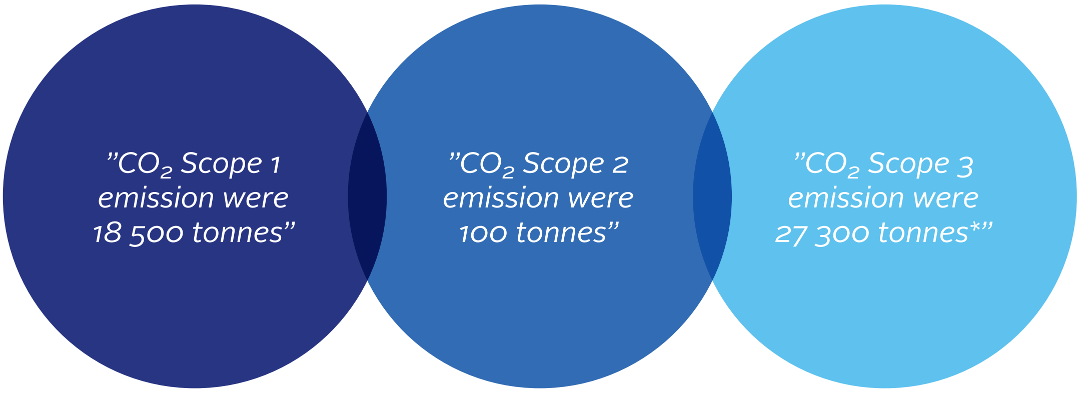
AKASTOR

2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AKASTOR PORTFOLIO IN 2022



* *Scope 3, including air travel from all portfolio companies and non-controlling companies are included using the GHG Protocol's investment-specific method. (See page 16 for further details).*

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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: Robert Hersvik

MESSAGE FROM THE CEO

Many have referred to 2022 as a global "annus horribilis". The global geopolitical security situation has severely worsened due to the Russian invasion of Ukraine. Furthermore, cost inflation has led to interests increasing and recession warnings. In combination, these factors have contributed to highly unstable markets as well as a great deal of uncertainty regarding short- and long-term market trends. However, it is also against this backdrop that we have seen an increased focus both on energy security and on the importance of oil and gas exploration as part of the future energy mix. I believe this focus has benefitted the Akastor portfolio companies, who largely provide services to the oil & gas industry—where they aim to provide clients with predictable services and state-of-the-art technology that support them in exploring oil and gas efficiently, in terms of costs and emissions.

Therefore, despite the uncertain geopolitical situation and market fundamentals in 2022, the Akastor portfolio companies delivered a solid year and continue to trend positively. Although we continue to expect activity to increase going forwards, driven by the positive market trends within oil service in general, this must be balanced against the uncertainty and instability that we expect will continue to impact markets globally in 2023.

In addition to solid performances from all of our portfolio companies, Akastor continues its journey to realize its assets above book value, improve our balance sheet and transition into a purer investment company. The divestment of our preference share holding in Odfjell Drilling Ltd. was an important milestone in 2022 and was driven by capital allocation priorities. This reduced debt and strengthened our balance sheet significantly. Towards the end of 2022, we also signed an agreement to sell Cool Sorption A/S. Lastly, at the time of writing this message, we have recently signed an agreement to sell AGR in return of cash and shares in ABL Group ASA, a transaction which we target to complete in Q2 2023. Our biggest investment, HMH, continues to develop positively and delivered good growth through the year, compared to its pro-forma performance in 2021. Moreover, we were very pleased to see that AKOFS Offshore was awarded a long-term contract from Petrobras also for the "Aker Wayfarer" and therefore will have all three vessels on long-term engagements for key clients.

During 2022 our portfolio companies continued their implementation of our ESG strategy and adopted a dual approach, in which 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 and renewable energy. Akastor will be a part of the transition towards more energy-efficient solutions. We believe that this approach will meet sustainability requirements and help preserve and increase shareholder values.

Akastor is proud to have formally become a signatory to the UN Global Compact, and we also seek to align our operations with the principles of OECD Guidelines for Multinational Companies; moreover, Akastor supports the UN Sustainability Goals, we report our CO_2 emissions to CDP 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 in which it operates and will ensure that its portfolio companies 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.

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 standalone 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 2022, the Akastor group (consolidated subsidiaries only), had a revenue of NOK 1 059 million, a net capital employed at year end of NOK 4.6 billion and 412 employees (FTE, including contractors) worldwide. AKOFS Offshore had 348 FTE and HMH had 1983 FTE per year end 2022.

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 13 employees who manage the operations of the company through active management of its portfolio as well as assessing potential transactions and other value enhancing opportunities. 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 is targeting to maximize value of its portfolio through active ownership and value generating transactions.

AKASTOR PORTFOLIO COMPOSITION

INDUSTRIAL INVESTMENTS

HMH	Leading global provider of first-class drilling systems, products and services	50%
AKOFS Offshore	Global provider of subsea well construction and intervention services	50%
agr	Multi-disciplinary engineering consultancy and software provider helping its clients address the energy challenges of today and tomorrow.	64% [1]

FINANCIAL INVESTMENTS

NES Global Talent	Leading engineering staffing and workforce solution provider for highly technical industries.	~ 15% [2]
DDW Offshore	Company owning 5 mid-sized AHTS vessels	100%
Awilco Drilling	North Sea Drilling Contractor	6.8%
DRU Contracts	Financial interest in four drilling equipment contracts with Jurong Shipyard (Sete Brazil projects)	Full economic interest [3]

[1] *Economic interest | 100% legal ownership.*
[2] *Economic interest.*
[3] *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.

Akastor's ESG strategy and Sustainability Policy describes how Akastor aims to integrate sustainability in its investment processes and its own operations, and in the governance 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 is improving the resilience of its portfolio while also better positioning itself for new opportunities in markets that are continuously developing. 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 performs 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.

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

AKASTOR'S APPROACH TO ESG

About the report

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

Akastor has formally become a signatory to the the United Nations Global Compact (UNGC). The UNGC is a voluntary initiative based on CEO commitments to implement universal sustainability principles and support UN goals, such as the UN Sustainable Development Goals (SDGs).

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.

Throughout this report you will find information organized along two pillars: 1) Akastor's own performance as a company and employer, and 2) Akastor's role as an active owner and how Akastor is working to ensure that its portfolio companies performs their operations consistent with best business practice, including on ESG performance.

How Akastor identifies its material ESG issues

Akastor's active ownership includes to explore and understand the climate-related risks and opportunities that its portfolio companies face, and also to check how ESG considerations are prioritized by the different organizations. Akastor's assessment is that it needs to focus most on the Environmental aspect of ESG, which is where it has most improvement potential. Further details on this can be found in the status of the ESG targets later in this report.

Akastor has ensured that all portfolio companies have performed a materiality assessment, established an ESG strategy and raised awareness of climate related risk and opportunity within own organisation. The ESG efforts at Akastor have been discussed in the ESG forum, which is available for all the Akastor 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 helped to identify the ESG issues that are most material to Akastor.

