

UN Global Compact; Communication on Progress-report



To: The United Nations Global Compact
Subject: Communication on Progress

03.03.2022

Statement of continued support by the CEO

To our stakeholders:

I am pleased to confirm that Aker Offshore Wind reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Annual Report, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours faithfully,
for and on behalf of Aker Offshore Wind








A handwritten signature in black ink, appearing to read "Philippe", followed by a vertical line and a horizontal line extending to the right.

Philippe Kavafyan
CEO

www.akeroffshorewind.com

Contribution to the UN Sustainable Development Goals

Aker Offshore Wind's has defined seven SDGs where the company considers its positive impact to be most material. In 2021, Goal 12, "Responsible Consumption and Production", was added to the company's commitments to underscore Aker Offshore Wind's ambition to address the specific waste and recycling challenges of the wind power industry. In addition, among all SDGs, Goal 7, "Affordable and clean energy", and Goal 13, "Climate action, provide the greatest opportunity for Aker Offshore Wind to contribute specific industry expertise and resources to drive progress. The company will contribute to meaningful climate action through substantially increasing the share of renewable energy in the energy mix, thereby replacing emissions from fossil fuels. Ramping up the production of renewable energy from deep-water wind will also substantially contribute to providing increased access to affordable and clean energy for more people.

	Relevant Targets and Indicators	Our Commitments	Example
ENVIRONMENT	 Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Aker Offshore Wind is committed to powering a sustainable energy transition through our projects, by substantially increasing the share of renewable energy in the energy mix.	Aker Offshore Wind developed our portfolio net capacity to 6GW clean energy in 2021
	 12.2: By 2030 achieve sustainable management and efficient use of resources	AOW aims for zero waste generation through prevention, reduction, recycling, and reuse of materials throughout our value chain.	Aker Offshore Wind and partners developed a project during 2021 for reduced waste and increased recycling with our Strathclyde pilot
	 13	AOW shall reduce more emissions than we produce and aim to go beyond net zero in our operations and supply chain by 2030.	Aker Offshore Wind developed our portfolio net capacity to gross 6GW clean energy in 2021
	 14.2: By 2020, sustainably manage and protect marine coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	AOW shall contribute to sustainable use of the ocean by minimizing our impact on the environment and nature.	Aker Offshore Wind progressed in developing digital environmental monitoring of the marine environment during 2021, through our NextWind- project. The objective of the project is to identify any potential negative impact on the ecosystem to avoid causing harm when starting our operations (read more on p. x)
SOCIAL	 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	AOW has zero tolerance for discrimination and shall provide equal leadership opportunities at all decision-making levels.	Increase in female employees from 11% to 24% during 2021
	 Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	AOW aims to create sustainable job opportunities in the markets where we operate.	Number of employees increased from 16 to 84 in 2021, across 5 locations.
GOVERNANCE	 Target 16.5: Substantially reduce corruption and bribery in all their forms	AOW has zero tolerance for corruption and bribery as described in AOW's Business Integrity policy.	72% of Aker Offshore Wind employees received training on the organization's anti-corruption policies and procedures during 2021.

Human rights & Labour

Human rights & Labour
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: Make sure that they are not complicit in human rights abuses.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: The elimination of all forms of forced and compulsory labour;
Principle 5: The effective abolition of child labour;
Principle 6: The elimination of discrimination in respect of employment and occupation.

Aker Offshore Wind respects and supports internationally recognized human rights throughout the company and abides to internationally recognized guidelines on human rights; the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Policies and commitments

Aker Offshore Wind's commitment to human and labour rights is covered by the Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna. Aker Offshore Wind will also follow the Voluntary Principles on Security and Human rights to ensure that all operations are within a framework and by standards that encourages respect for human rights.

Aker Offshore Wind's [Code of Conduct](#) outlines the company's commitments and requirements for ethical business practices and personnel conduct. The Code of Conduct describes what Aker Offshore Wind expects from its employees, subsidiaries, subcontractors, representatives and other partners and explains the company's policies in a number of areas of particular importance such as corruption, including bribery and facilitation payments, conflict of interest, gifts and hospitality and human rights.

In the current organizational phase of Aker Offshore Wind, the risk of child labour, forced labour or non-conformities is considered low. While being mindful of increasing pressure on labour-rights across many countries, the locations in which Aker Offshore Wind has identified opportunities do have well-developed labour markets and laws prohibiting child, forced and compulsory labour.

Progress and upcoming initiatives

By upholding the highest standards and maintaining a strict policy on human rights, with clear rules and expectations for behavior for all employees and business partners, Aker Offshore Wind believe to positively contribute to respect human rights. All employees, suppliers and business partners are committed to read and sign the Code, and in 2021, no breaches were reported.

