



AKASTOR

2015

CORPORATE  
RESPONSIBILITY  
REPORT



## ABOUT THIS REPORT

This report constitutes the corporate responsibility report for Akastor ASA and covers the 2015 fiscal year. In this report, we present our approach to corporate responsibility as well as the implementation, activities and performance of Akastor and each of its portfolio companies in 2015. The purpose of the report is to support our primary stakeholders — investors, customers and our employees — in their gaining insight into activities related to corporate responsibility at Akastor and our portfolio companies. The report aims to provide a balanced picture of the opportunities and challenges we meet in this area and how we seek to manage them.





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We work closely with our portfolio companies to facilitate efficient and sound processes, in order to operate responsibly and with zero tolerance for corruption



# 01. AKASTOR

## LETTER TO OUR STAKEHOLDERS

Welcome to Akastor's 2015 Corporate Responsibility Report. This past year was a year of many challenges, but Akastor and its portfolio companies made significant progress in several areas, including adapting to altering market conditions and further strengthening our governance model.

I am proud of our companies' commitment towards operating responsibly and we hope you will find this report valuable as we share information about several of the ongoing activities related to corporate responsibility.

### Market Environment and Our Employees

A key theme in 2015 was falling oil prices and restructuring across the portfolio which has led to substantial workforce reductions. The total workforce at Akastor and its subsidiaries has been reduced by one quarter compared with the previous year and additional personnel reductions have been announced in 2016. This situation is difficult for our organization at all levels, particularly for our colleagues who have had to leave their jobs. It has therefore been important for our portfolio companies to have programs in place to make sure affected employees receive necessary information, training, and other support that address their needs.

### Ongoing Investigation

Toward year-end 2015, Akastor received information that potentially links our subsidiary Fjords Processing to the ongoing "Lava Jato" corruption investigations in Brazil.

The matter concerns Fjords Processing's work on the P54 project, which was finalized in 2009. Even though Fjords Processing is neither aware of, nor has been accused of any wrongful doings, the company has engaged external advisors to investigate whether any bribe may have been paid. Akastor strongly supports this process. Akastor maintains zero tolerance for corruption and we are determined to identify any unacceptable conduct.

### Integrity Matters

Akastor has built substantial compliance and corporate responsibility competence. We work closely with our portfolio companies to facilitate efficient and sound processes, in order to operate responsibly and with zero tolerance for corruption. Akastor also retains authority to approve business decisions in certain high-risk areas. We believe our hands-on approach adds value to our business and addresses the high expectations of our key stakeholders.

With reduced activity levels in many of our traditional areas of operation, Akastor companies are seeking business opportunities in new markets. Akastor supports our companies' global business development, which includes securing processes that safeguard our integrity, particularly in high-risk jurisdictions.

While the challenges in our markets remain evident, I am excited about Akastor's future and continue to be impressed with our people's dedication to creating a rewarding future for our businesses. I am convinced that their dedication and commitment to operating with integrity will generate value for all our stakeholders.



Kristian Røkke, CEO



# 5 677

employees worldwide (FTE)

# 15.9 NOK

billion  
total revenues

## AKASTOR KEY FIGURES (including portfolio companies)

	2015	2014
Total revenues (NOK billion)	15.9	21.4
EBITDA (NOK million)	702	1 380

## PEOPLE

Total employees (FTE)	5 677	7 609
Own staff (Headcount)	5 311	6 544
Female   Male (%) <sup>1)</sup>	26   74	28   72
Integrity classroom training (%) <sup>2)</sup>	89	66
Anti-corruption e-learning (%) <sup>3)</sup>	83	new

## ENVIRONMENT

Energy used (MWh)	103 000	146 000
Energy intensity (MWh per million hours worked <sup>4)</sup> )	8 512	11 794
CO2 emissions (tonnes) <sup>5)</sup>	26 500	34 370
CO2 emissions (tonnes per million hours worked <sup>4)</sup> )	2 190	2 775
Total waste (tonnes)	3 700	6 109
Recycling factor (%)	78	69
Hazardous waste (tonnes)	400	362

## HEALTH AND SAFETY

Lost Time Incident Frequency (LTIF) incl. sub contractors (per million hours worked) <sup>4) 6)</sup>	0.66	0.65
Total Recordable Incident Frequency (TRIF) incl. sub contractors (per million hours worked <sup>4) 7)</sup> )	1.32	1.62
Fatalities incl. sub contractors	0	0
Sick leave (% of hours worked)	2.6	2.7

Throughout this report, employee-related statistics are calculated using employee headcounts. Instances in which data are based on Full Time Equivalent (FTE) figures are clearly identified as such.

<sup>1)</sup> Percentage based on own employees

<sup>2)</sup> the classroom course was updated May 2015. Reported figure in 2015 includes all previous course attendance in percent of target group.

<sup>3)</sup> E-learning was new in 2015.

<sup>4)</sup> Hours worked in 2015: 12.1 million.

<sup>5)</sup> GHG Protocol standard is used to calculate tonnes CO2 emission; the 2015 figures are Scope 1: 19 700 and Scope 2: 6 800. Reduction in CO2 emissions was mainly due to lower activity in 2015.

<sup>6)</sup> Lost time incidents incl. sub contractors in 2015: 8

<sup>7)</sup> Recordable incidents incl. sub contractors in 2015: 16



## COMPANY PROFILE

Akastor ASA is a Norway-based oil-services investment company with a portfolio of industrial holdings and other investments. Akastor ASA and its portfolio of companies (hereinafter jointly referred to as “Akastor”) are organized as independent stand-alone companies responsible for all aspects of their own operations. Aker Kværner Holding AS, which is owned by Aker ASA and the Norwegian government, is the largest shareholder of Akastor with a shareholding of 40.27 percent. The Akastor shares are traded on the Oslo Stock Exchange under the ticker AKA. The Akastor portfolio had 2015 revenues of about NOK 15.9 billion, EBITDA of NOK 0.7 billion and 5 677 employees worldwide at year-end.

The corporate organization of Akastor comprises 23 employees, all working from a new headquarters office located near Oslo in the municipality of Bærum, Norway. 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. Our aim is to maximize the value potential of each entity by clarifying the portfolio companies' business models, capitalize on their market positions, and strengthen underdeveloped areas of value creation.



The Akastor portfolio had 2015 revenues of about NOK 15.9 billion, EBITDA of NOK 0.7 billion and 5 677 employees worldwide at year-end.

## THE AKASTOR PORTFOLIO



Real Estate and  
other holdings



## INTERNATIONAL PORTFOLIO



Akastor portfolio companies are active on six continents and serve customers located in more than 30 countries. The portfolio companies are integral participants in the countries and regions in which they operate, and are often important contributors in local communities.

COUNTRY	EMPLOYEES (FTE) insourced and contract <sup>1)</sup>	REVENUES NOK million <sup>2)</sup>	COUNTRY	EMPLOYEES (FTE) insourced and contract <sup>1)</sup>	REVENUES NOK million <sup>2)</sup>
Australia	188	936	Kuwait	0	0*
Austria	0	94	Malaysia	256	49
Azerbaijan	59	234	Myanmar	0	0*
Brazil	337	440	Netherlands	6	0*
Brunei	0	4	Nigeria	28	22
Canada	30	88	Norway	2 479	8 010
China	31	2	Pakistan	60	24
Cyprus	0	46	Papua New Guinea	0	17
Czech Republic	4	0*	Russia	47	89
Denmark	29	55	Singapore	327	1 528
France	56	176	South Korea	0	5
Germany	571	590	Thailand	59	70
India	86	0*	UAE	68	168
Indonesia	421	56	UK	229	2 039
Kazakhstan	3	12	USA	304	1 113

\* internal revenue only

<sup>1)</sup> The locations of employees and hired-ins under contract, are based on the location of the company where they were employed as of 31 December 2015

<sup>2)</sup> Revenue figures by country include internal and external revenues and are based on location of the company in which the revenue is recognized. Intercompany sales are subtracted (as "eliminations") to present external revenues in the income statement.





## INTEGRITY MATTERS

### Commitment and policies

The Code of Conduct is the key governing document in Akastor, and describes the groups' commitments and requirements to business practices and personal conduct. The Code of Conduct constitutes the most important guideline for corporate responsibility and integrity throughout Akastor. The Code of Conduct is mandatory and applicable to all employees, hired-ins and other representatives in all Akastor portfolio companies.

The Code of Conduct ranks above all other policies and guidelines in the Akastor enterprise and compliance with it is a major focus area. The Code of Conduct is a tool for resolving ethical dilemmas and legal challenges Akastor faces when entering new markets, when collaborating with partners and in developing and delivering products and services.

