



SUSTAINABILITY REPORT 2019
ESG IN AKER BP

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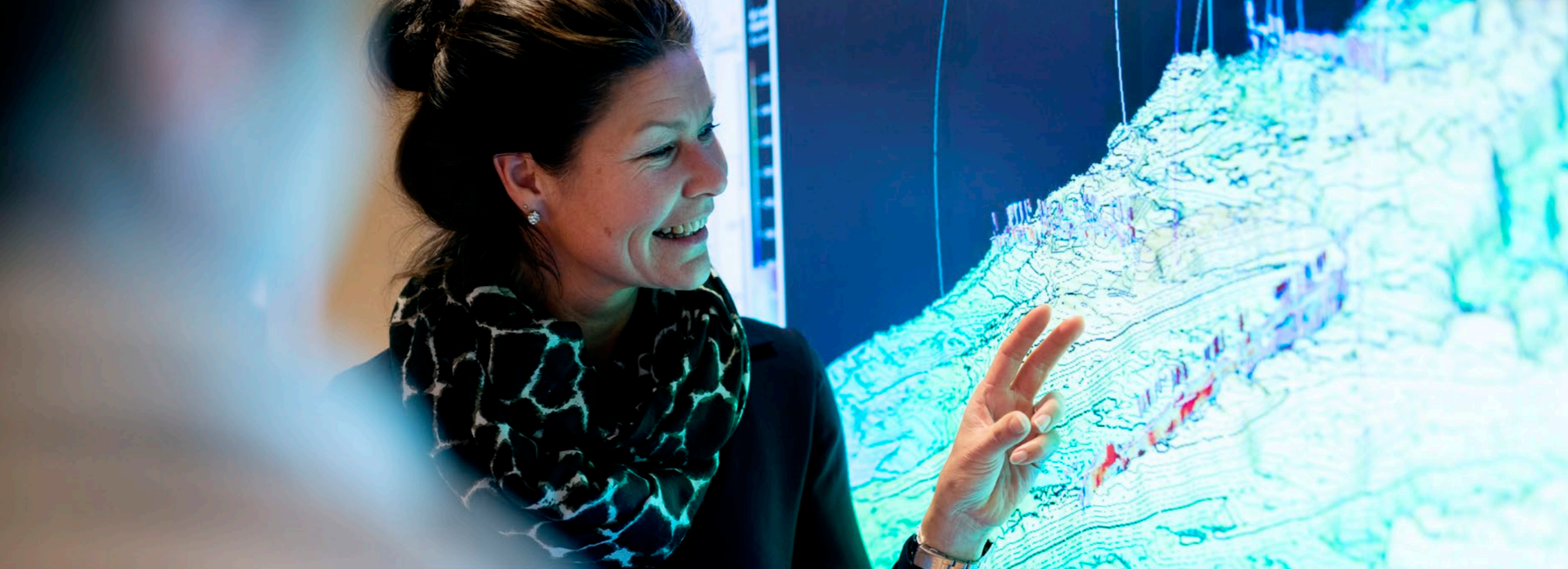


REPORTING PRACTICE

In Aker BP's sustainability report for the 2019 fiscal year, we describe our business activities considering sustainability performance and development and present our approach to environmental, social and governance (ESG) issues. The purpose of the report is to provide the company's stakeholders, including existing and potential shareholders, customers and employees with information about the company's sustainability activities. Furthermore, we present a balanced picture of the opportunities and challenges we encounter in this area and how we work to address them. We always adopt a precautionary approach in the way we work in Aker BP.

Our previous sustainability reports (latest report from March 2019) are based on the GRI G4 guidelines, while the 2019 Sustainability Report – ESG in Aker BP is inspired by the GRI Standards (GRI 2018). Reference has also been made to the United Nations Sustainable Development Goals (SDG), Task Force on Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Project (CDP).

This report is prepared by the HSSEQ department in cooperation with Communication, Human Resources, Supply Chain, Finance, Compliance and Legal. It has been reviewed by an internal review committee consisting of Chief Financial Officer, SVP HSSEQ, SVP Strategy & Business Development, VP Communications, VP Investor Relations and by the Audit and Risk committee prior to approval by the Board of Directors.



Supplier Engagement: **A-**
Climate Change: **B**



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COMPANY PROFILE

Aker BP is a fully-fledged exploration and production company with exploration, development and production activities on the Norwegian continental shelf. Measured in production, Aker BP is one of the largest independent oil companies in Europe. Aker BP is the operator of Alvheim, Ivar Aasen, Skarv, Valhall, Hod, Ula and Tambar, partner in the Johan Sverdrup field and has a total of 141 licenses, including non-operated licenses.

Aker BP holds no oil or gas assets outside Norway. All activities are thus within the Norwegian offshore tax regime, and to the extent the company has overseas activities, these are related to construction and engineering of field developments.

The company is headquartered at Fornebu outside Oslo and has offices in Stavanger, Trondheim, Harstad and Sandnessjøen.

Aker BP ASA is owned by Aker ASA (40 %), BP (30 %) and other shareholders (30 %). The company is listed on the Oslo Stock Exchange with ticker "AKERBP". Information about Aker BP entities included in the consolidated financial statements is available to the public. Read more about Aker BP at www.akerbp.com.

At the end of 2019, the company had 1,742 employees. 164 new employees were recruited in 2019. There are no significant changes to the organization or the supply chain in the reporting period.

Aker BP purchased goods and services for about USD 3 billion and engaged around 1,600 direct suppliers in 2019, mainly

within the oil and gas service sector. Most Aker BP suppliers are based in Norway. Some are based elsewhere in Europe, while a few are based outside Europe. Several suppliers have sub-suppliers outside Europe. Our suppliers are generally contracted for high-technology services such as engineering, equipment and drilling and well services, or rental of rigs and marine services.

Aker BP is a member of The Norwegian Oil and Gas Association and The International Association of Oil and Gas Producers.

ETHICS AND INTEGRITY

The company's values Enquiring (Søkende), Responsible (Ansvarlig), Predictable (Forutsigbar), Committed (Engasjert) and Respectful (Respektfull) define the way we work in Aker BP. The values also guide our behaviour in the workplace and enable us to live by our Code of Conduct.

Aker BP's Code of Conduct sets out requirements for good business conduct and personal conduct for all employees of Aker BP and members of its governing bodies. It also applies to directors, contract personnel, consultants and others who act on Aker BP's behalf. Our Code of Conduct has been developed in dialogue with the management group and is supported by the Board of Directors. The Code of Conduct is available on our internal and external websites.

As per our policy, the Code of Conduct will be reviewed every other year, and a new revision is due to be finalized in the first half of 2020.

In 2019, we established an eight-module e-learning programme addressing the key topics of the Code of Conduct. 82 percent of employees and consultants participated in the training in 2019. In 2020, our plan is to strengthen our compliance training programme with classroom training for managers and mandatory e-learning for all employees.

Aker BP aims to have a culture where speaking up about negative conditions is acceptable. This is coupled with procedures, which inform employees of where they can raise concerns and how reports are handled. Aker BP has a strict non-retaliation policy for a person reporting a concern. Reporting a concern shall not have any negative impact on the individual's opportunities or professional development.

In 2019, Aker BP strengthened its whistleblowing procedure and established a procedure for handling whistleblowing reports. This process involved feedback from labor union representatives, safety delegates, HR, Legal and other key functions. The Aker BP Speak Up channel is available for employees and external parties and is managed by an independent third-party ensuring confidentiality of the reports. All the documentation is stored in accordance with the relevant documents for data retention, data protection and data destruction.

In addition, a campaign was launched internally to increase awareness about the whistleblowing channel and importance of reporting integrity concerns. This resulted in an increase of reported cases in 2019 compared to 2018. Improvements in several policies and procedures were identified, as a result of whistleblowing reports.

GOVERNANCE

Aker BP's General Assembly is the highest authority of the company and nominates the Board of Directors as the highest governing body. The Board of Directors approves the organization's purpose, values and strategy, reviews the company's risk profile and is responsible for decision-making on economic, environmental and social impacts. The Executive Management Team makes daily decisions on these matters.

The Board of Directors has two sub-committees: The Audit and Risk Committee (ARC) and the Compensation and Organizational Development Committee. The ARC assists and facilitates the Board's responsibilities within integrity of financial reporting, the financial reporting process, internal controls, company risks, corporate governance, compliance and auditing.

The Compensation and Organizational Development Committee ensures that remuneration arrangements support the strategy of the business and enable the recruitment, succession planning and leadership development, as well as motivation and retention of senior executives.

Oversight of HSSE and operational risks is retained directly by the Board. In addition, the Board has established the Safety and Environmental Assurance Committee (SEAC) to strengthen the administration's work on health, safety, cyber security and environmental matters. This committee is organized as an independent committee with members from BP and Aker BP and reports quarterly to the Board.

More information about Corporate Governance in Aker BP is available in the Annual Report.

LETTER FROM THE CEO



2019 was the year in which Environmental, Social and Governance (ESG) concerns evolved from dialogue to financial reality. I am proud to say that ESG principles and performance factors are driving Aker BP's strategy, investment decisions, and exploration activities across the value chain.

In 2019, Aker BP delivered outstanding operational and financial results in an increasingly volatile and challenging market. More than that, we delivered on our objectives in a sustainable and responsible manner, and we began 2020 in a robust financial position. Allow me to share my thoughts on why our financial position is extremely important in an ESG context.

LOWER COSTS AND REDUCED EMISSIONS

I am convinced that Aker BP and our industry can and will be part of the solution needed to meet one of the biggest challenges of our time — climate change. I also believe that only the most efficient companies will supply tomorrow's oil and gas. These will be companies with the ability to maximize

value while operating in a low-cost, low-emissions environment. This description of tomorrow's oil and gas companies perfectly matches Aker BP and our strategy to continue as a pure play oil and gas company with a low carbon footprint.

Over the next decade, global climate gas emissions must be halved if we are to succeed in halting global warming, according to the International Panel for Climate Change. This is a monumental challenge. According to International Energy Agency (IEA) projections in the Sustainable Development Scenario — a scenario fully aligned with the Paris Agreement on climate change — oil and gas will still account for almost 50 percent of the global energy mix in 2040.

There can be no doubt that meeting our shared climate targets will require enormous effort and major investment. The petroleum industry is Norway's most important and profitable industry. As such, we are uniquely positioned to give back to society. In fact, for every NOK 100 in increased profitability, NOK 78 is returned to the community in which we work. Another way of putting this is that we make a vitally important funding contribution to the necessary energy transition the world is facing.

Let me share with you Aker BP's most important contributions to this energy transition. First, we are creating greater and more long-term value from the natural resources available to us — thus enabling society to restructure the economy and introduce measures to halt climate change. Second, we are reducing emission intensity from our own operations so that we contribute to lower global footprint. And last but not least, we are contributing our know-how, data, and experience to emerging industries, thereby promoting broad-based growth and improvement beyond our own operations.

OPTIMIZING ENERGY

Aker BP continues to be an operator with low carbon emission intensity. In 2019, Aker BP's CO₂ intensity was below 7 kg CO₂/boe (equity share), which is less than half the global industry average, and also below the average for Norwegian continental shelf operators. From 2020 on, our goal is to deliver an emission intensity below 5 kg CO₂/boe.

Power generation offshore accounts for 80 percent of Aker BP's CO₂ emissions. We believe that great improvements can be achieved through further energy optimization efforts. Our Skarv asset is a very good example of this. Skarv has reduced the export pressure and cut energy use in its FPSO gas cleaning process. As a result, CO₂ emissions have been cut by 22,000 metric tonnes annually.

Our giant Valhall was electrified in 2013, which dramatically lowered emissions. Similarly, the Ivar Aasen field development will receive power from shore in 2022. A key strategy for us going forward is the optimization of energy through low-cost efforts that provide immediate effect and scalability — such as in the Skarv case outlined above. We are investigating how to develop data-driven energy optimization through our Eureka digital lab, a collaboration with the global industrial AI Software-as-a-Service (SaaS) company Cognite. Also, through our participation in the Centre for the Fourth Industrial Revolution Norway (C4IR Norway), an organization dedicated to harnessing the advances of technology to preserve our ocean and improve the environmental footprint of ocean industries, we are working on a digital platform for calculating and identifying energy loss related to individual components.

IMPROVING OUR HSSE PERFORMANCE

Any company licensed to operate on the Norwegian continental shelf must comply with Norway's stringent health, safety, security, and environmental (HSSE) regulations. But independently of that, for Aker BP to lead on ESG, all our operations, drilling campaigns, and projects must be carried out in accordance with the highest HSSE standards. Everyone who works for the company — whether our own employees, supplementary staffing, or contractors — must be able to perform their work in an environment where safety comes first.

In 2019, Aker BP recorded zero process safety incidents at our facilities, an encouraging result that provides validation of our key risk management processes and tools. Nevertheless, seven incidents with high potential were reported in 2019. The serious incident frequency, measured as incidents per

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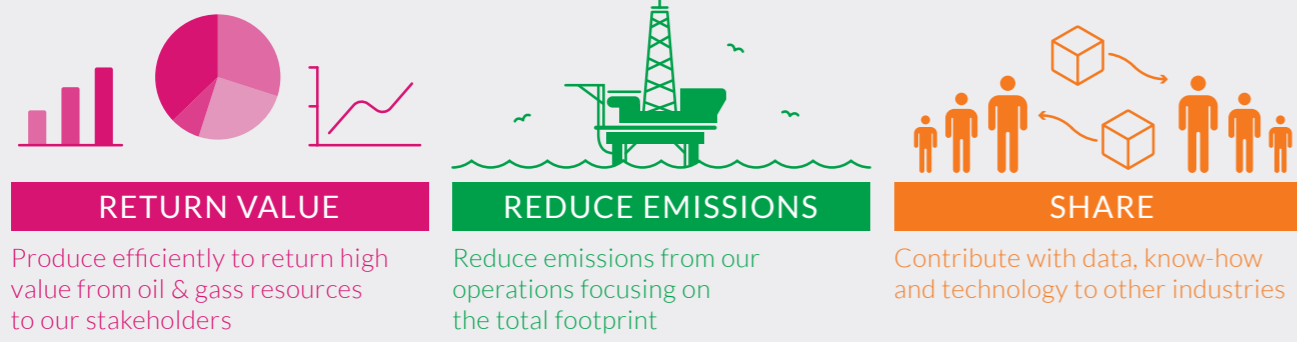
million work hours, was 0.6 for the year. Going forward, we will strive for even better results. We see this improvement goal as a way to improve safety and reliability and ensure even more efficient operations.

