AKASTOR

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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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.

Photo, front page: Ilja C. Hendel

01. THIS IS AKASTOR

Akastor ASA ("Akastor") is an oil-services investment company with a global portfolio of industrial and financial holdings. The Akastor headquarters are located at Fornebu, outside Oslo, Norway, and the business has a global presence. The corporate organization, employed by Akastor AS, consists of a team of 11 employees. The company has a flexible mandate for active ownership and value creation. Akastor's holdings are organized as independent standalone companies responsible for all aspects of their own operations.

The Akastor shares are traded on the Oslo Stock Exchange under the ticker AKAST. Aker Holding AS, which is owned by Aker ASA, is the largest shareholder of Akastor, with a shareholding of 36.7%. Akastor ASA's board of directors is chaired by Frank Ove Reite.

Akastor's total net capital employed per 31.12.2023 was NOK 4 645 million.

Photo: One Team Model – A key part of AKOFS Offshore's delivery model implemented for the AKOFS Offshore is the "One Team Model", which is a collaborative execution model involving Equinor, AKOFS and its key partners and suppliers.

02. MESSAGE FROM THE CEO

As Akastor this year will reach the milestone where it has been 10 years since it was established, it is appropriate to look back at the journey that has taken place from when we first started trading in September 2014.

Since its origin, Akastor has benefitted from many years of managing a variety of different businesses primarily within the oil service segment following first class industry standards on governance, compliance and HSE. Despite market downturns and global instability, Akastor has successfully executed a flexible strategy where we have developed and realised our portfolio companies above book values. This continued in 2023, where we completed the sale of Cool Sorption and AGR above book values to strategic buyers enabling further growth of these businesses.

Following these latest transactions, Akastor has now nearly completed its transition from an operational holding company into becoming a pure investment company with the majority of our holdings today compromised of JV's or minority positions. With this transition follows certain changes in focus as well as changes in how Akastor properly follows up and manages our investments as an active owner. Although we now have increased focus on the strategic investment decisions we take together with our co-owners, the backbone of our investment strategy remains firm. Shareholder values are best preserved by ensuring that all of our companies operate consistent with first-class quality in all respects. This commitment extends beyond operational and financial performance, and is equally applicable to ESG performance.

I am very pleased to note the results and positive development in 2023 from our two industrial holdings, HMH and AKOFS Offshore. HMH successfully completed a large integration exercise as well as a USD 200m refinancing, both of which provide it with a solid basis for further growth. AKOFS Offshore continues to be a reliable partner for Equinor in Norway and Petrobras in Brazil, with all three vessels committed to these clients under long term charter contracts providing advanced and safe subsea services.

With our key investments within the oil service industry, we recognice that we are "part of the problem" when it comes to global climate change and challenges imposed from GHG emissions. This is why we aim to ensure that our portfolio companies continuously seek to develop state-of-the-art technology and methods that help their clients to reduce their carbon footprint as much as possible. Moreover, the recent years of global instability have unfortunately illustrated too well the importance of securing energy from stable and reliable partners, which will remain critical for as long as oil and gas are a part of the global energy mix.

Akastor's almost 10-year long journey of responsible and active ownership will continue in 2024. Although our portfolio companies already have taken large steps in developing and implementing ESG strategies. Akastor will continue to challenge and monitor their ESG performance similar to other performance to continuously improve all aspects of their operations.

Karl Erik Kjelstad, CEO

03. REPORTING FRAMEWORK AND PERFORMANCE METRICS

AKASTOR AND ITS INDUSTRIAL HOLDINGS

In this report Akastor presents its ESG activities and results in the capacity of being an investment company and active owner. 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.

This ESG report focuses on Akastor's performance as a company and employer, with the aim to provide value adding information and to be consistent with the financial information provided in Akastor's annual report. Specifically, this means that we focus on Akastor ASA on a consolidated basis and in the capacity of being an investment company. However, we also include certain key information about our main industrial holdings and how they work with ESG matters (see section 8). Akastor's ownership interests in HMH, AKOFS Offshore and DDW Offshore jointly contribute about 80% of Akastor's total net capital employed.

	HMH	AKOFS Offshore	DDW OFFSHORE
Service offering	• Global full-service offshore and onshore drilling equipment provider with a broad portfolio of products and services • Large installed base providing firm foundation for strong custom-er relationship and recurring streams.	• Vessel-based subsea well contruc-tion and intervention services cov-ering all phases from conceptual development to project execution and offshore operations • Operates two SESV vessels in Brazil on contract with Petrobras and one LWI vessel in Norway on contract with Equinor	• Owns three AHTS vessels with capability to operate and support clients on a world-wide basis • The vessels are speciallly designed to perform anchor-handling, towing and supply services at offshore oil and gas fields • Commercial and technical manage-ment by DOF Management
Category	Joint Venture	Joint Venture	Subsidiary
Location	Houston & Kristiansand	Oslo	Lysaker
CEO	Eirik Bergsvik	Geir Sjøberg	Bruce Lethuillier
Ownership	50%	50%	100%
NCE per YE 2023	NOK 3,015m	NOK 407m	NOK 263m
Co-owners	Baker Hughes	MITSUI&CO / MOL	Not applicable
Akastor's board representatives	• Karl Erik Kjelstad • Kristian M. Røkke	• Paal E. Johnsen • Eirik Thomassen	• Paal E. Johnsen • Karl Erik Kjelstad • Eirik Thomassen

ESG PERFORMANCE METRICS

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. This ESG report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards are the world's most widely used ESG reporting standard. Details on the GRI content index is included as an appendix to this ESG report.

Akastor reports emissions as per the Greenhouse Gas Protocol (GHG Protocol), which is the most widely used international accounting methodology to quantify and manage businesses' greenhouse gas emissions. Akastor's carbon footprint reporting on direct and indirect GHG emissions is done according to the three scopes of the GHG Protocol corporate standard. Details on Akastor's emission reporting is found on pages 12-14 below.

Identification of material risks and opportunities relating to climate forms part of the annual risk assessment exercise, in which we also review similar exercises performed in our industrial portfolio companies. These exercises are performed consistent with the method and principles set out in the Task Force on Climate-Related Financial Disclosures (TCFD), see appendix for further details.

In 2023, Akastor reported its ESG results to the CDP (formerly known as the Carbon Disclosure Project) and received a C score, see appendix.

Notwithstanding the abovementioned, while Akastor's 2023 ESG report seeks to cover a substantial part of the ESG performance on a significant part of its investments, data collection, accounting and reporting on several metrics are not complete and do not represent 100 percent of Akastor's investments.

Based on its current size and activities, Akastor will not be subject to the CSRD (Corporate Sustainability Reporting Directive) reporting requirements until 2027 (for the FY 2026). Furthermore, Akastor is neither subject to the Taxonomy reporting requirements that came into force 1 January 2023. This ESG report is consistent with the sustainability reporting requirements set out in section 3-3 (c) of the Norwegian Accounting Act.

Photo: HMH

04. SUSTAINABILITY IN AKASTOR

ESG VISION

Akastor considers sustainability a target in everything we do and view ESG as important indicators for sustainability. Specifically, this means the following;

- **Environmental:** that our portfolio companies endeavour to reduce the environmental impact of their operations as much as possible.
- **Social:** that Akastor and all its portfolio companies provide safe and prosperous workplaces for all its employees and that the companies contribute and provide benefits to the communities where they are located;
- **Governance:** that Akastor and its portfolio companies implement a sound and prudent governance model, which is monitored and followed, and which balances the need for efficiency and agility with the need for accountability and transparency.

