



CORPORATE RESPONSIBILITY REPORT

2019



**WE HAVE TAKEN
LARGE STEPS
TOWARDS ADAPTING
OUR BUSINESS
TO A LOW CARBON
FUTURE!**

In Aibel, we are continuously improving and increasing our commitment to sustainable development. In 2017, we became part of the UN Global Compact so that we could share best practice and systematically report on our progress. This year's report is the third edition dedicated to corporate responsibility in Aibel.

For a decade, we have positioned ourselves for business opportunities in the European energy transition. Our core competence from the oil and gas industry has proven to be highly relevant in the offshore wind industry, and 2019 marked a strategic breakthrough for Aibel. At the end of the year, more than one third of our backlog was within this renewable energy segment. In addition, Aibel has become a leading company assisting operators in the area of electrification on the Norwegian continental shelf. Electrification of new and existing oil and gas infrastructure is one of the largest opportunities for reduction of greenhouse gas emissions in Norway over the next decade. In summary, we have taken large steps towards adapting our business to a low carbon future!

We are constantly striving to reduce our own environmental footprint through optimized processes and new technology. As an example, we are investing into new high voltage power lines that soon will be available for our yard in Haugesund. This will enable us to avoid the use of diesel generators during commissioning at the yard thus avoiding using tons of diesel in time to come.

We do our utmost to take care of and protect our employees and stakeholders by developing a sound business culture based on respect, compliance, values and not least strong focus on health, safety, security and environment (HSSE). We have achieved a lot within the area of corporate responsibility in 2019, and we have set new goals for 2020 aiming even higher.

Mads Andersen,
President and CEO

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THIS IS AIBEL

CORPORATE RESPONSIBILITY IN AIBEL

The Corporate Responsibility report for 2019 is Aibel's third report. For the first time, the CR report is published separately from the annual report. The Aibel Group is committed to corporate responsibility as an integral part of the company's overall business, and it is therefore natural to report on our sustainability processes and results in the annual report. The CR report will accordingly be included in the annual report to provide additional sustainability-related information. The purpose of the report is to offer our key stakeholders a more comprehensive and balanced overview of how Aibel manages the areas of corporate responsibility that we consider to be most important for our operations.

Aibel is a world-leading service company, active in the oil, gas and offshore wind sectors. We provide our clients with optimal, innovative and sustainable solutions within engineering, construction, upgrading and maintenance throughout a project's entire life cycle.

Aibel Holding I AS is a Norwegian-registered holding company with its headquarters in Stavanger. On 11 April 2013, the company acquired Bidco Holding AS and all of its subsidiaries through its wholly owned subsidiary Aibel Holding II AS, thereby forming the Aibel Holding I group.

Aibel Holding I AS is owned by Ferd (50 per cent), Ratos (32 per cent) and the Swedish pension fund Sixt AP Fund (18 per cent). Ratos manages the pension fund's ownership stake. Both Norwegian Ferd and Swedish Ratos have significant investments in private and public equity.

WE CARE

Our values guide us through each day as individuals, as teams and as a cohesive organization. Through our We care values programme, our values orient our behaviour and activities, for the good of our employees, clients, partners, owners and the rest of the society. Our values reflect that we are:

Responsible

- We are committed to health, safety, security and environmental management.
- We assume our social responsibility and carry out our activities in accordance with applicable ethical standards.

- We are trustworthy and reliable, we create realistic expectations, we are result-oriented and we keep our promises.
- Our attitude to ourselves and our customers is based on mutual trust and respect.

Visionary

- We help identify and find solutions to the challenges our clients face.
- We aim to contribute to a more sustainable energy sector by always seeking out new ideas.
- We focus on skills enhancement and have a targeted recruitment policy.

Open

- We are open to dialogue and constructive discussion.
- We are honest, provide clear feedback and encourage each other, as individuals and as teams.
- We are involved and engaged through honest, open discussion.

Flexible

- We are creative, adapt to the needs of our clients and are always available when needed. When necessary, we can also change course quickly.
- We ensure that our co-workers can perform their work safely and efficiently.
- We listen to the needs of our employees and find solutions to challenges they face.



8
Locations worldwide.
Headquarters in Stavanger, Norway



2
Yards:
Haugesund, Norway
Laem Chabang, Thailand



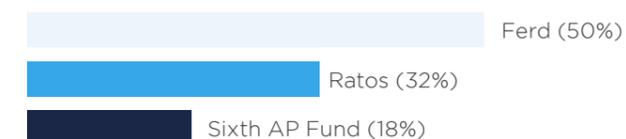
4 000
Employees globally



2
Business units:
Modifications and Yard Services
Field Development and Offshore
Wind



OWNERS



CORPORATE RESPONSIBILITY IN AIBEL

United Nations Global Compact commitment

Since 2017, Aibel has been a signatory to the UN Global Compact and remains committed to the ten principles on human and labour rights, environmental responsibility and anti-bribery. This report represents our annual Communication on Progress (COP) pertaining to this initiative.

