

aibel

Sustainability report 2023





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Mads Andersen,
President and CEO

Message from the CEO

2023 was another successful year for Aibel. Revenues, earnings and order intake were at a record high and our business transformation towards a low carbon future can continue.

Norway is a stable and important supplier of energy to Europe and Norwegian energy exports are important for European energy security. Many European countries are phasing out the use of coal, often with natural gas as a replacement. This reduces emissions of greenhouse gases and improves local air quality. At the same time, the EU is clearly communicating that the energy sector must, in addition to decarbonising, meet emissions targets for 2030.

Aibel builds, modifies, and maintains critical infrastructure for energy companies, enabling them to deliver oil, gas, and electricity safely and efficiently to industries and households. Our history dates back more than a century and we have delivered infrastructure solutions and services on the Norwegian continental shelf and in selected regions internationally for almost four decades.

Our customers are predictable and dependable providers of energy to Europe and we are excited to help them meet their production targets and in their transition towards a low carbon future.

Aibel is the largest provider of electrification solutions

in Norway. More than a quarter of Norway's carbon emissions originate from the production and processing of hydrocarbons and electrification of offshore and onshore infrastructure may become the largest enabler for Norway in meeting its Paris pledge.

As an example, Equinor's Snøhvit Future project will decarbonise the Hammerfest LNG plant through electrification, while maintaining production levels of liquified natural gas (LNG). Aibel is the main supplier in the project and we will build and install the modules required to electrify the plant and deliver additional compression capacity to sustain production beyond 2030. This is a great example of both securing gas for Europe and decarbonising the energy sector. The reduction of CO₂ from the electrification of Hammerfest LNG is estimated to be around 850,000 tonnes annually, more than 1.5% of Norway's total emissions.

We have taken important new steps in our transition towards a renewable and low-carbon future. Our 2023 order backlog within offshore wind and electrification grew to more than NOK 17.8 billion, which is more than half of the total backlog. Over the past six years, Aibel has become

the largest Norwegian exporter of offshore wind solutions. We are currently executing six major deliveries to the European offshore wind industry, with a combined contract value of more than NOK 15 billion. The transition is visible, with both the DolWin 5 (Tennet) and Dogger Bank B (SSE, Equinor and Vårgrønn) offshore HVDC substations at quayside in our yard in Haugesund. The construction of Dogger Bank C and Hornsea 3 link 1 (Ørsted) is progressing well at our yards in Thailand.

Aibel is a expertise-driven company and our core expertise comprises our employees' individual abilities within design, engineering, procurement, construction and installation, paired with a collective ability to deliver complex projects. More than one in every thousand people working in Norway are employees of Aibel and we have more than one thousand employees in Asia. We remain an attractive employer and we have increased our workforce by 250 skilled individuals, more than half of which are graduates and apprentices.

Employee engagement, expertise and organisational development are at the foundation of the company

and we have been successful in gradually transforming the company's core expertise for a renewable and low-carbon future.

Health, safety, and security remain our top priorities and we continue to develop within ESG – environment, social and governance. We are a UN Global Compact signatory company and follow best practices within this important

framework. We also report in compliance with the Norwegian Transparency Act and on our taxonomy-related activities.

At Aibel, we strive to live up to the expectations of our owners, customers, and society at large and we will continue contributing to the transition towards a sustainable and low-carbon future.

Mads Andersen, President and CEO

"Over the past six years, Aibel has become the largest Norwegian exporter of offshore wind solutions."



Every year Aibel takes on 50 new apprentices. These three are among the ones that had their first working day in September at the yard in Haugesund.

This is Aibel

More than 4,950 employees work at the company's offices in Norway, Thailand and Singapore. In addition, Aibel owns modern yard facilities in Haugesund, Norway, and in Laem Chabang and Map Ta Phut, Thailand, with significant prefabrication and construction capacity.



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Management approach and governance of sustainability

The board holds the overall responsibility for Aibel's sustainability performance. The CEO and the executive management team (EMT) are responsible for establishing the company's sustainability agenda in compliance with the relevant governing documents. The day-to-day responsibility rests with the Sustainability Committee, which consists of specialists from several departments within the company (see figure for details). Union representatives are invited to participate and give input on the sustainability work. The committee reports continuously on its efforts to the Executive Management Team.





Stakeholder engagement and materiality

Aibel frequently assesses material sustainability aspects to confirm their validity in relation to identified stakeholder concerns. This reassessment process is key to ensuring proper handling of our company's main sustainability risks and opportunities, as well as ensuring compliance with new laws and regulations.

Aibel has divided its material aspects into five strategic areas, which are aligned with the ten principles of the UN Global Compact. This division also forms the basis for our approach to sustainability, ensuring an in-depth focus on key areas. The report is divided into the following chapters, in line with the ESG pillars (Environment, Social and Governance).

- E – Environment
- S – Occupational health, safety and security
- S – Human rights
- S – Labour; equal opportunities, diversity and inclusion
- G – Compliance and anti-corruption

Our key governing documents ensure these topics are implemented in the management system, starting with our Code of Conduct, supported by policies on human rights, anti-corruption and bribery, corporate responsibility, HSSE and human resources.

Gaith Diab Alabdallah from Syria came to Norway as a refugee of war. After substantial efforts on his part and support from Aibel Haugesund, he received his vocational certificate as an Industrial Mechanic.





Sustainability KPIs

Our KPIs are tangible targets that enable the organisation to monitor achievements and progress. A vital part of the sustainability reporting process is to set goals, collect quality data and evaluate the progress towards selected KPIs. Please see all our sustainability results and goals in the Sustainability Key Performance Indicators chapter.

Commitment to the UNGC and the Sustainable Development Goals

Aibel has been a signatory to the UN Global Compact since 2017 and remains fully committed to the ten principles concerning human and labour rights, environmental responsibility and anti-corruption. Please see [Aibel's participant information on the UNGC website](#).



Aibel fully supports the UN Sustainable Development Goals. We support the fight against inequality and injustice and the strategy to improve health and education, while ensuring sustainable economic growth, addressing climate change and protecting our oceans and forests.

Important events at Aibel's location in Thailand include traditional Thai Buddhist blessing ceremonies. They are used to highlight big milestones in projects, such as first cut and sail away.

It is our opinion that awareness will lead to action.