In 2019, Norwegian regulatory authorities notified us that our asset Ivar Aasen had discharges and emissions exceeding the limits set out in the field's discharge permit. We acknowledge that in this case, we failed to live up to our obligations as an operator. We do not take this shortcoming lightly. Responding to the incident, we have improved our systems for monitoring of chemical usage and discharge across all Aker BP assets. On the technology front, we strive to limit the use of chemicals throughout all our activities. We also collaborate with other operators and suppliers to develop alternative, more environmentally friendly chemicals for use in our operations.

BUILDING A SUSTAINABLE FUTURE TOGETHER

Aker BP operates in five onshore and five offshore locations from north to south in Norway. It is important for us to contribute to each of the communities in which we operate. Our social impact in the district of Helgeland in northern Norway through our Skarv operation can serve as an example of how we seek to enhance the growth and development of local communities. We prioritize goals relating to economic development, creating jobs, and supporting local businesses, schools and educational programs.

AKER BP AND THE ENERGY TRANSITION



As of the close of 2019, Aker BP works with strategic partners in a total of eight alliances. Through these alliances, we are changing the way we work, and our partnerships have resulted in major value creation. Key to our success is that we and our strategic partners have empowered the alliance organization, and trust decision-making to happen down the line. Nevertheless, there is still room for improvement and a great deal more to learn from working with alliance partners.

Aker BP's One Team approach is at the heart of our activities and our success. Our team is well prepared to face a great transitional journey in the coming years. We continue to invest heavily in developing employees' expertise, skills and know-how, with particular emphasis on digitalization.

At Aker BP, we believe workforce diversity is key to being a leading independent offshore oil and gas company. Aker BP follows a gender-neutral pay system, and women are well represented in company management. However, we recognize the need to implement better systems to include more people with disabilities in our workforce. To this end, Aker BP is working with the "VI" ("WE") foundation to contribute to improving disabled individuals' quality of life, health, and self-confidence while facilitating better integration into society.

OPEN COMMUNICATION

As Aker BP's CEO, it is very important to me to maintain open lines of communication between top management and employees. Multi-channel communication via the cloud helps shorten the distance in the organization and democratize in-house communications. Open communication is key through-

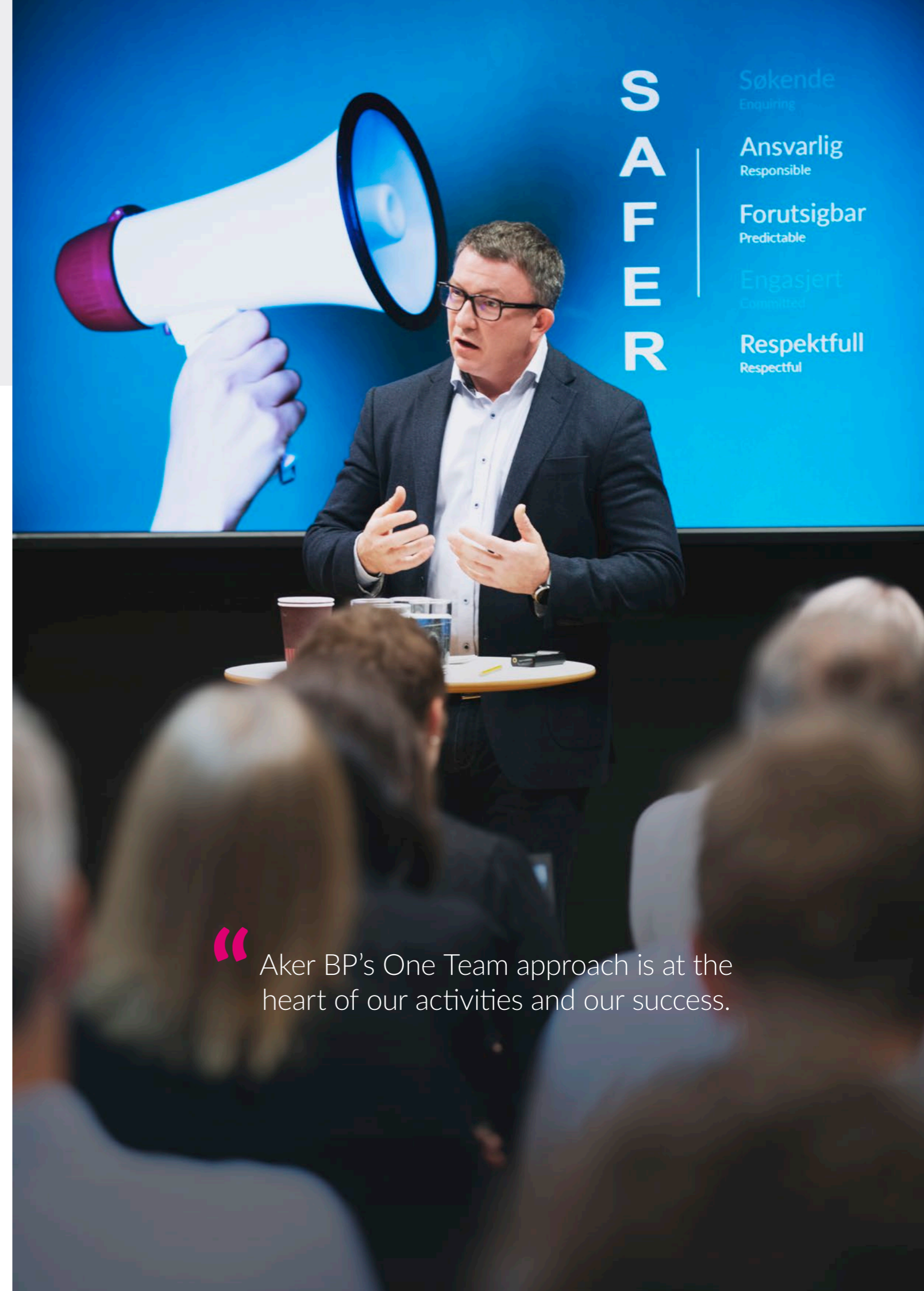
out our operations. Our executive management team stays connected to the rest of our organization through weekly information pushed through chatbots, blogs, and discussions in our social network channel Workplace by Facebook, an enterprise connectivity platform. In addition, we hold monthly townhall meetings where we set the strategic direction for our company and discuss issues, answer questions, and respond to challenges from employees.

At Aker BP we have a proud tradition of working closely with employee representatives. One way in which we seek to maintain and build upon this tradition is through a dedicated project entitled "industrial democracy 2.0," designed to further strengthen employee involvement in decision-making processes at Aker BP. Management-employee cooperation is important because our ability to make optimal use of the expertise, know-how, and experience of our workforce is crucial in delivering on the ambitious improvement agenda we have staked out for the company.

2020 started in a dramatic way. The coronavirus outbreak represents a significant threat to public health as well as a severe disruption to the global economy. Our top priority in this situation is to protect our people and our operations. How Aker BP has responded to the situation is outlined in the annual report.

I am convinced that Aker BP will come out of the difficult start to this year as an even stronger company. I am honored and proud to lead the Aker BP team, and I sincerely believe that we are making a difference in building a more sustainable future for all.

Karl Johnny Hersvik
CEO, Aker BP ASA



“Aker BP's One Team approach is at the heart of our activities and our success.

OUR SUSTAINABILITY APPROACH

In Aker BP we strive to be a responsible corporate citizen and a good employer. We believe that the societies and communities we work in should benefit from our presence, and we aim to have a meaningful and sustainable impact through our social investments. In supplying energy, we contribute to economies by employing staff, helping to develop national and local suppliers, and through the taxes we pay to the Norwegian government.

Over the next ten years, global climate gas emissions must be halved if we are to succeed in halting global warming. The renewable energy society is approaching. However, forecasts predict that oil and gas will remain predominant in the energy mix, which is also in line with the Paris Agreement on climate change. Meeting climate targets will require enormous efforts and Aker BP believes that the petroleum industry is positioned to play a major part in finding cost-efficient and future-oriented solutions.

The petroleum industry's greatest contribution is to generate income that society will spend on climate measures, while also minimizing its own environmental impact. Our goal in Aker BP is to produce oil and gas more efficiently to reduce per-barrel emissions, create value and adapt our know-how to new business models. This will ensure that our natural resources continue to contribute to value creation.

Furthermore, our license to operate depends on safe operations carried out under the highest Health, Safety, Security and Environment (HSSE) standards. HSSE is always the number one priority in all of Aker BP's activities. Our HSSE policy describes our standards and expectations to ensure that Aker BP is a safe workplace, where the goal is to prevent any kind of harm.

Aker BP's corporate responsibility policies and mechanisms for supervision and control of corresponding activities are regularly reviewed and updated to reflect the change in relevant topics and emerging issues. Climate was formally integrated and embedded into Aker BP's strategy and decision making in 2018. The Board of Directors has ownership of climate related objectives and expectations in Aker BP's climate strategy, and review and guide the major plans of action when it comes to investment decisions for climate

initiatives. In 2019, the Board of Directors set the targets for CO₂ emission intensity and reduction of 140,000 tons CO₂ within 2030 (2016 baseline). The latter is in line with the Konkraft targets from Norwegian Oil and Gas Association. At year end, 2019, the CO₂ emission intensity (equity*) was below 7 kg CO₂/boe, and the revised target for CO₂ emission intensity is set to below 5 kg CO₂/boe from 2020.

Response and measures we use to manage or mitigate our risks are embedded in our governance and management system complemented by our risk management framework. This also applies to ESG related risks. The ESG topics are monitored and addressed by multiple disciplines in the company, and to strengthen the cross-functional approach and alignment of activities, Aker BP is establishing an ESG network during first half of 2020.

STAKEHOLDER ENGAGEMENT

Our stakeholders are the many individuals and organizations who are in some way affected by Aker BP's activities – whether it is in our role as an energy provider, an employer or as a business that helps boost local economies through jobs and revenue. We engage with our stakeholders and listen to their differing needs and priorities in our daily work. An open and proactive dialogue with stakeholders facilitates our ability to access the resources we require through the whole life cycle of our assets. The input and feedback we receive serve as a basis for the decisions we make.

Stakeholders are prioritized based on the anticipated potential impact of our activities, both offshore and onshore. For example, when planning development of the new Hod field, we analyzed the potential impact of our activities and who would be affected. More than 40 key stakeholders received the Impact Assessment report in the public hearing. This enables stakeholders to present their views, and their feedback provides Aker BP with awareness of relevant issues and the input we need to evaluate the necessary adjustments.

As part of our work, a stakeholder management plan is developed to identify and mitigate key issues related to main projects and activities. Our aim is to establish good relationships with stakeholder groups engaged by Aker BP; employees, investors, communities where we operate, non-governmental organizations, authorities, contractors, suppliers and trade unions.

* Equity based CO₂ intensity includes equity share of non-operated and operated assets. This is based on scope 1 emissions and calculated on financial ownership interest.



Employees

We acknowledge and prioritize attracting, developing and retaining the best talents. We expect our managers to prioritize our employees by creating opportunities for growth by open and honest dialogues. These include regular development conversations, one-to-one meetings with line managers, quarterly employee engagement survey, active Workplace communication forums, monthly townhall meetings with top management and regular works councils.



Investors

We meet with our key investors on a regular basis and aim to balance shareholder returns with investment in longer-term growth projects. We have ongoing conversations with shareholders and analysts through our program of roadshows, one-to-one meetings, webcasts, Capital Market Update and our annual general meeting. We keep them informed of our strategy and plans from both financial and non-financial perspectives.



Communities

Talking with local people in the communities help us better understand the potential impacts of our activities and we always look for ways of working that align with their needs. The engagement process typically begins long before any physical work has started and continues throughout the lifespan of a project. We engage with local communities through public consultations, as well as regular and ad hoc meetings with community representatives. In Northern Norway for example, we meet with local and regional politicians on a regular basis. This makes us aware of and better able to address issues, risks and opportunities of mutual interest.

We require each of our operating sites to have a robust process for receiving, documenting and responding to complaints. As an example, at our Trell and Trine development projects, all requests during the public hearing will be logged, addressed internally and discussed with the Ministry of Petroleum and Energy before deciding how to mitigate. Most of the concerns raised by stakeholders in public hearings, either for new developments or cessation projects, are related to fishery and the external environment.



Non-governmental organizations

We often consult with Non-Governmental Organizations (NGOs), which bring valuable perspectives on how our activities could affect the local community or environment. For example, NGOs provide valuable input for public hearings relating to impact assessment for both new developments and for cessation of production.



Governments

We engage with local, regional and national governments on many levels and in many areas. We aim to maintain a constructive dialogue at every stage of our activities in Norway. When planning projects, for instance, we assess the potential impacts on society. This helps to identify early on whether any activities could affect stakeholders or the environment, and to find ways to prevent or mitigate those impacts. We consult with government bodies early in the process, so that we can understand their expectations and address concerns. Through this, we hope to resolve potential disagreements, avoid negative impacts on others and disruption to our activities.



Contractors

As a good portion of Aker BP's activities are conducted by our alliance partners and contractors, their skills and performance are essential in helping us carry out our work in a safe and responsible manner. From constructing our facilities and providing well services to supplying equipment, how they manage their environmental and social impact is important to us and can affect our performance. Our contracts include health, safety, environmental, human rights and security requirements. We held sessions with our alliance partners and contractors on topics including safety in 2019.