Akastor's Sustainability Policy reflects the ESG Vision and governs environmental, social and governance (ESG) aspects of Akastor's framework for sustainability and describes how we integrate sustainability in our investment process, our operations, and in the governance of our organization. The sustainability policy is supplemented by our Code of Conduct, Governance Policy and annual risk assessment. It forms part of the mandate for the Akastor Audit Committee's regular review and it is approved by the Board of Directors.

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 anit-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. Akastor expects all industrial holdings 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, contractors and other representatives of Akastor. The Code of Conduct is available for download from the company website: www.akastor.com.

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 industrial holdings 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 in which it operates and will ensure that its industrial holdings ensure safe, professional and healthy working conditions for their employees.

Governance

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

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. Akastor encourages its portfolio companies to identify and work towards relevant SDGs in their work and strategies.

Akastor has identified the following priority SDGs:

7 AFFORDABLE AND CLEAN ENERGY

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Until renewable energy sources have been sufficiently developed and matured to meet the energy need of the increasing global population, the world is dependant on affordable and reliable provision of fossil fuels. The war in Ukraine and global economic uncertainty continue to cause significant volatility in energy prices, leading some countries to raise investments in renewables but others to increase reliance on coal, putting the green transition at risk.

Akastor promotes the development of new technology that increases efficiency and reduces emissions from conventional energy production, for example through use of digitalisation, hybrid technology or development of next generation vessels with zero GHG emissions.

8 DECENT WORK AND ECONOMIC GROWTH

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.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12: Ensure sustainable consumption and production patterns.

Akastor will continue to take responsibility for seeking to reduce consumption of materials and addressing challenges related to air, soil and water pollution.

13 CLIMATE ACTION

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

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

Photo: Ilja C. Hendel

05. GOVERNANCE IN AKASTOR

FOUNDATION FOR SOUND INVESTMENTS

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

Robust 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'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 (Norwegian: 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.

See more information in the Board of Director's Report for 2023 and the Corporate Governance Report for 2023, which is included in the Akastor Annual Report 2023.

ACTIVE OWNERSHIP

Akastor takes pride in exercising active ownership. Akastor's approach is that active ownership means to consciously and actively use all tools available to Akastor as an owner, something which includes broadly the following;

- Identify and pursue transactional and structural opportunities: a key task for Akastor's investment team is to constantly consider whether there are transactional and/or structural opportunities for our portfolio companies that will bring or add value to the company;
- Ensure collaboration with co-owners in compliance with appropriate governing documents such as shareholder agreements. In all of our portfolio companies with co-ownership, we appreciate that the cooperation is based on a collaborative approach with transparency, trust and predictability.
- Ensure that a proper and prudent governance model established and implemented for each portfolio company, as well as continuously consider potential improvements or developments.
- Exercise company management through directorships: in each of our portfolio companies we appoint directors who are mandated to supervise the management of the company's operations and to guide and collaborate with management to ensure value enhancement;
- Monitor and support key functional disciplines: Akastor's corporate team closely liaise with the relevant disciplines in the industrial holdings on certain key functions such as finance, treasury, tax, legal, compliance and ESG. Through regular reporting and meetings, Akastor monitors that these functions are performed prudently and may provide guidance and support to ensure quality performance and to avoid negative surprises.

Stakeholder management is an important part of being an active owner and is particularly important with respect to how we approach our co-owners and management in both industrial and financial holdings. We firmly believe that the key to success and developing shareholder value is by building trust with such stakeholders through collaboration and openness. In turn, this collaborative approach will best identify joint and common opportunities as well as how to best pursue them.

KEY GOVERNANCE TOOLS & INDICATORS

Akastor is closely involved in the monitoring and follow up of companies of which Akastor has a shareholding.

Akastor's commitment to prudent governance extends to its role as an active owner. Akastor sets its expectations for its industrial holdings in the Akastor governing documents, including the Code of Conduct. Akastor actively encourages cooperation and dialogue based on effective corporate governance processes. Below is a summary listing of some of the key governance tools and indicators that Akastor applies and monitors.

Board representation

Akastor is represented on the boards of all industrial holdings as well as on the board of some of its financial investments, which is a key function to monitor the performance of the companies and to preserve the interests of the shareholders.

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.

Diversity and impartiality

Akastor supports diversity and impartiality – not just in order to meet statutory requirements, but also because we believe it is good for business.

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

An important task for 2024 will be to ensure that all companies in the Akastor group meet the gender balance requirements recently introduced for Norwegian registered medium and large enterprises.

Code of Conduct and Integrity Programme

Akastor's Code of Conduct constitutes the key guidelines for corporate responsibility and integrity at Akastor and expectations for industrial holdings. 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 to ensure that the principles set out in the Code of Conduct are implemented. The board of directors of each industrial holding is responsible for implementing policies adapted to their companies.

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 important 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 2023, Akastor continued to use current training material, ensuring 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. All employees of Akastor and its industrial holdings are required to report breaches of the Code of Conduct, and Akastor encourages everyone to report any concerns pertaining to possible breaches of laws, 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.

The whistleblowing channel is available for reports relating to all Akastor owned companies. Although the whistleblowing channel is provided via en external service provider, all notifications reported will be forwarded to Akastor's General Counsel and investigated in accordance with the Whistle-blowing Investigation Procedure. The process ensures full anonymity and no risks of retaliation. Additionally, all individuals affected by a whistleblowing notification shall have protective rights, including anyone accused under such a notification. The whistleblowing process is monitored by Akastor's board of directors and its audit committee.

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 2023. Industrial holdings that require the use of sales agents or other third-party representatives are required to report on implementation of 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 industrial holdings 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 industrial holdings are better positioned to address such risks at an early stage or withdraw from the business if necessary.

06. FOCUS ON CLIMATE RELATED ISSUES

THE ENERGY TRILEMMA

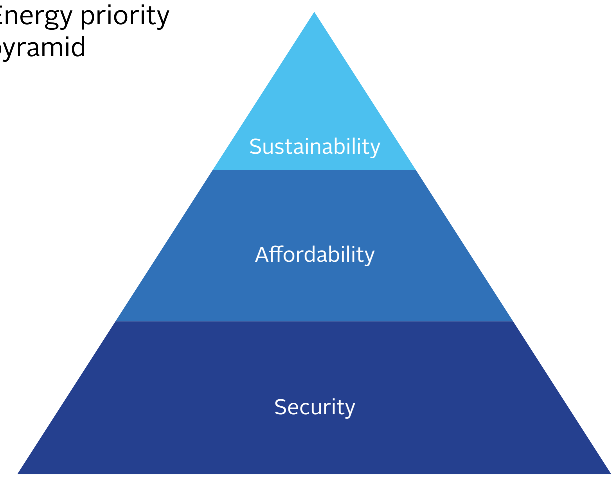
The majority of Akastor's investments are within the oil service segment, which means that they provide services to ultimate end-clients within production of conventional energy, primarily oil and gas. With oil and gas consumption being a considerable contributor to the global emission of greenhouse gases, Akastor recognises that many of the operations to which it holds ownership interests are part of the problem when it comes to climate changes.

