AKASTOR

2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KEY ESG DATA FOR 2021*

"CO_2 (scope 1 and 2) emission was 64 200 tonnes"

"Energy usage was 210 000 MWh"

"Lost time injury frequency, per million worked hours, was 0.5"

* *Key ESG data for 2021 includes available data from HMH and AKOFS Offshore, which are both 50% owned by Akastor*

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This ESG report provides an account of the processes and structures Akastor has in place to support its commitment to ESG issues.

MESSAGE FROM THE CEO

2021 was a challenging year for Akastor, but we have still succeeded in making transformative changes to our ESG efforts and our portfolio structure. The global pandemic remains a threat to the operational side of our business, but we have been pleased to note that robust routines have been implemented and are being followed, reducing the negative impact on our operations. Moreover, as we are starting to see that threat to life and health is becoming less critical we trust that we may shortly revert to a more normal situation—in the workplace and in society more generally.

Unfortunately, at the time of writing this we are witnessing with great concern another issue that likely will continue to cause global instability going forward; the war in Ukraine. Although Akastor has limited exposure in the areas directly impacted, we are deeply concerned about the unrest that this conflict creates and will closely monitor the situation and the impact it will have on the global markets that we operate in.

Akastor's transitional journey continued with full speed in 2021, both in terms of business activities and ESG. The completion of the merger between MHWirth and Baker Hughes' Subsea Drilling Systems to create HMH was a key milestone accomplished thanks to dedicated efforts from everyone involved. By offering a broader scope of services with an even larger global outreach, we truly believe that HMH will be a solid basis from which to further develop and promote MHWirth's world-leading technology. For Akastor, this transaction means that we can continue transitioning towards becoming a more pure asset player and a holding company that can further focus on value-enhancing transactions.

During 2021, we have worked actively with our portfolio companies to further develop an ESG strategy with a particular focus on sustainability. I am pleased to see the dedication and commitment contributed by everyone involved in this work. Akastor will be a part of the transition towards more energy-efficient solutions, and our portfolio companies are following up with this strategy by implementing their own sustainability policies and committing to ambitious targets that will support the industry's transition to become more environmentally friendly. The global focus on and expected shift to renewable energy sources is moving rapidly, but scenarios described by the International Energy Agency (IEA) show that energy from fossil fuels will continue to be important for the global energy demand for many years to come.

At Akastor, we therefore expect our portfolio companies to adopt a dual approach in that they will use their core competence to continue to support oil and gas production with state-of-the-art technology, whilst simultaneously exploring new markets within non-oil industries as well as renewable energy. We believe that this approach will meet sustainability requirements and also help preserve and increase shareholder values.

Akastor seeks to align its operations with the principles of OECD Guidelines for Multinational Companies and the UN Global Compact; moreover, Akastor supports the UN Sustainability Goals, and our ESG report describes our implementation of the Task Force on Climate-Related Financial Disclosures' (TCFD) and Global Reporting Initiative (GRI) recommendations.

Karl Erik Kjelstad, CEO

AKASTOR ESG VISION

ENVIRONMENTAL

Akastor will be a part of the transition towards more energy-efficient solutions, and will use its role as an active, responsible owner to ensure that its portfolio companies implement strategies to reduce adverse impacts on the environment caused by their own and customers' operations.

SOCIAL

Akastor will provide equal opportunities to all employees, have a positive impact in local communities where it operates, and will ensure that its portfolio companies ensure safe, professional and healthy working conditions for its employees.

GOVERNANCE

Akastor governance principles will be based on the highest industry standards and ensure full transparency and compliance with applicable law. Long-term value is created through good corporate governance in all our investments and where we trust our companies and managers with responsibility in return for accountability.

Photo: Ilja C. Hendel

COMPANY PROFILE

Akastor ASA is an oil-services investment company with a global portfolio of industrial and financial holdings. The company has a flexible mandate for active ownership and long-term value creation. Akastor ASA and its portfolio companies are organized as independent stand-alone companies responsible for all aspects of their own operations. Aker Holding AS, which is owned by Aker ASA, is the largest shareholder of Akastor, with a shareholding of 36.7%. The Akastor shares are traded on the Oslo Stock Exchange under the ticker AKAST. In 2021, the Akastor group (continuing operations), had a revenue of NOK 953 million, a net capital employed at year end of NOK 5 084 million, and 431 employees (FTE) worldwide. AKOFS Offshore had 292 FTE and HMH had 2 100 FTE.

The Akastor headquarters are located in Fornebu, outside Oslo, Norway, and the business has a global presence. The corporate organization, employed by Akastor AS, consists of a team of 15 employees, who oversee the portfolio through active management and assessing transactions and other opportunities for the group. Akastor has a range of strategic, operational and financial value-creating measures at its disposal, including operational improvements and organic growth, acquisitions and divestments, and financial measures.

AKASTOR'S VISION

Akastor's focus and goal are to create value in its holdings by being an active owner and making value-generating transactions.

AKASTOR PORTFOLIO COMPOSITION

INDUSTRIAL INVESTMENTS

HMH	50% [1]	Leading global provider of first-class drilling systems, products and services
AKOFS Offshore	50%	Global provider of subsea well construction and intervention services
agr	64% [2]	Multi-disciplinary engineering consultancy and software provider helping its clients address the energy challenges of today and tomorrow.
Cool Sorption – The Vapour Recovery Specialist	100%	Supplier of vapour recovery technology, systems and services to O&G installations

FINANCIAL INVESTMENTS

NES Global Talent	~ 15% [3]	Global Oil & Gas Manpower specialist.
Odfjell Drilling	USD 89.5m preferred equity and warrant structure	International drilling, well service and engineering company
DDW Offshore	100%	Company owning 5 mid-sized AHTS vessels
Awilco Drilling	5.6%	North Sea Drilling Contractor
DRU Contracts	Full economic interest [4]	Financial interest in four drilling equipment contracts with Jurong Shipyard (Sete Brazil projects)

1) *From October 1th 2021*
2) *Economic interest | 100% legal ownership*
3) *Economic interest*
4) *Carve out from MHWirth in connection with merger with Baker Hughes SDS to form HMH.*

Photo: Ilja C. Hendel

ACTIVE OWNERSHIP

As an investment company, Akastor's environmental, social and governance (ESG) priorities are integrated in its role as an active owner. Akastor is committed to being part of the energy transition by delivering more energy-efficient solutions and creating value for its shareholders.

Recently, Akastor updated its ESG strategy and sustainability policy, which describes how Akastor aims to integrate sustainability in its investment processes and its own operations, and in the governance of the organization. The policy includes Akastor's investment policy and how Akastor engages with its portfolio companies.

Akastor has incorporated ESG issues into its investment policy, where such issues are addressed both in the investment analysis and in the decision-making processes. In doing so, Akastor improves the resilience of its portfolio while also better positioning itself for new opportunities for a more sustainable future. The investment policy aims to ensure that Akastor only invests in companies that operate with an aim to address environmental impacts, respect human and labour rights, have a strong health, safety and the environment (HSE) track record, and follow good corporate governance practices that align with Akastor's own Corporate Governance Policy and Code of Conduct.

Akastor is represented on all portfolio companies' board of directors and asserts its active ownership through regular business reviews, day-to-day interactions and follow up on business and governance issues. Each Akastor portfolio company conducts its own enterprise risk assessment, which includes ESG, and establishes a process and workflow for risk management. They report their risk-mitigating activities to the portfolio company's board of directors, which has the overall responsibility for ESG in each respective company. The process follows the OECD's Due Diligence Guidance for Responsible Business Conduct.

Relevant ESG issues are reported quarterly by the management to the Akastor board of directors and its Audit Committee.

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Akastor has incorporated ESG into its investment analysis and in the decision-making processes.

AKASTOR'S APPROACH TO ESG

About the report

This ESG report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (core option). The GRI Standards are the world's most widely used ESG reporting standard.

In this report, Akastor presents its approach to and implementation of ESG activities and Akastor's performance: as a company and employer, and as an active owner towards its portfolio companies. The purpose of the report is to support Akastor's key stakeholders—shareholders (existing and potential), customers of its portfolio companies and employees of the Akastor group—in gaining insight into activities related to ESG at Akastor. The report aims to provide a balanced picture of the opportunities and challenges Akastor encounters in this area and how the group seeks to manage them.

Industrial investments and DDW Offshore are included in the report. Other financial investments are also presented, but these are not included in the consolidated figures in this Report.

Throughout this report, you will find information on ESG considerations organized along two pillars: 1) Akastor's own performance as a company and employer, and 2) an update on Akastor's role as an active owner and how Akastor works to ensure that its portfolio companies are progressing towards enhancing the positive environmental and social impacts and mitigating the negative impacts of their business activities.

As HMH was established in Q4, this report only contains the legacy MHWirth portion of the company. References to HMH data in 2021 thus correspond only to MHWirth. All future targets and engagements are set for HMH.

How Akastor identifies its material ESG issues

Akastor's active ownership includes understanding and being updated on its portfolio companies' climate-related risks and opportunities, as well as prioritizing ESG considerations.

In 2021, Akastor has ensured that all portfolio companies conducted a materiality assessment, established an ESG strategy and raised awareness of climate risk and opportunity. The ESG efforts at Akastor have been discussed in the ESG forum, which is available for all of Akastor's portfolio companies. The information obtained from the portfolio companies has allowed Akastor to set its own priorities for its role as an active owner. Akastor's ongoing stakeholder dialogue, media analysis and investor presentations have also helped narrow down the ESG topics most relevant to this report and have provided input concerning which ESG topics are most material to Akastor.

Akastor has a continuous improvement approach and a focus on disclosing the most relevant performance metrics while embracing the principles and guidance of prevailing non-financial reporting standards, including the Task Force on Climate-Related Financial Disclosures (TCFD) and GRI. In 2021, Akastor reported its results to the CDP (formerly known as the Carbon Disclosure Project) for the first time, and received a C score; see more information on TCFD and CDP in this report's appendix. The report aims to increase Akastor's transparency and disclosure on how it manages its most material ESG matters, as well as how it approaches long- and short-term climate-related risk and opportunities—both in its role as an operating entity and as an active owner of a portfolio of industrial holdings.

AKASTOR'S MATERIAL ESG ISSUES

Environmental

- Climate change mitigation and adaption
- Reduce own adverse impact on the environment

Social

- Employee health and wellness
- Community engagement

Governance

- Active ownership and engagement
- Anti-corruption

AKASTOR'S COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Akastor recognizes the importance of the UN's 17 Sustainable Development Goals (SDGs), and has identified four SDGs that Akastor significantly impacts. A self-assessment was used to identify where Akastor has the most opportunity to contribute to the SDGs. Akastor encourages its portfolio companies to identify and work towards relevant SDGs in their work and strategy.

Akastor has identified the following priority SDGs:

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Corruption has been identified as a key impediment to SDG 16. It also presents a potential risk to Akastor's business, along with associated risks such as money laundering, conflicts of interest and fraud.

- Akastor has a firm zero-tolerance policy towards corruption.
- Akastor conducts integrity training and awareness campaigns for its employees and enables its portfolio companies to do the same.
- Akastor has implemented a compliance programme and conducts compliance reviews to assess its implementation.
- Akastor holds a whistleblowing channel open for all to report negative conditions.

Goal 13: Take urgent action to combat climate change and its impacts.

Akastor and its portfolio companies both impact and are impacted by climate change. They are inherently exposed to a range of both physical and transition risks. Akastor and each portfolio company are assessing their risks and opportunities concerning climate change.

- Akastor is committed to improving energy efficiency and reducing greenhouse gas (GHG) emissions of its portfolio companies through its investments and board positions.
- Akastor is using its active owner role to encourage consideration of rebalancing its portfolio and diversifying towards sustainable and renewable solutions.
- Akastor supports its portfolio companies' shifts towards business opportunities in energy efficient operations and the renewable energy market, including carbon capture, utilization and storage (CCUS) technology and offshore wind.

Goal 12: Ensure sustainable consumption and production patterns.

Reducing consumption of materials and addressing challenges related to air, soil and water pollution are important steps towards achieving SDG 12. Akastor will continue to take responsibility for its activities in these areas by:

- Reducing energy use in its operations.
- Reducing GHG emissions from its operations.
- Reducing hazardous and non-hazardous waste from its operations.
- Preventing spills from its operations.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.

Akastor has an international portfolio and a widespread local presence. Its goal is to ensure that the value derived from its operations also benefits the societies in which the company operates. Protecting labour rights and ensuring safe and secure working environments for all workers are important issues for Akastor.