Akastor aligns with the corporate responsibility principles of the UN Global Compact, the United Nations Convention against Corruption, the Universal Declaration of Human Rights, the implementation framework of 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 guide our Code of Conduct and Integrity Policy and provide the overall framework for our corporate responsibility efforts.

Akastor's Integrity Policy is mandatory for all portfolio companies and supports the Code of Conduct by describing the controls that must be in place to manage corporate responsibility and compliance in accordance with the Code of Conduct. For example, the Policy requires all portfolio companies to ensure that their suppliers commit to safety, human rights and anti-corruption, and describes processes required for integrity evaluations when planning business activities in high-risk countries.

Within corporate responsibility, Akastor maintains a strong focus on anti-corruption. Sustainable operations in an extractive industry require a strong stance against corruption. Corruption has the potential to distort the broader economic benefits a country can derive from oil and gas production. Akastor aims to take a precautionary approach to ensure that it performs well within the expectations of governments, law enforcement authorities and the general public and make sure the zero tolerance approach to corruption is well known among customers, business partners and employees. Other

key focus areas are respect for human rights, health and safety and environmental responsibility. This focus is reflected throughout the report.

### Operating model

As an active owner, Akastor requires each portfolio company to implement a corporate responsibility strategy based on four main priorities that are considered material to the companies' stakeholders and to the oil services industry:

- Working against corruption
- Respecting human rights
- Caring for health and safety
- Minimizing adverse environmental impact

Sound implementation of Akastor's Code of Conduct and Integrity Policy requires continuous attention and effort. Accordingly, Akastor's Legal and Compliance function support the portfolio companies in their implementation of policy requirements. Every portfolio company must conduct its own risk assessment and establish a detailed risk management process and work flow for risk management and report to the portfolio company's own board of directors. Each portfolio company appoints an individual responsible for compliance who is the main contact person for day-to-day compliance and integrity issues.

Akastor's Legal and Compliance function regularly arranges online meetings where compliance staffs at all portfolio companies are invited to discuss pertinent topics. In 2015, these compliance meetings have covered operating procedures in topics that include third-party representatives, sanctions, whistleblowing and high-risk countries. Akastor's Legal and Compliance personnel monitor policy implementation via quarterly reports from the portfolio companies and by undertaking reviews of portfolio company operations.

The Akastor Board of directors and their Audit Committee receives at a minimum quarterly updates on the main integrity risks and relevant compliance activities.



## PROGRAMMES TO STRENGTHEN INTEGRITY

### Integrity Training and Awareness

Strong employee integrity is a valuable safeguard against corruption and unethical conduct. Education and awareness are key pillars for managing integrity risks and ensuring that managers, directors, employees, and other representatives of Akastor are able to work against corruption.

Classroom training is important at Akastor and participants are actively involved in classroom discussions. The target group is broad and covers office-based employees and employees who interact with our business partners. Important updates and enhancements to our broad training programs were made in 2015. Classroom training has been a part of Akastor training programs for several years. In May 2015, the training curriculum was updated to reflect the risk picture of Akastor's organization and the increased maturity of the compliance program. Information and discussions of ethical dilemmas and selected areas of the Code of Conduct and Integrity Policy take place during interactive sessions lasting two-and-a-half hours. By year-end 2015, some 33 percent of Akastor personnel had participated in the updated classroom training and about 89 percent had been through either the previous or the updated sessions.

In September 2015, Akastor published a complete set of Code of Conduct e-learning modules. Code of Conduct e-learning is mandatory for all office-based staff and is incorporated in the on-boarding schedule for new employees at all portfolio companies. The first module is an introduction to the Code of Conduct; the six subsequent modules cover the most important topics in the Code of Conduct. 27 percent of Akastor personnel had completed all seven courses by year-end 2015. The completion rate is expected to increase in 2016, as two additional portfolio companies rolled out e-learning in January.

Management awareness and competence are also key factors in minimizing corruption risk. Akastor has conducted awareness sessions with management and key functions. In these sessions, potential ethical dilemmas and integrity issues are discussed. As the sessions conclude, all participants share their considerations and evaluate potential alternative resolutions for the dilemmas discussed.

Training is also important for our owners. Aker ASA, as a significant Akastor stakeholder, has ensured that all Akastor companies are made aware of Aker's Anti-Corruption policy and the zero-tolerance approach to corruption through an e-learning campaign for all office-based employees. The participation rate at Akastor was 83 percent by year-end 2015.

### Third-party Representative Assessment

All types of third-party representatives — “agents” — constitute an increased risk to Akastor's integrity. Akastor has had a restrictive approach to third-party representatives for several years. Nevertheless, portfolio companies sometimes require the use of third-party representatives as sales agents or representatives that deal with government officials. The portfolio companies are required to implement strong guidelines covering how to engage and follow up on such representatives. All portfolio companies prepare quarterly reports on their use of third-party representatives.

Akastor continued its focus on mapping and minimizing the use of sales agents in 2015 and has only a limited number of active sales agents. Another key focus in 2015 has been to increase internal due diligence and contract requirements to agent relationships where interfacing with governmental bodies is involved.

### Country Risk Evaluations

Akastor's business is global and sometimes takes place in high-risk jurisdictions. In order to address risks related to operating in or delivering to such jurisdictions Akastor maintains a “Country Watch List” which is reviewed at least biannually, and which prescribes different risk assessment procedures for countries according to their assessed risk level. A few countries are listed as “restricted,” which means that no Akastor entity can perform any activities in these countries or deliver anything (directly or indirectly) to end customers or end users located there.

Through these integrity assessments, the portfolio companies build increased awareness of potential risks, such as corruption risks, human rights impacts and environmental risks and have the possibility to address such risks at an early stage.

### Whistleblowing

Whistleblowing is an important measure for receiving information about undesirable conditions so that they can be corrected. Akastor is adamant about encouraging whistleblowing and handles whistleblowing reports in a professional manner. Akastor has a whistleblowing channel that is available for reports relating to all Akastor portfolio companies. Every incident reported through the whistleblower system is received by Akastor's Legal and Compliance function. All employees are required to report breaches of the Code of Conduct, and Akastor encourages reporting of any concerns



as to non-compliance with law and/or ethical standards. The Akastor whistleblowing investigation procedure was updated in 2015 to further strengthen professionalism and improve data protection procedures.

In February 2015, Akastor received a concession from the Norwegian Data Protection Authority to operate an externally accessible whistleblowing channel. Akastor has an agreement with InTouch MCS Ltd, an independent service provider, to further strengthen privacy protection and to enable communication with anonymous whistleblowers.

During 2015, Akastor received a total of 35 whistleblowing notifications. This figure is slightly higher than the previous year's reporting, but is lower than the industry and company-size average. Akastor will continue to foster awareness of the whistleblowing channel. A growing number of reports was received during the final months of 2015, subsequent to the launch of a whistleblower brochure and several e-learning modules which included communicating the importance of whistleblowing and how to reporting concerns. Increased reporting indicates that the communication drive has had a positive effect. By year-end, 21 reports had been investigated and closed. All notifications received are investigated in accordance with the Akastor Whistleblowing Investigation Procedure.

## Compliance Reviews

The Akastor Integrity Policy was published in January 2015 and has been implemented by the portfolio companies through communication and training. The implementation process in the various portfolio companies was a key focus for Akastor's Legal and Compliance function, from January to September. In October 2015, Akastor Legal and Compliance initiated the first compliance reviews to assess implementation of the Akastor Integrity Policy at the various portfolio companies, and to assess whether the relevant integrity risks for the organization are addressed. Akastor considers such reviews to be an important measure to improve awareness of the Integrity Policy and assess its implementation. The reviews also provide Akastor with extended insight into relevant business risks and challenges. Two reviews were completed in Q4 and implementation of compliance reviews will continue to be a focus area in 2016.



## 02. PORTFOLIO COMPANIES

The following chapters present an overview of each of Akastor's portfolio companies and their key corporate responsibility activities and achievements in 2015.







## MHWIRTH



MHWirth is a leading global provider of first-class drilling solutions and services designed to give our valued customers safer, more efficient and reliable operations. The company's vision drives an unparalleled commitment to quality and major economic advantages.

The company's reputation is preserved through a winning combination of values, people and innovative technologies, proven by a respected track record and a vast collection of customer success stories. MHWirth has a global span covering five continents, with offices in more than 20 countries. The company employed 3 005 dedicated professionals year end 2015.

