Aker Solutions

Sustainability Report 2019

Creating a Sustainable Energy Future

Content

CEO Introduction

Over the past year, Aker Solutions has taken significant steps to create a company that has a broader portfolio of solutions, better suited to meet demand over the next decade. We also took important steps to position the company for the energy transition as we launched our updated enterprise strategy. However, it is important to note that the oil and gas industry is and will remain our biggest market – this year and also in 2030. We are proud of being among the first oil and gas offshore contractors to set concrete targets for the energy transition.

Market volatility increased sharply in the beginning of 2020 and has been further exacerbated by the COVID-19 (coronavirus) outbreak. Increased production volumes from several major oil producing countries have caused a significant decline in global oil and gas prices, and in mid-March 2020 the Brent oil price fell below $30/bbl for the first time since 2016. The sharp decline in oil prices has increased uncertainty in an already tough market. The spread of COVID-19 is causing global disruption with negative consequences both for human health and economic activity.

The scale of the economic impact on the major world economies is unprecedented. Aker Solutions has implemented measures in all locations to minimize the spread of the virus and minimize the risk of disruptions to its operations. It is too early to say how these events will impact our operations in the long term, however short term it is likely to have an effect on project deliveries. The challenging commodity price environment and the effects of the coronavirus are likely to impact the global oil and gas industry in 2020, and Aker Solutions will continue to be vigilant and evaluate the need for further measures going forward.

Long term, the energy demand continues to increase, and the challenge for our industry is to provide sustainable solutions with a significantly lower carbon footprint. The industry is changing and we are committed to being at the forefront of innovation. To take another step in this direction we updated our enterprise strategy. We set some clear long-term targets for our company, which we call 20/25/30: we aim to generate 20 percent of our revenue from renewables and 25 percent of our revenue from low carbon solutions by the year 2030.

Within renewable energy, we see great opportunities in offshore floating wind, where we are using our expertise in floating structures, dynamic cables and subsea infrastructure to our competitive advantage. We have worked on carbon capture, utilization and storage solutions (CCUS) for many years, and in 2019, we secured our first commercial contract with Twence, a Dutch waste-to-energy company. CCUS is one of our distinct low carbon solutions that has great potential.

The safety of our people is our top priority and in March, we implemented the International Association of Oil and Gas Producers' Life-Saving Rules. The implementation of the Life-Saving Rules was the biggest HSSE initiative to be rolled out in our organization in recent years; nine important rules that align our organization around basic safety principles. I am happy to see that our safety record improved last year, with our global TRIF (total recordable injury frequency) coming down from 2.2 to 1.29 at the end of 2019. The launch of the Life-Saving Rules played a part, and helped engage people to focus on the simple rules that save lives.

Climate change is high on our agenda. Investors and businesses are focused not only on emissions but also how climate-related risks—physical and regulatory—will impact their assets and investments. With the risk of increased cost of capital, we believe climate-related risk is something that needs to be tackled head-on. Aker Solutions has undertaken a comprehensive climate risk review in line with the Task Force on Climate-related Financial Disclosures (TCFD). We believe that providing this information will help investors and stakeholders better understand how Aker Solutions is positioned to manage the risks and opportunities associated with climate change. We have also integrated climate risk into our Enterprise Risk Management system, and we have committed to a comprehensive new materiality assessment in 2020 that will replace the 2018 assessment.

Along with our continued focus on safety, business integrity, and anti-corruption, in 2019 Aker Solutions established an internal human rights committee with representatives from HSSE, business integrity and compliance, human resources, data protection, supply chain, communications, and the employee unions. I have given the committee the mandate to ensure that the company has a sound human rights program and work to continuously improve it.

Aker Solutions has continued the engagement with Stiftelsen VI, together with 10 other companies in the Aker ASA group. The foundation aims to contribute to a higher quality of life, improved health, increased self-efficiency, and more social interaction for people with disabilities. We see the foundation's goals as an extension of our efforts to promote equality, human rights, and local community engagement and are proud to partner with them.

Since 2008 we have maintained our signatory membership with the UN Global Compact. We are committed to the goals of the United Nations and continue to incorporate the 10 principles into the way we do business.

Our commitment to sustainability has never been more visible and I firmly believe that our new 20/25/30 targets are the correct ambition for the future of our company.

Luis Araujo
Chief Executive Officer

Highlights

0.3
Serious Incident Frequency

1.29
Total Recordable Injury Frequency

744
CO_2 Emission Intensity

10pt
Increase in Annual Employee Engagement Score

22%
Female Leaders

98.7%
Employees Completed Annual Code of Conduct Training

Aker Solutions is committed to operating safely, developing our people, our suppliers, and the communities where we do business.

1. Sustainability at Aker Solutions

Sustainability at Aker Solutions is about making business decisions that add value to the company, its stakeholders, and society.

Our View

Vision

A leader in forging a sustainable future for the global energy industry and the world it serves.

Building on almost 200 years of technological and engineering excellence, Aker Solutions is at the forefront in forging a sustainable future for the global energy industry and the world it serves. A spirit of collaboration and openness is at the heart of this effort as we set new standards and solve new challenges.

◄ MENU

Values

All Aker Solutions employees share a common set of values – the compass that guides our policies, our operations, and our behavior.

Customer drive
Building customer trust is key to our business

HSSE mindset
We take personal responsibility for HSSE because we care

People and teams
All our major achievements are team efforts

Open and direct dialogue
We encourage early and honest communication

Hands-on management
We know our business and get things done

Delivering quality results
We deliver consistently and strive to beat our goals

20/25/30

Aker Solutions' strategy sets the direction for where we want to go as a company, combined with a plan for getting there. A sustainable energy future means investing in new technology and offerings to address the need for lowering the carbon footprint of the energy industry as well as developing alternative sources of energy. Our new 20/25/30 goals provide clear, long-term targets for our company.

We aim to generate 20 percent of our revenue from renewables and 25 percent of our revenue from low carbon solutions by the year 2030.

We believe oil and gas will remain our largest revenue contributor, but in order to remain competitive we will have to deliver cost-effective solutions to optimize performance and minimize the cost and environmental footprint in both new and existing segments.

Governance

Aker Solutions works proactively to ensure sustainability, integrity, and responsibility in its operations.

Sustainability at Aker Solutions is about making sustainable business decisions that add value to the company, its stakeholders, and society. Sustainability considerations are integrated in internal processes and business operations and tailored to diverse local contexts and stakeholder expectations. The company is a signatory to the UN Global Compact,

and thereby respects and adheres to the precautionary principle (Principle 7).

Aker Solutions reports and communicates on sustainability according to the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), and the Task Force on Climate Related Financial Disclosures (TCFD). We also follow sustainability reporting recommendations from the Oslo Stock Exchange. Aker Solutions' strategy supports the UN Sustainable Development Goals.

Sustainability at Aker Solutions is owned by the CEO. The board of directors is responsible for overseeing and safeguarding management of the company's sustainability (environmental, social, and governance - ESG) work.

> **20/25/30** means we aim to generate 20 percent of our revenue from renewables and 25 percent of our revenue from low carbon solutions by the year 2030.

In 2019, the company's communications team, under the COO, had the responsibility to assess, maintain, and report on these topics while the company's delivery centers are responsible for implementing, monitoring, and sharing the company's sustainability work. Each of the company's locations is responsible for ensuring compliance with local legal requirements in addition to the corporate requirements.

Aker Solutions' global sustainability strategy defines the vision and goals for ensuring responsible conduct toward people, the environment, and society. The strategy was developed through assessment of sustainability, climate-related risks, and dialogues with internal and external stakeholders. It provides a detailed framework with clear objectives for the direction and ambition of the company's sustainability activities. In 2019, the company embedded sustainability into the enterprise strategy and will continue to do so instead of developing a separate sustainability strategy.
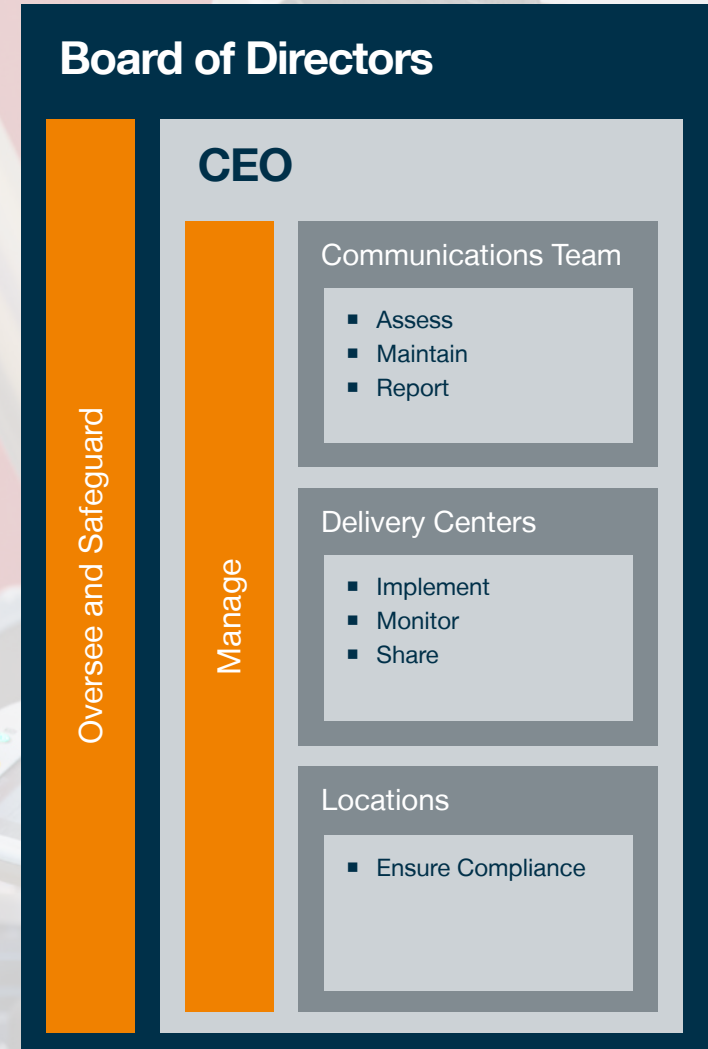
Decisions are made every day that have an impact across our value chain: they affect people, customers and suppliers, as well as the environment and the communities in which we operate. Some of these decisions have a short-term impact, while others have a long-term effect on stakeholders and the environment. Aker Solutions believes that the effects are positive overall, but the company is aware of the difficult trade-offs and dilemmas that characterize the oil and gas industry. We know that how we conduct ourselves as an employer

and as a business has a profound impact on the company's ability to create long-term value for society and for our shareholders. More information on risk management can be found in our Corporate Governance Report.

The code of conduct is the key governing document and the foundation of our drive to uphold the highest levels of integrity and avoid becoming complicit in unethical or illegal behavior. We strive to minimize harm to the environment by providing environmentally sound technology for our own activities and those of our customers'. We recognize our responsibility to positively impact societies and strive to ensure that they benefit from our operations.

Aker Solutions' Governance System is guided by 12 policies that are anchored at the highest level in the organization and describe the intention and direction of the organization as formally expressed by top management. They are valid for everyone in Aker Solutions and may be shared with our customers and prospective customers. Our business processes are owned by our global mandates with responsibility and authority to standardize and optimize our work processes to secure efficient operation. The 12 policies are: Governance, HSSE, Quality, People, Finance, Data Protection and Information Security, Customer Management, Front End, Technology and Products Execution, Project Execution, Services Execution, and Business Integrity. The policies can be found on our website.

Aker Solutions' Sustainability Governance Structure

Board of Directors

Oversee and Safeguard

CEO

Manage

Communications Team
- Assess
- Maintain
- Report

Delivery Centers
- Implement
- Monitor
- Share

Locations
- Ensure Compliance

Stakeholders

Aker Solutions is committed to ongoing engagement with stakeholders to listen to their concerns and understand their expectations. The basis and scope of this report has been shaped by the materiality assessment conducted in 2018, and by our stakeholders' expectations obtained through monitoring and dialogue.

We interact with investors, customers, suppliers, governments and national authorities, banks, non-governmental organizations and industry groups, owners, employees, and collaborative partners, through a variety of channels. These channels include management meetings, seminars and workshops, dialogue with customers and suppliers, meetings with investors and employees, quarterly presentations, articles and interactive blogs on the company's intranet, and feedback from training courses. Moving forward, we will provide an overview of issues raised by our different stakeholder groups.

We conducted a materiality assessment in 2018 with representatives from our corporate office, business operations, and global offices. We also collected input from an employee survey. The results formed a materiality matrix, which has been the guiding input for our sustainability objectives. These results also determined the UN Sustainable Development Goals we focus on, as well as determined the scope and content of this year's report. A new materiality assessment will be conducted in 2020.

Who are our stakeholders?

Employees and Potential employees
Owners
Financial Community
Customers
Suppliers
Governments/ Authorities
Collaboration Partners
Competitiors/ Industry Groups
NGOs
Media
Unions

Level of Influence

■ Low
□ Medium
■ High

Charters and Memberships

Aker Solutions is a signatory member of the UN Global Compact, the world's largest corporate sustainability initiative, and is committed to its 10 principles. This report is our annual Communication on Progress. Aker Solutions has published corporate responsibility/sustainability reports since 2006, with annual releases since 2010. For 2019, we have changed the name of our Corporate Responsibility Report to Sustainability Report to align with the industry and the expectations of our shareholders.

The company is also a member of Trace International, an international organization promoting transparency and compliance with anti-corruption rules, and participates in informal compliance forums with other Norwegian companies.

UN Sustainable Development Goals: Our Commitment

SUSTAINABLE DEVELOPMENT GOALS

Starting with the highest level of the organization, Key Performance Indicators (KPIs) and specific targets hold leadership, managers, and employees accountable for sustainability at Aker Solutions. Throughout this report we will share many of these KPIs and targets for 2019 to demonstrate the company's global commitment to responsible business.

Aker Solutions supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015. We have prioritized 9 SDGs where we believe we can have the most impact. These 9 goals are aligned with the KPIs, targets, and focus areas of our business and we seek to contribute positively to the goals.

3 GOOD HEALTH AND WELL-BEING
Good health and well being

Ensure healthy lives and promote well-being for all at all ages

4 QUALITY EDUCATION
Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

5 GENDER EQUALITY
Gender equality

Achieve gender equality and empower all women and girls

7 AFFORDABLE AND CLEAN ENERGY
Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all

8 DECENT WORK AND ECONOMIC GROWTH
Decent work and economic growth

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible consumption and production

Ensure sustainable consumption and production patterns

13 CLIMATE ACTION
Climate action

Take urgent action to combat climate change and its impacts

14 LIFE BELOW WATER
Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Peace, justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Climate-Related Risks

Aker Solutions follows the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The TCFD recommended disclosures and our responses can be found in the independent Climate Risk Review in the appendix of this report.

Aker Solutions has identified several climate-related risks and their potential business impacts.

Physical Risks

- **Extreme weather, floods, and drought**
- **Changes in natural resources (water scarcity)**

Potential impacts
- Damage to physical assets
- Disruption to operation, supply chain, market, public infrastructure
- Degradation or limitation on resources

Regulatory and Liability Risks

- **Carbon tax, energy regulations, product efficiency regulations**
- **Lawsuits from parties who suffer damage**

Potential impacts
- Compliance cost
- Restriction on use of carbon intensive assets
- Liability cost

Technology Risks

- **Breakthroughs or incremental improvements**

Potential impacts
- Existing technologies becoming obsolete
- Required investment in new technologies
- Write offs for technologies, stranded assets

Market Risks

- **Change in consumer and investor behaviour**
- **New production models**

Potential impacts
- Viability of business models
- Change in company valuation and access to capital

Reputational Risks

- **Concerns surrounding the nature of company's activities and impacts**

Potential impacts
- Damage to brand value
- Lost revenue
- Challenges recruiting talent, and attracting investors, lenders, and political goodwill

About this Report

The report's content has not been significantly changed from past editions. The initiatives highlighted in this report include those that have an impact on our employees, customers, investors, and societies where we are present.

GRI Standards

Aker Solutions reports and communicates on sustainability based on the Global Reporting Initiative (GRI) framework. This report has been prepared in accordance with the GRI Standards: Core Option.

Our overview of disclosure according to GRI, including references to sections of the report where GRI indicators are reported upon and the list of material aspects, can be found in the appendix at the end of the report. While preparing the report, we have also considered the new guideline on sustainability reporting issued by the Oslo Stock Exchange.

Report Boundaries

The report boundary is, in general, drawn around companies under the operational control of Aker Solutions ASA. However, we also provide information on some aspects where we have the potential to influence but do not have direct control.

Norwegian Accounting Act

The report addresses the legal requirements for company reporting as specified in the Norwegian Accounting Act ("Regnskapsloven") for reporting on corporate social responsibility.