- Akastor is part of IndustriALL, which is an international framework that sets out fundamental worker rights and refers to standards governing HSE, work, pay, working hours and employment conditions.
- Akastor promotes open dialogue between management and employee representatives at Akastor and continuously works to implement sustainability activities in its global operations.
- Akastor actively supports and works with Stiftelsen VI ('The We Foundation') to ensure people with disabilities are given the same opportunities to perform as non-disabled people.

COMMITMENT TO ENVIRONMENT

AS A COMPANY

Akastor and its portfolio companies are dedicated to acting responsibly with the aim of reducing direct and indirect negative impact on the external environment from their operations and the products and services they provide.

Akastor's approach

Akastor's primary goal is for its portfolio companies to actively contribute to the industry's transition towards more sustainable operations and more energy-effective solutions.

To support and monitor this overall target, Akastor works to ensure that its portfolio companies implement strategies to reduce adverse impacts on the environment caused by their products or operations. The portfolio companies, by providing energy-effective and safe solutions, also aim to support their customers in managing environmental risks. Akastor requires each of its portfolio companies to set goals and strategies for their environmental impact, which are monitored by their own board of directors.

2021 performance metrics

AKASTOR AS

Scope 1 emissions — 0
Scope 2 emissions — 2 metric tonnes CO_2e
Purchased and consumed electricity — 182 MWh
Scope 3 emissions from air travel — 50 metric tonnes CO_2e

Akastor's own emissions are limited to the office- and travel-related emissions of its 15 employees. Compared to the climate-related issues in Akastor's investment activities, its own emissions are insignificant. Scope 3 emissions are expected to increase due to increased overseas activities in the coming years, which will necessitate more travel. Scope 2 emissions, which are from Akastor's office activities, are expected to remain stable over the next five years. Akastor reported for the first time to the CDP in 2021, and received a C score; see more in this report's appendix. Akastor AS' long-term goal is to be carbon-neutral by 2030.

Climate-related risks

Akastor and each of its portfolio companies address climate change risk and opportunities within Akastor's annual risk management process. The results are reported to Akastor, and significant risks are incorporated into Akastor's annual risk matrix. Akastor uses the risk and opportunity assessment as input concerning the strategies and businesses of Akastor and its portfolio companies. The main elements of the risk management and internal control process are described in the corporate governance statement in the Akastor Annual Report 2021.

Akastor is an investment company, and the identified transition-related and physical risks are closely linked to the risks identified by its portfolio companies. See the table in this report's appendix for the risks and opportunities identified.

The most significant risk identified is that the global transition towards more energy-efficient solutions or renewable energy will take place more rapidly than currently anticipated; in TCFD terminology, this is called 'transition risk'. Governmental regulation of GHG emissions is expected to increase and it will continue to be challenging to obtain necessary financing, with potential lenders choosing not to invest in the oil and gas market but rather move capital to other markets and businesses which are aligned with the EU Taxonomy. Unless these risks are met with mitigating measures, and portfolio companies take part in this transition, Akastor could face a scenario in which many of its portfolio companies lose market share and/or are left with obsolete product lines that have been replaced by more energy-efficient/green alternatives.

Several opportunities have been identified in the assessment. With the reduced interest for pursuing new exploration projects, Akastor and its portfolio companies will likely see a continued or even increased demand for maintenance services. Moreover, with the increased focus from many stakeholders on climate, it will be possible to maintain or increase market share if its portfolio companies can provide low-carbon solutions that balance the continued need for hydrocarbons whilst also supporting the climate targets set out in the Paris Agreement. Since Akastor's portfolio companies have experience in delivering world-class technology—in harsh conditions and in very competitive environments—they should be well-positioned to be key players in the industry's transition toward delivering more energy-efficient solutions, and also, use core competence to support the renewable energy market e.g within offshore wind.

Scenario analysis

Akastor's climate-related scenario analysis primarily considers the future oil service demand, including whether changes in oil price and the regulatory cost of CO_2 emissions will have a direct impact on the profitability of the company. Akastor uses the International Energy Agency's (IEA) Sustainable Development Scenario (SDS) in its scenario analysis, as it includes considerations of a path towards meeting the objectives of the Paris Agreement on climate change and highlights the potential future demand and production of oil. In 2040, the SDS estimates that oil and gas will still account for more than 45% of the global energy mix, which indicates that oil and gas will continue to play a vital role as an energy source for many decades.

While the SDS is recognized as an ambitious scenario in terms of the speed and scale of transforming the global energy system, attention is turning towards what it would mean for the global energy sector to reach net-zero emissions by 2050. This is examined in a scenario called Net Zero Emissions by 2050 (NZE2050), published for the first time in the IEA's World Energy Outlook (WEO) 2020 report. Though no specific price assumptions for e.g. oil and gas are defined in the report for this scenario, the NZE2050 implies an even more rapid transition away from hydrocarbons and a significantly lower demand for oil.

The business areas considered are mainly the ones relating to the oil sector, as changes in the oil price and regulatory cost of CO_2 emissions will have a direct impact on the profitability of Akastor's portfolio companies (i.e., HMH, AKOFS Offshore and AGR). Taking due note of the IEA scenarios, Akastor has decided to be very conservative when setting cost/break-even targets for oil production in the future: This has implications for how Akastor assesses the potential profitability of its investments in the portfolio companies operating in the oil sector. Akastor closely monitors the cost, energy and GHG-emission efficiency of its portfolio companies. Akastor is a long-term investor in its portfolio companies. The IEA's SDS has implications for several of the companies in which Akastor is a major investor. It is difficult to predict the development of future oil prices; however, the SDS highlights potential important vulnerabilities in companies exploring and producing oil fields.

Akastor's portfolio includes energy-efficient companies in the oil service sector, and Akastor's approach to the future profitability of portfolio companies is conservative. An increase in taxation of CO_2 is likely, and it is expected that only the most CO_2 and cost-efficient producers are profitable in a future market. The macro and financial analysis conducted by the Akastor Investment Team is fundamental for Akastor's investment and ownership strategies. Akastor regularly update decision makers in the portfolio companies on profitability considerations and Akastor's expectations. In Akastor's scenario analysis it has been difficult to establish firm numbers on the longer-term financial effects of climate change on the entire portfolio of Akastor.

Photo: HMH

EU taxonomy

The European Commission has stated that the European Green Deal is their plan to make the EU climate neutral by 2050. The EU Taxonomy is an important enabler to scale up sustainable investment and to implement the European Green Deal. The EU Taxonomy is a classification system for economic activities that substantially contribute towards a climate-neutral economy. Performance criteria for Taxonomy-eligible activities are designed to be consistent with the decarbonization trajectory required to meet the EU's net-zero emissions target for 2050.

Step 1: High level assessment – the portfolio companies identify eligible activities

The EU has launched technical screening criteria for objectives 1 and 2, and each portfolio company identifies where they have Taxonomy-eligible activities within these objectives. The companies also have expectations for the remaining environmental objectives (3–6) and have included these in the high-level assessment.

Eligible activities have been identified in the Akastor portfolio companies, in 2021, as follows:

Objective 1 – Climate Change Mitigation

- Carbon Capture projects, sales approx. NOK 2 mill (AGR)

Objective 2 – Climate Change Adaption

- Software sale to geothermal projects—EUR 30 000 (AGR)
- Offshore wind projects, OPEX, NOK 1.7 mill. (HMH)

Step 2: Detailed assessment – portfolio companies identify aligned activities

The companies have initiated assessments to ensure their activities are aligned, by evaluating the technical screening criteria, ensuring that it does not significantly harm other objectives, and that the activity's performance meets minimum social safeguards.

The EU Taxonomy's environmental objectives

1. Climate change mitigation

HMH, AKOFS Offshore, AGR, Cool Sorption, DDW Offshore

2. Climate change adaption

HMH, AKOFS Offshore, AGR, Cool Sorption, DDW Offshore

3. Sustainable use and protection of water and marine resources

HMH, AGR, AKOFS Offshore, DDW Offshore

4. Transition to a circular economy

Cool Sorption

5. Pollution prevention and control

Cool Sorption

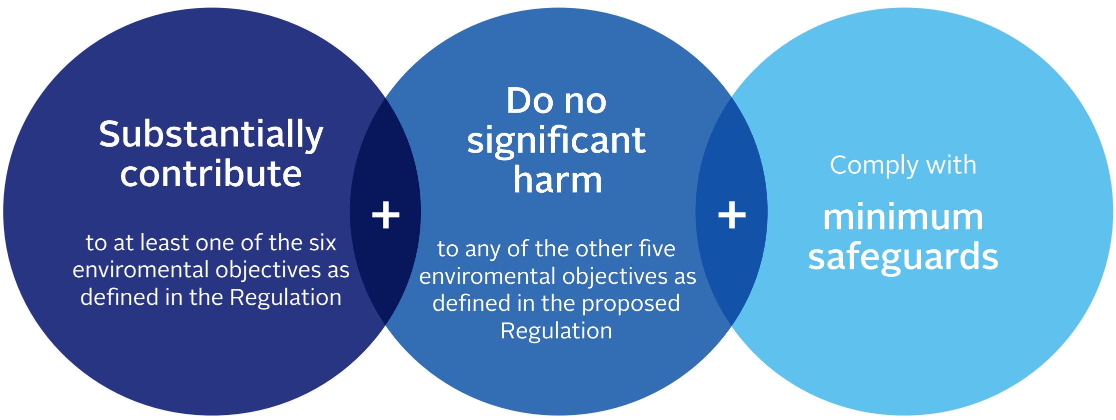
6. Protection and restoration of biodiversity and ecosystems

Unknown

The portfolio companies have not yet completed the screening of their activities according to the EU Taxonomy and can therefore not disclose the degree of alignment at this stage. It is estimated that 0–1% portion of the activities of the portfolio companies were aligned with the EU Taxonomy in 2021.

Step 3: Akastor calculates portion of aligned activities in their investments

Akastor has not yet completed a screening of its investment portfolio's activities against the EU Taxonomy regulation. However, Akastor's investment portfolio's activities' alignment with the EU Taxonomy in 2021 is assumed to be between 0–1%



AS AN ACTIVE OWNER

Akastor works to ensure that its portfolio companies implement strategies to reduce adverse impacts on the environment caused by their products or operations. The portfolio companies also aim to support their customers in managing environmental risks. Akastor requires each of its portfolio companies to set goals and strategies for their environmental impact, which are monitored by their respective board of directors.

Akastor's expectations and policy concerning the environment are included in Akastor's sustainability policy and the Akastor Code of Conduct, which state that Akastor will act responsibly, with the goal of reducing direct and indirect negative impacts on the external environment from the operations, products and services Akastor provides.

Several of Akastor's portfolio companies are primarily office-based, and thus have less direct impact on the environment; its environmental footprint is largely from business travel. Akastor's main investments are within the oil and gas industry, and the focus is primarily on how the companies can use their core methodologies and technologies to support customers in addressing their environmental footprint. Examples of this from the portfolio companies include (i) HMH's contributions in delivering solutions to offshore wind farms; (ii) AGR's support for carbon capture and storage (CCS) services; (iii) AKOFS Offshore's investment in a battery pack onboard the AKOFS Seafarer that has significantly reduced fuel consumption; and Cool Sorption's services that assist the oil and gas industry in reducing volatile organic compounds (VOC) emissions to air.

Akastor's strategic ESG targets

Each portfolio company has its own targets relating to climate and sustainability. Akastor has set the following goals for its portfolio companies.

