

# Annual Integrated Report 2021



AKER CARBON  
CAPTURE

# Aker Carbon Capture Annual Integrated Report 2021

## About this report

This is Aker Carbon Capture's 2021 Annual Integrated Report, reporting from 1 January 2021 till 31 December 2021.

The Sustainability progress section provides stakeholders with additional information on our performance and governance of key sustainability topics. We report on WEF Core metrics, and we report with reference to GRI.



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**Pure play carbon capture** company delivering  
ready-to-use capture plants

**Best-in-class HSE** friendly solvent and other  
patented plant technologies for better all-round plant  
performance

**Validated and certified** market-leading proprietary  
technology with more than 50,000 operating hours

# Aker Carbon Capture in brief

Aker Carbon Capture is a pure play carbon capture company with solutions, services and technologies serving a range of industries. The company has a proprietary and field-proven technology to enable carbon emission reductions in hard-to-abate sectors such as waste incineration, bio-energy, cement, gas to power and many other industries. The company's business model covers the sale of complete carbon capture units, and license models covering the supply of key equipment, and, with industrial partners, a full value chain 'Carbon Capture as a Service' model.

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In order to reach the targets of the Paris Agreement and reduce CO<sub>2</sub> emissions carbon capture and storage must be part of the solution. The International Energy Agency sees the potential for this segment to ultimately match the current size of the natural gas industry. In 2021, the number of carbon capture facilities in operation and development has been more than doubled since 2020, representing a total capture capacity of around 200 million tonnes of CO<sub>2</sub> per year. As a sign of the market growth to come, the number of facilities in the early stage project pipeline increased by more than three times.

Aker Carbon Capture's ambition is to secure contracts to capture 10 million tonnes of CO<sub>2</sub> annually by 2025.

The technology behind the company's business has robust patent protection and offers best in class Health, Safety and Environment (HSE) characteristics, along with high energy efficiency. It can be applied to both existing and new build plants, and also has extensive real-world validation, with more than 50,000 hours of operation to date across a range of carbon emitting industries. Aker Carbon Capture considers research, innovation and technology development to be a key driver of competitive advantage, and has an active program focused on reducing cost, developing and qualifying new carbon capture technology, and improving carbon capture project economics. This includes capture efficiency, modularization, and the implementation of digital capabilities.

The carbon capture market is both global and fast-growing, as countries and companies accelerate their plans to decarbonize, and carbon pricing mechanisms become more prominent. Aker Carbon Capture's focus is on the European market, where policy support, carbon pricing and customer interest are most mature. The North American market is now also evolving fast, and the company considers this region a logical next step for its business. Aker Carbon Capture is focusing on four key market segments - cement, bio/waste to energy, gas to power, and blue hydrogen, but also sees good engagement with others sectors where Aker Carbon Capture's technology is well-suited to capture CO<sub>2</sub>.

Aker Carbon Capture's overall purpose is to accelerate planet positive by enabling carbon removals from industries and energy solutions. To drive this effort, the company and its employees are devoted to three core values.

Sustainability is integral to Aker Carbon Capture, with the UN Sustainable Development Goals set as a key part of the long term strategic framework. In 2021 important targets were set; by 2030, Aker Carbon Capture aims to reduce the carbon intensity of our products by 50% and reach an overall carbon negative position.

Aker Carbon Capture is headquartered in Norway with operations in Norway, Denmark and the United Kingdom.

Key figures	Measure	2021	2020
<b>Secured contracts to capture 10 million tonnes of CO<sub>2</sub> per annum by 2025</b>	Million tonne CO <sub>2</sub> per annum	0.5	0.4
<b>Order backlog</b>	NOK billion	1.9	1.7
<b>Revenue</b>	NOK million	363	16
<b>whereof taxonomy aligned</b>	%	100%	n.a.
<b>EBITDA</b>	NOK million	-190	-43
<b>Net Profit</b>	NOK million	-192	-44
<b>Earnings per share</b>	NOK/share	-0.33	-0.09
<b>Total R&amp;D spend</b>	NOK million	82	2
<b>Net Current Operating Assets</b>	NOK million	-260	-8
<b>Cash and cash equivalents</b>	NOK million	1,321	458
<b>Equity</b>	NOK million	1,076	452
<b>Permanent employees</b>	Headcount	71	26
<b>Net GHG emissions, scope 1+2+3</b>	tCO <sub>2</sub> e emitted - tCO <sub>2</sub> removed	37.1	20.7

# DEVOTED TO...

Working together

Doing the right thing

Bold innovation

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# CEO Letter



**A great deal has happened since Aker Carbon Capture was established as a separate company in 2020. Despite the extraordinary and ongoing backdrop of the global pandemic, political and corporate efforts to fight climate change grew at pace through 2021. From both our own experience and the impact from major events like COP26, it is clear that carbon capture is recognized firmly as one of the cornerstone technologies to decarbonize the industrial world. The launch of our company continues to look very well-timed.**

Our deep experience in carbon capture technology and solutions continues to position us very well in this fast-growing market. In fact, with Aker's involvement in managing CO<sub>2</sub> going back to the 1990s, few in this industry can claim to have more. And our capabilities continued to strengthen in 2021 as we formed a number of important partnerships with suppliers and customers. These expanded our reach into different customer segments, such as low carbon power generation, waste-to-energy, metal smelting and char production, and technologies along the value chain, like permanent CO<sub>2</sub> storage via mineralization.

Last year we took a number of important steps to further develop our company. We tripled our workforce to over 70 people by the end of 2021, we set up corporate entities in important markets such as Denmark and the United Kingdom, we achieved ISO 9001, 14001 and 45001 certificates for our management system, and we launched our new 'Carbon Capture as a Service' business model.

And during the year, we were delighted to start delivering a number of major carbon capture projects - Norcem's Brevik CCS in Norway, the first carbon capture plant on a cement facility in the world, Twence's waste-to-energy plant in the Netherlands, the first compact modular carbon capture facility, and the Front End and Engineering Design (FEED) for BP's Net Zero Teesside Power, the world's first commercial scale gas-fired power station with carbon capture. All of these projects will give Aker Carbon Capture a unique market position.

We also stepped up our position with external shareholders in 2021, moving to the Oslo Stock Exchange main list during the year and qualifying for OTCQX trading in the USA. Our story continues to have strong appeal with international investors, including those with a strong focus on ESG and sustainability, and we were privileged to see such good support for our private placement in August.

The mission of Aker Carbon Capture is enabling carbon removals from industries and energy solutions. This is secured through making sustainability an integrated

part of our strategy. We in Aker Carbon Capture aim to contribute to the sustainable development of society through responsible commercial operations and continuous improvement. In business, we act responsibly and according to our Code of Conduct and our Company values; 'working together', 'doing the right thing' and 'bold innovation'. We are determined to continue delivering on best in class HSE performance within the carbon capture technology sector. Through our ongoing focus on bold innovations such as 'Carbon Capture as a Service', we want to make it easy for our customers to take action on climate change.

As we pursue our commercial ambitions, the United Nations Sustainable Development Goals (SDGs) and UN Global compact guiding principles will be integral to our business strategy. Aker Carbon Capture's most significant contribution, and the reason why we are in business, is toward SDG 13, which is taking urgent action to combat climate change and its impacts.

An important step forward in 2021 has been to define our own carbon reduction targets. We are aiming to be carbon net negative through removal solutions in the same timeframe. We are proud to be ambitious when it comes to our own targets and plan to collaborate closely with partners and suppliers in order to meet these targets.

This exciting and successful journey would not have been possible without the strongly positive attitude and enduring commitment of all stakeholders. Together with our customers, partners and suppliers, and with the backing of the Aker group, we are in a great position to make a major positive impact and contribute to creating a sustainable future for our company, our customers and society.

A handwritten signature in black ink, reading 'Valborg Lundegaard'. The signature is fluid and cursive, written over a light-colored background.

**Valborg Lundegaard**  
CEO, Aker Carbon Capture

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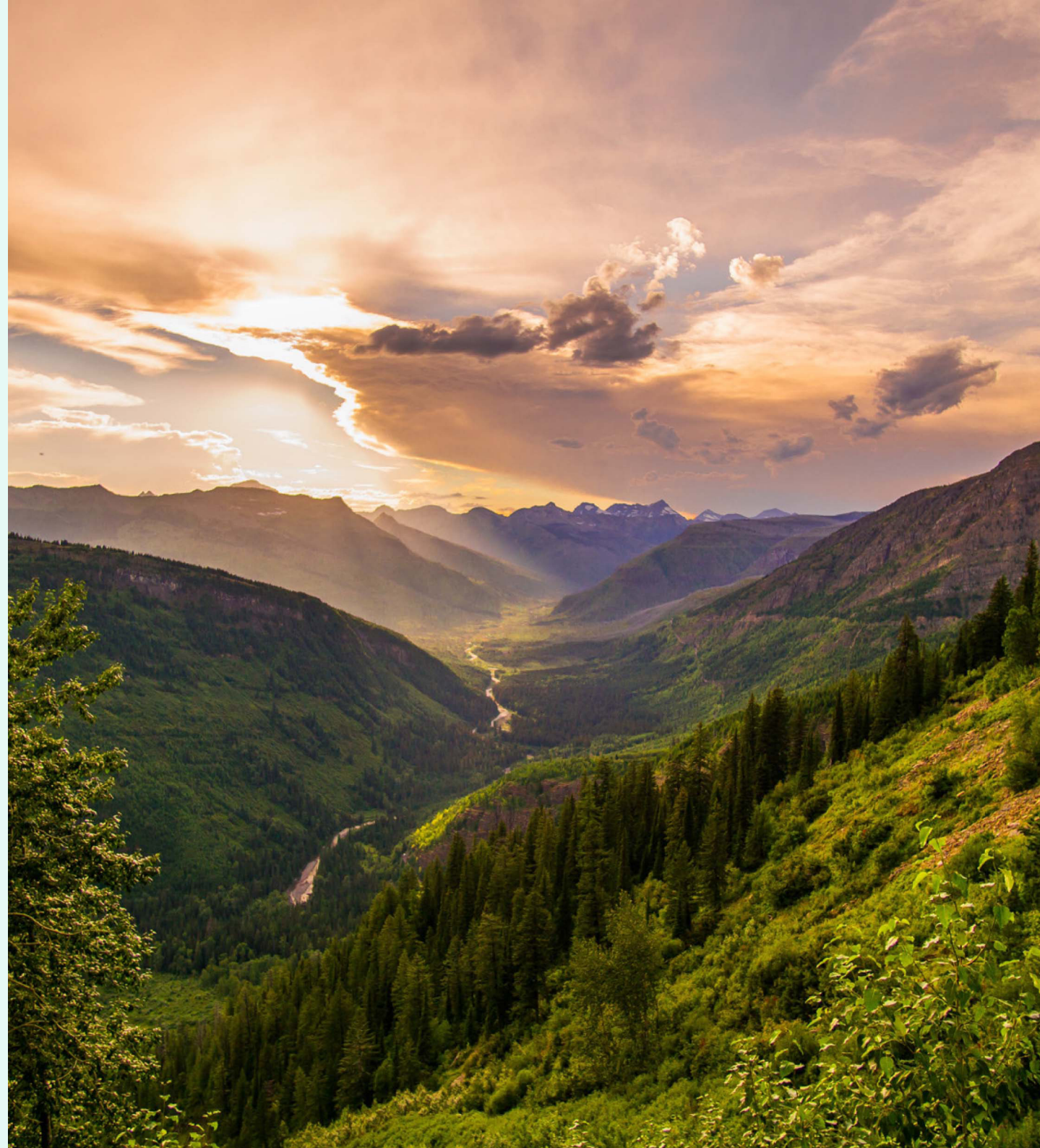
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# Board of Director's Report

Aker Carbon Capture supplies the solutions and technology which together comprise a carbon capture plant and the downstream processing and management of CO<sub>2</sub>, including capture, compression, liquefaction, and intermediate storage at site. These solutions and services are provided to industrial plant owners and operators across various industries to remove CO<sub>2</sub> emissions.

Aker Carbon Capture was established as a standalone company in the summer of 2020, following more than 15 years of developing carbon capture technology and solutions in the Aker Group. The proprietary technology with unique Health, Safety and Environment characteristics includes the company's patented solvent, which is used as the reagent separating CO<sub>2</sub> from the flue gas in the capture process.

Key offerings include feasibility studies, delivery of complete carbon capture facilities, as well as assistance with operations and aftermarket services, and a recently launched 'Carbon Capture as a Service' model that offers customers a full CCUS value chain solution.

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During 2021, market interest and government policy around Carbon Capture Utilization and Storage (CCUS) showed a clear acceleration, particularly in Europe and North America. This reflected a number of important developments around carbon emission prices and credits, and country and corporate net zero ambitions. The position of carbon capture in the wider energy transition debate was further strengthened following the major COP26 meeting in Glasgow.

In 2020, the Board of Directors of Aker Solutions decided to spin off the CCUS activity into a separate entity and list this as a pure play company on the Oslo Stock Exchange's Euronext Growth (previously Merkur Market) trading platform. The plans included the distribution of shares in the new company – Aker Carbon Capture – to Aker Solutions shareholders. A private placement, raising NOK 500 million, and a subsequent listing followed and shares in Aker Carbon Capture started trading on 26 August 2020.

In June 2021, Aker Carbon Capture moved to the Oslo Stock Exchange's main list and qualified for OTCQX market trading in the USA. In August 2021, the company raised NOK 840 million via a private placement at NOK 22 per share to further support its growth plans and technology.

See note 16 in the consolidated accounts for more information about the internal restructuring that took place related to the spin off.

## Strategy and development

The carbon capture and storage industry is a fast-growing global market that is in various stages of development across different regions. At present, Europe is the primary market for Aker Carbon Capture, as this is where market interest from prospective customers and the regulatory environment to support adaptation of carbon capture technology is seen as most mature. In addition, during 2021, evolving policy support and funding mechanisms made the North American market increasingly attractive, and the company considers this region a logical step for

its business expansion in the medium term. In 2021, the highest market activity was seen in Scandinavia, Benelux and the United Kingdom, where there were major funding commitments announced, supporting the launch of a number of capture and storage projects.

In addition to its geographical focus, Aker Carbon Capture has identified four market segments that offer particular opportunity: cement, bio- or waste to energy, gas to power and blue hydrogen. During 2021, the company made significant progress in all four segments; securing contracts and studies, entering partnerships or performing test campaigns. The company also saw promising developments from a number of other industries, such as pulp and paper, char production and metal smelting.

Continued technology development and implementation will be a key enabler for the company's long-term competitive advantage. Cost reduction is a pillar in the company's strategy, as it will significantly improve project economics, lowering the investment hurdle for customers.

Aker Carbon Capture has an active research and development program that invests in reducing the costs associated with its product offering. This targets both the technology of carbon capture and the process systems around its implementation. The company has identified a number of significant cost-reducing initiatives, and has targeted a number of ambitions around cost as a result, such as that to reduce the cost of its large scale Big Catch™ facilities by up to 50% by the middle of the decade.

Another key area of technology development is the ongoing collaboration with technology and analytics companies in the Aker companies ecosystem, such as Cognite and Aize. The company believes the adoption of advanced information technology and analytics has considerable scope to improve efficiency across the business, ranging from improved solutions through lessons learned to optimizing carbon capture plant operating costs.

Aker Carbon Capture developed its core execution capabilities, in terms of project management, procurement, engineering and subcontracting, to act as a solid counterparty in the market. As part of the Aker group of companies, Aker Carbon Capture benefits from the deep and broad capacity and know-how across engineering, project management, and project execution. When the company was set up as a separate organization, it established a number of key agreements with Aker Solutions to assist with inter alia fabrication and project execution. The company also continued to develop its strategy to work with complementary partners beyond the Aker Group.

Aker Carbon Capture took steps in 2021 to develop its commercial offering and accelerate the market, resulting in the launch of its 'Carbon Capture as a Service' business model. This reflected strong interest in the implementation of carbon capture with mid-sized emitters across a range of industries. The company's 'Carbon Capture as a Service' model is based around its Just Catch™100 modular facility, and offers customers a full value chain solution based on a "pay per tonne CO<sub>2</sub> captured" long term contract, and aims to accelerate the decarbonization of a number of industry segments.

Since the company's start-up during 2020, Aker Carbon Capture has maintained a certified operating model based on the methods developed in Aker Solutions. During spring 2021, the company's management system was certified to ISO 9001 Quality management system and ISO 14001 Environmental management system by DNV, and during the fall Aker Carbon Capture also achieved the important milestone of ISO 45001 Occupational health and safety management system certification. This standard serves the company across its technology development, studies, EPCI projects and plant life services.

In 2021 Aker Carbon Capture also maintained its "10 in 25" ambition. This targets the securing of contracts to cover the combined capture of 10 million tonnes of CO<sub>2</sub> per year by 2025.

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## Projects

Business activity at Aker Carbon Capture accelerated in 2021, as the company started work on a number of significant projects across Northern Europe. The company's activity was supported by continued and growing government support across the region for the development of large multi-industry CCUS clusters, particularly in Norway, Denmark, the Netherlands, and the United Kingdom. Progress with these industrial clusters has put Europe at the forefront of carbon capture adoption across the globe. The Global Carbon Capture and Storage Institute stated that, as of late 2021, there were 20 major industrial clusters in advanced development across the world, and 13 of these were in Europe. And growth looks set to continue, with energy consultant Wood MacKenzie noting that around 50 new cluster developments were announced over last year.

In Norway, Aker Carbon Capture started work on the major Brevik CCS project. This followed the government's funding support and launch of the Longship CCS project in 2020, and contract award to Aker Carbon Capture from Norcem HeidelbergCement. The majority of engineering work has been performed and all procurement contracts issued. The project will enter into a fabrication phase by mid-2022. This will be the first industrial scale carbon capture plant at a cement factory anywhere in the world, and Aker Carbon Capture will deliver this facility in 2024. The captured CO<sub>2</sub> at the plant, 400,000 tonnes per year, equals the total emissions from about 200,000 cars from the roads.

In the Netherlands, Aker Carbon Capture commenced work to deliver a modular Just Catch™ unit to Twence, a Dutch operator of waste-to-energy plants, following the European Commission's approval of state funding for this project. The plant will have a capacity of 100,000 tonnes per year of CO<sub>2</sub>, and is expected to commence operations at the end of 2023. In this project the captured CO<sub>2</sub> will be utilized in horticulture to increase plant yields from local greenhouses, making it one of the first industrial scale examples of carbon capture and utilization (CCU).

In the UK, Aker Carbon Capture prepared to work as the licensed provider of CO<sub>2</sub> capture technology for the major Net Zero Teesside Power project. This followed the award of a Front-End and Engineering Design (FEED) contract for the project to an industry consortium of Aker Solutions, Siemens Energy, and Doosan Babcock, with Aker Carbon Capture included as a subcontractor. The consortium will deliver this FEED package over 2022 and submit Engineering, Procurement and Construction (EPC) proposals ahead of final investment decision in 2023. In October 2021, the UK government selected the Northern Endurance Partnership's East Coast Cluster as one of the first two industrial clusters in its CCUS cluster sequencing process.

Through the year, Aker Carbon Capture also worked on a growing number of feasibility and early stage studies for the implementation of carbon capture technology across a range of emitter industries. The company considers this growing level of study work to be a positive sign for the development of the market in future years.

## Partnerships and collaboration

Forming partnerships and collaborating with prospective customers and suppliers of technologies and solutions are central Aker Carbon Capture's strategy to realize its ambitions. During 2021, Aker Carbon Capture signed more than ten such collaborative agreements which emphasized early customer engagements and partners with complementary technologies that enable stronger offering in to the market.

In January, Aker Carbon Capture signed an MoU with Hitachi Zosen Inova (HZI), targeting the implementation of carbon capture technology at waste to energy plants in Europe.

In February, Aker Carbon Capture signed an MoU with





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Forus Energigjenvinning and Lyse to explore full scale CCS for their waste to energy plant in the Stavanger/Sandnes region in southwest Norway.

In February, Aker Carbon Capture signed an agreement with leading smelting operator Elkem in Norway. This involved a feasibility study to look at the implementation of carbon capture at Elkem's plants in Bjølvefossen, Bremanger, Rana, Salten and Thamshavn. The study included contributions from research organization SINTEF and Norsk Energi.

In March, Aker Carbon Capture signed an MoU with Ørsted and Microsoft to explore the development of CCS at biomass heat and power plants in Denmark. The agreement included studying the development of a negative emission project at one of Ørsted's biomass plants in Denmark, and integration of Microsoft's digital expertise into a biogenic carbon capture project.

Also in March, Aker Carbon Capture signed an MoU with Siemens Energy to target the development of carbon capture solutions for gas turbines and gas-fired power plants. This agreement covers collaboration on technology to further optimize how carbon capture can be integrated with power generation, and also looks at ways to advance the fast-track development of major projects in this area. The collaboration realized commercial success later in 2021, with the two companies together with consortium partners securing a FEED contract from BP for its major Net Zero Teesside Power project.

Aker Carbon Capture and leading research organization SINTEF entered into an MoU in May, targeting further collaboration on key research projects and the sharing of technology insight and know-how across both parties. The agreement also will look at new carbon capture market segments, such as hydrogen. This strengthened partnership builds on the collaboration the parties have enjoyed for more than a decade, including the important SOLVit R&D program focused on solvents for post combustion carbon capture.

In July, Aker Carbon Capture signed an agreement with Norwegian waste management company BIR to explore

the implementation of carbon capture at BIR's facility in Rådal on Norway's west coast. This facility is close to the land terminal for Norway's Northern Lights storage project. The MoU involves a feasibility study to be conducted over 2021/2022.

In July Aker Carbon Capture signed an MoU with Carbfix. The Icelandic company has developed an innovative solution for storage of CO<sub>2</sub> through mineralization, a technology that has the potential to accelerate and further evolve the CCS value chain. The first testament to the potential of the collaboration is the tri-party MoU that the partners signed with Elkem Iceland to explore the opportunity to develop carbon capture and on-site storage at their Grundartangi plant. Such a compact CCS-value chain can significantly change the way CCS projects are developed and open up opportunities that are not easily connected to offshore storage.