The company also participates in informal industry compliance forums, promoting transparency and anti-corruption. Aibel reports and communicates on corporate responsibility in line with the requirements of the Global Reporting Initiative (GRI), and this report has been prepared in accordance with the GRI Standards: Core option.



STAKEHOLDER AND MATERIALITY

Material aspects

Aibel has conducted a materiality assessment to identify stakeholder concerns and the company's key sustainability risks and opportunities. On the basis of this GRI-compliant stakeholder and materiality analysis, Aibel has grouped its material topics into four strategic areas. The process of conducting the materiality assessment and the input from our stakeholders have also formed the basis of our approach to sustainability, ensuring in-depth focus on our material topics – we set goals, we collect quality data and we evaluate progress.

These criteria are considered the most important for the company and its stakeholders:

Compliance and anti-corruption

Health and safety

- Risk management
- Leadership commitment
- Continuous improvement

Environmental impact

- Innovation and development, (environmental and climate adaption, provide solutions)
- Climate impact & energy usage

Labour standards and human rights

- Human rights and working conditions



MANAGEMENT APPROACH

Our CR policy, Code of Conduct, Human Rights policy and HSE policy constitute our key governing documents on how we manage our material topics within Corporate Responsibility. We supplement these, where relevant, with additional policies, procedures and specification of roles, responsibilities and reporting instructions. Please see the appropriate webpage at aibel.com for additional information.

The Board holds the overall responsibility for Aibel's sustainability performance, and the CEO is responsible for compliance with relevant governing documents. Day-to-day responsibility rests with the business units and relevant topic-owners in accordance with established governance structures. Our performance in ongoing operations is a line responsibility, and results are monitored on a regular basis.

Outcomes and non-financial indicators

Aibel sets targets on material topics in order to measure and manage them as effectively as possible. For each strategic area, we try to establish tangible goals that provide both the staff member responsible for the topic as well as our executive management with the ability to track progress.

ISO certificates

For Aibel, the most transparent part of our systematic management approach towards important corporate responsibility topics is found in the ISO certifications that we hold. During 2019, the entire company (Aibel Group) has been re-certified for ISO 9001 (quality) and ISO 14001 (environmental management systems). In addition, we were certified to ISO 45001 (Health and Safety), which replaces OHSAS 18001.

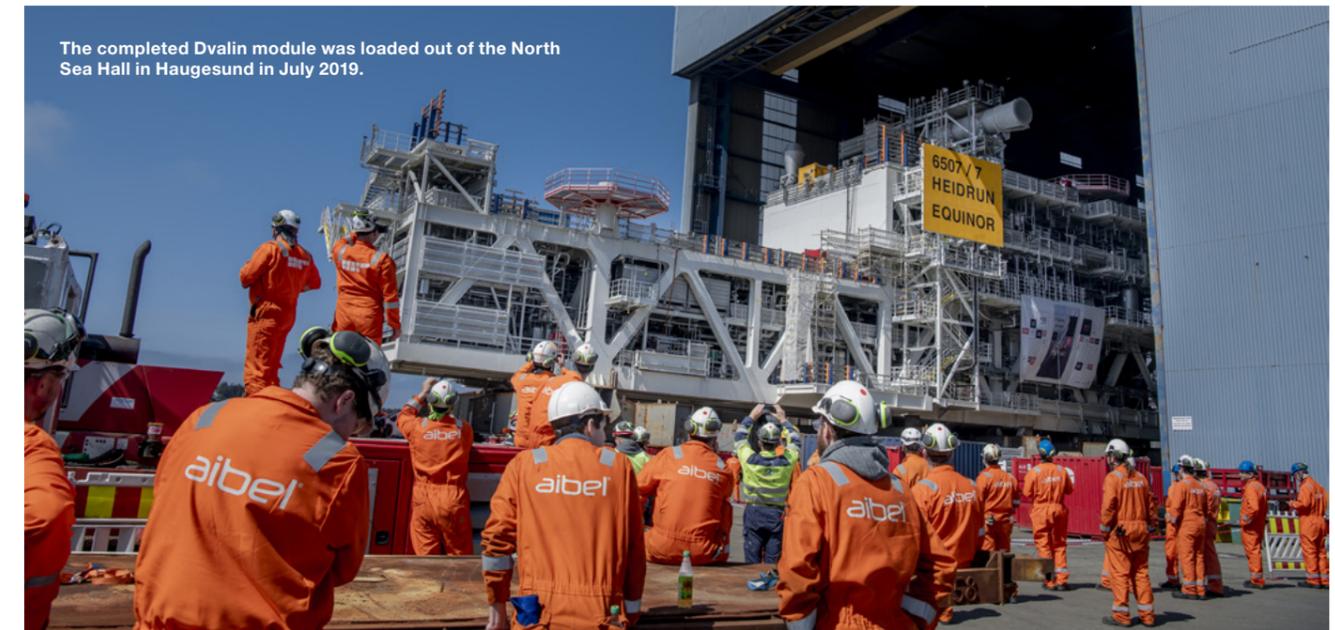
Aibel has been certified to ISO 9001 since 1995, ISO 14001 since 1998 and OHSAS 18001 since 2003.