Environment

- Act to reduce direct and indirect negative impacts on the external environment, from the products, services and operations provided
- Increase share of revenue in portfolio to meet EU Taxonomy requirements to:
  - 10% share in 2025
  - 30% share in 2030
- Integrate ESG review in own portfolio and new investment processes valuation by 2023
- Incentivize portfolio companies in developing low-carbon technologies and capabilities
- Seek to reduce CO_2 emissions by 2.5% annually in portfolio companies
- Within portfolio, develop digital solutions and measure consequences for environmental footprint
- Diversify portfolio into environmentally sustainable businesses

Social

- Provide safe, professional and healthy working conditions, where zero accidents are always the goal for all operations
- Work actively to avoid any form of discrimination, harassment and degrading treatment of employees, and international human and labour rights are respected in all operations
- Support local communities at facilities locations
- Sponsor or otherwise support efforts and organizations that work towards giving equal opportunities and balancing differences

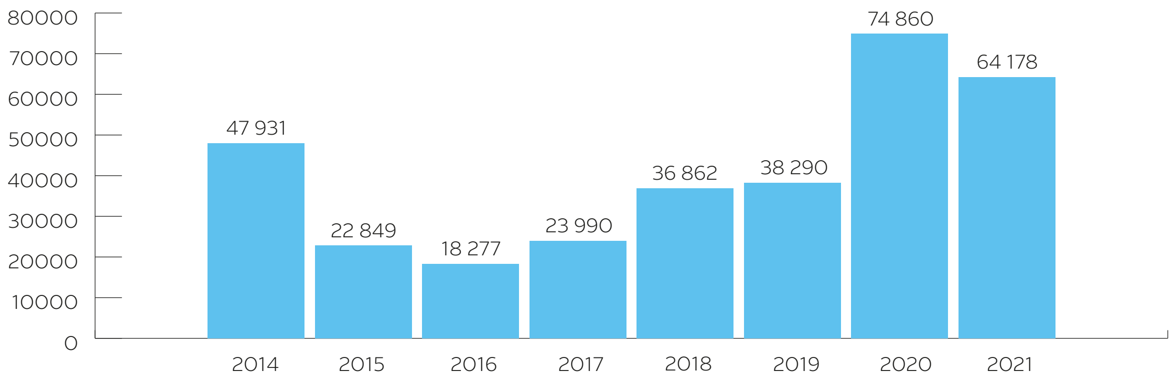
Governance

- Conduct its businesses with integrity and transparency, respecting laws where it operates
- Ensure that all portfolio companies implement and adhere to Akastor's governance expectations and Code of Conduct
- Work actively to ensure zero tolerance for corruption and bribery, including by providing training to all employees and implementing compliance programmes
- Apply corporate governance principles consistent with highest industry standards and that build upon the Aker group's strong and proven governance model
- Involve and engage managers and employees in the operations, including through employee representation

2021 CO_2 EMISSIONS IN AKASTOR

Data include Akastor AS, HMH (the MHWirth portion of the company**), AKOFS, Cool Sorption, AGR and DDW Offshore.*

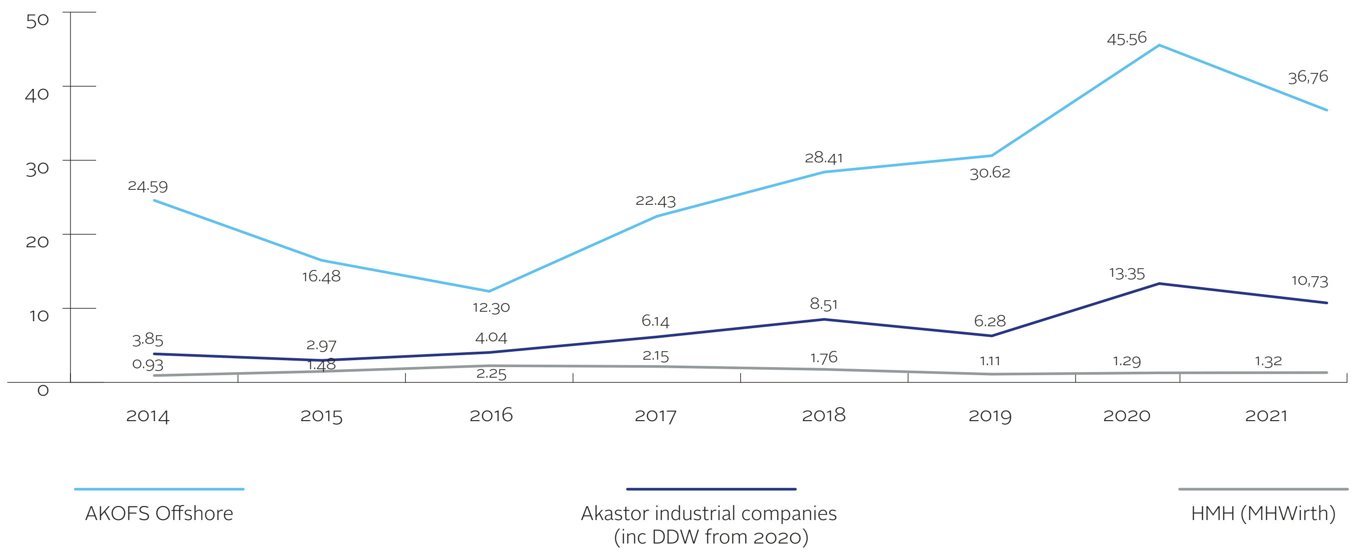
CO_2 emissions (tonnes) 2014-2021



Akastor's industrial portfolio	2021 CO_2 emissions	2020 CO_2 emissions	Percent change (%)
AKOFS	46 652	43 512	7 %
DDW Offshore AS*	12 618	26 366	-52 %
HMH**	4 758	4 832	-5 %
AGR	148	148	0 %
Cool Sorption	0.35	0.386	-9 %
Akastor AS	1.82	1.84	-1 %
Total – industrial portfolio including Akastor AS	64 178	74 860	-14 %

**DDW Offshore AS was a new company in the portfolio in October 2020. CO_2 data are reported from the full FY 2020.*
***As HMH was established 1 October 2021, data in the ESG report concern only the MHW portion of the company.*

CO_2 (tonnes) per NOK million



SUSTAINABILITY IN ACTION: AKOFS OFFSHORE HYBRID BATTERY POWER INSTALLATION

To reduce fuel consumption and CO_2/NOx emissions, AKOFS Offshore has invested NOK 45 million in an energy storage (battery) system and in ECR, a selective catalytic reduction system for the AKOFS Seafarer.

CO_2 emissions have been reduced by 2,500 tonnes per year due to an approximately 15% reduction of fuel consumption during well operations. The combination of the energy storage system and ECR will reduce NOx emissions by approx. 89%, lowering NOx emissions by approx. 250 tonnes per year.

Photo: Rolf Estensen

SUSTAINABILITY IN ACTION: VAPOUR RECOVERY UNITS (VRUS) REDUCE EMISSIONS TO AIR

Cool Sorption's technologies for the downstream oil and gas segment support the capturing of vapour at loading facilities, thereby reducing emissions to the air. VOC vapours, such as gasoline or benzene, are harmful to the environment and strict regulations apply to such emissions. VRUs help with the reduction of smog: Smog has severe health effects for humans as well as other animals and plants, all of whom are adversely affected by the tropospheric ozone created when VOCs react with other pollutants in the air. Some VOCs are also GHGs with significant warming potential—reducing their emissions has a positive impact on limiting climate change.


Photo: Cool Sorption

SUSTAINABILITY IN ACTION: HMH'S DEAL™

DEAL™ enables drilling automation and performance-enhancing software modules on an open-interface platform. This is technology that requires fewer personnel onboard, which supports HSSE performance and reduces overall total well cost.

DEAL™ acts as a layer between programmes used to control drilling equipment (PLCs) and Smart Modules. Smart Modules are added to enhance the control system of the rig: for example, a module that enables automated tripping.

DEAL™ enables simple installation of new Smart Modules through a defined interface, without requiring changes to the machine. DEAL™ eliminates the need for new connections to all machines when introducing new Smart Modules.

Photo: HMH

COMMITMENT TO SOCIAL

AS A COMPANY

Akastor invests in its employees

It is Akastor's ambition to maintain a good working environment with high levels of well-being and low levels of absence due to illness, and to generally ensure and retain a highly skilled and motivated workforce. Akastor encourages an environment where all employees are encouraged to develop their skills and share knowledge with their colleagues.

Akastor offers comprehensive benefit packages to all employees, including on-site health and wellness centres, and an insurance package which includes insurance against occupational injuries, personal accidents, sickness and disability, as well as travel and group life insurance.

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

Akastor invests in health and wellness

In addition to healthcare and insurance plans, Akastor offers a comprehensive wellness programme for all Akastor employees. This includes health insurance and access to an on-site health and wellness centre, Moloklinikken, where all Akastor employees have access to a physician, health counselling and medical treatment. All employees are offered an annual health assessment to help identify potential or existing health risks. All Akastor employees are also offered memberships to the on-site Lifestyle fitness centre.

Key 2021 figures for Akastor AS

- Number of employees: 15
- Employee turnover: 3%
- Share of women: 31%
- Sick leave: 0.43%

Akastor invests in communities

Akastor supports Stiftelsen VI ('The WE Foundation'), whose aim is to ensure that people with disabilities are given the same opportunities to perform as non-disabled people.

COVID-19 impacts

Akastor has closely followed the development of the COVID-19 outbreak and has implemented necessary measures—such as home offices and social distancing in the workplace—to minimize the risk of employees contracting the coronavirus at work. Additional information about effects of the COVID-19 pandemic on Akastor and its portfolio companies is included in the Akastor Annual Report 2021.

AS AN ACTIVE OWNER

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

At year-end, Akastor's portfolio companies, including AKOFS Offshore and HMH (MHWirth portion of the company), had approximately 2 358 permanent employees and 387 hired-ins. All Akastor portfolio companies strive to protect the health, safety, human rights, labour rights and well-being of their workforce, in line with international standards such as those put forth by the ILO and OECD. Akastor has an international portfolio and a local presence in many countries. Its goal is to ensure that the value derived from its operations also benefits the societies in which the company is present.

SUSTAINABILITY IN ACTION: HSSE AT HMH

HMH MHWirth has achieved the ISO 45001:2018 (Occupational Health and Safety Management Systems) certificate to provide safe and healthy workplaces throughout the organization. The implementation of the ISO 45001:2018 standards forced us, among other things, to ensure consultation with and participation of workers in relevant matters. Correspondingly, MHWirth has established and documented HSSE Committee meetings for all MHWirth locations and improved communication with employees. In addition, as a result of the ISO 45001 implementation, a systematic follow up of legal HSSE regulations has been established to monitor the essential legal regulations in the HSSE area, to ensure legally compliant operation.

Health and safety

In particular, HSE represents key priorities for Akastor and its portfolio companies. Akastor believes that value is created when people are motivated, engaged and allowed to challenge themselves in a safe and healthy working environment. Each Akastor portfolio company works to ensure safe working conditions for its employees and brings this core value and commitment to its customers, employees and business partners. The portfolio companies have implemented occupational health and safety management systems, policies and procedures to ensure that HSE is an integrated part of the companies' cultures. All portfolio companies have dedicated resources to follow up on health and safety work at each of the portfolio companies' sites.

International framework agreement

Akastor acknowledges the right of all employees to form and join trade unions of their own choice. Akastor practises zero tolerance for the discrimination, harassment and degrading treatment of employees in its portfolio companies. This is also set out in the international Framework Agreement between Aker and its industrial portfolio companies with international operations (including Akastor) and with the Norwegian trade unions Fellesforbundet, IndustriALL Global Union, the Norwegian Society of Engineers and Technologists (NITO) and the Norwegian Society of Graduate Technical and Scientific Professionals (Tekna).

The International Framework Agreement sets out fundamental workers' rights and refers to standards governing HSE, work, pay, working hours and employment conditions. Through the agreement, Akastor and its portfolio companies have committed to respecting and supporting fundamental human rights and trade union rights in the countries in which the portfolio companies operate. The applicable principles are laid out in the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work. Together with its industrial portfolio companies, Akastor also uses its influence to ensure that its portfolio companies' supply chains and customers comply with the principles set out in the agreement.

The management and employee representatives for technical administrative personnel and skilled workers/union representatives in the respective portfolio companies are responsible for the ongoing follow up. In 2021, as in previous years, no events violating the agreements were reported.

Equality and diversity

The Akastor portfolio companies have a world-wide presence, with employees who represent a multitude of nationalities and cultural backgrounds. Akastor works to ensure that all employees can expect a workplace free from harassment and discrimination. All portfolio companies actively work to advance equality regardless of gender, sexual orientation or background. While a high proportion of the employees in Akastor's portfolio companies are male, each portfolio company regularly assesses whether the principle of equal pay for equal work is being upheld, and no significant differences due to gender have been identified. The weighted average in the whole portfolio was 85 %. The differences found were highly related to an uneven distribution of men and women in the type of work they do in the company: e.g., the Akastor companies have more women in administrative positions than in engineering positions, and the latter are generally more highly paid. Akastor and its portfolio companies are not aware of any employees that work part-time involuntarily. AGR, AKOFS Offshore and HMH report their compliance with the Norwegian Act on Gender Equality and Prohibition of Discrimination separately.