2015 was a challenging year for MHWirth, due to the drop in oil prices, which has impacted the company's markets and customers. It has been important for MHWirth to focus on key stakeholders: customers, partners, investors and employees, and to restructure its organization and cost base to adjust to the expectations of customers and investors. Downsizing has been necessary, and throughout this process the focus has been on ensuring that procedures are well handled for all current, former and exiting employees.

MHWirth works to ensure that all activities are aligned with the company's corporate responsibility strategy:

- Safeguarding that the value derived from operations also benefits the societies in which the company has a presence, and that it is used to stimulate local economic and social development
- Protecting the health, safety, human rights, and well-being of the company's workforce
- Reducing negative environmental impact of the global oil and gas industry by providing leading technology and environmentally safe products — and by reducing the adverse environmental effects of MHWirth's own operations
- Being open and transparent about the way MHWirth operates and its impact on society by providing accurate information to our employees, customers, partners, investors and other stakeholders.

### Health, Safety, Security and Environment (HSSE)

HSSE is a key priority in all aspects of MHWirth's business. From office work through manufacturing, installation, commissioning and service, the company continuously strives to maintain a zero incident rate.

MHWirth employees work under various conditions around the world; thus, the company maintains a strong focus on reducing risk in all situations. Through its HSSE management

3 005  
employees worldwide (FTE)

6.7 NOK  
billion  
total revenues

system, policies, procedures, competences and company culture, HSSE is an integral part of all operations. HSSE represents a core value and commitment that MHWirth brings to its customers, employees and partners.

A zero-incident mindset is promoted by the MHWirth executive management team and implemented via continuous, practical activities at global operations:

- Ensuring HSSE content in meetings on all levels
- Reporting incidents and sharing lessons learned throughout teams
- Maintaining cultural awareness and overcoming language barriers
- Holding employee conversations focused on employee health and stress levels
- Instituting security and emergency preparedness in all teams



Photo: Rolf Estensen

- Defining, measuring, and reporting on HSSE key performance indicators
- Training and testing to secure the competence necessary to perform jobs safely
- Promoting a culture of awareness, alertness and reporting non-conformance with HSSE standards.

### Investing in Skills and Development

MHWirth is a global company with a widespread local presence. The company focuses on local content, regional production requirements and local expertise in meeting contractual obligations to its customers.

To further develop skills across functions and regional borders, MHWirth's aftermarket division (Drilling Lifecycle Services) regularly re-assigns a significant number of local service engineers to work with the company's most experienced technicians at other locations. This advances the company's excellent international training environment and sharing of best practices.

In addition to international assignments, MHWirth's service engineers regularly attend web-based technical courses. Such training has proven to be both cost-effective and eco-friendly, and enhances technical competence and motivation.

### Restructuring and Downsizing

In response to the market slowdown, MHWirth has throughout 2015, and into 2016, adjusted organizational capacity and has announced aggregated personnel reductions of approximately 2 300 people, corresponding to a reduction of around 54 percent compared to year-end 2014.

Redundant personnel have been offered professional outplacement services that provide help in searching for new jobs. This system is reported to be highly successful and the participants have given positive feedback on the training.

### Compliance and Ethics Training

Compliance and ethics training has primarily been conducted through the use of a new e-learning portal acquired in 2014.





The following courses were rolled out during 2015: IT Security, Global Bribery, and Ethics and Compliance (whistleblowing). Additional training includes the Aker Zero Tolerance course and Akastor/MHWirth integrity training via e-learning, which was rolled out in MHWirth January 2016.

One of the prioritized compliance activities has been holding risk workshops for departments and communicating an updated policy framework. Brief e-learning courses called nano-learning disseminated the new information. The online programs also document that each participant has read and understood key policies.

Classroom compliance training was not conducted for all legal entities in 2015 due to the company's comprehensive restructuring and downsizing process. This training will resume in 2016. Plans are to hold classroom training for all remaining target employees by the end of the second quarter of 2016.

### Supply Chain Management

MHWirth has approximately 750 approved suppliers on its qualified supplier list. All suppliers must operate in accordance with MHWirth's values and Code of Conduct and meet required HSSE standards. Key MHWirth supplier selection criteria also mandate quality, on-time delivery, fulfilling customer requirements, appropriate competition and equal treatment of suppliers.

### Environmental Impact

MHWirth is committed to continuously reducing its adverse environmental impact. The company designs products and services that reduce undesirable environmental impact and achieve safe and efficient utilization of energy and natural resources. MHWirth's operations are conducted with efficient use of materials and energy, and with minimum waste and damage to the environment. The company seeks to ensure that products can be recycled or safely disposed — and measures the environmental footprint of old and new products across all engineering and manufacturing units.

The total waste was reduced by 40 % compared to 2015. This was mainly due to the lower activity in the production facilities. MHWirth's target Key Performance Indicator (KPI) for environmental impact is a recycling factor that exceeds 80 percent. The goal was not reached in 2015. MHWirth intends to reach this goal in 2016 by closer follow-up of regions and production areas, greater re-use of packaging materials and improved office-waste monitoring

accompanied by campaigns to promote recycling of food, glass, and paper wastes.

Cost-cutting can also reduce emissions to the environment. Greater use of online meetings to eliminate travel is one such achievement. The company's Facility Management helps attain efficient lighting and energy consumption at operations.

MHWirth has reported reduced CO2 emissions by 32 tonnes or 0.3% from 2014. The relatively small change can be attributed to improved reporting routines in 2015. The 2016 goal for CO2 emissions is a further 10-percent emissions cut, which will be achieved mainly by reduced travel.

## COLLABORATING ON ENVIRONMENTAL STANDARDS

Through participation in the Ecotrack project, MHWirth helps shape international environmental standards. The Ecotrack project seeks to document the environmental impact of products and services developed, produced and used by the oil and gas industry.

Ecotrack is a tool and methodology that helps companies analyze and document how their businesses affect the environment. The tool is used to measure and evaluate environmental impact factors, such as energy consumption, the supply chain, discharges, and emissions. Increased awareness of environmental costs and eco-friendlier alternatives enables solutions that are better for the environment and business. Companies that can document greater sustainability are preferred partners and gain a valuable competitive advantage.

During 2015, the Ecotrack branding and reputation management group produced an animated film describing the project's purpose and scope. The film was launched at the Offshore Technology Conference (OTC) held in Houston.



## LIFE AND LIMB CAMPAIGN 2015

As a response to an increase in injuries to limbs and serious near misses, MHWirth's US office launched a safety program in 2015 called the "Life and Limb Safety Campaign." Through employee engagement exercises and by simulating the loss of a vital body part, the campaign drives home the "reality" of an accident's consequences.

Every 15 days, each facility's local management chooses two departments whose supervisors nominate one person each, to participate in the day's safety exercise. These crew members attend a Life and Limb safety board meeting at which the program's goal is explained and an exercise is created that illustrates the vulnerability of a limb or other body part. At the end of the participants' work shift, he or she writes a summary of the exercise, telling what was experienced and the workplace lessons learned. Their accounts are recorded in the Life and Limb Campaign format and posted for viewing by MHWirth employees, visitors, and customers.

As a result, MHWirth's safety culture has been reinforced, and regard for the safety of life and limb in challenging work environments has been strengthened.



## KEY FIGURES

	2015	2014
Total revenues (NOK million)	6 743	10 681
EBITDA (NOK million)	(176)	941

## PEOPLE

Total employees (FTE including hired-ins) <sup>9)</sup>	3 005	4 237
Own staff (Headcount)	2 971	3 770
Female   Male (%) <sup>1)</sup>	18   82	19   81
Integrity classroom training (%) <sup>2)</sup>	78	78
Anti-corruption e-learning <sup>3)</sup>	75	(new category)

## ENVIRONMENT

Energy used (MWh) <sup>4)</sup>	37 400	62 400
Energy intensity (MWh per million hours worked) <sup>5)</sup>	5 754	7 796
CO2 emissions (tonnes) <sup>6)</sup>	9 950	9 982
CO2 emissions intensity (tonnes per million hours worked) <sup>5)</sup>	1 531	1 243
Total waste (tonnes) <sup>4)</sup>	2 200	4 079
Recycling factor (%)	74	87
Hazardous waste (tonnes)	230	167

## HEALTH AND SAFETY

Lost Time Incident Frequency (LTIF) incl. subcontractors (per million hours worked) <sup>5) 7)</sup>	1.2	0.8
Total Recordable Incident Frequency (TRIF) incl. subcontractors (per million hours worked) <sup>5) 8)</sup>	1.8	1.8
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	3.1	3.1