2019 marked a strategic breakthrough for Aibel in the offshore wind industry, including the award for the DolWin5 offshore wind converter platform.

Aibel's data for sustainability KPIs in 2019:

KPI	Target	Achieved	Comments
Sick leave	3.5%	3.8%	
Serious Incident Frequency (SIR) per million working hours	0.2	0.2	
Total Recordable Injuries per million working hours	2.20	2.36	
Zero serious work-related illness	0	0	
Zero serious lost time injuries	0	0	
Zero environmental incidents (yellow and red category)	0	0	
Waste separation	>80%	85%	
Code of Conduct Training by eligible personnel	90%	95%	
Energy reduction projects	2	3	
CO2 reduction projects	2	2	



The completed Dvalin module was loaded out of the North Sea Hall in Haugesund in July 2019.

COMPLIANCE AND ANTI-CORRUPTION

Aibel's Code of Conduct

Compliance with our Code of Conduct is a prerequisite for working at Aibel. It guides us in our day-to-day encounters with challenges; it helps us do what is right and thereby safeguards Aibel's values, conscience and reputation. These guidelines apply to all of us, no matter where we are in the world, offshore as well as onshore, managers as well as employees. We must each make daily efforts to fulfil the expectations we set for ourselves. Our commitment to integrity and transparency is clearly stated in our Code of Conduct, which defines legal and ethical standards for how the company conducts its business around the world. Our Code of Conduct is always available on our website at aibel.com.

Aibel's Code of Conduct was reviewed in 2019 and a new version is scheduled to be published early 2020. The new

code has been updated to include improvement-driven changes and to more clearly communicate our increased commitment to human rights and Corporate Responsibility.

Training and awareness

Aibel's employees are required to complete an annual certification (e-learning) whereby they confirm that they understand and agree to comply with the principles of our Code of Conduct. In 2019, 95% of eligible employees completed this training. In addition, a select number of employees are required to attend a classroom-based compliance awareness training session every third year. In 2019, classroom training was conducted in our Thailand operation. In 2020, our employees in Singapore will be attending classroom training, and selected projects across the company will receive project-specific compliance training.



Risk assessments

In order to implement useful processes and tools in the fields of anti-corruption and compliance, risks need to be identified and assessed. Aibel's key compliance-related risks have been evaluated to be business development activities in high-risk markets and third-party risk.

In addition to the challenges we face in complex third-party supply chains, some of the markets in which we operate are economies with complex and sensitive political and social contexts. We have an established Country Risk Assessment procedure that requires Board approval for entry into high-risk markets. This procedure covers, as a minimum, corruption, political climate, economic factors, safety, security, sanctions, human rights and labour standards. Any risks defined through this procedure are subject to mitigating actions and recommendations based on the findings.

In addition, Aibel always includes compliance risk as part of the Risk Review Committee (RRC) process for potential new projects. Third-party integrity, due diligence and sanctions screening form part of our risk assessment processes. Risks relating to corruption and human rights will continue to receive our diligent attention.

Whistle-blowing

Aibel has an online Whistleblower channel that allows our employees, as well as any interested external stakeholders, to report to us anonymously. The WhistleB link can be found on our website at aibel.com and is open for everyone to use. The channel allows us to conduct an anonymous dialogue with the whistleblower from the initial report, all the way through the investigation process and up until the case is closed. In 2019, 6 cases were submitted to the WhistleB system. None of them concerned corruption.

In addition to WhistleB, we receive information and reports via other channels. Most of these are proactive requests for advice and guidance and show that the goal of ensuring that the compliance department also acts as a preventive resource for the company has been successful.