Employee surveys and other measuring assessments are regularly conducted throughout the Akastor group to obtain feedback on how employees perceive the current work environment. In 2021, employees indicated general satisfaction working in their respective company. Where such surveys or other reports of concerns indicate a need for improvement, the companies work diligently to address the situation, and, where relevant, involve their work councils, which include employee and management representatives. HMH continues to use internal systems to follow up on working environment and employee engagement.

In the Akastor group, the ratio of men to women is 81/19, which is slightly less optimal than previous years. The oil service sector is a male-dominated industry and it has been challenging to increase the number of women employed in most of the Akastor portfolio companies. In portfolio companies where there is a large proportion of men working, the companies are considering activities that will increase the share of permanently employed women. As part of its management system, HMH (the MHWirth portion of the company) has developed a set of 'Diversity and Inclusive Guidelines'. The purpose of these guidelines is to promote and manage diversity and facilitate inclusion for all (potential) employees. The guidelines provide principles with regards to recruitment, succession planning and talent management. HMH will continue to reinforce the principles in these guidelines, and their targets include increasing the proportion of women in management positions; securing diverse age distribution across all management roles; and continuously improving the Diversity and Inclusion Guidelines. Throughout 2021, HMH continued its focus on diversity and equality.

Supply chain

Akastor requires that activities in the supply chain are conducted with a focus on integrity and the principles described in the Code of Conduct. In assessing the risk of human rights breaches within Akastor and its portfolio companies' value chain, the supply chain is considered the most vulnerable to breaches of human rights. In 2021, Akastor initiated a process to assess and prepare for the new Transparency Act, related to transparency and work on fundamental human rights and decent working conditions, which law will be applicable in Norway from next year.

To qualify for the vendor shortlist, suppliers must complete a questionnaire regarding HSE, quality, integrity and human rights; sign and agree to the supplier declaration; and pass a due-diligence screening. The supplier declaration outlines key requirements concerning ethical conduct, respect for the environment and human rights, and compliance with HSE requirements, and must be signed by all suppliers. The supplier selection criteria also mandate quality, on-time delivery, fulfilling customer requirements, appropriate competition and equal treatment of suppliers.

All portfolio companies have key performance indicators (KPIs) on quality and on-time delivery, measuring the suppliers' performance, and suppliers who are not performing according to the requirements will be audited and followed up with. To monitor the suppliers' performance, HMH and AKOFS have implemented the supplier management system, LeanLinking. This system is used globally, and the organization's adherence to the system is confirmed in both HMH's and AKOFS Offshore's ISO 9001 audits.

All portfolio companies continually monitor their suppliers, and if any supplier does not meet the requirements and reasonable discussions to address concerns were unsuccessful, their services are ended.

Social engagement

Akastor and its portfolio companies endeavour to engage in their local communities and consider strong local social engagement an important part of their sustainable development. In Norway, Akastor is part of an initiative called "Stiftelsen VI", which is a non-profit entity working to provide disabled people equal opportunities to have a meaningful and active life. In

Photo: Rolf Estensen

addition, in 2021, several portfolio companies gave donations to local charities. All portfolio companies have internal processes for assessing donations to NGOs or social engagements.

Local commitment

Akastor has an international portfolio and a local presence in many countries. Its social development goal is to ensure that the value derived from operations also benefits the societies in which the company is present. In 2021, portfolio companies continued their focus on local content, local production requirements and local expertise, which also supports SDG 8 (on decent work and economic growth). For example, HMH is working with the University of South-Eastern Norway to offer students internships with the company or opportunities to write graduate and master's theses.

Global impact

Akastor portfolio companies are active on 6 continents and serve customers from bases in 20 countries. Approximately one third of their workforce is based outside of the EU and Norway, and one third of their revenue is generated from operations outside of Europe. The portfolio companies are integral participants in the countries and regions in which they operate and are often important contributors in local communities. Akastor's goal is for its portfolio companies to contribute positively in the societies where they are active, and to do their utmost in protecting, respecting and contributing positively towards the environment and human rights.

Key 2021 figures for Akastor-owned companies

- Number of employees: 2 358[1]
- Employee turnover: approx. 9 %
- Nationalities represented: approx. 47
- Share of women: 19%
- Sick leave: 3.0%

[1] *(incl. MHWirth portion of HMH and AKOFS Offshore)*

COMMITMENT TO GOOD GOVERNANCE

AS A COMPANY

Effective corporate governance provides the foundation for its value creation. Akastor's corporate culture is based on good business practices, openness, honesty and respect for other people. These principles form the basis for sound equity investments.

Good corporate governance is therefore a key concern for Akastor's board of directors, management and employees, as well as in the exercise of ownership of Akastor's portfolio companies. Akastor is closely involved in the monitoring and follow up of companies of which Akastor is the main shareholder.

Board composition and governing principles

Akastor's board of directors determines the overall principles for its management and control functions. Akastor ASA is a Norwegian public limited liability company (ASA), listed on the Oslo Stock Exchange and established under Norwegian laws.

Akastor's governance principles are based on the Norwegian Corporate Governance Board (NCGB or NUES) recommendations. Akastor's board of directors defines expectations for responsible and ethical business operations and has the overall responsibility for ESG in the company. Akastor is represented on all portfolio company boards and asserts its active ownership through regular business reviews, day-to-day interactions and follow-up on business and governance issues.

See more information in the Board of Director's Report for 2021 and the Corporate Governance Report for 2021, which is included in the Akastor Annual Report 2021.

Risk assessment

Risk management is an integral part of a well-functioning system for internal controls and contributes to both securing and developing shareholders' investment in Akastor and securing its assets. Akastor's objective for risk management and internal control is to be aware of potential risks and implement risk mitigation practices, rather than eliminating exposure to risk. Akastor's risk management supports compliance with laws and regulations, including recommendations from NUES, in all material respects.

Key 2021 figures for Akastor AS

- Integrity training: 100%
- Share of women in top management at Akastor AS: 17%

Board diversity in 2021 at Akastor ASA

- Share of women on Akastor ASA's board of directors: 25%
- Independent shareholder elected directors on the board: 60% (3 out of 5)

AS AN ACTIVE OWNER

Akastor's commitment to good governance extends to its role as an active owner. Akastor sets its expectations for its portfolio companies in the Akastor governing documents, including the Code of Conduct. Akastor actively encourages cooperation and dialogue based on effective corporate governance processes.

Within Akastor's corporate responsibility efforts, Akastor is focused on the ESG activities and processes that build financial and non-financial value in its portfolio. Akastor focuses on working against corruption, managing health and safety, respecting human rights and minimizing adverse impacts on the environment. These focus areas were established to strengthen the companies' long-term and continuous focus on ESG and to follow its stakeholders' expectations. Each portfolio company is required to implement an ESG strategy based on the main priorities of the group. Further, adhering to the Code of Conduct is mandatory for and applicable to all employees, hired-ins and other representatives of Akastor. The Code of Conduct is available for download from the company website: www.akastor.com.

Code of Conduct and Integrity Programme

Akastor's Code of Conduct constitutes the key guidelines for corporate responsibility and integrity at Akastor and for portfolio companies in which Akastor is the main shareholder. It describes the group's commitment to ESG and requirements for business practices and personal conduct. Working against corruption in all its forms is a fundamental part of Akastor's Integrity Programme, which supports the Code of Conduct by outlining procedural requirements and control functions that must be met, ensuring compliance.

The Akastor Integrity Programme is outlined in the Akastor Integrity Policy and describes the processes and internal controls that must be in place in all the portfolio companies to ensure that the principles set out in the Code of Conduct are implemented. The board of directors of each portfolio company is responsible for implementing policies adapted to their companies.

Akastor seeks to align its operations with the principles of the UN Global Compact, the UN Convention against Corruption, the Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights, as well as the ILO Declaration on Fundamental Principles and Rights at Work. These international principles underpin the design of the Akastor Code of Conduct and Integrity Programme and provide the overall framework for all ESG efforts in the Akastor group.

Akastor's Legal and Compliance function supports and monitors the policy implementation of Akastor's Code of Conduct and Integrity Programme, through continual dialogue with the portfolio companies; quarterly compliance status reports, which include a summary section for any compliance issues addressed in the quarter; and reviews of portfolio company operations. Certain business activities require approval from Akastor Legal and Compliance before they are carried out. Each portfolio company has appointed a compliance officer who oversees implementation of the Akastor Integrity Programme and is the primary point of contact for day-to-day compliance and integrity assessments and discussions.

Integrity training and awareness

High integrity is a valuable safeguard against corruption and unethical conduct, and is a key pillar in a sustainable, value-based business. Training and awareness campaigns are in place throughout Akastor to ensure that all representatives of Akastor recognize potential integrity risks and know when to raise a concern and how to respond appropriately to unacceptable practices. Dilemma-based classroom training and e-learning courses are implemented throughout the group—some broadly target all employees while others are more tailored towards specialized employee functions, such as employees in workshop and supply chain functions. In 2021, Akastor launched new training material, which continued to ensure that all new employees in the target group received dilemma-based classroom training.

Whistleblower channel

Whistleblowing is an important channel for receiving information about negative conditions in the company so that they can be properly corrected and followed up with. All employees of Akastor and its portfolio companies are required to report breaches of the Code of Conduct, and Akastor encourages everyone to report any concerns pertaining to possible breach of law, ethical standards or expected conduct/ behaviour. Employees can report concerns to their line manager, compliance officer or top management, or via the anonymous whistleblowing channel. As part of their business ethics training, all employees are informed of the responsibility to raise their voice if observing or experiencing any wrongdoing.

The whistleblowing channel is available for reports relating to all Akastor portfolio companies. All notifications reported are received by Akastor Legal and Compliance and investigated in accordance with the Whistleblowing Investigation Procedure. The whistleblowing process is monitored by Akastor's board of directors and its Audit Committee. Akastor received three whistleblowing notifications during 2021, which is considered to be fewer than the international average compared to the number of employees, based on the latest NAVEX Global benchmark report. All were followed up with in accordance with the Akastor whistleblowing procedure.

In 2021, Akastor continued with its yearly "Akastor Integrity Survey", partly to assess trust in the whistleblowing channel and partly to raise awareness of this function. All responses were anonymous, and 96% of the respondents answered that they trusted the whistleblowing channel.

Photo: Rolf Estensen

Third-party risk

Working with third parties constitutes a potential integrity risk. Akastor implements risk-based evaluations and monitoring of suppliers, service providers and joint venture partners.

Akastor has had a stringent approach to third-party representatives (agents) for several years and continued this focus in 2021. Portfolio companies that require the use of sales agents or other third-party representatives are required to implement control activities, such as in-depth due diligence, integrity training, and monitoring of services and payments.

Country risk evaluations

To enable prudent operations in high-risk countries, Akastor maintains a "Country Watch List", which prescribes different risk assessment and approval procedures for countries according to their risk level.

Through these due diligence procedures, the Akastor portfolio companies build increased awareness of potential risks, such as corruption risk, risk of sanctions and trade embargoes, labour risks, impacts on human rights and environmental risks. The due diligence is mainly done through the use of screening tools and media reports and, in some situations, with help from external service providers. With this, the portfolio companies are better positioned to address such risks at an early stage or withdraw from the business if necessary.

Compliance reviews

Akastor's Legal and Compliance team regularly performes on-site compliance reviews to assess and provide feedback on the implementation of the Akastor Integrity Programme in portfolio companies. The reviews strengthen the implementation of the Akastor Integrity Programme through defined follow-up activities and provide deeper understanding of relevant integrity risks and challenges. In 2021, compliance reviews were undertaken for AGR's operations. There were no material findings in the review. In addition, other review activities were completed, including HSE and quality audits of suppliers, sanction and export control compliance assessments, and investigations related to whistleblowing reports.

Data privacy and security

Akastor has a Data Protection Standard for Processing and Transfer of Personal Data (Binding Corporate Rules (BCR)), which guides the processing of personal data in the group. In 2021, Akastor experienced no breaches of data.

Key 2021 figures for Akastor-owned companies

- Integrity training: 98% of target group
- Akastor-owned companies had no significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations

PORTFOLIO OVERVIEW

Photo: HMH

HMH*

Operational centre:
Kristiansand, Norway, and
Huston, Texas

Website: www.hmhw.com

Akastor's ownership interest: 50%

Number of employees: 2 100

Revenue (2021): USD 568 million

EBITDA (2021): USD 64 million

Share of non-oil revenue (2021): 1%

Countries of operation: Global operations, and offices in 16 countries

Certifications: ISO 9001, 14001. and 45001

* *HMH was established in Q4 2021. As such, the report only contains the MHWirth portion of the company. References to HMH data in 2021 thus concern only MHWirth. Revenue, EBITDA, future targets are presented for HMH.*

About HMH

HMH delivers a global full-service offshore and onshore drilling equipment offering that provides its customers with a broad portfolio of products and services designed to be safe and efficient.