In August, Aker Carbon Capture announced it was one of a number of companies and research institutes supporting the important Greensand CO<sub>2</sub> transport and storage project in Denmark. This consortium initially targets a dedicated pilot project to demonstrate the potential for cost-effective CO<sub>2</sub> storage at the Nini West field in the Danish North Sea. The Greensand project aims to be able to handle CO<sub>2</sub> storage as early as 2025, and to contribute to Denmark's ambition for a 70% reduction in CO<sub>2</sub> emissions by 2030.

In September, Aker Carbon Capture was named as supporting a consortium consisting of Aker Solutions, Siemens Energy and Doosan Babcock, to target the implementation of carbon capture technology on major gas-fired power stations in the United Kingdom. Aker Carbon Capture will provide its capture technology and key equipment to complement the consortium's broad capabilities to deliver major industrial projects.

In September, Aker Carbon Capture announced an MoU with Carbonor to jointly develop Carbonor's planned char facility in Øygarden in western Norway. This is based on Aker Carbon Capture's modular Just Catch™ 100 plant and could be the first project in which carbon capture and storage is sold as a service, where the

emitter pays a fee based on the volume of carbon captured.

In October, Aker Carbon Capture and Viridor announced a partnership to utilize modular carbon capture to accelerate its decarbonization plans in the United Kingdom. This includes exploring the installation of Aker Carbon Capture's Just Catch™ modular plants on five of Viridor's waste to energy sites, and aims to help accelerate Viridor's net zero plans by a decade to 2030.

## Organization

The company was established in 2020 with a core team of CCUS technology experts, most of whom have worked specifically on developing CCUS at Aker over the past decade. Valborg Lundegaard was appointed CEO of Aker Carbon Capture in July 2020. She has more than 25 years' of experience from the energy industry, including over the past decade being a member of Aker Solutions' executive management team.

In 2021, Aker Carbon Capture took major steps in its strategy for international expansion through the establishment of legal entities in Denmark and the United Kingdom. Further geographic expansion is likely, as the company continues to position itself to serve the growing CCUS market in Europe as a whole.

During 2021, the company accelerated its recruitment to strengthen the overall capabilities of the group and to handle the growing activity and interest in carbon capture. At the end of 2021, Aker Carbon Capture employed a total of 71 permanent employees. This compared to a total of 26 full-time employees at the end of the previous year.

The company also announced a number of new senior management recruitments over the year:

Egil Fagerland started as Chief Financial Officer of Aker Carbon Capture in April 2021. Fagerland was previously head of ERP and Business Systems at DeepOcean.

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Before that, he held various roles at Aker Solutions' finance department from 2012 till 2020, including as senior vice president, group controlling and financial systems. Ola Beinnes Fosse, Head of Treasury at Aker Horizons, was the acting CFO since the company was listed in 2020.

David Phillips joined Aker Carbon Capture as Head of the UK and Investor Relations in August 2021. Before joining the company, Phillips worked in investment research for around two decades, most recently as Head of European Equity Research for HSBC in London. He also worked as Head of Industry and Investor Relations at Aker Solutions from 2014 to 2016.

Nina Westgaard joined Aker Carbon Capture as People & Organization Director in September 2021. With more than 15 years experience from the media and Fast Moving Consumer Goods (FMCG) industries, she has management experience across HR, Communication and Organization Development. Her experience includes roles as Vice President HR & Admin in Scandza, HR Director in Egmont Publishing and VG, and as a Lean Expert in Schibsted.

## Market outlook

In order to reach the Paris agreement targets the carbon capture and storage market is expected to grow into a major industry segment over the medium term, with the International Energy Agency seeing the potential for it ultimately to match the current size of the natural gas industry. In its 'Net Zero by 2050' scenario, the IEA sees the need for 1.7 gigatonnes CO<sub>2</sub> capture per year by 2030, and between 7-8 gigatonnes per year by 2050, a substantial increase from the current market size of around 40 million tonnes per year.

In September 2021, the EU outlined its "Fit for 55" policy, which raised its climate ambition and proposed at least a 55 percent cut in greenhouse gas emissions by 2030, up from 50 percent previously. Several countries have followed up the ambition by

launching or expanding their own 'net zero' ambitions and declaring that CCUS will play a pivotal role in reaching the targets. As an example Denmark seek to reduce greenhouse gas emission by 70% by 2030 on a 1990 baseline. This policy momentum accelerated in November 2021 on the back of the global COP26 conference in Glasgow in the United Kingdom, with further significant developments around specific industries and carbon pricing mechanisms.

In Europe, the focus on carbon capture technologies was also supported through the year by a clear increase in the EUA carbon price, which moved from around EUR30 per tonne at the start of the year, to EUR80 per tonne by the end of December. The role of the European carbon pricing system was emphasized in the EU's "Fit for 55" climate policy proposal, and the tightening supply of carbon allowances in this system indicates the likelihood of higher prices in the future. Current analyst forecasts for European carbon prices range up to EUR150 per tonne by 2030.

In November, the European Commission announced the results for its Innovation Fund's first call for large scale projects. This saw EUR 1.1 billion awarded to be invested in seven large scale projects, four of which included CCUS. The second call for large scale projects launched in October has a budget of EUR 1.5 billion, an increase by 50% compared to the previous call.

Through 2021, the carbon capture market expanded significantly versus the prior year. According to the IEA (International Energy Agency), by late 2021 the CO<sub>2</sub> capture capacity in the global project pipeline was more than three times higher than in 2020. And the number of facilities in operation or in development was more than double that of the previous year, equivalent to a capture capacity of around 200 million tonnes per year. Plans for more than 30 new CCUS facilities have been announced since 2017. This includes 16 projects at an advanced stage of planning, which together represent an estimated potential investment of more than USD 27 billion – more than double the investment planned back in 2017, according to a report published by the International Energy Agency last year. Wood Mackenzie noted that financial support for carbon capture from

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both countries and corporations saw strong momentum over the year, with some USD25 billion announced since the start of 2020.

This market expansion reflects broad policy support and strategic net zero ambitions across many countries and industries, but also the focus from government funding to support the development of major industrial clusters. This has been the case particularly in Norway, the Netherlands, Denmark and the United Kingdom. These are where a number of large emitters in a region implement carbon capture, develop shared infrastructure for CO<sub>2</sub> transport and connect to permanent CO<sub>2</sub> storage projects in depleted oil & gas reservoirs and also in specific aquifers. This cluster model can then grow capacity over time as additional industrial facilities, both in the region and further afield, implement their own CO<sub>2</sub> capture and transport solutions and link up with the central cluster infrastructure.

Progress with these industrial clusters has put Europe at the forefront of carbon capture adoption across the globe. The Global Carbon Capture and Storage Institute stated that, as of late 2021, there were 20 major industrial clusters in advanced development across the world, and 13 of these were in Europe.

Aker Carbon Capture is primarily focused on the European market, where interest from prospective customers and the regulatory environment to support adaptation of carbon capture technology is seen as most mature. Currently the regions leading the wave of activity in the industry are Scandinavia, Benelux and the United Kingdom. The company is also monitoring developments closely in North America, where activity levels are rising as significant policy support grows from the Biden Administration in the United States and from the government in Canada.

Carbon capture is considered the core operational activity of Aker Carbon Capture, but the company also sees viable business opportunities in leveraging its in-house capabilities and strong industrial partnerships

to enable customers to connect to the wider carbon capture value chain. Aker Carbon Capture focused initially on delivering its services and products through engineering, procurement, and construction contracts, but in 2021 expanded its commercial offering and launched its "Carbon Capture as a Service" model.

This effectively offers customers a long term "pay per tonne CO<sub>2</sub> captured" model, with Aker Carbon Capture and its industrial partners managing the entire CCUS value chain from capture through transport to storage. Aker Carbon Capture considers this new business model will help accelerate the adoption of carbon capture technologies across a number of industries, particularly for facilities with mid-sized emission footprints. As such, the company believes this commercial approach will likely be a driver of profitable growth in the future.

Aker Carbon Capture launched a long-term ambition called "10 in 25" when it was set up as a separate company in 2020. This ambition stated that Aker Carbon Capture "aims to secure contracts for the combined capture of 10 million tonnes per year by the end of 2025." Based on the favorable market development expected in the coming years, the company reiterates this ambition for 2025, and also sees between 10% and 20% of this total coming from the 'Carbon Capture as a Service' model.

## Sustainability

Sustainability is integrated into Aker Carbon Capture's strategy and risk management approach. During its first full year in operation the company has set targets and established priorities within its sustainability program. This includes a carbon reduction target for own products and operations, and issuing the commitment-letter to the internationally recognized Science-Based Targets initiative (SBTi).

The company has identified its main Sustainable Development Goals (SDG) impact areas and is adhering to the UN Global Compact's guiding principles and

OECD Guidelines for Multinational Enterprises. Aker Carbon Capture is committed to the global framework agreement for human and labor rights between Aker ASA and Norwegian and international trade unions.

Stakeholder engagement and a review of material sustainability topics were undertaken in 2021 to identify and define key environmental, social and governance disclosures to report on. The report itself has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2021) and aligns with the World Economic Forum's 'Stakeholder Capitalism Metrics', with disclosures organized under the four pillars of planet, people, prosperity and governance. Aker Carbon Capture follows the Euronext guidance on ESG reporting as of January 2020. The report includes the company's first Task Force on Climate-related Financial Disclosures (TCFD) assessment.

More information can be found in the [sustainability progress section](#) of the Annual Integrated Report.

## Corporate governance

Aker Carbon Capture ASA is a public limited liability company, established under Norwegian law and listed on the Oslo Stock Exchange.

Good corporate governance at Aker Carbon Capture will ensure sustainable operations and value creation over time. Corporate governance is a framework of processes and responsibilities for managing the business and making sure the right objectives, strategies and safeguards are set and implemented with results that can be measured and followed up.

The Board of Directors is responsible for ensuring that the company conducts business using sound corporate governance as implemented through mandates and reporting lines for the governing bodies of the company, hereunder for the subsidiaries.

The Board of Directors holds exclusive authority under the company's authorization matrix to approve matters

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of significance. The Board of Directors regularly receives extensive reports from the Chief Executive Officer and the Chief Financial Officer on key aspects of the business. These reports reflect underlying reporting to executive management from the business operations.

The Board of Directors is also responsible for Aker Carbon Capture's Code of Conduct, which outlines the company's commitments and requirements for ethical business practices and personnel conduct. The Code of Conduct describes what Aker Carbon Capture 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, conflict of interest, protection of the environment and human rights. The Code of Conduct is available at [www.akercarboncapture.com](http://www.akercarboncapture.com). The Code of Conduct is operationalized through the company's management system, which contains more detailed and practical policies and procedures.

The Audit Committee of Aker Carbon Capture supports the Board of Directors related to its responsibility for oversight over the management and safeguarding of the company's resources. Key areas of the Audit Committee's mandate relate to review of and internal controls over financial and ESG reporting, corporate governance, compliance, whistleblowing, risk management, sustainability and climate, related party transactions, review of external auditor's qualifications, independence and performance and the tender process concerning external auditor. The company's legal and compliance function reports directly to the Audit Committee.

The directors and officers of Aker Carbon Capture ASA are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defense- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or

investigation.

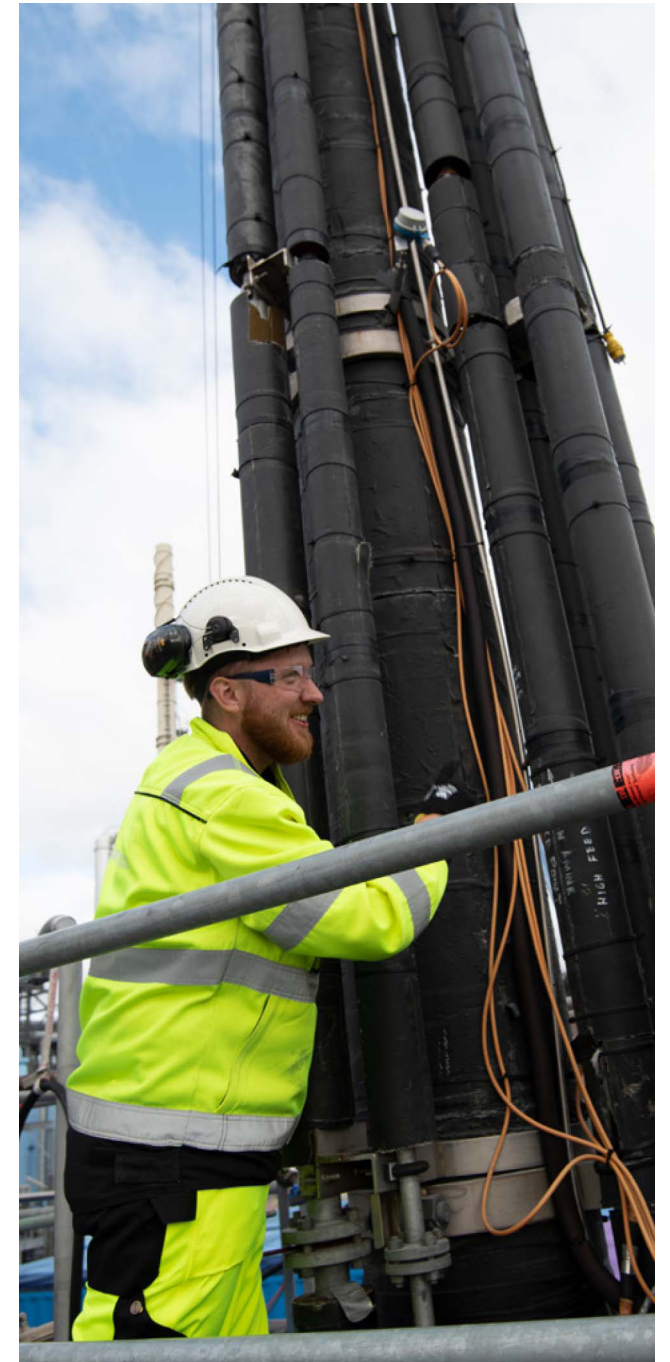
More information can be found in the [Corporate Governance Report](#) of the Annual Integrated Report.

## Risk management

Aker Carbon Capture operates under policies and procedures that promote proactive risk management to mitigate potential adverse impact on financial results, financial standing and operational performance and ensure financial reporting quality. The Board of Directors is responsible for ensuring that Aker Carbon Capture has sound internal control and systematic risk management that is appropriate in relation to the extent and nature of the Group's activities. On an annual basis, the Board of Directors carries out a detailed review of the company's most important areas of exposure to risk and its internal control arrangements. In particular, changes to material risks and the Group's ability to respond to internal and external business changes is addressed.

The Group's Audit Committee carries out preparatory work for the Board of Directors' monitoring of financial and ESG reporting. On a quarterly basis, the Audit Committee monitors the Group's systems for Internal Control over Financial Reporting (ICFR), routines for monitoring risks and external reporting processes. It also maintains regular contact with Group's auditor in respect of the statutory audit of the annual accounts. The Audit Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

Aker Carbon Capture has implemented a risk-based management system with clear policies and procedures to facilitate risk management. The overarching governance policy requires the Group to ensure active identification and management of risks in activities to ensure safe operations and achievement of strategic objectives. This risk-based approach has been adopted across all company policies and further operationalized



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through the Group's Enterprise Risk, Quality Operations, and ICFR procedures. Through these governing processes, Aker Carbon Capture control risks, effectuate risk reducing measures, systematically identify business opportunities, increase the effect of improvement efforts, and ensures quality of internal and external reporting.

The Enterprise Risk process facilitates the operational risk management activities and organize processes to aggregate an enterprise view of risk exposure and mitigating plans. The identified risk factors' materiality is defined by assessing the likelihood and consequence based on both quantitative and qualitative factors. Risk mitigation plans are implemented for the risks with the largest materiality and potential to impact the Group's performance.

The Quality Operations process facilitates risk control, implementation of risk reducing measures and systematic identification of business opportunities in the management of Aker Carbon Capture's operations. The aggregated business and risk perspective of Aker Carbon Capture's operations is reported and reviewed through quarterly business reviews covering strategic and enterprise risk related topics, monthly operating reviews covering operational and financial topics, and monthly project reviews covering project execution related topics.

The ICFR process is based on the Committee of Sponsoring Organizations of the Treadway Commission framework and is an integrated part of Aker Carbon Capture's governance model. The ICFR process is risk-based and an important part of the financial reporting process which is carried out throughout the business activities of Aker Carbon Capture's subsidiaries and projects. The main priority though 2021 has been to assess the main risks across all processes and determine how to address the top risks in the financial reporting process. The process, including the outcome and suggested mitigating actions have been shared and aligned with the Audit Committee and the statutory auditor.

Although risk is managed and mitigated systematically

throughout Aker Carbon Capture, the Group is operating in a global market which is influenced by CO<sub>2</sub> taxes, government subsidies and volatile commodity prices which provide both opportunities and risks that may still affect the company's operations, performance, finances, reputation and share price. It is evident that external risk factors such as pandemics, market risk, CO<sub>2</sub> tax levels, ethical and political risks and climate related risks may have a significant adverse impact on the company, in addition to internal risk factors such as operational risks and financial risks. Principal risk factors and uncertainties are further described in the [Principal risk factors and uncertainties section](#) of the Annual Integrated Report.

## Financial performance

Aker Carbon Capture presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All amounts below refer to the consolidated financial statements for the group, unless otherwise stated. The financial statements cover the period from 1 January 2021 to 31 December 2021.

In the period, the company's revenues increased from NOK 16 million in 2020 to NOK 363 million in 2021, primarily driven by increased activity on the Brevik CCS project. Operating loss ended at negative NOK 195 million, compared to negative NOK 45 million in 2020. The higher operating loss was primarily caused by an increase in salary and personnel costs as well as other operating expenses in line with increasing activity levels and growth ambitions of the company. Loss for the period was negative by NOK 192 million, compared to NOK 44 million in 2020. Loss per share were negative NOK 0.33, versus a loss of NOK 0.09 per share in 2020.

Total assets of the group amounted to NOK 1,610 million as of 31 December 2021, compared to NOK 484 million in 2020. The company had a cash position of NOK 1,321 million and negative net current operating assets at NOK 260 million, respectively 458 million and 8 million in 2020. The company has no interest-bearing debt.

Total equity amounted to NOK 1,076 million at year-end 2021, resulting in an equity ratio of 67%, compared to 452, and an equity ratio of 93% percent as of year-end 2020.

Cash flows from operating activities ended 2021 at a positive NOK 57 million compared to negative NOK 26 million in 2020. This was significantly higher than operating loss of NOK 195 million due to a positive cash effect from changes in net current operating assets. Cash flows from investing activities were negative by NOK 13 million, compared to negative NOK 3 million the year before. The cash flow from investing activities mainly reflects capitalized development costs related to the Just Catch technology. Cash flows from financing activities of NOK 820 million mainly include NOK 840 million from the share issue in August 2021, reduced by related transaction costs of NOK 15 million. Cash flow from financing activities in 2020 ended at NOK 486 million.

## Parent Company and Allocation of Net Loss

The parent company Aker Carbon Capture ASA is the ultimate parent company in the Aker Carbon Capture group and its business is the ownership and management of the subsidiaries Aker Carbon Capture Norway AS, Aker Carbon Capture UK Ltd and Aker Carbon Capture Denmark A/S. Aker Carbon Capture ASA has outsourced all company functions to its subsidiaries.

Aker Carbon Capture ASA has a net loss of NOK 12 million in the period from 1 January 2021 to 31 December 2021, compared to a net loss in 2020 of NOK 2 million. The company is currently in a growth phase and not in a position to pay any dividends. To reach its ambitious targets for contributing to global decarbonization and build scale at the operational level, the company will, short-term, prioritize investing in growth over dividends. Beyond the growth phase, it is the Company's ambition to pay an attractive dividend to be distributed to shareholders as cash dividends or

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share buybacks, or a combination of both.

The board thereby proposes the following allocation of net loss (amounts in NOK million):

<b>Dividends:</b>	—
<b>To retained earnings:</b>	(12)
<b>Total allocated:</b>	(12)

## Investing in research, innovation and technology

Continued technology development is a key enabler for the company's long-term competitive advantage. Aker Carbon Capture invests in reducing costs associated with its product offering, ensuring that we meet the changing requirements in the CCUS market, and to develop new carbon capture technologies and expand our portfolio to meet future market demands.

In 2021 Aker Carbon Capture teamed up with SINTEF, and successfully demonstrated that our technology can achieve 95% capture rate also for low CO<sub>2</sub> concentrations – this was achieved through a rigorous test program executed at SINTEF's pilot plant in Trondheim. This work has been important to meet increasing market requirements and to succeed in a competitive market.

Aker Carbon Capture has matured in digitalization over the past year through engagement with the Aker ecosystem of digital capabilities (Cognite, Aize and Aker IT Services), as well as external partners. Our digital ambitions have developed to concrete programs to strengthen our capabilities to derive value from data, ensure efficiency in project execution, prepare for operations and drive the transition to efficient digital collaboration and information sharing.

Aker Carbon Capture emphasizes collaboration with universities and scientific institutions as an important tool for innovation, and are members of the Norwegian

CCS Center (CCS) hosted by SINTEF and NTNU, and in December we joined the Texas Carbon Management Program hosted by the University of Texas at Austin.

Aker Carbon Capture's Mobile Test Unit (MTU) is a fully functional carbon capture plant used to qualify the company's technology for new flue gases and to validate technical solutions in an industrial environment. In 2021 the company initiated a campaign for carbon capture from char production together with partners Carbonor and Polchar at Polchar's facilities in Szczecin, Poland. Together with partners (SINTEF, Elkem, Norcem, Mo Industripark, SMA minerals, Celsa Armeringsstål, Ferroglobe Mangan Norge, Norfrakalk, Alcoa) Aker Carbon Capture have successfully secured funding from Gassnova to execute an MTU campaign at Mo Industripark to qualify our technology for the process industry.

## Health and working environment

Aker Carbon Capture is committed to a goal of zero harm to its employees, not just through accident prevention, but also through safeguarding employee's physical and mental health. Easy access to a variety of services from health care professional is provided by Aker Care, our corporate health service provider.