Notwithstanding this, and on the background that oil and gas will remain a key part of the global energy mix for many years to come, Akastor is nonetheless committed to being part of the energy transition by delivering more energy-efficient solutions and thereby seeking to reduce the carbon footprint of its own and its clients' operations as much as possible.

The Energy Trilemma is about addressing three often conflicting targets: (1) ensuring energy security, (2) providing access to affordable energy and (3) achieving environmental sustainability. Whilst developing energy from renewable and green sources naturally is of key importance in order to meet some of the global climate challenges we face, an overfocus on only the sustainability target might put energy security and/or access to energy at risk. In turn, this could have grave consequences for the communities that have limited energy sources and/or limited funds to pay for energy.

Most governments and energy consumers in general would likely prioritize energy security before sustainability if the two targets were in conflict. At least so that they would first ensure to have secure access to affordable energy before they allowed themselves to focus on sustainable sources of energy.

Energy priority pyramid



It is against this background formed by the Energy Trilemma that Akastor is committed to be a part of the energy transition by providing state-of-the-art services and products that enable their clients to produce conventional energy sources, thereby provide access to secure and affordable energy. For as long as the dependency on conventional energy sources exist, it needs to be produced and delivered with as little carbon footprint as possible. This will also avoid increases in other energy sources that are more harming to the environment.
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 industrial holdings include such as;

- HMH's Automated Drilling systems, that optimize drilling processes and thereby reduce the overall energy consumption and CO2 emissions; and
- AKOFS Offshore's investment in a battery pack onboard the AKOFS Seafarer that has significantly reduced fuel consumption.

CLIMATE FOCUS IN OUR GOVERNANCE MODEL

Being represented on the board of our industrial and financial holdings is the formal and primary channel for Akastor to ensure that the company operates in line with our expectations, including on ESG matters and where Akastor's expectations are set out in its Sustainability Policy. In addition to board representation, Akastor has also established an ESG network with its industrial holdings which is used as a forum for functional reporting as well as for mutual exchange of experience and knowledge on ESG matters. The Akastor ESG network consists of representatives from relevant functions from HMH and AKOFS Offshore and meets regularly (minimum quarterly). Akastor also benefits from being part of the larger ESG network arranged by its largest shareholder, Aker ASA.

Akastor has ensured that both HMH and AKOFS Offshore have implemented an ESG strategy and performed a climate related risk & opportunity assessment consistent with the TCFD principles. Moreover, as non-financial disclosure requirements become mandatory (such as e.g. CSRD), an important exercise, both for Akastor separately as well as for each industrial holding, is to have a preparedness plan to ensure compliance with such requirements in time for when each company becomes subject to such relevant regulations.

Akastor has incorporated ESG considerations into its investment policy, where such considerations are addressed both in the investment analysis and in the decision-making processes. In doing so, Akastor will improve the robustness of it's business model and seek to avoid inveting in companies that do not meet minimum standards on ESG.

MANAGING CLIMATE RELATED RISKS AND OPPORTUNITIES

As an investment company, the transition risks and physical risks Akastor is exposed to are closely linked to the risks identified by the companies in which it has ownership interests in. The main climate-related risks in Akastor are with our industrial investments arising from the oil and gas industry's accelerated transition to a low-carbon intensive industry and from the transition where fossil fuel driven energy is replaced by renewable energy sources.

However, whilst this transition holds its risks and challenges it will also create several opportunities which the companies are pursuing. Successful completion of these efforts into new business will not only mitigate the climate related risks but will also support the companies in preserving their market shares and even potentially gaining some ground in certain areas. In turn, this will also benefit Akastor through value enhancing transactions. In some cases, leveraging on increased business in sustainable operations may even be a requirement or an enabler for realisation of an asset.

Each industrial holding assesses climate-related risks and opportunities within its yearly risk assessment. In 2023 the assessment was sought based on the methodology described in the Task Force on Climate-Related Financial Disclosures (TCFD). TCFD is the internationally recognised reporting format for climate related risks and which Akastor aims to comply with both in format and content.

In our view, the global focus on and expected shift to renewable energy sources is moving rapidly, but scenarios described by the International Energy Agency (IEA), and energy security, show that fossil fuels will continue to be important for the global energy demand for many years to come. We believe that this allows Akastor's industrial holdings to adopt a dual approach where they will use their core competence to continue to support oil and gas production, whilst simultaneously exploring new markets within non-oil industries as well as renewable energy. Akastor will continue to see opportunities while being part of the transition towards more secure and energy-efficient solutions in years to come.

If the ESG strategy fails, and the risks are allowed to materialise without implementing sufficient and appropriate mitigating measures, the consequences are severe as many could lose their market positions and/or being left with product lines that are obsolete and replaced by more energy efficient/ sustainable alternatives. It is therefore commonly accepted that successfully meeting the requirements on sustainability becomes a requirement for meeting their business targets.

EMISSION REPORTING

The following reporting focuses on carbon emissions, particularly CO_2. Aligned with the Greenhouse Gas Protocol (GHG-protocol), we categorize emissions into Scope1 (direct emissions), Scope 2 (indirect emissions from purchased electricity) and Scope 3 (other indirect emissions). Scope 3 emissions are limited to waste and air travel emissions both for Akastor and for HMH and AKOFS. Our commitment extends beyond compliance, and as an active owner we encourage our industrial holdings to seek opportunities to reduce emissions and enhance efficiency.

2023 GHG emissions for consolidated subsidiaries (Akastor AS and DDW Offshore)

Description	Report-ing	Unit	Emission factor	Unit	Source	Emission	Unit
Scope 1							
Fuel Oil for DDW Offshore's three vessels	16 766	TCO2E	-	tCO2e	DOF emission report	16 766	tCO2e
Total Scope 1						**16 766**	**tCO2e**
Scope 2							
Electricity, cooling and heating for Akastor AS	181 023	KWH	n/a	g CO_2 per kWh	Wattn, Oslofjord Varme	1.4	tCO2e
DDW Offshore	N/A					n/a	tCO2e
Total location-based Scope 2						**1**	**tCO2e**
Total market-based Scope 2						**1**	**tCO2e**
Sum Scope 1 and 2						**16 767**	**tCO2e**
Scope 3							
Air travel emissions for Akastor AS	98		-	t CO_2	Amex (travel agency)	98	tCO2e
Waste for Akastor AS	3 577	Kg	21.28	Kg CO_2 per tonnes	DEFRA	76	tCO2e
Portfolio (HMH and AKOFS)						26 288	tCO2e
Total Scope 3						**26 464**	**tCO2e**