Together with its brilliant team of engineers, HMH actively embraces new opportunities in other industries including offshore wind, subsea mining, civil construction, and innovative digital solutions.

The company's vision drives an unparalleled commitment to quality and creates economic advantages for its customers and stakeholders. HMH has a global span that covers 5 continents, with offices in 16 countries.

ESG approach and focus areas

In 2021, the HMH ESG Strategy and Sustainability Policy was established based on HMH's overarching Vision and Strategy. HMH's sustainability, HR, HSSE and governance policies define principles for sustainability and ESG governance at HMH. Compliance with the policies is mandatory for all locations, employees, and contractors.

HMH achieved accredited ISO 14001:2015 (Environmental Management Systems) certification to enhance its environmental performance and contribute to the environmental pillar of sustainability. HMH has identified air travel and electricity consumption as critical environmental aspects for its global operations. Additionally, HMH has defined aspects which are unique to its various locations and activities around the world.

HMH is committed to operating with transparency, integrity, and accountability. The company demonstrates its commitment to ESG by delivering industry-leading solutions designed to increase efficiency and reduce carbon footprint in drilling operations, promoting a diversified workforce and basic human rights and being an accountable business partner.

HMH's approach to corporate responsibility is anchored in its core values. The company views corporate responsibility as a means of building trust and providing value to its stakeholders. This is achieved by adhering to accountable and transparent leadership.

HMH recognizes and respects the UN's SDGs, focusing on goals 5, 8, 12, 13 and 16.

New business opportunities identified as part of solving environmental and climate challenges

HMH has identified several potential business opportunities as part of its efforts to address environmental and climate challenges. HMH is actively pursuing new business opportunities in markets other than the oil and gas sector that are well-aligned with HMH's competence and capabilities. As part of this work, HMH has identified specific opportunities and developed concepts related to power cable installation and anchor handling in the offshore wind business. HMH has also identified several business opportunities in the growing subsea mineral mining industry, partly based on historic deliveries of equipment and systems to subsea diamond mining vessels. Subsea mineral mining will be part of enabling the transition from oil and gas to renewable energy. HMH has existing, transferrable knowledge and skills that it is using and expanding upon to provide innovative solutions to new market sectors.

HMH's products and services are in line with market requirements for reduced climate-related emissions. One of HMH's top strategic priorities is to support its customers with technology to improve their operational efficiency. In practice, this means drilling wells faster, resulting in a reduction in CO_2 emissions proportional to the time saved. HMH is also focused on reducing fuel consumption though efficient machines and collaboration with partners for optimized hybrid solutions (generators, batteries, etc.) that have a significant effect on CO_2 emissions. Additionally, HMH is increasingly utilizing technology to support customers remotely, resulting in less travel emissions. HMH is focused on providing customers with technology and automated solutions designed in part to reduce Personnel On Board (POB) rigs, which also reduces CO_2 emissions.

HMH SUMMARIZED TCFD REPORT 2021[1]

1. Governance

The climate risk assessment is reported to Akastor and reviewed by Akastor's board of directors. HMH was established October 1 2021, and climate-related risks and opportunities have not yet been reviewed by HMH's board of directors.

HMH has undertaken a comprehensive climate risk and opportunities assessment, to which its management has contributed.

2. Strategy

Climate-related risks and opportunities are identified and managed through the climate risk assessment process. Several initiatives focused on reducing risk and capturing opportunities are underway, primarily related to innovation of climate-friendly solutions for the oil and gas industry. HMH's ambitions and expectations have been set by HMH's sustainability policy.

3. Risk management

HMH has established a systematic process for identifying, assessing and managing climate-related risks, which is integrated into the organization's overall risk management.

HMH's risks and opportunities are included in Akastor's summarized presentation in the ESG Report 2021 appendix.

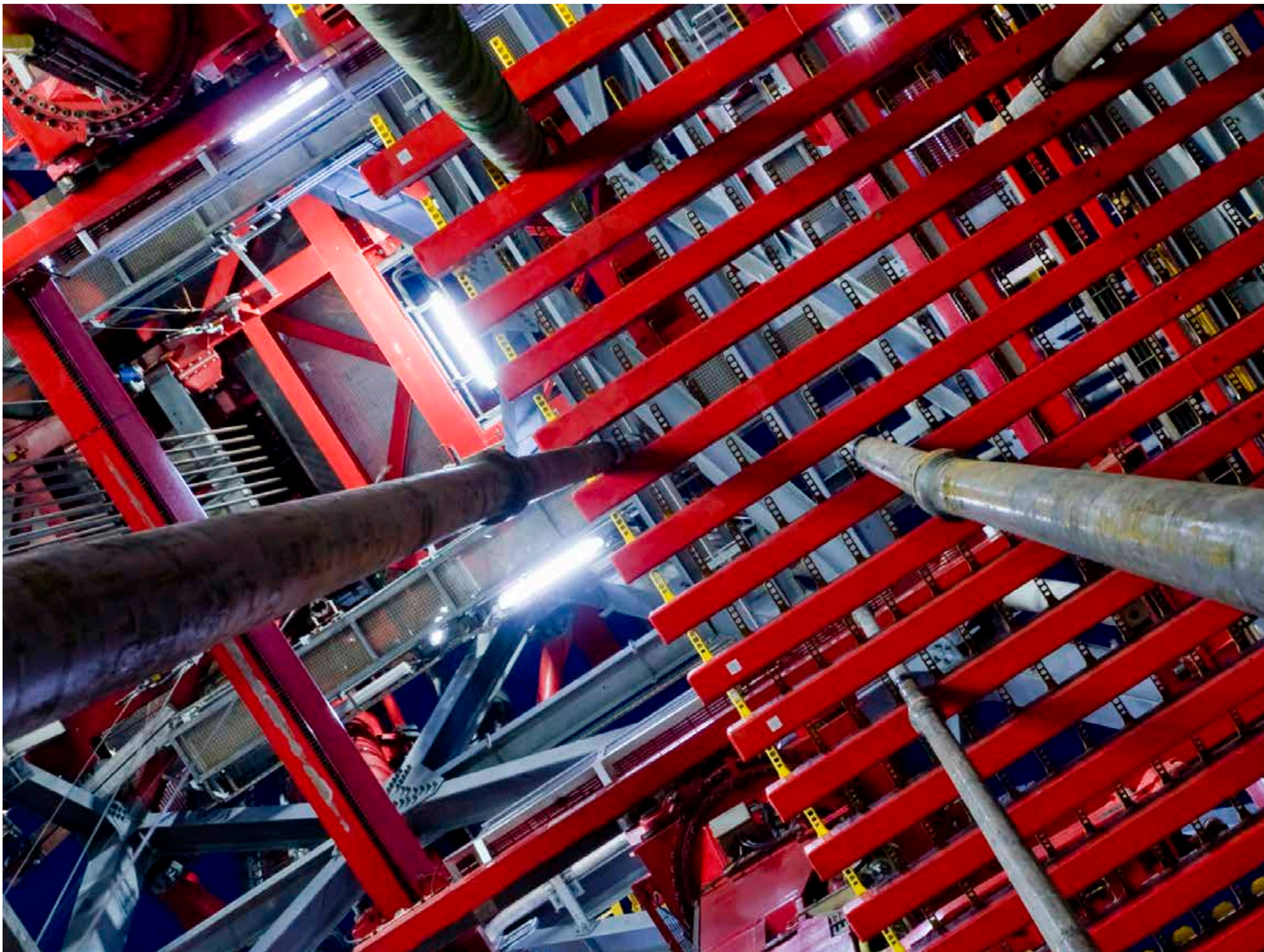
4. Metrics and targets

HMH discloses metrics related to the company's own CO_2 emissions (Scope 1, Scope 2, business travel), and revenue from non-oil industry. The main long-term targets are to have a significant portion of turnover, that meets the EU Taxonomy requirements by 2030,from non-oil industries , and be climate neutral from 2050.

See metrics and targets in the HMH key ESG figures and targets table below.

[1] *For the full Akastor TCFD report, see the 'TCFD Report 2021' chapter at the end of the ESG Report 2021.*

Photo: HMH



MHWirth portion of HMH key ESG figures and targets[1]

ENVIRONMENT	2021	2020
Energy used (MWh)	30 476	32 609
Energy intensity (MWh per million hours worked)	10 520	11 245
CO_2 emissions (tonnes)[2]	4 758	4 832
CO_2 emissions intensity (tonnes per million hours worked)	1 642	1 666
CO_2 emissions—Scope 3 (tonnes)[2]	688	1 230
Reduction of GHG emission (Scope 1–3)	4 870	88
Total waste (tonnes)	3 020	2 474
Recycling factor (%)[3]	40	46
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	1 608	1 603
Female/male (%)[5]	18/82	17/83
Women in management (%)	13	13
Pay equality (women/men)	95**	(NEW)
Lost time incident frequency (LTIF)[6]	0.7	1.4
Total recordable injuries frequency (TRIF)[6]	2.8	2.1
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	3.3	2.9
GOVERNANCE		
Integrity classroom training (%)[7]	98	98
Code of Conduct e-learning (%)[8]	95	89
Whistleblowing reports	3	4
Total revenue (million)	USD 568*	NOK 3 760
EBITDA (million)	USD 64*	NOK 401

[1] *The superscripts are explained in the Akastor group table in the appendix.*
* *Revenue and EBITDA 2021 is for HMH.*
** *Pay equality is calculated for employees in Norway.*

HMH

Short term:
1. Maintain ISO 14001 certification
2. Reduce business travel activities through relying on virtual meetings when feasible
3. Identify and address climate and environmental aspects and risks
4. Establish ESG- and TCFD-compliant reporting
5. Join the CDP or similar reporting organization
6. Purchase renewable electricity for own power consumption
7. Reduce GHG emissions from own locations

Long term:
8. Develop business such that a significant proportion of turnover comes from non-oil business and meets the EU Taxonomy requirements by 2030
9. Become climate neutral by 2050 by reducing annual CO_2 emissions by 2.5% on average compared to company's 2019 baseline

AKOFS OFFSHORE

Head quarters location: Oslo, Norway.

Website: www.akofsoffshore.com

Akastor's ownership interest: 50%

Number of employees: 292

Revenue (2021): USD 147 million

EBITDA (2021): USD 37 million

Share of non-oil revenue (2021): 0%

Countries of operation: Norway and Brazil

Certifications: ISO 9001, ISO 14001 and OHSAS 18001

About AKOFS Offshore

AKOFS Offshore is a provider of vessel-based subsea well construction and intervention services for the oil and gas industry. The company has a highly competent and diverse organization, covering all phases from conceptual development to project execution and offshore operations.

AKOFS' vision is to be the preferred partner in the subsea well construction and intervention industry by providing safe and efficient services for the benefit of its stakeholders.

AKOFS' main markets are in Brazil, North Sea, West Africa and the Gulf of Mexico.

ESG approach and focus areas

The success of AKOFS rests on the company's ability to provide safe and high-quality services whilst protecting the environment. An HSE mindset is important for the company, and AKOFS' employees take personal responsibility for HSE because they care. Working towards the 'zero' vision, AKOFS believes that, with proper precautions in their operations, they can prevent all accidents and incidents, injuries, ill health and environmental pollution.

AKOFS is committed to reducing impact on the environment caused by its operations. The advancement of technology and new methods in its operations are large parts of its contribution to making the industry more sustainable. AKOFS is a key player in developing energy-efficient solutions in the industry.

Currently, AKOFS has three vessels on short- and long-term contracts with oil companies. AKOFS Offshore has been involved in several renewable energy projects delivering vessel and marine services in support of both well-established offshore wind energy projects, as well as projects within more novel renewable energies like tidal and wave energy.

AKOFS OFFSHORE SUMMARIZED TCFD REPORT 2021[2]

1. Governance

Climate-related risks and opportunities are assessed by management regularly and reviewed each quarter by the AKOFS board of directors. AKOFS Offshore has defined a set of activities that includes short- and long-term goals and actions.

2. Strategy

AKOFS has conducted a climate scenario analysis, and a 'SWOT' analysis, which is used to update AKOFS' ESG strategy and annual climate risk and opportunities assessment.

AKOFS' risks and opportunities are included in Akastor's summarized presentation in the ESG Report 2021 appendix.

3. Risk management

The processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk-management process.