Akastor aim to continuously improve, which means that we will need to closely follow the most relevant ESG performance metrics and the development of the prevailing reporting standards, such as Task Force on Climate-Related Financial Disclosures (TCFD) and GRI. In 2022, Akastor reported its results to the CDP (formerly known as the Carbon Disclosure Project), and received a B score; see more information on GRI, TCFD and CDP in an appendix to this report. This report will hopefully ensure transparency and increased understanding on how Akastor manages ESG matters, both as an investment company and as an active owner of industrial holdings.

DOUBLE MATERIALITY ASSESSMENT

In line with good ESG practice, Akastor has performed a double materiality assessment, looking both at the impact Akastor's operations have on the planet and society as well as the impact that the planet and society will have on Akastor. This has been done by way of a desktop exercise, using input and requirements as advised from Akastor's key stakeholders such as shareholders, employees and customers.

Material impact Akastor has on the planet and society	Material impacts the planet and society have on Akastor
Important aspects identified by Akastor and key stakeholders regarding where Akastor impacts the planet and society.	Material aspects where the planet and the society have an impact on Akastor and its value creation.
Environment	
Climate	Planet will experience increased frequency of extreme weather and such conditions that cause damage to installations or delays in projects.
GHG emissions	Society will expect increased regulations with GHG emission reduction and energy-efficiency targets, including EU Taxonomy.
Social	
Employee health, safety, and wellness	A well-functioning employment market will ensure that employees will only stay with Akastor if it continues to take the health, safety and wellness of its workers seriously.
Human rights	Society expect Akastor to comply with international conventions, such as the UN Declaration and Convention on Human Rights.
Contribution to society and local community	Society and local communities expect Akastor to be sustainable, generate employment and pay taxes.
Governance	
Active ownership and engagement	Akastor must meet societal requirements and regulations to obtain a license to operate.
Anti-corruption and other economic crime	Companies not following applicable rules and regulations will be sanctioned by the community.

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 three 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 strategies.

Akastor has identified the following priority SDGs:

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

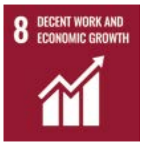
Akastor and its portfolio companies both impact and are impacted by climate change. They are inherently exposed to a range of physical and transition risks. Akastor and each portfolio company are assessing their risks and opportunities concerning climate change.

- Akastor is committed to improve energy efficiency and reduce the greenhouse gas (GHG) emissions of its portfolio companies through its investments and board positions.
- Akastor use its role as an active owner to encourage increased diversification towards sustainable and renewable operations and support development of new and more energy-efficient technology, including carbon capture, utilization and storage (CCUS) technology and offshore wind.

Goal 12: Ensure sustainable consumption and production patterns

Reduce consumption of materials and address 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:

- reduce energy use in its operations
- reduce GHG emissions from its operations
- reduce hazardous and non-hazardous waste from its operations
- prevent 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. To protect labour rights and secure working environments for all workers are important issues for Akastor.

- Akastor is part of Aker's Global Framework Agreement 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 to ensure that 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 act responsible with the aim to reduce direct and indirect negative impact on the environment from our operations and the products and services we 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 ambition, 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.

2022 performance metrics

Akastor AS
Scope 1 emissions — 0
Scope 2 emissions — 1 metric tonne CO_2e
Scope 3 emissions from air travel and waste — 178 metric tonnes CO_2e

As an investment company, Akastor's own emissions are limited to the office- and travel-related emissions of its 13 employees. Compared to the climate-related issues in Akastor's industrial holdings, 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 filed a CDP reporting in 2022, which was scored to "B" (for further details, see the appendix to this report), which may be achieved by participating in carbon offsetting programs. Akastor AS' long-term goal is to be carbon-neutral by 2030.

Climate-related risks

Akastor and each of its portfolio companies address climate related risks and opportunities as part of the annual risk management process. The results are reported to Akastor, and significant risks are incorporated into Akastor's annual risk matrix. Akastor use the risk and opportunity assessment as input Akastor use the risk and opportunity assessment as a basis for identifying key activities and priorities, both for itself as well as for 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 2022.

As an investment company, Akastor's risks related to ESG are closely linked to those 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'. Furthermore, governmental regulation 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. All of these risks will need to be met by mitigating measures and contingency plans, which will leave Akastor and its portfolio companies more robust to adopt to these developments. Otherwise, Akastor and its portfolio companies risk loosing market shares, suffer penalties as well as other consequences for failing to meet new requirements.

In addition to risks, several opportunities have been identified in the assessment. With the reduced interest for pursuing new oil and gas 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 sustainability, 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 competitive environments, they should be well-positioned to be key players in the industry's transition towards delivering more energy-efficient solutions. Moreover, they should be more than able to 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 decades to come.

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 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. 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 its portfolio companies is conservative. An increase in taxation of CO_2 is likely, and it is expected that only energy-efficient producers with low CO_2 emissions 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 updates 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 concerning the longer-term financial effects of climate change on the entire portfolio of Akastor.

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

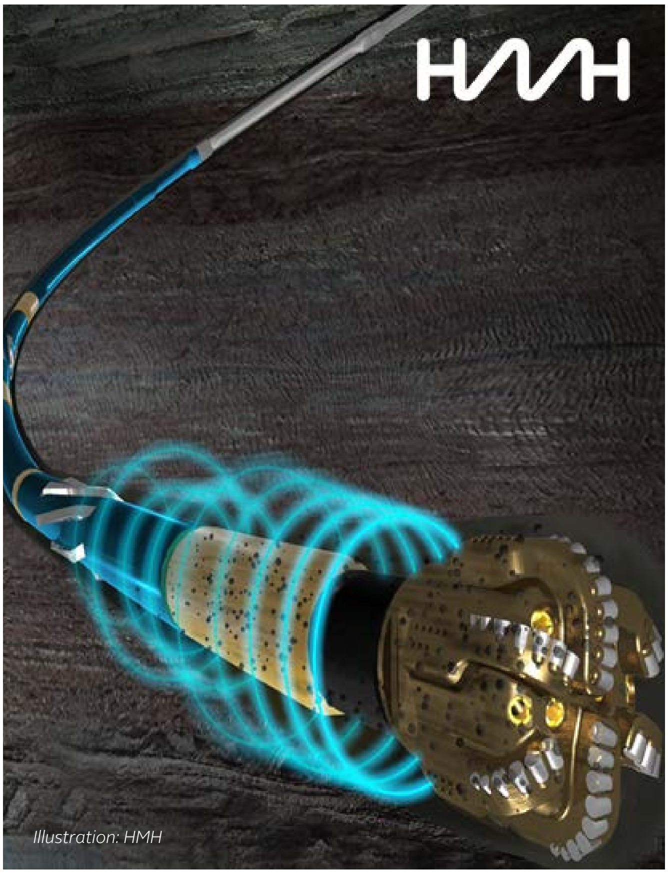


Illustration: HMH

The EU Taxonomy's environmental objectives

1. Climate change mitigation
HMH, AKOFS Offshore, AGR, DDW Offshore

2. Climate change adaption
HMH, AKOFS Offshore, AGR, DDW Offshore

3. Sustainable use and protection of water and marine resources
HMH, AGR, AKOFS Offshore, DDW Offshore

4. Transition to a circular economy
Unknown

5. Pollution prevention and control
Unknown

6. Protection and restoration of biodiversity and ecosystems
Unknown

sustainable investment and to implement the European Green Deal. The EU Taxonomy is a classification system for economic activities that substantially contribute to 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.