2023 GHG emissions for 50% owned joint ventures (HMH and AKOFS)

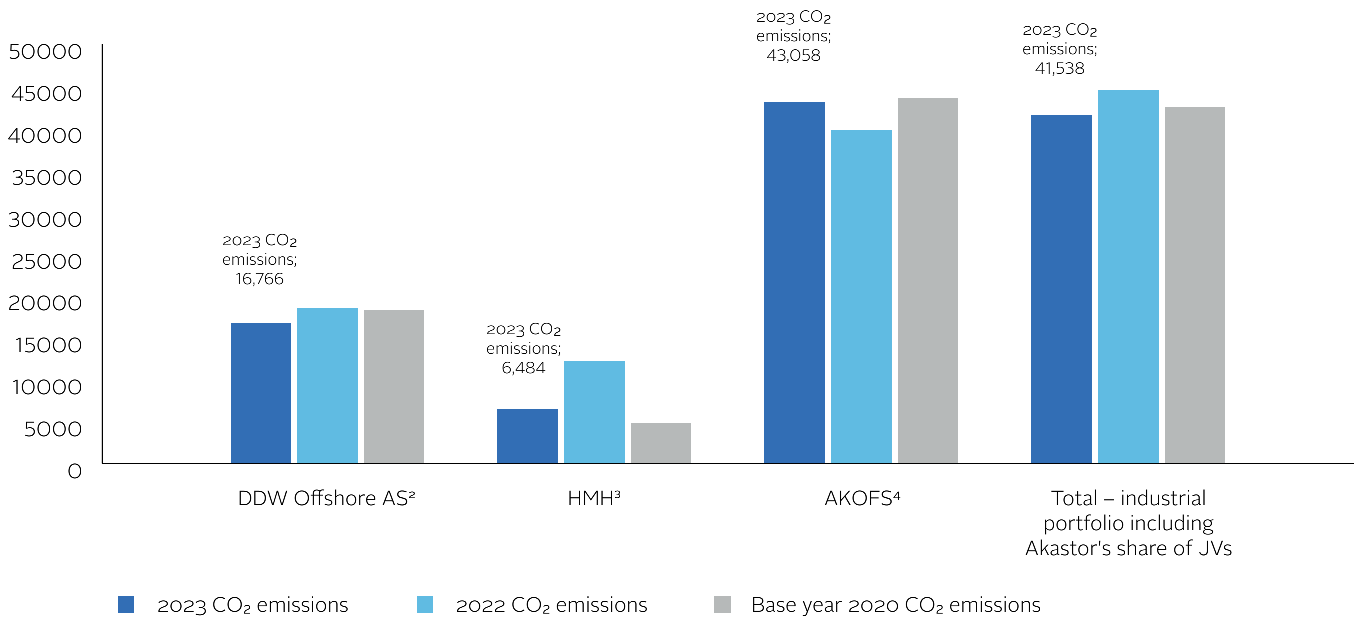
The table and overview below are based on the GHG Protocol's investment-specific method, whereby we include HMH's and AKOFS Offshore's scope 1, 2 and 3 emissions, proportional to our ownership interest of 50% (which in turn is included in the Akastor scope 3 reporting).

Description	Source	Emission	Unit	Akastor ownership	Akastor Scope 3	Unit
Scope 1						
AKOFS Scope 1	AKOFS emission report	43 051	tCO2e	50%	21 526	tCO2e
HMH Scope 1	HMH emission report	4 898	tCO2e	50%	2 449	tCO2e
Total		**47 949**	**tCO2e**	**50%**	**23 975**	**tCO2e**
Scope 2						
AKOFS Scope 2	AKOFS emission report	7	tCO2e	50%	3.5	tCO2e
HMH Scope 2	HMH emission report	1586	tCO2e	50%	793	tCO2e
Total location-based		**1 593**		**50%**	**797**	
Total market-based		**1 593**		**50%**	**797**	
Sum Scope 1 and 2		**49 542**			**24 771**	
Scope 3						
Air travel emissions	AKOFS emission report	519	tCO2e	50%	260	tCO2e
Waste	AKOFS emission report	7	tCO2e	50%	4	tCO2e
Air travel emissions	HMH emission report	2 398	tCO2e	50%	1 199	tCO2e
Waste	HMH emission report	110	tCO2e	50%	55	tCO2e
Total		**3 034**	**tCO2e**	**50%**	**1 517**	**tCO2e**
			tCO2e	**Total Akastor**	**26 288**	**tCO2e**

2023 CO2 emissions – Development 2020-2023

Data include Akastor's consolidated subsidiaries and JV's scope 1 and 2 emissions.

CO_2 emissions (tonnes) 2020-2023



Akastor's industrial portfolio	2023 CO_2 emissions	2022 CO_2 emissions[1]	Percent change (%)	Base year 2020 CO_2 emissions	Base year percent change (%)
DDW Offshore AS2[2]	16766	18 528	-10%	18 322	-8%
Akastor AS	1	2	-22%	2	-23%
Total—consolidated subsidiaries	**17 767**	**18 530**	**-10%**	**18 324**	**-8%**
HMH3[3]	6 484	12 214	-47%	4 832	34%
AKOFS[4]	43 058	39 747	8%	43 512	-1%
Total – JV on 100% basis	49 542	51 961	-5%	48 344	2%
Akastor 50% ownership	24 771	25 981	-5%	24 172	2%
Total – consolidated portfolio including Akastor's share of JVs	41 538	44 511	-7%	42 496	-2%

[1] *Cool Sorption and AGR were divested in 2023 and are excluded from the comparison figures for 2022 and base year 2020.*
[2] *DDW Offshore AS: Two vessels were sold in 2022 and the CO2 emissions account has been adjusted.*
[3] *Since HMH was established 1 October 2021, data in 2020 (base year) only contain ESS portion of the company.*
[4] *HMH and AKOFS are owned 50% and consolidated using the GHG protocol's investment-specific report.*

07. SOCIAL AWARENESS

AKASTOR INVESTS IN ITS EMPLOYEES

The Akastor corporate organisation is a small group of key corporate professionals which is volatile to sick leave or turnover. It is therefore of key importance for Akastor to always maintain a good working environment and retain a highly skilled and motivated workforce that contributes in meeting Akastor's realisation strategy. Akastor promotes an environment where all employees are encouraged to develop their skills and share knowledge with their colleagues.

Akastor offers comprehensive and competitive 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.

In addition to healthcare and insurance plans, Akastor offers a health and 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 where training sessions are arranged for all employees during working hours.

Key 2023 figures on Social in Akastor

On a consolidated basis per 31 December 2023:

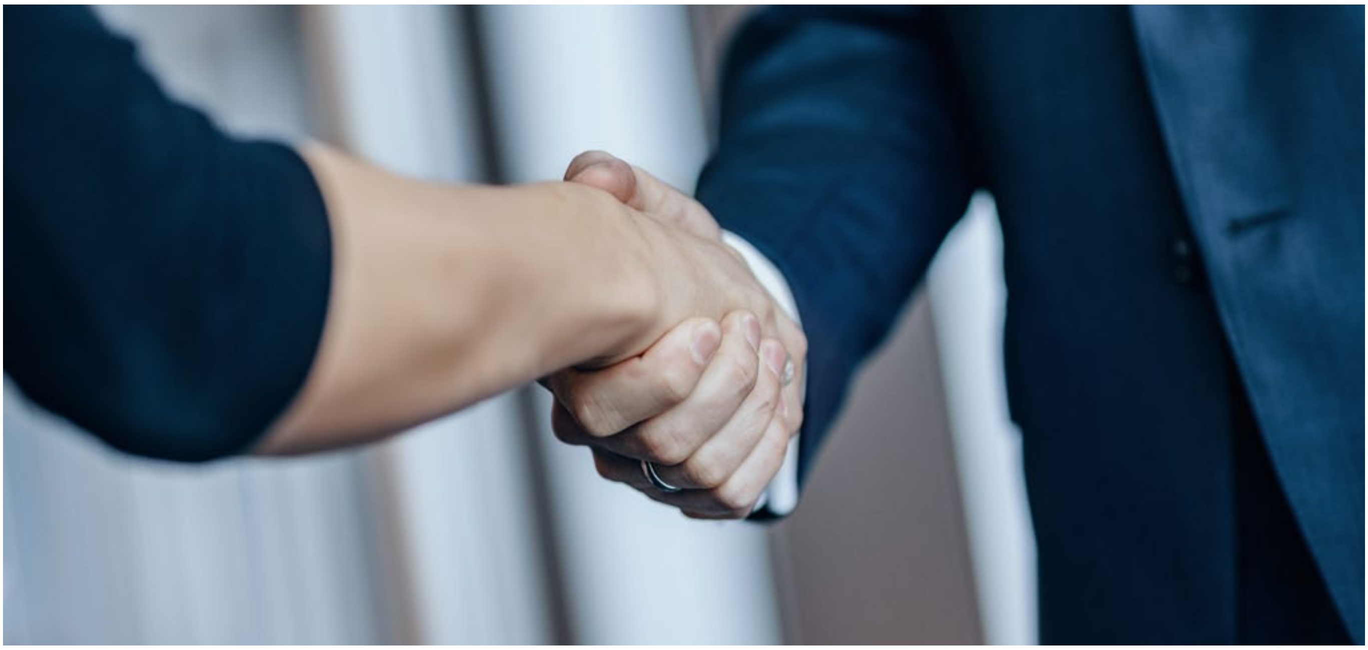
- Number of employees: 11
- Employee turnover: 15%
- Nationalities represented: 3
- Share of women: 27%
- Sick leave: ≤1%