4. Metrics and targets

AKOFS discloses metrics related to the company's own CO_2 emissions (Scope 1, Scope 2, business travel) and NOx.

AKOFS Offshore has identified overarching targets for CO_2/NOx, fuel efficiency and monitoring low- and zero-emission technologies.

See metrics and targets in the AKOFS key ESG figures and targets table below.

[2] *For the full Akastor TCFD report, see 'TCFD Report 2021' chapter at the end of the ESG Report 2021.*

AKOFS Offshore key ESG figures and targets[1]

ENVIRONMENT	2021	2020
Energy used (MWh)	177 363	204 416
Energy intensity (MWh per million hours worked)	268 122	296 298
CO_2 emissions (tonnes)[2]	46 652	43 512
CO_2 emissions intensity (tonnes per million hours worked)	70 524	63 069
CO_2 emissions—Scope 3 (tonnes)[2]	217	261
Reduction of GHG emission (scope 1-3)	2 558	638
Total waste (tonnes)	590	78
Recycling factor (%)[3]	75%	92%
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	292	294
Female/male (%)[5]	11/89	11/89
Women in management (%)	14	13
Pay equality (women/men)	97%	(NEW)
Lost time incident frequency (LTIF)[6]	0	0
Total recordable injuries frequency (TRIF)[6]	1.5	1.4
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	3.0	3.1
GOVERNANCE		
Integrity classroom training (%)[7]	91	86
Code of Conduct e-learning (%)[8]	97	100
Whistleblowing reports	10	0
Total revenue (million)	USD 147	NOK 1 000
EBITDA (million)	USD 37	NOK 414

[1] *The superscripts are explained in the Akastor group table in the appendix.*

AKOFS OFFSHORE

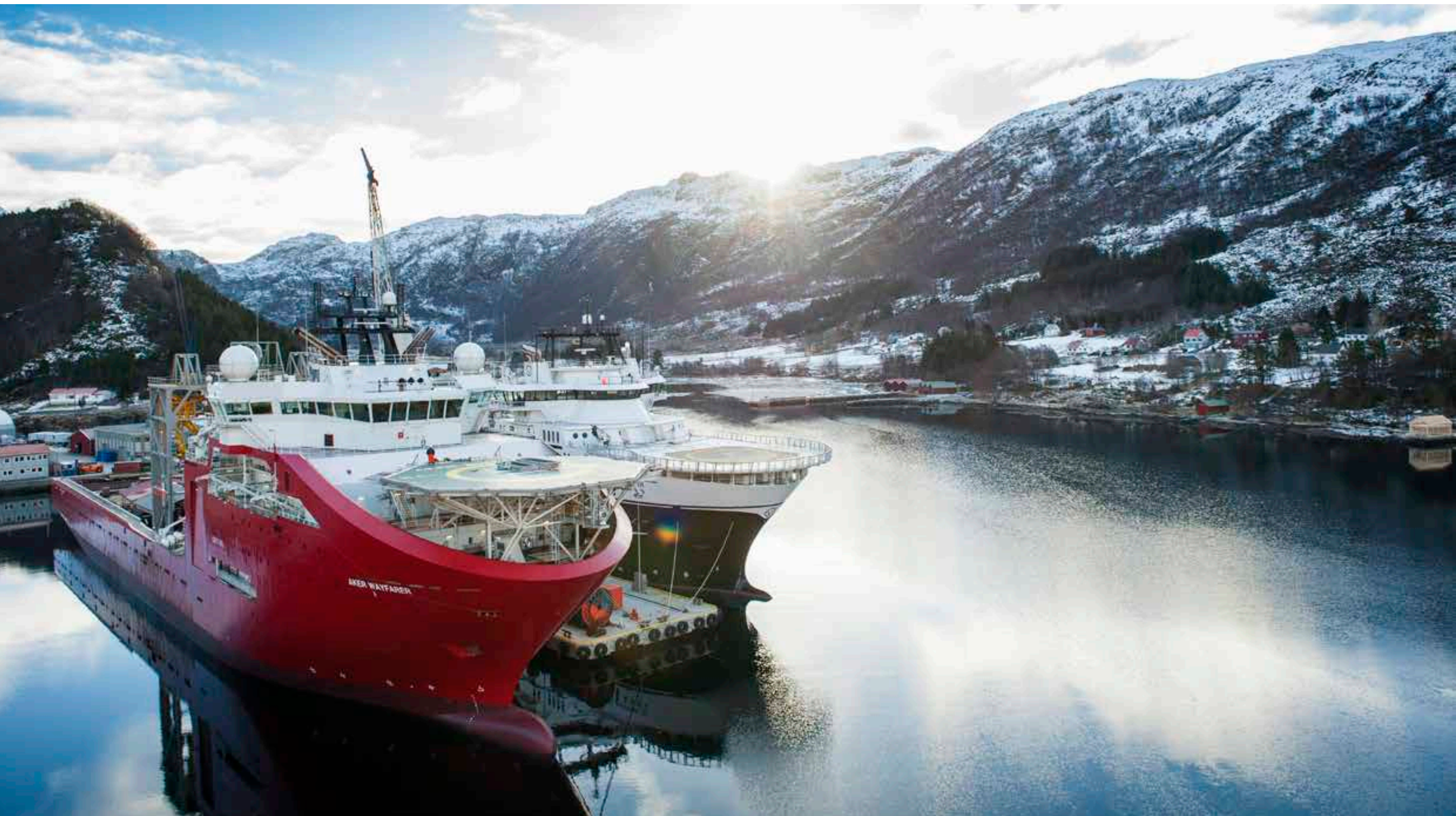
Short term:

1. 15% CO_2 emission reduction and 89% NOX emission reduction for AKOFS Seafarer (battery hybrid investment)
2. Annual fuel/energy efficiency programme
3. Maintain ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems) certification

Long term:

4. Develop business offerings positioned in renewables offshore market
5. Upgrade existing fleet, use of sustainable low- and zero-emission fuels, operate vessels with energy efficiency
6. Start phasing in vessels with low and zero emissions no later than 2030—ensure that fleet sails without emissions from 2050

Photo: Rolf Estensen



AGR

Head quarters location: Oslo, Norway.

Website: www.agr.com

Akastor's ownership interest: 100% shareholding, 64% economic interest

Number of employees: 388

Revenue (2021): NOK 723 million

EBITDA (2021): NOK 33 million

Share of non-oil revenue (2021): Less than 1%

Countries of operation: Global operations, and offices in Norway, the UK, Australia and the Americas

Certifications: ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems) for Aberdeen operations in 2021

About AGR

AGR is a trusted partner in the global energy industry with the experience, scale and breadth of knowledge to help address the energy challenges of today and tomorrow. It is an end-to-end provider of decommissioning, exploration, production and transformation services, and offers software and consultant manpower for hydrocarbon and low-carbon projects. AGR brings the right combination of technical expertise with a commercial focus, proven track record for excellence and robust project management to help clients achieve their ambitions.

ESG approach and focus areas

Safety and the health and well-being of its people and operations are at the heart of everything AGR does. AGR is committed to learning and continuous improvement.

As a people-based organization, with a strong, identifiable culture, AGR fosters trust and openness. AGR aims to treat everyone fairly and with respect and to invest in its people and the working environment. AGR works hard to build and nurture positive relationships with all its stakeholders, actively promoting inclusion and diversity.

The AGR Code of Conduct is the road map for bringing its values to life, ensuring AGR's continued success and protecting its reputation. All employees, directors and managers at AGR and its subsidiaries follow these guidelines.

AGR is committed to playing its part in the energy transition. At the heart of this commitment is helping its clients reduce their carbon footprint and helping them seize opportunities to reach net zero.

1. CCS: AGR has built up its carbon storage and use capability over the last decades and offers engineering consultancy from subsurface evaluation to delivering CO_2 storage wells. During 2021, AGR joined a consortium that aims to pave the way towards a carbon-positive North Sea and cost-efficient Carbon Capture and Storage. By 2024, the group expects to develop new technologies and processes that aim to significantly reduce the cost of carbon capture related to transport and permanent storage. The project is also committed to finding solutions for increasing the storage capacity in the Norwegian North Sea and improving the infrastructure related to the process from actual capture to subsurface storage.

   Additionally, AGR was involved in a collaboration project evaluating CO_2 storage in Australia in connection with a Japan–Australia hydrogen supply chain development pilot project. In another project, AGR delivered its reservoir and subsurface evaluation expertise to a certification report identifying an area in the North Sea as suitable for storing CO_2.

2. Geothermal: AGR has been evolving its business to meet the changing demands of the wider energy industry. AGR has had a focus on transferring its skills and technologies to geothermal energy exploration and production. iQx™ by AGR Software is increasingly utilized within this field to increase automation in work flows and have greater transparency for data-driven investment decisions. Between 2020 and 2021, a client has used iQx™ P1™ planning software on 15 geothermal wells in projects in Central Europe.

3. Wind: At the time of this writing, AGR has established a new entity named Føn Energy Services, which is a joint venture with IKM Group. The new company is seeking to become a global player in the offshore wind industry, offering installation and O&M services, and building on the existing capabilities and experience in both groups. The company will have a broad service offering and will leverage digital solutions across the value chain to maximize value for asset owners. The venture aims to play an important role in the transition from fossil fuels to renewable energy and contribute significantly to local value creation.

4. Seabed minerals: It is believed that deep seabeds hold the key to overcoming the looming global shortage of minerals needed as the energy demand accelerates towards electrification from renewable resources. Seabed minerals investigation programmes need to be carried out carefully and must be built on trusted processes and proven disciplines. Together, AGR's geology experts and the Aker family's shallow seabed mining and excavation experience provide the perfect foundation for clients seeking commercial exploration and possible exploitation development of minerals.

AGR SUMMARIZED TCFD REPORT 2021[3]

1. Governance
Climate-related risks and opportunities are included in the annual enterprise risk assessment and reviewed annually by AGR's board of directors. AGR's board of directors reviews strategic assessments provided by the management and through the annual risk review for the coming fiscal year.

2. Strategy
Climate-related risks and opportunities are identified and managed through the climate risk assessment process. The AGR strategy is reviewed annually. Each division make an assessment of their own risk and opportunities.

AGR's risks and opportunities are included in Akastor's summarized presentation in the ESG Report 2021 appendix.

3. Risk management
Climate risk identification and assessment is part of the AGR management's review of the risk situation, and is integrated into AGR's overall risk management.

4. Metrics and targets
AGR discloses metrics related to the company's CO_2 emissions (Scope 1, Scope 2, business travel).

See metrics and targets in the AGR key ESG figures and targets table below.

[3] *For the full Akastor TCFD report, see the 'TCFD Report 2021' chapter at the end of the ESG Report 2021.*

AGR—key ESG figures and targets[1]

ENVIRONMENT	2021	2020
Energy used (MWh)	580	580
Energy intensity (MWh per million hours worked)	2 816	2 816
CO_2 emissions (tonnes)[2]	148	148
CO_2 emissions intensity (tonnes per million hours worked)	767	718
CO_2 emissions—Scope 3 (tonnes)[2]	7.5	7.5
Total waste (tonnes)	2.5	2.5
Recycling factor (%)[3]	55%	55%
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	388	319
Female/male (%)[5]	29/71	30/70
Women in management (%)	11	11
Pay equality (women/men)	81 %	(NEW)
Lost time incident frequency (LTIF)[6]	0	0
Total recordable injuries frequency (TRIF)[6]	0	0
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	2.0	1.6
GOVERNANCE		
Integrity classroom training (%)[7]	99	99
Code of Conduct e-learning (%)[8]	52	49
Whistleblowing reports	0	0
Total revenue (NOK million)	723	637
EBITDA (NOK million)	33	31

[1] *The superscripts are explained in the Akastor group table in the appendix.*

AGR

Short term:
1. Include energy efficiency on rig and vessel selection reports
2. Conduct an RM subsurface storage project
3. Place 10 consultants outside oil & gas industry
4. Have SW sales outside oil & gas industry
5. Use of CO_2 calculator in P1

Long term:
6. 30% of WM revenue from carbon storage/ geothermal/P&A
7. 30% of RM revenue from 'green projects'
8. 30% of SW sales from non-oil & gas usage
9. 30% of consultants on non-oil & gas projects

COOL SORPTION

Head quarters location:
Copenhagen, Denmark

Website: www.coolsorption.com

Akastor's ownership interest: 100%

Number of employees: 27

Revenue (2021): NOK 79 million

EBITDA (2021): NOK 4 million

Share of non-oil revenue (2021): None

Countries of operation: Global operations, and office in Denmark

Certifications: ISO 9001

About Cool Sorption

Cool Sorption is a major supplier of VRU and systems. Cool Sorption enjoys a complete product portfolio, which ranges from compact units to the industry's most complex systems, making it a recognized technology provider worldwide. Cool Sorption generally considers systems based on activated carbon to be the best available technology for recovery of gasoline, crude oil and most other VOC vapours.