NCGB

Aker Solutions adheres to the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Policy Board (NCGB). The objective of the Code of Practice is that companies listed on regulated markets in Norway will practice corporate governance that provides division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

2. Conducting our Business with Integrity

Doing business with integrity is imperative at Aker Solutions. We are committed to operate with the highest standards of integrity, everywhere and always.

SUSTAINABLE DEVELOPMENT GOALS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote compliance with legal and corporate requirements within the field of business integrity

Build a culture that prevents unethical business practices

Reduce and manage business integrity risk in all company activities

Internal Organization

The Business Integrity and Compliance (BIC) function is responsible for continuously developing Aker Solutions' business integrity program. BIC is organized in a way that enables the company to work proactively with compliance across our operations. The centralized corporate team includes compliance officers dedicated to each delivery center, supported by a global network of local compliance officers at several of our locations.

Business Integrity Program

Aker Solutions' Code of Conduct is the company's main governing document. It addresses important principles and sets clear rules and expectations for behavior and ethical standards for all employees. The Code of Conduct is supported by the Business Integrity Policy, which outlines Aker Solutions' commitment to key areas such as anti-corruption, human rights, integrity risk management, integrity training, and continuous improvement.

Implemented at all locations globally, our business integrity program is our main tool for ensuring that our business is conducted in a transparent and ethical manner. All locations complete business integrity self-assessments annually. The business integrity program includes components that aim to reduce the risk of becoming involved in unethical or illegal behavior, with particular focus on anti-corruption and respect and support for human and labor rights.

Aker Solutions has a group wide business integrity strategy, which is updated annually. In addition, each delivery center has established risk-based compliance plans, which include key focus areas and targets. Local compliance plans for Angola, Brazil, India and Malaysia have been created.

The plans aim to support the implementation of the business integrity program, while also increasing awareness and reducing integrity risks in our operations. Progress on the delivery center plans and results are reported to the executive vice presidents on a quarterly basis. Progress on the business integrity work is reported monthly to the chief executive officer and the board of directors. The business integrity program is subject to monitoring by the board of directors, who has delegated the monitoring to the audit committee. The audit committee receives quarterly reporting from the chief compliance officer.

In 2019, neither Aker Solutions nor any employee faced criminal action related to corruption. No contracts with partners were terminated or allowed to expire due to violations related to corruption. There are no legal actions pending for anti-competitive, anti-trust, or monopoly violations where Aker Solutions is identified as a participant, nor were any such legal actions completed during 2019.

> " **Aker Solutions' Code of Conduct is the company's main governing document. It addresses important principles and sets clear rules and expectations for behavior and ethical standards for all employees.**

Integrity Risk Assessments: Operations and Projects

Aker Solutions is present at 51 locations in 22 countries, several of which have scores on internationally recognized indexes that indicate high inherent integrity risk. In 2019, 45 of these locations (88%) were assessed for business integrity risks. Local management conducts a self-assessment of the locations' preventive setup and internal controls using a standardized questionnaire containing ~60 questions related to responsible business conduct including e.g. anti-corruption and human rights. Weaknesses in the preventive setup and / or internal control environment are addressed through local action plans. Self-assessment scores are spot-checked and verified through reviews led by BIC.

In addition to local presence, Aker Solutions tenders for and executes projects globally. This requires a proactive approach and assessment of potential prospects in markets associated with high integrity risks. The assessments are performed before making any commitments in the tender phase. Based on the results of the assessments, the company may decide not to bid for potential prospects if the risks are deemed too high, or implement project-specific activities to mitigate integrity risk if the tender is successful. The process aims to protect Aker Solutions against the risk of becoming complicit in illegal or unethical practices. As part of the process, the company assesses risks of corruption, human or labor rights infringements, environmental damage, and the potential resulting reputational risks. The company performed 107 project risk assessments in 2019 compared with 146 in 2018 and 135 in 2017. A separate corporate risk committee evaluates any project seen as having an extraordinary risk.

51
Locations

22
Countries

88%

45 locations were assessed for business integrity risks

176
Whistleblower reports in 2019

58%
of reports in 2019 concerned employee relations and human resources issues

117
Whistleblower reports in 2018

116
Whistleblower reports in 2017

Reporting Concerns

Aker Solutions' whistleblowing channel allows anyone to report incidents, breaches or suspected breaches of the Code of Conduct, other internal policies, or laws and regulations. The web-based tool is hosted by a third party and designed to secure reports and all related data, as well as protect the identity of the whistleblower. This includes offering the possibility of anonymous dialogue between the whistleblower and the investigator.

Reports are received and managed by Aker Solutions BIC department. All reports are treated with strict confidentiality. When a case is substantiated, responses can range from internal communication and policy updates to warnings and dismissals. The company maintains a lessons learned database to share key learnings within the organization.

In 2019, Aker Solutions experienced an increase in reported cases. However, the increase is partly due to "clusters" - multiple reports relating to the same issue. We view the increase as a healthy sign that the channel is working and that awareness efforts have been effective. The number of cases remains within a healthy range of 1.1 reports per 100 employees per year and largely in line with the global benchmark with a median of 1.4 reports per 100 employees. The global 2019 Ethics & Compliance Hotline Benchmark is provided by Navex Global[1]. There were 176 reports in 2019, compared to 117 reports in 2018 and 116 reports in 2017. Around 58% of reports in 2019 concerned employee relations and human resources issues. The remaining cases were related to other business integrity topics.

BIC is responsible for deciding when investigation of a whistleblower report and related activities shall be closed. The closing of the whistleblower report is subject to monitoring by the board of directors and the audit committee.

In addition to the web-based tool, the company has an ethics helpline for questions or concerns. The helpline is open to all employees at ethics@akersolutions.com.

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1) The benchmark by Navex Global represents 12 industries and includes companies of various size and geography.

Training and Awareness

Continuous focus on and awareness of compliance and business integrity is important to ensure that our employees know what to do if they find themselves in a difficult situation. Although our business integrity program, policies and procedures are applicable globally, we place importance on interacting with employees on the ground to ensure that the local context is considered in our communication and training material. This is to ensure that expectations of business conduct are understood in the context where the training is conducted.

Several awareness activities were targeted towards particular employee groups, for example in management teams and within specific functions. Some locations held compliance weeks, involving local management and employees in tailor-made activities designed to boost awareness of compliance topics.

Aker Solutions governing body is the board of directors of Aker Solutions ASA. All directors are in the scope of a mandatory annual e-learning, where they confirm that they have read and understood the Code of Conduct. In 2019, all directors completed this e-learning.

In 2019, ~17200 personnel (own employees and direct hired-ins) completed a mandatory e-learning where they confirmed to have read and understood Aker Solutions Code of Conduct. This constitutes 98.7% of all personnel identified in the target group. For details on number of employees trained, type of course, and completion per region, see the appendix.

Aker Solutions' business ethics training program for company personnel[1] consists of three main mandatory components:

- E-learning course
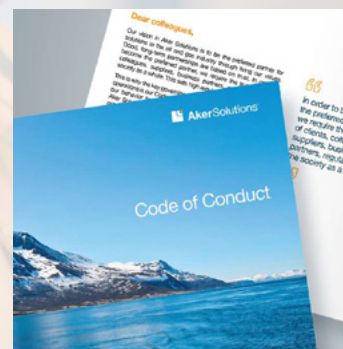- Classroom course
- Code of Conduct

E-learning course

E-learning course which introduces business integrity in Aker Solutions to all new company personnel

Classroom course

Classroom course in business ethics for office-based company personnel, and all company personnel working in or traveling to high risk countries

Code of Conduct

Code of Conduct E-learning course which all company personnel must complete annually

1) Company personnel is defined as own employees and hired-in consultants / contractors who report hours to and are directly remunerated by Aker Solutions. It does not include personnel employed and remunerated by suppliers / subcontractors.

Business partners

For Aker Solutions, alliance / joint venture / consortium partners represent the highest risk of being involved or associated with corrupt activities, and are therefore subject to more targeted awareness activity. When entering into such a partnership, evaluation of the partner's existing business integrity program is part of the integrity due diligence process, and awareness activities are designed to match the level of maturity of the partner as well as the degree of integration and type of activity performed by the partner on Aker Solutions' behalf. References to the Code of Conduct as well as applicable anti-corruption legislation is always included in the partner agreements. An individual follow-up plan is developed for all medium- and high-risk partners, and activities are monitored by the audit committee through quarterly reporting. At year-end 2019, Aker Solutions had 10 active medium- or high-risk partners. Representatives from three of these partner companies received business integrity classroom training during the course of 2019. The training elaborates on Aker Solutions' Code of Conduct and the company's expectations for responsible business conduct.

We met our 2019 targets for the integrity and compliance work as set out in last year's report:

- ☑ Digitalize key business integrity work processes aided by implementation of governance, risk, and compliance software

- ☑ Refine risk-based framework for integrity due diligence with focus on mergers and acquisitions processes

- ☑ Provide annual Code of Conduct training to all company personnel

Our 2020 targets and initiatives are outlined below:

- ■ Further digitalize key business integrity work processes

- ■ Evaluate business integrity training program with a view to provide more risk-based targeted training and enable assessment of training effectiveness

- ■ Provide annual Code of Conduct training to all company personnel

3. Safeguarding People and Assets

Safe operations are at the core of our values. We believe all incidents can and should be prevented.

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

Provide a healthy, safe, and secure working environment for our workforce and customers

Protect our customers' and our own information, operations, and facilities

We work hard to ensure that employees and others working on our behalf can return home safely. The company often engages in work under challenging conditions, requiring the highest level of diligence in order to maintain the safety of employees and customers, subcontractors, consultants, and other parties.

Entrenching a Safety Culture

Aker Solutions' updated health, safety, security and environment (HSSE) policy states that the company "shall promote safe, reliable, and sustainable operations to achieve our goal of zero harm to people, assets, and the environment." The foundation for this continuous diligence is the company's management system. This ensures that executive management is focused on HSSE performance and that all delivery centers set HSSE initiatives and goals for the coming year.

HSSE mindset is one of our core values. We believe this mindset is an important contributor in reducing the number of serious incidents. In 2017, Aker Solutions launched a global HSSE mindset program. The quarterly program was continued in 2018 and 2019 with four new modules each year. The 2020 modules are now in the planning phase and will be aligned with similar programs with our main customers. The goal is to create awareness of the main HSSE risks and/or opportunities and to ensure our employees are prepared to handle these situations correctly in their daily work.

School safety awareness

The Brunei HSSE team joined the school safety awareness event organized at St. Margaret's School in Seria, Brunei Darussalam by the Construction Health Safety Environment and Quality Network chaired by Brunei Shell Petroleum (BSP)

Identifying hazards, Managing risks

Risks related to HSSE are defined as a risk category in the Enterprise Risk Management (ERM) procedure. On a company level, these risks include physical security threats, the risk of major accidents related to malfunctions in our products and/or insufficient service, and the risk for fatalities, serious injuries or environmental spills in our own operations. However, as Aker Solutions is a multifaceted company, most of the risks are identified and mitigated on lower organizational levels. The global HSSE function is responsible for the development, implementation, and maintenance of the ERM framework within each discipline, and has a global responsibility for operational effectiveness. Within this responsibility there also lies an obligation to develop and execute global HSSE audit programs and facilitate and coordinate efforts within all units.

Aker Solutions is a member of the International Association of Oil & Gas Producers (IOGP). The objective of the IOGP process safety management initiative is to implement systems for hardware (technical), human (operational), and system elements into company routines. Membership in the IOGP allows Aker Solutions to collaborate with clients, peers, and other exploration and production stakeholders to standardize and share knowledge in order to achieve improvements within HSSE, social responsibility, engineering, and operations.

One of our main initiatives in 2019 was the adoption and implementation of IOGP's Life-Saving Rules (LSR). These rules describe key actions to prevent fatal injuries during 9 higher-risk activities, and were developed by IOGP based on analyses of serious incidents across the industry. The roll-out was kicked off globally on March 11 with local initiatives including management presentations, top management video messages, and hand-outs of printed LSR cards. An HSSE mindset module on the rules was held at all locations, and local competitions were held with Life-Saving Rules branded giveaways as prizes.

The Life-Saving Rules were very well received in the organization, and throughout the year we sustained the importance of the rules through employee testimonials on local info screens and video messages from top management on our intranet. Looking at the positive trend for both our Serious Incidents Frequency and our KPIs for personal injuries, one can see that the implementation of the Life-Saving Rules has had an impact. Going forward, we aim to refresh the message regularly and maintain focus on this important topic.

As a provider of integrated solutions from subsea to surface, through the entire life of an energy asset, we are aware of our responsibility when it comes to the prevention of major accidents that can result in fatalities and/or serious environmental or social damage. Our integrated view gives us the insight needed to understand how decisions made about one component affects the other - at a total system level. In 2019, the company established a framework for implementation of Major Accident Management, with focus on defining the roles and responsibilities for technology domain areas. Going forward, an internal professional network will be established, and we will be working on strengthening the focus knowledge of, and on, process safety and barrier management across the different engineering disciplines.

Nine Rules

Developed by IOGP, the nine rules are simple and set a new minimum industry standard for protecting workers carrying out high risk activities. Gordon Ballard, executive director of the IOGP, joined Craig Wiggins, head of HSSE at Aker Solutions, as we launched the new rules in March 2019.

HSSE Indicators /
Zero Incident Mindset

Aker Solutions operates with a zero harm mindset and the belief that all incidents can be prevented. The Zero Days indicator counts days without a recordable injury or serious incident across the company. In 2019, Aker Solutions delivered 297 Zero Days, compared to 288 in 2018. This represents an increase of 9 days. However, the Company is committed to return to the 2017 level, setting a goal of 314 Zero Days for 2020.

Aker Solutions utilizes the lagging indicator Serious Incident Frequency (SIF) to focus on the trend and occurrence of high-risk incidents. These are incidents where the actual or potential consequence is deemed to be high or extreme, as defined by the company's classification matrix. The year end result indicates a positive performance development on this KPI, with a SIF figure of 0.3 which is well below the target of 0.5. With 9 out of 14 Serious Incident cases in 2019, dropped objects is still the most significant single event.

For 2019 we had a goal of achieving a Lost Time Injury Frequency (LTIF) of <0.27. This target was not met, with a year end result of 0.30. The result is however a considerable decrease compared to the 2018 result of 0.55. The lost work day cases were mainly injured fingers and hands due to squeezing and cuts, and arm injuries caused by falling. At the end of 2019, the Total Recordable Injuries Frequency (TRIF) was 1.29, compared to 1.97 in 2018,

showing a favorable trend in this indicator as well. For information on the different types of injuries in 2019, see the appendix.

When incidents occur, Aker Solutions initiates an investigation process according to our internal incident investigation standard. Depending on the risk classification of the incident, a team of investigators is tasked with uncovering the details of the incident. The outcome of this process is a report describing the underlying causes of the incident and outlining the changes and measures that need to be implemented to prevent the incidents from reoccurring. All red or black incidents require an incident review panel, where cross-functional leaders review the investigation, identify all root causes, and agree on clear actions to ensure that remediating arrangements are in place.

Typically, the most serious incidents occur due to a lack of or insufficient risk assessments before the operation and/or managing change during the operation. This area receives a great deal of attention, including through the HSSE mindset program, implementation of lessons learned, and in the day-to-day toolbox talks and operation planning meetings.

In the spring of 2019, the company hired a working environment specialist in the global health team with a main responsibility to ensure systematic recognition, evaluation, control, and prevention of working environment hazards that may result in injury, illness, or affect the well-being of our employees globally. Some of the

main achievements within the health discipline in 2019 were:

- ☑ the execution of a welding fume project in Egersund measuring exposure to potentially carcinogenic chemicals

- ☑ the roll out of a global HSSE mindset module on Fatigue in the Workplace

- ☑ the continuation of a pilot program for the new E-Score tool from Norsk Industri. This is an assessment tool that evaluates potential health hazards from noise, chemicals, radiation, biological agents, poor work ergonomics, and psychosocial factors in the work environment. The tool will be implemented globally in 2020. It will also be included as a KPI on the HSSE balanced scorecard with a global target.

Commemorating World Day for Safety and Health at Work, employees at our Port Klang and Kuala Lumpur locations in Malaysia participated in activities such as a defensive driving workshop, health and dental screenings, blood donations, and a video competition related to the event theme.

0.3
Lost Time Injury Frequency (LTIF)

1.29
Total Recordable Injuries Frequency (TRIF)

Monitoring and Learning

A new version of Synergi Life, our HSSE and Quality reporting tool, was successfully implemented during the second quarter. A network of superusers was established, and training for both basic and extensive users was rolled out during the second half of 2019. All employees will receive training within Q1 of 2020. As a learning organization, we depend on our employees to report incidents and hazardous situations, and conditions, so we can prevent similar circumstances in the future. Following the tool upgrade, the company has put a massive focus on reporting of both HSSE and quality cases, and KPIs on case follow up and closing. The KPIs are monitored through several leadership dashboards, keeping managers accountable for their units' performance.