Akastor has established an ESG strategy to work with its portfolio companies to align its business development with the transition to a climate-neutral economy, over time. The goal of the ESG strategy requires significant capital for investment, which the Akastor portfolio companies have only limited capacity to secure.

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.

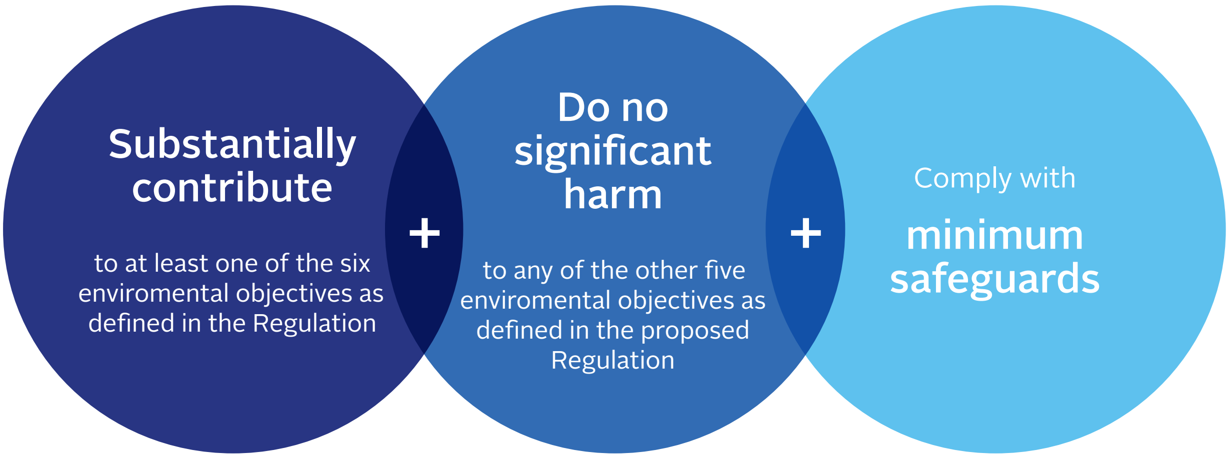
In 2022, eligible activities were identified in the Akastor portfolio companies as follows:

Objective 1 – Climate Change Mitigation
- Carbon capture projects, sales approximately NOK 2 mill (AGR)

Objective 2 – Climate Change Adaption
- No eligible turnover

Step 2: Detailed assessment—portfolio companies identify aligned activities
The companies have assessed whether their activities are aligned by evaluating the technical screening criteria, ensuring that they do not significantly harm other objectives, and that the activity's performance meets minimum social safeguards.

Step 3: Akastor calculates the portion of aligned activities in their investments
The portfolio companies' screening of their activities according to the EU Taxonomy show that less than 1% of the activities of the portfolio companies were aligned with the EU Taxonomy in 2022.



(Source: Technical Expert Group on Sustainable Finance's report on the EU Taxonomy, 2020)

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 1) AGR's support for carbon capture and storage (CCS) services; and 2) AKOFS Offshore's investment in a battery pack onboard the AKOFS Seafarer that has reduced fuel consumption.

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 of companies.

Environment		Status 2022	Road plan to meet target
Act to reduce direct and indirect negative impacts on the external environment from the products, services and operations provided		• Overall CO_2 emissions have increased • Akastor has implemented policies to follow up with this strategic goal in its Code of Conduct and Sustainability Policy • All portfolio companies have established ESG strategies and targets, which are monitored and reported	• Portfolio companies are implementing energy efficiency programmes, which include good environmental governance and new technology
Increase share of revenue in portfolio to meet EU Taxonomy requirements to: • 10% share in 2025 • 30% share in 2030		• Akastor has less than 1% eligible turnover • Converting businesses to become EU Taxonomy-aligned takes more time than anticipated	• Increase capital expenditure to ensure entry to renewable markets
Integrate ESG review into own portfolio and new investment processes valuation by 2023		• ESG reviews are a part of all new investment assessments	• Continue evaluating ESG effort
Incentivize portfolio companies in developing low carbon technologies and capabilities		• ESG targets are part of management's variable pay	• Consider implementing incentives for developing low-carbon technologies and capabilities • The market requests such technology and capabilities
Seek to reduce CO_2 emissions of 2.5% annually in portfolio companies		• Overall CO_2 emissions have increased since last year, due to more activity in industrial-heavy portfolio companies • Industrial-heavy portfolio companies (HMH, AKOFS, DDW Offshore) seek to be climate neutral by 2050 • Office-based portfolio companies are close to climate neutral now (Scope 1+2 is 93 tonnes CO_2)	• Portfolio companies are ensuring implementation of their energy-efficiency programmes, which include good environmental governance and implementing new technology • Potentially consider carbon-offsetting programmes
Within portfolio, develop digital solutions and measure consequences for the environmental footprint		• Portfolio companies are developing digital solutions and measuring how their services are reducing CO_2 emissions, compared to other available technology and solutions	• Continue to develop new solutions and measurements
Diversify portfolio into environmentally sustainable businesses		• Portfolio companies are implementing their ESG strategies, which includes increasing business within renewable segment	• Akastor and portfolio companies' business development centres on a continuous search for opportunities