The Covid situation has influenced the organization almost as much in 2021 as in 2020. The company implemented a series of measures, in accordance with national recommendations and Aker group-wide initiatives, to reduce the spread of the virus while maintaining productivity. Throughout long periods, most or all employees worked from home, communicating via digital tools. In challenging conditions, the Mobile Test Unit team was able to perform work under strictly implemented COVID-19 procedures for travel of personnel and performance of work.

During these working conditions, an additional emphasis was also placed on mental health issues among the workforce. Aker Carbon Capture focused

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on employee information and communication sessions to manage this unprecedented situation. The working environment committee (AMU) for the company was established in 2021 to further strengthen employee communication. The broader Aker group implemented various support measures, including anonymous helplines and free consultancy by medical professionals.

Aker Carbon Capture's global sick leave for 2021 was 0.35 percent.

## Safety

Aker Carbon Capture operates with a zero-harm mindset and the belief that all incidents can be prevented. During 2021, nearly all activities were office based. However, the company maintained a reporting structure, methodologies and metrics such as Lost Time Injury Frequency (LTIF) and Total Recordable Injuries Frequency (TRIF), in order to measure performance and drive improvement across the company from 2021 onwards, as on-site activity levels will increase in line with the execution of projects.

## Security

Aker Carbon Capture's commitment towards safeguarding employees, assets and reputation is demonstrated by the core team of security professionals and the operation of a 24/7 Global Security Operations Center. The Center is supporting all aspects of Aker Carbon Capture's operations as well as some affiliated Aker companies. No serious security incidents were reported in 2021.

Cybercrime can be a major threat to operations. As part of the Aker group, Aker Carbon Capture continually monitors the threat landscape and takes the necessary steps to safeguard employees, systems, data and products. Phishing emails remain the most important vector for cyber attacks and further measures have been taken to secure email, improve capabilities to

identify ongoing malicious activities and increase employee awareness of cyber threats. With smarter products connected to the internet, there is an increased risk to these devices and the systems they are connected to. Precautions have been taken to protect Aker Carbon Capture and its assets.

## Emergency preparedness and response

The company's capabilities within crisis management is managed with the support from the Aker group. Established processes for emergencies and emergency response are in place for all locations and projects. Dedicated resources are assigned to advise and assist management on development of systems and structure of emergency response and business continuity. A cloud-based system, RAYVN, for efficient notification and coordination of critical events, supports emergency response through an assigned critical event response team.

## Environment

Aker Carbon Capture protect the environment through products, systems and services that reduces the CO<sub>2</sub> emissions of its customers' and its own operations. The most significant and positive environmental impacts are achieved through emission reduction solutions delivered for industrial clients. Aker Carbon Capture is certified according to the environmental management system standard ISO 14001:2015.

The major contributors to Aker Carbon Capture's GHG emissions are from energy consumption from our offices and Mobile Test Unit, business travels and commuting. The total emissions across scope 1,2,3 in 2021 was 84.4 tCO<sub>2</sub>e with the location-based approach and 37.1 tCO<sub>2</sub>e with the market-based approach. More details are given in the ESG accounts. More information can be found under [planet](#) in the sustainability progress section.

## Safeguarding diversity, equal opportunity and inclusion

Aker Carbon Capture had 71 permanent employees at the end of 2021. The company is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality or other factors. Men have traditionally dominated the industry. This continues to be reflected in the organization, where around 34% percent of the employees are women. The percentage of women in leadership roles was 38 % in 2021. Aker Carbon Capture's workforce represented 12 nationalities and a range of competencies and insights, benefiting both its partners and the business.

Aker Carbon Capture seeks to promote inclusion and diversity in its workforce through clear recruitment requirements, development of individuals and programs supporting equal opportunity in accordance with its people policy and recruitment procedures. More information regarding the company's commitment to equality and diversity is available in the [people section](#).

Aker Carbon Capture has a procedure for handling whistleblower cases, which is followed with respect to investigating discrimination allegations. All allegations are investigated and feedback provided to the whistleblowers where identity is known. At the end of 2021 no such cases had been reported.

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## Leadership, talent and performance

Aker Carbon Capture's ambition is to offer professional development, worldwide career opportunities, competitive pay and benefits and a healthy work-life balance for all its employees.

The Covid-19 pandemic has led to new ways of working and collaborating. Aker Carbon Capture has a digitally-connected, collaborative and mobile workplace for all employees. This will enhance end-user collaboration and communications through an agile, mobile and secure computing platform, in this case the Microsoft Office 365 set of tools. Employees can be onboarded and will continue to work in a digitally-connected, collaborative and mobile world.

The company's performance process is built upon frequent performance conversations between managers and employees to ensure that all employees work towards common goals, accelerate performance and help people grow and develop. The dialogues are mandatory for all employees and have been simplified to make them efficient and impactful for both leader and employee.

## Going concern

During the first years of Aker Carbon Capture's operations, the world has been through a global COVID-19 pandemic. The latest nationwide lock-down due to COVID-19 was initiated in December 2021 across the countries where Aker Carbon Capture has operations. Although most COVID-19 related restrictions have been lifted in early 2022. There is a risk that new COVID-19 outbreaks or other may have substantial negative effects.

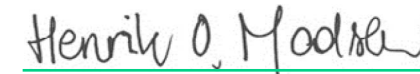
The recent large scale military attack on Ukraine by Russia and subsequent strong European and American sanctions against Russia could have significant negative effects on the global economy, energy markets and inflation levels going forward.

Aker Carbon Capture is continuously monitoring these developments and will continue to take measures to mitigate any negative impact for the company, including measures required to comply with sanctions and meet restrictions from governmental authorities.

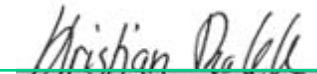
Aker Carbon Capture has no external debt and a solid liquidity reserve as of 31 December 2021. Therefore, in accordance with the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the consolidated financial statements have been prepared, is appropriate.

Fornebu, 17 March 2022

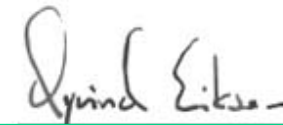
Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



**Henrik Overgaard Madsen**  
CHAIRMAN



**Kristian Røkke**  
BOARD MEMBER



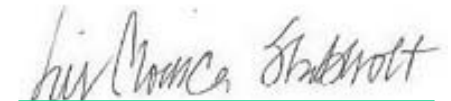
**Øyvind Eriksen**  
BOARD MEMBER



**Nina Kristine Jensen**  
BOARD MEMBER



**Oscar Fredrik Graff**  
BOARD MEMBER



**Liv Monica Stubholt**  
BOARD MEMBER



**Linda Litlekalsøy Aase**  
BOARD MEMBER



**Valborg Lundegaard**  
CEO



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# Board of Directors

Read more about our Board of Directors  
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## Henrik Overgaard Madsen



### Board position

Chairman of the board

### Elected by, year, term

Shareholders, 2020, 2  
years

### Position

n/a

### Year of birth

1953

### Education

PhD in civil and structural engineering from the Technical  
University of Denmark.

### Experience and skills

President and CEO of DNV GL from 2006 to 2015. Appointed  
a technology pioneer by the United States Offshore Energy  
Center's Technology Hall of Fame in 2002. Previously chair of  
the board of the Norwegian Research Council.

### Key external assignments

UN Global Compact Foundation (board member)

### Audit Committee member

No

### Board meeting attendance

7/7

### Shares owned at year-end 2021

30 000

## Kristian Monsen Røkke



### Board position

Director

### Elected by, year, term

Shareholders, 2020, 2  
years

### Position

CEO of Aker Horizons ASA

### Year of birth

1983

### Education

MBA from The Wharton School of the University of  
Pennsylvania.

### Experience and skills

Kristian Røkke is CEO of Aker Horizons ASA and has  
extensive experience from offshore oil services, shipbuilding  
and M&A. More recently Mr. Røkke has gained substantial  
experience from renewable energy, climate solutions and  
green technologies. Mr. Røkke was chief investment officer  
of Aker ASA prior to Aker Horizons, and CEO of Akastor ASA  
from August 2015 to December 2017. He has also spent  
several years in various operational and executive roles at  
Philly Shipyard.

### Key external assignments

As CEO Mr. Røkke is currently chair of the board of Aker  
Offshore Wind, Aker Mainstream Renewables and the CEO  
of Aker Horizons Holding AS. Mr. Røkke also chairs the  
boards of Aker Ghana Investment Company AS, Stiftelsen  
Ocean Data Foundation, Riverrun Invest AS, Riverrun Capital  
Management AS, Akastor ASA and Philly Shipyard ASA.  
He is also a director of several companies, including Aker  
Clean Hydrogen AS, American Shipping Company ASA, The  
Resource Group TRG AS, Clara Venture Labs AS, TRG Holding  
AS, Narvik Batteri AS and TRG Energy AS.

### Audit Committee member

Yes

### Board meeting attendance

7/7

### Shares owned at year-end 2021

0

## Nina Kristine Jensen



### Board position

Director

### Position

CEO of REV Ocean

### Elected by, year, term

Shareholders, 2020, 2  
years

### Year of birth

1975

### Education

Master's degree in Marine Biology from UIT – The Arctic  
University of Norway

### Experience and skills

Ms. Jensen is the CEO of REV Ocean and is a tireless  
champion for promoting environmentally responsible  
solutions for the world's ocean. She started this position in  
2018 after 15 years of positive impact in WWF-Norway (as  
Secretary-General since 2012).

### Key external assignments

Ms. Jensen is a board member of Aker Offshore Wind, The  
Business for Peace Foundation, Project Energy Reimagined,  
Ocean Wise, The C4IR Ocean and The Brain Tumour  
Association. She was named Young Global Leader by the  
World Economic Forum in 2014. She is also part of Friends  
of Ocean Action and an advisor to the High Level Panel for a  
Sustainable Ocean Economy.

### Audit Committee member

No

### Board meeting attendance

7/7

### Shares owned at year-end 2021

0

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## Øyvind Eriksen



### Board position

Director

### Elected by, year, term

Shareholders, 2020, 2  
years

### Position

President and CEO of Aker  
ASA

### Year of birth

1964

### Education

Cand. Jur. degree from the University of Oslo.

### Experience and skills

Mr. Eriksen joined Aker ASA in January 2009. Mr. Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BAHN in 1990, where he became a partner in 1996 and a director/ chairman in 2003. As a corporate attorney he among other things worked with strategic and operational development, M&A and negotiations. Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry.

### Key external assignments

As CEO, Mr. Eriksen is currently chair of the board in Aker BP ASA, Cognite AS, Aker Asset Management AS, Aker Horizons ASA, and deputy chair of the board of Aker Solutions ASA. He is also director of several companies, including Aker BioMarine ASA, Aker Energy AS, The Resource Group TRG AS, TRG Holding AS, The Norwegian Cancer Society (Kreftforeningen) and a member of Work Economic Forum C4IR Global Network Advisory Board.

### Audit Committee member

No

### Board meeting attendance

7/7

### Shares owned at year-end 2021

0

## Oscar Fredrik Graff



### Board position

Director

### Elected by, year, term

Shareholders  
(independent), 2020, 2  
years

### Position

Owner of Graff Consulting

### Year of birth

1952

### Education

Master's degree in chemical engineering from the Norwegian University of Science and Technology (NTNU)

### Experience and skills

Mr. Graff joined Aker in 1980. Since 2000 he has been instrumental in the development of carbon capture technology to reduce carbon emissions. Mr. Graff was appointed as Chief Technology Officer for Aker Clean Carbon in 2008 and has up to 2020 been responsible for Carbon Capture in Aker Solutions.

Mr. Graff has held several positions in CO<sub>2</sub> and climate related technical boards and advisory committees in Norway, UK and the EU, including ZEP (Zero Emissions Platform).

Coach and board member in local football clubs. Member of Norwegian Society of Graduate Technical and Scientific Professionals (TEKNA).

### Key external assignments

No

### Audit Committee member

No

### Board meeting attendance

7/7

### Shares owned at year-end 2021

0

## Liv Monica Bargem Stubholt



### Board position

Director

### Elected by, year, term

Shareholders  
(independent), 2021, 2  
years

### Position

Partner in Norwegian law  
firm Selmer

### Year of birth

1961

### Education

Cand. jur. degree from the University of Oslo

### Experience and skills

Ms. Stubholt has more than 20 years' experience as a corporate lawyer and has held several top executive positions in Aker ASA and has been State Secretary both at the Norwegian Ministry of Foreign Affairs and the Ministry of Petroleum and Energy. Ms. Stubholt is especially qualified within governance and compliance and has valuable understanding of political processes. She holds several non-executive board positions in the energy and seafood sectors and is a council member of the Department for Petroleum and Energy Law at the Faculty of Law in Oslo. She serves as member of the international board of World Ocean Council.

### Key external assignments

Chair of the board of Green Ammonia Berlevåg AS, Fortum Oslo Varme AS, Silix Gas Norway AS and director of the board of Gigante Salmon ASA, Vår Energy AS, Hydrogen Source AS, Biomega Group AS, Deutsch-Norwegische Handelskammer, Pareto Asset Management AS, Mjølner Invest AS, Andrevind AS, Aquaship AS and SINTEF Energi AS.

### Audit Committee member

Yes (Chairman of Audit  
Committee)

### Board meeting attendance

5/5

### Shares owned at year-end 2021

0

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## Linda Litlekalsøy Aase



### Board position

Director

### Elected by, year, term

Shareholders, 2021, 2  
years

### Position

Head of Electrification,  
Maintenance and  
Modifications, Aker  
Solutions ASA

### Year of birth

1966

### Education

Masters degree in material technology from the Norwegian University of Science and Technology (NTNU). Business economics and management accounting at the Norwegian School of Economics (NHH)

### Experience and skills

Ms. Aase joined Aker Solutions in 2014 and has almost 20 years of industry experience. She has held a variety of leadership positions including head of Aker Solutions' brownfield projects delivery center and the maintenance, modifications and operations business in Norway. Ms. Aase has been appointed as new CEO of SalMar ASA starting 1 June 2022.

### Key external assignments

Chairman of the board of Aker Solutions AS, director of Kværner AS, SalMar ASA and Enova SF.

### Audit Committee member

No

### Board meeting attendance

3/4

### Shares owned at year-end 2021

19 551

## Kjell Inge Røkke



### Board position

Deputy Director

### Elected by, year, term

Shareholders, 2021, 2  
years

### Position

Majority owner of Aker ASA

### Year of birth

1958

### Education

No formal degrees

### Experience and skills

Industry leader Mr. Røkke is Aker ASA's majority owner and a driving force in the development of Aker since the 1990s. Mr. Røkke started his career when he acquired a 69 feet trawler in the U.S. in 1982, and gradually built a leading, global fishery company. In 1996, his company RGI acquired the majority share position in Aker and later merged RGI with Aker. In recent years, Mr. Røkke has successfully navigated several Aker companies in the green transition.

### Key external assignments

Mr. Røkke is currently chair of the board The Resource Group TRH, TRG Holding AS and Aker ASA, and director of several companies in the Aker group, including Aker BP ASA, Aker Solutions ASA, Aker Horizon ASA, Aker BioMarine ASA, Aker Clean Hydrogen AS, Cognite AS, Salmar Aker Ocean AS and Aker Mainstream Renewables AS.

### Audit Committee member

No

### Board meeting attendance

n/a

### Shares owned at year-end 2021

0

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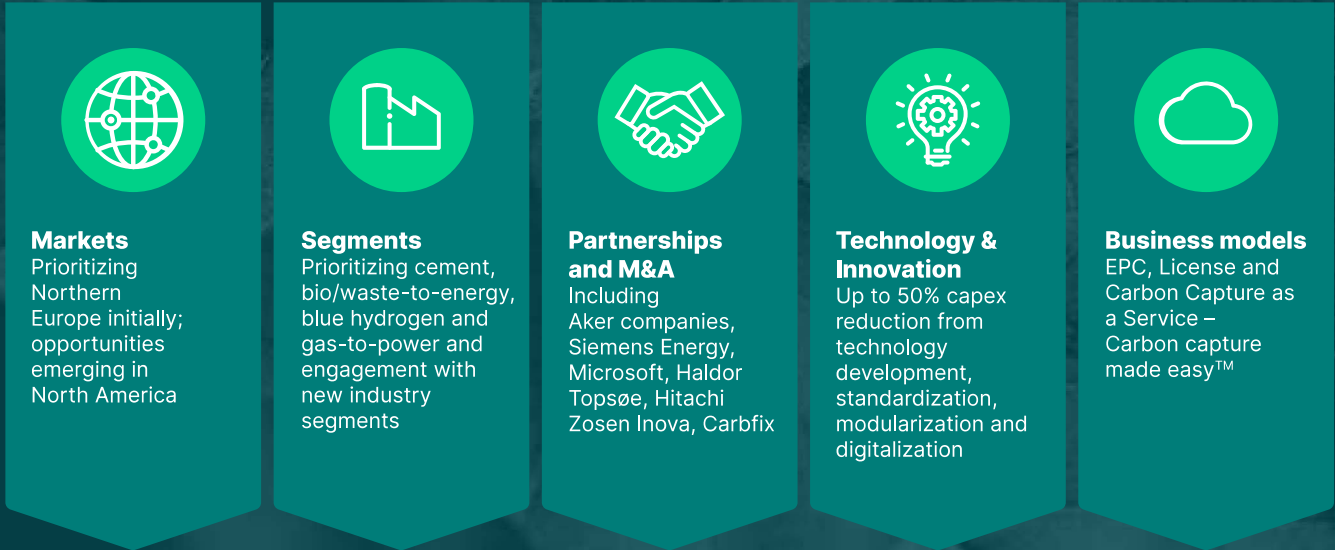
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**10  
IN  
25** | Secure contracts to capture 10 million tonnes CO<sub>2</sub> per annum by 2025

# Strategy and targets across our business

## Our strategy

We measure our success in accelerating our positive impact on climate change mitigation while also delivering results on our strategic targets aligned with planet, people, prosperity and governance. Aker Carbon Capture is a pure play carbon capture company with a strategic ambition to secure contracts to capture 10 million tonnes of CO<sub>2</sub> annually by 2025.

Through 2021 we have further matured our strategy and priorities. To achieve our ambition we will pursue attractive markets and hard to abate industries. We will work with complementary strategic partners and position as the first-mover for a profitable full value chain Carbon Capture as a Service (CCaaS). Offering pricing per tonne of captured CO<sub>2</sub> with our Just Catch™ product and achieving up to a 50% capex reduction of our Big Catch™ product will be key to success.

To enable our strategic ambition and accelerate planet positive outcomes, we aim to reduce the carbon intensity of our own operations by 50% and achieve a carbon net negative position through removal solutions by 2030. Improved CO<sub>2</sub> capture rate and energy efficiency initiatives are underway, alongside purchases of Guarantee of Origin renewable energy. Supply chain and strategic partner engagement is ongoing. Our collaboration with Ørsted and Microsoft is advancing the development of net negative emission projects through carbon capture of CO<sub>2</sub> with biogenic origin.

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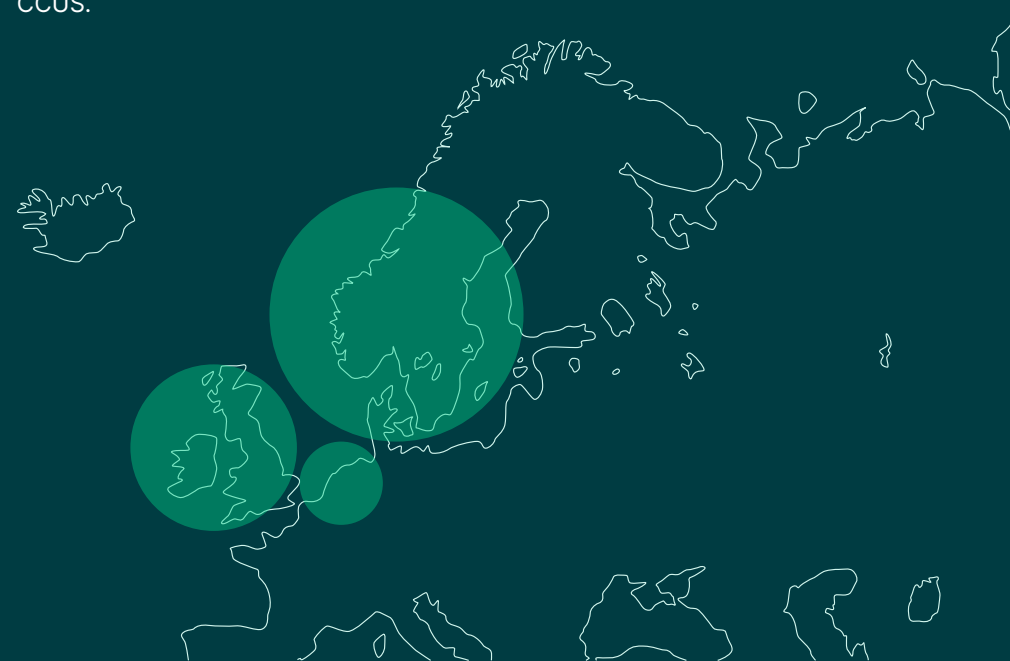
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# Key markets

The market outlook for CO<sub>2</sub> capture has been steadily increasing over time, driven by a clear need for CCUS to reduce the climate effects and reach net zero targets. In 2021, this translated into record growth, with the Global CCS Institute reporting a 48% increase in global project capacity in the first 9 months of the year. Since mid 2020, Aker Carbon Capture has focused on the European market, with Scandinavia, Benelux and the UK leading the way. Here the interest from customers has continued to be high, and the regulatory environment to support adaptation of CCUS has remained the most mature.

In North America, the Biden Administration has confirmed their support for CCUS through the Infrastructure and Jobs Act, effectively enabling large scale CCUS and hydrogen infrastructure to be developed. In Canada the benchmark carbon price will steadily ramp up to 170 \$/ton in 2030. With the IEA reporting US industrial CO<sub>2</sub> emissions at 2.3 billion tonnes per year, with 1.8 billion tonnes from power and heat generation, this continues to be a key growth market for CCUS.



