



Transparency Act progress report 2023

This statement represents Aker Carbon Capture's account of due diligence pursuant to Section 5 in the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The reporting period covered in this report is from 1 January 2023 to 31 December 2023.



About Aker Carbon Capture

Aker Carbon Capture is a pure play carbon capture company with technology, products, solutions and services serving a range of industries. The company has a proprietary and field-proven technology to enable carbon emission reduction and removal in sectors such as cement, gas-to-power, biomass and waste-to-energy, blue hydrogen, and also new industry segments like refining and process industries. The company's business model covers the sale of complete modular carbon capture units, license models including supply of key equipment, aftermarket services and, together with industrial partners, a full value chain Carbon Capture as a Service model.

Purpose

Aker Carbon Capture's overall purpose is to accelerate planet positive by enabling carbon reduction and removal from industries and energy solutions. To drive this effort, the company and its employees are devoted to three core values: working together, doing the right thing and bold innovation.

Operations

Aker Carbon Capture is headquartered in Norway with offices in Norway, Denmark and the United Kingdom. Some employees are also working from the Netherlands, Sweden, the United States and India. The company's operations are primarily office-based, with an increasingly larger scope involving site and construction work at its customers' sites in Norway (Brevik), the Netherlands (Twence) and Denmark (Ørsted) related to test campaigns and ongoing EPC projects. The majority of the customers are located in Europe and a limited number in the United States.

In 2023, Aker Carbon Capture delivered several pre-FEED and FEED studies, which are written engineering reports developed at our offices. The company also made significant progress on its EPC projects and mobile test unit (MTU) campaigns. These projects involve testing of flue gasses and delivering carbon capture plants at the customers' facilities. The company's scope in these projects is project management, including construction and commissioning work.

Procurement

Aker Carbon Capture's procurement activities are closely linked to and at all times dependent on the projects the company executes. The

company divides its procurement activities into two categories: direct procurement, which is goods and services procured for our ongoing projects; and indirect procurement, which is goods and services not utilized directly in our projects. The majority of Aker Carbon Capture's suppliers are multinational companies with presence and production in Europe and Norway.

Protecting human rights at Aker Carbon Capture

Our commitment

Aker Carbon Capture supports and respects internationally proclaimed human and labor rights such as the International Bill of Human Rights, the Norwegian Transparency Act, the UK Modern Slavery Act, the OECD Guidelines for Multinational Enterprises, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

We acknowledge all employees' right to form and join trade unions of their own choice. We will not use child or forced labor and have zero tolerance for modern slavery, human trafficking and working conditions or treatment that conflicts with international laws, regulations, and generally accepted practices.

We are committed to implementing and enforcing effective systems to cease, prevent and mitigate adverse impacts on human rights that we may have caused, contributed to or be linked to through our operations and supply chain. Reducing the risks of such adverse impacts is done by conducting human rights impact assessments and due diligence of our operations and business partners.

Our approach

Aker Carbon Capture has established guidelines and routines to prevent adverse impacts on human rights and decent working conditions throughout the company's operations. Our human rights commitment is anchored in the [Code of Conduct](#) and is further described in the [Sustainability Policy](#). Both documents are approved by the Board of Directors. Internal procedural requirements to conduct human rights impact assessments and due diligence of business partners are

described in the company's Sales, Procurement and Integrity Due Diligence (IDD) procedures.

Aker Carbon Capture expects that its business partners adhere to the Code of Conduct for Business Partners, a policy document that was implemented in 2022. The document describes key mandatory principles related to governance and sustainability, including the respect and protection of human and labor rights and performance of human rights impact assessments. The Code of Conduct for Business Partners is available on the company's [webpage](#).

Besides our internal policies and procedures, the company is also covered by [the Global Framework Agreement](#) between Aker ASA, the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. The agreement commits Aker ASA and its portfolio companies, including Aker Carbon Capture, to respect and support fundamental human rights and union rights in its operations.

Governance

The Board of Directors is responsible for overseeing the company's implementation of applicable laws and regulations, including the Transparency Act.

The Audit Committee supports the board in executing oversight over the management of the company and has been given a review role related to ESG topics, including risk of adverse impacts on human rights and decent working conditions. In 2023, the Audit Committee and the executive management received regular updates on the progress with the priorities set for the year as informed in the company's 2022 Transparency Act progress report.