The introduction of a confidentiality module in the Synergi reporting tool has enabled the function to register sensitive cases while also ensuring privacy aspects. Other improvements of the tool have enabled cases within physical, personnel, and IT security to be differentiated and managed by the correct functions. This has also ensured improvements within trending and root-cause analysis. Most of the cases reported in 2019 were related to failure of technical components, personnel not adhering to security procedures, and generic cyber-attacks. No serious security incidents were reported in 2019.

In addition, the online HSSE community enables professional discussions, information and document sharing, as well as internal networking and resource sharing, creating a complete learning package that is available throughout the company.

HSSE Management of Suppliers and Subcontractors

Aker Solutions values the partnerships and relationships with its vendors and works to ensure that the highest quality products and services can be supplied to Aker Solutions without compromising HSSE. More information on our monitoring and auditing of key suppliers can be found in this report in the chapter Driving a Responsible and Sustainable Supplier Base.

Security

Aker Solutions' commitment towards safeguarding employees, assets, and reputation is demonstrated by the core team of security professionals and the operation of a 24/7 Global Security Operations Centre (GSOC). The Centre supports all aspects of Aker Solutions' global operations as well as some of the sister companies within the Aker portfolio.

In 2019, Aker Solutions facilities in Port Klang, Luanda, and Perth were onboarded to the corporate systems for access management and remote surveillance. Work has commenced to incorporate Mumbai, Al Khobar, and Hainan in 2020.

All Aker Solutions employees are required to perform an annual Code of Conduct and business ethics training. For third party security personnel this is controlled through the individual contract with the security companies. Compliance is checked through the Security Risk Assessments (SRA), which are conducted regularly at all locations. The SRA checklist asks if the security guards are trained in human rights, ethical behavior, and anti-corruption.

Emergency Preparedness and Response

The company's Corporate Emergency Response Team (CERT) was involved in two incidents in 2019:

- A fire affecting our office in Nigeria
- A haze situation in Malaysia

Both incidents were handled by the local organizations in cooperation with the relevant corporate functions.

The CERT is comprised of the leaders from the global HR, IT, HSSE, Security, Legal, and Communications functions. The team trains at least once a quarter and all findings and learnings are registered in the Synergi tool. The company's capabilities within crisis management were further enhanced in 2019. A dedicated resource was assigned to advise and assist country management on development of systems and structure of emergency response and business continuity.

Targets and Initiatives for 2019

Our main targets for 2019 were outlined in the 2018 report:

- ☑ The most important target is always zero fatalities, and we shall promote safe, reliable, and sustainable operations to achieve our goal of zero harm to people, assets, and the environment.

- ☑ Safeguarding and developing a unified global HSSE culture driven by ongoing initiatives such as the HSSE mindset module.

- ☑ We will replace our current Just Rules with the industry standard IOGP Life-Saving Rules. The intention is to go live globally with the new rules in March 2019.

A wide communication package will ensure successful implementation and compliance with the rules. In addition, we will work to have applicable supporting procedures in place.

- ☑ We will also strive towards improved HSSE performance through driving the new initiative on Major Accident Hazard Management and ensure robust crisis and emergency response management through existing tools and processes.

- ⊟ During the second half of 2019, we will initiate the implementation and improvement of our Control of Work tools. Step Change for Safety has developed an industry standard which we will implement in applicable areas globally.

As you can see, most of our goals for 2019 were achieved, and several initiatives will be safeguarded and continued into 2020. The implementation of the Control of Work tools was put on hold because of the priority of implementing the IOGP Life-Saving Rules first, but is included in our targets and initiatives for 2020.

As seen from the table below, not all KPI targets were met, but the company shows a positive trend within all our KPIs.

Flowers presented by our St. John's, Canada employees at the National Day of Mourning event in April. This event recognizes workers who have been killed, injured, or suffered illness due to workplace related hazards and exposures.

Health and Safety: 2019 Values

		Performance			
	Target values 2019	2019	2018	2017	Trends
Fatalities	**0**	0	0	0	→
Zero days	**> 314**	297	288	313	↗
SIF	**< 0.50**	0.3	0.42	0.28	↗
LTIF	**< 0.27**	0.3	0.55	0.47	↗
TRIF	**< 1.17**	1.29	1.97	1.35	↗
Sick leave (percent)	**< 2.7**	2.5	2.6	2.8	→

For explanations of SIF, LTIF, and TRIF see page 24 and page 73 (Appendix).

Our 2020 targets and initiatives are outlined below:

- The most important target is always zero fatalities, and we shall promote safe, reliable, and sustainable operations to achieve our goal of zero harm to people, assets, and the environment

- Implement Major Accident Management

- Implement Control of Work. Step Change for Safety has developed an industry standard called Safe Working Essentials, which we will implement in applicable areas globally

- Strengthen focus on HSSE mindset; develop a Hearts and Minds initiative on leadership and culture

- Reduce health hazard exposure to our people

- Continued focus on supply chain HSSE management

- Implement the use of health hazard E-score globally, monitor this as a HSSE KPI, and reduce exposure to harmful hazards in the working environment

- Roll-out the new Chemical Management system (Chess) for global use

- Develop and execute a global plan for registration of work-related illnesses in Synergi

- Transition from OHSAS 18001 to ISO 45001 standard for Health and Safety

KPI targets for 2020:

Fatalities	0
Zero days	> 314
SIF	< 0,4
LTIF	< 0,25
TRIF	< 1,10
Sick leave (percent)	< 2,6

For explanations of SIF, LTIF, and TRIF see page 24 and page 73 (Appendix).

Safe Driving

To bring awareness to the importance of safe driving, employees organized traffic safety events at all 3 of our Brazil locations in May.

4. Our Environmental Impact

The oil and gas industry, particularly the deepwater sector, is exposed to significant environmental risks, including oil spills and carbon dioxide emissions.

SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reduce energy use in our operations

Increase use of renewable energy as a source

Reduce GHG emissions from our operations

Reduce hazardous and non-hazardous waste from our operations

Prevent spills from our operations

Managing environmental and climate-related risks is required to ensure a sustainable future for our company, our clients, and the industry at large.

Aker Solutions' commitment to reducing its environmental impact is detailed in its health, safety, security and environment (HSSE) policy:

- We shall secure prevention and control of events that have the potential to release hazardous materials and energy by focusing on process safety

- We shall conduct our operations through efficient use of materials and energy

- We shall design products and services to have no undue environmental impact, to be safe and to be efficient in consuming energy and natural resources

- We shall provide the right level of resources to ensure that this policy is implemented appropriately

The HSSE policy is implemented through the management system and various leadership development initiatives.

As a part of our ISO 14001 standardization, all Aker Solutions sites must perform a review of their environmental aspects and the associated impacts and describe how to mitigate these. On an overall level, we see that Aker Solutions' largest environmental aspect is related to our operations, where the potential for uncontrolled release of chemicals and hydrocarbons to air, soil, or sea is the most important one. Carbon emissions from power generation, fuel combustion, and air travels are also one of our main aspects. We are currently implementing these aspects into the company's global risk register to grant better overview and easier access. Identifying and managing potential environmental risks are integral aspects of the company's project tendering and execution, ensuring that appropriate measures are taken for each project and location. These activities contribute to increased environmental awareness for Aker Solutions and its customers.

HSSE Policy

Aker Solutions' commitment to reducing its environmental impact is detailed in its health, safety, security and environment (HSSE) policy.

Managing Our Footprint

Aker Solutions' targets for managing environmental risk in 2019 were outlined in last year's report. The main goal was to further implement and safeguard the environmental management system and initiatives introduced into the organization during 2017 and 2018. On a more detailed level the most important targets were:

- ✓ Carry out an environmental module in the global HSSE mindset program

- ✓ Organize World Environment Day events across the company to raise and strengthen environmental awareness among our employees

- ✓ Reduce energy use, emissions, spills, and waste through operational excellence

- − Follow up the implementation of our aspects and impacts register in the company's risk register tool

As you can see, most of our initiatives for 2019 were implemented. The HSSE mindset program module on Environmental Compliance and Sustainable Solutions and World Environment Day were successfully executed in the second and third quarters of 2019. Efforts on implementing environmental aspects and impacts into the company's risk register tool were made but were held back while exploring the possibility of including other HSSE risks in the same process. This work will continue in 2020.

The theme for the 2019 World Environment Day was "Beat Air Pollution" and employees from locations across Aker Solutions participated in educational and volunteer activities to mark the importance of this annual event.

Brazil

In Brazil, employees joined children from a local public school to tour a city park and learn about nature protection, the importance of air quality, and sustainable practices.

Malaysia

Employees in Malaysia came together with their families to commemorate the day by planting over 850 trees and plants at the local botanical garden.

India

Through organizing a "Green" day of ride sharing and public transportation, employees in India celebrated World Environment Day and reduced the office car usage by 15% and motorcycle and scooter usage by 10%.

During World Water Day in March, over 150 employees from our Brazil locations learned about water conservation

In 2019, Aker Solutions experienced only minor spills with very limited impact. Most were small spills of hydraulic oil from pumps and other equipment, and all spills were handled locally. There were two incidents involving client-owned assets at our facilities:

At our yard in Egersund, Norway in June, an asset owned by one of our clients experienced an oil spill estimated at 2800 liters. Most of the oil was released on the yard premises, but due to rough weather conditions and strong winds, some oil spread into the ocean and across some private properties in close proximity to the yard. Aker Solutions followed procedures and immediately notified the local emergency response teams and relevant authorities and all preventative actions were taken to contain, minimize, and remove the leakage of oil. The asset owner initiated a root-cause investigation and followed their company procedures for follow-up testing and clean up. The test from the private properties concluded that the oil leak was minor and that there is no risk posed to humans or the environment.

In September, an asset owned by one of our clients experienced a chemical leak at our facility in Mobile, Alabama, USA during a routine process carried out by the client's third party contractor. The area was excavated, tested, and restored. Follow-up testing and soil samples have concluded that the area poses no threat to humans or the environment.

Aker Solutions was not subject to any significant fines or sanctions for non-compliance with

environmental laws and regulations, and no grievances about environmental impact were filed through formal channels in 2019. We continuously monitor governmental guidelines, directives, and regulations regarding the environment to ensure that we are informed and prepared for changes.

The company responded to the CDP reporting framework for the first time in 2019, using 2018 performance numbers. As we were first time responders, we only submitted the minimum version questionnaire, and hence no scoring was given, as per CDP's scoring framework. In 2020 we will submit the full version questionnaire, and will therefore obtain a score on our 2019 reporting.

Aker Solutions is also represented in several of the IOGP committees where environmental impacts from business are being discussed, making sure we contribute to a sustainable future for our industry.

CDP Reporting

The company responded to the CDP reporting framework for the first time in 2019, using 2018 performance numbers.

Targets and initiatives for 2020

Environmental targets and planned initiatives are governed in the company's HSSE plan for 2020. The environmental plan outlines the details. Aker Solutions' main environmental targets for the coming year are:

- Reduce energy use, emissions, spills, and waste through operational excellence
  - Carbon emission intensity from energy consumption and business travel <750 metric tons CO_2 per million worked hours (12-months rolling average)
  - Zero spills
  - Local reduction targets on total waste. Targets are set in relation with the types of operations at each site

- Capture flight emissions for India, Brazil, and Malaysia and include these in our emission accounting

- Include environmental aspects and impact in risk management tool

- Grow our de-carbonization agenda and build a strategy aligned across all delivery centers from an internal and external perspective to deliver the 20/25/30 vision

2%
We aim to reduce energy intensity by two percent per year.

As Aker Solutions is primarily a project-driven company, its energy consumption is closely linked to the amount of work it does. This means that it is difficult to target an overall reduction in energy consumption. Therefore, we focus on energy intensity, and ultimately carbon dioxide emission intensity. We aim to reduce this number by two percent per year through operational excellence, improved technological solutions, and by selecting renewables over non-renewables where possible.

Over time, Aker Solutions has had a great focus on operational excellence to minimize cost and stay ahead of schedule whenever possible. Maximizing operational efficiency has led to great savings of both energy and materials, as well as time spent in the fabrication phase. This has also a positive environmental effect, as lower consumption of energy and material per unit reduces the negative impacts on climate change and other environmental impacts. Operational performance is also vital to meet stringent environmental regulations and the associated costs of implementing sustainable environmental technology. As a large company and responsible corporate citizen, the management of environmental and economic performance is a high priority.

Aker Solutions continuously strives towards environmentally sound management of waste and environmental hazards. Our work towards developing and deploying environmental technologies, such as efficient production and decommissioning technologies, will further

744
Total carbon dioxide emissions intensity, metric tons CO_2 per million worked hours

mitigate environmental impact for us and our customers. See the appendix for environmental figures and data from 2016 to 2019.

Our total energy consumption showed an increase in 2019 compared to 2018. This was an expected increase, as work activities have risen over the past year. All operational sites are reporting, but some very small sites, typically 1-5 people in a shared office area, are not a part of the reporting, as landlords have difficulties in providing accurate data for multi-tenant buildings.

Looking at the energy intensity, which is a measure of the amount of energy consumed per million man hours, it is a little lower than in 2018, which means that we are using less energy per hour we work. When it comes to the total carbon dioxide emissions intensity, this indicator shows a decrease as well, and the value of 744 metric tons CO_2 per million worked hours is well below the target of 890. The main decrease comes from reduced scope 3 emissions. However, in 2020 we will be including travel emissions from more locations, and we therefore expect our CO_2 intensity to increase a little in the coming year.

Aker Solutions locations in Canada became Climate Smart certified in 2019.

5. Developing Sustainable Low Carbon Solutions

Aker Solutions' leadership will forge a sustainable future for our industry and the world we serve.

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Contribute to decarbonizing global oil and gas productions

Commercialize technology for renewable energy, especially for offshore floating wind

Commercialize CCUS

Internal lunch and learn sessions were held at US locations in 2019. The sessions educated over 125 employees about Aker Solutions involvement in offshore floating wind and provided an informal setting for dialogue about Aker Solutions' capabilities in this emerging market and potential future projects.

Aker Solutions is involved in developing a broad range of low carbon solutions, including: offshore floating wind, zero emission shipping concepts, unmanned platforms, as well as reduced emissions from offshore oil and gas exploration and production through electrification, carbon capture, and energy optimization.

The Paris Climate Agreement and the IPPC 1,5°C special report has accelerated the drive towards low carbon solutions in all sectors, industries, transport, agriculture, etc. The market landscape is changing and there is a rapid shift towards renewables that can compete with fossil fuels. Oil and gas companies are searching for new "green" technologies and solutions. Our updated strategy confirms our focus on developing low carbon offerings and solutions for our clients and creating value through green engineering. 20/25/30 means we are committed to generating 20 percent of our revenue from renewables and 25 percent of our revenue from low carbon solutions by the year 2030. We are already on our way to meeting these aggressive goals. Within the remaining 55 percent, related to the oil and gas industry, we will continue and enhance our focus on decarbonizing production from new and existing facilities, making low carbon design a primary objective.

Currently, we are an established partner in carbon capture, utilization, and storage (CCUS). Aker Solutions is the only company to offer services, products, and solutions throughout the whole CCUS chain, from capture via transport to safe storage. Our proprietary post combustion technology efficiently reduces CO_2 emissions from industrial flue gases. The pure, captured CO_2 can be utilized or transported via ship or pipelines for permanent storage in geological structures, and further used for increased oil production from mature fields.

In 2019, Aker Solutions increased its investment in Principle Power Inc., a floating wind power technology company, to 25%. The offshore wind solutions alliance combines Aker Solutions' experience in developing and managing large and complex offshore projects with the proven WindFloat® technology from our partner Principle Power.