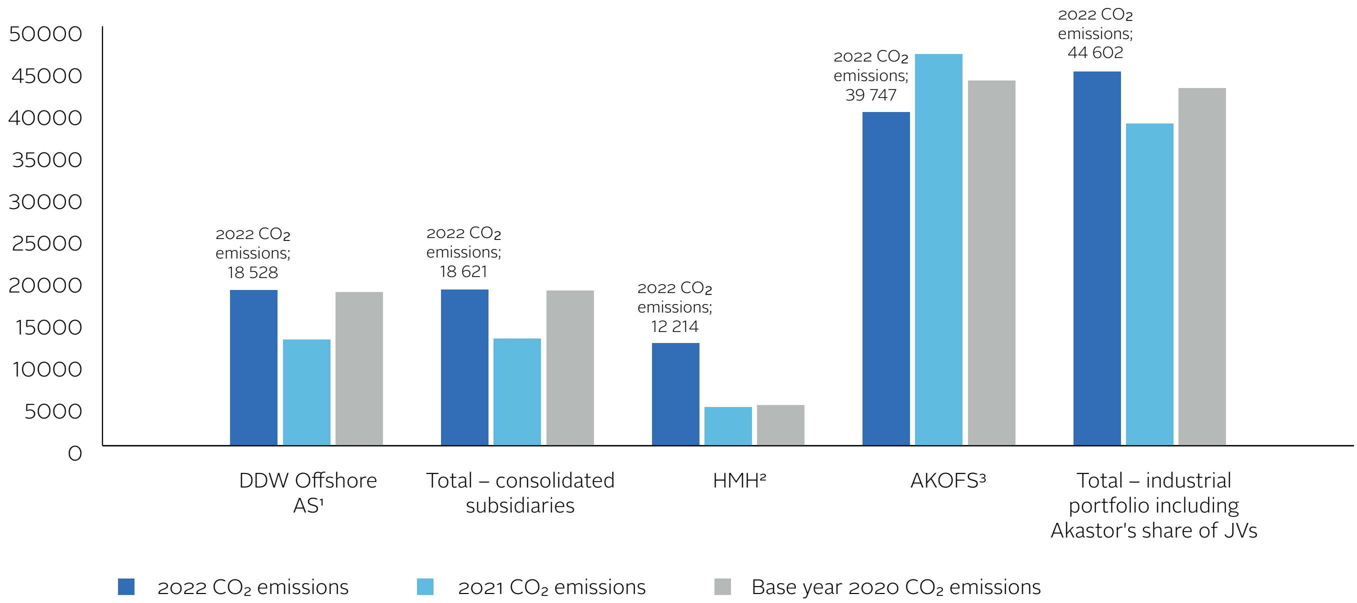
Social		Status 2022
Provide safe, professional and healthy working conditions, where zero accidents is always the goal for all operations		• Akastor portfolio companies continuously strive to provide safe, professional and healthy working conditions • HMH and AKOFS have relevant ISO certifications
Work actively to avoid any form of discrimination, harassment and degrading treatment of employees, and, internationally, human and labour rights are to be respected in all operations		• All portfolio companies have conducted a human rights risk assessment and ensure that equality and diversity has been address continuously
Support local communities at facilities locations		• Akastor strives to be a contributor to the local communities in which it is present
Sponsor or otherwise support efforts and organizations that work towards giving equal opportunities and balancing differences		• Akastor supports Stiftelsen VI, and the portfolio companies all have initiatives they support

Governance		Status
Conduct its businesses with integrity and transparency, respecting laws where it operates		• This is implemented via Akastor's Code of Conduct, and monitored via the legal and compliance function
Ensure that all portfolio companies implement and adhere to Akastor's governance expectations and Code of Conduct		• This is implemented via portfolio companies' boards of directors and monitoring activities implemented by the Legal and Compliance function
Work actively to ensure zero tolerance for corruption and bribery, including by providing training to all employees and implementing compliance programmes		• This is implemented via Akastor's Integrity Policy, and monitored via the legal and compliance function
Apply corporate governance principles consistent with highest industry standards that build upon the Aker group's strong and proven governance model		• This is implemented by the board of directors via the Code of Conduct and Governance Policy
Involve and engage managers and employees in the operations, including through employee representation		• Three employee representatives are on the board of directors of Akastor ASA

CO_2 EMISSIONS IN AKASTOR'S INDUSTRIAL PORTFOLIO

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

CO_2 emissions (tonnes) 2020-2022



Detailed GHG emission report for 2022 is available in the appendix.

Akastor's industrial portfolio	2022 CO_2 emissions	2021 CO_2 emissions	Percent change (%)	Base year 2020 CO_2 emissions	Base year percent change (%)
DDW Offshore AS[1]	18 528	12 618	47%	18 322	1%
AGR	89	148	-40%	148	-40%
Cool Sorption	2.4	0.4	586%	0.4	522%
Akastor AS	1	2	-40%	2	-40%
Total – consolidated subsidiaries	**18 621**	**12 769**	**46%**	**18 472**	**1%**
HMH[2]	12 214	4 612	165%	4 832	153%
AKOFS[3]	39 747	46 652	-15%	43 512	-9%
Total – JV on 100% basis	**51 961**	**51 264**	**1%**	**48 344**	**7%**
Akastor 50% ownership	**25 981**	**25 632**		**24 172**	
Total – industrial portfolio including Akastor's share of JVs	**44 602**	**38 400**	**16%**	**42 644**	**5%**

Scope 1 and 2 emissions have increased, mainly due to more activity in DDW Offshore. HMH Scope 1 and 2 emissions have increased mainly due to HMH being established in October 2021, whereby MHWirth's operations were combined with the business contributed from Baker Hughes. HMH's report now therefore include an additional operating segment.

1) *DDW Offshore AS: Three boats have been sold and the CO2 emissions account has been adjusted.*
2) *As HMH was established 1 October 2021, data in 2021 and 2020 only contain EES portion of company.*
3) *HMH and AKOFS are owned 50% and consolidated using the GHG Protocol's investment-specific report.*

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 approximately 89%, lowering NOx emissions by approximately 250 tonnes per year.

Photo: Rolf Estensen

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 2022 figures for Akastor AS

- Number of employees: 13
- Employee turnover: 19%
- Share of women: 23%
- Sick leave: 0.27%

Akastor invests in communities

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

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, had approximately 2 288 permanent employees and 455 contractors. 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

ISO 14001:2015 (Environmental Management Systems) certificate

HMH is proud to have achieved ISO 14001:2015 (Environmental Management Systems) certification, demonstrating its commitment to the environmental pillar of sustainability. HMH strive to maintain these certifications through continual improvement of our HSSE (Health, Safety, Security, and Environment) processes and procedures, employee consultation, compliance with local HSSE legislations, annual Process Review, and internal and external audits. By doing so, they are furthering it's ESG strategy and meeting its commitments.

ISO 45001:2018 (Occupational Health and Safety Management Systems)

Certificate ensures safe and healthy workplaces across the organization. As part of this commitment, HMH has implemented HSSE Committee meetings at all locations to ensure consultation and participation of workers in relevant matters. Furthermore, the organization has established a system to monitor essential health and safety regulations, to ensure compliance with applicable laws.

Health and safety

HSE has always represented a key priority for the Akastor group. 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 this 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 2022, as in previous years, no events violating the agreements were reported.

Equality and diversity

The Akastor portfolio companies have a worldwide 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 assess 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 consolidated subsidiaries was 71%. 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 better paid. Akastor and its portfolio companies assess whether they have employees who are involuntarily working part time; and no issues have been identified. 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 performed throughout the Akastor group to obtain feedback on how employees experience the current work environment. In 2022 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.

In the Akastor group, the ratio of men to women is 74/26, which is approximately the same as in 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 with a large proportion of men, the companies are considering activities that will increase the share of permanently employed women. As part of its management system, HMH 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 2022, all portfolio companies 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 2022, the new Transparency Act, related to transparency and work on fundamental human rights and decent working conditions, was implemented in Norway. All portfolio companies have performed a risk assessment to identify risk of breaching human rights and decent working conditions, and risk-mitigating initiatives have been implemented. No known breach occurred in 2022.

Regarding the risk-mitigating activities, the companies have implemented several procedures. For example, 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. This 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 continuously monitor their suppliers. If it is discovered that any supplier fails to meet the requirements set, and these failures are not reasonably remedied, their contracts will be terminated.

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 addition, in 2022, 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 2022, 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 , including HMH and AKOFS, are active on 6 continents and serve customers from bases in 20 countries. Approximately 1/3 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 to the societies where they are active, and to do their utmost in protecting, respecting and contributing positively towards the environment and human rights.