The Chief Executive Officer is responsible for the daily operations of the company, including policy implementation and ensuring that ESG impacts are considered in the company's operations.

The compliance function maintains the company's human rights policies and procedures, including the due diligence procedures, and is responsible for rolling out training and awareness initiatives.

The line management is responsible for implementing the company policies, procedures and risk mitigating measures. E.g. the supply chain and sales functions are responsible for ensuring that human rights due diligence is conducted on potential suppliers and customers, and that any relevant risk mitigating measures are implemented as appropriate.



Aker Carbon Capture employees have a responsibility to respect human rights and must report suspected infringements of these rights. This responsibility is described in the Code of Conduct.

Reporting channels and grievance mechanism

Aker Carbon Capture has several reporting channels where human rights related grievances can be reported, e.g. reports can be made to communications@akercarboncapture.com or via the whistleblowing channel available at the company's [webpage](#). The channels are open for both internal and external stakeholders. If Aker Carbon Capture causes, contributes to or is linked to adverse impacts on human rights, the company will take necessary steps to cease, prevent and/or mitigate (as appropriate) the adverse impacts.

Human rights impact assessment

In 2023, Aker Carbon Capture conducted a comprehensive human rights impact assessment of our own operations and business partners. Risks of negative impacts were also assessed on a regular basis triggered by developments in the business.

Our definition of a business partner is broad and includes suppliers, customers, service providers, joint venture partners or other persons engaging in business with members of the Aker Carbon Capture group. Based on our current company setup and projects, the human rights impact assessment focuses on our own operations, current customers and suppliers as it is via these relationships that potential negative impacts are most relevant.

The responsibility for conducting human rights due diligence on business partners in the projects that we are involved in varies. Typically, we have responsibility for conducting human rights due diligence of our own operations and of the suppliers we engage in the particular projects. If we deliver an EPC project in partnership with another company, the responsibility to conduct human rights due diligence on the suppliers in the projects sits with the company that delivers the procurement scope. In our ongoing EPC projects, Aker Carbon Capture has the procurement scope in the Twence CCU and Ørsted Kalundborg CCS projects.

Own operations

The majority of our operations is office-based and take place in countries known for protecting human and labor rights and which have

stringent working environment regulations. However, the risk of negative impacts on human rights is increasingly relevant as we are gradually more involved in construction and commissioning work on our EPC projects. The construction industry is generally known for having inherent risks of negative impacts on human rights, especially for migrant workers and in countries where human rights are not protected. Other risks associated with the construction industry involve forced labor, no freedom of association, and unsafe working conditions. The probability that such risks materialize in our operations is assessed to be low because the operations take place in countries known for protecting human rights, and because we oversee that the operations comply with established routines in line with applicable laws. To ensure that everyone is aware of the routines, employees and subcontractors involved in activities on site are required to complete mandatory HSSE training. As part of such training, information about how to report concerns is also provided.

Deliveries to customers

In 2023, we delivered products, technology and services to customers primarily located in Europe and within various industries of which some are known for having inherent risks of negative impacts on human rights, e.g. waste handling, cement, pulp and paper, biomass, steel and metals, oil and gas, and energy. The scope of our 2023 deliveries included studies and project management services, including construction and commissioning work. No adverse information or actual negative impacts were identified in the company's due diligence process, through our operations, or via our reporting system. Generally, the probability that risks of negative impacts materialize often depends on what is delivered, to whom, and to which geographical location. As such, and based on the above factors, we assess the risk of negative impacts associated with our 2023 deliveries to be low.

Procurement activities

The majority of Aker Carbon Capture's **direct procurement** activities, both in terms of value and volume, are from the general manufacturing and electronics manufacturing industries. The company sources a variety of industrial parts and highly technical components and systems from suppliers of products ready for use in the process industry. These items are collected and assembled into carbon capture units and facilities. The whole production and assembly process is executed by third parties. Besides the general and electronic manufacturing industries, the company also purchases items and services from the chemicals, IT, technology, communications and logistics industries. Looking beyond tier 1, the components and items the company buys

from the general and electronics manufacturing industries are produced from metals, minerals, and electronic equipment industries. Within the **indirect procurement** category, items and services are procured from the services, hospitality, IT, communications, and technology sectors. Due to the limited volumes and low costs associated with our indirect procurement, our ability to influence suppliers within this category is low.