SOCIAL PERFORMANCE INDICATORS IN PORTFOLIO COMPANIES

Akastor's vision on Social performance is that Akastor and all its portfolio companies shall provide safe and prosperous workplaces for all its employees and that the companies contribute and provide benefits to the communities where they are located. The following principles are key contributors:

Health, Safety & Security (HSSE)
At year end, Akastor's industrial holdings, AKOFS Offshore and HMH, had 2 553 employees, including 267 contractors. HSSE represents key priorities for Akastor and its industrial holdings. Each industrial holding works to ensure safe working conditions for its employees and brings this core value and commitment to its customers, employees and business partners. The companies have implemented occupational health and safety management systems, policies and procedures to ensure that HSSE is an integrated part of the companies' cultures. All industrial holdings have dedicated resources to follow up on health and safety work at all of their sites.

Photo: HSSE exercise at HMH's location in Brazil.



Equality and diversity

Akastor works to ensure that all employees can expect a workplace free from harassment and discrimination. All industrial holdings actively work to advance equality regardless of gender, sexual orientation or background, and regularly assesses whether the principle of equal pay for equal work is being upheld.

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 2023, 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.

Akastor's industrial holdings operate in the oil service sector, which is a male-dominated industry and where it has been challenging to increase the number of women employed. Accordingly, the companies are continuously considering activities that will increase the share of permanently employed women.

Supply Chain – Transparency

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 in the value chain of its industrial holdings, the supply chain is considered the most vulnerable to breaches of human rights. Akastor and its portfolio companies have implemented necessary measures to meet the requirements of the Transparency Act that was implemented in 2022 and which deals with transparency and work on fundamental human rights and decent working conditions. This includes i.a. to perform risk assessments to identify risk of breaching human rights and decent working conditions, and other risk-mitigating initiatives have also been implemented. No known breach occurred in 2023. Akastor's Transparency Act statement is available at Akastor's website and is included as an attachment to this ESG report.

Local social engagement

Akastor and its industrial holdings endeavour to engage in their local communities and consider strong local social engagement an important part of their sustainable development. During 2023 the industrial holdings gave donations to local charities. Both AKOFS Offshore and HMH have internal processes for assessing donations to NGOs or social engagements.

Akastor has an international investment 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 2023, the industrial holdings continued their focus on local content, local production requirements and local expertise, which also supports UN's 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.

08. SUSTAINABILITY IN KEY PORTFOLIO COMPANIES

SUSTAINABILITY IN KEY PORTFOLIO COMPANIES

Operational centres: Kristiansand, Norway, and Houston, Texas

Website: www.hmhw.com

Akastor's ownership interest: 50%

Number of employees: 2 201

CEO: Eirik Bergsvik

Revenue (2023): USD 786 million

EBITDA (2023): USD 132 million

Countries of operation: Global operations with offices in 16 countries

Certifications: ISO 9001, 14001 and 45001

About HMH

HMH is an international drilling solutions provider, which was formed as an independent company in October 2021 through the merger of Baker Hughes' (NYSE: BKR) Subsea Drilling Systems business and Akastor ASA's wholly owned subsidiary, MHWirth AS.

Each of Baker Hughes and Akastor owns 50% of the holding entity, HMH Holding B.V., which is registered in the Netherlands. Each of the owners are equally represented on the board of directors, with Akastor being represented by Karl Erik Kjelstad and Kristian Røkke as per 31.12.2023. The ownership is governed by a shareholders agreement that was entered into at formation in October 2021.

Photo: HMH pile top drill rigs (PBA) provide the most efficient solution for foundation drilling in mixed ground, boulders and hard rock and has been used as foundation for wind turbines.

2023 ESG figures – HMH

ENVIRONMENT	2023	2022
Energy used (MWh)	55 992	53 222
Energy intensity (MWh per million hours worked)	14 357	14 384
CO_2 emissions (tonnes)[1]	6 484	12 214
CO_2 emissions intensity (tonnes per million hours worked)	1 663	3 301
CO_2 emissions—Scope 3 (tonnes)[2]	2 398	1 483
Reduction of GHG emission (Scope 1–3)	4 890	N/A
Total waste (tonnes)	5 158	6 310
Waste sorted before disposal (%)	62	49
Hazardous waste (tonnes)	217	125

SOCIAL (& HSE)		
Employees incl. contractors (FTE)	2 201	2 099
Female/male (%)	18/82	18/82
Women in management (%)	16	13
Pay equality (women/men)	95	95
Lost time incident frequency (LTIF) / million hrs	1.5	1.6
Total recordable injuries frequency (TRIF) / million hrs	3.8	3.2
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)[3]	2.5	3.6

GOVERNANCE		
Integrity classroom training (%)	98	85
Code of Conduct e-learning (%)	95	85
Whistleblowing reports	12	1
Total revenue (USD million)	786	675
EBITDA (USD million)	132	100

[1] *Decrease due to green certificates on electricity purchased*

[2] *Increase due to increased air travel. Only air travel emissions are included in the Scope 3 CO2 emissions.*

[3] *Sick leave is not registered in the US*

2023 key ESG activities – HMH

Since HMH first was established in October 2021 it has undergone a large global integration exercise which, during 2023, has been substantially completed. All ESG areas have been important elements of this exercise.

In 2023 HMH has identified and engaged with a broad spectrum of sustainability focus areas. HMH's ESG strategy and the revised Sustainability Policy[1] are deeply rooted in HMH's overarching Vision and Strategy. Furthermore, in 2023 HMH has updated its ten main governing policies, which serve as the foundation of the company's operating principles and provide guidance for all individuals and businesses within HMH on the standards of acceptable behaviour and conduct.

HMH systematic approach to sustainability is evidenced in its rigorous focus on leveraging its ISO 14001:2015 certification on Environmental Management Systems as well as its ISO 45001:2018 certification for Occupational Health and Safety Management Systems. Both of these certifications are of key importance as they not only comfirm HMH's quality in essential ESG dominans but also guarantee a systematic and auditable approach of ongoing improvements in these areas.