UN SUSTAINABLE DEVELOPMENT GOALS

Our core business of delivering energy to our customers and the way we operate contributes directly to and supports several of the United Nations Sustainable Development Goals (SDGs). Some of our main contributions are outlined here.



- Contribute to the development of skilled workers by taking in apprentices within several disciplines
- Support and cooperation with educational institutions and innovation centers
- Provide courses covering a wide range of subjects, customized to suit the company's strategy and the needs of our employees
- Regular performance and career development reviews for all employees
- "Digital driver license" course for all employees



- Action plan to increase share of female managers
- Policy against all forms of discrimination
- Gender-neutral pay system
- Full pay during parental leave



- Produce oil and gas with net emissions below 5 kg CO₂/boe and unit production cost of USD 7/boe (2020 goal)
- Valhall, Ivar Aasen and Johan Sverdrup supplied with hydroelectric power from shore
- Policy to purchase energy efficient and low-emission equipment



- Strategy to make contracts in sizes manageable for local businesses and their capacity
- Promote equal opportunities for those with functional disabilities through sponsorship involvement in the VI foundation
- Formalized worker involvement regarding health and safety matters
- New suppliers need to sign a declaration to confirm their commitment to key principles for health and safety, labor rights and human rights



- Established the Eureka digital lab to promote digitalization and data sharing
- Together with Cognite developed an industrial-data platform to make all Aker BP data available to approved users inside and outside the company
- Strategy to invest in community projects that align with local needs and our business activities, with prioritized goals that relate to economic development and education
- Support the Supplier Development Program Marine Technology (Leverandørutviklingsprogram Havteknologi) in Northern Norway with special emphasis on cross-border technology and innovation



- All waste either reused, recycled, recovered for energy use or landfilled following Norwegian regulations
- Closed flares on four of five assets
- Nearly 99 percent of the steel recovered for recycling as part of the removal of topside of the living quarter platform at the Valhall field



- Aker BP acknowledges the conclusions from the Intergovernmental Panel on Climate Change (IPCC) and is committed to take responsibility for our carbon footprint
- Target for CO₂ emission intensity below 5 kg CO₂/boe from 2020
- Valhall, Ivar Aasen and Johan Sverdrup fields are powered with hydroelectric power from shore
- Developing data driven energy optimization through digitalization program
- Consider greenhouse gas reduction opportunities from the design stage for our major projects



- Founding partner in the Centre for the Fourth Industrial Revolution Norway, dedicated to harnessing digital innovation for a sustainable and profitable ocean economy
- Detailed environmental assessments when planning projects to identify impacts that could arise from our activities
- We work hard to understand environmental and social sensitivities in the areas where we operate with the aim of avoiding, minimizing and mitigating any potential impacts



“Aker BP ASA generated total income of USD 3,347 million in 2019. The company paid USD 750 million as dividend to its shareholders.



ECONOMIC IMPACT

Aker BP, being an upstream exploration and production company, is to a large extent a price taker in commodity markets and therefore manages its economic performance mostly through controlling cost and production volumes. A rigorous system is in place for budgeting, forecasting and managing these parameters, with the purpose to support sound financial decisions, provide guidance to our license partners, debt owners, shareholders and petroleum authorities, and to continuously monitor our financial risk.

The management approach starts with our vision of becoming the leading independent offshore exploration and production company, as well as corresponding performance metrics. These include:

- Zero accidents
- Unit production cost of USD 7/barrel of oil equivalent
- Sanctioning hydrocarbon projects at or below a USD 35/barrel breakeven price
- Producing oil and gas with net emissions below 5 kg CO₂/boe

An annual strategy process in the first half of each calendar year assesses the current state in the company versus the vision and defines focus areas for the coming years. The strategy is sanctioned by the Executive Management Team and the Board of Directors. This process is repeated in each business unit in the second half of the year and yields a set of prioritized initiatives with corresponding KPIs for the next year both on a corporate level and per business unit.

A dedicated performance management system is used throughout the company to report and monitor progress on

initiatives and KPIs, and each member of the Executive Management Team is responsible for their own business unit's performance against these targets. The company dashboards are also presented to the Board of Directors for approval.

Throughout the year, production and cost forecasts are updated in quarterly business plans. This yields a measure of progress on key projects, improvement initiatives and KPIs as well as financial projections.

DIRECT ECONOMIC VALUE CREATED

Aker BP ASA generated total income of USD 3,347 million in 2019. The company paid income taxes of USD 619 million, USD 42 million in CO₂ fees, USD 4.1 million to the NOx fund and purchased CO₂ quotas for USD 29.3 million. The company paid USD 750 million as dividend to its shareholders.

RISKS AND OPPORTUNITIES POSED BY CLIMATE CHANGE

Aker BP manages and reports enterprise threats and opportunities through an enterprise risk management process across business units. The purpose of this process is to create robustness relative to performance delivery. The Executive Management Team, Audit and Risk Committee, Safety and Environment Assurance Committee, and Board of Directors all engage in the risk review process and report at pre-set intervals during the year.

Climate-related enterprise risks are identified, assessed and followed up as an integral part of the overall risk management system in Aker BP. Risks are defined in a short, medium and long-term perspective. Aker BP recognizes the recommendations made by the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD).

Strategic risks are regularly elevated to the executive management team and the Board of Directors, and climate change is an individual strategic risk category. We also developed scenarios related to potential future developments of climate change, policy and commodity markets to test the robustness of our business plan and investment decisions. All investment decisions are tested against a carbon price consistent with The International Energy Agency's (IEA) Sustainable Development Scenario. Aker BP's carbon price used for investment decisions is USD 90/ton CO₂ in 2020 increasing to 105/ton CO₂ in 2030. The key climate change related risks are given below.

Physical risks

Sea level rise and extreme weather: These are acute physical risk elements that are considered climate related. For example, the Valhall field center and Tambar installation are subject to subsidence (sinking ground level) and a rise in the sea level will amplify this issue. Sea level rise is not expected to have a significant effect on any of the other installations in operation.

More frequent extreme weather events can lead to operational limitations such as waiting on weather and shut-in of production. Three out of five fields may be exposed to this risk.

Aker BP regularly assesses these risks through studies of e.g. structural integrity of facilities and metocean data and implements the necessary actions to ensure safe operating conditions.

Regulatory risks

Changes in tax system: In the effort to curb global greenhouse gas emissions, there is a risk that the political framework conditions will change – for instance that the environmental taxes and fees will increase in Norway or that a floor is implemented on CO₂ quota prices significantly higher than the prices seen today. These taxes and fees are accounted for in all internal business cases and project investment decisions with a projected increase, from around USD 90/ton in 2020 toward USD 105/ton in 2030.

Aker BP has already electrified our largest installation Valhall with power from shore, which in Norway means close to 100 percent clean hydro-electric power, and we will electrify Ivar Aasen with power from shore in 2022. We are also a license partner in Johan Sverdrup, which receives power from shore. Even today, Aker BP has among the lowest CO₂ emissions on the Norwegian continental shelf (NCS), at 7 kg CO₂/boe marketed production in 2019. This is less than half the global average and more than 1 kg CO₂/boe below the NCS average. This implies that in a scenario of increased emission costs, Aker BP would become more competitive relative to

most other impacted producers. Still, almost five percent of our production costs in 2019 were environmental taxes and fees. Should these costs increase materially, it would impact our profitability (although to a smaller extent than less carbon efficient competitors).

Policy-driven closure of coal fired power plants: To meet EU emission targets over the next decade, European governments may choose to shut down existing or cancel planned coal fired power plants. A likely effect would be increased natural gas demand and natural gas prices in Europe because parts of the power supply from coal fired generation would have to be replaced by gas fired power plants as renewables sources may not be able to fill the gap. This would have a positive impact on Aker BP revenue, as 10 percent of our revenues in 2019 came from natural gas sales.

Other changes to regulatory framework: To meet its national climate commitments, there is a risk that Norway would implement changes to the political framework to ensure emission reductions from the petroleum industry. In case of reduced access to new acreage, Aker BP's and the Norwegian E&P industry's longer-term growth prospects would be reduced, and the cost of capital might correspondingly increase. Another scenario is for the authorities to require emission abatements that are not competitive with other uses of capital or even uneconomic.

Economic risks and opportunities

Changes in demand for hydrocarbons: To reduce emissions, the world will have to consume less hydrocarbons. As the natural decline in current producing fields is even faster than the required reduction in consumption, this will put the economics of future developments under pressure as only the most cost-competitive barrels will be needed in the market. Consequently, Aker BP has introduced an investment hurdle to sanction projects at break-even oil prices below USD 35 per barrel.

Costs of carbon quotas: Petroleum operations on the Norwegian continental shelf are subject to the European Union's Emission Trading Scheme and Aker BP purchases Carbon Emission Allowances (carbon quotas) for its emissions. The cost of these quotas increased sharply in 2018, and there is a risk that they will increase further over the next years.

Aker BP is a highly carbon efficient operator already and is implementing a program to further improve energy efficiency through energy waste reduction and digitally enhanced energy management. Emissions related costs are also included in business plans and investment decisions and scenarios are tested to ensure robustness against this risk.

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

Aker BP employees are enrolled in the company's defined contribution pension plan. In combination with the National Insurance Scheme, each employee's pension contribution equals 25.1 percent of pensionable pay, capped at approximately NOK 1.2 million (this cap is regulated by Norwegian pension legislation). The plan is fully funded. No employees have top-hat pension plan (pension on pensionable pay above NOK 1.2 million).

INDIRECT ECONOMIC IMPACTS

Aker BP is committed to creating jobs and growing local businesses in the communities where we operate. We invest in community projects that align with local needs and our business activities and have prioritized goals that relate to economic development and education.

All five operated hubs; Alvheim, Valhall, Ula, Ivar Aasen and Skarv have performed and secured acceptance for the impact assessment studies as part of the Government approval process. According to the Government's Northern Area Policy, special focus should be given to the development and operation of fields located in Northern Norway to help stimulate local content and create value in the regions.

The Helgeland region, where our Skarv supply base is located, is an important area for both Aker BP and our fields in the Skarv and Ærfugl area regarding asset support through short response time. Our strategy is to achieve optimal use of the existing industry in the region, including a wider activity set from Aker BP and increased opportunity for local business. Use of local industry will lead to shorter response time for asset support and strengthen the industry cluster in the region.



Valhall is powered from shore.

Aker BP has continued the contract strategy from Skarv to the Ærfugl development project, where we focus on four elements to stimulate local engagement and value creation;

- 1. Maximizing the local impacts
- 2. Decentralized contracts
- 3. Local procurement function and active supplier development
- 4. Close contact and cooperation with Nordland County, local municipalities in Helgeland, business, schools and educational institution

Supplier/vendor seminars and one-to-one meetings have been conducted, focusing on how local businesses can position themselves to win contracts. Splitting up contracts in sizes manageable for local businesses and their capacity has given them the opportunity to compete in tendering processes. Aker BP is a member of the Oil and Gas Cluster Helgeland and Petro Arctic, both organizations located in Northern Norway with key focus on how to involve local and regional business enterprises.

The Supplier Development Program Marine Technology (Leverandørutviklingsprogram Havteknologi) is a collaborative project initiated in 2018 and supported by Aker BP. The aim is to strengthen the blue supplier industry (aquaculture, marine and maritime) in Northern Norway with special emphasis on cross-border technology and innovation.

We contribute to the growth of local businesses in the regions where we operate. In Helgeland, for example, we are helping to develop the skills of local companies to enhance their competitiveness in tenders with national and international firms. A competitive local business is important for further developing the regional economy. In 2019, our enterprise and development program helped local companies secure contracts with Aker BP in the Helgeland region for about NOK 300 million, partly through the daily operation supporting the Skarv field, and partly through development of the Ærfugl field.

To stimulate the cooperation with schools and education, Aker BP supports activities and public offices that contribute to the growth and development of the local community. We do this by offering studies, competence-raising measures and innovation processes and projects such as Kunnskapsparken Helgeland, Tverrfaglig Opplæringskontor, Studiesenter Ytre Helgeland, Kunnskapsutvikling Helgeland and Sandnessjøen upper secondary school.

We have, for example, supported Kunnskapsparken (Innovation center) Helgeland in Mo i Rana in their school and business program for many years. The project aims to ensure that industrial and technology companies at Helgeland have access to technical, financial and administrative expertise for young people to

choose Helgeland in the future. It is important that our young people are informed about the opportunities that exist in the region and gain better knowledge of the region's working life and their skills needs. During 2019, the project collaboration involved more than 5,000 participants, and included activities and initiatives for students, teachers, advisors and principals in primary and secondary schools, as well as universities.

Aker BP is further developing the cooperation agreement with Nordland County focusing on local business development, schools and education.

ANTI-CORRUPTION

Aker BP has zero tolerance for corruption. Though we generally consider corruption risks in Norway to be low, we believe it is important to be aware that corruption also happens here, and that we need to be conscious of potential dilemmas and grey areas such as conflict of interest, relationships with business partners, gifts and hospitality. Our goal is to act ethically and with transparency, so that we can be a trusted business partner, employer and corporate citizen. Aker BP has not had any corruption cases in 2019, and our goal is to ensure that we have none in the future.

Aker BP improved its anti-corruption and integrity efforts significantly in 2019, and anti-corruption training is an important part of the e-learning program which was rolled out internally in 2019.

A structured internal risk assessment has been performed in order to update and build a compliance program which corresponds to the risks that Aker BP might face. The compliance program was updated accordingly and some of the mitigating actions included updating policies for reporting censurable conditions through the integrity channel and a process for background checks of potential suppliers.

TRANSPARENCY

In Aker BP, all employees are required to register gifts and hospitality from third parties. The gifts and hospitality register was improved in 2019, and information was issued to all employees to increase awareness. An internal website has been developed containing information about ethics and anti-corruption and relevant links to the gifts and hospitality register and whistleblower channel. According to the risk assessment report, conflict of interest is an important risk in the company with potential improvement in the way that it is managed. In the autumn of 2019, the Executive Management Team therefore decided to establish an internal online conflict of interest register. This is under way and will be implemented in early 2020.