We therefore work diligently within our own company and in the supply chain to create awareness of the development goals. Our approach towards third parties is to only work with companies that meet our ethical standards. Furthermore, we focus on ensuring that human rights, labour standards and environmental requirements are adhered to in our supply chain. At Aibel, we strive to secure gender equality and work actively to prevent discrimination.

Aibel's strategy has been formed to meet the urgent call to action on climate change. We are transforming our business from oil and gas to renewable energy segments. We have already established a solid position within the European offshore wind industry and we are frontrunners in the electrification of production facilities, which helps energy-producing clients to lower their CO₂ emissions significantly. We expect further growth in the renewable energy segment and electrification, fuelled by the European Green Deal policies and the need to lower emissions.





Around 65 volunteers from Aibel joined the annual tree planting event in Thailand.

Supporting our local communities

It is important to Aibel to contribute to society in a meaningful way in all the locations at which we are present. We believe that the company can make a difference and we encourage our employees to engage in community activities.

Thailand

Donation to local hospital

In a commitment to community well-being, Aibel (Thailand) made a financial contribution of 70,000 Thai baht to Rayong hospital. The donation's aim was to facilitate the purchase of medical equipment and enhance the healthcare capabilities at the hospital. Besides the financial contribution, our employees also volunteered to donate blood to save lives.

Tree-planting activities

Every year, Aibel Thailand arranges Environmental Day for all employees, which aims to engage Aibel staff to continually promote environmental awareness. In 2023 the theme was "We are part of the healing". Around 65 volunteers joined the event by planting *Polyalthia longifolia* trees as part of the landscape development for Aibel Thailand's new yard in Map Ta Phut.

Norway

Supporting Ukraine relief efforts

In April, Aibel supported the local fire brigade in Haugesund (Haugaland brann og redning iks) in their initiative to collect much-needed supplies and emergency equipment for Ukraine. The collaboration resulted in a donation from Aibel

containing 100 first aid kits, several stretchers, smoke diving equipment, escape masks and other safety and rescue equipment. Everything was loaded onto trailers and handed over personally in Ukraine by the staff of the Haugesund fire brigade.

The Tikspac concept

This is an environmental concept in which environmental stations with free biodegradable dog waste bags are made available to the municipality's residents and visitors. In Haugesund, our yard has contributed financial support to this project.

Solstein – a permanently adapted workplace

Aibel established its relationship with Solstein in 2019. The company employs people needing a permanently adapted workplace. In 2023, Solstein was engaged in several projects at Aibel's yard in Haugesund, producing various equipment for the yard. A total of 250 cuffs for piping and 6750 wooden lids were delivered; Aibel made purchases for more than NOK 600,000. Solstein also made and delivered over 2000 candy gift bags for employees in connection with Easter and Christmas.

All offices

Aibel has contributed to local communities and conducted clean-up campaigns at our yards in Thailand and Norway and at our office locations in Norway. Both staff and management personnel participated. This is a part of the HSSE action plan and a part of World Cleanup Day.

E-sport donation

Aibel has its own E-sport team that competes in various locations. E-sports refers to competitive gaming, in which participants compete in various computer games. The new welfare activity brings Aibel employees together across geographical locations. There are 80 participating teams from around 60 companies and this year Aibel won first place in the 4th division. The team secured promotion, the coveted trophy and a cash prize donated to a charity, for which the team chose Mental Helse Ungdom (Youth Mental Health).



Environment

Our commitment

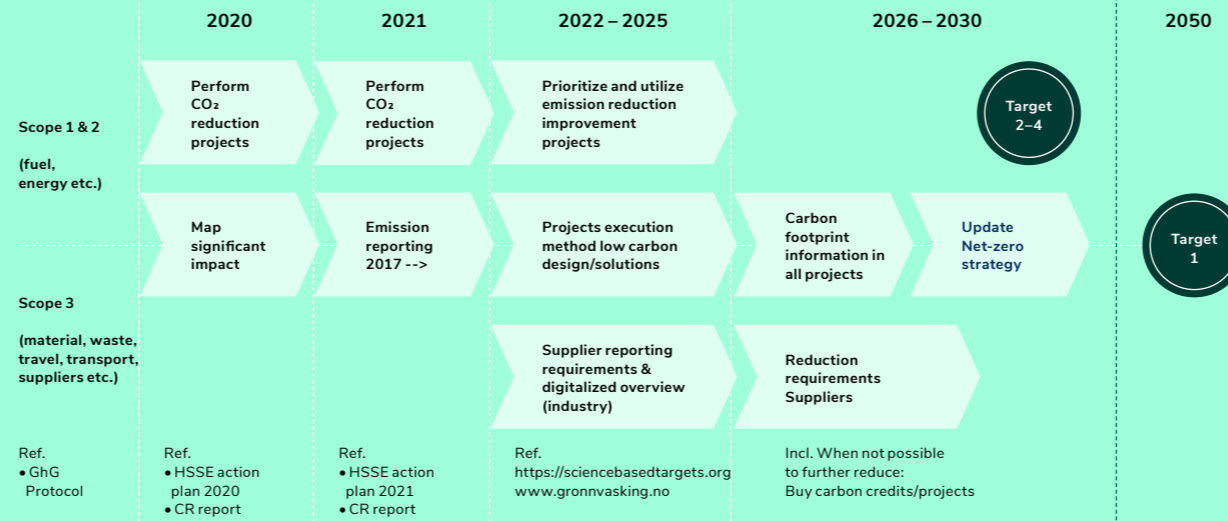
Aibel is committed to minimising its environmental impact. All our business units operate with a policy of making every reasonable effort to reduce the use of resources, including energy, water, and raw materials.

We contribute positively to the environment through our green initiatives, such as investing in shore-power facilities and participation in novel projects relating to wind farms and hydrogen.

Following the Paris agreement, Aibel has a long-term goal to achieve net-zero emissions from the company's activities and sites by 2050 and to deliver sustainable projects and support to our energy clients to achieve net-zero by 2050. Aibel is committed to science-based targets and is in the process of identifying the next steps in reducing emissions during project execution.



Low carbon & net-zero roadmap



© Target

1. Net-zero in 2050
2. Exchange use of fossil energy to renewable energy scope 1 & 2 within 2030
3. 50% reduction of scope 1 & 2 emissions within 2030 and ensure low carbon improvements in our value chain, scope 3.
4. Preferred supplier for renewable projects with low environmental footprints during project execution

Throughout 2023, Aibel's share of renewable and low-carbon projects has accounted for around half of the company's order backlog.

