

Modern Slavery Act Transparency Statement

Introduction from the Chief Executive Officer

At Aker Solutions we oppose modern slavery in all its forms and we are committed to ensuring that there is no slavery or human trafficking in our business or our supply chain. Throughout 2019 we continued to improve our understanding of the modern slavery related risks faced by our business and implemented further improvements to secure reduction of those risks.

In particular, our targets in 2019 were to:

- Ensure continuing business ethics training is provided to all employees;
- Continuously identify, monitor and manage business integrity risks at both the company and the delivery center level;
- Implement the enhanced human rights criteria for the supplier qualification process;
- Implement monitoring of human rights risk; and
- Evaluate criteria on human rights as part of the accreditation program.

One of the key developments at Aker Solutions in 2019 was establishment of an internal human rights committee with representatives from HSSE, business integrity and compliance, human resources, data protection, supply chain, communications, and the employee unions. The committee is mandated to ensure that the company has a sound human rights program and works to continuously improve it.

Another key improvement in 2019 is in our Supply Chain Information System which allows us to continuously monitor the performance of our qualified suppliers through the new dedicated dashboard, this includes HSSE and compliance aspects like human and labor rights risks. This information system is integrated with the company's internal audit management tool, which tracks audit reports and findings, lost time incidents and near misses, HSSE and operational performance. It also issues alerts when certifications are expiring.

Pursuant to Section 54 of the UK Modern Slavery Act 2015 we hereby present Aker Solutions' fourth Modern Slavery Act Transparency Statement to set out the steps we have taken to ensure that there is no slavery or human trafficking in our business or our supply chain. This Statement was approved by Aker Solutions' Board of Directors on 29th April 2020 and covers the financial year ending 31st December 2019.

Luis Araujo
Chief Executive Officer, Aker Solutions

Organization structure and supply chains

Aker Solutions is a global provider of products, systems and services operating in the energy sector. We are principally engaged in the design, supply and maintenance of oil and gas production equipment, as well as the provision of subsea lifecycle services, operational services and engineering services. In 2019 Aker Solutions updated our enterprise strategy including some clear long-term targets for our company, which we call 20/25/30: we aim to generate 20 percent of our revenue from renewables and 25 percent of our revenue from low carbon solutions by the year 2030. In line with the updated strategy opportunities in offshore floating wind, dynamic cables and subsea infrastructure as well as in carbon capture, utilization and storage solutions (CCUS) will be of increasing significance in the business going forwards.

Aker Solutions is made up of several legal entities with facilities in many countries worldwide spreading from Canada to Congo. Although not all of our legal entities are required to produce Modern Slavery Act Transparency Statements in their own right, we take the matter of slavery and human trafficking very seriously and are passionate about ensuring that modern slavery is not taking place in any part of our business which is wholly owned or otherwise controlled by Aker Solutions. This Modern Slavery Act Transparency Statement is therefore applicable to all the Aker Solutions legal entities listed in Appendix 1 at the end of this Statement. Further details about each of our locations and facilities can be found [here](#).

Our people

At the end of 2019 we employed just over 21,000 people worldwide. Of our 21,000 people approximately 16,000 were our own employees and ,5000 were hired in on external contracts.

Due to the nature of our work and the sectors we operate in, none of the work we do is seasonal and none of our suppliers are engaged seasonally, however it is typical for us to engage personnel temporarily for specific projects or work scopes.

More information on our key staff figures and our financials for 2019 can be found in our [Sustainability Report 2019](#) and our [Annual Report 2019](#).

At the end of 2019 our supply chain management team was working with around 10,000 direct and indirect suppliers across the globe and employed 954 people. Supply chain management includes strategic sourcing, category management, supplier development and accreditation, material planning, procurement, inventory management and logistics. The majority of the products that we procure include tubes, valves, actuators, forgings, connectors and instrumentation. Sourcing IT services, travel and temporary personnel are also important parts of our indirect procurement. We source services and equipment from all over the world.