Key 2022 figures for Akastor consolidated subisitaries

- Number of employees: 412
- Employee turnover: approx. 13%
- Nationalities represented: approx. 25
- Share of women: 26%
- Sick leave: 2.0%

Photo: Rolf Estensen

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 2022 and the Corporate Governance Report for 2022, which is included in the Akastor Annual Report 2022.

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 The Norwegian Corporate Governance Board in all material respects.

Key 2022 figures for Akastor AS

- Integrity training: 100%
- Share of women in top management at Akastor AS: 13%

Board diversity in 2022 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, contractors 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 has become a signatory to the UN Global Compact and seeks to align its operations with 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 2022, 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 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 consolidated subsidiaries received no whistleblowing notifications during 2022, which is considered to be fewer than the international average compared to the number of employees, based on the latest NAVEX Global benchmark report. Any cases reported would be followed up with in accordance with the Akastor whistleblowing procedure.

In 2022, 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.

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 2022. 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 performs 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 the past two years, one review has been undertaken — in AGR — and no issues were identified.

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 2022, Akastor experienced no breaches of data.

Key 2022 figures for Akastor consolidated subsidiaries

- Integrity training: 87% of target group
- Akastor 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 Houston, Texas
Website: www.hmhw.com
Akastor's ownership interest: 50%
Number of employees: 2 099
Revenue (2022): USD 675 million
EBITDA (2022): USD 79 million
Share of non-oil revenue (2022): 0%
Countries of operation: Global operations with offices in 16 countries
Certifications: ISO 9001, 14001 and 45001

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 team of engineers, HMH actively embraces new opportunities in other industries, including offshore wind, subsea mining, geothermal, civil construction and innovative digital solutions. HMH's operating segments are Equipment and System Solutions (ESS) and Pressure Control Systems (PCS).

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 2022, the focus has been for HMH to follow up and ensure implementation of its ESG strategy and Sustainability Policy in both operating segments. The Strategy and Policy are based on HMH's overarching Vision and Strategy. The integration of PCS and ESS workstream HMH's sustainability, and 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 has achieved an accredited ISO 14001:2015 (Environmental Management Systems) certification to enhance its environmental performance and contribute to the environmental pillar of sustainability. HMH also has an ISO 45001:2018 (Occupational Health and Safety Management Systems) certificate. The implementation of the ISO 45001:2018 standards forced them, among other things, to ensure consultation with and participation of workers in relevant matters. HMH 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. The company is now focused on maintaining the certifications through continuous improvement of their supporting HSSE processes and procedures, consultation with their employees, compliance with local HSSE legislations, an annual process review, and internal and external audits. These certifications assist them in meeting their ESG strategy and commitments.

For its Norwegian-registered entity, HMH has a certification for Equality, Diversity and Inclusion. The certification scheme is owned by the Agder County Municipality for private and public companies that wish to work in a practical, systematic and strategic way to promote equality, prevent discrimination and create diversity within their own organization. The ultimate goal is to further develop a culture and working environment in which all HMH employees feel secure and encouraged to speak up against any acts of discrimination.

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 is committed to conducting due diligence in alignment with the Norwegian Transparency Act and the company has conducted an updated human rights risk assessment. No adverse incidents were identified; however, the assessed risk is mainly in the supply chain, and HMH has implemented a Supplier Declaration and terms and conditions for purchasing, and has focused on indirect suppliers being registered in the supply chain management programme Lean Linking. HMH is committed to transparent disclosure of its policies and procedures and to closely monitoring its complete supply chain.

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 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 helps to enable 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 help in reducing 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.

Key ESG figures and targets[1]

ENVIRONMENT	2021*	2022
Energy used (MWh)	30 168	53 222
Energy intensity (MWh per million hours worked)	11 831	14 384
CO_2 emissions (tonnes)[2]	4 612	12 214
CO_2 emissions intensity (tonnes per million hours worked)	1 809	3 301
CO_2 emissions—Scope 3 (tonnes)[2]	651	1 483
Reduction of GHG emission (Scope 1–3)	4 692	0
Total waste (tonnes)	3 007	6 310
Waste sorted before disposal (%)[3]	40	49
Hazardous waste (tonnes)	177	125
SOCIAL (& HSE)		
Employees incl. contractors (FTE)[4]	1 446	1 983
Female/male (%)[5]	18/82	18/82
Women in management (%)	13	13
Pay equality (women/men)	95	95
Lost time incident frequency (LTIF)[6]	0.8	1.6
Total recordable injuries frequency (TRIF)[6]	3.1	3.2
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	3.7	3.6
GOVERNANCE		
Integrity classroom training (%)[7]	98	85
Code of Conduct e-learning (%)[8]	95	85
Whistleblowing reports	2	1
Total revenue (million)	USD 562	USD 675
EBITDA (million)	USD 64	USD 79

* *2021 figures only contain the ESS portion of HMH.*

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

HMH SUMMARIZED TCFD REPORT 2022[1]

1. Governance

The climate risk assessment is reported to Akastor and reviewed by Akastor's board of directors.

HMH has undertaken a 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 the 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 2022 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 target is to 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 2022' chapter at the end of the ESG Report 2022.*

HMH ESG STRATEGY GOALS

Climate & Environment (E)

- Become an industry leader in developing services and technology that support the transition to a more energy-efficient Exploration and Production (E&P) sector
- Act to reduce direct and indirect negative impacts on the external environment from the products, services and operations we provide
- Seek to explore sustainable business opportunities in adjoining industries
- Operate a climate neutral business by 2050

Social (S)

- Always respect, promote and encourage equity, diversity, and inclusion (EDI)
- Ensure that the values created by HMH benefit the societies in which we are present and are used to stimulate economic and social development
- Protect the health, safety, human rights and well-being of our workforce
- Actively seek opportunities for supporting local communities
- Attract, develop and retain employees

Governance (G)

- Be open and transparent about the way we operate and the impact that we have on society
- Conduct our business with integrity, ensuring compliance with laws where we operate
- Include ESG assessment as part of investment decisions

AKOFS OFFSHORE

Head quarters location: Oslo, Norway.