Continuously high share of green projects

Over recent years, Aibel has gained an ever-stronger foothold in the green transition, with numerous contracts and deliveries within offshore wind and electrification. Throughout 2023, Aibel's share of renewable and low-carbon projects has accounted for around half of the company's order backlog. At the same time, the order backlog is at a record high, which underlines Aibel's strong position across a wide spectrum of green solutions.

Major contract award, including electrification

During 2023, Aibel was awarded a billion-kroner contract for modification work at the Hammerfest LNG facility. In addition to a land-based compression facility and preparing the facility for extended life, the project includes electrification. According to the operator, Equinor, this will contribute to reducing CO₂ emissions by 850,000 tonnes per year.

The project at Hammerfest LNG adds to Aibel's ongoing electrification projects on the Norwegian continental shelf, including Oseberg Field Centre and Oseberg South, as well as modifications to prepare the Gina Krog and Sleipner platforms to receive power-from-shore. Some of these projects are now in the final phases and are therefore ready to provide substantial reductions in CO₂ emissions from Norwegian oil and gas production.

Good progress on offshore wind deliveries

Aibel is by far the largest Norwegian supplier of infrastructure for the offshore wind industry. With two new offshore wind contract awards in 2022, Aibel reached six deliveries to offshore wind parks in Germany and the UK, with a total contract value of more than NOK 15 billion.

The first of these, the Dogger Bank A platform, was delivered during 2023, while Dogger Bank B arrived in Haugesund for completion. The construction of the third and final platform for the Dogger Bank Wind Farm, Dogger Bank C, is progressing well at Aibel's yard in Thailand. Once completed with all three platforms installed, the Dogger Bank Wind Farm is expected to produce enough energy to supply power to the equivalent of 6 million UK homes.

Another major milestone in the company's offshore wind portfolio was reached towards the end of 2023, when the DolWin epsilon platform for the DolWin 5 project left the yard of consortium partner Seatrium (formerly Keppel FELS) in Singapore. In early January 2024, it arrived in Haugesund for completion and commissioning before scheduled sailaway and delivery in the summer of 2024.

Aibel's latest offshore wind project, Hornsea 3, is progressing well in Thailand, where the construction of the first of two platforms is now under way.

Exploring new markets

Throughout 2023, Aibel has continued to explore new market segments within renewables and other non-oil and gas segments. These include hydrogen, carbon-capture storage utilisation (CCSU) and biofuels.

Common to these segments is that they are continuing to mature, but Aibel is still waiting for the first opportunities for major EPC contracts to emerge.

Emissions

Aibel reports on emissions in accordance with the Greenhouse Gas (GHG) Protocol and uses a combination



The wind converter platform Dogger Bank A before sail away from Aibel's yard in Haugesund in 2023. The first of three platforms Aibel is building for the Dogger Bank offshore wind farm.





In 2023, Aibel conducted a climate-related risk and opportunity assessment. The purpose was to enhance understanding of critical risks and strengthen the resilience of Aibel's long-term strategy.

of activity, hybrid and spend-based calculations in systems to help report and systematise CO₂ data, gaining a better understanding of the company's footprint to reduce emissions.

Aibel has obtained complete data for our Scope 1 and 2 emissions for all locations from 2017 to 2023. In addition, we have obtained data for several of our Scope 3 emission sources. The Scope 3 data is activity-specific and is reported in close collaboration with our suppliers. In addition to activity-specific data, the company also uses hybrid and spend-based data. Based on overall material assessments and analysis, Scope 3 – Category 1; Purchased goods and services, Category 2; Capital goods and Category 4; Upstream transportation and distribution are the most significant contributors to Aibel's total footprint in addition to the yards' Scope 1 and 2, including fossil energy sources and electricity. Typical Aibel purchases in Scope 3 Category 1 include metals such as steel and other large bulk groups.

The GHG data for Scope 3 has been improved during 2023 but is not yet complete. However, the most significant emissions are covered by the presented Scope 3 reporting. We will continue working to gather more data from our suppliers in 2024.

At Aibel, we undertake quarterly reporting of Scope 1, 2 and Scope 3 business travel, including reporting our CO₂ emission intensity rate. Intensity rates include the Scope 1, 2 and 3 business travel CO₂ emission equivalents per 1 million working hours. The long-term/2025 intensity target for Scope 1 & 2 is < 400. The Scope 3 business travel target is < 150. In addition, there is a goal to set detailed science-based targets and prepare for third-party validation in the 2024 – 2025 period.

Climate risk

In 2023, Aibel conducted a climate-related risk and opportunity assessment using a climate-related scenario analysis with one low-emission scenario and one high-emission scenario. The purpose of this assessment process was to enhance Aibel's understanding of critical transitional and physical climate-related risks and opportunities and to strengthen the resilience of Aibel's long-term strategy.

We engaged an external consultancy to facilitate our scenario-based assessment, which was based on the IEA transitional climate scenarios and the IPCC representative concentration pathway (RCP) physical climate scenarios published in TCFD's technical supplement for use of scenario analysis in climate-related disclosures.

The assessment process was initiated with a mapping of the physical and transitional climate-related risks and opportunities that could be of importance to Aibel. The physical risks were based on a mapping that focused on the three countries in which Aibel has a permanent presence (offices and/or yards) 1) Norway, 2) Thailand and 3) Singapore, taking into account the classifications of climate-related risks defined in the TCFD Guidance on Risk Management Integration and Disclosure (2020) and location-specific data. In addition, market analyses, industry-specific reports and research papers were utilised to map out the transitional climate risks and opportunities.

To bring different perspectives and utilise Aibel's diverse knowledge, an internal working group with representatives from different parts of the organisation was established. The group consisted of the CFO, Head of HSSE, SVP of Business Development and SCM, Manager of SCM & Sustainability,

Specialist HSSE Engineer & External Environment, Quality & Risk Manager in the Business Unit and HSSE Director Thailand. The group participated in two workshops. In the first workshop, the main focus was to prioritise a long-list of 26 climate risk and opportunity drivers into a short-list consisting of 10 drivers (see section 5). In the second, the main goal was to calibrate each driver's impact based on costs, reputation and health and safety.

From the last workshop, we identified three key climate-related risk drivers that may have a particularly high impact.

1. Increased pricing of GHG emissions
2. Increased competition and limited access to key materials, equipment and input factors
3. Impacts from uncertain and rapidly changing market conditions

In addition, we identified three climate-related opportunity drivers that were considered highly important for Aibel.

