



# SUSTAINABILITY POLICY



**AKER ASA**

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**The Sustainability Policy** governs **Environmental, Social and Governance** impacts, risks and opportunities of Aker's own performance and investment decisions, as well as Aker's role as an active owner.

# 1. POLICY AMBITION, OBJECTIVE AND SCOPE

Aker ASA ("Aker") is an industrial investment company developing businesses by exercising active ownership to create value. Aker's ambition is to ensure that portfolio companies represent profitable, safe, and sustainable operations. Aker contributes to the development of companies by using its influence as shareholder. By integrating sustainability impacts, risks and opportunities (IRO's) in operations and business decisions, Aker makes companies resilient, more successful and create long-term value.

The Sustainability Policy governs environmental, social and governance (ESG) impacts, risks and opportunities of Aker's own performance and investment decisions, as well as Aker's role as an owner of companies. This policy communicates long-term ambitions and sustainability expectations for all investments and business partners - including its value chains. As an owner, following up on these ambitions and

expectations, Aker will focus on larger portfolio companies as well as in a risk-based approach. Throughout this policy, when referring to portfolio companies, this is defined as larger enterprises<sup>1)</sup> where Aker has significant influence<sup>2)</sup>. Realizing long-term ambitions will require a realistic, risk-based and step-by-step approach with a clear focus on continuous improvement.

If any investments in Aker's portfolio are associated with serious and/or systematic violations of this policy, laws, regulations, international norms or unethical behavior, actions will be taken to mitigate adverse impacts.

The Sustainability Policy is supplemented by Aker's Code of Conduct, Anti-Corruption Policy, and Aker's Code of Conduct for Business Partners. It is reviewed by Aker's Audit Committee and approved by the Board of Directors.

# 2. POLICY FRAMEWORKS

The following frameworks are core to this Sustainability Policy and guide how Aker integrates ESG:

- **The UN Global Compact<sup>3)</sup> and the UN Sustainable Development Goals and the UN Global Compact Sustainable Ocean Principles**
- **The Global Framework Agreement** between Aker ASA, IndustriALL Global Union, Fellesforbundet (The Norwegian United Federation of Trade Unions), Tekna, and Nito
- **EU's Sustainable finance package**, including the EU Taxonomy regulation, the Sustainable Finance Disclosure Regulation, and the Corporate Sustainability Reporting Directive
- **The OECD Guidelines for Multinational Enterprises**
- **The Norwegian Code of Practice for Corporate Governance**
- **The Task Force on Climate-Related Financial Disclosures**
- **World Economic Forum: First Movers Coalition**



SUSTAINABLE DEVELOPMENT GOALS



OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES



First Movers Coalition

1) Larger enterprises are companies where two of the following three conditions are exceeded during the accounting year: revenue of NOK 70 million, total balance of NOK 35 million and an average of 50 employees.

2) Significant influence is defined as 20 percent of voting power.

3) Since 2022 Aker has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption.

## 3. POLICY COMMITMENTS AND REQUIREMENTS



### 3.1 CONTINUOUS BUSINESS DEVELOPMENT FOR LONG-TERM SUSTAINABLE VALUE CREATION

Over decades Aker has developed through shifting market trends, technologies, regulations, and customer preferences. Most shift and new business opportunity have been built on the shoulders of existing businesses. Most new effort is complementary to, not in conflict with, existing portfolio. Today, sustainability is an important part of this market shift.

With steady progress and a balanced impact, risk and opportunity exposure, Aker commits to always take steps for **long-term sustainable value creation**. Aker will explore **new areas of business** and strive to **continuously develop Aker** towards new horizons.



### 3.2 ENVIRONMENT

Aker has for decades been active in the oil and gas industry – and oil and gas will going forward also be important for Aker. The transition to a low emission society needs technology, financing, energy, and competence. Over the recent years Aker has invested heavily into the energy transition. Aker will continue its transition and investment for a future with low carbon emissions, while still also investing in the oil and gas industry as long as energy systems, economies and societies are in need of such products.