While these products are being further commercialized, our engineers are continuously working on smarter and more environmentally friendly products, tools, processes, and solutions. An internal project was defined for 2019 to help us achieve our goal of becoming a leader in developing low carbon offerings and solutions.
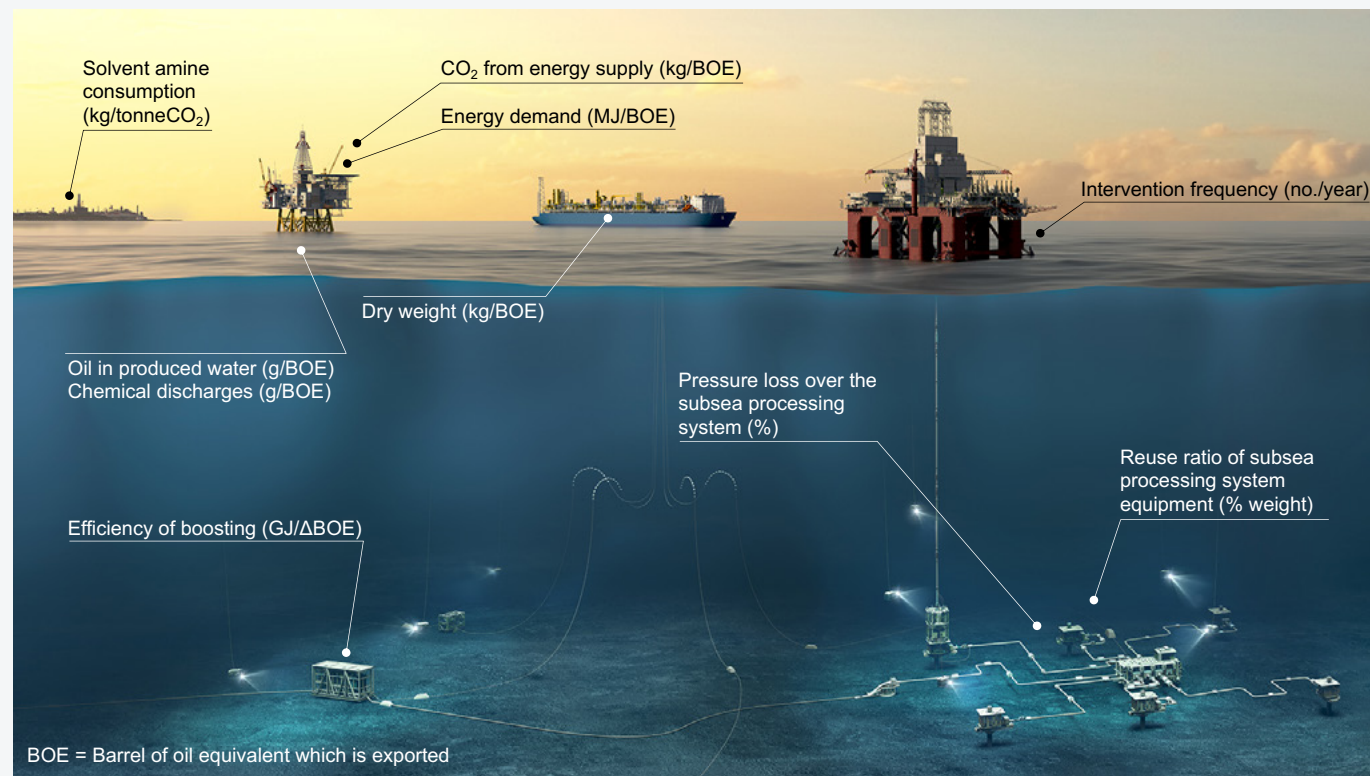
20/25/30

means we are committed to generating 20 percent of our revenue from renewables and 25 percent of our revenue from low carbon solutions by the year 2030.

Key Environmental Performance Indicators (KEPIs)

To support the ambition of being the preferred low carbon solution provider, Aker Solutions has developed a set of Key Environmental Performance Indicators (KEPIs). These indicators are common tools that allow us to measure and compare the environmental impact of products and system solutions. They have initially been developed to support study work within our Front End delivery center, but can as a starting point also be used during execution, operational phases, and for product design. Specific KEPIs for execution projects are being developed in 2020.

KEPIs help influence engineering design and provide key input to concept evaluation and selection for our clients. Using these indicators will drive the right behavior and support the selection of environmentally friendly solutions. In the longer term, these indicators will enable us to demonstrate continuous improvement for the environmental impact from our solutions. The latter implicitly assists the fulfilment of requirements in ISO 14001.

The industry and our clients are increasingly looking for low carbon solutions and through implementation of this tool, Aker Solutions can develop improved and measurable sustainable solutions for the energy market.

Solvent amine consumption (kg/tonneCO_2)

CO_2 from energy supply (kg/BOE)

Energy demand (MJ/BOE)

Intervention frequency (no./year)

Dry weight (kg/BOE)

Oil in produced water (g/BOE)
Chemical discharges (g/BOE)

Pressure loss over the subsea processing system (%)

Reuse ratio of subsea processing system equipment (% weight)

Efficiency of boosting (GJ/ΔBOE)

BOE = Barrel of oil equivalent which is exported

KEPIs are common tools that allow us to measure and compare the environmental impact of products and system solutions. Here are examples of some of the 50+ indicators that have been developed.

Culture of Low Carbon Design

At Aker Solutions, low carbon design is a primary objective and a natural part of the engineering process - from the planning stages through to execution, fabrication, and installation. We are using best practices, new concepts and technologies, embedding KEPIs in each study and project, and measuring, understanding, and sharing the environmental impact both internally and with our clients.

We are actively working to improve tools and procedures so that our engineers are equipped to develop environmentally sound design. Through collaboration tools and knowledge sharing events, we are creating, safeguarding, and prioritizing a sound and innovative culture for low carbon design.

In 2019, Aker Solutions launched technology centers in Reading, UK and Tranby, Norway. The two locations were strategically selected as Aker Solutions' global technology centers, prioritizing innovation in the energy industry and working together to accelerate our product offering. These locations will serve as innovation incubators offering space for collaboration, innovation, and design thinking. The opening of these centers and the commitment from within Aker Solutions to set aside space for research, design, and innovation further demonstrates the strong innovation culture across the company.

Three low carbon seminars were arranged in Norway in 2019 bringing together a total of 350 employees, client representatives, and members of academia. The purpose of these seminars is to increase internal and external attention on key topics related to the energy transition, and create a meeting place for discussion and information sharing across the industry. For 2020, we will arrange seminars in additional locations outside of Norway.

C4IR Norway

Aker Solutions is supporting the establishment of a Centre for the Fourth Industrial Revolution Norway (C4IR Norway) together with the Aker group and the World Economic Forum. As we work to develop new sustainable and low carbon solutions, collaboration and partnerships are essential.

Innovation weeks

In conjunction with the openings of the two technology centers, Aker Solutions held Innovation Weeks at each location.

These events brought together employees from across the company to join in presentations and workshops with internal and external experts to discuss key trends in innovation and technology.

Reading, UK

The event brought together more than 100 employees and a range of industry experts to discuss the latest advancements in technology. Speakers included representatives from Siemens Smart Fibres, 42 Technology, National Instruments, Rockwell, SensEye and Cisco and the presentations explored a range of industry topics from sustainable design, artificial intelligence, and machine learning to digitalization and all-electric systems. One of the highlights of the week was the opening plenary session with UK Country Manager, Sian Lloyd-Rees, highlighting the importance of developing smarter ways of working to meet growing project demands.

Tranby, Norway

This year's theme was Innovation for Sustainability and speakers included politicians, CEO's, and senior management from several innovative and technical companies including Nordea, Ocean Data Foundation, Cognite, and DNV GL. Through interactive and engaging presentations they shared views of what the future will bring within sustainability, ocean economy, and new technologies. The event also included an Innovation Demo showcasing state-of-the-art technology from internal innovation projects and external partners.

Hackathon

More than 200 employees from Aker Solutions locations around the world participated in the company's first ever global hackathon in June. Teams participating in the Innovation Hackathon were challenged with developing ideas with potential for real business impact while contributing to a learning culture that drives innovative thinking.

On the last day of the Norway Innovation Week, Aker Solutions hosted the "Technology for Equal Opportunities" seminar in partnership with Stiftelsen VI. The event brought awareness to the challenges related to physical activity for disabled people and focused on the opportunities that innovation and technology can provide. The goal of the event was to establish a lasting meeting place which can initiate collaboration across different interest groups and stakeholders.
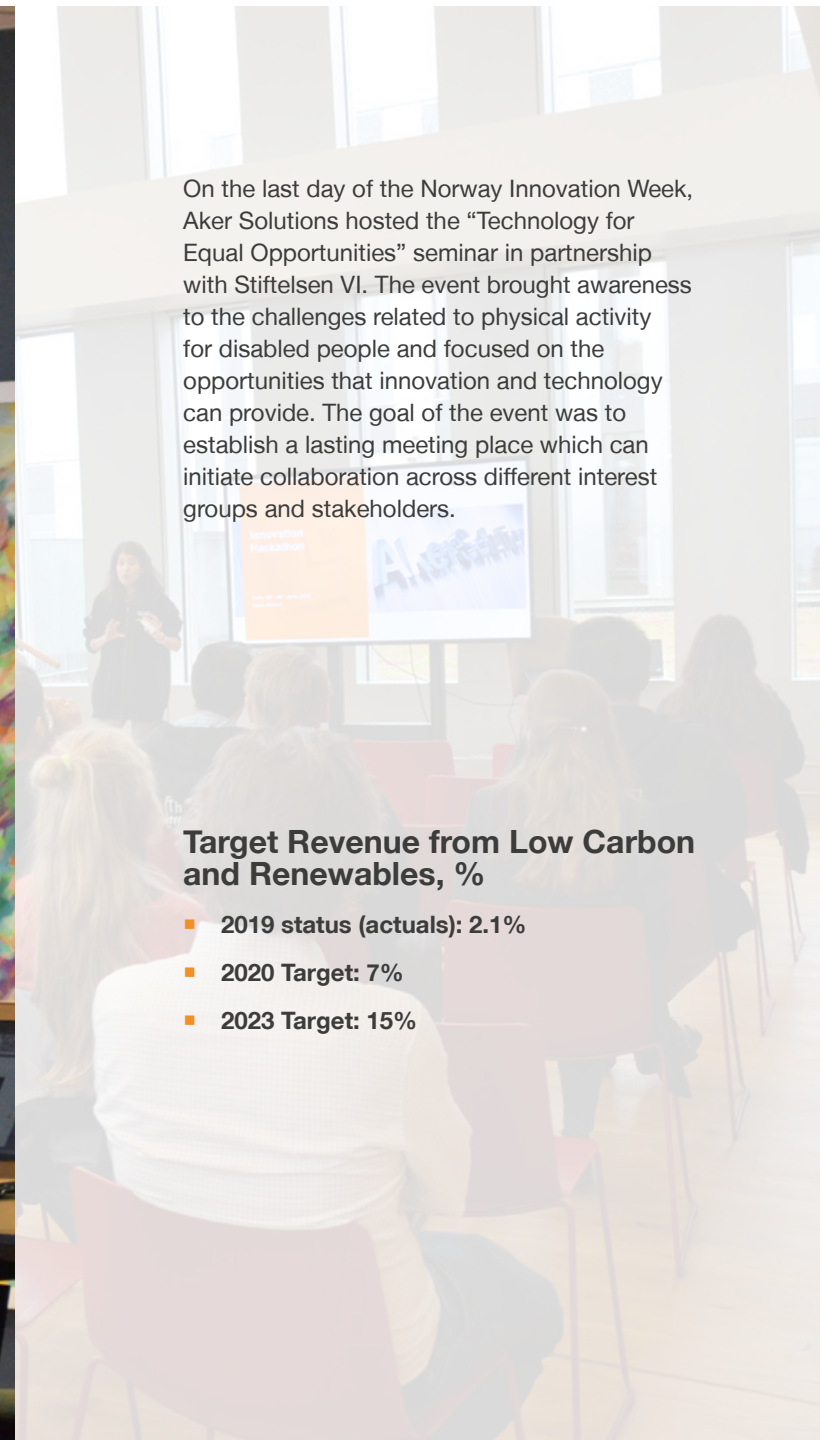
Target Revenue from Low Carbon and Renewables, %

- **2019 status (actuals): 2.1%**
- **2020 Target: 7%**
- **2023 Target: 15%**

6. Driving a Responsible and Sustainable Supplier Base

We seek an open and transparent relationship with our partners and expect them to adhere to our business ethics and standards.

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure our suppliers have a healthy, safe, and secure working environment

Ensure our suppliers' adherence to our Code of Conduct

Reduce material footprint in our products

Use less materials in design

Standardize design to reduce/reuse materials

A Responsible Global Supply Chain

Our commitment to sustainability includes our external operations, such as those related to our suppliers and customers, as well as our internal operations. We are committed to engaging only with suppliers who meet our expectations. Suppliers are expected to adhere to our business ethics and values, including our standards for health and safety, human and labor rights, environment, quality management, business integrity, and corporate social responsibility, as well as being competent and trustworthy.

Aker Solutions' supply chain management team works with around 10,000 direct and indirect suppliers across the globe and employs 954 people. Supply Chain Management includes strategic sourcing, category management, supplier quality and surveillance, material planning, procurement, inventory management and logistics, and risk and compliance. Material costs are the bulk of our budgets and play a significant role in the success of the business. Many of the products we procure include tubes, valves, actuators, forgings, connectors, and instrumentation. Sourcing IT services, travel, and temporary personnel are important parts of our indirect procurement.

Through our international presence, we establish mutually beneficial relationships with local suppliers and subcontractors. Their local presence, knowledge, and expertise is key to our business. It enables us to perform well in a complex industrial landscape and remote locations.

Approved Vendor List (AVL)

In 2019, Supply Chain concluded the transition from the legacy Supplier Qualification and Information System (SQiS) to the new integrated Approved Vendor List (AVL), thus improving compliance and visualization of our strongly consolidated supplier base.

Aker Solutions' supplier base is qualified and monitored through our qualified supplier list AVL. Compliance with our requirements is assessed through process and/or technical audits or due diligence analyses. A chosen supplier, direct or indirect, is expected to meet certain key requirements and fully embrace our ethical standards.

AVL's rigorous qualification, monitoring, and performance evaluation process to measure and predict supplier performance is supported by a fact and risk-based approach to supplier selection and development. The qualification requirements can be increased or decreased depending on the complexity of the product or service required, and on the country or location of the supplier.

> " **Aker Solutions engages with the wider industry and non-governmental organizations to share experiences and discuss dilemmas. One example is the presentation we gave earlier this year at a breakfast seminar in cooperation with the Norwegian Refugee Council, law firm Kluge, and technology provider SAP.**

Supplier HSSE Dashboard

Our Supply Chain Information System allows us to continuously monitor the performance of our qualified suppliers through the new dedicated dashboard, this includes HSSE and compliance aspects like human and labor rights risks. This information system is integrated with the company's internal audit management tool, which tracks audit reports and findings, lost time incidents and near misses, HSSE and operational performance. It also issues alerts when certifications are expiring.

Aker Solutions' supplier audit program is risk-based and determines where the company focuses its audits. In 2019, the company conducted 83 external audits of suppliers and 179 audits are planned for 2020. The audit includes a detailed questionnaire and verification of adherence with business integrity and compliance, e.g. UN Guiding Principles for Business and Human Rights.

In 2019, we reached 1261 direct suppliers prequalified for the company's qualified supplier list (AVL). All the suppliers were screened for quality management, health, safety and environmental management, corporate social responsibility, anti-corruption and compliance management, human and labor rights management, supply chain management, human resources, and process management. The supplier qualification summary is available to all purchasing departments. This information, combined with operational performance evaluations, provides the procurement department with a solid risk picture of our suppliers, enabling an informed selection.

83
External Audits of Suppliers in 2019

179
External Audits of Suppliers planned for 2020

1261
Direct suppliers prequalified for the company's qualified supplier list (AVL)

The company did not identify significant actual or potential negative impacts on society, human rights, labor practices, or the environment in 2019. However, we rejected certain supplier qualifications based on poor environmental management or compliance risks.

Supplier Accreditation

Accredited suppliers and their manufacturing and inspection processes help us minimize quality surveillance, document review and purchase order administration, ultimately reducing costs and lead times. Supplier accreditation builds on our systematic process of prequalification. Aker Solutions' supplier quality department in supply chain management drives detailed reviews of processes with main suppliers to ensure full quality control and HSSE in the product manufacturing processes as well as compliance to business integrity principles and respect to human and labor rights.

The program includes a supplier performance review, a supplier process audit and supplier improvement workshops. At the end of 2019, 50 suppliers in total were accredited, chosen for their relentless efforts to continuously improve both on their quality of delivery and their cost base in cooperation with Aker Solutions. As it progresses, the program will form the basis for increased preapproval of standardized supplier processes and documentation.

Our key focus is to ensure that suppliers have proven quality management processes, including change management.

Innovator of the Year

Our team in Mobile, Alabama U.S.A. received the Innovator of the Year award from the local chamber of commerce. The award recognizes Aker Solutions for the development and investment in a new umbilical technology that improves safety and reduces project cost and time.

Supply chain management met the targets for 2019 as outlined in last year's report:

- ☑ Improve incident monitoring of suppliers through a detailed HSSE dashboard application

- ☑ Reduce the number of incidents at suppliers through focused supplier development

- ☑ Integrate business integrity and compliance as a new function within supply chain management

- ☑ Strengthen compliance with supplier qualification through introduction of SAP Ariba

- ☑ Integrate a dedicated section related to business integrity and compliance in all supplier audits

Our 2020 targets and initiatives are outlined below:

- Reduce CO_2 transport intensity. The purpose of this objective is to drive reductions in Aker Solutions Scope 3 GHG emissions intensity, by involving our freight forwarders as they are gradually offering low-carbon or zero-carbon transport solutions

- Conduct data analysis of suppliers that have the capacity to measure CO_2e emissions, distribute CO_2 measurement guide and roll out training campaigns

- Further reduce the number of incidents at suppliers through focused supplier development

- Implement the risk-based human and labor rights approach through the roll out of target communication / training initiatives and on-site audits
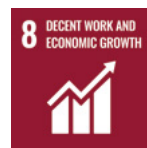
7. Respecting and Promoting Human Rights

At Aker Solutions, we take our responsibility to respect human rights seriously.