1. Greater competition and increased investments in low-emission solutions and projects
2. Policies that incentivise contributions to energy security through additional renewable energy
3. Attracting and retaining talent

The identification of material risks and opportunities in combination with the assessment that highlighted which risks and opportunities we should focus on will give us a holistic view of the climate-related drivers we are exposed to. Also, it will enable us to focus on a specific set of risks and opportunities we need to better understand going forward.

Energy management has been an important focus at our yards and will remain so in the coming years.



The output of the project will constitute valuable input in future strategy processes and the identified risks and opportunities will be incorporated into the Enterprise Risk Management System.

CDP reporting

Aibel has reported for the first time using the “Climate Change Questionnaire” issued to two clients in the CDP supplier system. This system will be more widely used for more clients in the coming years to include input from Aibel. Aibel has also signed and committed to the Science-Based Initiative in 2023.

Circular economy and biodiversity

The company has started to collect good examples and share priorities, actions and awareness relating to the topic of circular economy, nature and biodiversity. In 2023, the company produced 17 “Environmental moments” to share knowledge and these were presented and made available to all projects during the Environmental Month in September. There will also be new requirements coming from stakeholders in the coming years and knowledge and awareness are a positive starting point to prepare for new requirements.

Corporate Sustainability Reporting Directive (CSRD)

Aibel is maturing its sustainability work and preparing for the new CSRD. The company has been a part of many meetings with different stakeholders to discuss and prepare for the process of preparing for the new regulations. A climate risk process and the launch of the dual materiality assessment, as well as a timeline for the work, have been accomplished during the year, together with training and new learning.

A complete overview of Aibel’s Scope 1, 2, and 3 (category 1 – 6) GHG emissions from 2017 to 2023 is attached to this report.

GHG improvement activities

For 2023, GHG improvement activities included dialogue with stakeholders on expectations and requirements and collaboration meetings with 18 of Aibel’s most significant suppliers. The aim was to map, report and reduce climate emissions in interaction with our suppliers. Furthermore, several improvement groups were established in relation to digitalisation, industry improvement initiatives, environmental focus in project execution and Scope 1 & 2 improvement projects at our yards in Thailand and Haugesund. The Haugesund yard has reduced emissions by 60% in 2023 compared to the baseline year of 2018. Energy management has been an important focus at our yards and will remain so in the coming years.



Waste management

Aibel targets at least 82% sorting/separation of waste. The 2023 achievement was 82%, which is a slight decrease from the last five years' average of 84%. Waste management is of high importance in our production processes and in the offices, where we have several initiatives to improve our sorting and re-use of waste.

Green focus in supply chain

Aibel Supply Chain Management (SCM) plays a significant role in the efforts to meet Aibel's NetZero Roadmap. SCM continues to acknowledge our responsibility for contributing to greener, circular and more sustainable solutions within the core areas of expertise; tender & project procurement, logistics, supplier qualification and follow-up.

Over the last year, in line with the company's strategy, we have strengthened capacity and the focus on suppliers and sub-contractors, putting "Lower Emissions" at the top of the agenda. In addition to the improvement activities mentioned above, complementary activities have been carried out during the year to improve our footprint and awareness:

- Supplier Involvement – Encouraging suppliers and sub-contractors' initiatives and mitigations at local level. Collaboration meetings held with a large number of suppliers, covering both strategic and typical carbon-intensive deliveries.
- Supplier Expectations – First requirement concerning Emission Reporting was embedded into all issued

Aibel Purchase Agreements in November 2022. The requirement was reinforced in September 2023, with increased focus on quantifying, reporting and reducing GHG emissions both at company and product level.

- Expertise – Building awareness and knowledge internally at Aibel and SCM in particular to motivate and alter mindsets of all involved personnel. There is now a high degree of focus on the subject across the organisation.
- Surplus – Implementation of surplus project finalised in early 2023 at our Haugesund yard, resulting in a yearly utilisation/turnover rate of more than 50%. Same setup and project to be implemented in Thailand. Work continues to drive standardisation, use of buyback arrangements and increased awareness in our ongoing and future projects.
- Logistics – Focus on early involvement of freight forwarders and onshore bases, limiting unnecessary transport of goods and personnel, enhanced utilisation of fleet and wider use of consolidation.
- Project Lower Emissions Task Force – First Task Force introduced in one of our major ongoing EPCI projects. The multidisciplinary team will identify and present Lower Emissions alternatives within the current client contract framework.
- Strategy – Aibel Supply Chain Policy issued May 2023. The policy clearly states that Aibel will support suppliers with green alternatives and ambitions, resulting in reduced emissions from our shared activities. This will be applicable worldwide.

Aibel targets at least 82% sorting/separation of waste.





Social

Occupational health, safety and security

Occupational health, safety and security have the highest priority at Aibel. We collaborate continuously with all relevant stakeholders to reduce risks to health, safety and security.

We have a well-established zero-incident philosophy. Aibel’s corporate management has the overall responsibility for ensuring that this culture is nurtured, that all applicable safety requirements are identified and complied with and that the well-being and health of our employees is followed-up. Aibel is appropriately set up to deal with these requirements. The company has the right skills, an established overall HSE policy, including related programs and action plans, as well as clear objectives and tangible KPIs.

Aibel requires and expects everyone to actively participate in creating a workplace with a continuous high focus on HSE. This common understanding is achieved in training, as well as commitment to our programme: “HSE – My responsibility”.

ISO certificates

An important aspect of the systematic management approach to corporate responsibility is demonstrated by the ISO certifications held by Aibel. In 2023, the Aibel Group underwent its annual follow-up audit for ISO 9001:2015 Quality management systems,

ISO 14001:2015 Environmental management systems and ISO 45001 Occupational health and safety management systems. The certificates are valid until December 2025. The Safety Culture Ladder certification has been verified by audit and remains valid until November 2024.