Aker will engage portfolio companies and strive to make oil and gas production and other industries where it is invested greener through **emissions reduction, technology development and improvements**.

Aker will engage its portfolio companies to scale green growth through **climate solutions technologies and renewable energy** creating new industries, sustainable energy, emissions reductions and green jobs. Aker will strive to create a collective purchasing power for emerging green technologies and actively engage the Aker portfolio companies to take part in relevant sectorial commitments for green supply.

**Aker will strive to protect, preserve, and restore the climate and manage climate related impacts, risks and opportunities.**

Aker expects companies that can to strive to organize business activities such that their associated emissions are in line with the UN Framework Convention on Climate Change (Paris Agreement) and the 1.5-degree trajectory. Aker expects companies to set climate targets, and strive for a net zero or near to net zero ambition for 2050.

Aker will strive to protect, preserve, and restore the **environment and biodiversity** on land and in the ocean and manage environmental impacts, risks and opportunities. Aker aims to minimize its ecological footprint. Aker strive to minimize impact on ecosystems, in particular in relation to sound resource operations in or near biodiversity sensitive areas and if affecting endangered species. Aker will strive to respect and protect water and ocean resources and to minimize water and ocean impact. Aker will respect animal rights and welfare.

Aker's long-term ambition is **zero waste**<sup>4)</sup>, utilization and the realization of the circular economy. Aker will encourage solutions that can be scaled, solve waste challenges and serve corporate zero waste commitments. Aker will strive to minimize and, over time, ultimately end environmental pollution both on land and in the ocean.

4) A Zero waste business will be diverting 90% from landfill and incineration.



### 3.3 SOCIAL

Aker shall respect **human rights**, including labor and children's rights and protect at-risk vulnerable individuals and groups of people affected by our business – including those who raise concerns regarding the conduct of business. Aker shall abide by minimum social safeguards<sup>5)</sup> and manage social impacts, risks and opportunities. Aker shall strive to identify, prevent and report on salient human rights including prevent child labor, forced labor and modern slavery, and protect vulnerable groups such as migrant workers.

Aker recognizes and respects the rights to freedom of expression, association and organization, trade union rights, privacy, and collective bargaining, and strives to safeguard these rights throughout our business. Aker recognizes and strives to obtain free, prior, and informed consent of indigenous communities, and will interact with indigenous communities in a way that respects their history, culture, and customs.

Aker shall perform ESG and human rights impact assessment and due diligence to understand and mitigate potential and actual adverse impacts and strive to ensure that Aker does not cause or contribute to adverse ESG and human rights impacts, through its operations, business relationships and in its value chain, including in among others business development, financing, sale, licensing, trade and use of technology, products and services, including in the gathering and use of data.

Aker shall implement and enforce effective systems to minimize risks of adverse ESG and human rights impact in its operations and in its value chain. If Aker cause or contribute to adverse ESG and human rights impact Aker shall take necessary steps and strive to remedy the adverse impact

Aker shall work systematically for **health, safety, and well-being**, strive for zero harm and continuous improvement throughout the value chain. Aker shall ensure a **health-promoting working environment** that provides a basis for a healthy and

meaningful working situation and prevents harmful effects from physical and psychological influences and a standard of welfare consistent with the level of technological and social development of society. Aker shall strive to offer non-excessive working hours and safeguarding a work-life balance.

Aker shall strive to ensure **equality, diversity, and inclusion** throughout its business. Aker shall ensure equal opportunities and strive for a balance between the genders, increased diversity and inclusion in all parts and levels of the businesses. Aker does not tolerate any form of discrimination on the basis of among others gender expression, sexuality, disabilities, race and religious beliefs.

Aker is committed to the Aker model and cooperation between Aker as the main shareholder, management, and employee representatives, and of having an open dialogue with authorities and other stakeholders.