SUSTAINABLE DEVELOPMENT GOALS

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Respect and comply with international human rights principles

Build a work place culture that promotes and respects human rights

Ensure equal opportunities, equal remuneration, and non-discrimination

Respecting Human and Labor Rights

Aker Solutions respects and supports internationally accepted human and labor rights principles. Aker Solutions' Code of Conduct, business integrity policy, and UN Global Compact membership underpin the company's respect of and support for international standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, and the UK Modern Slavery Act. We oppose modern slavery in all its forms and our full statement in accordance with the Act can be found on our website.[2]

Aker Solutions is also bound by the framework agreement between Aker ASA, Fellesforbundet, Tekna, Nito and IndustriALL Global Union for the development of good working relations in companies that are part of the Aker Group.

In addition, Aker Solutions supports Building Responsibly. This is a group of leading engineering and construction companies working together to raise the bar in promoting the rights and welfare of workers globally across the industry.

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2) The 2019 statement in accordance with the UK Modern Slavery Act will be published in April 2020. The 2018 statement can be found here.

Aker Solutions shared best practices in business compliance especially related to human rights and fair labor practices. The event was hosted by the Embassy of Norway in Malaysia

The ILO Governing Body has identified eight "fundamental" Conventions, covering subjects that are considered to be fundamental principles and rights at work. Aker Solutions supports the following ILO conventions:

1.

Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)

2.

Right to Organise and Collective Bargaining Convention, 1949 (No. 98)

3.

Forced Labour Convention, 1930 (No. 29) (and its 2014 Protocol)

4.

Abolition of Forced Labour Convention, 1957 (No. 105)

5.

Minimum Age Convention, 1973 (No. 138)

6.

Worst Forms of Child Labour Convention, 1999 (No. 182)

7.

Equal Remuneration Convention, 1951 (No. 100)

8.

Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Human Rights Committee

A human rights committee was established in 2019. To ensure cross-functional discussions and participation, the members of the committee are from the following functions: HSSE, business integrity and compliance, human resources, data protection, supply chain, and communications, as well as representatives from the employee unions. The committee's mandate is to ensure that the company has a sound human rights program and to continuously improve this program. The committee reports to the CEO and the audit committee on a quarterly basis.

Human Rights Program

To meet our commitments to respect and support human rights, Aker Solutions shall maintain a human rights program that is risk-based and designed to prevent, detect, and respond to human rights risks and learn from incidents of human rights violations.

The human rights committee is responsible for maintaining Aker Solutions' human rights program. The program is designed to minimize and mitigate risk of human rights violations arising from the company's own activities and business relationships. The program consists of three main elements:

1. Governing documents: The Code of Conduct is supported by a global management system. Human rights concerns are by their very nature multi-faceted and linked to multiple business processes, and Aker Solutions therefore strives to integrate human rights considerations into its core business processes. This approach also facilitates a company culture where human rights risk is considered as part of core business, rather than as a separate exercise.

2. Human rights risk assessment: The UN Guiding Principles Business Reference Guide is applied as a tool to identify Aker Solutions' human rights risks, and which human rights the company is in a position to impact. The assessment is updated annually.

3. Program activities: Activities that are carried out to prevent, detect, and respond to human rights risks and potential human rights violations within the company's business integrity, supply chain, HR, HSSE, and processes. Examples of activities:

- Business ethics training is one of Aker Solutions' key initiatives in preventing unethical behavior, including human rights infringements. The purpose of the business ethics training is to clarify expected business conduct, personal responsibilities, relevant regulations and internal policies, and consequences of breaches.

- When Aker Solutions is entering a new country, a formal country entry process shall be implemented. The process ensures that all relevant risks of entering into a new country, including human rights risks, are assessed and that mitigating actions are implemented.

- Screening of projects with delivery to countries with high risk of human rights infringements are performed as part of the tender process.

- Integrity due diligence (IDD) is conducted to protect Aker Solutions against the risk of becoming complicit in illegal or unethical practices conducted by a business partner.

- All contracts with Aker Solutions' clients, business partners, and suppliers include human rights clauses.

- The supplier portfolio is monitored through supply chain's monitoring system. If a supplier is, inter alia, connected to human rights infringements, this triggers that mitigating actions are implemented and followed-up.

- Occupational health services are available for all personnel. The services focus on people's health, safety, and well-being and continuously improve the working environment.

- HR monitors that employees below minimum age are not hired.

- The company applies objective criteria when making decisions related to hiring, promotions, compensation, and benefits. Employees will not be favored or discriminated for their opinions, expression, thoughts, conscience, religion, or membership in an association/trade union.

The risk of Aker Solutions being directly involved in human and labor rights infringements is considered to be low. However, indirect involvement in such infringements is a risk due to the size of our supply chain.

Aker Solutions signed a Safety Collaboration Agreement with several other companies working closely on the Norwegian Continental Shelf. All companies are using the International Association of Oil and Gas Producers (IOGP) Life-Saving Rules and the charter will help us ensure a common safety approach, common priorities, and continuous improvement across all companies involved. The group has set common targets and will connect on a regular basis to follow up on progress.

2019 Achievements

In addition to establishing a Human Rights Committee, Aker Solutions continuously works to ensure that human and labor rights violations, including slavery and human trafficking, do not take place in the company's supply chain or in any other part of our business. In 2019, Aker Solutions continued to use qualification requirements and background screening to check our suppliers, potential customers, and business partners for human and labor rights infringements. In 2019, the company continued to experience focus from customers on compliance with human rights principles. One of our major projects underwent a human and labor rights audit in 2019, which did not surface any issues of concern for the customer.

Aker Solutions operates a whistleblower channel, which allows all parties affected by our operations to air grievances and report concerns. No material human rights grievances against the company were reported in 2019. You can read more about our whistleblower channel in the chapter Conducting our Business with Integrity.

Our 2020 targets and initiatives are outlined below:

- Finalize a human rights policy

- Implement an integrity risk-based supplier audit program

- Develop a human rights e-learning course

- Further strengthen Aker Solutions' human rights program by implementing mitigating activities where appropriate and ensuring monitoring of processes with an inherent risk of human rights infringements

8. Ensuring a Competent, Engaged, and Diverse Workforce

People are key to our success and we achieve this by attracting, developing, motivating, and retaining highly competent employees globally.

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH
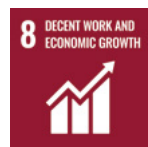
Increase employee engagement

Build relevant competence in organization

Adjust our working models to meet the demands of the business

The company has a diverse workforce, which it seeks to develop and motivate through competency management, employee engagement, career development, and leadership training.

Diversity and Equal Opportunity

Aker Solutions is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality, or other factors. As discussed in the previous chapter on human rights, in 2019, Aker Solutions established a human rights committee with a mandate from the CEO to ensure that the company has a sound human rights program and to work to continuously improve this program. Men have traditionally dominated the oil and gas industry and, particularly, offshore work. This continues to be reflected in our organization, where around 17 percent of our employees are women.

Men hold about 78 percent of our management positions and women hold 22 percent. The number of women in leadership roles increased from 136 to 144. Aker Solutions seeks to promote diversity in its workforce through clear requirements for diversity in recruitment and development of individuals and programs supporting equal opportunity, in accordance with its people policy and recruitment policy.

We have around 83 nationalities in our workforce. Aker Solutions is committed to enabling local staff to move into management positions, in support of rules for local content and job creation

17%
Female Employees

22%
Female Leaders

83
Nationalities

for nationals enacted in some countries. Local management teams actively seek to promote, build, and retain local talent, ensuring legal compliance and securing long-term operations.

Aker Solutions has a procedure for handling whistleblower cases and it is followed with respect to investigating discrimination allegations. It ensures all allegations are investigated and feedback provided to the whistleblowers where identity is known. For more information on the whistleblower channel, see the chapter Conducting our Business with Integrity.

In the UK we are required to report publicly and to the government on the gender pay gap, which is the difference in the average pay and bonuses of all men and women across the company. The initial 2019 results for Aker Solutions show a continuing small decrease in the mean and median pay gap. This continues the downward trend from our first Gender Pay Gap report in 2017. The final pay gap outcomes for 2019 are due to be published in April 2020.

We welcome this transparency measure as an opportunity to engage with employees on equality, diversity, and inclusiveness and to discuss these issues in the UK Employee Consultative Forum. The company continues to take measures to address the pay gap in the UK, including setting up a diversity and inclusion group. We are also working with schools and universities to promote the energy sector as an attractive career choice, and to encourage more women to enter the industry.

Leadership, Talent, and Performance

A total of 523 employees attended our global leadership programs during 2019. A review of these programs was done at the end of 2019 and a revised program portfolio will be rolled-out starting in the first quarter of 2020.

The common thread and topic across all program modules are the revised leadership capabilities and a desired culture that drives innovation and learning, teamwork and boldness, and speed in decision making.

Implementation of a new software solution contributed to a more streamlined and focused approach to talent and performance management, including succession planning. The objective of these processes is to drive performance and to ensure that Aker Solutions has a pool of talent who can move into senior leadership and key professional roles. In December 2018, we introduced a digital cloud solution for the majority of our talent management, including performance

523

employees attended our global leadership programs in 2019

management. The cloud solution supports alignment with the enterprise performance management process.

Aker Solutions strives to offer professional development, worldwide career opportunities, competitive pay and benefits, and a healthy work-life balance for all its employees. The company provides a range of courses and programs in order to develop employee skills in areas like technical & professional, HSSE, Q&CI, compliance, leadership, and soft skills.

Our performance process is built upon frequent performance conversations between managers and employees to ensure that we all work towards common goals, accelerate performance, and help people grow and develop. The dialogues are mandatory for all employees and have been simplified over the last few years to make them more efficient and impactful.

From Brazil to Pune, and the US to Brunei and Norway, Aker Solutions locations around the world hosted blood drives multiple times throughout 2019.

Aker Talent

For the third consecutive year Aker Solutions joined with other Aker companies to host Aker Talent, an event that brings engineering, IT, and business students together at Engineerium in Fornebu, Norway. Students came from universities and colleges across Norway, and some from European and American universities.

Out of the 350 applications for this year's event, 40 students were selected to participate and meet the Aker companies as well as showcase their creativity and skills. This year's challenge theme was Sustainability. The eight teams were given challenges including:

- optimizing energy consumption and reducing emissions from offshore oil & gas installations while saving money

- improving the CO_2 footprint in concrete foundation products

- accelerating the implementation of carbon capture, utilization and storage in the industrial sector to meet the Paris agreement

- broadening the implementation of the UN Sustainable Development Goals

- using the ocean data platform to gain more insight into the climate change threats threatening marine mammals

The winning team solved the challenge related to using technology to enable disabled people to participate in the workforce. Their solution was the development of the "Visability" app that makes sharing of expensive and special equipment for the disabled easy. This would make it easier for the disabled population to be physically active, increase their quality of life, and in turn increase their employment rate. The case came from Stiftelsen VI (English: the WE Foundation). More information can be found on the foundation in the chapter Engaging and Supporting Local Communities. Aker Solutions is a founding member of Stiftelsen VI.

This event is an effective way to present and promote Aker Solutions to the top students in Norway and around the world, and the students get to learn about the company and the real-world challenges they might face if they come work for us. The group of companies aims to offer at least 50 percent of the participants a summer job or permanent position following the event.

Protecting Personal Data

As a Binding Corporate Rules (BCR) approved corporation, Aker Solutions takes data protection seriously. We have an organization dedicated to protecting personal data, with a team of privacy officers supervising and supporting this effort. In 2018, Aker Solutions concluded the General Data Protection Regulation (GDPR) project. We spent 2019 operationalizing the GDPR in our businesses. Our focus in 2020 will be on personal data protection compliance.

Employee Turnover

The global voluntary workforce turnover averaged 6.7 percent in 2019 compared with 5.5 percent in 2018. The increase in 2019 is in some of our countries like India and Malaysia due to high pressure in the labor market. For the other countries we do not see the same increase in turnover. We continue to have focus on career development plans to increase employee retention.

Employee Representation and Engagement

Good industrial relationships are an important part of Aker Solutions' history and culture. We encourage employee representation in our business units worldwide. This is part of our commitment to human and labor rights. Employees worldwide have the right to be heard and represented, and to form and join trade unions of their own choice. The global

framework agreement between our parent company Aker ASA and Fellesforbundet / Tekna / Nito / IndustriALL Global Union ensures that all Aker companies are committed to providing employees the right to a healthy and safe working environment (ILO conventions 155 and 167). To achieve industry best practice, the company involves and works with employees, their representatives, and trade unions to continually improve the company's health and safety performance, in compliance with ILO guidelines for occupational health management systems.

Employee representatives provide employees with influence and lines of communication through their participation in working committees, on the board of directors, and in operational improvement and organizational change projects. In 2019, union representatives in Norway had regular meetings with management on a local and regional level, in addition to more regulatory discussions in accordance with union agreements entered into by the company. Once a year, the unions hold a conference with a formal election process for union representatives in Norway.

Twice a year employee representatives from Norway, the UK, Brazil, Malaysia, and India meet with management from the Aker ASA companies as part of the Global Works Council (GWC). Beginning in 2020, GWC will be expanded to include employee representatives from the US and Angola. The council aims to develop communication and consultation

Employee representatives met with management from the Aker ASA companies as part of the Global Works Council

between management and employees on issues such as operations and strategy. The meetings in 2019 included an update on business integrity, the outlook for the oil & gas industry, and "green Aker" initiatives. An update and renewal of the Global Framework Agreement is planned for 2020.

Regarding organizational changes that will affect employees, Aker Solutions follows the legal requirements for national legislation on the minimum requirements of notification period in the countries where there are operations. The legislation varies, but for most countries this is 12 weeks, though it can be as few as 4 weeks in some countries.

10pt
increase in annual global Employee Engagement Score

Aker Solutions conducted a global survey in 2019 to gauge employee engagement. The engagement score improved significantly by 10.1 points. The survey is held annually and the feedback provides management with specific areas that need focus in the following year.

Key Staff Figures

In 2019 the number of employees increased by around 1250 employees due to project awards. We have also used more external contractors in 2019. The increase in number of employees is mainly in Brazil. While also North America, APAC, and Norway have had moderate growth in number of employees, the UK has reduced the number of employees by almost 700. Any significant variation in the total numbers during the year are due to the cyclic nature of our industry and project work. Depending on the projects we are awarded, we may have to increase our permanent and temporary base of employees and also increase the number of hired ins. Likewise, as projects come to a close, or the industry slows down, we may have to reduce our total work force. Additional data and figures on our employees can be found in the appendix at the end of this report.

Long-term Ambitions

We progressed well on the long-term ambitions set in 2019. The long-term ambitions had the aim to reinforce development of a competent, diverse, and agile people & organization.

Our long-term ambitions were:

- ☑ Build a culture that delivers on the strategy and is recognized by teamwork, learning, and boldness
- ☑ High performance through strong leadership and accountability
- ☑ Cost efficient organizational design and compensation that ensures sustainable business
- ☑ High quality HR function that is a true business partner

We achieved the expected progress and will further develop these in 2020 and onwards. A continued focus of building a sustainable and diverse pipeline for senior leadership roles, a robust and cost-effective HR organization are among the key drivers to further develop the company culture and leadership. A key element of this is to build a culture that promotes inclusion and diversity. In 2019, we started to measure diversity in management teams by international experience and will extend this in 2020 to also measure gender, nationality, and age groups.

1250
In 2019, the number of employees increased by around 1250 employees due to project awards

9. Engaging and Supporting Local Communities

Aker Solutions is committed to helping our communities benefit from our operations.

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION

14 LIFE BELOW WATER

Develop local competency and capability

Support a positive local impact by engaging employees in company-endorsed community programs

Ensure continued positive local impact on environment, employees and their families

We recognize the opportunity and responsibility to positively impact our surroundings and are determined to ensure that our presence is marked by integrity and transparency.

Aker Solutions operates in markets that face socio-economic challenges such as poverty, violation of human rights, and corruption. The company conducts several assessments a year to prepare for potential challenges in such markets and to guard against becoming complicit in unethical activity that could negatively impact the societies where we operate. With an expanding global footprint, these assessments become more comprehensive, complex, and challenging and the results sometimes require difficult decisions. Nevertheless, the company is determined not to compromise its integrity and reputation.

Local Content

Customers or local authorities often require local content as a prerequisite for executing projects or maintaining a local presence. These requirements regularly involve partnering with local companies, sourcing locally, or enhancing local competence through training and knowledge-sharing initiatives. Aker Solutions aims to comply with these requirements and follow up continuously, both from corporate and local offices, to ensure that compliance is in place. We believe that using local staff, products, and services is important. We depend on local knowledge to succeed and strive to contribute to improving local social and economic conditions.