Policies and Procedures in Relation to Slavery and Human Trafficking

Our governing documents are crucial for developing effective and consistent anti-slavery and anti-trafficking standards across our business and for influencing suppliers' and employees' decision making on a day-to-day basis. A list of the governing documents we have in place to address modern slavery can be found below along with links where appropriate. All of our key policies are endorsed and signed off by relevant members of Aker Solutions' senior management and a number of these were once again updated in 2019 to take into consideration changes in legislation, industry standards and our business structure. These governing documents are applicable to all of Aker Solutions' operations.

- [Aker Solutions' Code of Conduct](#): This is our key governing document and the foundation of our drive to uphold the highest levels of integrity. It addresses important principles and sets clear rules and expectations for behavior and ethical standards regarding matters such as human and labor rights, diversity and equal opportunities. At the end of 2016 our Code of Conduct was updated to vouch our commitment to observe a zero tolerance approach towards slavery and human trafficking.

Aker Solutions' Business Integrity Policy: This describes our commitments and expected behaviors with regard to business integrity including for example commitments to respect and comply with international human rights principles; to ensure that we actively work to identify and understand business integrity risks in all of our activities; and to maintain effective and risk-based business integrity procedures.

- **Aker Solutions' Business Integrity Procedure:** This defines principles and provides rules, responsibilities and processes for managing integrity risks. It also describes controls to ensure compliance with the Code of Conduct with a focus on country risk, human rights and wider corporate responsibility. For example this provides that we must undertake proper checks where risk of human rights breaches is assessed as high and ensure that minimum requirements are set with regard to forced labor, child labor, working hours and employment conditions.
- **Aker Solutions' Country Risk Procedure:** This describes how we categorize country risk and outlines the procedure for assessing potential business opportunities in high risk countries where for example there are particular risks related to human rights violations. It supports our Business Integrity Policy and aims to reduce our risk exposure when we conduct business in countries associated with high corruption, reputational and/or political risks.

- HR Global Recruitment Principles and Guidelines Document: This establishes the framework with respect to our internal and external recruitment activities. For example this provides that we shall not ask for money transfers or payment from applicants to secure a job, nor will we request payment regarding any travel expenses for interviewing or regarding visa expenses.
- Aker Solutions' Business Partner Qualification and Integrity Due Diligence Procedure: This defines our guidelines and responsibilities for qualification and integrity due diligence of potential, new and existing business partners and business relationships including customers, third party representatives, intermediaries and lobbyists, alliances and joint ventures, mergers and acquisitions and suppliers. This helps to identify whether there are any red flags associated with a business partner or a business relationship. It also assesses whether the risks associated with red flags are acceptable if relevant risk mitigating activities are implemented, and instigates a process for planning and assignment of those activities and for follow up of high risk business partners in general.
- Aker Solutions' Supplier Approval & Accreditation Procedure: This describes the processes and systems used to assess, qualify, approve, accredit, requalify and disqualify suppliers for use in our sourcing processes globally.
- Supply Chain Risk and Compliance Management Procedure: This outlines the process, roles, responsibilities and systems used to assess and manage various aspects of risk and compliance aspect within Supply Chain and Suppliers as a whole at global level, including human and labor rights.
- [Aker Solutions' Supplier and Subcontractor Declaration Form](#): All of our suppliers must sign this undertaking during prequalification and in order to be added to our integrated Approved Vendor List (AVL). This form includes minimum ethical requirements that our suppliers must comply with including compliance with laws and provisions on forced labor, freedom of association and minimum age of labor, working hours and wages.
- [Aker Solutions' Terms and Conditions for Suppliers](#): We use these terms as a basis for agreement with Suppliers and only deviate from using this template in exceptional circumstances. These terms require that suppliers must comply with all applicable laws, rules and regulations of any governmental, judicial or regulatory body having jurisdiction over the work including applicable labor standards, anti-discrimination rights and fundamental human rights norms as described in the Universal Declaration of Human Rights. These terms and conditions also require that suppliers undertake to fulfil the requirements of the Supplier and Subcontractor Declaration Form.
- Business Ethics Training Procedure: This describes our Business Ethics Training Program and defines the target groups, responsibilities and cost allocation to ensure that the Program is implemented in line with our requirements. Although the Business Ethics Training Program covers a range of business ethics topics, modern slavery forms an important part of this.
- Aker Solutions' Global Whistleblowing Procedure: This establishes a process for whistleblowing in order to detect, prevent and combat corrupt and/or unethical behavior, including modern slavery, in our business and supply chain and to ensure that there are clear and observable procedures for reporting a concern to the whistleblowing channel and for how such matters are investigated and handled. A link to the whistleblowing channel can be found [here](#).