Aker will strive to reduce **economic inequality and promote financial inclusion** and resilience. Aker will strive for decent living wages, access to technology and equal economic and social benefits throughout our value chain.

Aker will strive to ensure a **just transition** and create employment opportunities throughout the energy transition.

Aker shall engage in the development and use of **science, technology and digitalization for industrial innovation** in support of the sustainability agenda. Aker aspire to be a frontrunner in using, sharing, collaborating, and scaling technology and digitalization for solving global challenges and shall contribute to the diffusion of knowledge and innovation through collaboration, data sharing and transparency.



### 3.4 GOVERNANCE

Aker commits to **good corporate governance and Board oversight of ESG**. The Board of Directors shall approve policies, strategy, targets and reporting. The Board shall have oversight of ESG implementation, management, reporting and performance including oversight of impacts, risks and opportunities and set the company's desired impacts, risks and control level.

The Audit Committee shall review and prepare the above ESG topics for the Board of Directors and ensure sound internal control over ESG reporting.

Aker shall strive to ensure that the Board of Directors across the Aker group meet relevant independence requirements, are diverse, and that the competence covered includes ESG. Collaboration with employee representatives has been part of

the Aker model for decades, and employee representatives are part of the Board of Directors when required and in line with law. In establishing executive remuneration, relevant ESG measures is encouraged to be included.

As described in Akers' **anti-corruption** policy, Aker shall have zero tolerance for all forms of corruption, money laundering and all other economic crimes.

Aker is committed to **data privacy, cyber security and responsible and safe use of data**.

Aker shall ensure **corporate transparency and responsible tax compliance**.

<sup>5)</sup> Minimum social safeguards involve abiding by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight 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. Further, we recognize the UN Convention on the Rights of the Child and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and our responsibilities under these.

## 4. BUSINESS DEVELOPMENT, INVESTMENTS, AND ACTIVE OWNERSHIP

Aker shall ensure that the above ambitions and expectations are integrated into investment analyses and decision-making processes and ownership practices.

Aker is a responsible and engaged owner that build strong and resilient companies. Aker engages on corporate ESG practice through its Board, Nomination and Audit Committee positions, exercise of ownership rights at general meetings and regular dialogue through investment directors, administrative functions such as legal, compliance, sustainability, communication, and trough reporting. Regular engagement includes among others investment review meetings, resource network meetings, quarterly and annual reporting and reviews. To ensure sustainable and responsible business practices, Aker shall actively engage in the corporate development and be a resource for its portfolio companies in implementing sound ESG practices and governance.

**Aker expects its portfolio companies to:**

- Have a Board approved sustainability policy and Board oversight of ESG in accordance with Aker's Sustainability Policy
- Have a sustainability Code of Conduct for Business Partners
- Ensure good sustainability governance and stakeholder engagement
- Integrate and manage ESG impacts, risks and opportunities related to corporate strategy, business model and value chain
- Manage ESG impacts, risks and opportunities and perform impacts assessments, risk analysis and due diligence covering the topics of this policy and in relation to its relevant business activities and relationships
- Set sound ESG targets followed by necessary actions and resources to ensure progress towards targets
- Establish ESG reporting in line with regulatory requirement and/or per Aker's request

## 5. STAKEHOLDER ENGAGEMENT AND REPORTING

Aker and portfolio companies shall transparently engage and communicate with stakeholders and conduct sustainability double materiality assessment. Aker and portfolio companies shall strive to address material impacts, risks and opportunities, changes in legal requirements and global norms and carefully consider the views of key stakeholders in developing the sustainability agenda. When engaging in public discourse and advocacy Aker and portfolio companies shall ensure transparency and integrity in such activities, and refrain from seeking or accepting exemptions

not contemplated in the statutory or regulatory framework related to human rights, environmental, health, safety, labour, taxation, financial incentives, or other issues.

Aker and portfolio companies sustainability reporting practices shall be in accordance with regulatory requirements and recognized international standards and preferably be assured by an independent third- party.



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