Cool Sorption exclusively sells products and services aimed at positively impacting the climate/environment by reducing emissions in the oil industry.

ESG approach and focus areas

Cool Sorption's commitment to the environment is fully implemented and is the company's main purpose. Cool Sorption installs VRUs and systems for its customers, with the purpose of reducing VOC emissions. The company's vision is to be the preferred partner for vapor solutions in the energy process industries. Cool Sorption believes in a less-polluting industry and takes pride in developing engineering custom-made solutions for the environment.

Cool Sorption is endeavouring to develop and mature its solutions for methanol recovery and VRU/RTO zero-methane slip, and is conducting studies in order to have the existing VRU ready to handle methanol and potentially future electro fuel (e-fuel).

Cool Sorption's solutions are reducing the customers carbon footprint and the company is aiming for a decarbonized industry.

Most VOCs that are captured and recycled by Cool Sorption's sold units have a global warming potential (GWP) of higher than one in terms of CO_2e. On top of the climate benefits of capturing VOCs, Cool Sorption's units also help with the reduction of smog: Smog has severe health effects for humans as well as other animals and plants, all of which are adversely affected by the tropospheric ozone created when VOCs react with other pollutants in the air.

Photo: Kristian Juhl

COOL SORPTION SUMMARIZED TCFD REPORT 2021[5]

1. Governance
Cool Sorption's climate and opportunities risk assessment is reviewed by the Cool Sorption board of directors.

2. Strategy
Climate-related risks and opportunities are identified and managed through Cool Sorption's climate risk assessment process.

Cool Sorption's risks and opportunities are included in Akastor's summarized assessment, presented in the ESG Report 2021 appendix.

3. Risk management
Climate risk identification and assessment is part of the Cool Sorption management's review of the risk situation and is integrated into the organization's overall risk management.

4. Metrics and targets
Cool Sorption discloses metrics on climate related to the company's CO_2 emissions (Scope 1, Scope 2, business travel).

See metrics and targets in the Cool Sorption key ESG figures and targets table below.

[5] *For Akastor's TCFD Report, see the Akastor chapter in the 2020 ESG Report.*

Cool Sorption key ESG figures and targets[1]

ENVIRONMENT	2021	2020
Energy used (MWh)	35	39
Energy intensity (MWh per million hours worked)	929	919
CO_2 emissions (tonnes)[2]	0.4	0.4
CO_2 emissions intensity (tonnes per million hours worked)	9.3	9.19
CO_2 emissions—Scope 3 (tonnes)[2]	0.1	0
Reduction of GHG emission (scope 1–3)	0	0
Total waste (tonnes)	1.5	0.5
Recycling factor (%)[3]	50%	50%
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	27	35
Female/male (%)[5]	31/69	31/69
Women in management (%)	50	60
Pay equality (women/men)	89	(NEW)
Lost time incident frequency (LTIF)[6]	0	0
Total recordable injuries frequency (TRIF)[6]	0	0
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	1.6	2.9
GOVERNANCE		
Integrity classroom training (%)[7]	90	90
Code of Conduct e-learning (%)[8]	100	100
Whistleblowing reports	0	0
Total revenue (NOK million)	79	132
EBITDA (NOK million)	4	6

[1] *The superscripts are explained in the Akastor group table in the appendix.*

COOL SORPTION

Short term:
1. Reduce business travel activities, have more virtual meetings
2. Find, develop and offer new technologies to reduce VOC emissions and to contribute strongly to methane capture

Long term:
3. Aim to reduce net GHG emissions from own operations to zero by 2030
4. 50% of revenue to stem from non-exploration & production clients

DDW OFFHORE

Head quarters location: Oslo, Norway

Website: www.ddwoffshore.com

Akastor's ownership interest: 100%

Number of employees: 25 FTE*

Revenue (2021): NOK 99 million

EBITDA (2021): NOK 17 million

Share of non-oil revenue (2021): None

Countries of operation: Global operations, and office in Norway

Certifications: Maintained by ship managers

* *Total FTE at year end was 25. The FTE are engaged by the ship manager, DOF. The company DDW Offshore has no employee, its General Manager is hired in from Akastor AS.*

About DDW

DDW Offshore owns five modern Anchor Handling Tug Supply (AHTS) vessels with the capability of operating and supporting clients on a worldwide basis. The vessels are specially designed to perform anchor handling, towing and supply services at offshore oil and gas fields.

ESG approach and focus areas

DDW's ESG strategy is to follow up with ship managers and ensure that they have an approach to ESG principles similar to those of Akastor. Engagement of crew is managed by a third-party company, which actively develops and contributes to health, safety, environment and quality (HSEQ) policies and practices for crew onboard the vessels.

DOF Management AS has commercial, technical and operational management of three vessels; these are included in the ESG Report. With regards to the two remaining vessels, DDW Offshore has entered into a sale agreement for a disposal of the vessels to OceanPact in 2023. Until they are formally purchased by OceanPact, they are leased on a bareboat agreement for operation in Brazil. DDW Offshore has no longer operational control of these two vessels, and they are not included in the the ESG report. OceanPact is responsible for the operations of the vessels and the emissions are hence considered to be indirect emissions for DDW Offshore through a third party.

DDW OFFSHORE SUMMARIZED TCFD REPORT 2021[6]

1. Governance

Climate-related risks and opportunities are managed by the ship managers.

DDW Offshore's board of directors reviews strategic assessments provided by the management and through the annual risk review for the coming fiscal year.

2. Strategy

Climate-related risks and opportunities are identified and managed through the climate risk assessment process. The DDW Offshore strategy is reviewed annually.

DDW Offshore's risks and opportunities are included in Akastor's summarized presentation in the ESG Report 2021 appendix.

3. Risk management

Climate risk identification and assessment is part of the DDW Offshore management's review of the risk situation, and is integrated into DDW Offshore overall risk management.

4. Metrics and targets

DDW Offshore discloses metrics related to the company's CO_2 emissions (Scope 1, Scope 2, business travel).

See metrics and targets in the DDW Offshore key ESG figures and targets table below.

[6] *For the full Akastor TCFD report, see the 'TCFD Report 2021' chapter at the end of the ESG Report 2021.*

DDW Ofshore–key ESG figures and targets[1]

ENVIRONMENT	2021	2020
Energy used (MWh)	105	NO DATA
Energy intensity (MWh per million hours worked)	1 582	NO DATA
CO_2 emissions (tonnes)[2]	12 618	26 366
CO_2 emissions intensity (tonnes per million hours worked)	190 083	191 508
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	25	15
Female/Male (%)[5]	0/100	0/100
Lost time incident frequency (LTIF)[6]	0	0
Total recordable injuries frequency (TRIF)[6]	0	0
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	0	0
GOVERNANCE		
Integrity classroom training (%)[7]	100	100
Code of Conduct e-learning (%)[8]	100	100
Whistleblowing reports	0	0
Total revenue (NOK million)	99	128

[1] *The superscripts are explained in the Akastor group table in the appendix.*

DDW OFFSHORE

Short term:
1. Establish short og long term targets
2. DDW Offshore will build its ESG initiatives on Akastor sustainability policy and reputable ship managers selected to be comercial, technical and operational managers of its vessels

Long term:
1. Climate nautral from own operations by 2050

FINANCIAL INVESTMENT OVERVIEW

Company	Service offered	Ownership	Initial investment
NES Fircroft (NES)	NES Fircroft (NES) is the world's leading engineering staffing provider spanning the oil and gas, power and renewables, infrastructure, life sciences, mining, automotive and chemicals sectors worldwide. They provide tailored staffing solutions, sourced from a global talent pool by a dedicated, discipline-specific team of consultants.	15%	2017
Odfjell Drilling	Odfjell Drilling is a listed international drilling, well service and engineering company with 2,500 employees and operations in more than 20 countries.	USD 89.5m preferred equity	2018
Awilco Drilling	Awilco Drilling has delivered safe and efficient operations for a wide range of operators in the UK North Sea. Awilco Drilling prides itself on consistently achieving excellent HSEQ performance as well as high rig operational uptime, thus aligning itself with its customers' goals.	5.6%	2018

TCFD REPORT 2021

CORE ELEMENTS

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

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

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

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

Task Force on Climate-Related Financial Disclosures (TCFD) table

TCFD Recommendation	Akastor's disclosure
Governance: Disclose the organization's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities.	The Akastor board of directors is presented with an annual risk review, which includes climate-related risks and opportunities. The board of directors uses the risk and opportunity assessment to review and follow up with the management's report on the company's ESG strategy. The boards of the industrial investment companies are provided with information concerning climate-related risks and opportunities.
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	Climate risk areas are identified through a bottom-up process in the portfolio companies, then reviewed by Akastor management and followed up through regular business reviews. Risks are integrated and managed as part of the company risk assessment, reported to management and annually to the board. The companies in the portfolio have integrated management-level reviews to assess climate-related risks.

Task Force on Climate-Related Financial Disclosures (TCFD) table	
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term.	The climate risk and opportunities identified are presented in the ESG Report 2021. The largest risks are related to the transition to a low-emission economy, and an expected decrease in the oil and gas sector, which will be challenging in terms of access to and cost of capital. In addition, large oil companies are shifting towards low-carbon production, leading to changes in customer requirements that may require new investments in technology. Overall, this may significantly reduce the value of Akastor's portfolio and make future transactions more challenging. The companies have identified several climate-related business opportunities and have set short- and long-term (2030/2050) goals. These include diversification into other industries and segments as well as the development of new products and services within existing business areas.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Akastor has updated its sustainability policy, with an ESG vision and strategic targets. The policy also includes an investment policy and an active ownership strategy. Climate ambitions and expectations for companies in the Akastor portfolio have been set as part of its sustainability policy. The companies in the portfolio processes related to climate-related risks and opportunities have resulted in identifying gaps and setting targets for 2030 and 2050.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	At the Akastor level, the IEA's SDS and net-zero emissions by 2050 have been used to assess future demand of oil and gas. The world will continue to have demand for energy, and it will be delivered from fossil fuel and renewable energy sources, but it is clear that a reduction in absolute emissions is needed to ensure that the industry is aligned with the goals of the Paris Agreement.
Risk management: Disclose how the organization identifies, assesses and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	At the Akastor level, climate-related risks and opportunities are included in frequent risk reviews and Akastor's sustainability policy includes expectations for the companies in its portfolio. Each company has their own processes for identifying and assessing climate-related risks. See company descriptions in their own sections and in the ESG Report 2021 appendix (following this table).
b) Describe the organization's processes for managing climate-related risks.	The portfolio companies have individual processes for managing climate-related risks. The portfolio companies report their climate-related risks and opportunities to Akastor. At the Akastor level, the risks and opportunities are managed through its sustainability policy, expectations for the companies and regular follow up.
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	The companies' climate-related risks and opportunities are systematically reported or integrated into Akastor-level risk management.
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics include revenue from non-oil activity, and metric tonnes CO_2 for carbon emissions (Scope 1 and Scope 2).
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 (GHG emissions) and the related risks.	Scope 1, Scope 2 and emissions business travel (Scope 3) are reported.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Akastor has published its targets in its sustainability policy, which include a 2.5% annual reduction of CO_2, and has established an ESG strategy. All portfolio companies have set their own targets.