Load-out of Ærfugl subsea production system in Sandnessjøen.

ANTI-COMPETITIVE BEHAVIOR

Aker BP is committed to protecting fair and open competition, and to compete in a fair and ethical manner. We do not tolerate any violations of applicable rules relating to competition. We do not engage in or tolerate any violations of applicable rules, nor do we engage in any anti-competitive behavior, such as price fixing, bid rigging, market sharing or abuse of market power.

There are no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust or monopoly legislation in which the organization has been identified as a participant.



A WORLD-CLASS DIGITAL LAB

Aker BP has established the Eureka digital lab. This is the center of excellence for digital projects in the company, and through it, Aker BP has taken the lead in digitalizing the oil and gas industry.

In 2019, 100 people from Aker BP and key strategic digitalization partners work in the digital lab. It hosts unique digital competence.

“Digitalization and data sharing are fundamental for Aker BP to become the leading offshore independent exploration and production company. That is why we established Eureka. Through our digital lab, we aim for better decision-making by leveraging all available data,” explains SVP Improvement Per Harald Kongelf in Aker BP.

Digitalization is one of four improvement pillars in Aker BP and the company has invested heavily in the digital lab.

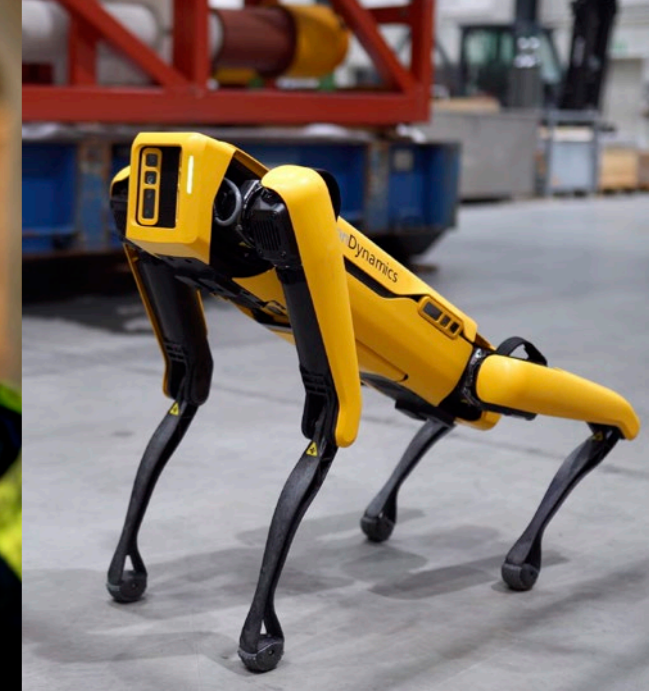
DATA LIBERATION

Essential in the digital lab's success is the Cognite Data Fusion platform. In 2017, Aker BP, in collaboration with Aker ASA and IT innovator John Markus Lervik, estab-

lished Cognite to develop a unique industrial data platform. The objective was to make all Aker BP data available to approved users inside and outside the company, on any device, at any time, with extremely low latency.

“Through Cognite Data Fusion, data is accessible, intuitively-organized, and any authorized user can find the right data for the task at hand. The industrial platform presents us with a digital representation of our industrial reality,” explains Signy Elde Vefring, VP Digitalization at Aker BP.

The software organizes data in ways that are meaningful to both algorithms and human users. This enables Aker BP to build applications, analyses and models on top of the contextualized data from sources such as sensors, work orders, piping and instrumentation diagrams, subsurface and wells.



“This allows our people to make more data-driven decisions and focus on optimizing operations rather than looking for siloed data,” Elde Vefring says.

AGILE WORKING

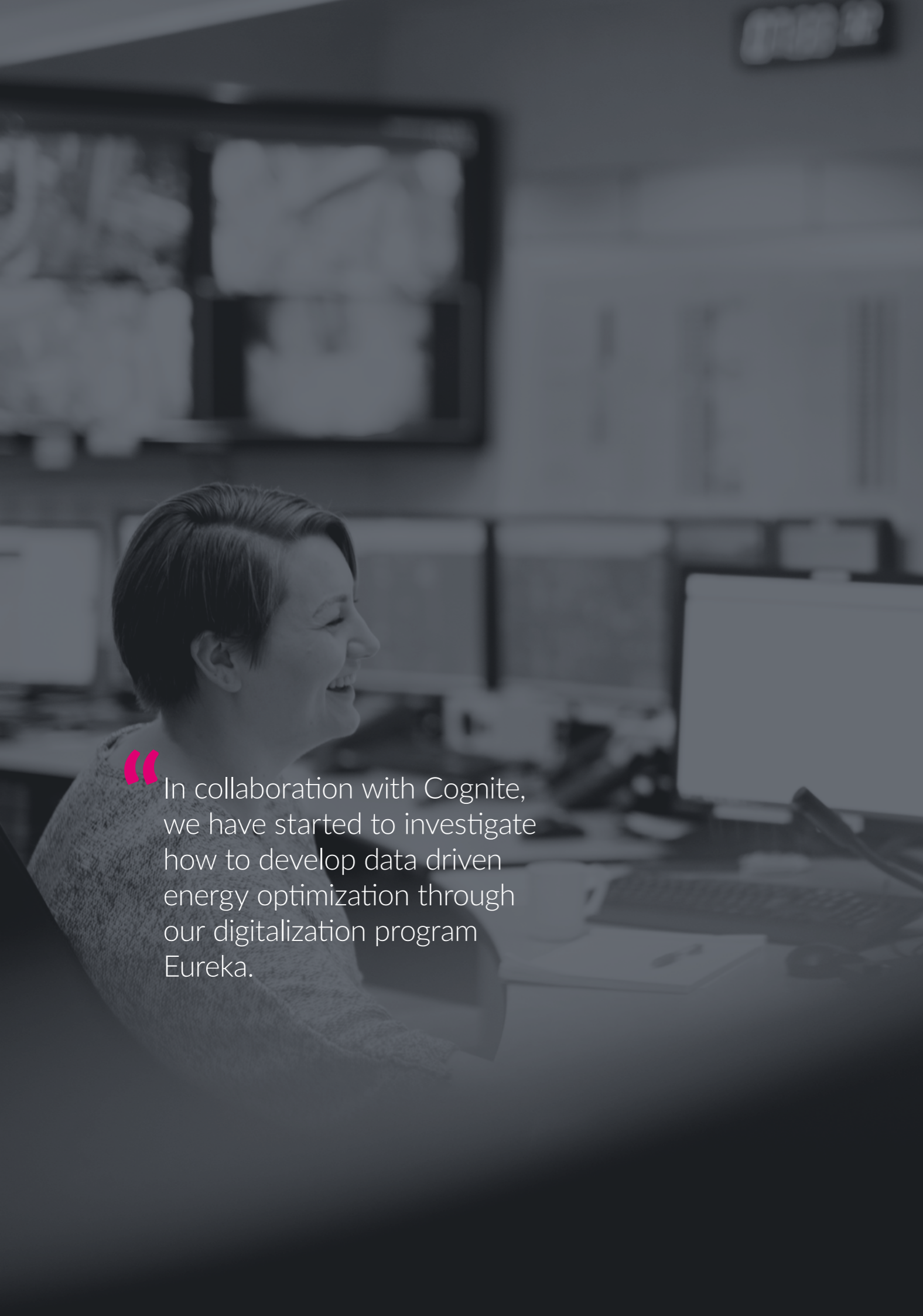
The Eureka program is organized into crews, each working on solving a specific challenge. The Eureka-crews are cross-functional. Crew members are assigned to the project full-time and are physically co-located in Stavanger. They work according to an agile work methodology where tasks are split into a series of iterative sprints with a fixed duration. The result is fast progress or fast failure.

“We have solved concrete problems and demonstrated value through 18 months. For example, handheld devices have been rolled out on our offshore assets,

thus increasing efficiency and safety for our workers. We have optimized production, worked on predictive maintenance, and improved well planning through better tools and collaboration. All these initiatives contribute to saved time, reduced cost or higher production efficiency,” Kongelf explains.

Aker BP's next digitalization step will be to gather all Aker BP digital projects and initiatives under the Eureka umbrella, and accelerate roll-out of the resulting products to operations.

“Eureka has created a unique competitive edge for Aker BP. Going forward, we will continue to prioritize initiatives that enable optimized, stable and energy-efficient operations, and thus also reduce our environmental footprint,” Kongelf concludes.



“In collaboration with Cognite, we have started to investigate how to develop data driven energy optimization through our digitalization program Eureka.



ENVIRONMENTAL IMPACT

Aker BP follows the guiding principles of ISO 14 001 in its environmental management system. Introduction of exploration drilling or any changes in the offshore operations and new projects that affect discharges to sea, emissions to air or disturbances of the seabed requires barrier review. We always consider regulatory requirements as a minimum and use best available technique (BAT) and industry best practices for barrier design. Key environmental performance indicators (such as oil discharge concentration to sea, greenhouse gas and CO₂ emissions, flaring volume, waste segregation percentage, produced water re-injection percentage etc.), with targets, are defined at a company level and within each business unit.

We evaluate external environmental aspects and perform a risk-based analysis triggered by internal or external requirements. New or changes to regulatory requirements or industry initiatives are some examples of external triggers. Environmental barrier development and barrier control follow regulatory and company requirements in addition to specific Norwegian petroleum standards (NORSOK) for external environment. Our goal is to reduce emissions, discharges and waste. Activities that have significant impacts on the environment are kept to a minimum.

In 2019 we evaluated environmental aspects of Ærfugl, a sub-sea tie-in to Skarv, to identify risks that need to be addressed during the project. We performed a detailed mapping of the pipeline route to avoid damaging sensitive seabed fauna like corals and sponges, minimized rock-dumping on pipeline route to limit seabed disturbance, completed a dispersion analysis of cuttings distribution on Ærfugl wells and designed for cutting transport from top-hole drilling to avoid hitting single corals.

Environmental Impact Assessment for Hod re-development was sent on public hearing in 2019. Best available technique was considered for all environmental aspects.

Environmental policy is incorporated in the HSSEQ policy and is approved by the Executive Management Team. Major environmental issues are lifted to Board level responsibility. Annual environmental programs are in place for exploration drilling and offshore operations. Objectives with targets and deadlines are set and followed up during the year. In 2019, two of the offshore facilities qualified the use of online oil-in-water measurements which reduces daily exposure during sampling and provides better control.

MATERIALS

Our products are oil and gas, and they are transported via pipelines or shuttle tankers; hence no materials are used for packaging of our products. Excess materials used offshore are recycled and sent onshore for further recycling (approximately 90 percent).

ENERGY

Energy management is governed by ISO 50 001. In 2019, we finished mapping the energy consumers on all assets and identified energy reduction initiatives.

Hydro-electric power from shore is part of the active energy management within the company, and in 2019 we continued the feasibility studies for some of the existing fields in relation to life extension and power from shore. Valhall already has power from shore and Ivar Aasen will receive power from shore in 2022 (receives power from near-by asset Edvard Grieg today). In cases where new energy-intensive equipment is purchased, the equipment must be as energy-efficient as possible and of low-emission technology. We also started to investigate how to develop data driven energy optimization through using Eureka, our digitalization program, in collaboration with Cognite. This will be further pursued in 2020.

CONTRIBUTING TO A HEALTHIER OCEAN

Aker BP is one of the founding partners of the Centre for the Fourth Industrial Revolution Norway (C4IR). The centre is dedicated to harvesting the advances of technology to preserve our oceans and reduce the environmental footprint of ocean industries. Through this initiative, Aker BP contributes towards healthier oceans.

"The oil industry has contributed enormously to society through value creation and technology. Now we share our competence, technology and resources and thereby contribute to a healthier ocean," says Lene Landøy, SVP Strategy and Business Development in Aker BP.

The Aker Group, REV Ocean, The Resource Group (TRG) and the World Economic Forum announced the establishment of C4IR Norway in September 2019. It is the only one in a network of ten centers which focuses on the environment.



AHEAD OF THE INDUSTRY

Through public-private collaboration, C4IR will develop governance frameworks and solutions for a sustainable and profitable ocean economy, using digital technologies ranging from artificial intelligence to blockchain.

A key part of C4IR is the Ocean Data Foundation, a platform for participants in the initiative to collect and share data. Access to, sharing and using quality data is essential for success in improving the health of the ocean.

"Together with Cognite, Aker BP has established the Cognite Data Fusion industrial platform where data is continuously and securely accessible, infinitely scalable and contextualized. We are ahead of the rest of the oil and gas industry and can contribute our experience to the Ocean Data Foundation," Landøy explains.

TWO MAIN CONTRIBUTIONS

Aker BP contributes in two main projects. The first is the Energy optimizer, a digital platform which calculates and identifies energy loss related to individual components and corresponding energy intensity. The ambition is to scale the project to become an international effort, across geographies and operators. The second project is the Discharge optimizer. This digital platform is dedicated to monitoring use of chemicals to optimize and reduce consumption.

To reach the UN Sustainable Development Goals, the ocean will need to provide the world with more food, jobs, energy and raw materials. According to the Organisation for Economic Co-operation and Development estimates, the value of the ocean economy could exceed USD 3 trillion by 2030, providing more than 40 million jobs. However, fulfilling this potential will require safeguarding and improving the health of the ocean.

"80 percent of Aker BP's emissions relate to power generation offshore. At Skarv FPSO in the Norwegian Sea, we have reduced export pressure and reduced energy use in the FPSO gas cleaning process. This has resulted in a 22,000-tonne reduction in annual CO₂ emissions from 2020. Energy efficiency projects like these are an essential part of our strategy to meet the challenge of lowering CO₂ emissions and cost," Landøy concludes.

The Aker group is composed of Aker, Aker BP, Aker BioMarine, Aker Energy, Aker Solutions, Cognite and Kvaerner. Ocean Data Foundation and REV Ocean were both established by and are funded by TRG.