## SCANDINAVIA

The Norwegian parliament provided financial support for the Longship project to establish the full CCS value chain at industrial scale. In December 2020, Aker Carbon Capture won the contract to deliver the world's first carbon capture plant at a cement factory in Brevik, Norway. The EPC project commenced in January 2021 and through the year key milestones have been achieved according to schedule and all major purchase orders placed. Onsite activity will pick up in June 2022, and the main installation work will take place in 2023. In Denmark, the government has announced their national CCUS strategy, with DKK 16 bln to be allocated to the development of CCUS. Denmark's goal to decarbonize aviation by 2030 has also resulted in a big increase in Power-to-X project, aiming to produce synthetic fuel from CO<sub>2</sub> and renewable power. In Q4 Aker Carbon Capture established an office in Copenhagen, confirming the position in the Danish market, and preparing for future growth in the project pipeline. As an example, Aker Carbon Capture, Ørsted and Microsoft are exploring ways to support the development of carbon removal at Ørsted's biomass-fired heat and power plants.

## BENELUX

The Porthos storage project, outside the Port of Rotterdam, and the Kairos project in the Port of Antwerp, both received funding from the EU Innovation Fund. This development of transport and storage infrastructure will enable future capture project to be realized. Aker Carbon Capture has secured a contract to deliver its modular Just Catch™ plant to Twence for a waste-to-energy plant in Hengelo, in the Netherlands, where the captured CO<sub>2</sub> will be used in greenhouses to boost plant growth. EU approved the Dutch government's funding of the Twence project in the third quarter of 2021, and after the customer's final investment decision, Aker Carbon Capture started the EPC project in the subsequent quarter.

## UK

The government launched ambitions to capture between 20 and 30 million tonnes of CO<sub>2</sub> by 2030, and plans to invest up to GBP 1 billion to support the establishment of CCUS across four industrial clusters. Per 2021, the UK government has announced its selection of Hynet and East Coast Cluster as the tack one clusters. Aker Carbon Capture has secured the FEED study for the Net Zero Teesside Power project in the UK, acting as technology partner to a consortium of Aker Solutions, Siemens Energy and Doosan Babcock. The facility at the Net Zero Teesside gas power station will have a capacity of about 2 million tonnes CO<sub>2</sub> and will be the world's first commercial scale gas-fired power station with carbon capture.

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# Key industries

Aker Carbon Capture has identified four prioritized market segments: Cement production, Bio- or waste to energy generation, Gas to power and Blue hydrogen. Carbon capture utilization and storage (CCUS) has the potential to remove CO<sub>2</sub> emissions across these segments and support the plant operators on their journey towards establishing sustainable business models for the future.



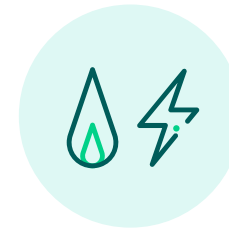
## CEMENT

The cement industry accounts for 6-7 percent of global CO<sub>2</sub> emissions, from more than 2,000 plants in about 150 countries around the world. Aker Carbon Capture is uniquely positioned in this industry as supplier of the world's first CCS plant applied on cement production at Norcem HeidelbergCement's facility in Brevik, Norway.



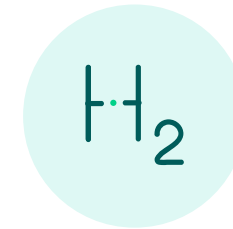
## BIO/WASTE-TO-ENERGY

There are more than 1,200 waste-to-energy plants in the world, with 400 of them in Europe. Applying CCUS at bio energy plants offers a route towards negative emissions. Within this segment Aker Carbon Capture has been awarded and started the EPC delivery of a Just Catch™ modular carbon capture plant to Twence's waste-to-energy plant in Hengelo. Aker Carbon Capture has also been selected to help UK-based Viridor accelerate its decarbonization agenda by exploring the installation of modular Just Catch™ CCUS plants on five Viridor waste-to-energy sites, and is together with Ørsted and Microsoft exploring the possibilities to jointly accelerate the development of net negative emission projects through biogenic carbon capture.



## GAS-TO-POWER

Gas-fired power plants contributed 23 percent of global power generation in 2019, according to the IEA, and account for some of the biggest emission points in Europe. In December 2021, BP selected two consortiums to deliver competitive FEED's for the Net Zero Teesside Power and CCS project. Aker Carbon Capture has been selected as FEED subcontractor for the provision of the licensed CO<sub>2</sub> capture technology with key equipment to the consortium of Aker Solutions, Siemens Energy and Doosan Babcock. A recent study by the Great Plains Institute also highlights the CCUS potential for gas-fired power plant in the US, with 970 facilities emitting 613 million tonnes per annum, and more than a third of these facilities being eligible for the 45Q tax credit.



## BLUE HYDROGEN

The overall hydrogen market is significant and according to the IEA, 33% and 28% of the global hydrogen market will be produced from natural gas with CCS in 2030 and 2050 respectively.

EU sees EUR 11 billion need to retrofit half of existing hydrogen plants to blue hydrogen by 2030. Producing blue hydrogen through natural gas with CCUS, represents a major opportunity to create an efficient energy carrier without greenhouse gas emissions. Aker Carbon Capture's technology has successfully been validated for carbon capture from Steam Methane Refiners through testing at Preem's refinery in Lysekil, Sweden.

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# Key partnerships

Aker Carbon Capture will work with strategic partners with complementary technology, competence and capability as well as strengthen the CCUS value chain to enable strong delivery models. Through 2020 and 2021 we have established agreements with leading partners to drive and accelerate growth. In line with our growth strategy, we are likely to pursue additional strategic partnerships in the future to accelerate our business into new markets and industries.



Hitachi Zosen  
INOVA

**Waste-to-energy**

**Jan.21**

3-year collaboration to accelerate CCUS in the waste-to-energy industry in Europe



SIEMENS  
energy

**Gas-fired power plans**

**Mar.21**

Technology collaboration focused on CCUS solutions for gas turbines and power plants, with initial focus on European markets



TOPSOE

**Blue hydrogen**

**Mar.21**

Cooperation agreement to offer a complete solution for low-carbon and cost-effective hydrogen production



SINTEF

**Industrial CC innovation**

**May-21**

R&D collaboration with one of Europe's largest research organizations on areas including membrane technology, hydrogen applications, and higher capture rates



Carbfix

**Full value chain CCS**

**Jul-21**

MoU with Carbfix to collaborate on cost-efficient modular and scalable CCS solutions. Collaboration will leverage Carbfix's injection technology that rapidly transforms injected CO<sub>2</sub> into solid carbonate minerals




MAN  
MAN Energy Solutions

**CCUS technology**

**Dec-20**

7-year technology cooperation agreement to develop energy-efficient compression solutions for CCUS applications with heat recovery



COGNITE

**Software innovation**

**Jun.21**

5-year program to integrate digitalization, with focus on embedding industrial software at Aker Horizons portfolio companies, including Aker Carbon Capture



AkerSolutions

**Project execution**

**Dec-20**

Non-exclusive frame agreements for project execution



aize

**Software innovation**

**Jun.21**

5-year program to integrate digitalization, with focus on embedding industrial software at Aker Horizons portfolio companies, including Aker Carbon Capture



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# Technology & Innovation

Aker Carbon Capture actively engages in research, innovation and technology development to maximize the potential for carbon reduction and carbon removal, while minimizing the climate and environmental impact from deploying our technology. Technology and innovation are also important tools to expand our offerings to new markets and to secure the growth of the company. We pursue Research, Innovation and Technology Development to create value for our stakeholders and secure learning that can improve our solutions and offerings.

We achieve this by following the principles of

---

**Strengthen our existing technology portfolio to stay competitive, meet market requirements and continuously increase the efficiency of our solutions including cost, energy and environmental impact.**

---

**Expand our technology offering by developing new solutions that enables Aker Carbon Capture to target opportunities in adjacent market segments.**

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**Explore opportunities to acquire new capabilities that enables Aker Carbon Capture to enter into to new markets and grow the company.**

---

More information about our technology and innovation results are available in the sustainability progress section, under [planet](#) and [prosperity](#).

## High Capture Rate

The CCUS market has developed significantly over the last couple of years, and with it an increasing demand for the technological performance of carbon capture plants.

Aided by a rapid increase in the EUA (EU ETS) over the last year, the relative amount of CO<sub>2</sub> captured has become an important competitive factor when developing new CCUS projects. Aker Carbon Capture's technology is validated for a capture rate up to 95%.

Aker Carbon Capture executed an extensive test campaign at SINTEF's test facilities in Trondheim. We successfully tested our proprietary solvent on flue gases with CO<sub>2</sub> concentrations ranging from 4% - 13% and at capture rates of 90%, 95% and 98%.

The results show that our technology can comfortably achieve high capture rates without being penalized by a significant increase in energy consumption. Even at low CO<sub>2</sub> concentrations the energy increase was less than 5% when going from a capture rate of 90% to 95%.

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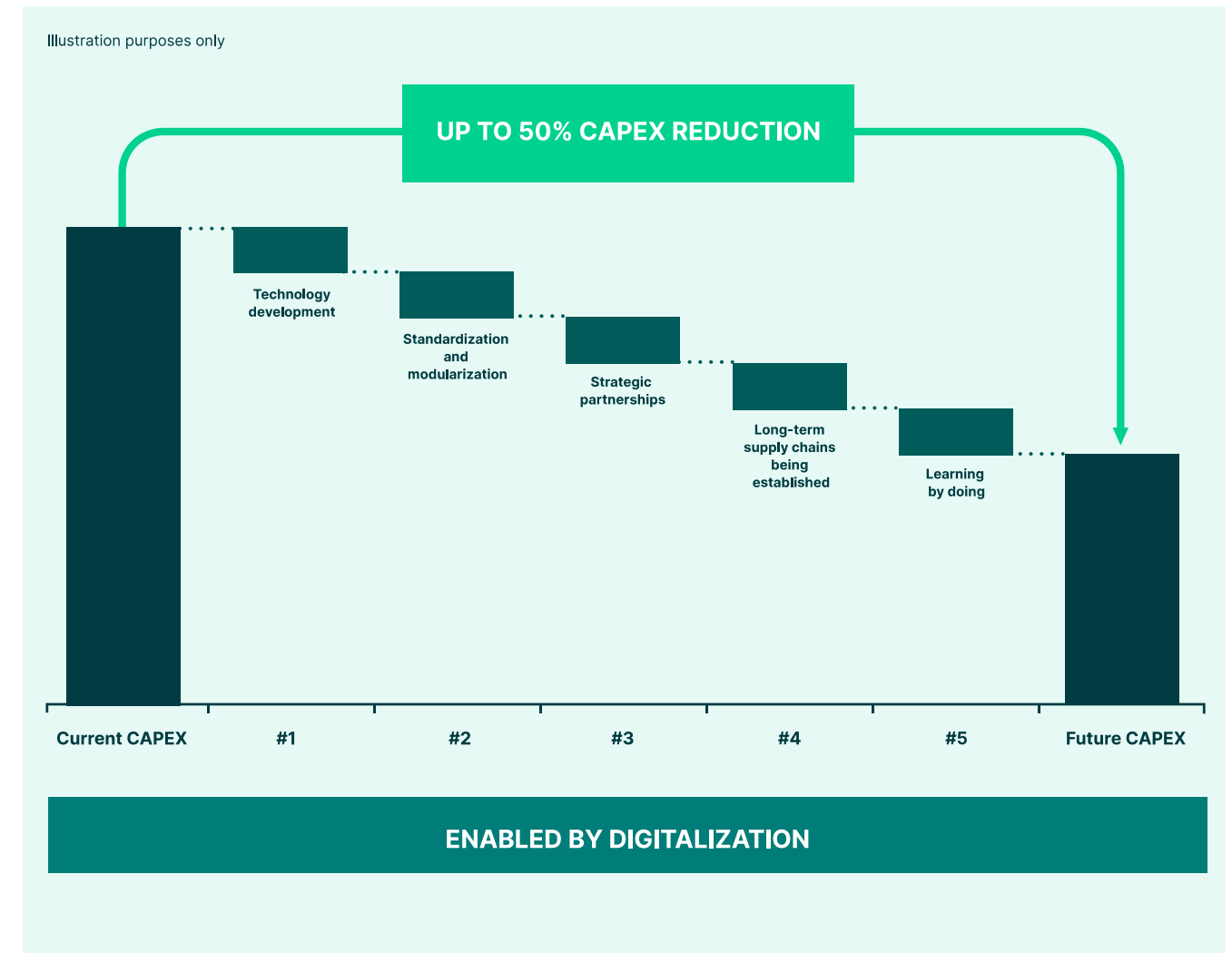
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# Cost and capex reduction

CCUS is a key part of the solution to meet Paris agreement targets. To support net zero ambitions and accelerate the uptake of carbon capture, reducing cost is a vital part of Aker Carbon Capture's strategy. Aker Carbon Capture aims to deliver up to 50% price reduction compared to key reference CCUS projects. This will be achieved by reducing cost and capex in our processes through technology development, standardization of components, modularized fabrication, long-term supply chains, learning by doing, and digitalization.

For Just Catch™ we have already achieved significant cost reduction. Since 2012, the cost and footprint of Just Cath™ has been reduced by 90% when comparing to our delivery of Technology Center Mongstad, which can capture comparable amounts of CO<sub>2</sub> per year.

During 2021, we made strong progress in cost reduction by setting up long-term strategies for working with our supply chain. We have seen significant improvements from our plans to standardize and modularize, and as our Brevik CCS, Twence Just Catch™ and BP Net Zero Teesside FEED projects progressed through the year, we have also started to see benefits from learning by doing and the potential from economies of scale.



# Business models

Aker Carbon Capture is a technology-driven innovator in the CCUS space, providing technology, EPC, license and service offerings while maintaining a capital-light business model.

Aker Carbon Capture offers large-scale industrial carbon capture plants, called Big Catch™. These are custom-made and cover capacities from 400,000 TPA into the millions. The Big Catch™ plants are fully integrated into the customers' plants with advanced heat integration, and has downstream integration enabling record low energy consumption. An example is the Brevik CCS for Norcem Heidelberg Cement where the CO<sub>2</sub> capture capacity was defined by energy optimization according to excess heat from the cement plant.

Aker Carbon Capture also offers standardized Just Catch™ carbon capture plants. Just Catch™ can be delivered with capacities of 40,000 and 100,000 tons of CO<sub>2</sub> per year. At present, Aker Carbon Capture is delivering a Just Catch™ modular carbon capture plant on an EPC basis to Twence's waste-to-energy plant in the Netherlands.

Either of these can be delivered on an EPC contract basis, and for the Big Catch™ offering we can also provide a license and key equipment model. With its short delivery time, our standardized and modular Just Catch™ capture plant is the heart of our Carbon Capture as a Service model.

## Key offerings



### Big Catch™

Capacity: > 400,000 tonnes/year

- Made to order
- ~30-36 months delivery time
- Larger footprint
- Using bulk materials – cost efficient
- Retrofit potential



### Just Catch™

Capacity: 40,000 and 100,000 tonnes/year

- Modularized and cost efficient
- ~15 months delivery time
- Easy transport and installation
- Compact design – 25m x 18m
- 100% automated

## Delivery models

EPC



License and key equipment



Carbon capture as a Service



EPC



License and key equipment



Carbon capture as a Service



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## Carbon Capture as a Service

Carbon Capture as a Service is an integrated offering that covers everything a customer needs to reduce emissions by CCUS – it is Carbon capture made easy™. We handle the full value chain from point of emission to permanent storage on a pay per tonne CO<sub>2</sub> captured basis. With the standardized Just Catch™ we can unlock synergies for medium size emitters located in the proximity of a CO<sub>2</sub> hub, or for a customer with a portfolio of emitters.

From a complex management of the full value chain...



...to carbon capture made easy



Interface, contracts and risk across the full CCS life-cycle



Financing



Carbon Capture



Liquefaction



Temporary storage



Transportation



Permanent storage



**CARBON CAPTURE AS A SERVICE**  
Carbon capture made easy

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## Materiality assessment

Aker Carbon Capture regularly interacts with its key stakeholders, including employees, owners, shareholders, Oslo Stock Exchange, governments, regulators, customers, project partners, suppliers, non-governmental organizations, civil society, industry groups, local communities and banks. The nature of our engagement and stakeholders' key priorities are presented in the table below.

In 2020 we engaged a qualified independent consultant to undertake an assessment of our material ESG topics for reporting. They identified topics where we have a significant impact and/or those topics which are important to our stakeholders. In 2021 we further developed our assessment and understanding of material topics through broader employee engagement and formal dialogues with selected key external stakeholders. Analysis of our impacts and validation through expert and stakeholder opinion has informed our selection of material topics for reporting with reference to GRI's materiality standard GRI 3.



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Table: Stakeholder engagement and their key ESG priorities

Stakeholders	Nature of engagement	Frequency	Stakeholders' key ESG priorities
<b>Employees</b>	1-to-1s and performance dialogue Employee Survey Working Environment Committee (AMU) Townhalls, Lunch & Learn, team meetings Internal communication channels (Yammer) Social media Code of conduct and other trainings	Daily, Weekly, Monthly, Quarterly, Annually	Mitigating climate change through carbon reduction and removal Transparent and purpose-driven company culture Good working environment Employee health and well-being, including meaningful work, diversity & inclusion. Environmentally friendly technology, reduction of own footprint Responsible business conduct
<b>Owners/ shareholders</b>	Annual General Meeting BoD meetings Audit Committee meetings Quarterly Earning Release and Business update Investor relations Capital Market Day	Daily, Quarterly, Annually	Mitigating climate change through carbon reduction and removal Enable research, innovation and technology development that maximize potential for carbon reduction and removal, while minimizing climate and environmental impact from our offerings. Good governance regarding BoD, Audit Committee, diversity and compliance. Appropriate risk management of environmental impact and climate risk.
<b>Governments, regulators and Oslo Stock Exchange</b>	Laws, regulations and guidelines Informal and formal communication Scheduled meetings	Daily, Weekly, Monthly, Quarterly, Annually	Accelerating scaling CCUS implementation and energy transition to new green industries. Aker Carbon Capture to share key insights on barriers for the emitters to overcome to be able to implement carbon capture. Support the government targets when it comes to governmental support, fulfilling the value realization by the establishment by Longship. Compliance with laws and regulations Environmentally friendly technology Lifecycle perspective of reducing emissions. Climate risk.
<b>Customers</b>	Informal and formal communication Customer and project meetings Monthly reports and project documentation Customer satisfaction surveys Tender responses and presentations	Daily, Weekly, Monthly, Quarterly, Annually	Environmentally friendly and energy efficient carbon capture. Responsible supply chain management with high attention on HSSE. Local content. Reduced spend both in capex and opex are important factors for scaling.
<b>Project partners and suppliers</b>	Informal and formal communication Meetings Negotiations and prospects discussions Supplier visits	Daily, Weekly, Monthly, Quarterly, Annually	HSSE in the value chain is an important part of the safety culture in industry. Transparent and responsible business conduct. Impact by procuring and setting a demand for low carbon materials. Technology development to achieve synergies across partnerships. Dual expectations to managing ESG aspects.
<b>Non- Governmental Organizations, Civil society, Industry Groups</b>	Informal and formal communication Scheduled meetings Contact at established arenas / conferences Participation on advisory boards	Weekly, Monthly, Quarterly, Annually	The combined environmental and climate footprint of carbon capture technology as it moves into operation. Transparency of operations.
<b>Local communities</b>	Support clients in dialogue with local community	Regular engagement on a project-by-project basis, and continuous monitoring	The combined environmental and climate footprint of carbon capture technology as it moves into operation. Adequate emissions and risk management. Transparency of operations.
<b>Banks</b>	Informal and formal communication Scheduled meetings	Monthly, Quarterly, Annually	Governance such as compliance reporting, organization and corruption. Early dialogues for aligning with EU taxonomy and bank requirements to achieve optimal financing structures.

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## Material ESG topics selected for Aker Carbon Capture

These are the material ESG topics selected for Aker Carbon Capture, and our contribution is further described in this report.

Some of the subjects were revised reflecting the current stakeholder expectations.

- Carbon reduction and removal
- Reducing our carbon footprint
- Environmentally friendly technology
- Technology & Innovation
- Creating new opportunities in green growth markets
- Diversity & inclusion
- Well-being, health and safety for employees and through the value chain
- Human rights and labor rights
- Transparent and purpose-driven company culture
- Responsible supply chain management
- Strong governance and compliance

## Memberships and collaborations

Aker Carbon Capture provides solutions for decarbonization providing a path from initial insight of the need to mitigate climate change to action. A key enabler for meeting our '10 in 25' ambition on carbon capture is active partnerships across the value chain and ecosystem. Aker Carbon Capture has already established collaboration with many stakeholders to bring down barriers and accelerate developments, including;

- Participant in UN Global Compact
- Membership in Global CCS Institute
- Founding member through Aker ASA of the First Mover Coalition launched by World Economic Forum
- Member of the Norwegian CCS Research Center, a center for environmental-friendly research (FME) hosted by SINTEF
- Member of The Federation of Danish Industries (Dansk Industri)
- Member of The Federation of Norwegian Industries (Norsk Industri)
- Membership in Polyteknisk Forening, a Norwegian network for promotion of science-based and sustainable development
- Collaboration with Bellona, a Norwegian environmental NGO
- Collaboration with Zero, a Norwegian environmental NGO
- Partner in Nordic Circular Hotspot, initiative promoting circular economy in the Nordic region
- Member of CCUS Norge, non-commercial network for CCUS competence
- Member of CCSA, trade association promoting the commercial deployment
- Member of Texas Carbon Management program, a CCS research program hosted by University of Texas Austin
- Participating in several advisory boards related to CCUS research

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### Our purpose and reason for being in business



Mitigating climate change through enabling carbon removal from industry and energy solutions

### Our greatest areas of impact



Ensuring solutions designed with sustainable resource use, circularity mindset and responsible sourcing of materials from the supply chain



Enabling production of low carbon energy such as blue hydrogen, gas to power, bioenergy and waste to energy in combination with carbon capture



Developing cleantech solutions for hard to abate industries, investing in own technology and bold innovations to further improve and reduce cost of implementation



Collaboration across technology, academia, emitters, and businesses to scale CCUS

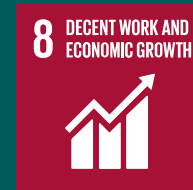
### Our foundation for responsible business conduct



Health and well-being of our employees and throughout our value chain



Diversity and inclusion across our workforce and management as our company grows, equal opportunities and pay



Positive working environment with equal rights and opportunities, creating new opportunities in green growth markets



Conduct our business with integrity, respecting the laws, cultures, dignity and rights of individuals in all the countries where we operate

## Strategic targets

### Contribution towards the UN's Sustainable Development Goals

The UN Sustainable Development Goals (SDG) form a key part of the framework for our long-term strategic processes. All 17 goals are of relevance to our business activities, however we have identified a set of specific goals as material to our operations. These goals cover areas where we believe our company can have the greatest impact.