Compliance Champions

To strengthen our compliance presence and efforts across multiple locations, we have maintained and expanded a Compliance Champions programme that was implemented in 2016. The role of the Champions is to act as a liaison between the location, or a specific project, and our corporate compliance department. The Champions also front compliance campaigns or topics locally. For our Singapore and Thailand operations, they have the added responsibility of assisting with training and third-party integrity due diligence

processes, by performing onsite compliance audits of critical subcontractors and business partners in their geographic region.

Third-Party Integrity, Due Diligence and Risk Screening

In 2019, we conducted risk-based integrity due diligence reviews of all new business associates, around 300 in total. The majority of these are low or minimal risk suppliers in low-risk countries which are only subject to standard desktop screening. High-risk third parties, such as high-risk subcontractors, are subject to an extended desktop screening and Due Diligence process, and may also be visited by our compliance team for onsite compliance audits. Twelve such onsite audits were conducted in 2019 by the compliance department or our chosen representatives. The results of the compliance audits are a mandatory part of our decision-making process before awarding contracts and in maintaining our third-party relations.

In order to become a supplier to Aibel, suppliers are required to sign a Supplier Code of Conduct declaration specifying their commitment to the principles in our code of conduct. This covers: anti-corruption, labour and human rights requirements, environment and sustainability, as well as trade compliance, sanctions and supply chain compliance. A total of 1,654 of Aibel's high- and medium-risk third parties have signed our Supplier Code of Conduct.

LOOKING AHEAD

For 2020, as for 2019, we plan to enhance our work on compliance training and awareness within the organization, especially on human rights related topics in our supply chain and JV/Consortium partnership.

In 2019, all the key goals were reached. For 2020, the following goals have been set within compliance and anti-corruption.

COMPLIANCE AND ANTI-CORRUPTION

- Zero incidents of corruption
- A minimum of 90% of our eligible employees shall have completed e-learning and/or classroom training on Aibel's Code of Conduct
- All new business associates in 2020 shall be subject to an IDD screening, in accordance with our internal risk-based procedures
- A minimum of 10 onsite compliance audits of high-risk subcontractors and/or business partners.

LABOUR STANDARDS AND HUMAN RIGHTS

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 and we do not discriminate. This is described in Aibel's Human Rights Policy. We comply with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work 1998. A new revised procedure for the handling of bullying and harassment in Aibel was launched in 2018. We respect the freedom of employee association and the right to collective bargaining. These principles concerning the rights to freedom of association and collective bargaining, and the elimination of forced labour, child labour and discrimination in the work place are reflected in Aibel's Code of Conduct, in our Corporate Responsibility policy, and in our dedicated policy on Human Rights, including child labour.

CARING ABOUT OUR PEOPLE

People values

Our values are an important part of our culture and they contribute to promoting the conduct we aspire to at all levels of our organization. Our values guide us through each day as individuals, as teams and as a company. Caring for our colleagues begins with mutual respect. This means we value the diversity of our workforce and the unique talents and differences that each of us brings to Aibel. We need each other in order to achieve our goals. We know it is important to encourage personal and professional growth through continuous development of our abilities and talents.

Global People Survey 2019

At the beginning of 2019, Aibel initiated a Global People Survey to measure engagement throughout the organization. Aibel appreciates the importance of engagement and how it can create a great working environment and thriving teams. The response rate was 79 per cent and the results were communicated to the organization through staff meetings, the intranet and the in-house Aibel magazine, Aibelnews. Each department, project and team received their own results and by the end of 2019, over 600 action plans aimed at engagement improvement were proactively being worked on. It is important for our strategy, for us to have a stronger emphasis on teamwork, collaboration and communication, and our engagement initiatives will be catalysts for improving in these areas. During 2020, we will continue with our engagement action plans and we will be monitoring our progress throughout the year. The next global survey is planned for 2021.

OUR PEOPLE

	Norway	Thailand	Singapore
Permanent employees	3125	294	105
Temporary employees	16	175	68
Apprentices/ Trainees	96	1	0
Total	3237	470	173

2019	Male	Female	Total
Full-time Norway	2607	560	3167
Part-time Norway	31	39	70

All figures as of Dec. 2019

Recruitment and retention

Aibel focuses on the retention of an experienced high-performing workforce and the employment of apprentices. Aibel recruited 312 new employees in 2019 compared to 201 in 2018. Of these, 90 were below 30 years of age. The total attrition rate was 4.4 per cent in 2019, one percentage point more than in 2018.