OPTIMIZING ENERGY

One of Aker BP's most important contributions to the energy transition is increasing energy efficiency from own operations, and by doing so, contributing to reduce emissions in a global context.

"The future requires more efficient production of oil and gas. We believe we can deliver an emissions intensity below 5 kg CO₂/boe* from 2020 and going forward, and energy efficiency is a key part of our strategy for achieving this," says SVP HSSEQ Marit Blaasmo in Aker BP.

In 2019, Aker BP's CO₂ intensity was below 7 kg CO₂/boe, less than half the global industry average, and below the average for Norwegian continental shelf operators.

CUTTING EMISSIONS BY 22,000 TONNES

Power generation offshore accounts for 80 percent of Aker BP's CO₂ emissions, and is an obvious target for further improvements.

Advanced digital technology applied on the Skarv FPSO makes intricate data available to offshore and onshore personnel, allowing them to monitor and interpret details of the operation.

As a result, Skarv personnel identified two opportunities to increase energy efficiency in 2019. The first was to reduce the export pressure when transporting gas through the Åsgard pipeline. The second was to reduce energy use in the FPSO gas cleaning process.

Skarv now saves 3.9 MW worth of power every year, which in turn reduces fuel gas consumption by 26 MS-m³/d. This leads to an annual reduction in CO₂ emissions of 22,000 tonnes per year from 2020.

"I am extremely proud of the Skarv team's achievements. The reduced emissions are a result of great collaboration between the onshore and offshore teams. The team challenges old work methods and together we continuously seek improvements through our Lean strategy. However, to reach the goal of 30 percent reduction in

Skarv's CO₂ emissions, we need to mature modification projects in parallel with continued improvement in energy optimization. We are now evaluating and maturing a steam power project," says VP Ine Dolve for operations and asset development Skarv.

Aker BP is also testing an energy optimizer tool. This is a digital platform to calculate and identify energy loss related to individual components. The ambition is to scale the project to become an international effort, across geographies and operators.

IMPROVED LOGISTICS = ENERGY OPTIMIZATION

In 2019, a new shared logistics supply concept was established in the southern North Sea to support Ula, Tambar, Valhall, Gyda and production drilling in the vicinity. As the activity surged, smarter use of the vessel fleet was achieved, rather than just increasing the number of vessels.

"We have managed to improve schedules and routes to provide flexibility and capacity, thereby reducing unit cost and emissions. It has required close cooperation both internally and with other operators. The reward is reduced annual CO₂ emissions by 9,500 tonnes," says VP Gunn Elin Hellegaard for logistics and operational support in Aker BP.

A new sailing route for vessels supporting Skarv is also contributing to reduce Aker BP's CO₂ footprint. Re-scheduling in collaboration with other operators in the area has resulted in reduced fuel consumption and annual CO₂ emission cuts of 3,300 tonnes.

"This is just the beginning for us. There is a great potential to reduce emissions through optimized logistics," Hellegaard concludes.

* Equity based CO₂ intensity includes equity share of non-operated and operated assets. This is based on scope 1 emissions and calculated on financial ownership interest.



WATER AND EFFLUENTS

Our policy to manage and handle effluents and waste such as water, production waste and wasted resources, seeks the lowest possible environmental impact, with the following order of priority:

- Prevention of occurrence
- Reuse/recycling/reinjection
- Reduction
- Treatment and disposal/discharge

Seawater is lifted from below the surface and used in off-shore operations for cooling, pressure support for the reservoir and to generate fresh water. Produced water is reinjected to the reservoir for pressure support or discharged to sea after sufficient treatment according to best available technique and regulatory requirements. Total volume of produced water was higher in 2019, mainly due to challenges with a mid-water arch on Alvheim where a sub-sea template was shut-in for four months. The mid-water arch is repaired and reinforced, in addition to reinforcing the mooring on two other arches. This also resulted in 13 percent less re-injection compared to 2018.

Our operations are not located in water-stressed environments and water is not a scarce resource in Norway, hence not a high risk and no managerial or board level responsibility is required. Fresh water is only used for drinking water, accommodation and in some drilling operations offshore. In most cases, drinking water offshore is generated from seawater.

Our climate strategy is to reduce waste and improve energy efficiency throughout the organization, which includes evaluation of water makers.

Minimum standards are set for the quality of effluent discharge. Discharged produced water is regulated by the Norwegian Environment Agency (NEA) and should be below 30 mg oil/L produced water per month (weighted average). Chemicals are regulated with discharge permits.

Produced water is discharged in the North Sea from Alvheim, Ivar Aasen, Ula and Valhall, and in the Norwegian Sea from Skarv. Produced water discharge is risk rated by calculating an environmental impact factor (EIF). EIF should be < 10 for minimal environmental risk. EIF between 11-100 requires measures to reduce the discharges.

Effluents (produced water) are managed by daily measurements of oil in water concentration or continuous online measurements. In 2019, Alvheim and Ula exceeded the 30 mg/L limit for produced water for one month and three months, respectively. Produced water cleaning and reinjection has high focus in the organization and produced water is reinjected into the reservoir where possible. We have ongoing projects to improve the oil and water separation and rate of reinjection.

If a significant spill occurs, it is investigated, and corrective actions assigned. Learnings from incidents are shared across the assets and with our alliance partners. There were three chemical spills in 2019, a reduction from previous years.



BIODIVERSITY

Aker BP considers ecosystem vulnerability and biodiversity in our exploration activities, operations and new project developments. We minimize impact on biodiversity and consider biodiversity in planning activities. We perform environmental analyses to assess the relevant risks in the area and what impact our activities will have on birds, fish and marine mammals. Evaluations of sea-bed disturbances and impacts on sea fauna are also included. Biodiversity priority areas (known as SVO in Norwegian) are known and management plans for these areas are created with additional analyses.

NEA has strict regulations and aim to ensure that the water quality in marine areas help preserve species and ecosystems. We implement and follow these regulations and guidelines. We set acceptance criteria per group of species and use a risk-based approach to finalize the environmental impact assess-

ment. Aker BP also has an overview of the red-listed species from the International Union for Conservation of Nature in areas near exploration and operational sites, and this is included in the environmental risk assessment.

Seven exploration wells were drilled in 2019 and two of the wells were in areas that required additional systematic consideration of the local threats to biodiversity. Vågar (PL 762) is in an area with corals, where studies showed that most of the corals were classified as poor or dead and located more than 500 m from well location. Drill cuttings dispersion studies showed that the highest sedimentation of particles was close to well location and sediment thickness was calculated to maximum 0.46 mm and would not have a negative impact on the corals. For Kark (PL 19C), an assessment was completed of the sand eel SVO. Well location and environmental risk assessment showed no risk of impacting the sand eel SVO.





LANDED ON ULA

– took the first
flight home

This little bat is not the same that landed on Ula.
But, as far as we know, he may also have visited one of our installations.

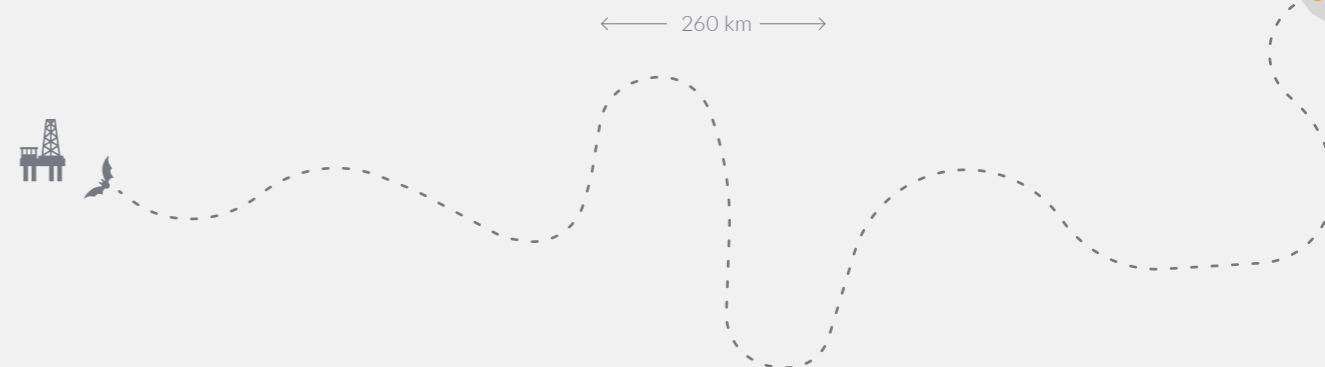


This little bat – with the scientific name "Nathusius' pipistrelle" – visited Ula last fall. Because this species of bat is on the endangered list, it was sent back home as a VIP passenger on the first available helicopter flight.

Aker BP considers ecosystem vulnerability and bio-diversity in our exploration activities, operations and new project developments. Chris Andre Stange and John Arvid Medhaug found the bat on Ula and cared for it. They contacted the Nordic Chiroptera Information Center (NIFF) - BatLife Nordica, which recommended transportation to land.

19 passengers plus a special little bat were flown to land. The bat was examined, weighed, measured and checked for fitness. After being fed a meal, it was released into its natural habitat in the Arboretum in Sandnes.

According to Wikipedia, these bats can migrate up to 2000 kilometres. Occurrences of these bats on oil platforms and ships reveal that they commonly migrate over the North Sea and the Baltic.



EMISSIONS

Aker BP acknowledges the conclusions from the Intergovernmental Panel on Climate Change (IPCC) and is committed to take responsibility for our carbon footprint. To actualize our part of the obligations, a company energy forum was established. Our goal is to minimize emissions from activities on the Norwegian continental shelf through choosing energy-efficient solutions and operations. New projects must perform feasibility studies for power from shore or power transmission. In cases where new energy-intensive equipment is purchased, the equipment must be as energy-efficient as possible and use low-emission technology.

Production KPIs and emission targets are included as part of the incentive structure. Climate strategy is incorporated in the business management system and anchored in the corporate HSSEQ policy and plans for 2019.

Aker BP maintained a score B in 2019 for climate change from CDP. This is a global non-profit organization that focuses on investors, companies and cities, urging them to take action and to build sustainable economy by measuring and understanding their environmental impact.

Aker BP is committed to reducing greenhouse gas (GHG) emissions corresponding to our share of the KonKraft obligations in support of the Paris Agreement. All our offshore operations are in Norway and have scope 1 and scope 2 emissions that include CO₂, CH₄ and N₂O, hence our consolidation approach for emissions is operational control.

Scope 3 emissions are partly accounted for and will be a focus area for 2020. We set our organizational boundary for scope 3 emissions to include upstream scope 3 emissions and downstream transportation of shuttle tankers from Alvheim and Skarv to destination port (ref. GHG Protocol). All downstream scope 3 emissions are not included since we do not have any downstream activity as part of our business. Scope 3 emissions for 2019 will be reported in CDP.

Emissions of NOx and SOx increased with 28 percent and 48 percent respectively, mainly due to increased drilling activity in 2019. Aker BP’s work to reduce flaring and quantify emissions of non-combusted hydrocarbon gases has resulted in closed flares on four of five assets.

Equity based CO₂ intensity includes equity share of non-operated and operated assets calculated as a share of marketed equity share of oil and gas production and is based on scope 1 emissions. It does not include direct emissions from exploration drilling. Our equity-based CO₂ intensity target is set at below 5 kg CO₂ per barrel of oil equivalents (boe) for 2020. In 2019 our equity CO₂ intensity was 6.9 kg CO₂/boe.



The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'.

Scope 1 emissions are direct emissions from owned or controlled sources.

Scope 2 emissions are indirect emissions from the generation of purchased energy.

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

WASTE

We handle production waste such as drilling mud and cuttings by following the same principles as described for water and effluents.

Total hazardous waste includes waste, mud and cuttings. Oil based drilling mud is reused when the technical quality of the mud is intact. Both hazardous and non-hazardous waste is transported onshore. Aker BP uses ASCO as our main waste disposal contractor. All waste is handled in Norway and regulatory aspects are followed. In 2019, hazardous waste was either reused (4 %), recycled (12 %), recovered for energy use (30 %) or landfilled (54 %). Non-hazardous waste was either recovered for energy use (39 %), recycled (55 %) or landfilled (6 %).

ENVIRONMENTAL COMPLIANCE

Aker BP uses yearly submission of reports to authorities, audits performed by regulatory bodies and self-assessments to ensure environmental compliance. The conformity checks in the self-assessment process pay attention to both environmental aspects and regulatory requirements. In 2019 we had one serious non-compliance regarding use and discharge of red chemicals on Ivar Aasen and emission of methane and nmVOC.

SUPPLIER ENVIRONMENTAL ASSESSMENT

Major new suppliers were assessed using environmental criteria. None of the major suppliers were identified as having significant actual and potential negative environmental impacts. Aker BP engages quarterly with the suppliers to focus on how to improve environmental performance.

STRENGTHENING OUR OPERATOR ROLE THROUGH LEARNING

In 2019, Aker BP reported discharges at the Ivar Aasen field in the North Sea exceeding the allowed discharge permit. Lessons learned from the incident have resulted in improved processes and strengthened monitoring of chemical usage and discharge across all assets in the company.

During an inspection in September 2019, the Norwegian Environment Agency identified that Aker BP had exceeded the limits in the discharge permit for red chemicals and emission limits for methane and nmVOC*. Aker BP immediately initiated an internal investigation and hired an external agency to evaluate the environmental impact from the discharge.

"We were in breach of the discharge permit for Ivar Aasen over a period. In this case, we failed to live up to our obligations as an operator and, as a result, we have implemented several actions to improve barriers across the organization," says SVP Operations and Asset development Kjetel Digre in Aker BP.

REPORTED ACTUAL DISCHARGES

Water injection is critical to Ivar Aasen's production. Aker BP applies four category red chemicals in the processing facility - one flocculant, one detergent and two biocides. The first chemical - the flocculant - is used for water treatment. It is water-soluble and is reinjected into the reservoir. The three other chemicals are used in the treatment of seawater through filtering, neutralizing and removal of sulphates, all essential to the injection process.