The most important contribution of Aker Carbon Capture, the very reason why we are in business, is towards SDG 13 Climate Action – where we aim to have a transformative impact through our carbon reduction and removal solutions.

In the following we have the selected strategic targets spanning across 'planet', 'people', 'prosperity' and 'governance'. These are linked to the impacts towards the selected Sustainable Development Goals.



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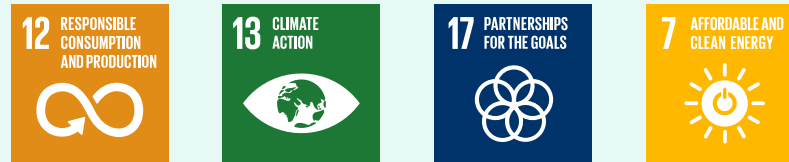
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## Planet



KPI	2021 Progress	Strategic target	by Year	Measure
<b>Carbon intensity Just Catch™ / Big Catch™<sup>1</sup></b>	0.2% / 1.6%	Improve by 50%	2030	(tCO <sub>2</sub> e emitted / tCO <sub>2</sub> e captured) x100
<b>Net GHG emissions, scope 1+2+3<sup>2</sup></b>	37.1	Net negative	2030	tCO <sub>2</sub> e emitted - tCO <sub>2</sub> removed
<b>Renewable energy consumption</b>	97.1	80%/100%	2025/2030	Share Guarantee of Origin renewable energy

<sup>1</sup> Carbon intensity based on a 2021 baseline, excluding transport & storage or utilization phase. Covers the construction, operational and decommissioning phase with the use of renewable energy.

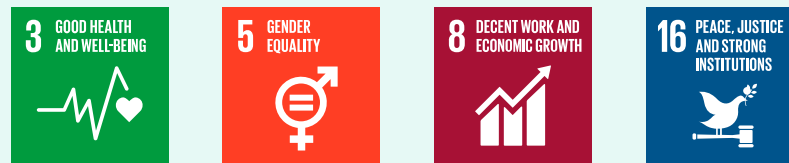
<sup>2</sup> Target does not include facilities operated by customers (scope 3, products in operation). Marked based approach.

## Prosperity



KPI	2021 Progress	Strategic target	by Year	Measure
<b>Secured contracts to capture 10 million tonnes of CO<sub>2</sub> per annum by 2025</b>	500,000 tonnes of CO <sub>2</sub>	10 million tonnes of CO <sub>2</sub>	2025	Secured contracts to capture 10 million tonnes of CO <sub>2</sub> per annum by 2025
<b>Taxonomy aligned Turnover</b>	100%	100%	2025	Aligned turnover / total turnover (per taxonomy)
<b>Taxonomy aligned CAPEX</b>	100%	100%	2025	Aligned CAPEX / total CAPEX (per taxonomy)
<b>Taxonomy aligned OPEX</b>	95%	100%	2025	Aligned OPEX / total OPEX (per taxonomy)

## People



KPI	2021 Progress	Strategic target	by Year	Measure
<b>Zero accidents</b>	0	0	2025	TRIF
<b>Well-being factor</b>	44	>35	2025	Employee net promoter score
<b>Pay equality</b>	0.94	1	2025	Ratio female/male
<b>Gender diversity in management team</b>	38	40-60	2025	% female

## Governance



KPI	2021 Progress	Strategic target	by Year	Measure
<b>Employee Code of Conduct training</b>	100%	100%	2025	% employees
<b>ESG rating</b>	BBB	AAA	2025	MSCI ESG Rating
<b>ISO certified management system</b>	Yes	Yes	2025	Yes/No

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# Sustainability progress

Aker Carbon Capture is a pure play carbon capture company enabling carbon removals from industry and energy solutions.

Aker Carbon Capture has set some bold targets for sustainability work, and we will continue to challenge ourselves to always stretch further. To achieve our goals we are dependent on collaboration - working together with our customers, suppliers and partners. We are committed to share our learnings as we progress and being transparent about our results.

While Aker Carbon Capture celebrated the first year as a pure play carbon capture company in 2021, we are still a company in growth, and the carbon capture market remains in an early phase with limited industrial activity. However, IEA's report on the roadmap to net zero<sup>3</sup> provided yet another testament to the role of carbon capture in reaching this goal, and the high interest we have experienced from customers provides clear signs that the pace is increasing. The position of carbon capture in the wider energy transition debate was further strengthened following the major COP26 meeting in Glasgow. The First Mover Coalition, launched at COP26 by World Economic Forum, is an initiative to promote and scale low carbon solutions and we are proud to be a Founding member through Aker ASA.

This sustainability progress section outlines the company's sustainability strategy, some early accomplishments, and how the company intends to operate in the future with sustainability as a natural and integrated element across all activities. The progress report covers all entities of Aker Carbon Capture, including Norway, Denmark and UK.

This Annual Integrated Report also constitutes our reporting to the UN Global Compact. New of the 2021 report is our alignment with the World Economic Forum (WEF) framework of 'Stakeholder Capitalism Metrics' with disclosures organized under the four pillars of planet, people, prosperity and governance. We report on WEF Core with metrics given in this Sustainability progress section and in the [ESG performance metrics](#) in the appendix.

<sup>3</sup> <https://www.iea.org/reports/net-zero-by-2050>

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## Planet

**“It is not a either or - while Aker Carbon Capture is in business to enable carbon removals from industries and energy solutions, we have also set bold targets to reduce the footprint of our operations”**

For Aker Carbon Capture, being planet positive means to have the holistic view of all the impacts by the company, both handprint and footprint towards climate and environment, and achieving a net positive result. Our commitments and progress towards our footprint is described in this section, while our handprint is further described in the section [prosperity for all](#).

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## SUSTAINABILITY PROGRAM

### Reducing our carbon footprint

#### Sustainability Challenge

To avoid the most significant effects of climate breakdown, the world must halve greenhouse gas emissions before 2030, achieve net-zero emissions before 2050 and halt global temperature rise to 1.5°C.

#### Our approach

We will reduce the carbon intensity of our products with 50% by 2030, while we deliver on our targets of positive impact through decarbonization and carbon removal.

#### Our progress

- Reporting annually on scope 1,2,3
- Conducted a 3rd party life-cycle assessment, establishing a baseline for our solutions and a tool for continuous assessments
- Participated in UN Global Compact Climate Acceleration Program
- Issued our commitment letter to setting Science-Based targets
- Became a funding member of First Mover Coalition, as part of Aker ASA

#### Priorities

- Achieve approved Science-Based targets in collaboration with SBTi
- Collaborate further with suppliers to achieve low carbon materials
- Establish systematic and efficient approach for scope 1,2,3 emission data as we increase our activity levels and mature projects

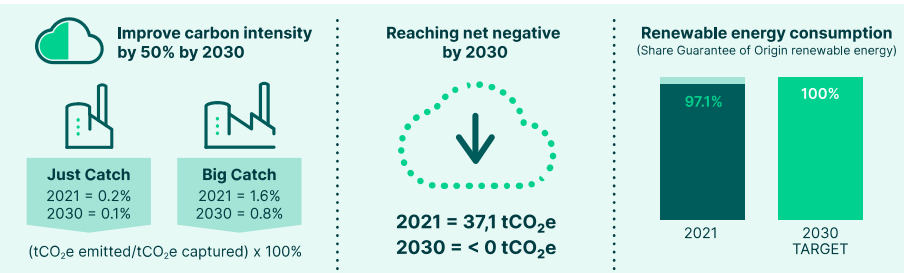
#### International frameworks for reference

- Paris Agreement
- Science-Based Targets initiative (SBTi)
- Business ambition for 1.5°C
- Greenhouse Gas Protocol (GHG protocol)
- IPCC Special report

#### Examples of partnerships and collaborations

- Founding member of First Movers Coalition through Aker ASA
- Member of UN Global Compact

### Targets and indicators



## SUSTAINABILITY PROGRAM

### Environmental friendly technology

#### Sustainability Challenge

The world is overshooting the planets capability to regenerate natural resources

#### Our approach

Circularity starts with design by selection of materials and optimization of solution in operation. To support the required systemic shift to circularity, we are dependent on close collaboration with partners and suppliers.

#### Our progress

- Certified ISO 14001 Environmental Management System
- Certified ISO 9001 Quality Management System
- Conducted a 3rd party life-cycle assessment, providing better oversight and insight of material volumes for our Big Catch™ and Just Catch™ products
- Optimization of the energy efficiency of the carbon capture units in operation is standard in our project development

#### Priorities

- Determine which circularity metric to report progress on towards 2030, meanwhile the SDG ambition targets on waste and sustainable material inputs serves as guiding principles
- Conduct circularity assessment to identify further opportunities

#### International frameworks for reference

- ISO 14001 Environmental Management System
- WBCSD Circular Transition Indicators
- Ellen MacArthur Foundation

#### Examples of partnerships and collaborations

- Member of Nordic Circular Hotspot

### Targets and indicators



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## Reducing our carbon footprint

While we are in business to enable carbon removals from industry and energy solutions, we are determined to contribute by reducing the GHG emissions of our own company. Although the positive effect of our solutions in operation by far outnumbers the footprint of construction and operation<sup>4</sup>, we continuously strive to minimize the carbon intensity of our products.

In collaboration with a reputable third party we have developed a life-cycle assessment (LCA) tool for our products, enabling an assessment of the carbon footprint for the carbon capture value chain already in the early-phase of the project. This also defines the baseline for our improvements as we pursue to improve the carbon intensity<sup>5</sup> of our products by 50% by 2030, and will continue to improve our carbon intensity towards 2040. In our assessments and targets we include scope 1,2,3, covering the construction phase of a generic Big Catch™ and Just Catch™ and consuming renewable power in operation. To meet this target we are dependent on extensive supplier collaboration and scaling access to low carbon materials.

### Our climate commitments



**Carbon intensity to be improved by 50% by 2030**



**Reaching net negative by 2030**

The voluntary market for carbon removal is still immature, but we have ambitions to actively engage to drive this forward. Trusted, high-quality carbon removals are key to reach net zero.

We are setting more ambitious targets than currently outlined by Science-Based Targets initiative. We are targeting carbon negative already by 2030, removing more carbon from the atmosphere than we emit through our business operations. And by being an early mover, we are able to contribute to the establishment of high-quality carbon removal.

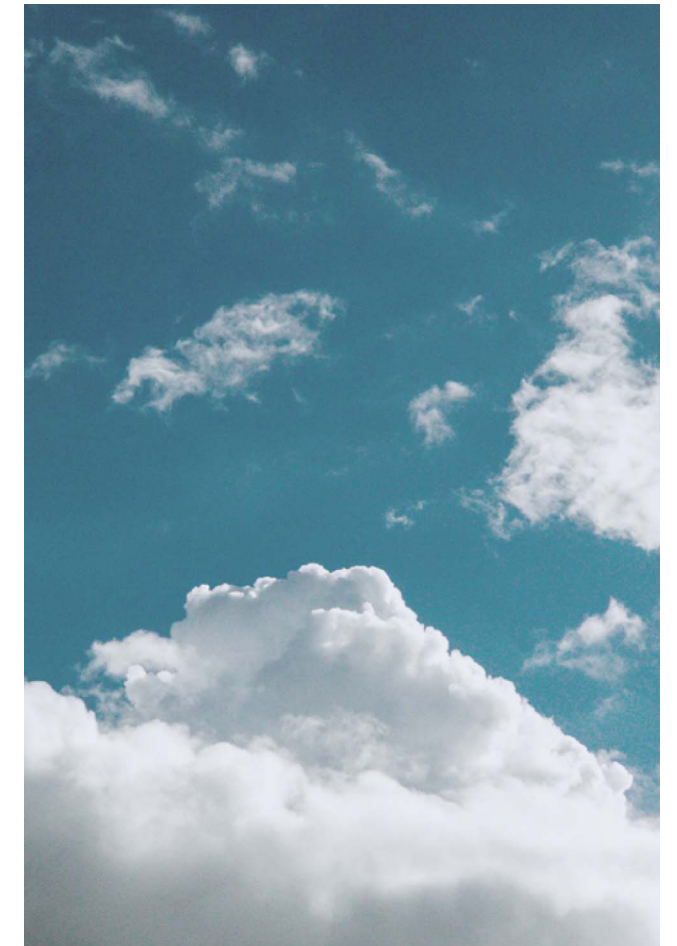
### Carbon reduction vs carbon removal

Carbon reduction is when CO<sub>2</sub> with fossil origin is captured and stored, while carbon removal is when CO<sub>2</sub> with biogenic origin is captured and stored. Deploying CCUS with for example bioenergy or waste-to-energy plants leads to carbon removal. Direct Air Capture and Storage is another means of carbon removal, where CO<sub>2</sub> is captured directly from the atmosphere. Carbon removal is often referred to as creating negative emissions.

Carbon reduction starts with design, both through reducing the required material input, and also defining the premises for energy efficiency and consumption during the operational phase. Further into the project execution, access to low carbon material and low carbon transport are key areas for carbon reduction. Once the carbon capture facilities are in operation, the electricity consumption is a main contributor to emissions. Sourcing renewable electricity (Guarantee of Origin) is an important part of reducing scope 2 emissions, and we have set a target to ensure that 80% of our electricity consumption is renewable by 2025, and 100% by 2030. This approach is aligned with Greenhouse Gas Protocol on scope 2 guidance. Taking the full CCUS value chain into account, transport of CO<sub>2</sub> to storage is a main contributor to emissions.

Aker Carbon Capture issued the commitment-letter to Science-Based Target initiative (SBTi) in 2021, including

the Business ambition for 1.5°C and UN Climate Change Race to Zero. Moving forward we will collaborate with SBTi to get our targets approved. As a support in this process we participated in UN Global Compact's Climate Accelerator program, providing training and overview of science-based targets and scope 1,2,3 calculations. To further improve our disclosures we aim to report towards CDP (former Carbon Disclosure Project) by 2023.



<sup>4</sup> With reference to the carbon intensity metric of our solutions included in the appendix

<sup>5</sup> Carbon intensity is measured in tCO<sub>2</sub>e emitted/tCO<sub>2</sub>e captured

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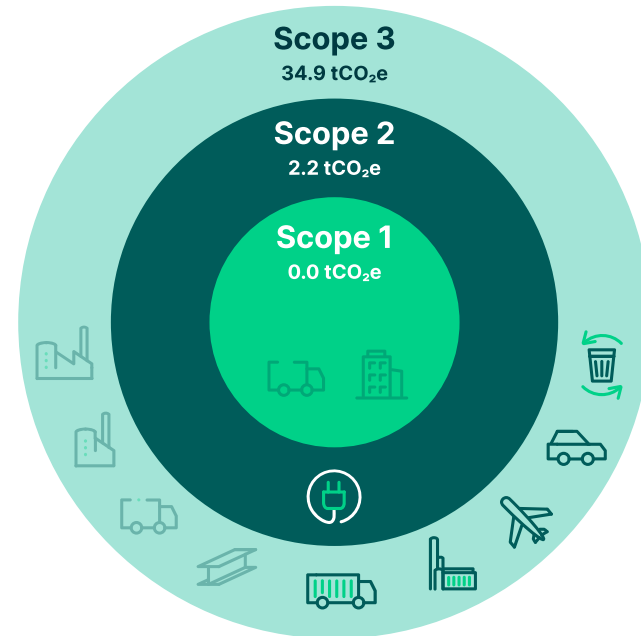
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## Current GHG emissions

Aker Carbon Capture reports according to the GHG protocol across scope 1,2,3.



	Location based	Market based
<b>Scope 1</b>	0 tCO <sub>2</sub> e	0 tCO <sub>2</sub> e
<b>Scope 2</b>	3.2 tCO <sub>2</sub> e	2.2 tCO <sub>2</sub> e
<b>Scope 3</b>	81.1 tCO <sub>2</sub> e	34.9 tCO <sub>2</sub> e
<b>Total, scope 1,2,3</b>	84.4 tCO <sub>2</sub> e	37.1 tCO <sub>2</sub> e

### Definition of emissions scope 1, 2 and 3

**Scope 1:** Direct greenhouse gas emissions. Emissions that occur from sources owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.

**Scope 2:** Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

**Scope 3:** All other indirect emissions that occur in a company's value chain.

In the period from 1. January to 31. December 2021, there were no direct (Scope 1) GHG emissions from equipment or facilities owned or operated by Aker Carbon Capture. Electricity usage and district heating/cooling in the company's office space contributed to indirect energy (Scope 2) emissions of 3.2 tCO<sub>2</sub>e, using location-based emission factor for electricity<sup>6</sup> and 2.2 tCO<sub>2</sub>e, using the marked-based approach with usage of Guarantee of Origin certificates on electricity for the HQ in Norway.

Indirect emissions (Scope 3) totaled 81.1 tCO<sub>2</sub>e in the period. The main contributor (58% of Scope 3 emissions)<sup>7</sup> is electricity usage in the category of downstream leased assets, where Aker Carbon Capture's Mobile Test Unit (MTU) has been in operation in Poland. When using market-based approach for calculating the emissions from electricity usage by the MTU, the Guarantee of Origin certificates on electricity purchases in Poland are taken into account. Total scope 3 emissions amounted to 34.9 tCO<sub>2</sub>e, when using market based emission factors for electricity.

Employee mobility continued to be restricted through 2021, yet with a growing number of employees and some limited business travel, 26% of Scope 3 emissions can be linked to travel and commuting<sup>8</sup>. The remaining Scope 3 emissions are related to generated waste by both office operations in Norway and Denmark as well as by the Mobile Test Unit in Sweden and Poland<sup>9</sup>.

Emissions originating from our projects have not been included in the scope 3 calculations for 2021 as we have not handed over any equipment to customer yet. As we are entering into new phases of our projects we need to establish an efficient and systematic reporting approach.

## Green supply chain

Collaboration with our suppliers is core to meeting our carbon reduction targets. Developing suppliers to deliver on the green transition is a material topic in the countries we operate.

We believe that establishing emissions-conscious supply chains, so called 'green supply chains' depends on multiple aspects and actions across various stakeholders. Given that the environmental focus of the supplier industry has perhaps been a bit lagging compared to sectors such as services and consumables, an important first step is to create awareness. We seek to cooperate with our suppliers to create awareness and collaboration in reducing the footprint of our projects. To some of our suppliers, this is a relatively novel focus, whereas others are more mature.

The lifecycle assessment of our solutions serves as a basis for improvement of the main drivers of carbon emissions in our projects, and set targets and initiatives for those we can influence. An important part of this

<sup>6</sup> Based on emission factors for Norwegian electricity usage set by the Norwegian Water Resources and Energy Directorate.

<sup>7</sup> Based on emission factors for electricity provided in European Residual Mixes 2020 (aib-net.org).

<sup>8</sup> Estimated based on Norwegian average emission factors per passenger-kilometer and the emissions data provided by Amex

<sup>9</sup> Estimated based on recycling/waste streams and emission factors from recycling and waste management in Norway, Sweden and Poland.

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is to start an early dialogue with our suppliers to get insight into the carbon footprint of the various parts that goes into our carbon capture plants.

We have seen a shift towards increased focus on access to low carbon materials, partially enabled by carbon capture solutions for cement and steel producers. Reducing our emission footprint is first and foremost enabled by optimizing design and through collaboration. We believe that construction cost, installation time and low carbon emissions are not necessarily opposing forces that contradict each other. By making smart changes together with our supply chain partners we can help shift industry to a more sustainable path. We recognize that creating green supply chains come with certain challenges, but we believe we are well positioned to work with our suppliers to make this transition.

## Environmentally friendly technology

Our technology has been developed with the consideration that solving one problem shall not introduce another. That is why we need to manage both climate and environmental aspects as we develop our technology. During testing of our proprietary solvents, we were not just looking at the energy efficiency – emissions from the capture process itself were also a major consideration. Expectations for an environmentally friendly solution were set by Norwegian authorities and parts of academia. This led to the development of an HSE-friendly solvent which causes no harm to workers on site, surrounding communities and the environment. Our ISO certifications 9001, 14001, 45001 supports a systematic approach for all of these aspects moving forward.

### About our amine solvent

- Best-in-Class HSE Profile
- Biodegradable
- Low degradation and waste
- Minimum corrosion

### Cost-Efficient and High-Performing

- CO<sub>2</sub> capture rate of up to 95 percent
- Minimum emission to air
- More than 99 percent CO<sub>2</sub> purity
- Minimum liquid waste
- Less energy requirement
- Cheaper materials with a lifetime of more than 25 years
- Easy operation and monitoring
- Efficient reclamation
- Improved energy consumption

Aker Carbon Capture utilizes the mobile test unit on various flue gases and sites around the world as a means to safeguard performance measures and optimize operation of a full-scale plant. The amine-based solvent is not used across several sites and thus treated as waste and incinerated when the test has been completed.

The operation of carbon capture facilities generally requires low volumes of water, likewise for the test unit, water consumption is limited to filling test unit at start-up and for rinsing the mobile test unit when test has been completed. This wastewater is often treated locally at host facility, or otherwise taken care of at appropriate water treatment facility nearby. Seawater can be utilized for cooling with no other impacts than a slight increase in temperature. as the water is circulated in a closed loop of the carbon capture plant.

According to our Chemical Management procedure all chemicals to be used within EU must be registered

in REACH system by the manufacturers or importers, similarly chemicals to be used in UK must be registered in REACH UK.

Carbon capture facilities are energy demanding, and further improvement of the energy efficiency in operation is an important aspect of our continuous technology development.