It is crucial for Aibel to retain core competencies and develop new ones, especially within segments such as renewable energy and offshore wind. Simultaneously, Aibel depends on the continued professional development of skilled operators, maintaining a high level of core knowledge and experience. The company's continuous focus on recruiting new apprentices is crucial to replenishing professional competence. Aibel also continues to develop its relationships with agencies that provide contracted employees, in order to secure the availability of qualified workers during peak project activity. Recruitment of new employees in 2020 will depend on Aibel's project portfolio, but will mainly be focused on experts within selected disciplines and new segments, as well as necessary replacements.

Important apprentices

At year-end 2019, there were a total of 97 apprentices at the Haugesund facilities, compared with 98 apprentices at the end of 2018. Over 420 apprentices have earned their certificates through the apprenticeship scheme at Aibel since 2010.

Aibel seeks to motivate young people through apprenticeships at its yard. Furthermore, Aibel keeps in 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 prepare bachelor or master's theses within relevant topics.

Equal opportunities and fair treatment

As the nature of Aibel's operations calls for employees from different operating entities and geographical regions, both nationally and internationally, the principles of equal opportunity are well established throughout the company. There shall be no differences based on gender, nationality or ethnic grouping. Our commitment is clearly outlined in the Code of Conduct.

As evidence of our principles in action, 53 different nationalities are represented in our company.

Equal opportunities for both genders is a basic principle in Aibel. Women account for 18 per cent of our workforce. Two of the six executive management team (EMT) members are women.

Aibel promotes employee involvement and we seek to build cooperation models with employee representatives in all business units with the aim of involving employees in the development of the company. In Norway, workers are legally allowed to choose to form, belong to or not belong to a union or any other type of workers' organization. In Singapore, workers and employers are free to form their own organizations to represent their interests and there are legal provisions that protect their rights. The Industrial Relations Act regulates the collective bargaining activities of unions and employers. Although we see no reason to worry, we would still like to monitor and ensure that these rights give employees the possibility to influence and contribute to developing the company.

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 in Aibel Thailand. To promote employee involvement, a Welfare Committee consisting of elected employee representatives have quarterly meetings with management representatives.

They monitor the welfare and wellbeing of employees and propose welfare initiatives. In addition an HSE committee, consisting of both management and employee representatives, holds monthly meetings in order to improve safe working conditions and a good working environment. Aibel Thailand organizes lunch health talks quarterly and conducts yearly basic health screening for employees.

Aibel is aware of the importance of being a best-practice company and setting a good example. Therefore, in many areas, Aibel Thailand exceeds the minimum requirements of Thai law. For example, Thai law limits overtime to 36 hours per week, whereas Aibel Thailand sets a target of 30 hours or less, and is also focused on monitoring and reducing overtime at the yard.

Competitive wages

Aibel conducts an annual salary survey to ensure that we have fair and competitive terms in all our locations. We use benchmarking to compare wage levels with competing companies and ensure that we offer fair and competitive terms. For 2018, the survey for Aibel Thailand was carried out by Korn Ferry Hay Group. We found that our wages are competitive compared with our peers. Aibel Singapore has been participating in the Mercer Total Remuneration Survey (TRS) every year and found that in general the wages paid to our permanent employees are competitive. We will continue to monitor any internal differences, as well as our attrition rate, of employees leaving for a higher salary, in other companies within our industry. For 2019, the benchmarking survey for Aibel Norway was carried out by Korn Ferry Hay Group, and Mercer. A new base salary has been reported after the annual wage settlement for all non-manual workers, and a feedback report was produced at the end of 2019. We found that our wages are competitive compared to our peers. We will continue to monitor any internal differences.

Our work with human rights in the supply chain

In recent years, Aibel has noticed an increased industry-wide focus on human rights. Aibel welcomes this development since a common focus on this topic in all the companies along the value chain makes it easier for Aibel to continue promoting this area. Aibel's handling of human rights and working conditions in the supply chain has been assessed by outside auditors as best practice, in terms of both hands-on dilemma training on business integrity and ethics, and annual retraining of personnel.

We have also seen a stronger customer focus on human rights and working conditions, especially in respect of our international locations and our many suppliers and sub-suppliers. We have strengthened our focus on human rights issues. We have included more human rights topics in

LABOUR STANDARDS AND HUMAN RIGHTS

our compliance audits, we have participated in a human rights assessment by one of our largest clients, and we continue to increase our commitment to human rights in our supply chain. Operating in high-risk areas demands a clear description on how we would handle situations that involve human rights issues and child labour. Aibel has accordingly established a remediation procedure in the unlikely event that child labour is discovered within our own operations or at one of our suppliers.