"The Ivar Aasen field came on stream in December 2016. The original discharge permit was based on estimates rather than operational experience, and the need for increased chemical use in the operations was quickly revealed," Digre explains, and continues:

"The actual use of chemicals was reported to the authorities. However, our formal processes should have been followed, and we should have submitted an updated discharge application covering the excess amounts."

Digre adds that the increased emissions of methane and nmVOC were a result of periods with unplanned and limited power access from Edvard Grieg.

NO DISCREPANCY

Aker BP applied for an updated discharge permit in the autumn of 2019. The permit was granted by the Norwegian Environment Agency in January 2020. Aker BP can continue to use the system for reinjection of treated seawater.

"We are no longer in a situation with a discrepancy between reported discharges and the limits in the permit. Using the standard environmental risk assessment model the discharge of the red chemicals has occurred in batch and over a limited time span," Digre explains.

The chemical associated with the highest risk is quickly broken down in nature to benign products, and any possible effects will thus be local and of passing character. As none of the chemicals bioaccumulate, effects on the food chain are not expected.

IMPROVED CHEMICAL MONITORING

In response to the Ivar Aasen discharge, Aker BP has improved along three main areas:

- Better systems for monitoring chemical usage and discharge have been rolled-out across all Aker BP assets
- The company has explored more robust methods for measuring and calculating the concentrations of discharged chemicals
- Collaborate with other operators and suppliers to develop alternative and more environmentally friendly chemicals

"We do everything we can to limit the use of chemicals in our operations. Our vision to create the leading independent offshore exploration and production company also means leading on minimizing the environmental footprint from our operations. Going forward, we will continue to maximize learning across our organization and build on our digital competence to further strengthen our work within this segment of our business," Digre concludes.

* Non-methane volatile organic compounds nmVOC are a collection of organic compounds that differ widely in their chemical composition but display similar behaviour in the atmosphere. nmVOC are emitted into the atmosphere from a large number of sources including production processes.

SUSTAINABILITY DATA

ENVIRONMENT

ENERGY

	2017	2018	2019	Units	GRI	UN SDG
Total fuel consumed from non-renewable sources	14 448 815	13 860 062	13 824 322	GJ	302-1a	SDG7
Total fuel consumed from renewable sources	0	0	0	J	302-1b	SDG7
Electricity consumption	492 840	576 554	509 503	MWh	302-1c	SDG7
Electricity sold	0	0	0	MWh	302-1d	-

WATER AND EFFLUENTS

	2017	2018	2019	Units	GRI	UN SDG
Produced water withdrawal total volume	10 679	13 859	14 063	ML	303-3a	-
Re-injected produced water volume	6 381	8 353	6 552	ML	-	-
Percentage of produced water re- injected	60	60	47	%	-	-
Produced water discharged to sea volume	4 230	5 527	7 595	ML	303-4b	-
Percentage of produced water discharged	40	40	53	%	-	-
Hydrocarbon discharged to sea within produced water	77	126	150	tonnes	-	-
Total fresh water usage	179 713	215 070	280 796	m³	-	SDG6

EMISSIONS

	2017	2018	2019	Units	GRI	UN SDG
Direct GHG Emissions (scope 1) - all gases	913 796	891 350	897 478	tonnes CO ₂ e	305-1 a	SDG13
Biogenic CO ₂ emissions	0	0	0	tonnes CO ₂ e	305-1c	-
Indirect GHG Emissions (scope 2)	126 180	159 391	143 152	tonnes CO ₂ e	305-2a	SDG13
CO ₂ emissions intensity (equity share)	-	6.9	6.9	kg CO ₂ / boe	-	SDG13
Reduction of GHG emissions	16 000	2 238	22587	tonnes CO ₂ e	305-5a	SDG13
Methane intensity	0.09	0.07	0.09	%	-	SDG13
NOx	1 804	2 031	2 818	tonnes	305-7a	SDG13
SOx	30	33	63	tonnes	305-7a	SDG13
non-methane VOC	903	384	463	tonnes	305-7a	SDG13

* Note: Electricity from Edvard Grieg to Ivar Aasen and power from shore to Valhall

** ML = megaliters

*** Based on equity share of non-operated and operated assets calculated as a share of marketed equity share of oil and gas production

**** Based on share of operated assets calculated as a percentage-share of marketed gas production

WASTE

Total weight hazardous waste	2017	2018	2019	Units	GRI	UN SDG
Reuse	0	2	591	tonnes	306-2a	-
Recycling	6 511	37	73	tonnes	306-2a	-
Recovery, incl. energy recovery	3 390	6 132	3 044	tonnes	306-2a	-
Landfill	7 754	11 457	7 296	tonnes	306-2a	-

Total weight non-hazardous waste	2017	2018	2019	Units	GRI	UN SDG
Reuse	0	0	0.8	tonnes	306-2b	-
Recycling	1 556	1 041	1 605	tonnes	306-2b	-
Recovery, incl. energy recovery	732	923	1 147	tonnes	306-2b	-
Landfill	89	98	182	tonnes	306-2b	-

Significant Spills	2017	2018	2019	Units	GRI	UN SDG
Number of oil spills to sea (>0,1 m³)	2	1	0	-	306-3	-
Oil spills (>0,1 m³)	0.35	2	0	m³	-	-
Number of chemical spills to sea (>0,1 m³)	6	4	3	-	306-3	-
Chemical spills (>0,1 m³)	7.0	4.6	2.0	m³	-	-
Number of hydrocarbon leaks (>0,1 kg/s)	0	0	0	-	-	-
Total mass of hydrocarbon leaks (>0,1 kg/s)	0	0	0	kg	-	-

Flared hydrocarbons	17 561 746	30 421 380	23 978 199	Sm³	-	-
Continuously flared hydrocarbons	0	0	0	Sm³	-	-
Vented hydrocarbons	1 224 137	199 960	273 501	Sm³	-	-

ENVIRONMENTAL COMPLIANCE

	2017	2018	2019	Units	GRI	UN SDG
Total monetary value of significant fines	0	0	0	\$	307	-
Number of non-monetary sanctions for non-compliance	0	0	1		307	-

SUPPLIER ENVIRONMENTAL ASSESSMENT

	2017	2018	2019	Units	GRI	UN SDG
New major suppliers screened using environmental criteria	100	100	100	%	308	-

* Note: 2017 number also includes Nitrogen



“Aker BP is currently working on an action plan of getting a higher share of female leaders at the various management levels. The action plan encompasses requirements for gender balanced shortlists, 50/50 leadership program and specific targets of diverse and inclusive teams.



SOCIAL IMPACT

Aker BP offers interesting and challenging opportunities to staff with room for new thinking and development. We have a flat and open organization that is characterized by mutual trust. The willingness to cooperate, sharing of information and knowledge, and continuous improvement constitute essential elements of our work and way of thinking.

We emphasize the importance of making a positive contribution to the rest of the community, either by company initiatives, group initiatives, strategic partner initiatives or individual initiatives. In our day to day operations we focus on responsible and sustainable operations and have a constant focus on safety, rigorous risk management and compliance with the applicable regulatory framework.

EMPLOYMENT

Aker BP's management works to achieve a flat and democratic organization, with a short and effective chain of command. Approximately 19 percent of the total workforce hold a managerial position. Almost everyone are permanent employees. Aker BP uses temporary employment only in exceptional cases.

The business management system is used to support our management approach, reflecting the leadership principles and clarifying the roles and responsibilities of leaders. Our leadership principles apply to all managers and describe what

we expect of all leaders in terms of leading, rewarding and developing staff. In 2018, Aker BP introduced quarterly employee satisfaction surveys to help identify organizational risks to management. No organizational risks have been identified in the feedback received in 2019.

Aker BP has established a change agenda that requires close involvement from our employees. Discussions regarding changes have mostly taken place through our Works Council and Working Environment Committee, which have served as well-established and recognized arenas for employee participation.

Aker BP has also wants to explore new ways of involving our employees. We have therefore started a project with our employees to identify opportunities, for example in using new technology and digital solutions, to explore new forms of cooperation and expertise. The project started in 2018. Several interviews and work meetings were conducted with employees, union representatives and safety delegates. More than 30 actions were presented at the end of 2019, and they will be implemented in the course of 2020. Close involvement in strategy, competence enhancement and digital interaction are some of the key words. Aker BP seeks to involve our employees and their representatives as early as possible before any significant changes to the organization or operations.

Benefits for both full-time and part-time employees

- **Life insurance:** Both for employee, partner and children
- **Loss of License insurance:** Offshore workers need to fulfill certain medical and fitness requirements, should they fail to pass the test and no longer be able to work offshore, an insurance pay-out will be effectuated
- **Health care:** Company doctor on-site, health initiatives including gym classes, health insurance
- **Disability & invalidity:** Coverage for employees
- **Stock ownership:** Employees are eligible to purchase company shares at a discounted rate (20 percent discount) once per year

Parental leave

All employees are entitled to statutory parental leave according to Norwegian legislation. The total period during which parental benefit is paid in connection with birth is 49 weeks with 100 percent coverage or 59 weeks with 80 percent coverage. Aker BP offers full pay during the parental leave. 118 employees took parental leave in 2019. The return to work and retention rate of employees that took parental leave is 100 percent.

STRONG EMPLOYEE INVOLVEMENT

Through a dedicated project Aker BP aims to become leading in how employees are involved in the strategic development of the company. Strong involvement from employees is essential when delivering on the ambitious improvement agenda set for the company.

"Our ability to use the competence, knowledge and experience of the workforce is crucial when creating the leading independent offshore exploration and production company. We want to be leading on employee involvement, and as a result of this we are testing new ways of collaborating," says Vice President Human Resources Kjetil Kristiansen.

INDUSTRIAL DEMOCRACY 2.0

Kristiansen is heading up the project "Industrial democracy 2.0" which is carried out by Aker BP together with the Work Research Institute AFI in Norway at the OsloMet university.

"In Norway we have a tripartite collaboration model where unions, employers and the government collaborate constructively to seek improvements. Our majority owner Aker ASA proudly carries a tradition of strong employee involvement. We want to take this model to new levels, and during 2019 we worked together with key stakeholders in our organization to evaluate how we can develop the tradition even further," explains Kristiansen.

30 PRIORITIES

At the end of 2019, a list of 30 priorities was provided by the project. As a first step, these priorities will be executed and implemented in 2020.

Key areas are further development of the established collaboration arenas, improved competence about the tripartite collaboration model and increased employee and union involvement in company strategy. Lastly, Aker BP wants to develop the internal social media channel to enhance employee involvement.

"If we succeed in developing the traditional collaboration model, other companies in the Aker family can benefit from our experience," Kristiansen concludes.

Elin Roth Nagy is a safety delegate at Aker BP's Skarv field. The safety service is an essential part of the tripartite collaboration model.





November townhall in Trondheim.
Activities and priorities 2020 was on the agenda.

In Aker BP, employees have a strong voice in internal communication. People work in several geographical locations, some onshore, some offshore. Modern cloud services enable quick, efficient and mobile communication and collaboration. The goal is more openness, fewer information silos and better knowledge sharing.

Every month, the executive management team in Aker BP takes the stage in a townhall meeting. A strategically important theme is always on the agenda. The meeting is hosted by a young talent in the organization, relevant to the theme, together with CEO Karl Johnny Hersvik. The major part of the town hall meeting is dedicated to answering questions from employees.

"I want the employees to really challenge management. All questions are allowed, and we always respond," says CEO Karl Johnny Hersvik with a smile.

DIGITAL CONNECTION

Aker BP has five onshore locations and five offshore hubs. In the past year and a half, the executive management team has travelled to a number of locations for the townhall meetings. The meetings are streamed to all employees at all locations through the main internal communication channel, Workplace by Facebook. This is

also where employees post questions and vote for their favorites. Everything is available on mobile applications.

"I want to minimize the distance from top management to employees. Aker BP has grown, and it is impossible for us to be present in person everywhere. Digital channels enable us to be available and collaborate at any time, from everywhere with anyone," says Hersvik.

OPENNESS AND SHARING

The management team gives a weekly update to the entire Aker BP team, using an information bot to talk about decisions and important messages. Weekly blogs from the management on Workplace contribute to emphasize relevant strategic cases, enable feedback and promote active dialogue with the organization.

"Openness and sharing are key words for us. Aker BP's success is dependent on our ability to utilize the

competence, knowledge and experience of the workforce. I believe digital channels will play an important part in this picture going forward," says Hersvik, and continues:

"Let me outline a good example of what we mean by openness. We discussed strategy and climate in a townhall in September, and immediately after we opened a dedicated climate group in Workplace to continue a balanced debate about the position of oil and gas in the energy mix going forward. We use this group to discuss facts, get inspiration from others, and have an open line for employees to challenge management on strategic matters."



OCCUPATIONAL HEALTH AND SAFETY

The Norwegian government and public opinion have high expectations to health and safety performance for oil and gas operating companies on the Norwegian continental shelf. Aker BP is no exception and our goal is always to prevent any kind of harm to our employees, hired personnel and contractors.

This goal is manifested through several structured measures to manage occupational health and safety. A comprehensive occupational health and safety management system has been implemented to ensure that Aker BP identifies, understands and manages health and safety risks throughout its offshore and onshore activities. The management system is required by law and followed up closely by supervisory authorities. It includes processes for monitoring of health exposure to validate that the health of workers is safeguarded and the potential need for additional measures.

In practice, the business management system ensures that Aker BP strives to understand the risks associated with our activities through systematic use of risk assessments. The understanding of risk forms systematic efforts for hazard identification, mitigation and incident reporting as well as work environment surveys and occupational hygiene measurements.

Aker BP did not experience any work-related fatalities during 2019 (including employees, contractors and hired personnel). The company registered six instances of work-related illness among employees and seven instances for contractors and hired personnel.