## Biodiversity

Land usage and impact on biodiversity are seen as limited and not material as the deployment of carbon capture plants has a relatively small land footprint. The plants are mainly placed in areas already targeted for industry purposes, but the local impact needs to be assessed on a case-by-case basis.

However, biodiversity and land-use perspective become more relevant whenever carbon removal credits are based on biomass in combination with carbon capture and storage. Maturing the framework for the voluntary market for carbon removal credits is important and part of our work to scale engineered carbon removal deployment.

We anticipate the maturation of the framework Task Force on Nature-related Financial Disclosures (TNFD) and intend to utilize this.

## Circularity

Circularity is key when it comes to designing our solutions. Integrating waste heat from our customers plants to our carbon capture facilities improves energy efficiency. The long-term dedication to improving the amine solvent has reduced the overall consumption and waste. Our carbon capture plants are made to last for decades with limited maintenance requirements. As our operational activity levels increase, we will continue the transition to circularity, in collaboration with partners and suppliers to define new standards in this area. Residual waste should be directed to waste incineration or waste to energy facilities rather than landfills as a measure to limit the environmental impact.

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Photo: World Economic Forum

## INSIGHT

### First Mover Coalition

The ground-breaking First Movers Coalition was initiated by the World Economic Forum and US Special Envoy for Climate John Kerry, and announced by President Biden at COP26 in Glasgow in 2021. The Coalition is a buyers' club set to fast-track the development of emerging green technologies. Aker ASA, is a founding member and will together with some of the world's largest companies work to create predictability around demand for sustainable and low-carbon materials and products.

The founding members of the Coalition have pledged to utilize their collective purchasing power for emerging green technologies and actively engage in the development of the supply of several of such technologies. The Coalition covers a range of industrial sectors from steel, shipping and trucking to aviation, cement, aluminum, chemicals and direct air capture. Every Coalition member must commit targets related to at least one of the sectors.

As a result of this initiative, we expect leading companies to put forward concrete supply signals for green steel, green concrete, near zero emissions transport and more. Such clear market demand will help accelerate and scale green technologies, and is exactly the type of tangible, real-life steps that can enable fast change.



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# DEVOTED TO...

Working  
together

Doing the  
right thing

Bold  
innovation

## People

**“Aker Carbon Capture’s values are part of our day to day operations and behavior. They work as the foundation for collaboration internally and externally and serve as guiding principles. We are truly a purpose driven and value based company<sup>10</sup> on our mission to enable carbon removals from industries and energy solutions.”**

2021 has been a year with a steep increase in our workforce. During a period with such a rapid organizational growth it has been important to ensure that our people are well taken care of and enabled to deliver their best. This goes for existing employees as well as new. We see health, safety and well-being for our people as the most important building block for maintaining a healthy business and reaching our ambitious targets. Therefore we have a broad approach to this area.

<sup>10</sup> 98,4% of the employees answered that they can identify with our values in the employee survey

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## SUSTAINABILITY PROGRAM

### Transparent and purpose driven company culture

#### Sustainability Challenge

Creating a work environment that enables the employees to grow and thrive, enabled to contribute to the purpose of the company.

#### Our approach

Our values are the foundation in our effort toward our mission. We strive to ensure that these values are central in our communication, being formal, informal, external, or internal, and we establish our processes with an aim to inform, include, involve, and engage our people.

#### Our progress

- We conducted value sessions with the goal to create a deeper understanding of our devotions and behavior
- The employee well-being survey was established, creating a baseline to measure trends and to identify improvement areas
- Managers implemented open calendar philosophy, with the aim of enabling more transparency in the organization

#### Priorities

- Strengthen internal communication structures and activities
- Move forward with prioritized topics from employee well-being survey
- Building a sharing and learning culture
- Values included as part of annual development dialogue

#### International frameworks for reference

- Not applicable

#### Examples of partnerships and collaborations

- Not applicable

#### Targets and indicators



## SUSTAINABILITY PROGRAM

### Diversity and inclusion

#### Sustainability Challenge

Inclusion and diversity across the workforce and management with equal opportunities as our company develops.

#### Our approach

We strongly believe that a diverse staff is a competitive advantage and we aim to create clear and concrete measures to prevent discrimination and ensure diversity across background, gender, nationality and age. Diversity and inclusion is embedded in our Code of Conduct, people policies and guidelines.

#### Our progress

- As our workforce increased we managed to improve the female/male ratio
- We have implemented concrete measures to prevent unconscious biases in the interview setting, and in the recruitment process itself we have specific inclusion targets
- We established our intern program as a part of a long-term initiative to attract young talents to our organization
- We aligned our diversity and inclusion reporting in accordance with the Norwegian Diversity Report. The assessment and priorities are collected in the activity and action plan

#### Priorities

- Continued diversity focus in recruitment campaign
- Increase competence on diversity & inclusion (e.g. Pink competence program)
- Offer language courses for non-native speaking employees
- Further develop diversity & inclusion initiatives as part of People & Organization strategy (e.g. succession planning)

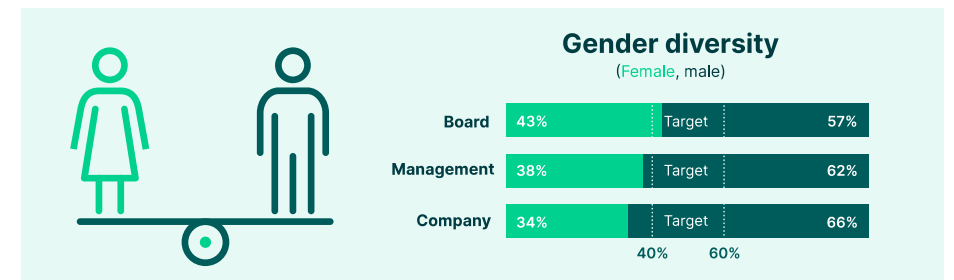
#### International frameworks for reference

- Norwegian Diversity Report

#### Examples of partnerships and collaborations

- Not applicable

#### Targets and indicators



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## SUSTAINABILITY PROGRAM

### Employee well-being, health and safety

#### Sustainability Challenge

Positive, safe and healthy work environment for all employees and throughout the value chain.

#### Our approach

We believe that our employee's safety, competence, and well-being is the foundation for continued growth in the future. That is why HSSE, people development and the work environment are priority areas for us. We believe that continued development and training is one of the most important factors to ensure employee well-being.

#### Our progress

- Established the 'Working Environment Committee'
- Established a collaboration with the corporate health service provider Aker Care
- Obtained the ISO 45001 certification for Occupational health and safety
- Conducted activities to ensure mental health from weekly virtual coffee-breaks to coaching sessions with mental health experts
- Established and conducted an onboarding program for all new employees
- Conducted mandatory HSSE and Code of Conduct trainings

#### Priorities

- Health assessment for all employees
- Strengthen individual development process through annual development dialogue and follow-up
- Further strengthen people retention and succession planning

#### International frameworks for reference

- ISO 45001, Occupational health and safety

#### Examples of partnerships and collaborations

- Not applicable

#### Targets and indicators

##### Zero accidents (Measured by TRIF)



##### Sick leave

2021: 0.35%  
Target: <2,5%



##### Skills for the future

2021: 48 hours training



## SUSTAINABILITY PROGRAM

### Human rights and labor rights

#### Sustainability Challenge

Secure labor and human rights in own operations and throughout the value chain.

#### Our approach

As stated in our Code of Conduct, Aker Carbon Capture is committed to not cause any infringement of human and labor rights and to implement and enforce effective systems to minimize risks of human and labor rights infringements in our own operations and in our supply chain

#### Our progress

- Gender split and salary gap was mapped in accordance with the Norwegian Diversity Report

#### Priorities

- Roll out a more extensive human rights training
- Global personnel handbooks to be rolled out to ensure benefit alignments across countries and with international standards

#### International frameworks for reference

- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions

#### Examples of partnerships and collaborations

- Member of The Federation of Norwegian Industries
- Member of The Federation of Danish Industries Aker ASA
- Global Framework Agreement with Norwegian and international trade unions

#### Targets and indicators



**Pay equality**  
(Female:male)

2021: 0.94:1  
2025 target: 1:1



##### Human and labour rights

No negative impact regarding human and labor rights were detected in 2021

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## Transparent and purpose driven company culture

Our values are the core of our mission to reduce carbon emissions. We strive to ensure that our devotions are central both in our way of working as well as in our formal, informal, external, and internal communication. We establish processes that aim to inform, include, involve, and engage our people.

In the management team as well as in the major departments, there have been multiple value sessions with the goal to create a deeper understanding of the devotions and behavior and detect improvement areas. The result has been concrete improvement initiatives and actions we have been able to implement successively. Our Proposal Box is an integrated part of our Management System and all employees are encouraged to contribute with improvement suggestions.

In order to reach out to the entire organization, Yammer is used on a day-to-day basis in addition to bi-weekly Town Hall meetings. The 'Friday-email' has become a tradition, sharing information and informal updates from employees. To further support transparency and collaboration, managers implemented open calendar philosophy.

During the year we established the employee well-being survey. This survey aims to monitor the level of engagement and loyalty to the company. We also use the survey to monitor how well our values are understood. Our Employee Survey includes questions to monitor whether employees have experienced discrimination, harassment, or any other sort of misconduct.

## Human rights and labor rights

Human and labor rights are covered by the Global Framework Agreement between Aker ASA and the Norwegian and the Norwegian United Federation of

Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. This agreement established fundamental labor rights and refers to standards relating to health, safety, security and the environment (HSSE) work, pay, working hours and employment conditions. The agreement commits Aker to respect and support fundamental human rights and union rights in societies in which the companies operate. These principles are set out in the United Nation's Universal Human Rights Declaration, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work. Aker Carbon Capture upholds the freedom of association and the right to bargain collectively. All employees in Norway, 85% of the total workforce, are covered by the collective bargaining agreements between NHO and Tekna. In addition the company entered a membership in the Federation of Danish Industries.

Current operations of Aker Carbon Capture are limited to countries with low risk related to human and labor rights. Nevertheless, dignity and equal opportunities are founded on equal interpretation and application of policies, guidelines and rules. This applies to all employees throughout the employment lifecycle.

Aker Carbon Capture's main employee base is currently in Norway, a country that is well progressed when it comes to child care and other mechanisms known to enable a high share of female participation in the labor market. We encourage woman and men equally, to take parental leave and compensate significant salary gap during the leave. We believe this is an important contribution to achieve equality in the workforce. During 2021 the split between male and female parental leave in Aker Carbon Capture was 50/50. However, equal pay for equal work is still an important aspect, and that is why we have included pay gap as a key strategic target for the company to maintain as we grow.

Gender split and salary gap were mapped in accordance with the Norwegian Diversity Report. The criteria was established in cooperation with the safety delegate and the employee representative from the Working Environment Committee. Additional evaluation criteria, such as type of role in the organization was

### INSIGHT

#### Sustainability Week

In 2021 we conducted our very first sustainability week with the aim of engaging and educating the Aker Carbon Capture employees in sustainability related issues. We had the pleasure of receiving speakers providing insights on a range of topics, e.g. overview and development of the environmental, social and governance framework, science-based targets, EU taxonomy, responsible business conduct, circularity, due diligence and diversity & inclusion. Panel discussion and a sustainability challenge workshop were also on the agenda, serving as a knowledge boost and inspiration for our continued operation.

Although we are a still a growing company, we believe our efforts can make a difference. Our 70+ employees strive to build knowledge and awareness about sustainable choices, even in the smaller day to day activities, such as office food deliveries by electric car or bicycle, promoting the use of keep cups and participation in the annual 'beach clean-up' event.



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included based on the risk assessment prior to the mapping. The results show that there are not significant pay-gaps between comparable roles. However we acknowledge the fact that fewer women hold senior positions, and we will continue to work with this in 2022.

## Diversity and inclusion

Aker Carbon Capture has high priority on maintaining and strengthening diversity across background, gender, nationalities, and age. We consider diversity to be a key contribution to be competitive in the years to come, as we appreciate the result that comes from the unique contributions each employee brings to the company.

Therefore, our ambition is to create, and our employees can expect a workplace free of harassment and discrimination. We have a Whistleblowing procedure in place so that any violation, breach or misconduct of this policy can be reported by our employees without risking retributions.

Our goals and attitude toward diversity and inclusion is stated in our Code of Conduct, people policies and guidelines. We aim to create clear and concrete measures to ensure diversity and prevent discrimination. In our view diversity transcends gender, and extends to age, nationality, cultural background, sexual orientation and gender identity. We strongly believe that a diverse staff is a competitive advantage. Our work with diversity and inclusion is in accordance with the Norwegian Diversity Report, and the assessment and priorities are collected in the activity and action plan.

We are pleased that even with a steep increase of our workforce during 2021 we managed to significantly improve gender diversity, reaching a ratio of 34/66. In addition we have onboarded 8 new nationalities, for a total of 12 nationalities in our company. This improvement has been made possible through a particular focus in each step of the recruitment processes. Such as job ad design, and concrete measures to prevent unconscious biases in the

screening process and the interview setting.

As part of a long-term initiative to attract young talents to our organization we established an intern program and throughout the year had 7 students working part-time in our company, delivering alongside the rest of the organization and providing important perspectives and reflections.

## Employee well-being, health and safety

We believe that our employee's safety, competence, and well-being, is the foundation for continued growth in the future. That is why HSSE, people development, and the work environment is important to us, and continued development and training is at the heart of this. We invest in our people and their training and development. We have conducted an onboarding program for all new employees. All employees are invited to bi-weekly Lunch & Learn sessions with various relevant topics for our company. In addition mandatory HSSE trainings and Code of Conduct trainings have been conducted.

In 2021, the Working Environment Committee (AMU) was established. The Committee mission is to secure employee health and well-being and is an important part of employee dialogue and feedback.

The majority of our employees are located in Norway which has an excellent public health care system which is free to all residents. Even so, Aker Carbon Capture offers employees the added convenience of utilizing the Aker Care clinics for non- occupational matters, against a small fee. This service provides employees a practical and efficient medical service, if and when required. Aker Carbon Capture's offices in other countries are all connected to an occupational health service, and non-occupational services vary dependent on the specific location.

The Aker-group is widely recognized as a front-runner in health promotion, and we have established a

collaboration with the corporate health service provider Aker Care. Programs on exercise, nutrition and stress management are offered all employees. In 2021, Aker has through its medical partners set up a vaccination scheme where both Covid-19 and flu vaccination has been offered. The sick leave for 2021 was 0.35%. This is well below the 2,5% target for the company.

As the COVID-19 pandemic continues to impact us, focus on well-being is not diminished. We pay particular attention to mental health issues. Therefore, we have had activities to ensure mental health has been conducted, from regular virtual coffee-breaks to coaching sessions with psychologist.

To further strengthen and systemize our work related to occupational health we also obtained ISO 45001 certification for Occupational health and safety.

In order to ensure that everyone can make full use of their talents, we shall welcome, listen to and respect the ideas of all our employees. In 2021 we have had strong focus on establishing processes, structures and tools to enable involvement and engagement in all parts of the organization. This is an area that we will continue to work with in 2022, in particular how to secure and develop our core competence. We believe retention and succession planning is fundamental in this respect.

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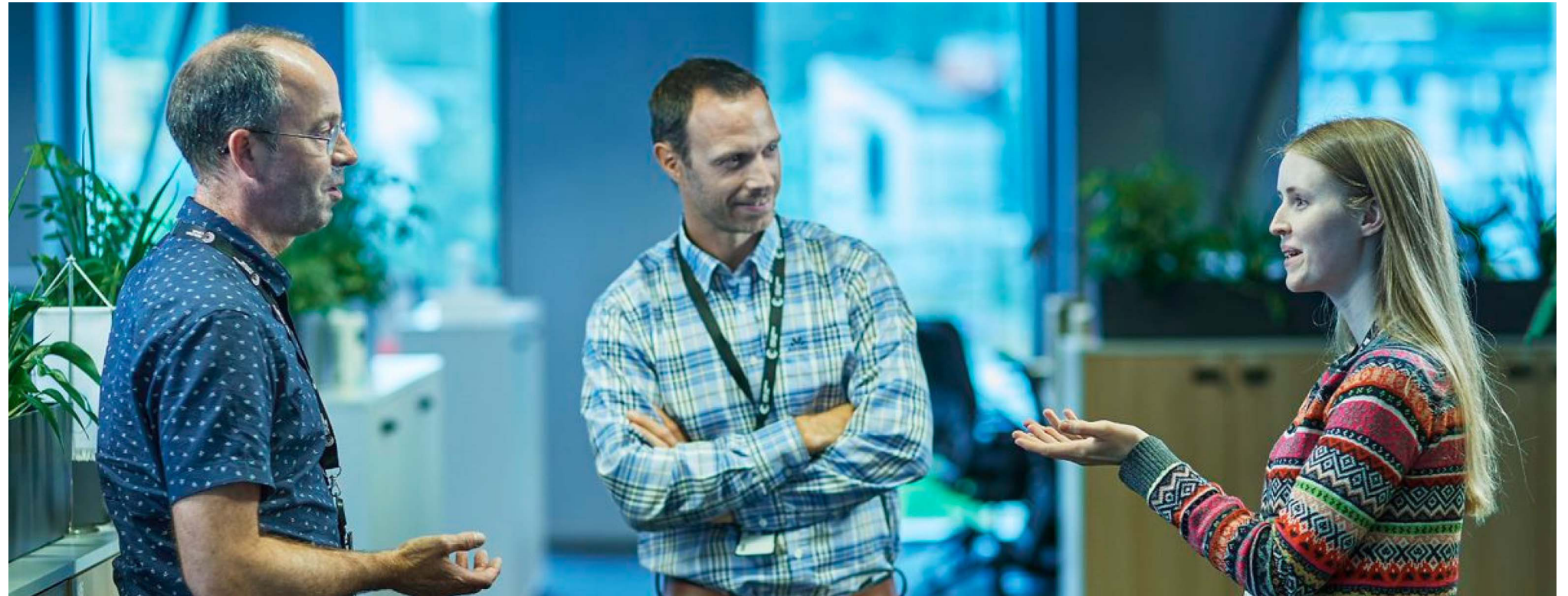
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## INSIGHT

### COVID-19

COVID-19 continued to impact us all also in 2021. For a company in strong growth it has been important to maintain close contact and dialogue with our employees. The main focus has been to ensure the employees health and well-being. We have experienced the benefit of the wider Aker group, both when it comes to updates on guidelines and regulations, as well as offerings to our employees such as mental healthcare, digital exercise classes and training for line managers.

Although it has been challenging to gather for social meetings, with the help from all employees we have done the best out of the situation with digital Easter, summer and Christmas celebrations. We have experienced first hand that by utilizing the digital toolbox we have been able to grow connections and working together. This is an important skill to bring with us as we will continue to be depend on these capabilities to unite our workforce across split locations. We see this as an important means to achieve an even more diverse workforce. At the same time we do acknowledge the positive contributions of being able to gather also in person. To prioritize when to do this will be important considerations to make moving forward.

As we had the possibility to return to the office, we have seen the need to prepare the organization, and be bold about how best to work together. We acknowledge that there are different needs and preferences across the workforce. Through a survey, the employees were clear on the wish to have a more flexible work location. This resulted in a pilot to gain experience on how this influences the operations of the company.

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Secure contracts to  
capture **10** million  
tonnes CO<sub>2</sub> per  
annum by **2025**

## Prosperity

**“Long-term value creation is critical for business performance, competitive advantage, mitigating risk and strengthening stakeholder relationships.”**

The World Economic Forum has defined three interrelated themes to define prosperity, ‘employment and wealth generation’, ‘innovation of better products and service’ and ‘community and social vitality’. While Aker Carbon Capture’s purpose is accelerating planet positive, mitigating climate change by enabling carbon removals from industries and energy solutions, we are determined to also make a significant positive impact on these aspects. We are committed to continuously improve our solutions and offerings, making carbon capture available to a wider range of emitters. Further, we are committed to create new jobs in a green growth market, ensuring a diverse workforce with equal opportunities. Through our activities we seek to deliver long-term value creation for all our stakeholders.

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## SUSTAINABILITY PROGRAM

### Carbon reduction and removal

#### Sustainability Challenge

Carbon reduction of hard-to-abate sectors and energy production, as well as carbon removal are required to keep below 1.5°C target and mitigate climate change.

#### Our approach

We have set an ambition to secure contracts to capture 10 million tonnes CO<sub>2</sub> per annum by 2025

#### Our progress

- In 2020 we signed Brevik CCS (Norway), the world's first full-scale carbon capture plant at a cement factory, enabling the carbon capture of 400.000 tonnes of CO<sub>2</sub> per annum
- In 2021 we signed Twence (Netherlands), enabling the carbon capture of 100.000 tonnes of CO<sub>2</sub> per annum
- Our pipeline when including opportunities where we are involved in feasibility studies, FEED, or tendering aggregate to approximately 7.0 million tonnes of CO<sub>2</sub> per annum by 2025.

#### Priorities

- Continue to develop 'carbon capture as a service' business model to bring down barriers for implementation of CCUS and accelerate the market
- Further maturing of partnerships in the CO<sub>2</sub> transportation and storage value chain
- Continue reducing costs through the full CCUS value chain
- Further mature the carbon removal framework in collaboration with key partners and networks

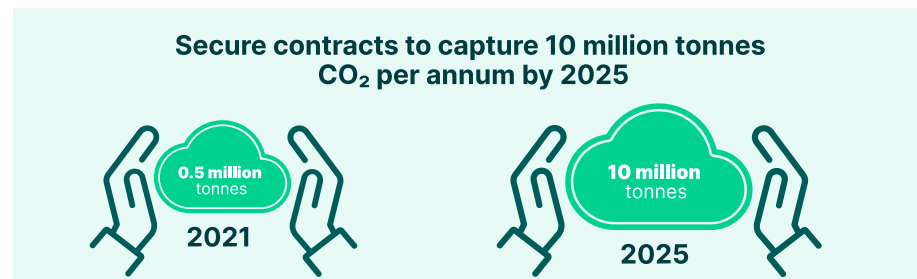
#### International frameworks for reference

- Paris Agreement
- Science-Based Targets initiative (SBTi)
- Greenhouse Gas Protocol (GHG protocol)
- IPCC Special report

#### Examples of partnerships and collaborations

- Ørsted & Microsoft
- Carbonor
- Viridor
- [Other key strategic partnerships](#)

#### Targets and indicators



## SUSTAINABILITY PROGRAM

### Technology and innovation

#### Sustainability Challenge

Mitigate climate change requires swift action from emitters across industries, and continuous development, innovative solutions and scaling of technology deployment.

