AB). Although not directly relevant for this

account of our due diligence under the Transparency Act, we include information about the case here. The complaints relate to well-known allegations that Lundin Energy AB has caused or contributed to adverse human rights impact relating to its operations in Sudan during the period 1999-2003, and claims that the transaction has left Orrön Energy incapable of providing remedy for alleged contribution to human rights violations. In relation to the transaction, Aker and Aker BP were very conscious that Orrön Energy AB should remain able to undertake the eventual responsibilities related to the Sudan activities. It is our assessment that this is the case. The NCP has however decided to offer a dialogue and mediation process regarding the human rights due diligence in connection with the transaction, which Aker and Aker BP will participate in.

RISK ANALYSIS

Aker's approach to a more in-depth risk assessment is to investigate potential risks related to the industries and products it is invested, but also based on where those investments are active or have their exposure. Using a country and industry matrix is important as risk of adverse impact on human rights and decent working conditions are highly country specific.

Aker's industry exposure is centered around oil and gas, renewable energy and climate solutions, industrial engineering and software and aquaculture. Aker uses RepRisk's Country-Sector Reputation Risk Index to give an indication of the related risks for certain sectors and countries. Further, it is necessary to investigate deeper to understand the inherent country-sector risk for human rights and decent working conditions.

Further investigation into the specific human rights related risks show that, on a general level, there is inherent risk of actual or potential adverse impacts on fundamental human rights and decent working conditions (here "Adverse Impacts") in the following country-sector areas:

- **Renewable energy development** – there is inherent risks of Adverse Impacts on the people in local communities affected by renewable energy development projects, and in particular if the people affected includes indigenous people or other vulnerable groups.
- Further, there is inherent risk of Adverse Impacts associated with the supply chain of renewable energy, and in particular any exposure to the Xinjiang province in China, but also China in general and other high-risk markets such as Democratic Republic of Congo, India, Brazil, Chile, and South Africa.
- Also, mining and processing of minerals and metals are associated with high inherent risk of Adverse Impacts due to the nature of such operations and its locations.
- In the construction of **renewable energy** projects there is also inherent risks of Adverse Impacts due to labor intensive working periods often executed with contracted workforces.

- **Oil and gas** exploration and development in Ghana is subject to inherent risk of Adverse Impacts due to the country risk profile in general and weaker human rights protection.
- Further, in oil and gas the inherent risk of Adverse Impacts related to Aker is more limited as this industry is globally more regulated. Still, risks related to Adverse Impacts in the supply chain is always inherent and also involvement and delivery of products and/or services to projects in countries with weaker human rights and worker conditions regulations. In the construction phase which is labor intensive there is also higher inherent risk due to higher use of hire-ins and contracted workers.
- **Industrial software** has higher inherent risk of Adverse Impact in Saudi Arabia due to the country's weaker protection of human rights and decent working conditions.
- **Aqua culture** has a higher inherent risk of Adverse Impact related to the production of fish feed and its links to the production of soy in countries like Brazil.
- **Shipping** has a higher inherent risk of Adverse Impact in the construction, operation and decommission phase due to labor intensive and/or high use of hire-ins and contracted workers and a generally weaker human and worker protection of those most frequently used countries for such operations.

The inherent risk related to Aker's supply chain is currently considered moderate. Aker's suppliers are mainly Norwegian entities including banks, law-firms and audit firms. Within Aker supply chain, IT and software services and hardware are considered to have moderately higher inherent risk. IT and software services and hardware are linked to Asian production and the mining of metals and minerals are associated with high inherent risk of Adverse Impacts due to the nature of such operations and its locations.

MITIGATION OF RISK

In 2022, Aker has carried out human rights due diligence and has not identified actual adverse impact on human rights and decent working conditions directly linked to its own operations or its investments. There are however some areas of higher focus based on the inherent risks set out above. For Aker this inherent risk is mitigated by ensuring portfolio companies have policies and procedures in place for assessing and mitigating risk for adverse impact, supply chain monitoring, due diligence procedures and reporting. Through engagement with portfolio companies Aker has during 2022 had particular focus on ensuring these overall principal elements and systematic approach is in place. Aker will continue its efforts to follow up implementation

and progress of portfolio companies. For more information of each portfolio companies' policies and practices can be found on their homepages and in their respective Transparency Act reporting.

FOCUS IN 2022 AND PLANS FOR 2023

During 2022 the main actions have been:

- Anchoring roles, responsibilities and the implementation process related to the Transparency Act with Aker's Board and strengthen Aker's governing documents and implement these.
- Strengthening of the monitoring of investments, sectors and countries in which Aker and business partners operate with respect to risk of adverse impacts on fundamental human rights and decent working conditions.
- Communicating expectations and recommendations with portfolio companies.
- Conducting impact analysis and human rights due diligence, including assessment of the portfolio companies' processes for identifying and assessing adverse impacts on fundamental human rights and decent working conditions and measures to cease, prevent and mitigating such risks, and implementation of the Transparency Act in general.
- Engaged and followed up portfolio companies in meetings and through reporting.
- Rolled-out a human rights training (e-learning) and arranged webinars and knowledge sharing across Aker and with portfolio companies.

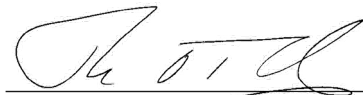
To further strengthen Aker's efforts to safeguard human rights and decent working conditions Aker plans the following activities for 2023:

- Continue to support portfolio companies in establishing processes and practices for identifying and assessing risk of adverse impacts on human rights and decent working conditions and implement measures to cease, prevent or mitigate such risks and human rights due diligence.
- Update and implement a revised Global Framework Agreement with the global union and take actions to include employee representatives of new companies in Aker's Global Works Council.
- Establish collaborative projects with business partners and the union to mitigate adverse impact in challenging areas.

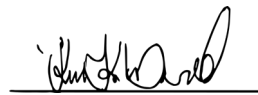
Fornebu, 23 March 2023
Aker ASA



Kjer Inge Røkke
Chair



Frank O. Reite
Deputy Chair



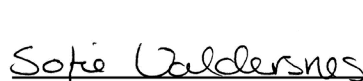
Kristin Krohn Devold
Director



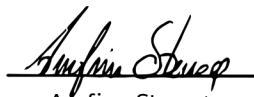
Karen Simon
Director



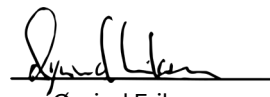
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