Website: www.akofsoffshore.com

Akastor's ownership interest: 50%

Number of employees: 348

Revenue (2022): NOK 1 453 million

EBITDA (2022): NOK 468 million

Share non-oil revenue (2020): 0%

Countries of operation: Norway and Brazil

Certifications: ISO 9001, ISO 14001 and ISO 45001

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, the 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. AKOFS Offshore Environmental and climate management strategy establish a systematic protection of the environment and systematically work to reduce emissions that contribute to climate change; this is key to AKOFS' "license to operate". An HSE mindset is important for the company, and AKOFS' employees are working towards the 'zero' vision. AKOFS believes that, with proper precautions in their operations, it can be possible to 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 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 2022[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 2022 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 2022' chapter at the end of the ESG Report 2022.*

AKOFS Offshore key ESG figures and targets[1]

ENVIRONMENT	2021	2022
Energy used (MWh)	177 363	166 269
Energy intensity (MWh per million hours worked)	268 122	339 324
CO_2 emissions (tonnes)[2]	46 652	39 744
CO_2 emissions intensity (tonnes per million hours worked)	70 524	81 117
CO_2 emissions—Scope 3 (tonnes)[2]	217	354
Reduction of GHG emission (scope 1-3)	2 558	2368
Total waste (tonnes)	590	1174
Waste sorted before disposal (%)[3]	75%	98%
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	292	348
Female/male (%)[5]	11/89	10/90
Women in management (%)	14	10
Pay equality (women/men)	97%	67%
Lost time incident frequency (LTIF)[6]	0	0
Total recordable injuries frequency (TRIF)[6]	1.0	1.7
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	3.0	3.8
GOVERNANCE		
Integrity classroom training (%)[7]	91	93
Code of Conduct e-learning (%)[8]	97	99
Whistleblowing reports	10	0
Total revenue (million)	USD 147	NOK 1453
EBITDA (million)	USD 37	NOK 468

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

AKOFS OFFSHORE ENVIRONMENTAL AND CLIMATE MANAGEMENT STRATEGY

AKOFS Offshore is committed to;

- Provide energy efficient subsea well construction and intervention services resulting in significantly less emissions to air compared to the traditional alternative of using a rig for such services
- Start phasing in vessels with low and zero-emission technologies as such technologies become available and financially viable to enable the fleet to sail without harmful emissions from 2050
- Cut greenhouse gas emissions significantly by 2030 compared to 2010, by using more energy efficient equipment/technology as it become available, use of sustainable low and zero-emission fuels from an early stage, and to operate our vessels as energy-efficiently as possible
- From 2020 onwards significantly reduce the fuel consumption and CO_2 and NOX emissions on the AKOFS Seafarer through hybrid electrification and exhaust cleaning (scrubber) technology - reducing fuel and CO_2 by 15% and NOX with 85%
- Continue to meet our obligations as per our ISO 14001 environmental management system certification
- Perform continuous onboard operational optimization regarding reduction and control of energy consumption, releases to air and releases to sea
- Continuously work with our clients and stakeholders to utilize options for environmental improvements
- Explore new business opportunities in the offshore renewable segment

AGR

Head quarters location: Oslo, Norway.
Website: www.agr.com
Akastor's ownership interest: 100% shareholding, 64% economic interest
Number of employees: 368
Revenue (2022): NOK 789 million
EBITDA (2022): NOK 81 million
Share of non-oil revenue (2022): Less than 1%
Countries of operation: Global operations, and offices in Norway, the UK and Australia
Certifications: ISO 9001:2015 (Quality Management Systems) and ISO 14001:2015 (Environmental Management Systems)

About AGR

AGR is a multi-disciplinary engineering consultancy and software provider. Harnessing its 35 years' energy industry experience, AGR provides Well Management, Subsurface and Asset Evaluations support and delivers Wellsite and Operations Geologists in addition to software and workforce 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 low-cost, low-carbon 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.

AGR has a strong culture and 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 knows subsurface and is therefore ideally placed to facilitate the industry transition towards decarbonization and sustainable energy production.

1. CCS: AGR has built up its carbon storage and use capability over the last decades and offers engineering consultancy, from carbon storage site screening and characterization to delivering CO_2 storage wells. In 2022, AGR was involved in a collaborative project evaluating CO_2 storage in Australia, in connection with a Japan–Australia hydrogen supply chain development pilot project.

2. Geothermal: AGR Software products are actively logged for geo well planning and geothermal drilling cost estimation. iQx™ is trusted to offer enhanced analysis of the project risks and visualize correlation between time and risk. As a result, the user has clearer understanding of the most optimal project outcome. Increased clarity of the probable outcome range leads to more accurate budgets and evokes interest from the investors, who gain greater transparency for their investments' return.

3. Wind: At the beginning of the year, AGR's wind services company merged with IKM's Kran & Løft, establishing Føn Energy Services. Through early-phase involvement and a fully integrated O&M (operations and maintenance) offering, Føn aims to bring down the levelized cost of energy for wind energy developers and operators. The company considers digitalization and industrialization as the keys to unlock additional value and secure improved risk distribution across the offshore wind value. With its 80+ employees, Føn services both the maritime and traditional energy markets and the wind energy market.

4. Seabed minerals: It is believed that deep seabeds hold the key to overcoming the looming global shortage of needed minerals 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 2022[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 review 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 assesses their own risk and opportunities.

AGR's risks and opportunities are included in Akastor's summarized presentation in the ESG Report 2022 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 2022' chapter at the end of the ESG Report 2022.*

AGR—key ESG figures and targets[1]

ENVIRONMENT	2021	2022
Energy used (MWh)	580	505
Energy intensity (MWh per million hours worked)	2 816	3 301
CO_2 emissions (tonnes)[2]	148	89
CO_2 emissions intensity (tonnes per million hours worked)	767	581
CO_2 emissions—Scope 3 (tonnes)[2]	7.5	10
Total waste (tonnes)	2.5	2.5
Hazardous waste	0	0
Waste sorted before disposal (%)[3]	55%	55%
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	389	365
Female/male (%)[5]	29/71	27/73
Women in management (%)	11	27
Pay equality (women/men)	81%	72%
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	3.3
GOVERNANCE		
Integrity classroom training (%)[7]	99	80
Code of Conduct e-learning (%)[8]	52	85
Whistleblowing reports	0	0
Total revenue (NOK million)	723	789
EBITDA (NOK million)	33	81

[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 iQx™ sales outside oil & gas industry
5. Development of CO_2 calculator on iQx™ platform

Long term (2030):

1. 30% of WM revenue from carbon storage/ geothermal/P&A
2. 30% of RM revenue from 'green projects'
3. 30% of iQx™ sales from non-oil & gas usage
4. 30% of consultants on non-oil & gas projects

DDW OFFHORE

Head quarters location: Oslo, Norway

Website: www.ddwoffshore.com

Akastor's ownership interest: 100%

Number of employees: 52 FTE*

Revenue (2022): NOK 147 million

EBITDA (2022): NOK 7 million

Share of non-oil revenue (2022): None

Countries of operation: Global operations, and office in Norway

Certifications: Maintained by ship managers

* *Total FTE at year end was 52. The FTEs are engaged by the ship manager, DOF. The company DDW Offshore has no employees, and its general manager is hired in from Akastor AS.*

DOF Management AS ("DOF") has commercial, technical and operational management of three vessels. DOF actively develops and contributes to health, safety, environment and quality (HSEQ) policies and practices for crew onboard the vessels. The three vessels under management of DOF are included in this report. With regards to the two remaining vessels, DDW Offshore has entered into a sale agreement for the disposal of the vessels to OceanPact in 2023. Until they are formally purchased by OceanPact, they are being leased through a bareboat agreement for operation in Brazil. DDW Offshore no longer has operational control of these two vessels, and they are not included in 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.

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. The engagement of crew is managed by a third-party company.

DDW OFFSHORE SUMMARIZED TCFD REPORT 2022[4]

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 2022 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.