Year	Fatal Accident	Serious lost time injuries	Other lost time injuries (LTI)	Restricted workday cases (RWC)	Medical treatment injuries (MTI)	Lost workdays due to injuries	Environmental spill	Material damage	Serious incidents (SI)	Reported near missing and safety observations	Frequencies					
											SIF (SI per 1,000,000 hours worked)	LTIF (LTI per 1,000,000 hours worked)	TRIF (Fatal + LTI + MTI + RWC per 1,000,000 hours worked)	FOF (Falling objects > 40 joule fall energy and missing barriers per 1,000,000 hours worked)	Reporting Frequency (Performed hours per reported near miss / safety observ.)	Sickness Absence
2019	0	0	5	4	26	54	0	0	3	34,355	0.20	0.34	2.36	0.40	433	3.8%
2020	0	0	3	1	26	24	0	0	3	41,456	0.16	0.16	1.61	0.27	453	4.0%
2021	0	1	5	2	37	48	0	0	2	42,483	0.10	0.30	2.24	0.30	472	4.1%
2022	0	2	7	4	38	83	0	0	2	70,322	0.18	0.41	2.35	0.09	296	4.6%
2023	0	0	6	13	34	84	0	0	5	84,458	0.22	0.27	2.38	0.31	264	4.1%

Own employees, hired-in personnel and subcontractors.

Performance

Our HSSE performance is closely monitored. The company applies several KPIs to measure its health and safety performance, but the two most referenced KPIs are Serious Injury Frequency (SIF) and Total Recordable Injury Frequency (TRIF), which both measure the number of applicable incidents per million manhours. The 2023 SIR was 0.22, compared to 0.18 the year before. The year started with 6 months with zero serious incidents, but during the summer months there were four falling objects with potential to cause injury and in November there was an incident with a temporary stair tower missing calculations. This case has been defined as a serious case in addition to the falling objects. None of these incidents caused serious injuries. Compared to 2022, there were 0 serious personnel injuries. The 2023 TRIF was 2.38, compared to 2.35 the year before. This indicates that there are still too many minor hand, tripping, and eye injuries, despite the continued high focus. Initiatives have been launched to bring the number of incidents down. The Falling Object Frequency had a positive trend in 2022, but the 2023 incidents show the need to maintain a high focus on robust barriers when working at height and to perform close follow-up.

The Group recorded sick leave of 4.1% during 2023, compared to 4.6% in 2022 (including Covid-19). Sick leave is monitored and followed up closely to ensure that employees recover and return to work as soon as possible. The Group works systematically to prevent occupational illness through specific programmes and campaigns.

See our results for the last five years and read more about some of our main activities in 2023 on the next page (own employees, contracted personnel and subcontractors).

Industry Safety Collaboration

Together with Aker Solutions, Equinor and Rosenberg Worley, Aibel is part of a collaboration committee consisting of members of each company's Executive Management Teams. The committee performs site visits and agrees upon common priorities to improve safety. Kårstø was the venue in September. A safety charter was signed in early 2020, re-signed in 2023, will continue towards 2025 and most likely for a period towards 2030. In 2023, Aker BP and Vår Energy were included in the collaboration.

With our clients, we collaborate on common safety priorities. This picture is from Shell Safety Day at our yard in Haugesund.



This year, two new activities started: Common guidelines for "Onboarding" due to high levels of activity and many new workers being mobilised at different sites and in many projects in the coming years. The other initiative was to collaborate to achieve a leading and proactive safety culture. Proactive key performance indicators have been shared across the companies and experience sharing and follow up will take place in 2024.

Game-based course

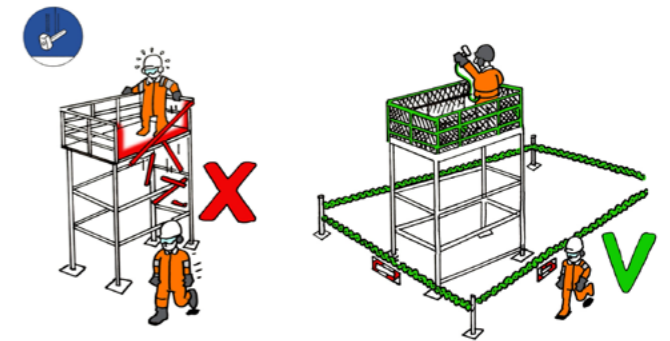
In 2022, Aibel, Aker Solutions, Rosenberg Worley, The Federation of Norwegian Industries and Attensi created a game-based training course that deals with current situations and topics that a supervisor must be able to handle. All of Aibel's supervisors and temporary supervisors tested the training in Q4 2022 and Q1 2023. This initiative is a part of the work-life programme (IA) and will make a strong contribution towards a safer working environment. Evaluation was performed by the IA programme and supervisors gave the course very positive feedback. This course has now been made available to other companies involved in the IA programme. Aibel started a new group for this training Q4 2023.

Line of Fire training videos

Together with Equinor, Aibel has launched new training and awareness videos for preventing "line of fire" situations through collaboration in the OGP contract. These videos have been widely shared in the industry during the year and awareness has also been shared through drawings and illustrations.

Important internal activities

Several internal activities have been conducted throughout the year, in addition to the targeted campaigns: Falling Objects, Safety Delegate Month, the CEO's HSE Award, Quality in Execution and specific training in projects in connection with onboarding. During the year there has also been new IT security training at the company, as well as extensive emergency drills. New tools for communication in emergency situations have been implemented and tested.



Together with Equinor, Aibel has launched new training and awareness videos for preventing "line of fire" situations.

Aibel respects and supports human rights through fair and ethical employment practices at our company and throughout the entire value chain.



Fundamental human rights

We are pleased to play a part in the increased global awareness of and targeted actions on human rights and working conditions. We strongly support the transition of human rights from being voluntary international guiding principles to laws and regulatory requirements.

Aibel respects human rights and labour standards based on international law. We comply with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and fundamental conventions. Furthermore, Aibel has committed to comply with the UN Guiding Principles on Business and Human Rights and the Modern Slavery Act of 2015. We respect and support human rights through fair and ethical employment practices at our company and throughout the entire value chain, with particular attention to those who are most vulnerable to adverse impacts, including women, children and migrant workers.

Aibel conducts its business with integrity, always choosing the ethical course of action and cultivating a sustainable supply chain through the continuous improvement of internal processes in our management system. We consciously work to embed human rights considerations and human rights risk awareness as a natural part of our day-to-day work.

Our existing framework

Human rights considerations and compliance are requirements outlined in our Code of Conduct (CoC) and we ensure commitment to the CoC's prevailing principles from all suppliers and subcontractors. Our Code, supplemented by policies, procedures, processes, work instructions, guidelines, employee manuals, contracts, close cooperation with our unions and the use of collective agreements, contributes to ensuring that there are no violations of human or labour rights at our company. In the supply chain, our risk-based integrity due diligence and approval process for third parties and supporting country risk assessment procedure help identify and reduce potential risks.