Other commitments

In addition to the above policies and procedures, Aker Solutions continue to adhere to the Voluntary Principles on Security and Human Rights and to be a signatory to both the UN Global Compact (the world's largest corporate sustainability initiative) and Trace International (an international organization promoting transparency and compliance with anti-corruption rules). Our commitment to human and labor rights is also addressed in the Global Framework Agreement entered into by Aker Solutions and IndustriALL, Global Union, Fellesforbundet, NITO and Tekna. This dates to 2008 and focuses specifically on standards such as non-discrimination and the prohibition of child labor and forced labor. This agreement demands similar standards in our supply chain.

Aker Solutions continues to support the '[Building Responsibly](#)' initiative, a group of leading engineering and construction companies working together to raise the bar in promoting the rights and welfare of workers across the industry. Among other things, the principles provide that workers are free from forced, trafficked and child labor and that workers shall be recruited through ethical and legal means whereby all recruitment shall be free from discrimination and all forms of involuntary labor, slavery and trafficking.

The principles of all of these agreements, initiatives and memberships underpin Aker Solutions' respect and support for international standards and are reflected in our visions and values and through our policies and procedures. We have made human rights a part of our supplier qualification requirements and we use our influence with suppliers and encourage them to work in compliance with our Code of Conduct and our visions and values to ensure that they are also committed to avoid modern slavery in their own business and supply chains. We have implemented tools to provide insights and ultimately allow improved monitoring of our Approved Vendor List suppliers in relation to human rights topics.

Business Integrity Programme

Aker Solutions established a dedicated business integrity department in 2009. The responsibility for the design and continuous improvement of our business integrity work lies with the Corporate Business Integrity and Compliance (BIC) team. BIC is staffed by well-qualified personnel (lawyers and political scientists) who are responsible for ensuring that Aker Solutions maintains a risk-based and effective compliance program and supports the business in implementation of the program. BIC develops and maintains relevant policies, procedures, guidelines and tools, designs and provides training and recommends training requirements, conducts project risk assessments, assists in business partner integrity due diligence, prepares and participates in audits and reviews, and manages the ethics helpline and the whistleblowing channel. BIC is also responsible for ensuring that learning from incidents contributes to continuous improvement of the compliance program.

In order to integrate compliance considerations as a part of daily operations and decision-making the operational units of the business are supported by dedicated Compliance Officers. These roles ensure a single point of contact and ability to provide specialized support and advice based on the units' core activities and risk exposure. To further ensure local capacity and knowledge of local risk, BIC is supported by a network of local compliance officers in Malaysia, Brazil, India and Africa, as well as a looser network of resources wherever we operate.

The BIC function reports to the Senior Vice President for Legal and Compliance, who in turn reports to the Chief Financial Officer. BIC also reports to the Board Audit Committee on a quarterly basis, with more frequent meetings or updates when relevant or necessary.

Risk Assessment and Integrity Due Diligence Processes

Our presence in many countries worldwide combined with global tender activities and complex on-going projects requires a proactive approach and thorough due diligence assessments of prospects in markets associated with high integrity risks.

Before entering into new activities in countries associated with having high corruption, reputational and/or political risks, BIC will carry out a due diligence assessment in accordance with our policies and procedures, part of which includes an analysis of the risk for human or labor rights infringements. If the risks from this assessment are deemed too high, we may either decide not to bid for the prospect, conduct further evaluation through our Corporate Risk Committee, and/or implement mitigating actions in order to reduce the risk. The aim of these assessments is to ensure that we avoid participation in activities that are considered unethical or illegal. We carried out 146 such assessments on potential opportunities in 2019.

As well as carrying out due diligence assessments on new prospects, BIC also carry out in-depth assessments on potential, new and existing business partners and business relationships including customers, third party representatives, intermediaries and lobbyists, alliances and joint ventures, mergers and acquisitions and suppliers in accordance with Aker Solutions' Business Partner Qualification and Integrity Due Diligence Procedure. Certain relationships are also subject to approval by the Chief Executive Officer after assessment and recommendation before any commitment is made.