#### Our approach

We believe in bold innovation, both in terms of technology and our business models to achieve the required scaling of carbon capture to mitigate climate change. We also believe that while solving one problem we shall not introduce another, thus developing our climate solutions with no environmental harm. We are actively engaging in research, development and innovation (RD&I) activities that strengthens our current offering and expand our technology portfolio, with the aim to bring down cost and increase the efficiency of CO<sub>2</sub> abatement.

#### Our progress

- In 2021, Aker Carbon Capture spent gross NOK 82 million on research and development across more than 10 projects, including investments to strengthen our core technology, development of new technology, early phase innovation, digital solutions, and technology related CAPEX

#### Priorities

- Aker Carbon Capture will prioritize RD&I activities that reduces the cost of CO<sub>2</sub> abatement, improves carbon capture HSE performance, enable carbon removals and secures the growth of the company

#### International frameworks for reference

- ISO 14001
- DNV-RP-A203
- DNV-RP-J201

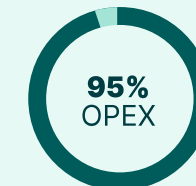
#### Examples of partnerships and collaborations

- SINTEF
- Texas Carbon Management program
- Carbfix
- Technology providers such as Siemens Energy, Haldor Topsøe, Hitachi Zosen Inova

#### Targets and indicators

#### Taxonomy aligned RD&I

(100% of OPEX and CAPEX to be taxonomy aligned - all our RD&I activities are covered by these two taxonomy KPIs)





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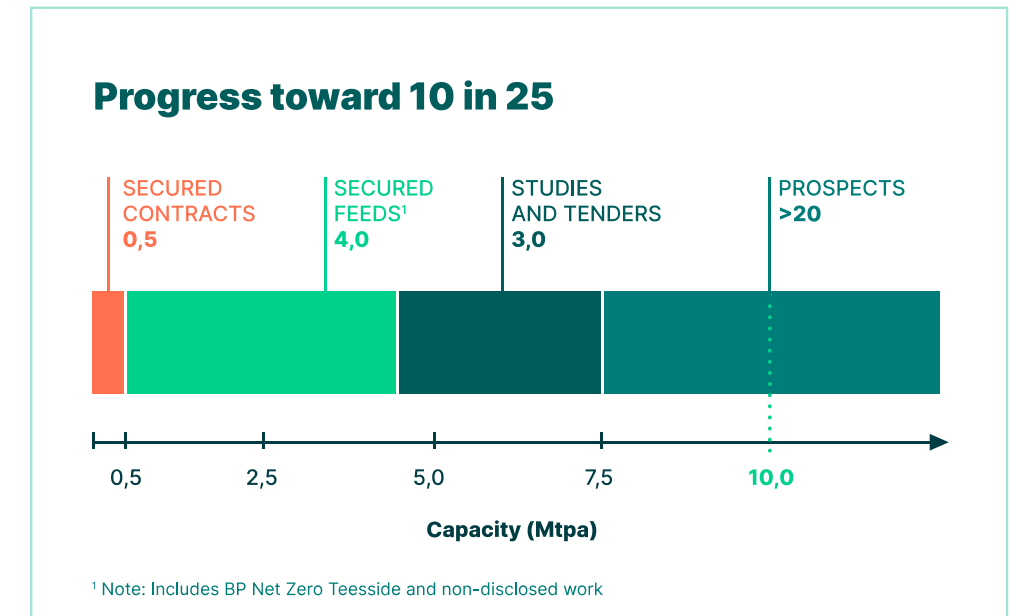
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## Key figures per 2021

Key figures	Measure	2021	2020
Secured contracts to capture 10 million tonnes of CO <sub>2</sub> per annum by 2025	Million tonne CO <sub>2</sub> per annum	0.5	0.4
Order backlog	NOK billion	1.9	1.7
Revenue	NOK million	363	16
whereof taxonomy aligned	%	100%	n.a.
EBITDA	NOK million	-190	-43
Net Profit	NOK million	-192	-44
Earnings per share	NOK/share	-0.33	-0.09
Total R&D spend	NOK million	82	2
Net Current Operating Assets	NOK million	-260	-8
Cash and cash equivalents	NOK million	1,321	458
Equity	NOK million	1,076	452
Permanent employees	Headcount	71	26
Net GHG emissions, scope 1+2+3	tCO <sub>2</sub> e emitted - tCO <sub>2</sub> removed	37.1	20.7

## Securing contracts to capture 10 million tonnes CO<sub>2</sub> per annum by 2025

Aker Carbon Capture will accelerate planet positive by delivering on our strategic ambition to secure contracts to capture 10 million tonnes of CO<sub>2</sub> per annum by 2025. Per year-end 2021, we have secured contracts to capture 500,000 tonnes of CO<sub>2</sub> per year. Our pipeline when including opportunities where we are involved in feasibility studies, FEED, or tendering aggregate to approximately 7.0 million tonnes of CO<sub>2</sub> per annum by 2025.



In 2020 we signed Brevik CCS (Norway), the world's first full-scale carbon capture plant at a cement factory, enabling the carbon capture of 400.000 tonnes of CO<sub>2</sub> per annum. In 2021 we signed Twence (Netherlands), enabling the carbon capture of 100.000 tonnes of CO<sub>2</sub> per annum through our modular Just Catch™ carbon capture plant. Furthermore, in 2021, BP selected two consortiums to deliver competitive FEED's for the Net Zero Teesside Power project. Aker Carbon Capture has been selected as FEED subcontractor for the provision of the licensed CO<sub>2</sub> capture technology to one of the consortium of Aker Solutions, Doosan Babcock and Siemens Energy. The Net Zero Teesside carbon capture plant is assumed to capture around two million tonnes of CO<sub>2</sub> per annum.

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These projects, together with Front End Engineering and Design (FEED) activities and CCUS feasibility studies executed in 2021 have contributed to a revenue growth from NOK 16 million in 2020 to NOK 363 million in 2021.

Through 2022 we will continue to develop and promote our Carbon Capture as a Service offering to accelerate and further reduce barriers to implement CCUS for small and medium sized emitters across Europe's emitting industries. We will also position for upcoming major Big Catch™ awards by securing relevant FEED awards that subsequently could be converted to Big Catch™ EPC or license deliveries.

## Bold innovation to drive carbon capture deployment

Mitigate climate change requires swift action from emitters across industries, and rapid scaling of carbon capture deployment. To further bring down the barriers for implementation Aker Carbon Capture launched Carbon Capture as a Service, with the aim of making it easy for the emitters to move forward with carbon capture at their facility. To us this is 'bold innovation'. We will further improve and innovate with respect to our products and services and are committed to invest in our technology. In 2021, Aker Carbon Capture spent gross NOK 82 million on research and development across more than 10 projects, including investments to strengthen our core technology, development of new technology, early phase innovation, digital solutions, and technology related CAPEX.

Collaboration with academia and partners are other key aspects to drive forward the scaling and deployment of CCUS. Aker Carbon Capture established several technology related partnerships and collaborations in 2021.

- We signed a Memorandum of Understanding with SINTEF to strengthen our collaboration related to research and development
- We joined the Texas Carbon Management program, a CCUS research program hosted by University of Texas Austin
- We signed a MoU with Carbfix, an Icelandic CO<sub>2</sub> storage technology provider to accelerate development of CCS value chains
- We have been targeting partnerships with technology providers that have complementary technologies to ours, including with Siemens Energy, Haldor Topsøe, Hitachi Zosen Inova and others

## Taxonomy eligibility and alignment

Aker Carbon Capture has performed a voluntary assessment of all its economic activities under the EU Taxonomy and related regulations. After an in-depth assessment, all our economic activities in 2021 are considered eligible as "Manufacture of other low carbon technologies" and "Close to market research, development and innovation" under Annex 1 to the Commission Delegated Regulation (EU) 2021/2139 ("the Screening Regulation").

We have also made a voluntary review of our activities in light of the alignment-criteria set out in the Taxonomy Regulation and Screening Regulation. More information on our activities and the method for assessing the taxonomy-eligibility and taxonomy-alignment can be found in [the appendix](#).

The below table summarize our taxonomy-eligible and taxonomy-aligned activities for Turnover, CAPEX and OPEX in 2021.

Amounts in NOK million	Total	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-aligned economic activities (in %)
Revenue (Turnover)	363	100%	100%
Capital expenditure (CAPEX)	19	100%	100%
Operating expenses (OPEX)	109	100%	95%

## Employment and wealth generation

Key drivers of Aker Carbon Capture's impact on economic growth, diversity and inclusion is the employment and job creation in new green growth markets. We have grown significantly from the establishment in 2020, with an increase from 26 to 71 employees, and indirectly supported job creation in our supply chain through the purchase of goods and services. Our effort to positive working environment with equal rights and opportunities for all is further described in the prior [People](#) section.

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## INSIGHT

### Brevik CCS

We are proud to have been selected by Norcem HeidelbergCement for the Brevik CCS delivery, the world's first carbon capture at industrial scale at a cement facility. This followed the government's funding support and launch of the Longship CCS project in 2020, which Brevik CCS is part of - the greatest climate project in Norwegian industry ever. This is a full CCS value chain development including the transportation and storage project, Northern Lights.

The project will reduce 400,000 tonnes of CO<sub>2</sub> emissions from the plant per year, resulting in a climate impact corresponding to the effect of removing about 200,000 cars from the roads.

The EPC project commenced in January 2021, key milestones have been achieved according to schedule and all major purchase orders have been placed. The plant will have superior heat integration with the existing cement plant. The project will enter into a fabrication phase by mid-2022, the main installation work will take place in 2023, and be operational in 2024.



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## Governance

**“Good corporate governance at Aker Carbon Capture will ensure sustainable operations and value creation over time to the benefit all stakeholders, providing a framework of processes and responsibilities for managing the business”**

“Doing the right thing” is a core value to Aker Carbon Capture. We believe the success of our products and projects rest on achieving success in the right way, ensuring good governance through all parts of our operations and business activities.

With the mission of Aker Carbon Capture of enabling carbon removals from industries and energy solutions, it is essential to manage material aspects. This is secured through making sustainability an integrated part of the company strategy which is operationalized through various business processes. We are committed to be transparent on our performance and have chosen to utilize the MSCI ESG rating both as a strategic target as well as a performance indicator for our work across environment, social and governance.

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## SUSTAINABILITY PROGRAM

### Strong governance and compliance

#### Sustainability Challenge

Corruption, bribery and unethical practices undermine fair business competition and may have negative impact on individuals, society and planet.

#### Our approach

Our approach is to make sure sustainability is an integrated part of all of our business processes and the way we operate. We believe in close follow-up from management and Audit Committee with a strong backing from the Aker Group. To make sure we have transparent business conduct we will report on material ESG disclosures guided by recognized frameworks.

#### Our progress

- Our materiality assessment has been updated based on stakeholder engagement, ensuring that we disclose material topics to our stakeholders
- We have established an annual training program for our Code of Conduct
- Our company's compliance function has been strengthened with a dedicated compliance officer
- We have conducted the first taxonomy assessment
- A Task-force for Climate-Related Financial Disclosures (TCFD) assessment has been performed and is available in the [appendix](#)
- We have chosen to share and utilize the MSCI ESG rating as a way to set a strategic target and performance indicator arching across the dimensions of environment, social and governance

#### Priorities

- Establish a ESG forum with a broader representation from the company
- Address recommendations from the TCFD assessment
- We aim to report on CDP (former Carbon Disclosure Project) by 2023
- We aim to perform the Task-Force for Nature based Financial Disclosures (TNFD) assessment when available

#### International frameworks for reference

- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions

#### Examples of partnerships and collaborations

- Member of UN Global Compact Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna

#### Targets and indicators

- Training Code of Conduct 100%
- MSCI ESG rating, current BBB, target AAA in 2025
- Whistleblowing cases: 2020: 0, 2021: 0

#### Targets and indicators



Code of Conduct training  
**100%**



MSCI ESG rating  
2021: **BBB** 2025 target: **AAA**



Whistleblowing cases  
2020: **0** 2021: **0**

## SUSTAINABILITY PROGRAM

### Responsible Supply Chain management

#### Sustainability Challenge

Risks in supply chain to labor and human rights, corruption, sanctions, climate change and environment must be managed to mitigate impacts on workers, communities and planet.

#### Our approach

Utilize formal processes and due diligence to reduce risk in addition to close supplier collaboration.

#### Our progress

- Country risk procedure
- Business partner qualification procedure
- Our suppliers needs to sign the Supplier Declaration
- Engagement with suppliers to identify new opportunities to reduce carbon footprint

#### Priorities

- As our activities increase, we seek to strengthen own tailored due diligence processes
- Learn from best practice ESG screening in project development
- Develop and select metrics to measure our ESG management and performance in supply chain.

#### International frameworks for reference

- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions

#### Examples of partnerships and collaborations

- Member of UN Global Compact Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna

#### Targets and indicators

- To be defined in 2022

#### Targets and indicators



Metric to be defined in 2022

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## Strong governance and compliance

### Board of Directors and Executive Management

Strong governance and compliance will ensure that Aker Carbon Capture is managed in accordance with effective and sound principles for the benefit of all stakeholders such as employees, customers, shareholders and society at large. The Board of Directors consists of highly competent members providing strategic guidance on sustainability. The Board of Directors approves and monitors the sustainability ambitions set out in our corporate strategy and is the highest authority that oversees and safeguards the company's sustainability policy and work across the dimensions of environment, social and governance.

The Board of Directors sets the direction of the company by determining the objectives, strategy and risk profile of the business within the parameters of applicable law, the Articles of Association and the company's adopted rules of procedure for the Board of Directors. The business targets and strategy including sustainability targets shall be evaluated on an annual basis by the board through a designated strategy process whereby any significant changes as well as goals and guidelines of the company are adopted.

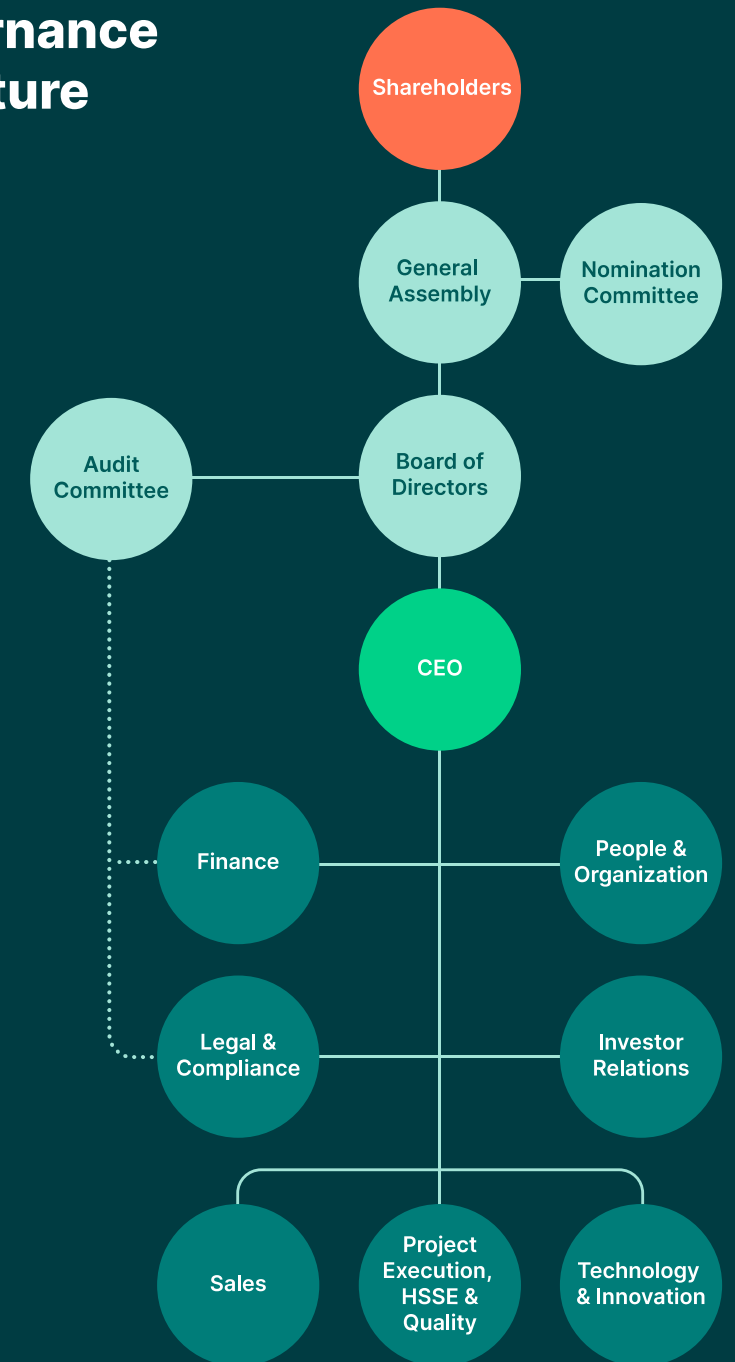
The Board of Directors approves the Sustainability Policy and Annual Integrated Report including material topics. The objectives and business strategy as defined and approved by the Board of Directors, are executed through a strategy implementation process in Aker Carbon Capture owned by the Chief Executive Officer. Executing the company's sustainability ambitions is a business line responsibility, and sustainability issues including climate-related risks and opportunities are regularly discussed in the management team.

The management team is accountable for the sustainability program and approves the annual update of sustainability initiatives and assign accountability for sustainability programs at the executive level. This is linked to the materiality assessment which shall be reviewed and approved by the management team on an annual basis.

### Mandates for governing bodies

There are mandates in place for the Board of Directors, Audit Committee and Nomination Committee which govern areas of responsibility, duties and the distribution of roles between the governing bodies of the company.

## Governance structure



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## Conflict of Interest

Aker Carbon Capture applies a strict norm as far as independence assessments are concerned and has prepared procedures ensuring that any conflict of interest for employees is assessed in relation to agreements concluded by the company. Any conflict of interest at Board of Directors level is duly assessed at each board meeting.

The company also applies strict norms for the handling of agreements with related parties, as implemented through its Related Party Agreement Principles. The purpose of the principles is to ensure openness, objectivity and quality in the decisions, strengthening the confidence in the company's ability to create long-term values.

## Management System

Aker Carbon Capture's Sustainability Policy defines our commitments and behaviors when it comes to sustainability. This includes our commitment to the ten principles of the UN Global Compact within the areas of human rights, labor, environment, and anti-corruption.

The policy is part of the company's management system. The management system sets out ambitions, direction, and detailed requirements pertaining to our business processes, facilitating a structured and holistic management approach across the organization. Aker Carbon Capture is certified according to the international standards ISO 9001 Quality Management System, ISO 14001 for Environmental Management and ISO 45001 Occupational Health and Safety.

The management system contains policies, specific procedures, controls, and review mechanisms to ensure operations are conducted in accordance with applicable internal and external regulatory frameworks. Aker Carbon Capture has a total of 14 policies providing business practice guidance across key areas. The policy documents define the commitment and express the expected behavior across the company within areas such as health, safety, security, and environment (HSSE), governance, business integrity, people, project

execution, quality, technology & innovation, information technology, sales and finance. Business processes are owned by global functions and business owners, who have the responsibility and authority to standardize and optimize work processes to secure efficient operations.

## Integrity

Aker Carbon Capture has established a strong compliance program with its basis in the Code of Conduct and the Business Integrity Policy, and further detailed out in various topic based procedures, all available in the company's management system.

Aker Carbon Capture has established a compliance function with dual reporting duties to the company's General Counsel and the Audit Committee. The compliance functions's main task is to ensure that Aker Carbon Capture is compliant with relevant laws and regulations, including the company's internal regulations and guidelines. This is done through the implementation of a risk-based compliance program. The compliance function participates in the compliance network of the wider Aker group of companies where best practices are shared for the purpose of continuous awareness and improvement.

100% of the employees have conducted training with regards to Aker Carbon Capture's Code of Conduct and its principles. Compliance awareness for employees is addressed on a regular basis by the company and through training schemes.

All employees are encouraged to report concerns to enable implementation of corrective actions and continuous improvement of the company. Reports can happen through internal channels or the whistleblowing channel. Aker Carbon Capture's whistleblowing channel is open for all employees and non-employees who would like to report a breach of law or regulations, the Code of Conduct or other internal policies or procedures. All reports are treated with strict confidentiality and managed in accordance with the Aker Carbon Capture Whistleblowing Procedure. In 2021, there were no reported concerns via the

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whistleblowing channel. In 2022, a new web-based whistleblowing channel will be launched for both internal and external stakeholders of Aker Carbon Capture.

As projects mature and interaction with local stakeholders and supply chain develops, Aker Carbon Capture will further enhance the human rights program to prevent, detect and respond to human rights risks, associated with its increasing operations globally. Specific grievance mechanisms for local communities will be developed in addition to the whistleblowing channel.

## Risk Management

The Board of Directors sets the direction of the company by determining the objectives, strategy and risk profile of the business within the parameters of the Articles of Association. The existing business targets and strategy are evaluated on an annual basis by the Board of Directors through a designated strategy process whereby any significant changes as well as goals and guidelines of the company are adopted. The objectives and business strategy as defined and approved by the Board of Directors, are executed through a strategy implementation process in Aker Carbon Capture owned by the Chief Executive Officer.

The Board of Directors takes an active and strong approach in identifying and assessing business risks to ensure the overall risk profile of the company is understood and sound. The Board of Directors defines the general level of acceptable risk for the company and will continuously make assessments to ensure the risk level is within the parameters set and adopt changes to the company's risk profile as and when required or relevant.

Aker Carbon Capture has implemented a risk-based management system with clear policies and procedures to facilitate risk management. The overarching Governance Policy requires the company to ensure active identification and management of risks in activities to ensure safe operations and achievement

of strategic objectives. This risk-based approach has been adopted across all company policies and further operationalized through the Group's Enterprise Risk, Quality Operations, and ICFR procedures. Through these governing processes, Aker Carbon Capture control risks, effectuate risk reducing measures, systematically identify business opportunities, increase the effect of improvement efforts, and ensures quality of internal and external reporting.