Aibel considers itself a growth company and will therefore continue to be present in developing countries where it may be faced with human rights risks. We have consequently included appropriate terms and conditions in our policies and contractual documentation, obliging suppliers and contractors to comply with modern slavery legislation.

LOOKING AHEAD

In 2020, in continuance of 2019, Aibel will work on human rights due diligence, improving internal processes as well as seeking industry-wide solutions together with our peers.

For 2020, the following key goals have been established:

- We will conduct audits that include human rights assessments of at least five of our high-risk third parties
- Zero tolerance for harassment or discrimination, particularly on the grounds of gender, religion, political views, race, skin colour, national or ethnic origin, sexual orientation or style of cohabitation
- We will start the work of amending our requirements for ensuring compliance in our supply chain with the “employer pays” principle.



HEALTH, SAFETY AND SECURITY

Maintaining a working environment and a culture that nurture health, safety and security is important to Aibel. Our health and safety approach covers employees as well as in-house contractors, vendors and suppliers. We see the health and safety of our employees as vital to our business, making a positive difference to employee commitment and enthusiasm, thereby increasing productivity, reducing absenteeism and lowering costs. We work across all business units to maintain and improve the identification of, and readiness to respond to, health, safety and security risks.

Aibel has a zero injuries and incidents philosophy. We believe that all negative incidents can be prevented, and this

philosophy is the key to the company’s work within health and safety. With zero incidents, we are also committed to our employees having safe working conditions and always returning home safe and sound after work.

Key figures

The following is a summary of types of injuries, incidents, serious incident rate (SIR), lost time incident rate (LTIR), total recordable injury rate (TRIR), sick leave, reports and lost workdays due to injuries, for all employees (own employees, hired-in personnel and subcontractors) during the period 2015 – 2019:

Year	Fatal accident	Serious lost time injuries	Other lost time injuries (LT)	Restricted workday cases (RWC)	Medical treatment injuries (MTI)	Lost workdays due to injuries	Environmental spill	Material damage	Serious incidents (SI)	Reported near misses and safety observations	Performed working hours	Frequencies			
												SIR (SI per 1 000 000 hours worked)	LTIR (LTI per 1 000 000 hours worked)	TRIR (Fatal+LTI +MTI+RWC per 1 000 000 hours worked)	Own Employee Sickness Absence
2015	0	0	7	2	27	53	0	0	8	33 845	13 855 283	0.57	0.50	2.59	3.4
2016	0	0	9	6	20	76	0	1	6	27 143	11 508 700	0.5	0.8	3.6	3.6
2017	0	1	8	1	30	124	0	0	6	24 594	10 320 484	0.6	0.9	4.0	4.0
2018	0	1	1	2	16	140	0	0	2	16 895	8 830 133	0.2	0.2	2.3	3.8
2019	0	0	5	4	26	54	0	0	3	34 355	14 861 415	0.20	0.34	2.36	3.8

Please note that in 2019 Aibel corrected and included person-hours for hired-in personnel in Norway. The figures for previous years have also been updated in line with this change.

HEALTH, SAFETY AND SECURITY

The following are some of the health and safety activities conducted by Aibel during 2019:

IOGP Lifesaving rules

During 2019, many of the operators and contractors in the industry started implementing the Lifesaving Rules of the International Association of Oil & Gas Producers (IOGP), with the aim of supporting standardization and clarifying the rules for the workforce. Aibel supports standardization in the industry and is adopting the nine IOGP Lifesaving Rules. These rules have replaced Aibel's Absolute Safety Rules.



Confined Space
Obtain authorisation before entering a confined space



Hot Work
Control flammables and ignition sources



Bypassing Safety Controls
Obtain authorisation before overriding or disabling safety/controls



Line of Fire
Keep yourself and others out of the line of fire



Energy Isolation
Verify isolation and zero energy before work begins



Driving
Follow safe driving rules



Working at Height
Protect yourself against a fall when working at height



Work Authorisation
Work with a valid permit when required



Safe Mechanical Lifting
Plan lifting operations and control the area

HSSE learning packages

The HSSE learning packages consist of presentations to be used in relevant project/department meetings. For each quarter of the year, the topics of the HSSE packages relate to the annual cycle used by many of Aibel's customers. Aibel wishes to support this idea and thereby take a step towards standardization in the business. Focusing on the same topics across target groups and projects also ensures that all employees are presented with the same information within a year, regardless of where they have worked. The topics covered in 2019 were:

- Q1 - Prevention of major accidents and hydrocarbon leakages
- Q2 - Best practice in order to prevent personal injuries
- Q3 - Safe work at height and prevention of falling objects
- Q4 - Working environment and health

Caring about our people

Our value program is called "We care". We care about our employees' health, safety and well-being. Aibel identified the psychosocial work environment as the main focus in the HSSE action plan for 2018 - 2019. We want Aibel to be a workplace in which we thrive together with our colleagues, and where the results we achieve provide motivation. The two campaigns "Look after yourself" and "Be a good colleague" highlighted this important topics that concern us all.