<sup>1)</sup> Percentage based on own employees

<sup>2)</sup> The classroom course was updated May 2015. Reported figure in 2015 includes all previous course attendance

<sup>3)</sup> E-learning was new in 2015

<sup>4)</sup> Reduction mainly due to lower activity in 2015

<sup>5)</sup> Total hours worked in 2015: 6.5 million

<sup>6)</sup> GHG Protocol standard is used to calculate tonne CO2 emission; the 2015 figures are Scope 1: 3 840 and Scope 2: 6 110

<sup>7)</sup> Lost time incidents in 2015, incl. subcontractors: 7

<sup>8)</sup> Recordable incidents in 2015, incl. subcontractors: 11

<sup>9)</sup> Reduction in number of employees is mainly due to market conditions. Further downsizing has been initiated in 2016





983

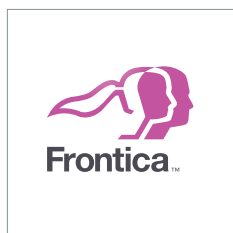
employees worldwide (FTE)

4.9 NOK  
billion

total revenues



## FRONTICA



**Frontica** is a leading provider of key corporate services. Frontica operates through two separate business areas: **Frontica Advantage** and **Frontica Business Solutions**. Frontica Advantage delivers comprehensive staffing, recruitment and global mobility solutions. Frontica Business Solutions provides solutions within the Information Technology Outsourcing (ITO) and Business Processes Outsourcing (BPO) segments. Frontica Business Solutions operations encompass information technology, procurement, finance, payroll, business consulting and administrative services.

### Introduction

Frontica's history dates back more than a decade to 2002 when the company was established to provide in-house services to Aker Solutions. Today, Frontica is an independent Akastor group company with a total of 785 own employees located in Asia, South America, Europe and North America.

Frontica core values — quality, respect and trust — guide employees' actions and conduct for achieving the corporate vision of providing solutions preferred by our customers. Vision and values set the direction of the business, support its ambition and affirm the type of employer Frontica aspires to be.

Frontica considers that corporate responsibility means making sustainable decisions in everything the company does. Frontica is committed to succeeding through doing what is ethical for employees, investors and customers by maintaining a focus on internal development and corruption-inhibiting efforts.

### Developing our Employees

Frontica aims to support employees' continuous development, and supports them in achieving their full potential. We have developed a new structured career model that clearly highlights the various career paths available. Through the career model and performance management system, employees receive feedback about their performance and contribution to Frontica's success.

Frontica aspires to be an inclusive workplace, free from discrimination and harassment. Working in eight countries, Frontica's employees represent more than 29 nationalities. Women constitute 61 percent of the global workforce and men, 39 percent. Frontica believes that diversity and equal opportunity add value to teams and improve global services. A Frontica goal is to improve gender equality in 2016.

### Restructuring and Downsizing

Frontica and a significant part of the customer base linked to the oil and gas industry, have been affected by the drop in oil prices. Consequently, a comprehensive restructuring and downsizing was implemented in the company throughout the year. Redundant personnel have been offered professional outplacement services that provide help in searching for new jobs.

### Working Against Corruption

Frontica has zero tolerance for corruption. Integrity is the key to gaining essential trust of customers. All employees are expected to adhere to anti-corruption principles and to perform all tasks with integrity. Frontica continually examines in-house practices and has procedures that trigger immediate action when the company identifies potential violations. The company provides classroom training and e-learning programs covering the Code of Conduct.

To ensure compliance, Frontica's Procurement and Tender Policy states that appropriate screening must be conducted for all new customers and suppliers. For high-risk countries, Frontica follows Integrity Policy guidelines and conducts risk assessments when necessary. Risk assessments, which include risk evaluations as to potential corruption, breaches of human rights, or violations of employee rights, are conducted for all new customers and suppliers by Frontica's compliance function and its risk and quality department.

### Caring for health, safety and the environment

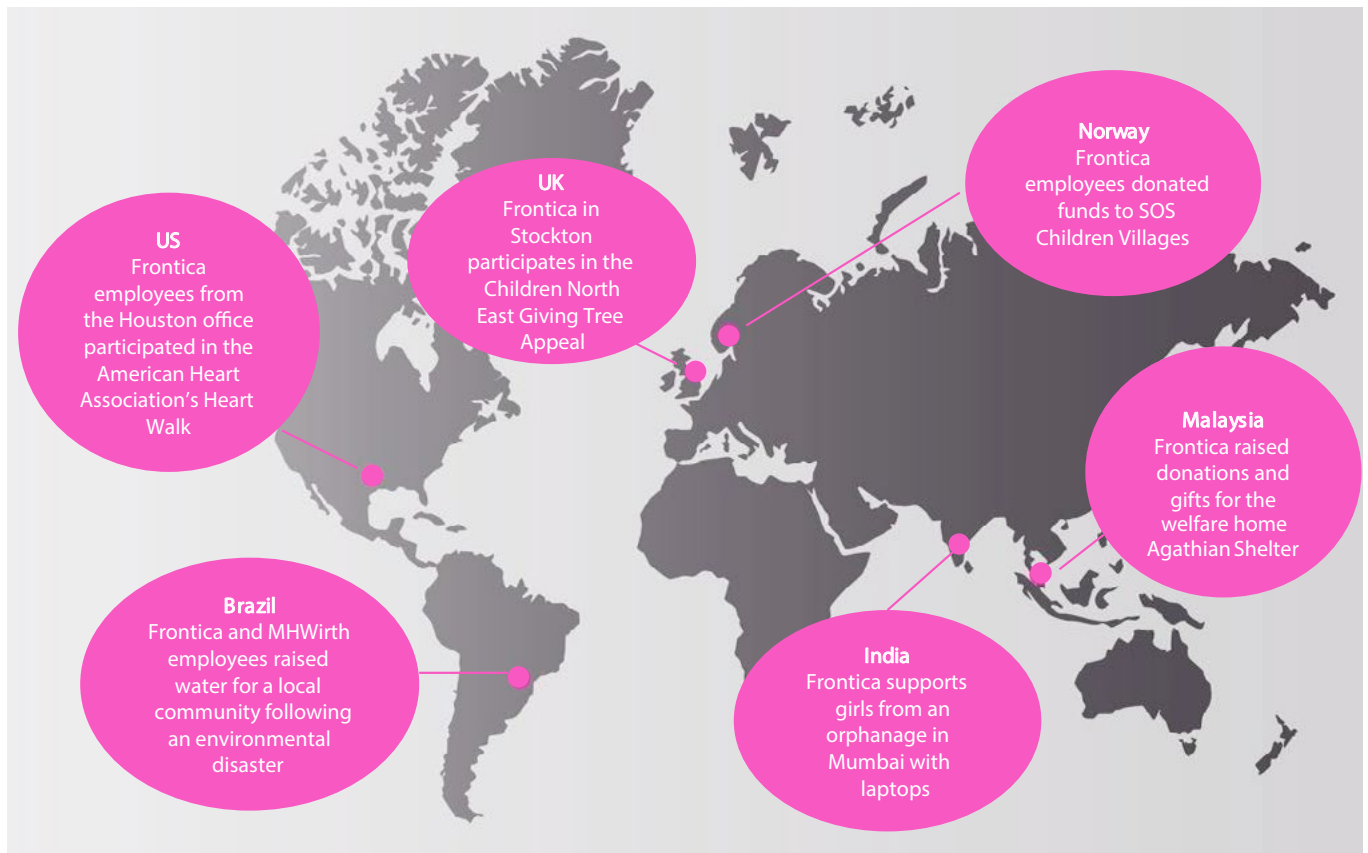
Frontica is committed to responsible, efficient and sustainable business conduct that fulfills the expectations of employees, customers, communities and other stakeholders. Frontica



holds that all business activities can be performed in a safe and environmentally responsible manner.

The total waste reported in 2015 has increased significantly compared to 2014. This is because of better routines in the reporting process for HSE data and does not reflect real increases in actual waste.

HSE risks and impacts are managed and minimized in a systematic and structured manner that meets and exceeds legal framework compliance. To ensure reliable products and services, HSE principles are aspects of overall service lifecycle planning, execution for sustainable operations. Through leadership, long-term HSE strategy and annual HSE activity planning, Frontica continually strives to improve its workplaces and prevent undesirable incidents and occupational illnesses.