The Transparency Act

In June 2023, we published our first [Transparency Act accounts](#). It was approved by Aibel's Board of Directors (BoD) and cover the 2022 financial year.

The outcome of our initial due diligence process could be summarised in two main areas with higher perceived risk of adverse impacts. These are referenced below.

The yards

The risk of potential human rights violations at our yard in Haugesund is considered low due to the incorporated procedures and policies, the extensive cooperation with unions and the use of collective agreements. For the operations at our yard in Thailand, the potential risk is assessed as higher, but procedures and instructions are in

place to prevent incidents from occurring. At both yards, we make continuous efforts to reduce potential risk, in close cooperation with both customers and suppliers.

We have undergone several external human rights assessments in Thailand, which have provided valuable input on areas for improvement. Aibel is committed to being a best-practice company and to setting a good example. Hence, we strive to ensure that our Thailand yard continuously meets higher standards than the minimum requirements under Thai law. Such higher requirements are also normally expected by clients and need to be demonstrated by Aibel in order to remain a preferred supplier.

Supply chain

The second primary area of concern, which may arguably be the most consequential and challenging to regulate, lies within the supply chain. Our internal risk assessments indicate that the supply chain poses the greatest potential for human rights violations. Aibel has established robust processes for supplier approval and monitoring and we have proactively enhanced this framework in recent years to further fortify our commitment to mitigating these risks.

At Aibel, we promote a culture based on equal treatment of employees, mutual respect and trust.

Labour Standards: Equal Opportunities, Diversity and Inclusion

At Aibel, we promote a culture based on equal treatment of employees, mutual respect and trust. We offer our employees fair and reasonable working conditions, we respect the freedom of employee association and the right to collective bargaining and we do not discriminate. We value employees' perspectives and ideas on ways the company can improve the employee experience. Using tools such as our biannual Global People Survey, we seek feedback from employees on their challenges, performance, development, and work-life balance.

At Aibel, we enhance employee involvement and we cooperate with employee representatives across all business segments, aiming to encourage engagement from employees in the continuous development of the company. Approximately half of all Norwegian Aibel employees are trade union members and almost three-quarters of all Norwegian employees are covered by collective agreements.



Caring about our people

Caring for our colleagues begins with mutual respect. This means that we value the diversity of our workforce and the unique talents and differences that each of us brings to Aibel. We need each other to achieve our goals. We recognise that it is important to encourage personal and professional growth through continuous development of our abilities and talents.

Global People Survey

Aibel appreciates the importance of engagement and how it can help create an excellent working environment and thriving teams. Driving engagement in the organisation is key to supporting our business strategy. We conduct a biannual engagement survey called the Global People Survey together with an external supplier, who provides external benchmarking, detailed analysis and professional engagement expertise.

In 2023, we conducted our third Global People Survey. Our survey response rate was 85%, which represented over 3190 employees. We had strong results in 2021, so we were pleased to see that engagement levels had been maintained or improved. We were particularly satisfied that our loyalty score had remained at a high level in a competitive employment market. The results are used as valuable input for strategic improvement initiatives. The next Global People Survey is planned for 2025.

Recruitment and retention

It is vital for Aibel to retain and develop core competences, especially within segments such as electrification/high voltage, renewable energy and offshore wind. Aibel also relies on the continued professional development of skilled operators to maintain a high level of core knowledge and experience. Aibel focuses on the retention of an experienced, high-performing workforce as well as the employment of apprentices.

We also continue to develop our relationships with agencies that provide contracted employees to secure the availability of qualified workers during peak project activity. These agencies are subject to rigorous requirements to prevent particularly vulnerable groups, such as foreign workers from low-income countries, from being exploited or having their rights infringed upon in our projects and at our yards.

Aibel Norway recruited 538 new employees in 2023, compared to 435 in 2022. Of these, 193 were younger than 30 years of age. The total attrition rate was

Our people

2023	Norway	Thailand	Singapore
Permanent employees	3531	492	179
Temporary employees	15	598	40
Apprentices/Trainees	102		
Total	3648	1090	219

2023	Male	Female	Total
Full-time Norway	2861	716	3577
Part-time Norway	42	29	71

All figures as of December 2023.

* It should be noted that employees working part-time have themselves applied for a reduced position, for a shorter period or as a long-term solution. No member of Aibel's workforce has a part-time position that is not on a voluntary basis.





59 different nationalities are represented at our company.

8.4% in 2023, which is 0.8 percentage points more than in 2022. Attrition increased in 2023 due to a competitive market for all companies in the energy sector. To support our organic growth strategy, in 2023 we have been actively recruiting graduates and apprentices as well as experienced professionals.

Important apprentices and technology students

The company's continued focus on recruiting new apprentices is an important way of replenishing professional expertise and contributing to society's need for apprenticeships, in cooperation with our educational institutions. Aibel recruited 53 new apprentices in 2023, which is 15 more than in 2022. At the end of 2023, there were a total of 102 apprentices at the Haugesund, Bergen and Hammerfest facilities. 35 apprentices achieved their certificate in 2023 and, since 2010, more than 585 apprentices have earned their certificates through apprenticeships at Aibel.

Aibel seeks to motivate young people through apprenticeships and maintains close contact with technology students. To connect with new talent, we attend career fairs and other student events at several universities and schools throughout the year. Aibel also provides the opportunity for technology students to write bachelor's projects or master's theses within relevant topics.

Equal opportunities, diversity and inclusion

Diversity and inclusion are increasingly seen as important drivers of business success. At Aibel, we are committed to being a diverse and inclusive company, where everyone has equal opportunities and is treated fairly and with respect, regardless of gender, nationality, ethnicity, age,

religion or sexual orientation. Work on equality and diversity is integrated into Aibel's strategy and operations and is a part of the company's overall sustainability work. Our commitment against discrimination and harassment is clearly defined in the Code of Conduct, in our staff regulations and in our Human Resources and Human Rights Policies.

As evidence of our principles in action, 59 different nationalities are represented at our company.

Equal opportunities for different genders are a basic principle at Aibel. Three of the seven executive management team (EMT) members are women. We have 261 people in the top five job grades in Norway, of whom 22% are women. This is reflected in the organisation, in which we employ 3648 people, of whom 20% are women. We have 2580 office employees, of whom a slightly higher proportion, 27%, are women. In view of the technical nature of the key expertise in our business area, the gender balance at Aibel reflects the number of women qualified in technical professions in Norway, both for apprentices and those graduating from technical college.