[4] *For the full Akastor TCFD report, see the 'TCFD Report 2022' chapter at the end of the ESG Report 2022.*

DDW Ofshore–key ESG figures and targets[1]

ENVIRONMENT	2021	2022
Energy used (MWh)	105	0
Energy intensity (MWh per million hours worked)	1 582	0
CO_2 emissions (tonnes)[2]	12 618	18 528
CO_2 emissions intensity (tonnes per million hours worked)	190 083	167 229
SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	25	52
Female/Male (%)[5]	0/100	0/100
Lost time incident frequency (LTIF)[6]	0	0
Total recordable injuries frequency (TRIF)[6]	0	2
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	144

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

DDW OFFSHORE

Short term:
1. DDW Offshore will build its ESG initiatives on Akastor's Sustainability Policy, and reputable ship managers will be selected to be commercial, technical and operational managers of its vessels

Long term:
2. Start phasing in vessels with low and zero-emission technologies

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
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.	6.8%	2018

APPENDIX

- Greenhouse gas emission calculations
- TCFD Report
- Climate risk and opportunities
- CDP Report
- Consolidated ESG report
- Transparency Act Statement
- GRI content index

Greenhouse gas emission calculations 2022

The Greenhouse Gas Protocol (GHG Protocol) 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. By using acknowledged emission factors, consumption data are recalculated into CO_2 emissions. According to the GHG Protocol, Scope 2 standard, emissions for electricity are calculated using both location-based and market-based emission factors.

Consolidated subsidiaries - Akastor AS, AGR, Cool Sorption and DDW Offshore.

Reported by	Description	Reporting	Unit	Emission factor	Unit	Source	Emission	Unit
Scope 1								
DOF Management	Fuel Oil for DDW Offshore's three vessels	18 528	tCO_2e	-	tCO_2e	DOF emission report	18 528	tCO_2e
Total Scope 1							**18 528**	**tCO_2e**
Scope 2								tCO_2e
Fornebuporten	Electricity for Akastor AS	101 908	kWh	11	g CO_2 per kWh	Sognfjord	1.1	tCO_2e
Fornebuporten	Electricity for Akastor AS	23 358	kWh	4.77	g CO_2 per kWh	Oslofjord Varme	0.1	tCO_2e
Fornebuporten	Electricity for Akastor AS	53 269	kWh	3.74	g CO_2 per kWh	Oslofjord Varme	0.1	tCO_2e
Cool Sorption	Electricity	30	MWh	207	-	CS emission report	2.4	tCO_2e
AGR	Electricity	505	MWh	-	-	AGR emission report	89	tCO_2e
DDW Offshore	N/A							tCO_2e
Total location-based Scope 2							**93**	**tCO_2e**
Total market-based Scope 2							**93**	**tCO_2e**
Sum Scope 1 and 2							**18 621**	**tCO_2e**
Scope 3								tCO_2e
AMEX	Air travel emissions for Akastor AS	98		-	tCO_2	Amex (travel agency)	98	tCO_2e
Fornebuporten	Waste for Akastor AS	3 758	Kg	21.28	Kg CO_2 per tonnes	DEFRA	80	tCO_2e
Cool Sorption	Air travel emissions	150		-	tCO_2	Amex (travel agency)	150	tCO_2e
Cool Sorption	Waste	200	Kg	21.28	Kg CO_2 per tonnes	DEFRA	4	tCO_2e
AGR	Air travel emissions	10		-	tCO_2	Amex (travel agency)	10	tCO_2e
AGR	Waste	2 500	Kg	21.28	Kg CO_2 per tonnes	DEFRA	53	tCO_2e
Portfolio (HMH and AKOFS)							26 899	tCO_2e
Total Scope 3							**27 295**	**tCO_2e**

Joint ventures, 50% owned, HMH and AKOFS
GHG Protocol's Investment-specific method.

Reported by	Description	Source	Emission	Unit	Akastor ownership	Akastor Scope 3	Unit
Scope 1							
AKOFS Offshore	AKOFS Scope 1	AKOFS emission report	39 744	tCO_2e	0.5	19 872	tCO_2e
HMH	HMH Scope 1	HMH emission report	4 792	tCO_2e	0.5	2 396	tCO_2e
Total			**44 536**	**tCO_2e**	**0.5**	**22 268**	**tCO_2e**
Scope 2				tCO_2e			tCO_2e
AKOFS Offshore	AKOFS Scope 2	AKOFS emission report	3.2	tCO_2e	0.5	1.6	tCO_2e
HMH	HMH Scope 2	HMH emission report	5 910	tCO_2e	0.5	3 711	tCO_2e
Total location-based			**7 425**		**0.5**	**3 713**	
Total market-based			**7 425**		**0.5**	**3 713**	
Sum Scope 1 and 2			**51 961**			**25 981**	
Scope 3							
AKOFS	Air travel emissions	AKOFS emission report	354	tCO_2e	0.5	177	tCO_2e
	Waste	AKOFS emission report	No data		0.5	No data	tCO_2e
HMH	Air travel emissions	HMH emission report	1 483	tCO_2e	0.5	742	tCO_2e
	Waste	HMH emission report	No data		0.5	No data	tCO_2e
Total			**1 837**	**tCO_2e**	**0.5**	**919**	**tCO_2e**
				tCO_2e	**Total Akastor**	**26 899**	**tCO_2e**

TCFD REPORT 2022

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 climate-related risks and opportunities the organization has identified over the short, medium and long term.	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

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 ESG Report 2022. 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 2022 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.

<table>
<tr><th colspan="2">Climate Risk and opportunities assessment 2022</th></tr>
<tr><td colspan="2">Physical risk</td></tr>
<tr><td rowspan="2">Physical risk
Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes</td><td>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</td></tr>
<tr><td>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</td></tr>
<tr><td colspan="2">Transition risk</td></tr>
<tr><td rowspan="2">Regulatory risks
Stricter regulations such as CO_2 taxes, cap-and-trade schemes, energy efficiency requirements and reporting requirements</td><td>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</td></tr>
<tr><td>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</td></tr>
<tr><td rowspan="2">Market risks
Changes in market demand, customer requirements and investor behaviour</td><td>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</td></tr>
<tr><td>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
• Use of more efficient modes of transport and production may lead to reduced cost and less emissions</td></tr>
<tr><td rowspan="2">Technology Risks
Step-wise or radical technology shifts leading to increased need for investments or risk of stranded assets</td><td>Reported Risks
1. Substitution of existing products and services with lower emissions options, risk of write offs or stranded assets
2. 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)</td></tr>
<tr><td>Reported Opportunities
• Increased demand if able to invest and develop attractive technologies and solutions</td></tr>
<tr><td rowspan="2">Reputational Risks
Risk of stigmatization leading to loss of good-will, brand value and employee attraction</td><td>Reported Risks
3. Stakeholder concerns regarding oil and gas industry
4. Difficulty attracting talent and retaining experienced personnel with an oil and gas profile</td></tr>
<tr><td>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</td></tr>
</table>

AKASTOR – CONSOLIDATED SUBSIDIARIES (INCLUDING AKASTOR, AGR, DDW OFFSHORE AND COOL SORPTION)[1]