Climate Risk and opportunities assessment 2021	
Physical risk	
Physical risk Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	Reported risks 1. Increased frequency of extreme weather and such conditions cause damage to installations, or delays in projects 2. Disruptions in operations, logistics or infrastructure
	Reported Opportunities • Increased need for products and services such as repairs, maintenance and more robust equipment • Portfolio companies have experience with delivering on their engagements in harsh weather conditions
Transition risk	
Regulatory risks Stricter regulations such as CO_2 taxes, cap-and-trade schemes, energy efficiency requirements and reporting requirements	Reported Risks 3. Increased regulations with GHG emission reduction and energy efficiency targets, including EU Taxonomy 4. Increased costs due to change in GHG pricing, e.g., CO_2 emission tax 5. Restrictions on use of assets
	Reported Opportunities • Increased demand for low-carbon and efficient products and services • Increased demand for activity aligned with the EU Taxonomy • New regulation may create opportunities for new business, using portfolio companies' core competence
Market risks Changes in market demand, customer re-quirements and investor behaviour	Reported Risks 6. Reduced demand for our portfolio companies' services in the oil and gas sector 7. Customers issue reduction targets for own operations which have specific requirements for zero- or low-emission products/services 8. Declining access to and increased cost of capital, investors favouring green or non-oil initiatives over oil and gas initiatives, e.g., the EU Taxonomy
	Reported Opportunities • Continued demand for specialized products and services • Using core competence, current product and services, portfolio can be used for other markets (offshore wind, geothermal, hydrogen, tidewater turbines, subsea mining etc.) • Possibility to win projects if portfolio companies can show customers that, if they use their products and services, they can reduce climate impact per energy unit produced/operating more effectively than alternatives • Expected reduced drilling activities may prolong the lifetime of existing wells, and increase demand for maintenance services • Plugging and abandonment of wells will be highly demanded in a reduced oil production scenario
Technology Risks Step-wise or radical technology shifts leading to increased need for investments or risk of stranded assets	Reported Risks 9. Risk of write-offs or stranded assets 10. Risk of under- or over-investing in R&D and in climate-friendly technologies (need for upgrade of existing technology to meet today's expectations)
	Reported Opportunities • Increased demand if able to invest and develop attractive technologies and solutions
Reputational Risks Risk of stigmatization leading to loss of good-will, brand value and employee attraction	Reported Risks 11. Stakeholder concerns regarding oil and gas industry 12. Difficulty attracting talent and retaining experienced personnel with an oil and gas profile
	Reported Opportunities • Transitioning to more 'non-oil' or renewable energy and better positioning as providers of climate solutions will increase attractiveness • Strengthen company's brand of contributing to less CO_2 per unit produced • Diversify portfolio into non-oil and EU Taxonomy-aligned business

AKASTOR INVESTMENT PORTFOLIO'S CONSOLIDATED ESG FIGURES (INCL. AKOFS OFFSHORE AND HMH 100%)[1]

ENVIRONMENT	2021	2020
Energy used (MWh)	210 000	240 000
Energy intensity (MWh per million hours worked)	54 000	62 000
CO_2 emissions (tonnes)[2]	64 200	74 900
CO_2 emissions intensity (tonnes per million hours worked)	16 500	19 300
Reduction of GHG emissions (Scope 1–3)	7 400	700
Total waste (tonnes)	3 600	2 600
Recycling factor (%)[3]	46	45
Sites in or adjacent to protected natural areas	2	(NEW)

SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	2 358	2 241
Female/male (%)[5]	19/81	18/82
Employee turnover (%)	7%	7%
Pay equality (women/men)	85%	(NEW)
Number of nationalities represented	47	42
Amount spent on community initiatives (NOK million)	2	1
Lost time incident frequency (LTIF)[6]	0.5	1.0
Total recordable injuries frequency (TRIF)[6]	2.3	1.8
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	3.0	2.8

GOVERNANCE		
Women in management (%)	17	13
Women on board of directors (%)	25%	38%
Integrity classroom training (%)[7]	98	97
Code of Conduct e-learning (%)[8]	90	89
Whistleblowing reports	3	4
Net Capital Employed (NOK million)	5 084	5 002
Total wages paid	1 522	1 387
Taxes paid	165	86
R&D expenditure	31	50
Revenue from activities within the fossil fuel sector (%)	99	90
Investment aligned with EU Taxonomy	0–1%	(NEW)

1) *The figures referred to in this report relate to companies in Akastor's industrial portfolio, including HMH and AKOFS Offshore. As HMH was established 1 October 2021, data in the ESG report concern only the MHW portion of the company.*

2) *The GHG Protocol Corporate Accounting and Reporting Standard is used to calculate tonnes of CO_2 emissions; the 2021 figures are Scope 1 (62 345) and Scope 2 (1 833)*

3) *Recycling factor is calculated by weight of segregated waste per total waste.*

4) *Including approximately 387 hired-ins.*

5) *The reported figure is based on permanent employees (1 971 individuals).*

6) *The reported figure for LTIF and TRIF is calculated using incidents per million hours worked and includes subcontractors.*

7) *The participation rate is calculated as percentage of target group. The target group includes all managers and staff who interact with business partners, comprising 72% of all employees.*

8) *The participation rate is calculated as percentage of target group. The target group includes all managers and office-based employees with a computer, constituting 79% of all employees.*

9) *Emissions reduced as direct result of reduction initiatives (tCO_2e) and Scope (1, 2 or 3)*

CDP REPORT

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

Akastor discloses its climate-related emissions and how it measures environmental risks, and manages its climate impacts strategically, via CDP. In 2021, it was awarded a C score for its reporting on climate change. Please refer to Akastor's full CDP response on the CDP website (login required).

Akastor's CDP disclosures include:

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

GRI Content Index 2021

GRI Indicator:	Reference:
Organizational profile	
102-1 Name of the organisation	Akastor ASA
102-2 Activities, brands, products, and services	www.akastor.com/investments
102-3 Location of headquarters	Oksenøyveien 10, 1366 Lysaker, Norway
102-4 Location of operations	Global
102-5 Ownership and legal form	Publicly listed company on Oslo Stock Exchange
102-6 Markets served	www.akastor.com/investments
102-7 Scale of organisation	www.akastor.com/investments
102-8 Information on employees and other workers	Pages 16-19
102-9 Supply chain	www.akastor.com/investments
102-10 Significant changes to the organisation and its supply chain	www.akastor.com/investments
102-11 Precautionary Principle or approach	Akastor applies the precautionary principle in its day to day decision-making
102-12 External initiatives	Pages 16-19
102-13 Membership of associations	IndustriALL Global Union
Strategy	
102-14 Statement from senior decision maker	Page 3
102-15 Key impacts, risks, and opportunities	Page 39 and Annual Report
Ethics and integrity	
102-16 Values, standards, principles and norms	www.akastor.com/about/code-of-conduct
102-17 Mechanisms for advice and concerns about ethics	https://akastor.bytecraft.no/about/whistleblowing-channel
Governance	
102-18 Governance structure	https://akastor.com/about/board-of-directors
Stakeholder engagement	
102-40 List of stakeholder groups	Page 8
102-41 Collective bargaining agreements	Not reported due to limited size of company
102-42 Identifying and selecting stakeholders	Page 8
102-43 Approach to stakeholder engagement	Page 8
102-44 Key topics and concerns raised	Page 8
102-45 Entities included in the consolidated financial statements	See Annual Report 2021
Reporting practice	
102-46 Defining report content and topic Boundaries	Page 8
102-47 List of material topics	Page 8
102-48 Restatements of information	This is the first report including GRI score
102-49 Changes in reporting	This is the first report including GRI score

GRI Content Index 2021	
GRI Indicator:	**Reference:**
102-50 Reporting period	2021 calendar year
102-51 Date of previous report	March 2021 (2020 ESG report)
102-52 Reporting cycle	Annual
102-53 Contact point	kent.liane-unsgaard@akastor.com
102-54 Claims of reporting in accordance with the GRI Standards	Page 8 – GRI Standards (core option)
102-55 GRI content index	Pages 40-41
102-56 External assurance	No
Economic value and climate-related financial risks	
103 Management approach	Page 3
201-1 Direct economic value generated and distributed	See annual report 2021
201-2 Financial implications and other risks and opportunities due to climate change	Pages 10 - 15, and page 37
Anti-corruption	
103 Management approach	Page 3
205-2 Communication and training about anti-corruption policies and procedures	Chapter: governance and KPI table
205-3 Confirmed incidents of corruption and actions taken	Chapter: governance and KPI table
Greenhouse gas emissions	
103 Management approach	Page 3
305-1 Direct (Scope 1) GHG emissions	Pages 10 - 15
305-2 Energy indirect (Scope 2) GHG emissions	Pages 10 - 15
305-3 Other indirect (Scope 3) GHG emissions	Pages 10 - 15
305-5 Reduction of GHG emissions	Pages 10 - 15
Non-compliance with environmental laws and regulations	
103 Management approach	Page 3
307-1 Non-compliance with environmental laws and regulations	Pages 20 - 22
New employee hires and employee turnover	
103 Management approach	Page 3
401-1 New employee hires and employee turnover	Chapter: social and KPI table
Diversity and equal opportunity	
103 Management approach	Page 3
405-1 Diversity of governance bodies and employees	Chapter: social and KPI table
Financial services sector supplement	
FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	100%

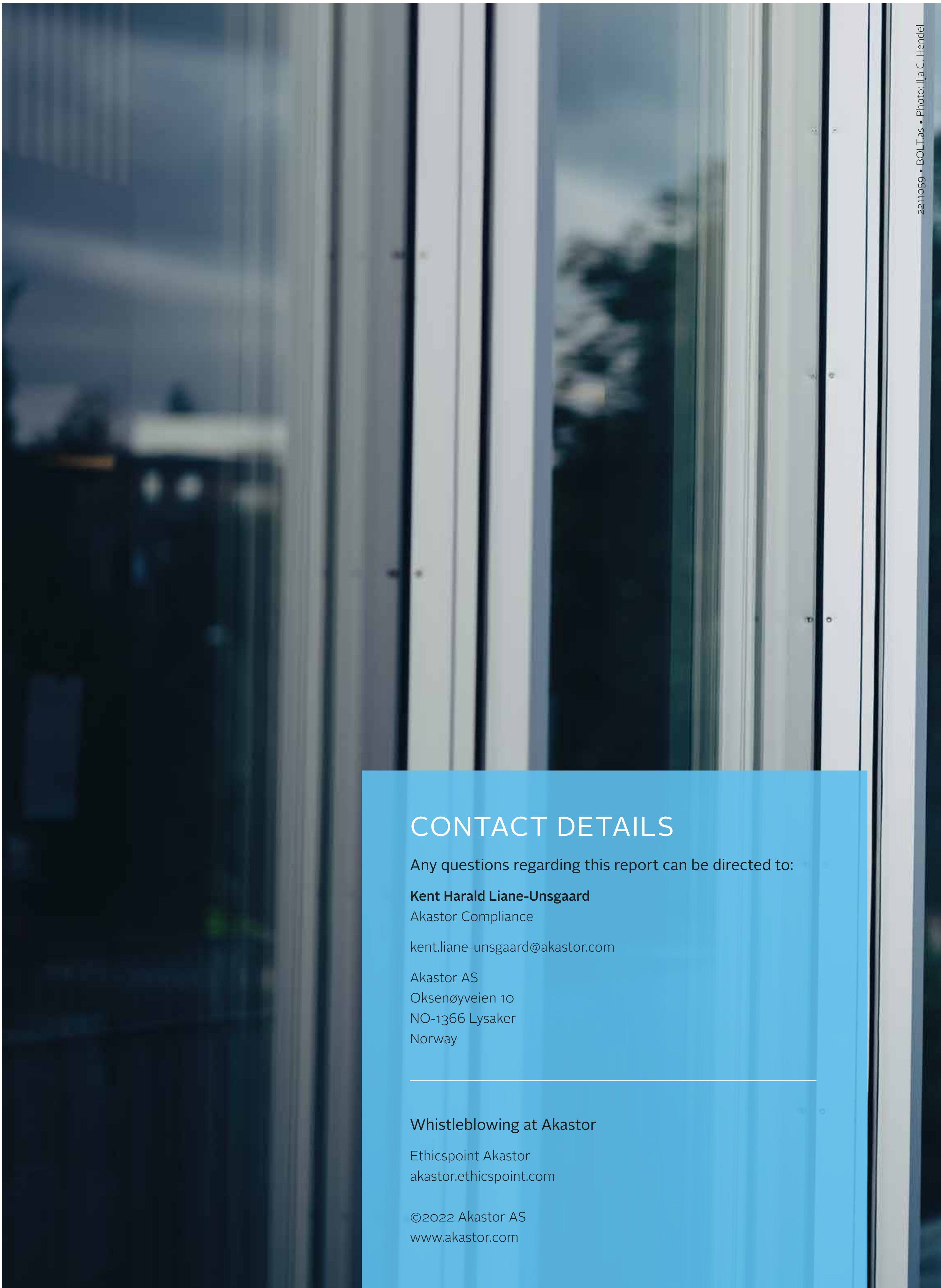


Photo: Ilja C. Hendel

CONTACT DETAILS

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Whistleblowing at Akastor

Ethicspoint Akastor
akastor.ethicspoint.com

www.akastor.com

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