Encouraging employee representation

Good industrial relationships are an important part of Aker Solutions' history and culture. We encourage employee representation in our business units worldwide as part of our commitment to human and labor rights. Employees worldwide have the right to be heard and represented, and to form and join trade unions of their own choice. Employee representatives provide employees with influence and lines of communication through their participation in working committees, on the board of directors, and in operational improvement and organizational change projects. In 2019 union representations in Norway had regular meetings with management on a local and regional level, in addition to more regulatory discussions in accordance with union agreements entered into by Aker Solutions. Once a year, the unions hold a conference with a formal election process for all union representatives in Norway. Twice each year employee representatives from Norway, the UK, Brazil, Malaysia and India meet with management from the Aker ASA companies as part of the Global Works Council (GWC). The council aims to develop communication and consultation between management and employees on issues such as operations and strategy.

Responsible Supply Chain management

In 2019, Supply Chain concluded the transition to the new integrated Approved Vendor List (AVL), improving compliance and visualization of our strongly consolidated supplier base. The AVL is a key element in our Supplier Information System and this improvement, along with existing and enhanced prequalification, risk assessment and monitoring activities support our Supply Chain Management team in securing a supply chain *without* modern slavery.

In 2019 Supply Chain provided a "Business Integrity in Supply Chain" training to the entire Supply Chain community. Our Supplier Information System is used to qualify, monitor and evaluate performance of suppliers. In order to be able to deliver to us, any new or potential suppliers, direct or indirect, must pass the pre-qualification stage and be added to the AVL. Part of this process includes validation of supplier compliance as per the Country Watch List. In case of a high risk, a further due diligence questionnaire can be added in the pre-qualification process. All new suppliers must also fill out a Supplier Qualification Questionnaire (SQQ) and confirm compliance with our Supplier and Subcontractor Declaration Form. The SQQ includes an evaluation of the supplier on various topics such as business integrity, human and labor rights and corporate responsibility. This was updated in 2018 to better reflect the UN Global compact and the risks of potential slavery and forced labor.

The responses given in the SQQ are reviewed and scrutinized and may be subject to further investigation including for example: external integrity due diligence or an interview with the supplier's compliance department and/or key personnel to clarify if red flags are identified and to safeguard that any risks identified are addressed.

There may be exceptional cases where the full pre-qualification stage is not completed by a new supplier, for example due to time restraints. In these limited cases the supplier may be approved by a designated member of the supply chain management team; regardless in all cases the supplier is required to confirm compliance

with the Supplier and Subcontractor Declaration Form. If the supplier is located in a high-risk country as per the Country Watch List, or provides a high risk service then additional compliance activities or due diligence may be required before the approval can be granted.

Only after formal approval of a supplier and their addition to the AVL will the supplier be eligible to receive purchase orders from us. The information about each supplier on the AVL is available to Aker Solutions employees globally via our Supplier Information System, supplier qualification summary is available to all our global procurement departments, along with operational performance evaluations, which provides the procurement departments with a solid risk picture of our suppliers, enabling an informed selection. In 2019, 242 new suppliers were pre-qualified.

In addition to qualification, Supplier Information System enables us to continuously monitor the performance and status of our qualified suppliers, with daily screening of financial and compliance information, and is integrated with our internal audit management tool. This tool tracks audit reports and findings, lost-time incidents, near-misses, health, safety and environmental management and operational performance. It can also issue alerts when certifications are expiring. Our supplier audit program is risk-based and determines where we should focus our audits. For example, if a supplier makes any changes to approved processes, sub-suppliers, materials and/or key resources, an evaluation will be performed on whether one or more of the activities will need to be revisited. Our supplier audit process was updated in 2019 to include further auditing criteria against the Supplier Declaration Form to demonstrate overall supplier performance. In 2019, we carried out 67 external audits of suppliers.

We can remove a supplier from an approved vendor list if the supplier is not fulfilling requirements on risk or performance including compliance with the Supplier and Subcontractor Declaration Form or due to findings from audits, including human rights topics. If the supplier is removed from the approved vendor list, the supplier will be deactivated for sourcing. If suppliers are disqualified from the system completely, this will be formalized and recorded in the Supplier Information System for future reference.