## CARING FOR SOCIETY — AN ONGOING CHRISTMAS GIFT

Donating to charity is one way in which Frontica gives back to society. Instead of giving Christmas gifts to employees, in 2014 and 2015 Frontica donated funds to a charity that benefits those who are in need. To engage employees, Frontica conducted an employee survey to decide which charity should receive corporate support in 2015. Employees voted on three selected international non-profit organizations presented in the survey. Based on the survey, a donation was made to SOS Children's Villages, a global NGO that provides long-term, family-centric living facilities, support and education to children who have lost, or are at risk of losing, parental care.





## KEY FIGURES

	2015	2014
Total revenues (NOK million)	4 919	5 753
EBITDA (NOK million)	260	315

## PEOPLE

Total employees (FTE including hired-ins) <sup>9)</sup>	983	1 356
Own staff (Headcount)	785	963
Female   Male (%) <sup>1)</sup>	61   39	55   45
Integrity classroom training (%) <sup>2)</sup>	56	47
Anti-corruption e-learning (%) <sup>3)</sup>	100 (new category)	

## ENVIRONMENT

Energy used (MWh)	6 150	(not reported)
Energy intensity (MWh per million hours worked) <sup>5)</sup>	3 844	2 733
CO2 emissions (tonnes) <sup>6)</sup>	210	(not reported)
CO2 emissions intensity (tonnes per million hours worked) <sup>5)</sup>	131	143
Total waste (tonnes) <sup>4)</sup>	130	21
Recycling factor (%)	55	54
Hazardous waste (tonnes)	0	1

## HEALTH AND SAFETY

Lost Time Incident Frequency (LTIF) incl. subcontractors (per million hours worked) <sup>5) 7)</sup>	0	0.4
Total Recordable Incident Frequency (TRIF) incl. subcontractors (per million hours worked) <sup>5) 8)</sup>	0	0.4
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	4.0	3.9

<sup>1)</sup> Percentage based on own employees

<sup>2)</sup> The classroom course was updated May 2015. Reported figure in 2015 includes all previous course attendance

<sup>3)</sup> E-learning was new in 2015

<sup>4)</sup> Increase due to improved reporting routines, and does not reflect actual increases

<sup>5)</sup> Total hours worked in 2015: 1.6 million

<sup>6)</sup> GHG Protocol standard is used to calculate tonne CO2 emission; the 2015 figures are Scope 1: 0 and Scope 2: 210

<sup>7)</sup> Lost time incidents in 2015, incl. subcontractors: 0

<sup>8)</sup> Recordable incidents in 2015, incl. subcontractors: 0

<sup>9)</sup> A significant part of the reduction in head count is a result of outsourcing in 2014 that took effect in 2015



## AKOFS OFFSHORE



AKOFS Offshore is a global provider of vessel-based subsea well construction and intervention services to the oil and gas industry. AKOFS Offshore's main markets in 2015 were Brazil, West Africa, and the North Sea.

AKOFS Offshore has three vessels, Skandi Santos, Aker Wayfarer, and AKOFS Seafarer. The main stakeholders of AKOFS Offshore are its owners, customers and employees. The organization's corporate responsibility focus is on reducing stakeholder risk related to health, safety, the environment, quality, integrity and the supply chain.

### Health, Safety, Environment and Quality

AKOFS Offshore adheres to high standards for health, safety and protection of the environment. Strong HSE performance is required by Norwegian and global customers in the oil and gas industry. To systematically manage all work processes, AKOFS Offshore maintains a comprehensive HSE and Quality management system. The integrated management system incorporates requirements and practices pertaining to health, safety, environment, quality and risk. The management system has adopted the Plan-Do-Check-Act (PDCA) principles that are core to all ISO/OHSAS Quality Management and HSE system standards. Annually, a set of HSEQ goals is established based on internal and external stakeholder expectations. Once these goals are determined at the beginning of the year, compliance is monitored and followed up throughout the year. All key HSEQ goals for 2015 were met. The table below summarizes main HSEQ goals, key performance indicators (KPI) and results.

91  
employees worldwide (FTE)

0.8 NOK  
billion  
total revenues

#### GOAL DESCRIPTION

#### GOAL

#### RESULT (YEAR-END)

No injury to personnel	LTI = Zero, TRIF <3	LTI = Zero, TRIF=Zero
Low sick-leave	<4% Offshore <2% Onshore	Offshore=1.6% Onshore=1.3%
Work environment: Launch in-house newsletter	2015	Started in June
Work environment: conduct internal personnel survey	2015	Performed in June
Quality: Successful ISO management system re-certification	2015	Achieved in Q3

AKOFS Offshore operates with a proven HSEQ management system compliant with international and national HSEQ management standards (ISO 9001, ISO 14001, OHSAS 18001, NORSOK S-006). The management system is audited annually and certified by an accredited third party, DNV GL.

### Environmental Protection

AKOFS Offshore is fully committed to conducting our business in an environmentally responsible manner. Since 2010, AKOFS Offshore has successfully carried out offshore operations that meet stringent oil company environmental requirements,



Photo: Harald M. Valderhaug

national and international environmental legislation, and the requirements of the ISO 14001 environmental management system.

AKOFS Offshore sets annual environmental protection goals for its operations. The bulk of emissions is generated by the company's ships. Each vessel develops its own environmental program and determines actions to meet annual goals. AKOFS Offshore reached its key 2015 goal, which related to offshore operations: There were zero recordable incidents due to oil spills at sea.

A key onshore project management activity in 2015 was the planning and execution of a vessel conversion. Aker Wayfarer will be outfitted and commissioned to commence contract work offshore Brazil in 2016. The vessel's environmental

protection capabilities include important onboard mechanical systems designed to prevent oil spills.

The offshore services market has been challenging and AKOFS Seafarer has been idle during most of 2015. Reduced vessel activity lowered the company's CO<sub>2</sub> emissions and disposal of waste. The use of hazardous waste has increased in 2015 due to maintenance work performed on the vessels.

### Integrity

In some geographic locations in which AKOFS Offshore operates, businesses may be exposed to significant integrity risks. AKOFS Offshore works meticulously to ensure that all employees are prepared to recognize and deal appropriately with potential integrity issues.



During 2015, AKOFS Offshore provided tailored e-learning and classroom training sessions — in Portuguese and English — to all employees. Preparedness ensures that potential ethical dilemmas are properly addressed and fully understood.

### Supply Chain

AKOFS Offshore requires its suppliers to commit to stringent integrity and corporate responsibility standards.

Management principles governing procurement are described in the Procurement & Logistics Policy, to which all AKOFS departments must adhere. AKOFS Offshore Procurement and Logistics function is responsible for maintaining the Procurement & Logistics Policy and ensuring and verifying compliance. Line and project management are responsible for implementing this policy throughout their organization.



### AKOFS 2015 “ONE TEAM” INTEGRATION SEMINARS IN BRAZIL

For the sixth year in a row, AKOFS conducted “One Team” integration seminars in Brazil. These annual seminars provide full-day policy alignment sessions for the Skandi Santos offshore crew and the onshore AKOFS organization. The Skandi Santos is crewed entirely by Brazilians, and Portuguese is the working language on board.

The primary objective of One Team seminars is to integrate and align the personnel at the three main companies involved in servicing the Petrobras contract for the Skandi Santos: AKOFS Offshore (contract management and subsea services), DOF Subsea (ROV services) and Norskan (marine vessel management). The seminars' principal focus areas are alignment with AKOFS values and topics related to quality, health, safety and the external environment. The seminars feature team-building sessions and presentations. The 2015 seminars were held in August and November in Rio de Janeiro.





## KEY FIGURES

	2015	2014
Total revenues (NOK million)	781	1 542
EBITDA (NOK million)	104	175

## PEOPLE

Total employees (FTE including hired-ins)	91	115
Own staff (Headcount)	87	110
Female   Male (%) <sup>1)</sup>	14   86	13   87
Integrity classroom training (%) <sup>2)</sup>	60	59
Anti-corruption e-learning (%) <sup>3)</sup>	96	(new category)

## ENVIRONMENT

Energy used (MWh)	53 500	(not reported)
Energy intensity (MWh per million hours worked) <sup>5)</sup>	107 000	158 005
CO2 emissions (tonnes) <sup>6)</sup>	12 870	(not reported)
CO2 emissions intensity (tonnes per million hours worked) <sup>5)</sup>	25 740	37 921
Total waste (tonnes) <sup>4)</sup>	380	669
Recycling factor (%)	80	51
Hazardous waste (tonnes) <sup>9)</sup>	35	18

## HEALTH AND SAFETY

Lost Time Incident Frequency (LTIF) incl. subcontractors (per million hours worked) <sup>5) 7)</sup>	0	0
Total Recordable Incident Frequency (TRIF) incl. subcontractors (per million hours worked) <sup>5) 8)</sup>	0	0
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	1.5	2.3

<sup>1)</sup> Percentage based on own employees

<sup>2)</sup> The classroom course was updated May 2015. Reported figure in 2015 includes all previous course attendance

<sup>3)</sup> E-learning was new in 2015

<sup>4)</sup> Reduction mainly due to lower activity in 2015

<sup>5)</sup> Total hours worked in 2015: 0.5 million

<sup>6)</sup> GHG Protocol standard is used to calculate tonne CO2 emission; the 2015 figures are Scope 1: 2 840 and Scope 2: 30

<sup>7)</sup> Lost time incidents in 2015, incl. subcontractors: 0

<sup>8)</sup> Recordable incidents in 2015, incl. subcontractors: 0

<sup>9)</sup> Increase is due to maintenance work performed in 2015



## FJORDS PROCESSING



Fjords Processing provides world-class wellstream processing technology, systems and services to the upstream oil and gas industry. The company delivers market-leading solutions for separation and treatment of oil and gas based on innovative technology and extensive competence accumulated over the last 40 years.