Nigeria

Aker Solutions is fulfilling local content requirements in Nigeria. A Learning Center facility is currently under construction near Yenagoa, Bayelsa state. The learning center is envisaged as an engine to enhance indigenous oil and gas engineering competence. Once complete, the center will consist of a main building for training activities, a 23 room hostel, security houses, a mini football pitch and a sewage treatment plant. The project is constructed with help from local contractors and suppliers, and while the project is somewhat behind schedule, completion is anticipated in Q1 2020. The project has high focus on HSE performance and has achieved zero lost time incidents since construction commenced in May 2018. The construction project is closely monitored and supported by local management and central functions in Aker Solutions, and operation of the center post-completion is currently in the planning phase.

Angola

Angola is a significant and growing hub for Aker Solutions and since launching our first operations in-country in 2003, we have been focused on increasing local content capacity, including service base infrastructure.

Following the first of a two-phase investment by joint venture AKSEL, the Viana Technology Center in Luanda is scheduled to open in 2020. Representing the first sub-Saharan country able to execute hyperbaric testing in-country, the Center brings significant efficiencies to work

scopes and projects in Angola. The next phase of investment will include the establishment of additional facilities, including site offices, a workshop, and storage and training facilities.

We are also working closely with local educational institutions. A group of eight Angolan students from local university Unversidade Agostinho Neto (UAN) were selected to study at the Norwegian University of Science and Technology to graduate with a Masters degree and PhD. Additionally, investment at the UAN campus through to the first quarter of 2020 will see infrastructure improvements in the Central Library and laboratories, as well as the donation of critical hardware, internet connectivity, and petroleum engineering books. To ensure the sustained operation of the upgraded laboratories, the company is providing students with required training in order to use, maintain, and safeguard the facilities.

In addition, Aker Solutions is partnering with local David Bernardino Children's Hospital to supply electronic devices and fund the total refurbishment of a selected room within the facility.

Norway

Aker Solutions recognizes the wider benefit of creating and sharing value between the company, the local community, and the country, and maintains its financial support of Engineerium, an interactive science center at Aker Solutions' headquarters in Norway. The 2,200 m2 facility was opened in 2012 as part of the company's initiative to support STEM (Science, Technology, Engineering and Mathematics) subjects among youth nationally and locally.

Participants can explore natural phenomena, learn about different energy sources, technology, the history of the Aker companies, and the development of the oil and gas industry in Norway. Through school programs launched in 2014, Engineerium provides a valuable educational resource to kindergartens, elementary schools, secondary schools and high schools, and specialty groups. Approximately 13,000 people of all ages have experienced the facility and its programming since the launch. Engineerium provides many benefits to the local community as well, including space for meetings and events, and weekend activities for families with children.

> " Engineerium provides a valuable educational resource to kindergartens, elementary schools, and specialty groups

Donations and Sponsorships

As part of building relations with local communities and stakeholders, the company contributes to a variety of good causes and projects. Our local offices lead these initiatives, which are often employee driven, so they can be tailored to local needs. These efforts help improve relations with local communities and organizations. We also aim to contribute to and support vulnerable groups.

Aker Solutions also uses sponsorships to promote the company and its business. Our sponsorships are strategic and aligned with the company's values. As a matter of policy, we do not sponsor political or religious groups. The company's sponsorship and donations policy specifies the rules for background checks and assessments for donation and sponsorship contributions. A sample of sponsorships is included below.

Stiftelsen VI

Aker Solutions, together with 10 other companies in the Aker ASA group, continued the engagement with Stiftelsen VI. This foundation works to create a movement to rectify the imbalance between people with and without disabilities. VI aims to contribute to a higher quality of life, improved health, increased self-efficiency, and more social interaction for people with disabilities. These goals align with Aker Solutions efforts to promote equality, human rights, and local community engagement.

In December, Aker Solutions proudly hosted the event "Technology for Equal Opportunities". The event created awareness around the challenges and opportunities related to physical activity for disabled people. Some highlights of the event included the panel debate hosted by young para-athletes and a world-class table tennis exhibition. The goal of the event was to establish a lasting meeting place which can initiate collaboration across different interest groups and stakeholders.

> **Aker Solutions, together with 10 other companies in the Aker ASA group continued engagement with Stiftelsen VI.**

For nearly ten years, Aker Solutions has sponsored the annual American Cancer Society Chili Cookoff in Mobile, Alabama, U.S.A.

Karanba

Since 2012, Aker Solutions has supported Karanba Project with financial assistance and participation on its board. Karanba is a Norwegian social project in Rio de Janeiro, Brazil. Utilizing football as a tool for personal development, Karanba helps a large number of children and young people from slum areas access opportunity and education. The project activities give children a means to express themselves and offer an alternative to passivity and crime. Karanba is made up of a mix of locally employed staff and volunteers working within the following areas: administration and structure, pedagogy, teaching, vocational training, football, and employment. The project is educationally oriented with classes at its main base in Rio de Janeiro focusing on English, math, and Portuguese. Aker Solutions makes financial donations and provides employee volunteers for various Karanba initiatives.

American Cancer Society

For nearly ten years, Aker Solutions has sponsored the annual American Cancer Society Chili Cookoff in Mobile, Alabama, U.S.A. Employees support the local community while sharing good food and good company. At the 2019 event, the team also took home the award for Best Decorated Tent! The American Cancer Society works to save lives through research, by helping people get and stay well, and by fighting back against cancer.

Employee Engagement in Local Communities

In 2019, employees across our organization initiated and participated in charitable activities in their local communities. Through volunteer work, fundraising and donations, and education, these activities had positive, and often visible, impacts on the communities where we work, live, and play. A diverse selection of activities is presented below.

Brazil

Employees in Brazil participated in many activities focused on education and the advancement of local youth. In partnership with the Brazilian Petroleum Institute and Junior Achievement, employees helped prepare more than 400 public school students for the job market. In addition, they volunteered to teach STEM classes in local schools and held multiple book drives to support schools in the local communities.

Canada

In our St. John's, Canada location, employees focused on supporting local children through several projects in 2019. In November, employees participated in the Good Life Kids Foundation annual Spin4Kids fundraiser. During this fun-filled, indoor fitness event, they cycled their way to raising money for the important cause. In December, the team participated in the annual Sleep Tight project, collecting pajamas and books for the local children's hospital and rehabilitation center.

India

Employees in Pune, India visited the Sofosh Tara facility to understand the annual needs of the facility and special needs children in its care. A donation drive was held in May and the response was overwhelming. The total donations met the annual need for health and hygiene products, ranging from antiseptic liquid to gloves, diapers and baby bottles.

Scotland

Continuing their annual tradition of employees voting to choose one charity to support throughout the year, Aberdeen employees selected Kayleigh's Wee Stars and held several activities to raise funds for the organization in 2019. Kayleigh's Wee Stars is an Aberdeen-based nonprofit organization that raises money to provide financial support for families with a terminally-ill child.

At the summer garden party for Aker Solutions' Aberdeen employees, raffle tickets and sweet treats were sold to support Kayleigh's Wee Stars.

United States

US employees volunteered at the Ronald McDonald house in Mobile, Alabama preparing and serving a meal for families with hospitalized children. The Ronald McDonald House Charities is a nationwide organization that provides a supportive home environment offering care, compassion, and hope to families with seriously ill and injured children being treated at area hospitals.

India

Cleanups Around the World

Many locations organized and participated in local cleanups at beaches, parks, and community areas to keep trash and debris from causing more harm to the environment.

- Bergen, Fornebu, Moss, Sandnessjoen, and Trondheim employees and families participated in local community cleanups in May and April

- Employees in Brazil worked with the NGO Partner of the Sea to remove over 50kg of waste from the beach in September

- Mumbai employees joined Norway's Deputy Foreign Minister Jens Frølich Holte, Norwegian Ambassador Hans Jacob Frydenlund and Consul General of Norway Ann Ollestad for India's largest beach cleaning initiative in October

Brazil

Norway

Appendix

Appendix: Global Reporting Initiative (GRI) Index

This report has been prepared in accordance with the GRI Standards 'core' level. We have sought to report fully on all possible dimensions of the disclosures, but where this is not possible, we have reported as comprehensively as possible, based on the data systems we have. The table refers to where information about each disclosure is presented in our Sustainability Report, Annual Report or company website. For a complete description of the individual disclosures, please see GRI's website (www.globalreporting.org).

GENERAL DISCLOSURES

Disclosure #	Disclosure name	Located in the 2019 Report
Organizational Profile		
102-1	Name of the organization	Front page of this report
102-2	Activities, brands, products, and services	Note 3 (Revenue) in the 2019 Annual Report Note 4 (Operating segments) in the 2019 Annual Report
102-3	Location of headquarters	Note 1 (Company information) in the 2019 Annual Report
102-4	Location of operations	Note 26 (Subsidiaries) in the 2019 AR Other information chapter in the 2019 AR
102-5	Ownership and legal form	Note 1 (Company information) in the 2019 AR Note 12 (Shareholders - Parent Company Accounts) in the 2019 AR
102-6	Markets served	Board of Directors' report in the 2019 AR Note 4 (Operating segments) in the 2019 Annual Report
102-7	Scale of the organization	Appendix: Key Staff Figures Balance sheet in the 2019 Annual Report Note 4 (Operating Segments) in the 2019 Annual Report Note 26 (Subsidiaries) in the 2019 Annual Report Note 16 (Equity) in the 2019 Annual Report Note 17 (Borrowings) in the 2019 Annual Report Note 23 (Capital Management) in the 2019 Annual Report
102-8	Information on employees and other workers	Appendix: Key Staff Figures A significant portion of the organization's activities are not performed by workers who are not employees.
102-9	Supply chain	Main chapter: Driving a Responsible and Sustainable Supplier Base
102-10	Significant changes to the organization and its supply chain	The new organizational structure is described in the board of directors' report in the 2019 AR.
102-11	Precautionary Principle or approach	Main Chapter: Sustainability at Aker Solutions Subchapter: Our View
102-12	External initiatives	Main chapter: Sustainability at Aker Solutions Subchapter: Our View Main chapter: Respecting and Promoting Human Rights
102-13	Membership of associations	Main chapter: Sustainability at Aker Solutions Subchapter: Our View Main chapter: Respecting and Promoting Human Rights Main chapter: Safeguarding People and Assets
Strategy		
102-14	Statement from senior decision-maker	CEO Introduction

Appendix: Global Reporting Initiative (GRI) Index

Ethics and Integrity

102-16	Values, principles, standards, and norms of behavior	Main chapter: Sustainability at Aker Solutions Subchapter: Our View

Governance

102-18	Governance structure	Main chapter: Sustainability at Aker Solutions Subchapter: Our View

Stakeholder Engagement

102-40	List of stakeholder groups	Main chapter: Sustainability at Aker Solutions Subchapter: Our View
102-42	Identifying and selecting stakeholders	Main chapter: Sustainability at Aker Solutions Subchapter: Our View
102-43	Approach to stakeholder engagement	Main chapter: Sustainability at Aker Solutions Subchapter: Our View
102-44	Key topics and concerns raised	Main chapter: Sustainability at Aker Solutions Subchapter: Our View

Reporting Practice

102-45	Entities included in the consolidated financial statements	Note 26 (Subsidiaries) in the 2019 AR
102-46	Defining report content and topic boundaries	Main chapter: Sustainability at Aker Solutions Subchapter: Our View Subchapter: About This Report

102-47	List of material topics	Economic performance, Anti-Corruption, Anti-competitive behavior, Energy, Emissions, Effluents and Waste, Environmental Compliance, Supplier Environmental Assessment, Employment, Labor/ Management Relations, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forces or Compulsory Labor, Security Practices, Human Rights Assessment, Supplier Social Assessment, Public Policy, Socioeconomic Compliance
102-48	Restatements of information	No
102-49	Changes in reporting	No. A new materiality assessment will be conducted in 2020.
102-50	Reporting period	Calendar year (2019)
102-51	Date of most recent report	March 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@akersolutions.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Appendix, GRI Index table, pages 61-67
102-56	External assurance	This report is not externally assured.

Appendix: Global Reporting Initiative (GRI) Index

SPECIFIC STANDARD DISCLOSURES

MAIN CATEGORY: ECONOMIC

GRI Standard: 201 - Economic Performance

103 1-3	Management approach	Main Chapter: CEO Introduction Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce Board of Directors' report in the 2019 AR
201-1	Direct economic value generated and distributed	Income Statement in the 2019 AR Note 5 (Personnel Expenses) in the 2019 AR Note 6 (Other Operating Expenses) in the 2019 AR Note 7 (Finance Income and Expenses) in the 2019 AR Cashflow chapter in the 2019 AR Appendix: Country by Country Report
201-2	Financial implications and other risks and opportunities due to climate change	Main chapter: CEO Introduction Main chapter: Sustainability at Aker Solutions, Climate-Related Risks Appendix: Climate Risk Review Board of Directors' report in the 2019 AR
201-3	Defined benefit plan obligations and other retirement plans	Note 19 (Pension Obligations) in the 2019 AR

GRI Standard: 205 - Anti-corruption

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity
205-1	Operations assessed for risks related to corruption	Main chapter: Conducting our Business with Integrity
205-2	Communication and training about anti-corruption policies and procedures	Main chapter: Conducting our Business with Integrity
205-3	Confirmed incidents of corruption and actions taken	Main chapter: Conducting our Business with Integrity

GRI Standard: 206 - Anti-competitive Behaviour

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Main chapter: Conducting our Business with Integrity

MAIN CATEGORY: ENVIRONMENTAL

GRI Standard: 302 - Energy

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Our Environmental Impact
302-1	Energy consumption within the organization	Main Chapter: Our Environmental Impact Appendix: Environmental Figures
302-3	Energy intensity	Main Chapter: Our Environmental Impact Appendix: Environmental Figures

GRI Standard: 305 - Emissions

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Our Environmental Impact
305-1	Direct (Scope 1) GHG emissions	Appendix: Environmental Figures

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305-2	Energy indirect (Scope 2) GHG emissions	Appendix: Environmental Figures
305-3	Other indirect (Scope 3) GHG emissions	Appendix: Environmental Figures
305-4	Greenhouse gas (GHG) emissions intensity	Main Chapter: Our Environmental Impact Appendix: Environmental Figures
305-5	Reduction of GHG emissions	Main Chapter: Our Environmental Impact Appendix: Environmental Figures

GRI Standard: 306 - Effluents and Waste

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Our Environmental Impact
306-2	Waste by type and disposal method	Appendix: Environmental Figures
306-3	Significant spills	Main Chapter: Our Environmental Impact Appendix: Environmental Figures

GRI Standard: 307 - Environmental Compliance

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Our Environmental Impact
307-1	Non-compliance with environmental laws and regulations	Aker Solutions was not subject to any significant fines or sanctions for non-compliance with environmental laws and regulations.

GRI Standard: 308 - Supplier Environmental Assessment

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Driving a Responsible and Sustainable Supplier Base
308-1	New suppliers that were screened using environmental criteria	Main chapter: Driving a Responsible and Sustainable Supplier Base
308-2	Negative environmental impacts in the supply chain and actions taken	Main chapter: Driving a Responsible and Sustainable Supplier Base

MAIN CATEGORY: SOCIAL

GRI Standard: 401 - Employment

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Ensuring a Competent, Engaged, and Diverse Workforce
401-1	New employee hires and employee turnover	Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce Appendix: Key Staff Figures, Recruitment & Turnover
401-3	Parental leave	Appendix: Parental Leave Own Regular Employees All own employees are entitled to parental leave based on local laws, regulations and practice.

GRI Standard: 402 - Labor/Management Relations

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Ensuring a Competent, Engaged, and Diverse Workforce
402-1	Minimum notice periods regarding operational changes	Aker Solutions follows the legal requirements for national legislation on the minimum requirements of notification period in the countries where there are operations. The legislation varies, but for most countries, this is 12 weeks, though it can be as few as 4 weeks in some countries.