To determine whether the risk of negative impacts on human rights is relevant for our current procurement scope, we looked at known risks associated with the production location and the industries that our suppliers operate within, with main focus on direct suppliers. We combined this knowledge with information obtained directly from our suppliers. Generally, most of our suppliers operate in low-risk locations, but within the general and electronics manufacturing industries, which have inherent risks of e.g. child labor, forced labor, unsafe working conditions, excessive working hours and human trafficking.

In 2023, we conducted 2 supplier audits and 3 supplier dialogues and collected information from an additional number of suppliers. Via these efforts, we did not identify any actual negative impacts on human rights, but we did detect risks involving a limited number of suppliers which were not able to demonstrate compliance with the human rights due diligence obligations in our Code of Conduct for Business Partners. We also detected that some of the same suppliers use migrant workers from abroad, but had not conducted risk assessments or audits. Subsequently, the suppliers were instructed to improve their routines specifically linked to human rights due diligence, impact assessment and awareness. When these measures have been implemented, the suppliers will be better equipped to identify and address potential negative impacts in their own supply chain. We have no indications of actual negative impacts on human rights related to these findings, but consider it a relevant risk that we will follow up in 2024.

Reducing risks of negative impacts

Aker Carbon Capture works proactively to identify and reduce potential negative impacts on human rights associated with its operations through various measures as described in this chapter.

Obligations on business partners

All business partners of the company are expected to comply with the ethical obligations described in the Code of Conduct for Business Partners. The company works systematically and continuously to ensure



that specific obligations related to human rights and ethical business conduct are included in formal contracts.

Human rights due diligence and monitoring

The company has implemented human rights due diligence routines to ensure that proper checks and assessments are conducted on all potential third parties. The third parties are subsequently monitored in a screening system, and the company is alerted if adverse information about the third parties surfaces. The due diligence routines are risk-based to ensure that efforts are prioritized towards the areas with the highest risks. In addition to due diligence of third parties, the company also conducts tailored risk assessments of potential projects if they take place in high-risk locations. In the event that findings reveal risks of negative human rights impacts, dialogue, reviews and/or audits are pursued to clarify the relevance of the information. Aker Carbon Capture seeks to engage stakeholders, suppliers and other business partners to improve conditions and correct weaknesses.

Training and awareness

Training and awareness are important tools to equip employees with relevant competence so they can take responsibility for and contribute to the identification, assessment and prevention of adverse impacts on human rights in the company's daily operations. In 2023, all employees were reminded about the company's commitment to safeguarding human rights and decent working conditions as part of the annual Code of Conduct training. New employees received onboarding training, including mandatory e-learning specifically about human rights. HSE training was also provided to workers on site, and tailored training in human due diligence procedural requirements was held for the supply chain team.

Reviews and audits

To understand and check the level of compliance with contractual obligations and the Code of Conduct for Business Partners, the company conducts audits of selected critical suppliers. More informal reviews such as dialogue and self-assessment questionnaires are other measures that the company uses to obtain an understanding of the suppliers' maturity level when it comes to human rights due diligence.

Communication

A communication channel for information requests related to human rights and the Norwegian Transparency Act was established on the company's [webpage](#) in 2022. An Information Request Procedure, describing the internal roles and process for handling general information requests from the public, was also implemented in 2022. The company received 0 requests via this channel in 2023.

Priorities for 2024

Aker Carbon Capture will continue to work proactively to identify, assess and prevent potential negative impacts on human rights and decent working conditions in 2024. As the potential risk of negative impacts on human rights remains highest in the supply chain, the company will focus its efforts towards its suppliers. Key priorities involve dialogue and audits of selected critical suppliers and revisiting and adjusting due diligence routines based on learnings from the past two years. Relevant risk areas that we will look specifically into, based on our human rights impact assessment, include occupational health and safety, migrant workers, forced labor and decent working conditions, including adequate contracting for the workers involved in our site operations.





Fornebu, 17 March 2024

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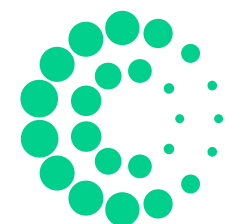
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