Fjords Processing is a global provider with local presence in most of the key oil and gas centers around the world. Fjords Processing is headquartered in Oslo, Norway, and has over 500 employees, represented in 17 countries on six continents. The company is among the few in the industry to offer complete processing systems for both onshore and offshore installations.

# 545

employees worldwide (FTE)

# 1.9 NOK billion

total revenues

project and employment sites, delivering environmentally safe and sustainable solutions to our customers and developing technology with a view towards optimizing the use of resources in a safe manner.

### Stakeholder Assessment

Fjords Processing is continuously in dialogue with internal and external stakeholders from various geographical locations and market segments. The company defines its most important stakeholders to be its clients, suppliers, owners, trade unions and most importantly, its employees.

In 2015, an employee engagement survey was conducted covering all locations. Survey findings showed performance exceeded industry standards.

Overview of key findings and proposed actions:

- Low Turnover — Low employee turnover indicated a positive work environment
- Positive Changes — Despite the company having undergone extensive changes in the last few years, employee feedback indicated that such changes were considered to be improvements
- Stress and Bullying/Harassment — The percentage of employees indicating they sometimes felt stress or harassment was somewhat higher for project execution employees. The company made immediate efforts to address this concern by implementing a mandatory awareness and training program regarding these issues was rolled out globally and received positive feedback. Furthermore, Aker Care (the Aker group-wide healthcare provider) was engaged to provide stress awareness and management training at major office locations.

### Corporate responsibility in Fjords

The core corporate responsibility focus of Fjords Processing is aligned with Akastor's priorities; namely to work against corruption, to respect human rights and to care for health, safety and the environment.

Fjords Processing's commitment to corporate responsibility is summarized by the following principles:

- Zero tolerance for corruption.
- Respect for human rights and active avoidance of complicity in human rights violations
- Care for the health and safety of employees
- Effectivemanagementofoperationalenvironmental impacts by adoption of a precautionary approach.

In 2016, Fjords Processing will continue efforts to make responsible and sustainable business decisions. This involves continuing to provide safe working environments on all



The company's key clients are engaged via various means of communication, including direct dialogue to discuss specific issues and needs. Fjords Processing's goal is to be an efficient and flexible service partner, and the company's physical presence in all major global oil and gas markets puts the company in a position to achieve this goal.

### Our Staff

In 2015, Fjords Processing focused on a strategy of "better before bigger" and aims to build upon this objective through 2016. In particular, the company focused on establishing solid standards, an example of which is a new and improved Project Execution Management (PEM) structure. In 2016, the company will focus at the individual level by mapping competence gaps and initiating programs that fit the company's strategy.

The "myPerformance" system is the primary tool for employees and managers to align individual objectives with company strategy, and deliver and seek feedback on performance. The tool also allows for a dialogue concerning skill gaps and employees' development needs. This provides the company with direct input regarding learning development and allows it to continue the initiatives implemented to address these needs.

### Environment

The environmental initiatives taken by Fjords Processing include:

- Provision of preferred parking places for electric and carpool vehicles
- Special parking facilities, showers and changing areas to encourage and facilitate the use of bicycles
- Office sites designed to reduce heat absorption and light pollution
- Recycling of waste material at all office sites.
- Purchasing locally wherever practicable to minimize carbon footprints.

### Supply chain

Fjords Processing only engages with suppliers who consistently operate in accordance with company values and the Akastor Code of Conduct, and who are in compliance with national laws and regulations. Suppliers must also meet the company's requirements governing health and safety, quality management, environment, ethics and anti-corruption. The



company exercises responsible supply chain management and encourages integrity and respect for workers' rights among its suppliers. In 2015, the Sub-contractor Minimum HSSE Requirements Standard was implemented as a contractual requirement of new subcontractual relationships.

In addition, Fjords Processing initiated a review of its supply base in order to target a more sustainable business. The review aims to engage suppliers that can deliver according to the above-mentioned corporate responsibility requirements. All suppliers are pre-assessed considering ethical and financial performance and all critical suppliers, such as fabrication subcontractors, are qualified through an audit. During such audits, the auditor examines personnel management and working conditions from an HSSE perspective in addition to assessing the supplier's overall skills, facilities and logistics capabilities. To help monitor supplier compliance with company standards, a Supplier Qualification and Information System (SQiS) is used. SQiS measures and predicts supplier performance in a number of areas through rigorous qualification and monitoring procedures and by providing a fact-based approach to supplier selection and development.

## Business Integrity and Compliance

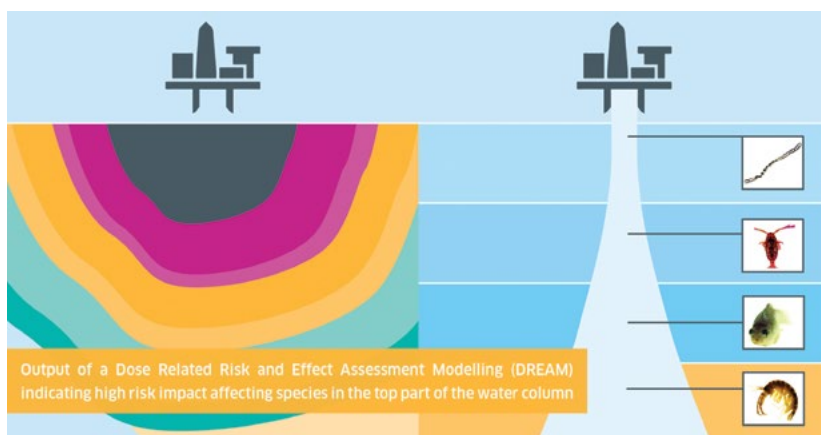
Conducting business in adherence to the Akastor Code of Conduct and in compliance with the local and international laws under which Fjords Processing operates is a fundamental corporate value. In 2015, the company continued classroom instruction in business ethics practices; by year-end, 81% of employees had received this training. In addition, the company extended this integrity training to agents who represent the company.

Fjords Processing has zero tolerance for fraud and corruption. Should unacceptable activities be identified, the company is committed to taking concrete action. In late 2015, links to potential bribery in Brazil were identified, during the ongoing "Lava Jato" corruption investigation by Brazilian authorities. This relates to Fjords Processing's past delivery of P-54, which was finalized in 2009. An independent investigation has been initiated to identify whether any bribe has been paid.

## RECYCLING, ENVIRONMENT AND CHARITY

Fjords Processing's Perth, Australia, office recently donated obsolete laptops and PC peripherals to the Transform Cambodia organization. The equipment will be used by children in Cambodia to support their information technology education.

## ENVIRONMENTAL RISK ASSESSMENT



The Fjords Processing Environmental Unit based in Flotta, UK, is dedicated to environmental protection. The assessment of environmental risk due to waste-water discharges is a core service offered to clients. The unit's expertise includes ecotoxicology testing using its recently upgraded laboratory along with environmental dispersion modeling via DREAM (Dose-related Risk and Effect Assessment Model) software. These procedures are highly beneficial because they identify the main components contributing to overall environmental risk, including specific chemicals, and report the recommendations of chemists, process engineers and biologists concerning measures to reduce environmental harm.