In 2019, Aker BP has, together with SINTEF research institute, sought to evaluate and evolve our incident management processes. We focus on how to establish and follow-up mitigating actions, how to verify that the action has been implemented and, in the end, yielded the desired effect.

Aker BP acknowledges that ensuring health and safety is a continuous effort and maintains a comprehensive health and safety training program. In 2019, Aker BP developed and implemented a new mandatory course in pre-departure requirements to make sure that all personnel travelling offshore have the required knowledge of HSSE requirements and guidelines.

Another key effort to strengthen HSSE awareness is the implementation of a set of Life-Saving Rules from the International Association of Oil & Gas Producers. The Life-Saving Rules represent industry-wide best practice in preventive HSSE efforts. During the year, Aker BP also strengthened its collaboration with other operating companies on the NCS to ensure that the collective industry experience is utilized to maintain worker health and safety. The collaborative efforts include coordination of the annual cycle for preventive HSSE initiatives as well as common training material.

Aker BP provides a set of both occupational and non-occupational health services to prevent, discover and monitor work related health risks. Employees also receive non-occupational health services related to personal health, physical therapy and health promotive services such as support for increased physical activity, dietary advice and stress management.

A central element in our emergency preparedness is the concept of Defined Situations of Hazard and Accident (DHSA). These are predefined situations which contributes to the dimensioning of our emergency preparedness, for example fire, explosion, collision, work accidents and pandemic outbreaks. Each DHSA have specific emergency response plans and scaling factors to ensure prompt and precise handling.

According to national legislation it is mandatory for companies of a certain size to formalize worker involvement and participation. This includes Aker BP, where a Corporate Working Environment Committee has been established. The purpose of the committee is to formalize worker involvement and provide employees with a clear voice regarding safety matters. Aker BP employees have also elected safety representatives both onshore and offshore. The role of the safety representative is to safeguard worker interests in matters concerning the work environment.

During 2019, Aker BP experienced zero process safety incidents, which is an encouraging result that provides a confirmation of our major risk management processes and tools. However, seven incidents with high potential were reported and four of these incidents involved dropped objects with material damage or potential injury. One incident involved work at height without appropriate safety equipment as well as an instance of electric shock while working in a 690V cabinet. The most serious high potential incident was a confirmed gas detection on Ula resulting from an open flange on the LP flare

system. The flange had been left open for some time and hot work had been carried out in the area.

These incidents were thoroughly investigated in accordance with the company's established incident management processes and learnings have been implemented both locally and, if relevant, across all operating assets.

The Total Recordable Injuries Frequency (TRIF) increased slightly in 2019 to 3.1 compared to 2.98 in 2018. The Serious Incident Frequency (SIF) remains unchanged at 0.6.

Aker BP's HSSE performance displays a positive trend. However, to meet our ambition of no harm to people we need to maintain our continuous effort to seek improvements in our HSSE culture and management practices. We believe that combining risk insight, learnings from incidents and knowledge on what we do when we succeed, is key to improving our HSSE performance even further.

The Petroleum Safety Authority (PSA) carried out 26 audits of Aker BP operations and activities in 2019. Other authorities, such as Norwegian Environment Agency and the Norwegian Radiation and Nuclear Safety Authority, conducted nine audits. Aker BP received one notice of order from the PSA concerning occupational health and safety, related to the audit «Logistics and management of health risk on Ula D and P». Aker BP complied with the order in accordance with the set deadline.



SUSTAINABILITY DATA

OCCUPATIONAL HEALTH AND SAFETY

	2017	2018	2019	Units	GRI
Fatalities Employees	0	0	0	-	403-9a
Fatalities Contractors	1	0	0	-	403-9b
Serious Injuries Employees	2	0	2	-	403-9a
Serious Injuries Contractors	4	2	4	-	403-9b
Lost Time Incidents Employees	3	1	2	-	403-9a
Lost Time Incidents Contractors	8	3	8	-	403-9b
Lost Time Incident rate Employees+Contractors	2.01	0.5	0.8	per mill exp. hours	403-9
Medical treatment incidents Employees	2	5	3	-	403-9a
Medical treatment incidents Contractors	7	16	20	-	403-9b
Total exposure hours	5.45	8.05	9.79	million hrs worked	403-9a
Total recordable injuries frequency (TRIF)	2.94	2.98	3.1	per mill exp. hours	403-9a
Serious incident frequency (SIF)	1.1	0.6	0.6	per mill exp. hours	403-9a
Near misses with high potential	2	3	7	-	-
Asset Integrity and Process Safety	2017	2018	2019	Units	GRI
Number of Tier 1 process safety events	0	2	0	-	-
Number of Tier 2 process safety events	1	1	0	-	-

* Note: some LTIs are also counted as MTIs and SIs

TRAINING AND EDUCATION

In order to reach our ambition of becoming leading, we acknowledge training and development of our employees to play an essential part. We invest heavily in training and development in all dimensions using a 70:20:10 model for learning and development (70 percent on the job, 20 percent social and 10 percent formal training and development) and provide training to own employees and contractors.

We have a dynamic and thorough succession process of providing new responsibilities and rotating personnel into new roles and taking on new initiatives. An example of this is rotation of key personnel into our digitalization program Eureka, where we build digital skills and capabilities in close collaboration with our strategic partners.

Aker BP Academy is our in-house university and provides various courses covering a wide range of subjects, customized to suit the company's strategy and the needs of our employees. Courses vary from introductory, digital, soft skill training and mandatory programs to specific and tailored training programs for different target groups such as leaders and technical experts. We offer training through classroom, e-learning, simulations and networks.

In 2019, digital competence has been high on the agenda and we have among other learning initiatives offered our employees a full day of digital technology inspiration and familiarization. We called the full day course “digital driving license” and set up an agenda with professional content of how data is created, used and adds value in our value chain. In addition, the course had practical sessions on flying drones, programming a software robot, testing augmented reality and using internet of things to make fact based decisions. Our intention was to demystify digitalization, have a discussion of what digitalization means for us and create a common ground of the digital vocabulary. Over 1,300 employees and consultants have participated during the 25 sessions we hosted throughout the year and we have made a condensed version of the content in an e-learning available in our Academy.

Aker BP's mentor program is part of the leadership development and has become a well-established offering that ensures life-long learning and transfer of knowledge between teams. This has brought a lot of value to the participants of the program, as well as to the company. Furthermore, leadership training is combined with internal facilitated quarterly gatherings, external programs and team development efforts.

A series of short courses called «Pitstop» offers external and internal inspiration and experience sharing applicable for all employees. These were first developed in 2017 and are streamed live and recorded in order to be available both online

and in-person on a bi-weekly/monthly basis. In addition to serving current training needs through internal and external vendors, it ensures learning for our employees and introduces a different arena for training and development.

For safety critical positions, a competence management process is in place. Individual competence profiles are handled by managing the requirements and associated documentation. Each employee, their team leader and Aker BP Academy are responsible for following up any competence gaps.

For all other personnel, the expected competence is defined and can be assessed within several technical disciplines. The competence profiles support development conversations between employees and their team leader, evaluating competence gaps and future needs where they agree on necessary competence development actions.





MANAGING THE CEO OFFICE

In 2019, Nina Moi Vigdenes (32) held a seat at the Aker BP executive management team's table. As a senior professional at the CEO office her responsibility was to coordinate all matters that needed addressing by the top management, as well as to act as an advisor to CEO Karl Johnny Hersvik. This is a position awarded young talents in the company for a given period.

"It's a demanding role with a steep learning curve. Most of all, it has been a fantastic journey that gives me a large network internally as well as unique insight into processes and decisions in the company," Moi Vigdenes explains.

FAST DECISION-MAKING

During 2019, approximately 160 issues were addressed. More than 50 were related to specific decisions and a third of these were hydrocarbon investments such as field developments and infill wells.

"The executive management team in Aker BP is flexible and capable of fast decision-making. The distance to our top management and owners is short, and they strive to be open," Moi Vigdenes says.

EXPERIENCED ADVISOR

Moi Vigdenes is a chemical engineer who is also experienced within politics, external affairs and communications.

She was offered the CEO advisor role in the autumn of 2018, after returning to Aker BP from maternity leave.

"Aker BP offers full pay to employees during the parental leave and encourage parents to take leave. My acceleration in the company demonstrates that parental leave does not halt your career," says Moi Vigdenes.

DOOR OPENER

The talent position as senior professional at the CEO office opens the door to new, exciting opportunities in the company. In the beginning of 2020, she moved on to a new position in Aker BP.

"I have just started in a role as senior climate and sustainability advisor in the HSSEQ department. I believe Aker BP and our industry will play an important role in the energy transition, and really look forward to embark on this new adventure," Moi Vigdenes concludes.

HAND-PICKED AMONG HUNDREDS OF APPLICANTS

Contributing to the development of skilled workers is an important part of Aker BP's social responsibility. Each year, the company takes in up to 15 apprentices within a number of disciplines. Halvard Lyngholm Hjorteland was selected from among nearly 600 applicants.



The 19-year-old started working in Aker BP in August. He is a process technician apprentice and he will be working on Ivar Aasen in the North Sea for two years of his apprenticeship.

"Although Ivar Aasen is not a large platform, the equipment and the volumes of oil and gas we send through here are really huge. That's what the process discipline is all about, and that is what I find so fascinating," he says.

Ivar Aasen came on stream in December 2016. The platform is a digital pilot in Aker BP. That means using handheld devices and digital twins. Ivar Aasen is also the first manned platform on the Norwegian shelf that is operated from shore, from downtown Trondheim, to be specific.

DIFFERENT DIGITAL GENERATION

Eleven apprentices joined Aker BP in the autumn of 2019. They come from all over the country and are now stationed on the company's five offshore fields. They are apprentices within a range of disciplines such as process, mechanical and electrical.

"Making sure that we contribute to training young skilled workers who are important for both our industry and other industries is an important part of our social responsibility. The young people can contribute new ways of solving tasks; moreover, they have grown up in a different digital generation which will be important for us in the future," says Stian Sætherbø, HR manager in Operations and Asset Development in Aker BP.

"Students who want to make the cut and secure an apprenticeship with us must have good grades, minimal absence, be socially engaged and prepared to join in the enormous changes our industry will undergo in the years ahead," he concludes.

DIVERSITY AND EQUAL OPPORTUNITY

Aker BP is committed to ensuring that the unique contributions each employee brings to the company are encouraged. In order to ensure that everyone can make full use of their talents we must welcome, listen to and respect the ideas of people from different backgrounds.

Work-related decisions should be based on merit, rather than characteristics such as gender, national origin, religion, ethnic background, race, color, age, sexual orientation, gender identity, marital status or disability.

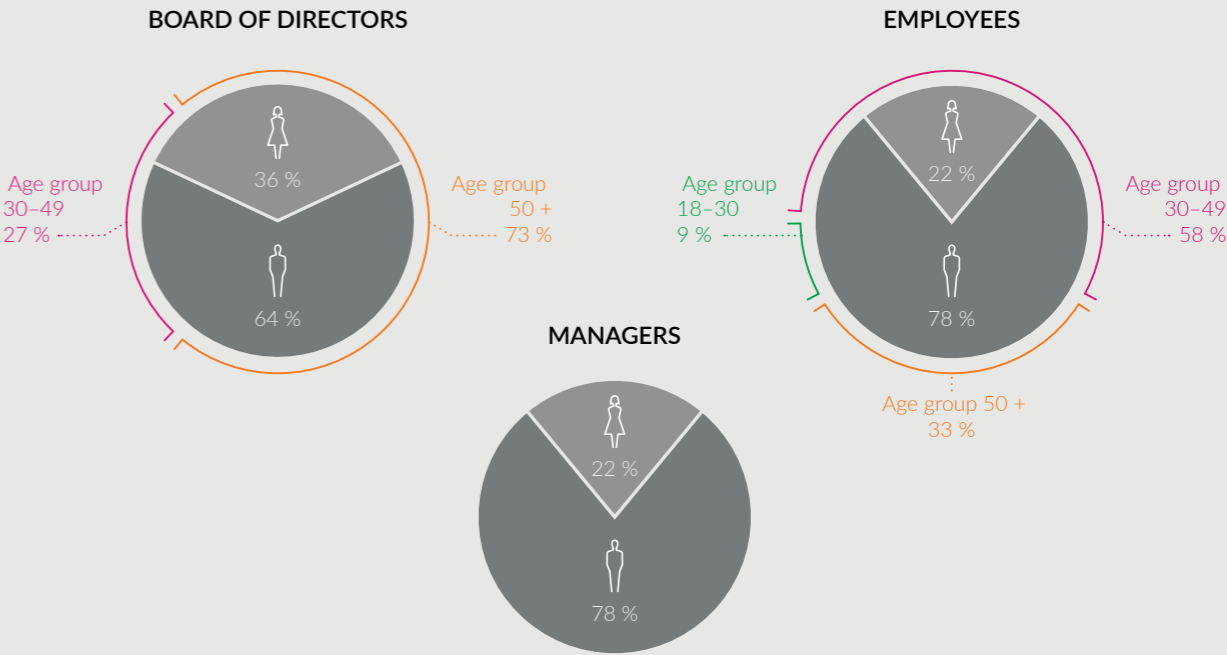
Aker BP is currently working on an action plan of getting a higher share of female leaders on the various management levels. The action plan encompasses requirements for gender balanced shortlists, 50/50 leadership program and specific targets of diverse and inclusive teams.

Aker BP follows a gender-neutral pay system, which means that men and women in identical positions, with equal experience and the same formal competence, who produce equal results are paid the same. This is considered for new hires, promotions and annual salary review.