It is important for Aibel to be an inclusive employer and in 2023 we organised several activities to ensure that. We have continued our work to become a more dyslexia-friendly workplace through awareness training for managers, information articles and films for employees and we have identified further

improvement areas through inspections at the Haugesund yard. In June, we celebrated Pride & Inclusion month under the slogan "In Aibel I can be myself".

In October, we marked World Mental Health Day to raise awareness of mental health issues and break down the taboos and stigma surrounding the subject. We also offer work training or mentorship to candidates who face challenges entering the job market in our industry.

Management job categories		
Gender	Headcount	Percent
Female	57	22%
Male	204	78%
Total	261	

All employees		
Gender	Headcount	Percent
Female	745	20%
Male	2 903	80%
Headcount	3 648	

Update per December 2023. Norway figures only.

Amendments to Section 26 of the Norwegian Equality and Anti-Discrimination Act as of 1 January 2020 emphasise that employers have an activity-based reporting obligation to make active, targeted and systematic efforts to promote equality and prevent any form of discrimination.

In 2021, a separate working committee was set up at Aibel, including employee representatives who have reviewed procedures and regulations and performed a risk analysis. Based on the analysis, the following diversity and inclusion targets were set:

- Develop annual KPIs for entry-level recruitment
- Minimum of 30 apprentices – 10% female

- Minimum of 70 graduates (less than 3 years' experience) – 40% female
- Develop gender diversity by 2027 by achieving:
 - 5% blue collar females
 - 30% white collar females
- Ensure there are no gender-based systematic salary differences at a company level
- Ensure diversity in candidate pools for managerial positions to reflect the organisation
- Practice corporate responsibility in the communities we operate in by offering work training or mentorship to candidates who face challenges entering the job market in our industry

- Our diversity and inclusion target of a minimum of 30 apprentices, 10% female, has been achieved, as 35 apprentices obtained their certificates in 2023, of which 6 were women. In 2023, we recruited 94 graduates, of which 25 were women. We will continue our efforts to reach the agreed target.

We refer to our gender equality statement in the attachments for further details.

Competitive remuneration

Aibel is committed to offering competitive remuneration. We conduct external salary surveys to ensure that we have fair and competitive terms at all our locations.

For 2023, Aibel Norway, Aibel Singapore and Aibel Thailand participated in the yearly Korn Ferry Remuneration Survey.

The results from the survey confirm that we offer competitive salaries for permanent employees at all our locations compared to our peers.

Wage differences between genders are monitored and are insignificant for comparable positions and levels. We have focused on and will continue to monitor internal differences. We also monitor our attrition rate for employees leaving for a higher salary in other companies within our industry.

Aibel hired a total of 94 graduates in 2023.



In September, 53 new apprentices joined Aibel.

Employee involvement

Aibel promotes employee involvement and we strive to build a strong collaborative culture with employee representatives in all business units, with the aim of involving employees in the company's development. Norway's Working Environment Act governs employee rights in Norway. This is the main Norwegian labour law. Labour laws in Norway provide regulations both in terms of individual employees and their contracts, as well as unions and their collective agreements. Workers have the legal right to unionise.

Around half of all employees are trade union members and almost three-quarters of all employees are covered by collective agreements.

The Aibel Group's Board of Directors includes three union/employee representatives.

In Singapore, employees and employers are free to form their own organisations to represent their interests and there are legal provisions that protect their rights.

Nevertheless, there is no trade union formed and registered at Aibel Singapore. However, a Working Environment Group (WEG), consisting of volunteers who take on the role of employee representatives to engage with the management representatives on workplace issues, was formed in August 2018. WEG representatives meet with management representatives every month. WEG meetings have contributed to better working conditions, a better working environment and improved relations between employees and management.

Freedom of association and collective bargaining are not prohibited in Thailand, where the Industrial Relations Act regulates the collective bargaining activities of unions and employers. However, there are no trade unions registered at Aibel Thailand. To promote employee involvement, a Welfare Committee consisting of elected employee representatives holds quarterly meetings with management representatives. They monitor the welfare and well-being of employees and propose welfare initiatives. In addition, an HSE committee, consisting of management and employee representatives, holds monthly meetings to ensure safe working conditions and a good working environment.



Governance

Compliance and Anti-corruption

Aibel has a dedicated Ethics and Compliance department and a fully integrated compliance programme developed through a robust organisational culture and a clear directive from the top, including owners, the board and executive management. The Compliance department reports to the management group and the Board of Directors on a quarterly basis, providing a comprehensive annual report for a more thorough overview.

Moreover, Aibel's owners actively participate in reinforcing our unwavering commitment to a resilient compliance programme and a sustainable mindset. Our comprehensive programme encompasses all critical elements of an effective compliance system, including training initiatives and regular audits. The anti-corruption programme is in line with the requirements set out by the Foreign Corrupt Practices Act (FCPA).



Aibel's Code of Conduct & compliance awareness training

Our commitment to business ethics, integrity and transparency is clearly stated in the Code of Conduct. Adherence to the Code is a prerequisite for working at Aibel. [Please find our Code here.](#)

Employees are required to obtain annual certification through e-learning, affirming their understanding and commitment to adhering to the principles outlined in our Code of Conduct. In 2023, we introduced an enhanced e-learning module for our workforce. This training not only covers the fundamental aspects of our Code of Conduct but also incorporates dilemma awareness training, enriching employees with practical scenarios to reinforce comprehension and application of the Code's principles.

In addition, a selected number of employees are required to participate in classroom-based compliance awareness and dilemma training sessions every third year. In 2023, the Singapore office underwent training in accordance with the Aibel compliance training guidelines. Notably, the training programme was updated and expanded in 2022.

Risk assessment

In recent years, our primary compliance-related risks have been identified as stemming from our supply chain and engagement with third parties, particularly in business activities associated with high-risk countries and markets. Some of the markets in which we operate are economies with complex and sensitive political and social contexts and we recognise the risk of compliance and human rights incidents in our third-party supply chain.

To mitigate these risks, we have implemented various risk-reducing procedures and processes. Of notable significance is our Country Risk Assessment procedure, which encompasses a comprehensive evaluation of factors such as corruption risk, political climate, economic conditions, safety and security measures, sanctions, human rights considerations and labour standards. This multifaceted approach is instrumental in fortifying our compliance framework and ensuring responsible business practices.