In 2023 HMH performed a comprehensive Due Diligence Assessment of its suppliers for the first time, which provided valuable insights and served as a valuable learning experience for the company in its efforts to continue to prioritize areas such as Human Rights, transparency, and risk mitigation to ensure compliance with laws and regulations throughout the entire value chain. HMH's 2023 Transparency Report offers a more detailed account of the company's operations and achievements over the past year, a copy of which will be made available on the company's website.

HMH has also continued its efforts to support its customers with state-of-the-art technology to improve operational efficiency. In practice, this means that HMH provides products and services that enables drilling wells faster, resulting in a reduction in CO_2 emissions proportional to the time saved. HMH is also focused on reducing fuel consumption. Through efficient machines and collaboration with partners for optimized hybrid solutions (generators, batteries etc.) that have a significant effect on CO_2 emissions.

Moreover, in addition to seeking to improve the global footprint of its core business, HMH has also continued to seek to identify and position to explore potential new business opportunities in markets beyond the oil and gas sector, seeking opportunities that not only align with HMH's expertise and capabilities but also resonate with its ESG strategy. An example of such a potential opportunity is in the growing subsea mineral mining industry, which is claimed to be an important enabler for a global transition from oil and gas to renewable energy, and where HMH's experience and technology might represent an interesting opportunity.

A key ESG activity for HMH in 2023 was the process of aligning its ESG reporting with the Corporate Sustainability Reporting Directive (CSRD) introduced by the European Union. HMH's CSRD preparedness plan involves a long range of activities such as; perform a gap analysis with external advisor, develop a transition plan that matches the targets in the ESG strategy, perform a double-materiality assessment as well as a bottom up TCFD Risk and Opportunity assessment.

CO2 EMISSIONS REDUCTION IN AUTOMATED DRILLING

HOW?

Optimized drilling process
Automated systems can optimize drilling operations by using advanced algorithms and real-time data analysis. This helps in reducing drilling time and improving drilling efficiency, which in turn reduces the overall energy consumption and CO_2 emissions.

Precise well placement
Automated drilling systems can accurately place wells in the most optimal locations, avoiding unnecessary drilling and reducing the number of wells required. This reduces the overall carbon footprint associated with drilling activities.

Reduced human error
Automated drilling systems eliminate the risk of human error, which can lead to inefficient drilling practices and unnecessary CO_2 emissions. By relying on precise and consistent machine operations, the chances of errors are significantly reduced.

Real-time monitoring and control
Automated systems enable real-time monitoring of drilling parameters such as pressure, temperature, and drilling fluid flow. This allows for immediate adjustments and optimization, minimizing energy waste and reducing CO_2 emissions.

Optimized rig workforce
By relocating various support functions from offshore to land, the requirement for personnel to be physically present on the offshore rig is significantly reduced. This enhances safety and mitigates the carbon footprint linked to personnel transportation and accomodation.

AKOFS OFFSHORE

Head quarters location: Oslo, Norway.

Website: www.akofsoffshore.com

Akastor's ownership interest: 50%

Number of employees: 352

CEO: Geir Sjøberg

Revenue (2023): USD 130 million

EBITDA (2023): USD 33 million

Countries of operation: Norway and Brazil

Certifications: ISO 9001, ISO 14001 and ISO 45001

About AKOFS Offshore

AKOFS Offshore AS (AKOFS) is a provider of vessel-based subsea well construction and intervention services for the oil and gas industry and operates three vessels; Aker Wayfarer, AKOFS Santos and AKOFS Seafarer. Aker Wayfarer and AKOFS Santos operates in Brazil under long-term contracts for Petrobras, whilst AKOFS Seafarer operates in Norway under a long-term contract for Equinor.

The Company is owned by Akastor AS (50%), Mitsui & Co., Ltd (25%) and Mitsui O.S.K. Lines, Ltd. (25%). Each of the owners are equally represented on the board of directors, with Akastor being represented by Paal E. Johnsen and Eirik Thomassen as per 31.12.2023. The ownership is governed by a shareholders agreement that was entered into in 2018.

Photo: Rolf Estensen

2023 ESG figures – AKOFS

ENVIRONMENT	2023	2022
Energy used (MWh)[1]	180 234	166 269
Energy intensity (MWh per million hours worked)[2]	291 848	339 324
CO_2 emissions (tonnes)[1]	43 058	39 744
CO_2 emissions intensity (tonnes per million hours worked)[2]	69 723	81 117
CO_2 emissions—Scope 3 (tonnes)[3]	519	354
Reduction of GHG emission (scope 1–3)	2 426	2 368
Total waste (tonnes)[4]	346	1 174
Waste sorted before disposal (%)	98%	98%
SOCIAL (& HSE)		
Employees incl. contractors (FTE)	352	348
Female/male (%)	10/90	10/90
Women in management (%)	10	10
Pay equality (women/men)	67%	81%
Lost time incident frequency (LTIF)	1.4	0
Total recordable injuries frequency (TRIF)	2.8	1.7
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	2.3	3.8
GOVERNANCE		
Integrity classroom training (%)[7]	95	93
Code of Conduct e-learning (%)[8]	97	99
Whistleblowing reports	2	0
Total revenue (USD million)	130	149
EBITDA (USD million)	33	48

1 *Increase due to AKOFS Santos having been in regular operations for AKOFS Offshore for the majority of 2023, which was not the case in 2022.*

2 *Decrease is partly contributed by an increase in number of worked hours as 2023 includes more internal hours compare to 2022 where more worked hours were external and thus not included.*

3 *The increase is mainly due to a 28% increase in flown kilometres, related to more transport for crew-changes because of increased operational activity. Only air travel emissions are included in scope 3 emissions.*

4 *Reduction is mainly because AKOFS Seafarer in 2022 handled large amounts of well related fluids that was sent onshore for processing on behalf of the client, which did not happen in 2023.*

2023 key ESG activities – AKOFS

In 2023 AKOFS continued to use current training material for e-learnings and classroom training, whereas also ensuring that all new employees received the relevant training according to their roles. During second half of 2023 AKOFS launched an updated e-learning training for offshore crew, where monitoring and completion will continue to take place also in 2024.

AKOFS screens suppliers to ensure that no critical supplier is considered a sanctioned entity under UN, US, EU, Norwegian or other applicable sanction regimes. AKOFS have previously used version 1 of Compliance Catalyst, which is a due diligence screening tool delivered by Bureau Van Dijk (a Moody's Analytics company), and have in 2023 completed the implementation of the updated Compliance Catalyst 2 with GRID level 2 (sanctions, watchlists and PEPs).

A key element of ensuring compliance with Human and Labour Rights throughout its supplier chain are AKOFS' standard terms and conditions for purchase of goods and services. During 2023 these terms have been updated to be more robust and better reflect requirements that follow from recent updates in regulations such as the Norwegian Transparency Act.

AKOFS has performed an introductory CSRD preparedness review and will continue this work also in 2024, in order for the company to be ready to record and report as per CSRD requirements when CSRD is implemented and applicable for AKOFS.

In 2023 AKOFS has initiated a separate Human Rights Policy to emphasize its utmost commitment to conducts its business in alignment with the United Nations (UN) Guiding Principles on Business and Human Rights and the ten principles of the UN Global Compact. The new policy is expected to be approved by AKOFS' Board of Directors early 2024.