ENVIRONMENT	2021	2022
Energy used (MWh)	720	800
Energy intensity (MWh per million hours worked)	2 200	2 400
CO_2 emissions Scope 1 and 2(tonnes)[2]	12 800	18 600
CO_2 emissions intensity (tonnes per million hours worked)	38 500	55 400
CO_2 emissions Scope 3	26 000	27 300
Reduction of GHG emissions (Scope 1–3)[9]	0	0
Total waste (tonnes)	4	6
Waste sorted before disposal (%)[3]	50	52
Sites in or adjacent to protected natural areas	0	0

SOCIAL (& HSE)		
Employees incl. hired-ins (FTE)[4]	431	412
Female/male (%)[5]	30/70	26/74
Employee turnover (%)	4	13
Pay equality (women/men)	80	71
Number of nationalities represented	24	25
Amount spent on community initiatives (NOK million)	1.0	1.9
Lost time incident frequency (LTIF)[6]	0.0	0.0
Total recordable injuries frequency (TRIF)[6]	0.0	8.9
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	1.4	2.0

GOVERNANCE		
Women in management (%)	20	15
Women on board of directors (%)	25	25
Integrity classroom training (%)[7]	70	79
Code of Conduct e-learning (%)[8]	80	87
Whistleblowing reports	0	0
Net capital employed (NOK million)	5 084	4 645
Total wages expense	367	366
Taxes paid	0	3
R&D expenditure	1	9
Revenue from activities within the fossil fuel sector (%)	100	100
Investment aligned with EU Taxonomy (%)	0	0

1) *The figures referred to in this report relate to consolidated subsidiaries in Akastor's industrial portfolio.*

2) *The GHG Protocol Corporate Accounting and Reporting Standard is used to calculate tonnes of CO2 emissions; the 2022 figures are Scope 1 (18 500) and Scope 2 (100).*

3) *Waste before disposal is calculated by weight of segregated waste per total waste.*

4) *Including approximately 182 contractors.*

5) *The reported figure is based on permanent employees (230) 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 25% 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 57% 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 2022, it was awarded a B 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

TRANSPARENCY ACT REPORT 2022

The Transparency Act is a new Norwegian law which promotes enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services; it also ensures that public has access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions as well as secure public access to information.

The Act applies to larger enterprises that are residents in Norway and that offer goods and services in or outside Norway. The Act also applies to larger foreign enterprises that offer goods and services in Norway.

The Act requires enterprises to establish guidelines, perform human rights due diligence, establish actions to mitigate risk, and to monitor results, stakeholder dialogue and access to remedies. The Act entered into force on 1 July 2022.

Akastor and its portfolio companies have established guidelines and routines to safeguard human rights and decent working conditions throughout its operations. Akastor and its portfolio companies provide mostly services within the oil service segment and have customers in more than 20 countries, please see the Akastor ESG Report , pages 19-20, for more information about Akastor and its portfolio companies. The core governing documents for Akastor's management of and compliance with human rights and decent working conditions are:

- Code of Conduct
- Sustainability Policy
- Participation in Aker's Global Framework Agreement
- Supplier Declaration

Akastor has a whistleblowing channel available for external reports. Akastor has not received any grievances or whistleblowing concerning human rights and decent working conditions. Akastor and its portfolio companies does conduct risk assessments, and with a global presence there is an inherent risk that it may occur breach of human rights and decent working conditions in the supply chain. However, Akastor and its portfolio companies have not identified any actual adverse impacts or significant risk of adverse impacts through its risk assessments or the due diligences of business partners.

If Akastor and its portfolio companies cause or contribute to adverse human rights impact they shall take necessary steps and strive to remedy the adverse impact.

Akastor and its portfolio companies' policies and procedures, contractual terms and conditions, due diligence while onboarding and ongoing monitoring of business partners represent key risk mitigating measures for addressing significant risks of adverse impacts concerning human rights and decent working conditions.

Fornebu, 22 March 2023 | Board of Directors of Akastor ASA

GRI CONTENT INDEX 2022

Statement of Use: Akastor has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 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 Portfolio Composition, about the report	5, 8
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	Portfolio Overview	24-33
2-7 Employees	Commitment to Social	18-20
2-9 Governance structure and composition	Commitment to Governance	22-23
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	Commitment to Governance	22-23
2-14 Role of the highest governance body in sustainability reporting	Commitment to Governance TCFD Assessment	22-23, 36-37
2-17 Collective knowledge of the highest governance body	Portfolio Overview	24-33
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	3
2-23 Policy commitments	Active Ownership, Commitment to Governance	7, 22-23
2-24 Embedding policy commitments	Commitment to Social, Commitment to Governance	18-20, 22-23
2-25 Processes to remediate negative impacts	https://akastor.com/about/whistleblowing-channel	
2-26 Mechanisms for seeking advice and raising concerns	Commitment to Governance	22-23
2-27 Compliance with laws and regulations	Commitment to Governance	22-23
2-28 Membership associations	IndustryAll, UN Global Compact	
2-29 Approach to stakeholder engagement	Akastor's Approach to ESG	8
2-30 Collective bargaining agreements	Commitment to Social	18-20
GRI 3: Material Topics		
3-1 Process to determine material topics	Akastor's Approach to ESG, double materiality assessment	8, 9
3-2 List of material topics	Double materiality assessment	9
3-3 Management of material topics	Commitment to Environment, Commitment to Social and Commitment to Governance	11-22

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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 assessment	36-37
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	Commitment to Governance	18-20
203-2 Significant indirect economic impacts	Portfolio Overview	24-33
GRI 205: Anti-corruption 2016		
3-3 Management of material topics	Commitment to Governance	22-23
205-2 Communication and training about anti-corruption policies and procedures	Commitment to Governance	22-23
GRI 305: Emissions 2016		
3-3 Management of material topics	Commitment to Environment	11-17
305-1 Direct (Scope 1) GHG emissions	Commitment to Environment, KPI table	11-17, 39
305-2 Energy indirect (Scope 2) GHG emissions	Commitment to Environment, KPI table	11-17, 39
305-3 Other indirect (Scope 3) GHG emissions	Commitment to Environment, KPI table	11-17, 39
305-4 GHG emissions intensity	Commitment to Environment, KPI table	11-17, 39
305-5 Reduction of GHG emissions	Commitment to Environment, KPI table	11-17, 39
GRI 308: Supplier Environmental Assessment 2016		
3-3 Management of material topics	Commitment to Environment	11-17
308-1 New suppliers that were screened using environmental criteria	Commitment to Social	18-21
GRI 401: Employment 2016		
3-3 Management of material topics	Commitment to Social	18-21
405-1 Diversity of governance bodies and employees	Commitment to Social, Portfolio Overview	18-21, 24-33
405-2 Ratio of basic salary and remuneration of women to men	Commitment to Social, Portfolio Overview	18-21, 24-33
GRI 414: Supplier Social Assessment 2016		
3-3 Management of material topics	Commitment to Social	18-21
414-1 New suppliers that were screened using social criteria	Commitment to Social	18-21

CONTACT DETAILS

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Whistleblowing at Akastor

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