In 2021 Aker Offshore Wind developed a group-wide business integrity strategy to increase awareness and reduce integrity risk in future operations. In order to facilitate the development and implementation of this program, a dedicated compliance resource was appointed, and the digitalization of reporting and work processes was commenced and will be further developed in 2022.

Aker Offshore Wind established a work council in 2021, consisting of safety delegate, representative from management and Aker Care (occupational health service). This work council ensures a close cooperation and dialogue between management and employees, and promotes a healthy and safe work environment in the company.

In 2022 Aker Offshore Wind is committed to continue its work on human- and labour rights and aims to design and implement a broader supplier qualification process, including screening and auditing of suppliers against defined criteria for human-rights and labour.

Environment

Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: Undertake initiatives to promote greater environmental responsibility; and Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Aker Offshore Wind is committed to powering a sustainable energy transition that cuts emissions, creates jobs and protects biodiversity. The company aims to protect, preserve, and restore the environment and biodiversity and has set targets for net positive environmental footprint, zero waste generation and to go beyond net zero emissions by 2030.

Policies and commitments

Aker Offshore Wind's [Sustainability Policy](#) and [Code of Conduct](#) sets out the principles according to which the company manages its environmental impact. Aker Offshore Wind shall adhere to relevant international and local laws and standards, strive to minimize its environmental impact and take a sustainable approach in its day-to-day operations.

Progress and upcoming initiatives

Aker Offshore Wind's sustainability policy commits the company to align its activities and investments with the 1,5 degree target for climate change, and set science-based targets to do so. The company has set a target of net zero emissions by 2030.

Through its commitment on biodiversity, Aker Offshore Wind actively seeks to include environmental design in its technical solutions and wind farm layout to ensure net positive biodiversity effects. In 2021, the company established an Environmental Impact Assessment (EIA) procedure. Through the EIA, the company takes a preventative approach to protect, preserve and restore ecosystems through project activities. The main purpose is to ensure that all impacts environmental impacts is accounted for before any development decision is taken. By investing in new digital tools and methods environmental impacts are sought managed at an early stage.

Aker Offshore Wind is committed to advance circular economy principles across its operations and strives towards net zero-waste generation by 2030 through prevention, reduction, recycling, and reuse of materials throughout its value chain. In 2021 Aker Offshore Wind developed a pilot project with the University of Strathclyde in the UK to develop solutions to a major waste management challenge for the wind industry, recycling of wind turbine blades that today are sent to landfills.

In 2021, the company completed a TCFD-aligned climate risk assessment. The review covered the company's approach to climate-related risks and opportunities from a governance, strategy and risk management perspective, including the use of metrics and targets. The review provided input to identifying focus areas for 2022.

The company's travel policy was updated in 2021 to include a preference for low-carbon options and guidelines on sustainable procurement choices for events and external collaborations has been implemented across the company through the employee handbook.

Anti-corruption

Anti-corruption

Principle 10: Business should work against corruption in all forms, including extortion and bribery.
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Doing business with integrity is imperative at Aker Offshore Wind. That means meeting consistent standards of integrity in every activity the company undertakes. Aker Offshore Wind practice a zero-tolerance policy when it comes to corruption.

Policies and commitments

Aker Offshore Wind's [Code of Conduct](#) includes solid guidelines for anti-corruption and associated guidelines on reporting breaches through the company's whistleblowing channel available for both internal and external stakeholders. All employees are encouraged to report concerns to enable implementation of corrective actions and continuous improvement of the company.

The Code of Conduct is supported by the Business Integrity Policy, which was approved by the Board of Directors in August 2021. The policy set out strict requirements for business ethics across the supply chain and across the group.

Progress and upcoming initiatives

In 2021, Aker Offshore Wind developed a group-wide business integrity strategy to increase awareness and reduce integrity risk in future operations. To facilitate the development and implementation of this program, a dedicated compliance resource was appointed.

In 2021, 72% of employees and 90% of the Management Team received training on the organization's anti-corruption policies and procedures. The Board was not trained in 2021, but in 2022, a more comprehensive training program will be introduced, which will include function specific training for high-risk roles.

No concerns were reported via the integrity channel in 2021. In 2022, the company aims to launch a web-based integrity-channel to facilitate reporting concerns.

Aker Offshore Wind's sustainability report, Code of Conduct and policies are available on our website. The Annual Sustainability Report for 2021 will be available from March 18th.

Read more: [Sustainability – Aker Offshore Wind](#)