The Russian war in Ukraine and the subsequent sanctions regime introduced against Russia has increased the risk of sanctions non-compliance. This risk was managed through the establishment of a sanctions task force with members from relevant departments. The group is mandated to identify and address the main challenges and risks and provide status updates and advice to the Executive Management Team (EMT) and the Board, as well as coordinating with external legal firms to analyse and address sanctions risks for the company.

Anonymous reporting channel

Our whistleblowing channel is available to all employees, suppliers, customers and the general public on our website, Aibel.com. Aibel has an online reporting channel that enables us to engage in anonymous dialogue with the reporter, from the time the initial message is received and throughout the entire process. The channel is available 24/7 online or via smartphones/QR codes.

We see that our system is well known and used for both minor grievances and more substantial issues. Aibel diligently investigates all reports of confirmed or suspected

violations and breaches pertaining to our Code of Conduct, instances of corruption, human rights transgressions, as well as any other compliance incidents or unethical and unlawful actions, in strict accordance with our corresponding procedural guidelines.

Compliance champions programmes

To strengthen our compliance efforts across multiple locations, we have established an effective compliance champions programme. The champions serve as links between their location or a specific project and the corporate Compliance department. In certain locations, the compliance champions have provided support with training and audits. Additionally, these champions take the lead in local compliance campaigns or address specific compliance topics. They play a crucial role in our reporting system, offering employees a readily accessible avenue to raise concerns and engage in discussions about ethical dilemmas.

The Egyptian Maintenance Company (EMC)

Aibel holds a 50% ownership stake in the Egyptian Maintenance Company (EMC). The Compliance department and the Aibel representatives on the EMC board collaborate to enhance the existing compliance programme at EMC. Monthly meetings following a predefined agenda provide a platform for collaboration and knowledge sharing. EMC pledged its commitment to the UN Global Compact in 2021 and successfully underwent verification in 2022, in line with the ISO 26000:2010 guidance on social responsibility. Recently, EMC has incorporated a compliance champions program and integrated human rights practices in the EMC compliance system.

Supply chain and third-party integrity due diligence
 Aibel has a risk-based approach to third-party due diligence, conducting tailored Integrity Due Diligence (IDD) on all third parties. To qualify as a supplier, companies are required to endorse the Supplier Code of Conduct declaration, affirming their commitment to the established principles encompassing anti-corruption, labour and human rights,

environmental sustainability, trade compliance, sanctions and supply chain integrity. These commitments are further reinforced through contractual agreements with attached compliance requirements.

For selected subcontractors and suppliers, our compliance team may conduct on-site compliance audits. In 2023, a

total of 19 such audits were performed by the compliance department and/or compliance champions. It's worth noting that the total quality system review questionnaire and audits for Aibel Supplier Quality also include pertinent content relating to compliance and human rights.

To qualify as a supplier, companies are required to endorse the Supplier Code of Conduct declaration, affirming their commitment to Aibel's established principles.



The Penguins FPSO arrived at Aibel's yard in Haugesund during spring 2023. The facility is 130 metres tall and will be operated by Shell UK in the UK North Sea.

Sustainability Key Performance Indicators

Environment	Target	2023 results	Comment
Spills or environmental incidents	0	0	
Waste separation	82%	82%	
Energy reduction projects	2	2	
CO ₂ reduction projects	2	4	
Non-O&G share of order intake	>40%	66%	
CO ₂ emission intensity rate. Scope 1 and 2 (2025 long term)	<400	491	
CO ₂ emission intensity rate. Scope 3 Air travel (2025 long term)	<150	240	
Labour – Occupational Health and Safety			
Zero reports of harassment in WhistleB	0	0	
Share of female managers	>20%	21.9%	
Sick leave	5.6%	4.3%	Average sick leave in The Federation of Norwegian Industries versus Aibel Norway. One quarter delay in reporting – KPI for Q3 2023.
SIF (stretch target)	0.16	0.22	
TRIF (stretch target)	1.80	2.38	0 serious personnel injuries
Anti-corruption and Human Rights			
Human Rights assessment of high-risk parties	10	19	
Code of Conduct training by eligible personnel	95%	96%	
Zero corruption incidents	0	0	
On site IDD audits concluded	10	19	

Sustainability Performance – External Assessments

ESG risk assessment – Aibel at the top of our industry
 Our top rating and improved score from the re-assessment from Sustainalytics is a result of major long-standing efforts throughout the company. Aibel has worked systematically



on sustainability and we are proud that we manage to take further steps to deliver on our commitment to support sustainable development. Such a high score demonstrates

dedication, quality and professionalism. Going forward, we are determined to continue our robust management of ESG issues.

Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well the company manages those risks. This multi-dimensional approach to reviewing a combination of management and exposure forms an assessment of ESG risk, which is comparable across all industries.

Sustainalytics' ESG Risk Ratings provide a quantitative measure of unmanaged ESG risk and distinguish between five levels of risk: negligible, low, medium, high and severe. Aibel's level of risk exposure was considered low.

[Learn more about the ESG Risk Ratings here.](#)

Our top rating from Sustainalytics is a result of major long-standing efforts throughout the company.



For the first time in history, Aibel has two offshore wind platforms at the Haugesund Yard at the same time.



Sustainability Reporting at Aibel

Aibel is committed to sustainability as an integral part of our overall business strategy and we report on our sustainability processes, plans and results. Aibel's Sustainability Report is published separately from the annual report. The 2023 report is our seventh such report.

The purpose of the report is to offer key stakeholders a comprehensive and balanced overview of how we at Aibel manage the sustainability aspects we consider to be most essential for our operations. In addition, it is important for us to communicate our firm commitment and engagement to sustainability, as well as achievements in these matters.

About this report

Date of report
09/02/2024

Reporting boundaries
We have prepared this report based on the GRI reporting principles and guidance on boundaries. The reporting boundaries generally include companies under the operational control of the Aibel Group. However, we also provide information on some aspects when we have the potential to influence, but not to exert direct control.

Data quality
We continue to work to improve our data quality to enhance reporting processes and transparency and we continuously strive to improve our internal data reporting procedures.

Attachments

[Gender Equality Statement 2023](#)

[EU Taxonomy Report 2023](#)

[Transparency act statement](#)

[Aibel GHG Emission 2017-2023](#)



Snøhvit Future: Aibel was awarded the contract for extensive modifications and electrification at the Hammerfest LNG facility.



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