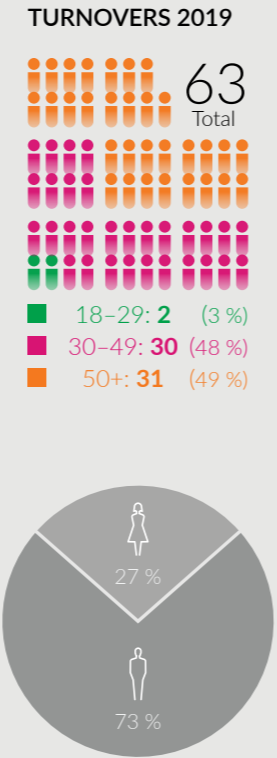
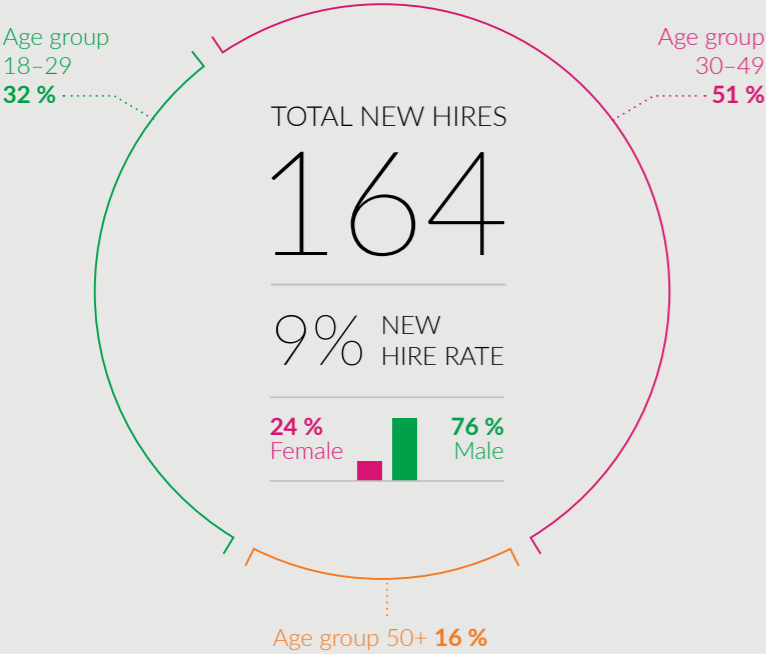
Approximately 570 of Aker BP employees are offshore tariff workers who are paid based on a salary matrix where the only two factors impacting salary is the type of job (electrician, nurse, etc.) and number of years of experience. Gender pay ratio for tariff workers is 100 percent.

Offshore supervisors and onshore employees are placed in grades indicating the job size (competence, complexity and accountability). For pay analysis purposes, employees are further grouped into three categories; subsurface and drilling, technical and business support.

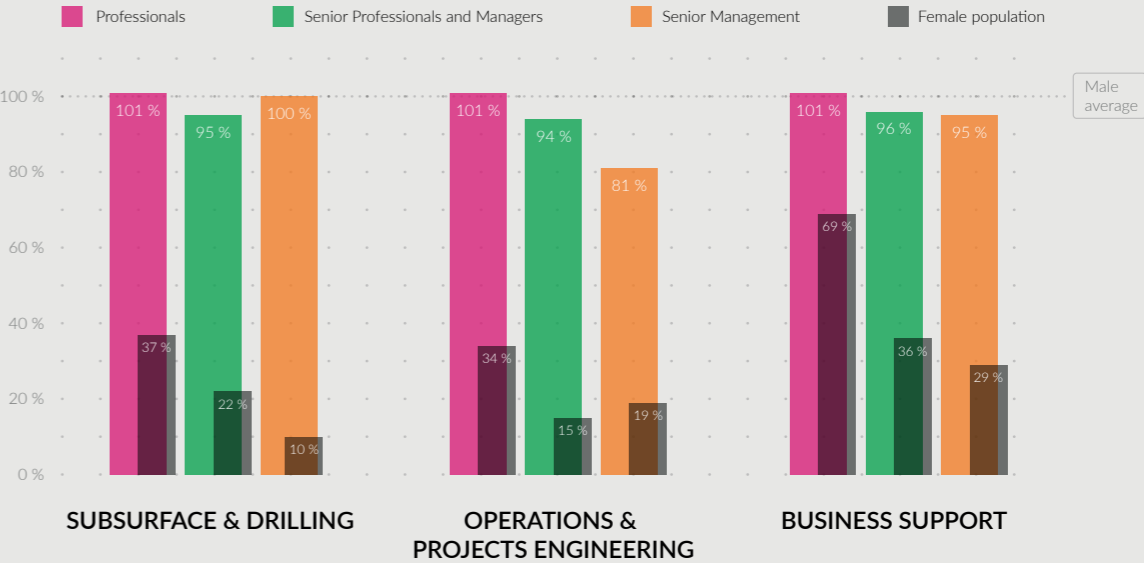
Diversity of governance bodies and employees



Total number and rate of new employee hires and turnover during 2019



Female to male pay ratio and population



NON-DISCRIMINATION

It is a fundamental principle at Aker BP that everyone is treated with fairness, respect and dignity. We do not tolerate any form of abuse, harassment, intimidation, degrading treatment or sexually offensive behavior by or towards employees or others affected by our operations and reinforce these expectations through our Code of Conduct and policies.

Our employees are crucial for our success, so we want to take advantage of the entire talent base to ensure that we have the right talent for each job. Therefore, we strive to improve in this area by using a more systematic approach. We have mapped the current status and are currently working on formulating plans and actions for 2020.

FORCED LABOR AND CHILD LABOR

Aker BP supports and acknowledges the fundamental principles of human and labor rights as defined in the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and aims to contribute to eliminating human rights abuses such as child labor, human trafficking and forced labor. Our commitment is defined in Aker BP's Code of Conduct, which is our governing document and endorsed by our Board of Directors.

When considering new investments or when tendering for goods and services, we review any associated human rights issues and consider how we can ensure that our operations do not come into conflict with any of these fundamental human rights principles.

FREEDOM OF ASSOCIATION

Aker BP acknowledges its employees' rights to form and join trade unions, and equally their right to remain non-unionized. The company aims to communicate and consult with employees and their trade unions on relevant matters.

The Norwegian Oil & Gas Association, where Aker BP is a member, has framework agreements in place with affiliated unions which ensure yearly negotiations. Approximately 63 percent of Aker BP employees are covered by collective bargaining agreements in one of the following unions; Industri Energi, Safe, Lederne or Tekna.

RIGHTS OF INDIGENOUS PEOPLE

Protecting the rights of indigenous people is part of the internationally recognized fundamental human rights principles. Aker BP operates in accordance with Norwegian legislation and consider the risk of impeaching such rights to be low. There have been no violations involving the rights of indigenous people during the reporting period.



HUMAN RIGHTS ASSESSMENT

We are committed to identify and address human rights risks and impacts that are directly linked with our business activities, including the rights of our workforce and those living in communities affected by our activities. An assessment of human rights risks is included in business decisions such as new investment decisions or selection of suppliers. Our current focus areas include recruitment, working and living conditions of contracted workforces at our sites, responsible security, community grievance mechanisms and channels for workforces to raise their concerns. We encourage employees, contractors, communities and other third parties to speak up if they see something that they consider unsafe or unethical.

Our risk assessment indicates that the most significant human rights risks are likely to be found among sub-suppliers in less developed countries. In 2018, we implemented a supplier declaration which all suppliers must commit to, and where the supplier commits to adhere to key human rights principles, including protecting human rights in their supply chain. We also improved our tender process to ensure stronger assessments of corruption and human rights risks. Suppliers are asked to provide information on their human rights policy and how they manage human rights risk in their supply chain. Principles related to working conditions may be included in the contract and will be followed up in audits where relevant.

In 2020, Aker BP, along with other operators on Norwegian continental shelf, will move to the EPIM Joint Qualification System for supplier assessments. In 2018, there was a joint effort with other operators to review the information asked regarding human rights, and to generally upgrade the system in connection with the move to a new tool.

SUPPLIER SOCIAL ASSESSMENT

Aker BP has a responsibility to ensure that its suppliers and sub-suppliers behave ethically and responsibly. Aker BP requires all new suppliers to sign a «Supplier Declaration» to confirm their commitment to key principles for anti-corruption, environmental protection, health and safety, labor rights and human rights, and that they also follow up on these principles in their own supply chain.

To address potential integrity risks in the supply chain, an improved structured process for background checks of potential suppliers was developed in Aker BP in 2019 and implemented from January 2020. Relevant employees involved in the supplier qualification have received the awareness training covering requirements to integrity due diligence (IDD) and main steps in the process.

No significant wrongdoing or accidents impacting on society or the environment was detected in Aker BP's operations in 2019, including the suppliers' deliveries, and there has been no fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

SPONSORSHIPS

Aker BP would like to contribute to the society around us in a positive way, also as a sponsor and contributor. Below are a few examples of our engagements.

The Munch Museum in Oslo is dedicated to the life and works of the Norwegian artist Edvard Munch. The museum has in its permanent collection well over half of the artist's entire production of paintings and at least one copy of all his prints. This amounts to over 1,200 paintings, 18,000 prints, 6 sculptures, as well as 500 plates, 2,240 books, and various other items. The museum also contains educational and conservation sections and has facilities for the performing arts.

The Norwegian Petroleum Museum (Norsk Oljemuseum) in Stavanger, is an architectonic gem with exhibitions that appeal to children and young people as well as adults. Aker BP has partnered with the museum for many years. The museum is devoted to interactive and educational exhibits and provides insight into the technological development in the oil sector, and how the petroleum resources impact Norwegian society. The museum has developed its own teaching plan in subjects such as geology, energy, petroleum history and social economics. In 2011, we agreed to prolong the partnership for another ten years, up to 2021.

Aker BP has for many years supported the Nidaros Cathedral Boys' Choir in Trondheim, one of the leading boys' choirs in Europe. With its over 900-year tradition it is the oldest boys' choir in Norway. By regularly participating in the cathedral services, giving a multitude of concerts and CD and TV recordings, the choir is an essential part of the music tradition at Norway's most famous cathedral. But the choir is also active outside its hometown: as a cultural ambassador, the boys regularly participate in both national and international events representing the city and the cathedral.

Together with the VI foundation, Aker BP works to give those with disabilities the same opportunities to achieve as the non-disabled. The VI foundation was established in autumn 2018. Aker BP contributes with ten million kroner over five years for initiatives and activities in the foundation.

Aker BP makes no direct or indirect financial or in-kind political contributions.



The new Munch museum is under construction in Oslo.

A photograph of Aida Dahlen, a Norwegian table tennis champion, in action. She is wearing a dark blue polo shirt with a Norwegian flag patch, a 'NORSK TIPPING' patch, and a 'JYSK' patch. She is holding a table tennis paddle and looking intently at a ball in the air. The background is a dimly lit indoor sports hall with 'THON HOTEL' signs visible.

EQUAL OPPORTUNITIES TO ACHIEVE

Together with the VI foundation,
Aker BP works to give people with
disabilities the same opportunities to
achieve as people without disabilities.

One of the VI ambassadors in action. Aida Dahlen is a Norwegian champion in table tennis and also holds multiple international medals. (Photo: Stiftelsen VI)

“As many as one of every nine inhabitants of Norway have some type of functional disability. Many experience a diminished quality of life, poorer health and greater isolation than those who do not have such disabilities. It is harder for them to be physically active and to pursue other interests. We want to change that,” says VP Communications Tore Langballe, head of sponsor activities in Aker BP.

The VI foundation was established in autumn 2018. Aker BP contributes with ten million kroner over five years for initiatives and activities in the foundation. A total of ten Aker companies are involved.

“The goal is for inclusion and participation in parasports to increase coping and achievement in other arenas as well. The team also includes role models from the Norwegian sports scene – both with and without disabilities,” explains Langballe.

The VI Foundation cooperates with ‘Olympiatoppen’ (part of the Norwegian Olympic and Paralympic Committee) to elevate top-level sports for those with disabilities, and thereby create role models in the same way as in other toplevel sports.

VI also works together with other federations, clubs and teams to promote better facilitation of recreational sports for the people with disabilities. VI-affiliated companies and the public sector also cooperate to ensure that those with disabilities have the same opportunities and rights in society as those who do not face such challenges.

“Another important part of being a VI company is to involve our own employees in the foundation’s work. Together with the Norwegian Ski Association and the Ministry of Cultural Affairs, the VI Foundation has laid the groundwork for the first ever winter World Championship for paralympic ski sports at Lillehammer in February 2021. During the World Championship and in the period leading up to it, Aker BP employees will contribute both their time and their enthusiasm in multiple events,” concludes Langballe.



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“LONE, YOU’RE AMAZING!”

Kine Anita Østlier is a cancer survivor. She received guidance and support on her journey back to a normal life from Aker BP’s own Lone Olstad.



Photo: Kreftkompasset

Kine was 39 years old and had been healthy and in good shape her entire life. Then she was diagnosed with sarcoma, a rare form of cancer.

“Cancer changes your life and often evokes questions of life and death. Even though I was declared cancer-free in June 2016, life was never the same again,” Kine explains.

DELAYED EFFECTS FROM TREATMENT

Many sarcoma patients struggle after long-term treatment with such as delayed effects, depression and fatigue. Kine was given a lifeline by the “Kreftkompasset” (cancer compass) organization.

The organization’s objective is to provide support and guidance for cancer patients and their loved ones once the treatment is complete. Aker BP provides up to three mentors every year in a program intended to help them return to normal life. The company has participated in the program for three years.

A FRIEND FOR LIFE

“The mentor role has allowed me to grow,” says Lone Olstad.

She is a senior project manager in Aker BP and has been Kine’s mentor throughout 2019.

“Participating in the mentorship program has been both demanding, inspiring and a true learning experience. It’s very rewarding to see that my help yielded results. I’ve helped Kine structure her workday to ensure a good balance between energizing and draining activities, I’ve been someone she could talk to and I’ve ‘pushed’ her to make the hard decisions. I also gained a new friend, who I’ll continue meeting,” says Lone.

“Lone has challenged me, supported me, been my cheerleader, provided good advice and strategies. We’ve worked in a goal-oriented manner on concrete issues that had to be changed and balanced in my day-to-day life. I’ll be forever grateful that Lone became part of my life at this time,” Kine concludes.

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