In order to maintain its position as a preferred partner and supplier to its clients, AKOFS is conscious of the need to continuously explore means to reduce the carbon footprint of its operations through development of new technology and concepts, similar to the hybrid-system successfully implemented on the AKOFS Seafarer where a battery pack has replaced a conventional stand-by engine, thereby reducing NOx and CO_2 emissions substantially. During 2023 AKOFS have continued to develop and mature concepts relating to; (i) next generation light well intervention vessel (LWIV), and (ii) a jack-up for installation of fixed offshore wind turbines (WTIV).

Photo: Illustration of the concept WTIV (Wind Turbine Installation Vessel) during offshore installation.

DDW OFFSHORE

Head quarters location: Oslo, Norway

Website: www.ddwoffshore.com

Akastor's ownership interest: 100%

Number of employees: 0 (52 FTEs hired in from DOF)

General Manager: Bruce Lethuillier

Revenue (2023): NOK 231 million

EBITDA (2023): NOK 84 million

Countries of operation: Global operations, and office in Norway

Certifications: Maintained by ship managers

About DDW

DDW Offshore owns three 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.

DDW Offshore has no employees. The company's administration is handled by its general manager, Bruce Lethuillier, who is hired out from Akastor where he works as Head of Treasury and Senior Investment Manager. Furthermore, the commercial and technical management of all vessels are handled by DOF Management pursuant to a management services agreement.

Photo: DDW Offshore

2023 ESG figures – DDW Offshore

ENVIRONMENT	2023	2022
CO_2 emissions (tonnes)	16 766	18 528
CO_2 emissions intensity (tonnes per million hours worked)	16 766	149 610

HSSE at sea

On 12 May 2023 DDW Offshore's vessel MV Skandi Emerald responded to a distress call from MV Shiling outside the coast of Wellington, New Zealand. MV Shiling had incurred engine failure and loss of steering in poor weather conditions and was starting to list quite severely. The situation was considered dangerous and the crew onboard MV Shiling was making preparations to abandon the vessel. In coordination with the rescue operations centre in Wellington, the Skandi Emerald proceeded with full speed to MV Shiling's location and managed to quickly start towing operations that kept the distressed vessel stable and ensured that vessel with crew was brought to safety and towed to nearest available port in Tasman Bay.

Within the maritime industry there is a longstanding tradition amongst all seafarers that it is a fundamental obligation to do your utmost to assist in salvage operations to save life and property, in that order, and while doing so to protect the environment.

MV Skandi Emerald towing MV Shiling. Photo: DDW Offshore

09. APPENDICES

09.A. GRI CONTENT INDEX 2023

Statement of Use: Akastor has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1: Foundation 2021

DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures		
2-1 Organizational details	Akastor ASA. Publicly listed company on Oslo Stock Exchange. Global operations. Headquarters: Oksenøyveien 10, NO-1366 Lysaker, Norway	
2-2 Entities included in the organization's sustainability reporting	Akastor and it's industrial holdings	5
2-3 Reporting period, frequency and contact point	Annual, 01.01.2022-31.12.2022 https://akastor.com/contact	
2-4 Restatements of information	None	
2-5 External assurance	No	
2-6 Activities, value chain and other business relationships	Akastor and it's industrial holdings	5
2-7 Employees	Social Awareness	15-16
2-9 Governance structure and composition	Governance in Akastor	9-10
2-10 Nomination and selection of the highest governance body	See Akastor Annual Report	
2-11 Chair of the highest governance body	See Akastor Annual Report	
2-12 Role of the highest governance body in overseeing the management of impacts	Governance in Akastor	9-10
2-14 Role of the highest governance body in sustainability reporting	Governance in Akastor, TCFD Assessment	9-10, 27-29
2-17 Collective knowledge of the highest governance body	Governance in Akastor	9-10
2-18 Evaluation of the performance of the highest governance body	See Akastor Annual Report	
2-19 Remuneration policies	Akastor General Meeting, https://akastor.com/investors/annual-general-meetings	
2-20 Process to determine remuneration	See Akastor Annual Report	
2-22 Statement on sustainable development strategy	Message from the CEO	4
2-23 Policy commitments	Sustainability in Akastor, Governance in Akastor	7-8, 9-10
2-24 Embedding policy commitments	Sustainability in Akastor, Governance in Akastor	7-8, 9-10
2-25 Processes to remediate negative impacts	https://akastor.com/about/whistleblowing-channel	
2-26 Mechanisms for seeking advice and raising concerns	Governance in Akastor	9-10
2-27 Compliance with laws and regulations	Governance in Akastor	9-10
2-28 Membership associations	IndustryAll, UN Global Compact	
2-29 Approach to stakeholder engagement	Governance in Akastor	9-10
2-30 Collective bargaining agreements	Social Awareness	15-16

DISCLOSURE	LOCATION	PAGE
GRI 3: Material Topics		
3-1 Process to determine material topics	Focus on climate related issues	11-12
3-2 List of material topics	TCFD disclosure	27-29
3-3 Management of material topics	Governance in Akastor Focus on climate related issues	9-10, 11-12
GRI 201: Economic Performance 2016		
3-3 Management of material topics	See Akastor annual report	
201-1 Direct economic value generated and distributed	See Akastor annual report	
201-2 Financial implications and other risks and opportunities due to climate change	TCFD disclosure	27-29
201-3 Defined benefit plan obligations and other retirement plans	See Akastor annual report	
GRI 203: Indirect Economic Impacts 2016		
3-3 Management of material topics	Social Awareness	15-16
203-2 Significant indirect economic impacts	Sustainability in Akastor	7-8
GRI 205: Anti-corruption 2016		
3-3 Management of material topics	Governance in Akastor	9-10
205-2 Communication and training about anti-corruption policies and procedures	Governance in Akastor	9-10
GRI 305: Emissions 2016		
3-3 Management of material topics	Focus on climate related issues	11-14
305-1 Direct (Scope 1) GHG emissions	Focus on climate related issues, Emission reporting	11-14
305-2 Energy indirect (Scope 2) GHG emissions	Focus on climate related issues, Emission reporting	11-14
305-3 Other indirect (Scope 3) GHG emissions	Focus on climate related issues, Emission reporting	11-14
305-4 GHG emissions intensity	Focus on climate related issues, Emission reporting	11-14
305-5 Reduction of GHG emissions	Focus on climate related issues, Emission reporting	11-14
GRI 308: Supplier Environmental Assessment 2016		
3-3 Management of material topics	Focus on climate related issues	11-12
308-1 New suppliers that were screened using environmental criteria	Sustainability in key portfolio companies	17-22
GRI 405: Diversity and Equal Opportunity 2016		
3-3 Management of material topics	Social Awareness	15-16
405-1 Diversity of governance bodies and employees	Social Awareness, Sustainability in key portfolio companies	15-16, 17-22
405-2 Ratio of basic salary and remunera-tion of women to men	Social Awareness, Sustainability in key portfolio companies	15-16, 17-22
GRI 414: Supplier Social Assessment 2016		
3-3 Management of material topics	Social Awareness, Sustainability in key portfolio companies	15-16, 17-22
414-1 New suppliers that were screened using social criteria	Social Awareness, Sustainability in key portfolio companies	15-16, 17-22

09.B. TCFD DISCLOSURE

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 busi-nesses, 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 industrial holdings, 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

TCFD Recommendation	Akastor's disclosure
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 Sustainability Policy. 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 implemented a 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, both from conventional fossil fuel as well as 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 2023 appendix.
b) Describe the organization's processes for managing climate-related risks.	The portfolio companies have individual processes for managing climate-related risks, which is supervised by their respective boards and where Akastor have appointed directors. Additionally, there is an Akastor group ESG network that meet regularly to discuss ESG risks and management of same.
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. At the Akastor level, the risks and opportunities are managed through its Sustainability Policy, expectations for the companies and regular follow up.
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 emis-sions) 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 an ambition to reduce its GHG emissions. All portfolio companies have set their own targets.