GRI Standard: 403 - Occupational Health and Safety

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Safeguarding People and Assets

◀ MENU

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403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Main chapter: Safeguarding People and Assets Appendix: Injuries by Type and Region. Note that we do not include injury information by gender.
403-4	Health and safety topics covered in formal agreements with trade unions	Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce

GRI Standard: 404 - Training and Education

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Ensuring a Competent, Engaged, and Diverse Workforce
404-3	Percentage of employees receiving regular performance and career development reviews	Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce

GRI Standard: 405 - Diversity and Equal Opportunity

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main Chapter: Ensuring a Competent, Engaged, and Diverse Workforce
405-1	Diversity of governance bodies and employees	Appendix: Key Staff Figures Board of directors: Male: 62.5% (5), Female: 37.5% (3), 30-50: 25% (2), 50+: 75% (6) Aker Solutions does not, unless required or necessary for compliance with local laws and regulations, gather sensitive data on employees or members of governance bodies, including many indicators of diversity such as ancestry and ethnic origin, creed, disability, or inclusion in vulnerable groups. https://www.akersolutions.com/who-we-are/board-of-directors/

405-2	Ratio of basic salary and remuneration of women to men	In the UK we report publicly and to the government on the gender pay gap. The 2019 report will be published in April 2020. The 2018 report can be found here: https://www.akersolutions.com/globalassets/cr/downloads/gender_pay_gap_report_2018.pdf

GRI Standard: 406 - Non-discrimination

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce
406-1	Incidents of discrimination and corrective actions taken	Main chapter: Conducting our Business with Integrity Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce

GRI Standard: 407 - Freedom of Association and Collective Bargaining

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Respecting and Promoting Human Rights
407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk	Main chapter: Conducting our Business with Integrity Main chapter: Driving a Responsible and Sustainable Supplier Base Main chapter: Respecting and Promoting Human Rights

Appendix: Global Reporting Initiative (GRI) Index

GRI Standard: 408 - Child Labor

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity Main chapter: Respecting and Promoting Human Rights Main chapter: Driving a Responsible and Sustainable Supplier Base
408-1	Operations and suppliers at significant risk for incidents of child labor	In addition to the controls performed during the pre-qualification and qualification phases (Supplier Qualification Questionnaire, Compliance Check on Bureau van Dijk, Audit) an additional analysis on human and labor rights has been conducted by country, and then by category of suppliers. A panel of suppliers included in certain specific categories considered at risk by nature (labor intensive categories) will be subject to a program that will be implemented in 2020 (communications, awareness sessions, meeting with management, specific audit, etc.). Taking into account all the measures taken and also planned, it is reasonable to claim that no suppliers at evident significant risk are in operation, however Aker Solutions will strengthen its efforts in monitoring and intervene with target actions in risky areas, in order to prevent any possible failure of this framework, educate suppliers, and demonstrate its seamless commitment.

GRI Standard: 409 - Forced or Compulsory Labor

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity Main chapter: Respecting and Promoting Human Rights Main chapter: Driving a Responsible and Sustainable Supplier Base
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	In addition to the controls performed during the pre-qualification and qualification phases (Supplier Qualification Questionnaire, Compliance Check on Bureau van Dijk, Audit) an additional analysis on human and labor rights has been conducted by country, and then by category of suppliers. A panel of suppliers included in certain specific categories considered at risk by nature (labor intensive categories) will be subject to a program that will be implemented in 2020 (communications, awareness sessions, meeting with management, specific audit, etc.). Taking into account all the measures taken and also planned, it is reasonable to claim that no suppliers at evident significant risk are in operation, however Aker Solutions will strengthen its efforts in monitoring and intervene with target actions in risky areas, in order to prevent any possible failure of this framework, educate suppliers, and demonstrate its seamless commitment.

GRI Standard: 410 - Security Practices

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Safeguarding People and Assets
410-1	Security personnel trained in human rights policies or procedures	Main chapter: Safeguarding People and Assets

Appendix: Global Reporting Initiative (GRI) Index

GRI Standard: 412 - Human Rights Assessment

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Respecting and Promoting Human Rights Main chapter: Driving a Responsible and Sustainable Supplier Base
412-1	Operations that have been subject to human rights reviews or impact assessments	Main chapter: Conducting our Business with Integrity We have partially reported for 2019, but this area will receive more focus going forward and we aim for complete reporting in 2020.
412-2	Employee training on human rights policies or procedures	Main chapter: Conducting our Business with Integrity Main chapter: Respecting and Promoting Human Rights Appendix: Business Ethics Training Overview We have partially reported for 2019, but this area will receive more focus going forward and we aim for complete reporting in 2020.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Main chapter: Sustainability at Aker Solutions Main chapter: Driving a Responsible and Sustainable Supplier Base

GRI Standard: 414 - Supplier Social Assessment

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Respecting and Promoting Human Rights Main chapter: Driving a Responsible and Sustainable Supplier Base
414-1	New suppliers that were screened using social criteria	Main chapter: Driving a Responsible and Sustainable Supplier Base
414-2	Negative social impacts in the supply chain and actions taken	Main chapter: Driving a Responsible and Sustainable Supplier Base

GRI Standard: 415 - Public Policy

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Engaging and Supporting Local Communities
415-1	Political contributions	As a matter of policy, Aker Solutions does not sponsor political or religious groups.

GRI Standard: 419 Socioeconomic Compliance

103 1-3	Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity
419-1	Non-compliance with laws and regulations in the social and economic area	Aker Solutions was not subject to significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

Appendix: Key Staff Figures*

	2019 #	2019 %	2018 #	2018 %	2017 #	2017 %	2016 #	2016 %
Total Staff	**21,056**		**19,442**		**16,175**		**16,177**	
Own employees office[1]	9,198	57.7	8,561	58.2	8,165	59.2	8,726	60.7
Own employees non office[1]	6,758	42.4	6,144	41.8	5,631	40.8	5,659	39.3
Contract staff	5,100	24.2	4,737	24.4	2,379	14.7	1,792	11.1
Own employees (percent)	15,956	75.8	14,705	75.6	13,796	85.3	14,385	88.9
Norway of total own employees	6,019	37.7	5,833	39.7	5,574	40.4	5,840	40.6
Age Groups Own Employees*,[1]								
<30	2,245	14.0	1,882	12.8	1,715	12.4	2,230	15.5
30-50	9,815	61.6	9,014	61.3	8,730	63.3	8,818	61.3
>50	3,882	24.4	3,809	25.9	3,351	24.3	3,337	23.2
Part-time Own Employees								
Part-time own employees Norway[1]	57	1.0	59	1.0	67	1.2	53	0.9
Part-time own employees UK	41	3.0	42	2.0	41	2.0	41	2.2

*) 2019 figures do not include 14 employees (6 located in Asia Pacific, 5 located in Norway, 3 located in Africa). These employees are not included in our SAP system so diversity information, including gender, is not available.

1) Regular and temporary employed on our payroll (judicially employed)

Appendix: Key Staff Figures*

	2019			2018			2017			2016		
	Own	Contract	Total	Own	Contract	Total	Own	Contract	Total	Own	Contract	Total
Employees												
Total[1]	15,956	5,100	21,056	14,705	4,737	19,442	13,796	2,379	16,175	14,385	1,792	16,177
North America	555	77	632	471	74	545	511	76	587	534	24	558
Brazil (including CSE)	5,346	0	5,346	3,883	0	3,883	3,345	0	3,345	3,313	0	3,313
Africa	187	1	188	212	0	212	225	10	235	216	0	216
Asia Pacific	2,474	814	3,288	2,246	720	2,966	2,085	303	2,388	2,623	396	3,019
Europe (excl. Norway and UK)	10	0	10	3	0	3	3	0	3	2	1	3
UK	1,365	613	1,978	2,056	1,273	3,329	2,049	1,060	3,109	1,858	623	2,481
Norway	6,019	3,595	9,614	5,834	2,670	8,504	5,578	930	6,508	5,839	748	6,587

	2019				2018				2017				2016			
	Female		Male		Female		Male		Female		Male		Female		Male	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Gender Distribution*																
Own employees office[1]	2,447	26.6	6,739	73.4	2,320	27.1	6,241	72.9	2,172	26.6	5,993	73.4	2,304	26.4	6,422	73.6
Own employees non office[1]	199	3.0	6,557	97.1	201	3.3	5,943	96.7	141	2.5	5,490	97.5	198	3.5	5,461	96.5
Total own employees[1]	2,646	16.6	13,296	83.4	2,520	17.1	12,185	82.9	2,312	16.8	11,484	83.2	2,502	17.4	11,882	82.6
Own leaders %[1]	144	21.9	513	78.1	136	23.9	433	76.1	124	22.5	427	77.5	137	22.4	475	77.7

*) 2019 figures do not include 14 employees (6 located in Asia Pacific, 5 located in Norway, 3 located in Africa). These employees are not included in our SAP system so diversity information, including gender, is not available.
1) Regular and temporary employed on our payroll (judicially employed)

Appendix: Recruitment and Turnover Figures

	2019		2018		2017		2016	
	#	%	#	%	#	%	#	%
Recruited[1]	4,129		3,805		2,181		950	
Own employees office[1]	1,800	31.7	1,731	45.5	527	24.2	360	37.9
Own employees non-office[1]	2,329	68.3	2,074	54.5	1,654	75.8	590	62.1
Age Groups Recruited[1]								
<30	1,259	30.5	1,081	28.4	480	22.0	261	27.5
30-50	2,487	60.2	2,256	59.3	1,278	58.6	469	49.4
>50	383	9.3	472	12.4	421	19.3	220	23.2
Recruited Region[1]								
North America	151	3.6	164	4.3	161	7.4	45	4.7
Brazil (including CSE)	2,434	60.7	1,601	42.1	830	38.1	85	8.9
Africa	18	0.5	31	0.8	42	1.9	60	6.3
Asia Pacific	587	11.3	452	11.9	103	4.7	88	9.3
Europe (excl. Norway and UK)	11	0.2	1		2	0.1		
UK	295	11.0	663	17.4	917	42.0	510	53.7
Norway	633	13.4	893	23.5	126	5.8	162	17.1
Recruited Gender[1]								
Female	551	11.3	637	16.7	204	9.4	123	12.9
Male	3,578	88.7	3,168	83.3	1,977	90.6	827	87.1

1) Regular and temporary employed on our payroll (judicially employed)

	2019		2018		2017		2016	
	#	%	#	%	#	%	#	%
Turnover								
Turnover	1.059	7.00	786	5.53	881	7.00	707	6.20
Own employees office[2]	691	65.3	596	75.8	640	72.6	575	81.3
Own employees non-office[2]	368	34.7	190	24.2	241	27.4	132	18.7
Age Groups Turnover[2]								
<30	193	18.2	83	10.6	98	11.1	142	20.1
30-50	771	72.8	599	76.2	648	73.6	496	70.2
>50	95	9.0	104	13.2	135	15.3	69	9.8
Turnover Region[2]								
North America	40	3.8	62	7.9	55	6.2	47	6.6
Brazil (including CSE)	295	27.9	103	13.1	107	12.1	47	6.6
Africa	4	0.4	3	0.4	14	1.6		0.0
Asia Pacific	276	26.1	202	25.7	179	20.3	179	25.3
Europe (excl. Norway and UK)			1	0.1				
UK	164	15.5	147	18.7	182	20.7	115	16.3
Norway	280	26.4	268	34.1	344	39.0	319	45.1
Turnover Gender[2]								
Female	204	19.3	178	22.6	195	22.1	175	24.8
Male	855	80.7	608	77.4	686	77.9	532	75.2

2) Regular employed

Appendix: Parental Leave Own Regular Employees[1]

	Employees taking parental leave in 2018 (employed in 2019)			Employees taking parental leave in 2017			Employees taking parental leave in 2016			Employees taking parental leave in 2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Norway												
Employees taking parental leave	50	132	182	76	148	224	77	224	301	119	141	260
Employed at Aker Solutions 12 months after parental leave ended (percent)	92.0	95.5	94.5	86.4	82.2	83.6	70.1	72.3	71.8	60.50	76.50	69.20
UK												
Employees taking parental leave	21	22	43	28	31	59	24	63	87	28	34	62
Employed at Aker Solutions 12 months after parental leave ended (percent)	90.5	81.8	86.0	82.4	86.1	84.3	62.5	74.6	71.3	67.90	85.30	77.40
Malaysia												
Employees taking parental leave	16	26	42	12	63	75	21	68	89	48	167	215
Employed at Aker Solutions 12 months after parental leave ended (percent)	81.3	84.6	83.3	85.7	96.9	94.9	81.0	89.7	87.6	83.30	92.20	90.20
India												
Employees taking parental leave	15	31	46	13	41	54	22	73	95	29	87	116
Employed at Aker Solutions 12 months after parental leave ended (percent)	60.0	87.1	78.3	72.2	70.7	71.1	59.1	71.2	68.4	96.6	93.1	94.0

1) Regular employed

Appendix: Business Ethics Training Overview

The data includes only current employees

Course Type	Duration	Total number of company personnel trained end 2019[1]	Total number of employees trained end 2018 (incl. hired-in staff)[1]	Total number of employees trained end 2017 (incl. hired-in staff)[1]	Total number of employees trained end 2016 (incl. hired-in staff)[1]
E-learning: Introduction to business integrity[2]	15 minutes	5,800	300	N/A	N/A
E-learning: Aker ASA's zero tolerance to corruption[3]	15 minutes	N/A	N/A	8,100	8,600
Classroom course in Business Ethics[4]	2 hours	14,700	11,700	10,600	7,700
E-learning: Annual Code of Conduct training[5]	10 minutes	17,200	12,200	11,000	N/A

1) Numbers have been rounded up to the nearest 100.
2) Replacement course released July 1, 2018.
3) The course has been discontinued and replaced with introduction to business integrity e-learning.
4) Topics: Values and policies, anti-corruption, conflict of interests, confidential information, human and labor rights, gifts and hospitality, country risk and reporting concerns (whistleblowing).
5) Topics: Anti-Harassment and intimidation, diversity and equal opportunities, and human and labor rights.

E-learning: Annual Code of Conduct Training, by region

Region	Completed	Not completed	Total
Africa	205	0	205
Americas	5,557	0	5,557
APAC	2,966	0	2,966
Europe	8,431	214	8,645
Middle East	9	0	9
Total	17,168	214	17,382

Appendix: Injuries by Type and Region

	Personal injuries, Count
Arm/Elbow	
Fracture	4
Sprain / Strain / Dislocation	1
Unspecified- other	2
Back / Neck / Shoulder	
Soft tissue injury	2
Sprain/Strain/Dislocation	6
Unspecified- other	1
Ear	
Cut/Laceration/Puncture	1
Unspecified- other	2
Eye	
Foreign body	4
Radiation injury	1
Unspecified- other	1
Finger	
Bite/Sting	1
Cut/Laceration/Puncture	13
Soft tissue injury	1
Unspecified- other	1

	Personal injuries, Count
Foot / Toe	
Cut/Laceration/Puncture	1
Fracture	1
Head / Face	
Concussion	1
Cut/Laceration/Puncture	3
Unspecified- other	1
Internal organs	
Acute poisoning	1
Unspecified- other	2
Leg / Hip / Knee / Ankle	
Cut/Laceration/Puncture	3
Fracture	2
Internal injury	1
Sprain/Strain/Dislocation	2
Unspecified- other	1
Rib	
Soft tissue injury	1
Wrist / Hand / Finger	
Cut/Laceration/Puncture	7
Soft tissue injury	1

Chart: Injuries by region (Brazil, Brunei, Malaysia, Norway, UK, US) split by Not LTI (dark) and LTI (grey).
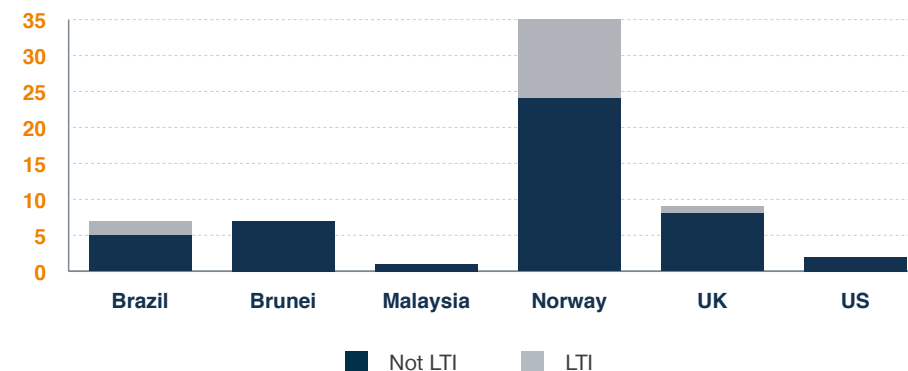
1. Aker Solutions uses the following industry standard definition for injury reporting and injury frequency reporting:
   - Lost Time Injury (LTI): A lost time injury is any work-related injury, other than a fatal injury, which results in a person being unfit for work on any day after the day of occurrence of the occupational injury. 'Any day' includes rest days, weekend days, leave days, public holidays or days after ceasing employment.
   - Lost Time Injury Frequency (LTIF): Number of lost time injuries per million worked hours. This indicator equals the GRI standard's Lost Day Rate (LDR)
   - Total Recordable Injuries (TRI) include Fatalities, Lost Time Injuries (Serious - and Other Lost Time Injuries), Restricted Work Injuries and Medical Treatment Injuries. TRI does not include First Aid Treatment cases.
   - Total Recordable Injury Frequency (TRIF): Number of Fatalities, Lost Time Injuries (Serious - and Other Lost Time Injuries), Restricted Work Injuries and Medical Treatment Injuries per million worked hours. This indicator equals the GRI standard's Injury Rate (IR)

2. Aker Solutions does not track the gender of injured persons, as this might come in conflict with GDPR regulations when in smaller departments

3. Aker Solutions keeps track of information whether the injured person is an employee, hired in, contractor etc. in our reporting system, but in reporting we include all categories in the same LTIF and TRIF. We follow IOGP industry standards for reporting boundaries.