The CEO's HSE Award

Candidates who have excelled throughout the year by encouraging experience exchange and raising HSE standards can be nominated for the CEO's HSE award. The winner for 2019 will be announced and awarded by President and CEO Mads Andersen within Q2 2020. The winner of the 2018 HSE award, announced in May 2019, was the Industrial Safety

Service at the Haugesund yard for their outstanding efforts and work to improve HSE in Aibel.

Emergency preparedness and security

There were no incidents in 2019 requiring mustering of the Line 3 Emergency Team. Training and drills were conducted on all lines in accordance with the matrix and plan. We made a strong effort to interact with the public emergency services and undertook several full-scale exercises involving the police, fire department and public health services, in addition to our own Line 1 - 3 Emergency organization. As intended, the joint drills created an understanding that concerted efforts to save lives, the environment, assets and reputation in a safe and effective manner, depend on a common situational understanding and coordinated action between the industrial safety services, Aibel's emergency management organization and the public emergency services. Some of the drills were attended by observers from the Armed Forces, the Police Academy, and the local municipal authority.

Our Haugesund yard has been re-certificated to the International Ship and Port Facility Security (ISPS) Code by the Norwegian Coastal Administration. The yard's port facility operates in accordance with the approved port facility security plan. The certificate is valid until 2024.

IT security, cybercrime and IT crime are increasing risks that we are constantly aiming to mitigate. A key factor in improving our cybersecurity standards is user-awareness and training. Aibel invests in training, including but not limited to, classroom training, nano-learning and intranet posts.

LOOKING AHEAD

Main focus 2020 will be "No serious accidents and never more major accidents", with a special focus and follow up on: Commitment, "Line of fire", Life Saving Rules, order and tidiness. In addition to continue learning and high attention on risk:

HS TARGETS FOR AIBEL IN 2020:

- Zero serious Lost Time Injuries
- Serious Incident Rate (SIR) < 0.19 per million hours
- Total Recordable Injury rate (TRIR) < 2.0 per million hours
- Sick Leave:
 - Office personnel < 3%
 - Operators < 5%
 - Total Norway < 3.7%
 - Total Aibel < 3.5%
 - 0 work-related illnesses
- Falling Object Frequency (FOF) < 0.28 per million working hours
- Reporting: min. 1 per 440 performed hours for company and 1 per shift/rotation
- 100% fulfilment of proactive KPI goals in BU/Project incl. inspections, HSE meetings, Personal Safety Involvement (PSI) and the involvement of the Safety Delegates



The winners of the CEO's HSE Award for 2018 was announced in May 2019, and the Industrial Safety Service in Haugesund were the winners.

ENVIRONMENTAL IMPACT

Aibel is committed to minimizing its environmental impact. All our business units operate with the policy of making all reasonable efforts to reduce the use of resources, including energy, water and raw materials. At the same time, we see that our main environmental impact will come in the interaction with our clients, through green initiatives, such as investing in shore power facilities, as well as participation in novel projects relating to wind parks. Through the use of our environmental competence in concert with our clients, we can explore how to design our projects so as to increase net positive effects on the climate.

As an aspect of managing our environmental impact, Aibel has been certified for some time in accordance with the ISO 14001 global environmental standard. Our management systems comply with the 2015 versions of this standard. The certificate confirms that our management of environmental risks and opportunities is aligned with global expectations and, equally importantly, the certification process helps us identify environmental challenges and improve our environmental initiatives.

EMISSIONS

Offshore wind breakthrough

In 2019, Aibel saw a breakthrough in the European offshore wind market by winning significant contracts for the DolWin 5 and Dogger Bank projects. Several years of committed efforts, including former contracts for DolWin beta and Hywind Scotland, are now paying off, and Aibel is accordingly occupying a position in the ongoing energy transformation and taking a giant step in adapting its business to a low carbon future.

For the DolWin 5 project, Aibel, together with Keppel FELS, will deliver the DolWin epsilon HVDC platform and an onshore converter station for the DolWin 5 German offshore grid connection project. Scheduled delivery is 2024.