Whistleblowing

We also have in place a whistleblowing system which is governed by Aker Solutions' Global Procedure on Whistleblowing. This encourages all of our employees, customers and other business partners to report any concerns or breaches of our Code of Conduct, other internal policies, or laws and regulations related to the direct activities of our business or supply chain. This includes any circumstances that may increase the risk of slavery or human trafficking. BIC is responsible for operating the whistleblowing channel and investigating alleged corporate compliance violations.

Effectiveness

We understand that as a global business Aker Solutions is at risk of being drawn into human or labor rights violations. We have assessed the risk of direct involvement in such infringements to be low however indirect involvement in violations remains a risk due to the size of our supply chain.

During an internal audit of our indirect suppliers' operations onsite in 2019, our Asia Pacific region found potential breaches of the human rights expectations set out in Aker Solutions' Supplier and Subcontractor Declaration Form which provides that suppliers shall not require their employees to lodge identity documents (original passports) upon commencement of employment. The results of the audit ascertained that certain service providers operating onsite who engaged foreign migrant workers as part of their workforce, withheld the original passports of their foreign migrant workers, ostensibly for safekeeping. All workers held employment passes issued by the National Immigration. The actions taken required that suppliers return the passports to their workers and all foreign migrant workers must now record their entry/exit at the security gate confirming their passports were in their possession. Suppliers were also encouraged to employ local workers.

With respect to our whistleblowing channel, In 2019, Aker Solutions experienced an increase in reported cases. However, the increase is partly due to "clusters" - multiple reports relating to the same issue. We view the increase as a healthy sign that the channel is working and that awareness efforts have been effective. The

number of cases remains within a healthy range of 1.1 reports per 100 employees per year and largely in line with the global benchmark with a median of 1.4 reports per 100 employees (the benchmark referenced is from Navex Global and represents 12 industries and includes companies of various size and geography). No material human rights grievances against Aker Solutions were substantiated through formal channels in 2019.

In 2019 we experienced continued focus from customers on compliance with human rights principles, and inquiries (e.g. questionnaires, audits and follow up) with specific questions regarding human rights and modern slavery were received from numerous customers.

Training

Continuous focus on and awareness of compliance and business integrity is important to ensure that our employees know what to do if they find themselves facing a dilemma. Although our anti-corruption compliance program, policies and procedures are applicable globally, we place importance on interacting with employees on the ground to ensure that the local context is considered in our communication and training material. This is to ensure that expectations of business conduct are understood in the context where the training is conducted.

Our Business Ethics Training Program is a key preventative activity in our Anti-corruption Compliance Program which has been designed to prevent unethical or illegal business conduct by our employees. Our Business Ethics Training Program consists of four modules which are delivered to our employees through a combination of digital platforms (eLearning) and classroom based training. Training courses and materials are available in various languages.

Module 1

A 15 minute eLearning course covering an introduction to business integrity. Our employees are required to confirm at the end of the course that they have read and understood Aker Solutions Code of Conduct which makes specific mention of modern slavery. This course is mandatory for all our employees and is completed by new recruits as soon as possible, ideally during the first week of employment at Aker Solutions.

Module 2

A two-to-three hour, instructor-led classroom training course which focuses on the general framework for making ethical decisions and what to do in case of breaches or suspected breaches of our internal policies or laws and regulations. This course must be completed by all employees who are based in an office and/or working in or travelling to a high risk country. Other targeted groups may be required to complete this course if identified through a risk-based evaluation. This course must be completed within the first 6 months of employment at Aker Solutions. This course was updated in 2018 to include more in-depth material specifically on modern slavery and these and other human rights materials were further refined in 2019.

Module 3

A 10 minute eLearning course focusing on selected topics of Aker Solutions' Code of Conduct. This serves as a refresher and is updated annually. It is to be completed by all our employees on an annual basis. Other targeted groups may be required to complete this course if identified through a risk-based evaluation.