Appendix: Environmental Figures

	Unit	2019	2018	2017	2016
Total energy and carbon dioxide emissions[1]					
Energy consumption	MWh	110,930	97,434	90,709	109,122
Energy intensity	MWh per million worked hours	2,352	2,554	2,499	3,291
Total carbon dioxide emissions	Metric tons	35,255	34,025	18,383	22,133
Total carbon dioxide emission intensity	Metric tons per million worked hours	744	790	506	667
Scope 1 and 2 emission intensity	Metric tons per million worked hours	472	434	NA	NA
Scope 3 emission intensity	Metric tons per million worked hours	272	356	NA	NA
Scope 1 carbon dioxide emissions	Metric tons	5,230	5782	NA	NA
Scope 2 carbon dioxide emissions	Metric tons	17,158	13150	NA	NA
Scope 3 carbon dioxide emission[2]	Metric tons	12,867	15094	NA	NA
Non-renewable fuel consumption					
Diesel	m3	1,327	1,059	639	1,069
Gasoline	m3	47	11	13	57
Heavy fuel oil	m3	49	111	96	107
Natural gas	m3	725,579	448,507	408,341	509,221
Renewable fuel consumption					
Biofuel	m3	61	15	NA	NA
Electricity consumption[3]	MWh	87,912	76,261	52,295	NA
Heating consumption	MWh	NA	NA	NA	NA
Cooling consumption	MWh	NA	NA	NA	NA
Steam consumption	MWh	NA	NA	NA	NA

1) We report in accordance with GHG protocol
2) Air travels booked out of Canada, Norway, UK, US
3) Aker Solutions does not sell energy
4) All information from facility providers and waste handling companies
5) Wastewater is not included in any calculations, neither hazardous or non-hazardous waste
6) For 2017 and earlier, hazardous waste was included in the recycled waste fraction
7) Not part of total recycled waste

Appendix: Environmental Figures cont.

	Unit	2019	2018	2017	2016
Non-hazardous waste and waste handling[4]					
Total waste, including hazardous waste[5]	Metric tons	8,350	9,034	6,410	7,690
Recycled waste, excluding hazardous waste[6]	Metric tons	5,105	6,420	5,570	6,618
Reuse	Metric tons	70	NA	NA	NA
Incineration with energy recovery	Metric tons	746	NA	NA	NA
Composting	Metric tons	16	NA	NA	NA
Landfill	Metric tons	478	NA	NA	NA
Other/not selected	Metric tons	329	NA	NA	NA
Waste to energy energy recovery	Metric tons	818	641	254	NA
Recycling factor, excluding hazardous waste[6]	Percent	69	71	87	86
Hazardous waste and waste handling method					
Total Hazardous waste[5]	Metric tons	719	673	446	460
Hazardous waste treatment -handled by waste company	Metric tons	149	NA	NA	NA
Incineration with energy recovery	Metric tons	72	NA	NA	NA
Incineration without energy recovery	Metric tons	3	NA	NA	NA
Other/ not specified	Metric tons	402	NA	NA	NA
Recycling[7]	Metric tons	84	NA	NA	NA
Reuse	Metric tons	9	NA	NA	NA
Spills above reportable limit					
Accidental spills	Number	0	0	0	1

1) We report in accordance with GHG protocol
2) Air travels booked out of Canada, Norway, UK, US
3) Aker Solutions does not sell energy
4) All information from facility providers and waste handling companies
5) Wastewater is not included in any calculations, neither hazardous or non-hazardous waste
6) For 2017 and earlier, hazardous waste was included in the recycled waste fraction
7) Not part of total recycled waste

Energy data is harvested locally either via meter readings at the sites or via invoicing of purchased electricity and fuels. Each location submit their environmental data on a monthly basis for the premises and activities controlled by Aker Solutions.

Conversion factors have been purchased from the International Energy Agency and emissions are given in CO_2 equivalents (CO_2e), as per the 2019 IEA emission factors report. Scope 2 emissions are location based. All calculations are done automatically in our Synergi Life reporting tool.

All information on waste disposal methods are derived either from the site itself (some sites have their own compost facilities and do this in-house) or from the waste handling companies.

Appendix: Country by Country Report

Country	Employees[1]	Revenue[2] NOK million	Investments in assets[3] NOK million	Paid taxes[4] NOK million
Norway	6,019	18,140	259	0
Brazil	5,346	2,192	160	4
UK	1,365	4,977	72	38
India	1,286	508	13	21
Malaysia	829	2,854	107	-19
Brunei	324	806	1	16
USA	298	1,432	56	0
Canada	257	585	6	10
Angola	152	1,042	57	92
Australia	29	33	0	0
Congo	24	87	1	15
Cyprus	3	138	104	0
Other	24	126	8	6
Sum of countries	**15,956**	**32,920**	**843**	**184**
Eliminations[2]	0	-3,657	-16	0
Total Aker Solutions	**15,956**	**29,263**	**828**	**184**

1) The locations of employees are based on the location of the company where they are employed. Branches are therefore included in the figures for the legal entity.
2) Revenue figures per country include internal and external revenues and are based on location of the Aker Solutions company that has recognized the revenue. Intercompany sales are subtracted in the line "eliminations" to present external Aker Solutions revenues as in the income statement.
3) Investments in assets includes additions to property, plant and equipment as well as technology development and other intangible assets during the year.
4) Paid taxes include income taxes, witholding taxes and other corporate taxes, but does not include value added taxes (VAT) and other indirect taxes.

Transparency is essential in an industry that can have a significant impact on local communities. Aker Solutions operates globally, including in societies that depend heavily on oil and gas revenue, suffer from poverty, struggle with corruption and have low transparency. Openly sharing information and having honest dialogues with our stakeholders is one of the company's core values. It is crucial for improving transparency where we operate and building trust with those affected by our operations. This table shows 2019 revenue, employees and investments as reported by the various Aker Solutions' companies in each country. The right column reflects the amount of tax paid to each country.

Appendix: Climate Risk Review

Appendix: Climate Risk Review

Contents

The Governance Group

The Governance Group AS (TGG) is an independent advisory firm specialising in ESG risk analysis and sustainability strategies. TGG has a core team in Oslo and a network of affiliated experts in Africa, the Americas, Asia and Europe. Clients include corporations in the energy, shipping, telecom, real estate and finance sectors, as well as government agencies in several countries. TGG holds no responsibility for decisions made based on the content of this report.

Aker Solutions – Climate Risk Report

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1. INTRODUCTION

The Governance Group has been requested to conduct a review of climate-related risks and opportunities for Aker Solutions ASA (listed on the Oslo Stock Exchange). The review is based on the general framework developed by the Task Force on Climate-related Financial Disclosures (TCFD), with recommendations for disclosing clear, comparative and consistent information about the risks and opportunities presented by climate change. This report summarises key findings, gaps and recommendations.

The main input to the review has been through interviews with key personnel from the strategy, finance, risk, supply chain, HSSE and environment departments at Aker Solutions. Based on a short introduction to the TCFD framework, each interviewee was asked to disclose risks and opportunities related to the 11 disclosure items put forward by the TCFD.

Source: DNV GL - Energy Transition Outlook 2019 report

The interviews were conducted during the first half of February 2020 and preliminary findings were discussed at an internal workshop on 14th February 2020. The Governance Group has, on this basis, calibrated the findings and prepared a climate risk review as presented here.
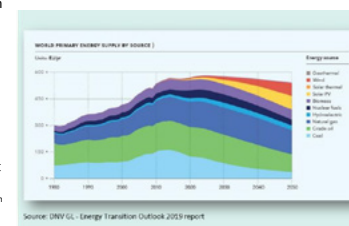
2. KEY FINDINGS

Governance and strategy:

- Management at Aker Solutions recognises strongly the importance of climate-related risks and opportunities and their impact on the future of the industry.
- Considerable measures have been taken to reduce the carbon footprint of the business. A new company strategy has been developed[1] to balance the portfolio of products and technologies.
- Targets set for 2030 are to generate 20% of company revenue from renewables and 25% from distinct low carbon solutions. The remaining 55% is still expected to come from "traditional" Oil and Gas services, whilst seeking to minimise the environmental footprint of new and existing assets.
- The strategy is supported by earmarked budgets.
- Management incentives and metrics related to climate risk are in place. Balanced scorecards are implemented for executive management positions.

Risk management:

- Climate risk is effectively assessed and handled as part of the existing risk management framework, procedures and tools. Aker Solutions has a separate team working on enterprise risk- and performance management, linking risk and performance to strategy implementation.
- Top risks (including climate risk) are communicated on a regular basis to the Executive Management Team and the Board Audit Committee.
- Aker Solutions' operations are exposed to extreme weather (storms, air quality, floods etc.) at construction sites and during transportation of supplies. Contingency plans are developed per project, but Aker Solutions is, generally, dependent on certain key suppliers, often with long lead

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[1] As per 3Q 2019

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Appendix: Climate Risk Review

time, and extreme weather could still lead to disruptions, project delays and have financial and reputational impact.

- The main transition risks are perceived to be market- and technology-related. The pace of the energy market transition and the demand for products, technologies and services offered by Aker Solutions are key uncertainties. Mitigation strategies are in place and continuously reviewed by top management.
- A systematic analysis of climate-related risk for the entire supply chain seems to be missing. Being cost driven and having 60-80% of the production costs coming from suppliers, Aker Solutions could be considerably exposed to transition risk in the supply chain.

Overall, Aker Solutions provides impressive coherence and foresight in strategy, risk and performance management and has, in many ways, managed to turn industry transition risks into business opportunities. Aker Solutions demonstrates a strong ability to navigate and adapt to changing market conditions with regard to climate change.

3. IDENTIFIED RISKS AND OPPORTUNITIES

PHYSICAL RISKS	– Air quality, floods, hurricanes, wave heights etc. can harm both personnel and assets and lead to operational downtime and/or extra cost of business continuity. – Extreme weather conditions may hit suppliers and/or transportation of equipment. This can potentially lead to disruptions and project delays, which, again, can have financial and reputational impact.
REGULATORY RISKS	– Carbon tax may postpone or stop planned O&G projects, causing stronger competition and reduced order intake. – Regional regulations may cause uneven playing fields for global companies. Abrupt and populist climate politics may lead to unpredictable regulatory frameworks.
MARKET AND TECHNOLOGY RISKS	– Investors divest from O&G, banks are more reluctant to act as intermediaries and insurance companies are reconsidering their underwriting policies. – Competition may increase due to potentially less investment in the O&G industry. – The energy transition may happen significantly faster or slower than assumed. Aker Solutions needs to be flexible and able to adapt to a continuously changing market. More investments may be needed. – Key suppliers may be exposed to climate-related risks. With a decline in the O&G market, key suppliers may leave the market, go bankrupt etc. – Products, services and assets may become obsolete or need major technology investments.
REPUTATIONAL RISKS	– The industry faces increasing reputational challenges and declining political goodwill. – There are challenges of recruiting new talents to the industry in general. – Talents, investors and potential new customers may associate Aker Solutions solely with the O&G industry.
OPPORTUNITIES	– Offering products and technologies aimed at generating renewable energy or substantially reducing CO2 emissions (CCS, offshore wind, electrification, subsea compression etc.) would give Aker Solutions a more balanced portfolio. – A higher CO2 tax may spin off the CCS market and low carbon technologies and increase the demand for Aker Solutions' products and services. – Investing in green technology would give Aker Solutions access to green finance and potential lower cost of capital. – Focusing on green technology could attract (and retain) talents and investors.

Table 1 Risks and opportunities identified.

4. DETAILED DISCLOSURES

#	Disclosure	Summary of findings
		Governance
1	*Describe the board's oversight of climate-related risks and opportunities.*	– Climate-related risks are on the Board's agenda and reported quarterly. – The board has approved the new company strategy and supporting business plans.
2	*Describe management's role in assessing and managing climate-related risks and opportunities.*	– Strong recognition of climate-related risks and impacts with regards to the future of the industry. – EMT heavily involved in the strategy process, the transition goals, KPIs and risk management. Integrated with the business, owned and acted upon. – Aker Solutions is seeking new markets, new technologies as well as new partners to find sustainable solutions for offshore production (energy/oil/gas).
		Strategy
3	*Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.*	– See table 1 above (Identified risks and opportunities).
4	*Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning*	– Aker Solutions demonstrates strong awareness of the potential impacts from climate-related risks and has recently updated the company vision to *"take the position as industry leader in renewables and low carbon solutions"*. – In line with the revised vision, Aker Solutions: 1. Invests in new technology and offerings addressing the need for lowering industry carbon footprint, e.g. electrification, unmanned facilities, subsea compression and carbon capture. New technology can also be used to lengthen the life cycle of current production sites. 2. Seeks other markets and alternative sources of energy, e.g. floating wind, offshore power stations and hubs, offshore fish farming, subsea data storage and ocean economy (fish farming, data storage, power stations etc). – There is clear integration of risk management into business units, strategy and dedicated financial planning/budgeting
5	*Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*	– The strategy is stress-tested against different climate related scenarios. Transition risk is considered high. Key considerations include how fast the industry moves, how complex it will be and how the customers/markets/regulations will respond. Is Aker Solutions moving too quickly or too slowly? Over or under investing?
		Risk management
6	*Describe the organisation's processes for identifying and assessing climate-related risks.*	– Climate-related risks are systematically identified and assessed as part of the overall ERM framework consisting of risk appetite, risk governance, risk category, tools, processes and metrics. – Top risks, including climate risk, are aggregated from each risk category derived from each delivery centre and reported to the Board Audit Committee every quarter. – Risk review is also part of the regular EMT meetings. – The top risks have a 3-5-year perspective.
7	*Describe the organisation's processes for managing climate-related risks.*	– Aker Solutions is well organised for managing risks with individual departments maintaining frameworks, reporting and following up of enterprise risk management (ERM) and enterprise performance management (EPM). – Combining ERM and EPM supports a consistent and unified implementation of the company strategy and contributes to mitigating climate related risks from an overall perspective.

Appendix: Climate Risk Review

		– Top management continuously reviews and updates the mitigating strategies. **Management of physical risks:** – Contingency plans are in place to manage extreme weather per project. **Management of transition risks:** – Strategic focus on increasing revenue from low carbon solutions and renewable energy production, including R&D budgets. – "Green teams" established to coordinate Aker Solutions' efforts in making existing technology greener. – Focus on extending the lifecycle of production facilities to keep the industry relevant for longer. – Participation in various front-end forums to promote low carbon innovations and Aker Solutions' expertise herein. – Entered into partnership with Principle Power to gain access to proven floating wind technology.
8	*Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management*	– Climate-related risks are part of the overall ERM approach as described above. – Of the 10-12 top risks communicated to the EMT and Board Audit Committee, 2-3 of the risks are climate related.
	Metrics and targets	
9	*Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.*	– Aker Solution applies KPI's for every delivery centre to assess performance. – KPI for energy and emissions in Solutions: *"Revenue from low carbon and renewables, %"*. The following KPI metrics are set: 7% by 2020, 15% by 2023 and 15% by 2030. – KPI for energy and emissions in Operations: *"ESG rating"* and *"CO2 emission intensity"*. – KPI's are part of EMT's scorecards as applicable. – Aker Solutions lacks metrics for emission reductions for clients.
10	*Disclose Scope 1, Scope2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*	– Scope 1 and 2 are disclosed. – Aker Solutions is working on disclosing scope 3 (business travel) but has challenges with receiving the necessary data from travel agencies. – Started reporting to CDP in 2018 (per manhours). From 2019 will report per revenue.
11	*Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*	– By 2030: 20% of revenue from renewables and 25% of revenue from low carbon solutions. – Status 2019: 2,1% of revenue from renewables and low-carbon solutions combined. – Targets for own emissions: 2 % annually (scope 1+2+3). To be verified.

Table 2 Disclosed items.

5. RECOMMENDATIONS

Aker Solutions demonstrates a systematic and high-quality approach to climate risk management. The Governance Group recommends the following actions and priorities moving forward:

1. **Communicate and promote** the systematic approach to climate risk management, green growth and ESG. This will help attract talent, investors and customers. For low-carbon solutions: identify and communicate metrics to illustrate the reduction of clients' (e.g. IOCs) carbon footprint.
2. **Seek green financing** to mitigate rising cost/reduced availability of capital. Align investment plans and portfolio with the new EU taxonomy categories.
3. **Address supply chain risks**: Assess and mitigate climate risks for the entire supply chain.
4. **Coordinate** the company efforts and reporting on ESG with climate-related risk management internally.

Aker Solutions – Climate Risk Report

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