## KEY FIGURES

	2015	2014
Total revenues (NOK million)	1 936	2 322
EBITDA (NOK million)	104	52

## PEOPLE

Total employees (FTE including hired-ins)	545	617
Own staff (Headcount)	497	546
Female   Male (%) <sup>1)</sup>	29   71	27   73
Integrity classroom training (%) <sup>2)</sup>	81	50
Anti-corruption e-learning (%) <sup>3)</sup>	73	(new category)

## ENVIRONMENT

Energy used (MWh)	1 710	(not reported)
Energy intensity (MWh per million hours worked) <sup>5)</sup>	1 900	1 646
CO2 emissions (tonnes) <sup>6)</sup>	355	490
CO2 emissions intensity (tonnes per million hours worked) <sup>5)</sup>	395	(not reported)
Total waste (tonnes) <sup>4)</sup>	550	101
Recycling factor (%)	90	30
Hazardous waste (tonnes)	6	0.4

## HEALTH AND SAFETY

Lost Time Incident Frequency (LTIF) incl. subcontractors (per million hours worked) <sup>5) 7)</sup>	1.3	0
Total Recordable Incident Frequency (TRIF) incl. subcontractors (per million hours worked) <sup>5) 8)</sup>	1.5	2.2
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	1.8	2.0

<sup>1)</sup> Percentage based on own employees

<sup>2)</sup> The classroom course was updated May 2015. Reported figure in 2015 includes all previous course attendance

<sup>3)</sup> E-learning was new in 2015

<sup>4)</sup> Increase due to improved reporting routines, and does not reflect actual increases

<sup>5)</sup> Total hours worked in 2015: 0.9 million

<sup>6)</sup> GHG Protocol standard is used to calculate tonne CO2 emission; the 2015 figures are Scope 1: 1 and Scope 2: 354

<sup>7)</sup> Lost time incidents in 2015, incl. subcontractors: 1

<sup>8)</sup> Recordable incidents in 2015, incl. subcontractors: 1



## KOP SURFACE PRODUCTS



KOP Surface Products is a leading global supplier of surface-based flow control equipment to the oil and gas industry. Its main products are valves, wellheads, and trees for offshore and land-based surface production. The company provides engineering, manufacturing, installation, and life-of-field support services. The history of the company traces back to 1934.

Backed by a global team of 682 highly experienced and dedicated professionals, KOP strengthened its global reach in 2015 by expanding its manufacturing facility in Batam, Indonesia and by establishing two new facilities in the Middle East. Today, KOP Surface Products' customers are supported by the company's flexible and focused network of strategically placed operations at 17 locations in 12 countries.

# 682

employees worldwide (FTE)

### Corporate Responsibility Commitments

For KOP Surface Products, corporate responsibility means making good business decisions, minimizing risk, being accountable to shareholders, customers, business partners, employees and ensuring the future sustainability of its business. KOP Surface Products strives to deliver excellence in everything it does and to bring the highest levels of professionalism to all its business dealings. These overarching commitments are guided by the Company's corporate responsibility principles. Day-to-day aspects of corporate responsibility involve HSSE, local community development and promoting integrity across the entire value chain.

# 1.1

NOK  
billion

total revenues

### Health, Safety, Security & Environment (HSSE)

KOP Surface Products provides a healthy, safe, secure and sustainable environment for its employees. Creating a positive work environment yields better results. KOP Surface Products partners with its customers to ensure that its products and operational facilities meet international safety, security and environmental standards.

KOP Surface Products has developed policies and procedures that instill employee awareness of security concerns during business travel, health and safety risks when project deployments are planned, and focus on environmental considerations at the start-up of product design and development.

KOP Surface Products holds ISO 14001 (Environmental Management Systems Standard) certification to ensure that its manufacturing facilities has a comprehensive environmental management system. The system defines and tracks performance as well as environmental goals and initiatives.

The company's certification according to OHSAS 18001 (Occupational Health and Safety Management) standards represents a further ensure that employees' workplaces are safe. Our Batam manufacturing plant has achieved the Blue Level for the PROPER award from Republic of Indonesia's Ministry of Environment. In 2016, KOP Surface Products' Batam facility plans to apply for further certification by the Indonesia Occupational Health and Safety Certification, SMK3, to raise the level of its PROPER award. The plant aims to reduce its energy consumption by 2 percent by year-end 2016.

KOP Surface Products experienced no fatalities and no lost time incidents in 2015. Structural improvements were made to the pressure testing bays at its manufacturing facilities to minimize high-risk hazards. Fewer forklift drivers have been authorized in order to reduce the number of incidents and near-misses. Zero lost time incidents and zero recordable incidents at all bases is KOP Surface Products' HSSE goal for 2016.



Photo: WINHELICAM

## Integrity

KOP Surface Products conducts its business with uncompromising focus on ethics and integrity, as individuals, in teams and as a company. KOP Surface Products earns enduring credibility with customers, suppliers and business partners through consistent, reliable and transparent conduct. KOP Surface Products recognizes that business success is built on trust and is proud of the way it operates. KOP Surface Products' reputation for ethics and integrity is one of its greatest assets. By operating at the highest levels of integrity, KOP Surface Products has gained the trust of its shareholders, customers, employees and business partners. Integrity training was an important focus in 2015, and by year-end 2015, 97% of employees had completed the Akastor Integrity training programs. Similarly, communication of business ethics expectations were conducted via dialogue and training sessions among all business partners, all of whom have expressed their willingness to join KOP Surface Products in its fight against corruption and to conduct their business operations in an ethical manner.

## Supply Chain

KOP Surface Products has established strict procedures governing supplier selection and renewals. The results secure seamless, cost effective and efficient supply chain operations.

All business partners must commit, in writing, to complying with KOP Surface Products' Suppliers Code of Conduct. Furthermore, preferred business partners are required to meet international standards for HSSE, quality and performance, such as ISO 9001, ISO 14001 and OHSAS 18001. Periodic on-site audits of suppliers ensure continued operational improvements and compliance with KOP Surface Products' values and ethical standards.

## Human Rights

KOP Surface Products is committed to the protection and advancement of human rights in accordance with international human rights standards, such as the United Nation's Declaration



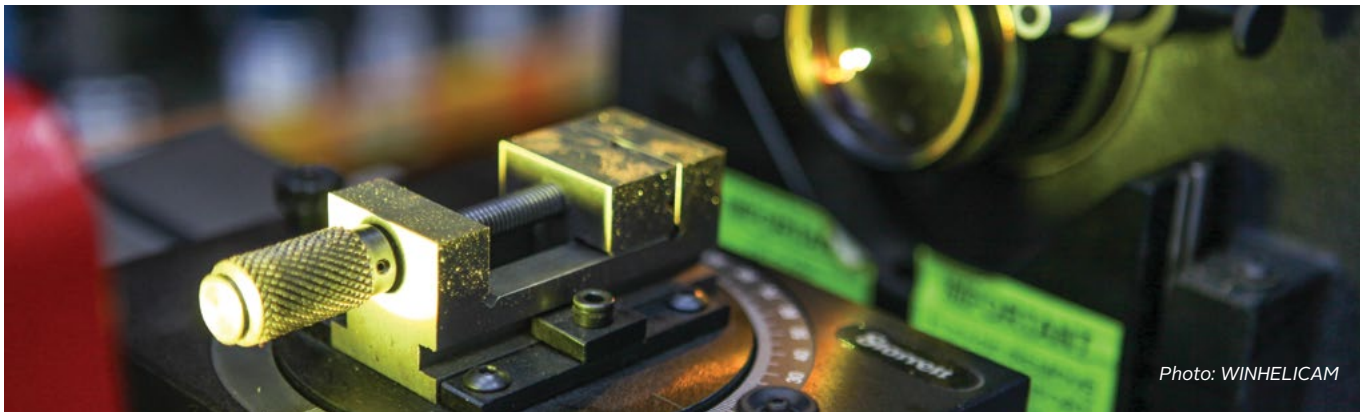


and Convention on Human Rights. KOP Surface Products has zero tolerance for harassment, discrimination, and child or forced labor in all aspects of their operations. This is promoted through written policies and ongoing communication of these expectations. Externally, KOP Surface Products ensures that similar standards are observed among business partners by conducting periodic on-site audits.

### Societal Commitment

KOP Surface Products' social responsibility commitments engage management, employees and partners in delivering economic and social development benefits to communities in which we operate. Local employees, equipped with in-depth

understanding of social needs specific to their communities, initiate and organize charitable events that have become part of KOP Surface Products' corporate culture. Employees are able to draw on their resources, expertise and experiences to foster optimal social achievements in their communities. Runner events to fund charities, blood donation drives, home and orphanage outreach programs, and clean-ups of public spaces are typical of the socially motivated events in which employees participate throughout the year. KOP Surface Products' management looks forward to supporting many more such initiatives and events in 2016.