Module 4

Targeted training courses are provided to those in high risk roles which are identified by operational management in cooperation with Corporate BIC. Identification of a high risk role is based on various factors such as risk profile and operations of the relevant function, however on a general basis, employees that have frequent contact with customers, suppliers and/or public officials or local authorities or travel to or are present in high risk countries may be defined as high risk roles. Due to the risk-based target groups for this training, the format and duration of Module 4 may vary depending on the identified risk.

Completion of the various modules by employees is recorded and registered in the applicable learning portal systems. Reports on training completion are extracted and distributed regularly to enable targeted follow-up of employees who have not yet completed the relevant modules.

With respect to training of other individuals or groups (including suppliers' personnel and representatives of our business Partners), BIC will recommend and facilitate such training in cooperation with the relevant country function. A recent example is the onboarding of suppliers for two construction projects in Nigeria and Angola. These construction projects were considered high risk, and the construction suppliers' management teams were therefore provided with targeted training on Aker Solutions' Code of Conduct and expectations to ethical conduct. The training was developed by BIC and included specific focus on human rights and labor standards, such as zero tolerance for forced labor. A condensed version is also provided as part of the site induction package which is delivered to all workers on the construction site.

Further Actions

Aker Solutions continuously works to ensure that human and labor rights violations, including slavery and human trafficking, do not take place in the company's supply chain or in any other part of our business.

Our 2020 targets include:

- Further digitalize key business integrity work processes
- Evaluate business integrity training program with a view to provide more risk-based targeted training and enable assessment of training effectiveness
- Provide annual Code of Conduct training to all company personnel
- Finalize a human rights policy
- Implement an integrity risk-based supplier audit program
- Develop a human rights eLearning course
- Further strengthen Aker Solutions' human rights program by implementing mitigating activities where appropriate and ensuring monitoring of processes with an inherent risk of human rights infringements
- Implement the risk-based human and labor rights approach through the roll out of target communication / training initiatives and on-site audits

Mr. Øyvind Eriksen
Chairman, Aker Solutions ASA
Date: 29 April 2020

Appendix 1

This Modern Slavery Act Transparency Statement applies to the following legal entities:

- Aker Solutions ASA
- Aker Solutions Holding AS
- Aker Solutions AS
- Aker Solutions (Shenzhen) Co Ltd
- Aker Solutions Tanzania Ltd
- KBeDesign AS
- Aker Solutions Ltd
- Aker Solutions DC Trustees Ltd
- Aker Solutions Angola Ltd
- Aker Solutions Enterprises International (UK) Ltd
- Enovate Systems Ltd
- Aker Engineering & Technology Ltd
- Aker Engineering Malaysia Ltd
- Aker Engineering Malaysia Sdn Bhd
- Aker Offshore Partner Ltd
- Aker Solutions de Brazil Ltda
- C.S.E Mecânica e Instrumentação Ltda
- Aker Powergas Pvt Ltd
- Aker Powergas Subsea Pvt Ltd
- Aker Solutions Holding Limited
- Aker Solutions IP Limited
- Aker Solutions EAME Limited
- Aker Solutions Ghana Ltd
- Aker Solutions USA Corporation
- Aker Solutions Inc
- Aker Solutions de México
- Aker Solutions Malaysia Sdn Bhd
- Aker Solutions India Sdn Bhd
- Aker Solutions Umbilical Asia Pacific Sdn Bhd
- Aker Engineering International Sdn Bhd
- Aker Solutions India Operations Sdn Bhd
- Aker Solutions India Services Sdn Bhd
- Aker Solutions Azerbaijan LLC
- Aker Solutions Canada Inc
- Aker Solutions Asset Integrity and Management Canada Inc
- Aker Solutions Korea Co Ltd
- Aker Solutions Sdn Bhd
- Aker Solutions Nigeria Ltd
- Aker Installation FP AS
- Benestad Solutions AS
- Aker Solutions Russia AS
- Aker Solutions Middle East AS
- Aker Insurance Services AS
- Aker Solutions SAS
- Aker Solutions Congo SA
- Aker Solutions BV
- Aker Solutions Saudi Arabia Co. Ltd
- Aker Solutions Enterprises LDA
- Aker Solutions Mocambique Ltda
- Aker Solutions Pty Ltd
- Aker Solutions Cyprus Ltd
- K Water AB
- International Design Engineering and Services Ltd