The Dogger Bank Wind Farm located in the UK part of the North Sea is the world's largest offshore wind farm. Initially, Aibel will deliver two HVDC converter platforms with an option for a third platform. The wind farm is expected to produce enough energy to power the equivalent of 4.5 million UK homes. The first two platforms are to be delivered in 2024 and 2025, respectively.

Aibel's HVDC platforms minimise power losses and safeguard the reliable transmission of renewable power to millions of homes across Europe.

Electrification of the Utsira High

For years, Aibel has played a prominent role in the ongoing electrification of the Norwegian continental shelf, not least through its contracts for the Johan Sverdrup Power from Shore phases I + II (JSPFS I + II). According to Equinor, the two onshore power stations will contribute to emissions savings from the Johan Sverdrup field of more than 620,000 tonnes of CO₂ each year, equivalent to the emissions from more than 310,000 passenger cars.

In the summer of 2019, Aibel started the construction of the second converter station (JSPFS II). Scheduled delivery is 2021. This expansion of the power capacity enables Johan Sverdrup to facilitate access to power from shore to other fields on the Utsira High and thereby further reduce CO₂ emissions.

Among these fields are Gina Krog and Sleipner for which, in 2019, Aibel signed FEED contracts for modifications to ready the platforms to receive power from shore. According to Equinor, full electrification of Gina Krog and partial electrification of Sleipner will bring about further emissions cuts of 100,000 and 150,000 tonnes of CO₂ per year, respectively.

Improved communication reduces emissions from air travel

Aibel is focused on using video conferencing/collaboration rooms and Skype for Business solutions to reduce travel costs and travel-related emissions. Over recent years, investments and improvements have been made in IT and technical solutions to facilitate and improve communication between our sites. The total distance travelled in 2019 was 15 055 760 km, against 10 709 528 km in 2018. However, as a ratio of total distance travelled and man-hours worked, air travel actually fell by around 20% in 2019 compared with 2018.

ENERGY

Energy-saving projects at the Haugesund and Thailand yards

During 2019, several energy-saving projects were undertaken at the Haugesund and Thailand yards. At Haugesund, windows in several of the old buildings were replaced with a new and more energy-efficient type. At both yards, new LED lamps have been installed to reduce energy consumption. These also provide much better illumination, resulting in an improved and safer working environment. A total of 266 lighting fixtures were replaced in workshops and outdoor areas at Haugesund. An annual saving of approx. 105 000 kWh is anticipated.

There was a focus on stopping and sealing leaks from the compressed air distribution system at the yard in Haugesund. Pipes and connections have been repaired and refurbished. The total energy saving is difficult to estimate, but a rule of thumb is that a 1 mm diameter leak in the distribution network entails an extra energy cost of approx. NOK 8,000 per year.

WASTE

Aibel has a target of at least 80% sorting/separation of waste. The result for the whole company in 2019 was 85%. This is a small decrease from the 88% achieved in 2018, but is above the average of 84% in the last 5 years.

LOOKING AHEAD

As part of our action and improvement plan for 2020, Aibel will perform more detailed mapping of greenhouse gas (GHG) and CO₂ emissions deriving from our activities and services. The intention is to gain a better understanding of our footprint and generate ideas about how best to reduce it. A GHG consultancy will be used for advice and the mapping will be

based on the ISO 16064-1 standard. The acquisition and implementation of a database for GHG reporting will be assessed during the year.

Aibel will take proactive approach towards reducing the environmental footprint and CO₂ emissions of contractors performing services for Aibel. We plan to carry out a minimum of two energy-saving and two CO₂ reduction projects. For 2020, the following key goals have been established:

ENVIRONMENTAL IMPACT:

- > 80% waste sorting
- Minimum 2 energy reduction projects
- Minimum 2 CO₂ reduction projects
- Be proactive towards clients and be a leading contributor to the reduction of CO₂ on the shelf, e.g. electrification of offshore installations, wind projects and carbon capture.



In 2019, Aibel started construction of the second onshore power plant at Haugsneset. It will contribute to the electrification of the Utsira High.

ABOUT THIS REPORT

This report presents Aibel Group's Corporate Responsibility performance and activities in 2019. The report also constitutes our Communication on Progress to the UN Global Compact. It has been prepared based on the Global Reporting Initiative (GRI) Standard Sustainability Reporting Guidelines: Core option.

The GRI index, including references to material indicators, is available online at aibel.com/corporate-responsibility. For a list of material aspects, please see the materiality matrix on page 7. The basis and scope of the report derive from our materiality assessment and stakeholders' analysis conducted in 2018.

Report boundaries

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

Data Quality

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



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