## INTERNSHIP PROGRAMMES

KOP Surface Products is committed to the development of local talent through investing in people from the communities where we do business. Since 2013, KOP Surface Products' manufacturing facility in Batam, Indonesia, has partnered with local educational institutions, especially the Institut Teknologi Bandung, Universitas Gadjah Mada, Politeknik Negeri Batam and SMK Batam International School for corporate internship programs. To date, KOP Surface Products has provided internship programs in Engineering, Quality and Finance for 25 students from these institutions. We are proud that some of these interns have returned to our company as permanent full-time employees after completing their formal education.

## PARTNERSHIP WITH INDONESIA RED CROSS

KOP Surface Products holds blood donation events throughout the year. In 2015, KOP Surface Products, in partnership with Indonesia Red Cross, staged one such event at one of Batam's busiest shopping mall. KOP Surface Products employees conducted free exercise classes at the mall to encourage public participation in the blood donation event.



## KEY FIGURES

	2015	2014
Total revenues (NOK million)	1 131	1 119
EBITDA (NOK million)	242	156

## PEOPLE

Total employees (FTE including hired-ins)	682	854
Own staff (Headcount)	607	742
Female   Male (%) <sup>1)</sup>	15   85	14   86
Integrity classroom training (%) <sup>2)</sup>	97	52
Anti-corruption e-learning (%) <sup>3)</sup>	98	(new category)

## ENVIRONMENT

Energy used (MWh)	4 355	(not reported)
Energy intensity (MWh per million hours worked) <sup>5)</sup>	2 419	2 524
CO2 emissions (tonnes) <sup>6)</sup>	3 090	(not reported)
CO2 emissions intensity (tonnes per million hours worked) <sup>5)</sup>	1 717	1716
Total waste (tonnes) <sup>4)</sup>	440	598
Recycling factor (%)	91	94
Hazardous waste (tonnes)	130	164

## HEALTH AND SAFETY

Lost Time Incident Frequency (LTIF) incl. subcontractors (per million hours worked) <sup>5) 7)</sup>	0	0
Total Recordable Incident Frequency (TRIF) incl. subcontractors (per million hours worked) <sup>5) 8)</sup>	1.7	0.5
Fatalities incl. subcontractors	0	0
Sick leave (% of hours worked)	1.2	0.6

<sup>1)</sup> Percentage based on own employees

<sup>2)</sup> The classroom course was updated May 2015. Reported figure in 2015 includes all previous course attendance

<sup>3)</sup> E-learning was new in 2015

<sup>4)</sup> Decreased waste due to lower activity in 2015

<sup>5)</sup> Total hours worked in 2015: 1.8million

<sup>6)</sup> GHG Protocol standard is used to calculate tonne CO2 emission; the 2015 figures are Scope 1: 3 040 and Scope 2: 50

<sup>7)</sup> Lost time incidents in 2015, incl. subcontractors: 0

<sup>8)</sup> Recordable incidents in 2015, incl. subcontractors: 3



## REAL ESTATE AND OTHER HOLDINGS

### Akastor Real Estate

#### KEY FIGURES — AKASTOR REAL ESTATE

Total revenues (NOK million)	410
EBITDA (NOK million)	219
Total employees (FTE)	1

Akastor Real Estate manages a portfolio of office buildings and commercial sites. In December 2015, eight properties from the portfolio were sold to Aker Maritime Finance AS, a subsidiary to Aker ASA. The remaining portfolio of leased sites is managed by pursuing solutions through subletting, lease surrenders and other structural alternatives. Akastor Real Estate has a strong focus on maintaining Akastor's integrity requirements in its business activities. Measures include robust background checks on business partners and tenants, to ensure that assets and projects are not exposed to undue risk.



#### KEY FIGURES — STEP OILTOOLS

Total revenues (NOK million)	370
EBITDA (NOK million)	16
Total employees (FTE)	282
Own staff	282
Female   Male (%) Percentage based on own employees	20   80
Integrity classroom training (%)	99

STEP Oiltools is an independent provider of drilling waste management products and services. Akastor holds a 76 percent stake in STEP Oiltools. Working with its partners and other specialty suppliers, STEP Oiltools has developed a package of equipment and services to ensure that drill cuttings and fluids can be effectively contained, handled, treated, and disposed of with minimal environmental impact.

The company's worldwide customers are mainly oil and gas majors, national oil companies, and drilling contractors. STEP Oiltools also serves customers in the refinery, shipping, and civil construction industries. While employees and shareholders are essential stakeholders, STEP Oiltools' role as a niche service provider and waste management specialist positions the firm as an important industry resource for environmental protection. Moreover, our environmentally responsible products and services make us view the communities in which STEP Oiltools operates as major stakeholders.

STEP Oiltools subsidiaries operate in a number of countries where there is considerable risk of corruption and violations of human and employee rights. The STEP Oiltools group supports and respects human rights as expressed in the UN Guiding Principles on Business and Human Rights. The organization has adopted the Akastor Code of Conduct to ensure ethical business conduct and respect for human rights. STEP Oiltools conducts a range of due diligence activities in this arena. The induction process for new employees includes an ethics and compliance module. This training is followed by the ongoing programs for employee training that provide in-person classroom sessions and online courses and refreshers.

HSEQ is a core value at STEP Oiltools. All employees are responsible for proper HSEQ performance because the company cares about people, the environment and corporate sustainability. This attitude is at the heart of our business culture. The company's HSEQ Policy mandates high expectations and our Integrated Management System, which is globally accredited according to ISO 9001, ISO 14001 and OHSAS 18001, helps our organization reach ever more demanding goals and win industry safety awards.



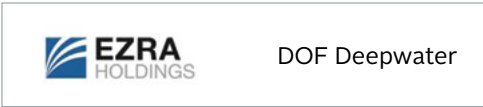
KEY FIGURES — FIRST GEO

Total revenues (NOK million)	113
EBITDA (NOK million)	(9)
Total employees (FTE)	66
Own staff	62
Female   Male (%) <i>Percentage based on own employees</i>	29   71
Integrity classroom training (%)	92

First Geo, a wholly-owned subsidiary of Akastor AS, is the largest Norwegian petroleum sub-surface consultancy delivering expert advice to oil and gas companies on the Norwegian Continental Shelf. Operating with a team of 62 geologists, geophysicists and reservoir engineers and a further 20 associate consultants, First Geo focuses on the following industry services: seismic interpretation, geology and reservoir modeling, well management, oil-field operations and wellsite geology, depth conversion, data management and sales of geological and geophysical information.

In terms of managing corporate responsibility risks, First Geo is in the process of improving its Health, Safety, Environment and Quality system. The HSEQ system continuously monitors company operations so that they have minimal environmental impact and maintain high quality and safety standards. First Geo ensures that all its activities are regulated through contracts. To further integrity compliance, 73 percent of staff participated in Zero Tolerance online training in 2015 and 92 percent of the target group had completed Code of Conduct classroom training.

With reduced activity in the North Sea, First Geo is broadening its focus on a more global customer base. Among major oil companies, demonstrating respect for human rights and integrity due diligence are important factors in choosing suppliers. First Geo deploys the procedures designed by Akastor that ensure robust processes and appropriate business conduct in high-risk jurisdictions.



Akastor also has ownership interests in Ezra Holdings (7.4% stake) and DOF Deepwater (50% shareholding).

### 03. REPORTING PRINCIPLES

This report describes the corporate responsibility approach and activities of Akastor ASA and its portfolio of companies in 2015. The report should be read in conjunction with Akastor's 2015 Annual Report to give the fullest picture of our business and how we create value.

This is our second corporate responsibility report as an investment company. The report builds on our own analysis of stakeholder expectations. This analysis has not been validated by stakeholders. The information presented about corporate responsibility activities and KPIs (Key Performance Indicators) is based on reporting by Akastor's portfolio companies and Akastor's legal and compliance team. In addition, some data for the group has been extracted from our common reporting systems, HFM (for financial reporting) and Synergi.

Akastor allows for a flexible set-up at each portfolio company. They determine their own corporate responsibility strategy

and activities, and consequently focus their reporting on issues that are of particular relevance to their business. Going forward, Akastor will continue to work on improving our data quality and reporting processes.

This report is intended to make Akastor and its portfolio companies compliant with the corporate responsibility requirements of the Norwegian Accounting Act. The report has been prepared with inspiration from the Global Reporting Initiative Sustainability Reporting Guidelines (GRI) as well as the UN Global Compact's guidelines for communicating on progress.

The report covers the activities of the holding company Akastor ASA and its portfolio of companies, based on the accounting principle of operational control. Shares of profit from associates (20-50 percent ownership) and jointly controlled entities are included in the reported figures.



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