Climate Risk and opportunities assessment 2023	
Physical risk	
Physical risk Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	Risks 1. Increased frequency of extreme weather and such conditions cause off-hire or delays in projects 2. Disruptions in operations, logistics or infrastructure
	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 regula-tions such as CO_2 taxes, cap-and-trade schemes, energy efficiency requirements and reporting requirements	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., CO2 emission tax 5. Restrictions on use of assets
	Opportunities • Increased demand for low-carbon and efficient products and services • New regulation may create opportunities for new business, using portfolio companies' core competence
Market risks Changes in market demand, customer requirements and investor behaviour	Risks 6. 6Reduced 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
	Opportunities • Continued demand for specialized products and services with less carbon footprint than conventional 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	Risks 9. Substitution of existing products and services with lower emissions options, 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)
	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	Risks 11. Stakeholder concerns regarding oil and gas industry 12. Difficulty attracting talent and retaining experienced personnel with an oil and gas pro-file
	Opportunities • Strengthen company's brand of contributing to less CO2 per unit produced • For those that view the oil service market as an attractive market to invest in, Akastor should be viewed as a sustainable and responsible alternative

09.C. 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 2023, 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

09.D. TRANSPARENCY ACT STATEMENT - AKASTOR ASA

Introduction

This statement is issued pursuant to section 5 of the Norwegian Transparency Act, which is set to promote respect for fundamental human rights and decent working conditions in the production of goods and the provision of services. It ensures public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. This statement summarises Akastor's implementation of the requirements in the Transparency Act and the results of Akastor's due diligence.

Akastor's Commitment

Akastor is an oil service investment company that primarily owns shareholding interest in operational companies within the oil service segment. Accordingly, Akastor has limited operational activity of its own and its primary business activity is to create shareholder value through active ownership of its industrial holdings and other investments.

Akastor is a small team of 11 corporate professionals, who are all located in offices at Fornebu, Norway. Akastor's largest shareholdings are HMH and AKOFS Offshore, two industrial holdings that jointly employ a workforce of about 2,500 people, primarily located in Norway, USA and Brazil. Total turnover in these two companies combined is more than USD 900m and both operate globally, particularly in their sourcing of products and services from suppliers.

Akastor's commitment to uphold human rights and ensure decent working conditions extends to its role as an active owner. Akastor sets its expectations for its industrial holdings in the Akastor governing documents, including the Code of Conduct. Through its board positions in the companies in which Akastor is invested, Akastor guides and monitors the companies to ensure that they have implemented prudent governance processes that safeguard human rights and ensure decent working conditions in their entire value chain. Since Akastor's investments operate globally, there is a continuous focus on ensuring that fundamental human rights and decent working conditions are preserved throughout its supply chain.

Governing Documents

Akastor's human rights policy is embedded in Akastor's Code of Conduct as well as in the Sustainability Policy, both of which form important premises for how Akastor exercises its ownership interests.

The Code of Conduct contains Akastor's ethical commitments and requirements, including Akastor's expectations to personal conduct and business practices. Akastor's Sustainability Policy governs environmental, social and governance ("ESG") impacts of Akastor's own performance and investment decisions, as well as Akastor's role as an owner.

The Akastor Integrity Policy provides further details on the responsibilities and requirements needed to monitor and avoid or mitigate integrity risks, including breach of human rights. It forms the basis for certain important tools and measures in this respect such as;

- Risk assessment;
- Integrity training;
- Whistleblowing channel;
- Supply management, including supplier screening;
- Know your customer procedures, including performing an appropriate integrity due diligence as part of onboarding of a customer, partner or supplier;
- Risk based approach, including by exercising extra caution in certain areas of operation.

The Integrity Policy also provides certain associated documents and which are used to document compliance with human rights and decent working conditions, which includes:

- Supplier declaration;
- Integrity DD questionnaire;
- Third Party Representative Due Diligence and Acceptance Form;

Responsibilities

The responsibility to ensure that the policies are implemented and complied with rests with the Akastor ASA board of directors, who regularly receives reporting from management on implementation and compliance. The Audit Committee supports the Board in executing oversight over the management of the company and has been given a review role related to ESG topics, including risk of adverse impacts on human rights and decent working conditions. The more detailed implementation processes, including training and establishment of risk-based assessment, monitoring and control procedures are in practice the responsibility of the General Counsel.

Similar responsibilities as described above apply for each industrial holding with respect to safeguarding human rights and decent working conditions. Through its appointed board of directors,, this is monitored by Akastor. Additionally, the industrial holdings regularly report to Akastor on these matters as part of quarterly and annually financial reporting.

Results from due diligence of risks relating to human rights and decent working conditions

Akastor applies a risk-based approach to its due diligence of matters relating to human risks and decent working conditions, which in turn means that the level of caution exercised is adjusted to reflect the inherent risk of adverse impact as identified in the particular areas and businesses where Akastor or its companies operate.

The inherent risk related to Akastor's supply chain is currently considered moderate, since Akastor's suppliers mainly are Norwegian entities or reputable and fairly transparent international corporations within such areas as banks, law-firms and audit firms. Within Akastor's supply chain, IT and software services and hardware are considered to have moderately higher inherent risk. IT and software services and hardware are linked to Asian production and the mining of metals and minerals are associated with high inherent risk of adverse impacts due to the nature of such operations and its locations.

The highest inherent risk of adverse impact in the Akastor portfolio lies in its industrial holdings that operate in the global oil service industry. Whilst this is a mature and globally regulated area, where most companies are transparent and diligent, there is a challenge faced from their supply chain. Particularly when sourcing services or products in countries with weaker human rights and worker conditions regulations.

Risk Mitigation Measures

While Akastor and its industrial holdings have not identified any actual adverse impacts or significant risks through risk assessments or due diligence, we recognize the inherent risk in our global supply chain. To address this:

- We conduct risk assessments.
- We maintain policies, procedures, and contractual terms.
- We perform due diligence during onboarding and ongoing monitoring of business partners.

Akastor uses different watchlist tools for continuous monitoring of different parties relevant for its investments and ownerships. These watchlists monitor all global adverse media on different ESG issues and will notify the General Counsel if there are any adverse incidents relevant for Akastor. Akastor's industrial holdings use similar tools and programs for continuous monitoring of parties relevant for them.

Whistleblowing Channel

Akastor provides a whistleblowing channel for external reports related to human rights and decent working conditions. To date, we have not received any grievances or whistleblowing concerning these matters.

Commitment to Remedy

If Akastor or any of the companies in which Akastor has ownership interest cause or contribute to adverse human rights impacts, we will take necessary steps to remedy them.

Conclusion

Akastor remains dedicated to transparency, accountability, and responsible business practices. We strive to uphold human rights and decent working conditions in all our business activities.

Fornebu, 22 March 2023
Board of Directors of Akastor ASA

CONTACT DETAILS

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Whistleblowing at Akastor

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