The Enterprise Risk process facilitates the operational risk management activities and organize processes to aggregate an enterprise view of risk exposure and mitigating plans. The identified risk factors' materiality is defined by assessing the likelihood and consequence based on both quantitative and qualitative factors. Risk mitigation plans are implemented for the risks with the largest materiality and potential to impact the company's performance.

Information concerning the objectives and principal strategies of the company and any changes thereto as well as business risk aspects, are disclosed to the market in the context of the company's Annual Integrated Report, its quarterly reporting and in designated market presentations as well as on the company's website.

## Responsible Supply Chain Management

Our commitment to sustainability includes our external operations, such as those related to our suppliers and partners, as well as our internal operations. Suppliers are expected to adhere to our business ethics and values, including our standards for health and safety, human and labor rights, environment, quality management, business integrity and sustainability as described in our Code of Conduct, as well as being competent and trustworthy.

Aker Carbon Capture has integrated a global anti-corruption compliance program. Our commitment to human and labor 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. Further details are available under [people](#) in the sustainability progress section of this Annual Integrated Report.

Aker Carbon Capture's Country Risk Procedure regulates the company's involvement in countries with perceived high political, reputational, legal or ethical risks. Its purpose is to manage potential risks through early integrity risk assessments. In accordance with the Business Partner Qualification Procedure, the company has guidelines and responsibilities for qualification and integrity due diligence of potential, new, and existing business partners. This is required in order to protect Aker Carbon Capture against the risk of becoming complicit in illegal or unethical practices conducted by a business partner, including direct or indirect involvement in corruption, human rights, environmental or labor rights violations.

The new Norwegian Transparency Act, entering into force on 1 July 2022, will further enhance the focus on working conditions and human rights compliance among business partners globally, in particular the supply chain. Aker Carbon Capture is currently working on the implementation of further measures needed to cater for the new legislation.



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# Principal risk factors and uncertainties

## Market risk

The market outlook for CO<sub>2</sub> capture has been steadily increasing over time, driven by a clear need for carbon capture to reduce the climate effects and reach net zero targets. The industry still relies heavily on government subsidies and further development of CO<sub>2</sub> transportation and permanent CO<sub>2</sub> storage.

The main risks related to the market are listed below:

- Slow ramp-up of carbon capture and storage in global market leading to delayed realization of Aker Carbon Capture's ambition to secure contracts to capture 10 million tonnes of CO<sub>2</sub> per annum by 2025, resulting in lower revenue and profit potential for the company
- Heavy dependence on government and other non-commercial funding and regulatory policies leading to delayed investment decisions for key carbon capture developments in Europe, where government subsidies are part of the business case
- Long term low carbon prices, taxes and/or credits could limit the attractiveness of carbon capture and storage, and could result in limited attractiveness for the carbon capture as a service business
- High market activity levels leading to rising prices for products, services and logistics.

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- Strong demand for carbon capture and storage could drive cost escalation, capacity constraints, delays and logistics challenges in the carbon capture and storage value chain that adversely impact market attractiveness
- The recent large scale military attack on Ukraine by Russia and subsequent strong European and American sanctions against Russia could have significant negative effects on the global economy, energy markets and inflation levels with operational impact for Aker Carbon Capture

## Operational risk

Aker Carbon Capture is subject to project execution and contractual risk through contracts on fixed price, reimbursable and a combination of these. The main risks are related to fixed price contracts, where potential cost overruns will need to be covered by the company. The projects, such as Brevik CCS EPC, Twence Just Catch EPC, and Net Zero Teesside FEED, are demanding from a technology and complexity point of view, with extensive sourcing, sub-contracting and project management activities. These can impact upon the company's ability to deliver on time and in accordance with a contract, potentially harming Aker Carbon Capture's reputation, performance and finances.

Factors that may have an adverse material effect on the business, results of operations and finances of Aker Carbon Capture include, but are not limited to:

- Loss of business from a significant customer, delivery issues or alterations to order backlog
- Ability to stay competitive or ability to develop a significant market position
- Commercialization and development of new technologies
- Partnerships, joint ventures and other types of cooperation that expose Aker Carbon Capture to risks and uncertainties outside its control
- Significant delays or quality issues impacting project delivery or performance

- Continued COVID-19 outbreak or other infectious diseases may have substantial negative effects on the global economy with operational impact for Aker Carbon Capture
- Non-delivery and/or disputes with key suppliers
- Social unrest on the back of pandemic fatigue, democratic decline and influx of migrants in already strained areas
- Inability to achieve targeted standardization, modularization and cost reduction ambitions for key products and offerings
- Inability to secure competent and relevant resources as activity levels increase
- Cybercriminals and cyber security issues leading to system downtime or significant loss of intellectual property

## ESG and political risks

Aker Carbon Capture has implemented Sustainability policies and procedures covering the aspects across Environment, Social and Governance (ESG) to act according to domestic and international standards, anchored with the Code of Conduct available on the company website. The company has limited direct exposure in countries associated with high political, corruption and human rights risks. However, the newly implemented sanctions against Russia increases risk and intensifies the awareness required also in Europe. Aker Carbon Capture could, nevertheless, potentially become involved in non-compliance and unethical behavior, either directly or through third parties and partners.

Aker Carbon Capture has a zero tolerance for corruption and works continuously to avoid such behavior. To ensure compliance with the standards, ethical training is conducted annually as a minimum. Aker Carbon Capture expects their suppliers to act according to the same standards. Aker Carbon Capture has an established Business Integrity Compliance (BIC) and whistleblower channel to ensure reporting of any concerns in our operations. Compliance training of all employees was conducted in 2021 and will continue.

Aker Carbon Capture is exposed to legal, regulatory, and political risks, decisions on environmental regulation and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behavior.

Aker Carbon Capture has set carbon reduction targets towards 2030 and is dependent on supply chain collaboration to ensure the development and access to low carbon materials.

## Climate risk

Aker Carbon Capture has performed an assessment according to the 'Task Force for Climate-related Financial Disclosures' (TCFD), addressing the disclosures related to the four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets.

The [full TCFD report](#) is available in the appendix.

If the world does not respond to the global climate change crisis according to the targets set out in the Paris agreement, Aker Carbon Capture could see a slower market demand for CCUS solutions. In the longer term. Climate change consequences such as physical effects could directly impact Aker Carbon Capture's business and the full CCUS value chain. Accordingly, our analysis focuses on both transitional risks up to 2030 and physical risks past 2030.

These risks are tracked as part of the overall risk management system in the company and subsequently managed in the company strategy with a high degree of involvement by Board of Directors and the Management Team.

The company's response to climate-related risks and opportunities spans all areas of the business including project development, technology development and investments. Considering the potential different effects due to climate change, there are a range of responses that are common for the two scenarios:

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- Through collaboration with customers ensure that the individual site is assessed with respect to acute and chronic risks due to climate change
- Through the company's sustainability program address risks and opportunities in the supply chain, leveraging the company's purchasing power to support the transition to green industry
- Advocacy towards governments, public and organizations to ensure knowledge on carbon capture and storage as a solution to combat climate change
- Leverage memberships and partnerships to learn across industries and access to know-how and ideas on how to continuously improve on climate risk response

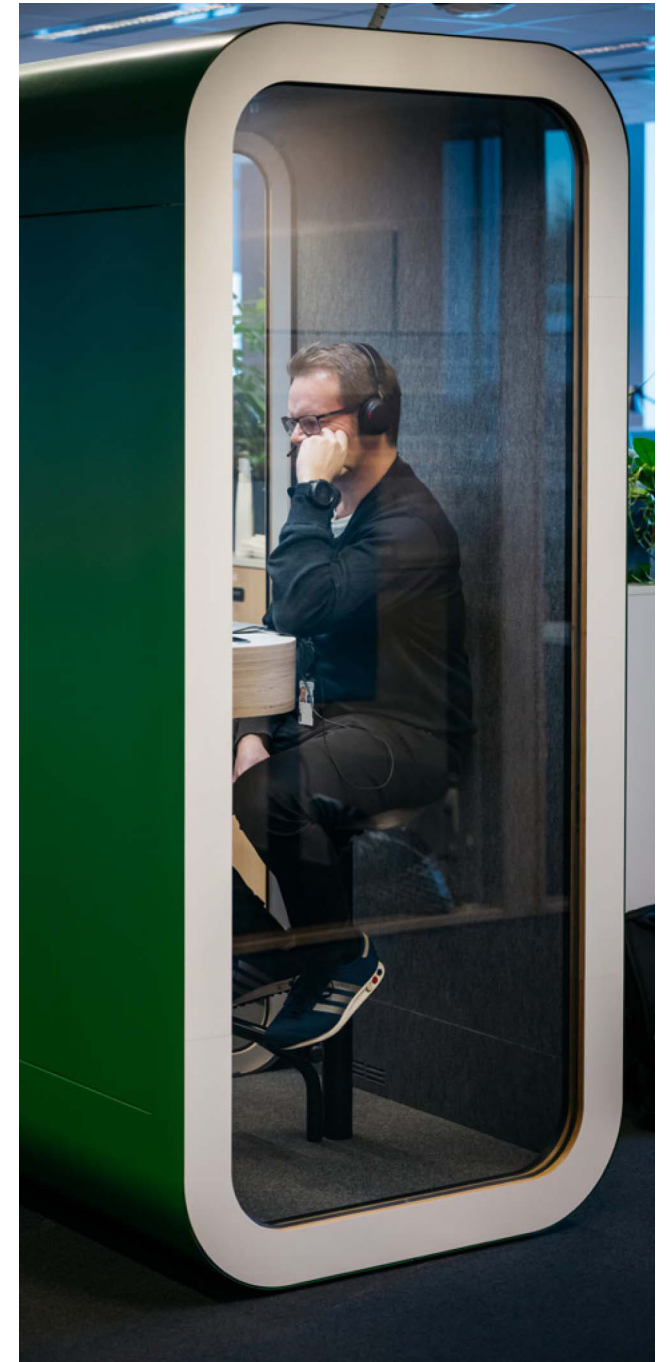
## Financial risks

The objective of financial risk management is to manage exposure from financial risks to increase predictability of earnings and minimize potential adverse effects on financial results and performance.

Aker Carbon Capture is exposed to a variety of financial market risks such as currency risk, interest rate risk, tax risk, price risk, credit and counterparty risk, liquidity risk and capital risk as well as risks associated with access to and terms of financing.

The financial risks affect the group's income and the value of any financial instruments held. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimize potential adverse effects on Aker Carbon Capture's financial performance. Aker Carbon Capture and its subsidiary will use financial derivative instruments to hedge certain risk exposures. Risk management is performed in every project in order to identify, evaluate and hedge financial risks under policies approved by the Board of Directors.

Financial risk management and principal financial risk factors and uncertainties are further described in detail in note 15 and capital management is described in note 14.



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# Corporate Governance Report

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”), most recently revised in the autumn of 2021, the board has reviewed and updated the company’s corporate governance principles. The Code of Practice is available at [www.nues.com](http://www.nues.com). The individual recommendations of the Norwegian Corporate Governance Board are discussed below. Aker Carbon Capture’s principles are largely consistent with the recommendations.

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## 1. Corporate governance

Aker Carbon Capture's corporate governance principles are established by the board. The purpose is to ensure a productive division of roles and responsibilities among Aker Carbon Capture's owners, board and management, as well as to ensure satisfactory controls of the company's activities.

## 2. Business purpose

Aker Carbon Capture ASA's business purpose is expressed in the company's Articles of Association, section 2: "The company's purpose is to conduct business, invest in and / or own rights in the capture, use and storage of CO<sub>2</sub>, hydrogen, and other related activities."

The board has prepared clear objectives, strategies and a risk profile for the company. The company has guidelines for how it integrates the interests of the society at large into its value creation. ESG reporting forms an integrated part of the company's Annual Integrated Report. The board evaluates targets, strategies and its risk profile on an annual basis, at a minimum.

## 3. Equity and dividends

### Share capital

Aker Carbon Capture had NOK 1,076 million in total equity as of 31 December 2021, corresponding to an equity ratio of 67 per cent. The parent company's equity amounted to NOK 1,802 million, corresponding to an equity ratio of 99 per cent. Aker Carbon Capture considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

### Dividends

Due to the recent establishment of Aker Carbon Capture, no dividends have been paid to date. To reach our ambitious targets for contributing to global

decarbonization and build scale at the operational level, the company will, short-term, prioritize growth over dividends.

### Board authorizations

Any proposals for the Board of Directors to be given a mandate and power of authority complies with the relevant recommendation of the Code of Practice. Board authorizations are limited in time, to defined issues and are dealt with as separate agenda items at general meetings.

The general assembly has provided the Board of Directors with the following authorizations:

- to acquire own shares in connection with (i) acquisitions, mergers, demergers or other transactions, (ii) employee share program and (iii) investment or subsequent sale or deletion of shares
- to increase the share capital

The board's authorizations to acquire own shares and to increase the share capital are valid until the 2022 annual general meeting, however, in no circumstances beyond 30 June 2022.

## 4. Equal treatment of shareholders

The company has a single class of shares, and all shares carry equal rights.

The company has developed principles and guidelines for related party transactions.

The company has developed principles and guidelines related to exercise of any actions that may impact the equality principle, such as waive of pre-emption rights or the company's acquisition of its own shares.

As of 31 December 2021, Aker Carbon Capture held no own shares.

## 5. Shares and negotiability

There are no restrictions in Aker Carbon Capture on a party's ability to own, trade or vote for shares in the company.

## 6. Annual general meetings

### Meeting notification, registration and participation

Aker Carbon Capture encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the company. The annual general meeting for 2022 will take place as a virtual meeting on 19 April.

Shareholders unable to attend the general meeting may use electronic voting to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend a meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the company website.

The company ensures that proposed resolutions and supporting information distributed prior to general meetings are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting.

### Meeting chair, voting, etc.

According to Aker Carbon Capture's Articles of Association, the general meeting is chaired by the Chairman of the Board, or by an individual appointed by the Chairman. In this regard, Aker Carbon Capture deviates from the Code of Practice recommendation, which states that the general meeting should be able to elect an independent chairman for the general meeting. In the company's experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory.

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Members of the Nomination Committee and the company's auditor are expected to attend general meetings. The company will, however, normally not have the entire board attend the meeting as this is considered unnecessary. This represents a deviation from the Code of Practice which states that arrangements shall be made to ensure participation by all directors.

The general meeting elects the members of the Nomination Committee and shareholder elected board members. The shareholders are invited to vote on the composition of the Board of Directors proposed by the Nomination Committee as a group, and not on each board member separately, as it is important to the company that the Board of Directors works in the best possible manner as a team and that the background and competence of the board members complement each other.

Aker Carbon Capture's practice thus differs from the Code of Practice recommendation, which states that the general meeting should be given an opportunity to vote on each individual candidate.

### 7. Nomination Committee

As required by its Articles of Association, Aker Carbon Capture has a Nomination Committee consisting of at least two members elected by the general meeting. The current members are Ingebret Hisdal (Chairman) and Svein Oskar Stoknes. No members of the Nomination Committee are directors of the board or employed by the company.

The general meeting determines the remuneration to the Nomination Committee. The Nomination Committee shall prepare the election of directors. The general meeting may adopt instructions for the Nomination Committee's tasks.

### 8. Board of Directors – composition and independence

The company does not have a corporate assembly.

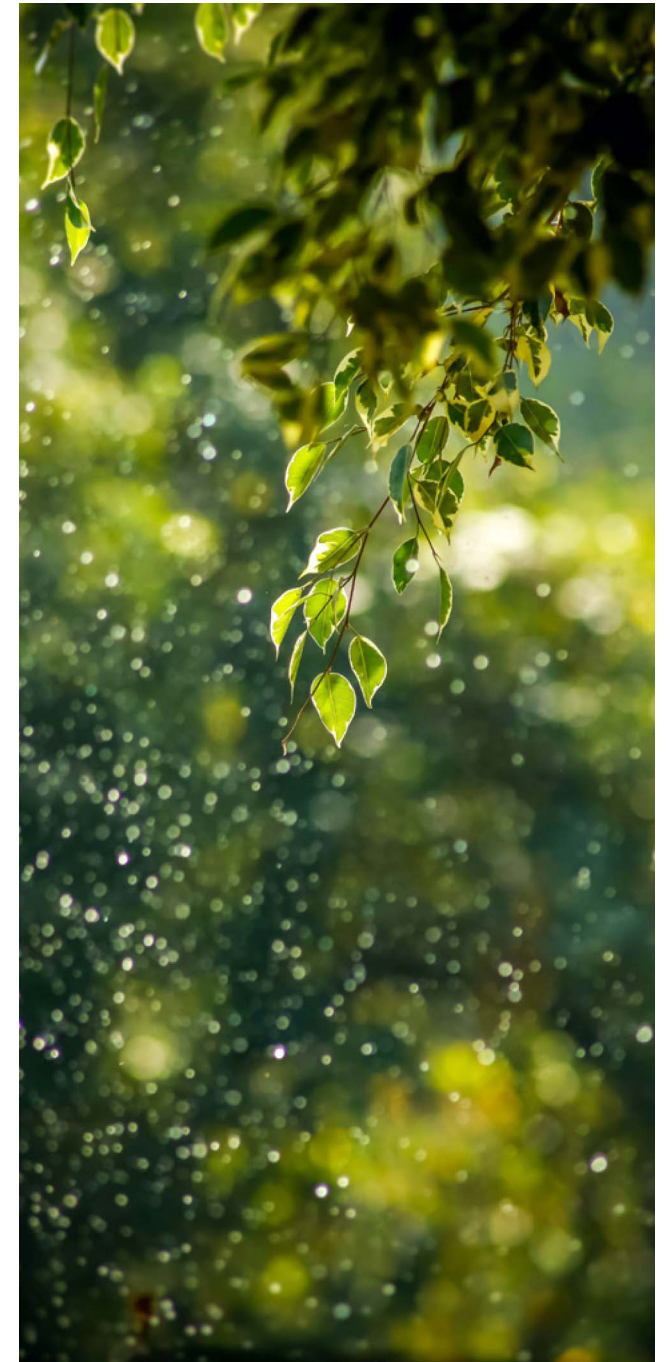
Pursuant to the company's Articles of Association, the Board comprises between three and nine members, of whom at least two are independent of the company's management team and its material business contacts. This represents a deviation from the Code of Practice which states that the majority of the shareholder-elected members should be independent of the management team and material business contacts. None of the directors are part of the company's management team.

The current composition of the board is presented in Board of Directors of the 2021 Annual Integrated Report, as are board members' qualifications and expertise.

### 9. The work of the Board of Directors

The Board of Directors adopts an annual plan for its work with an emphasis on goals, strategy and implementation. Furthermore, there are rules of procedure for the Board of Directors which govern areas of responsibility, duties and the distribution of roles between the board, the Chairman and the Chief Executive Officer. The rules of procedure also include provisions on matters such as convening and chairing board meeting, decision making, the duty and right of the Chief Executive Officer to disclose information to the board and the duty of confidentiality.

Seven board meetings were scheduled in 2021. In addition, the Board of Directors convened on a need to basis throughout the year.



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Guidelines have also been drawn up to ensure that board members and senior employees report to the board if they directly or indirectly have significant interest in agreements entered into by Aker Carbon Capture or companies in which Aker Carbon Capture has significant ownership interests.

Aker Carbon Capture has an Audit Committee. The Committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the Board of Directors. The current members of the Audit Committee are Liv Monica Stubholt (Chairman) and Kristian Røkke.

The company does not have a Remuneration Committee as this has not been considered necessary in the light of the composition of the Board of Directors. The company will however consider establishing a Remuneration Committee going forward.

## 10. Risk management and internal control

The Board of Directors sets the direction of the company by determining the objectives, strategy and risk profile of the business within the parameters of the Articles of Association. On an annual basis, the Board of Directors carries out a detailed review of the company's most important areas of exposure to risk and its internal control arrangements. In particular, changes to material risks and the company's ability to respond to internal and external business changes is addressed.

The company has implemented a whistleblowing channel for reporting of serious matters, such as potential breaches of ethical guidelines and violations of law. Information about the whistleblowing channel, including contact information, is available at the company website and in its Code of Conduct.

Aker Carbon Capture's Audit Committee carries out preparatory work for the Board of Directors' monitoring of financial and ESG reporting. On a quarterly basis, the Audit Committee monitors the company's systems

for Internal Control over Financial Reporting (ICFR), routines for monitoring risks and external reporting processes. It also maintains regular contact with company's auditor in respect of the statutory audit of the annual accounts. The Audit Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

Aker Carbon Capture has implemented a risk-based management system with clear policies and procedures to facilitate risk management. The overarching Governance Policy requires the company to ensure active identification and management of risks in activities to ensure safe operations and achievement of strategic objectives. This risk-based approach has been adopted across all company policies and further operationalized through the company's Enterprise Risk, Quality Operations, and ICFR procedures. Through these governing processes, Aker Carbon Capture controls risks, effectuates risk reducing measures, systematically identifies business opportunities, increases the effect of improvement efforts, and ensures quality of internal and external reporting.

The Enterprise Risk process facilitates the operational risk management activities and organizes processes to aggregate an enterprise view of risk exposure and mitigating plans. The identified risk factors' materiality is defined by assessing the likelihood and consequence based on both quantitative and qualitative factors. Risk mitigation plans are implemented for the risks with the largest materiality and potential to impact the company's performance.

The Quality Operations process facilitates risk control, implementation of risk reducing measures and systematic identification of business opportunities in the management of Aker Carbon Capture's operations. The aggregated business and risk perspective of Aker Carbon Capture's operations is reported and reviewed through quarterly business reviews covering strategic and enterprise risk related topics, monthly operating reviews covering operational and financial topics, and monthly project reviews covering project execution related topics.

The ICFR process is based on the Committee of Sponsoring Organizations of the Treadway Commission framework and is an integrated part of Aker Carbon Capture's governance model. The ICFR process is risk-based and an important part of the financial reporting process which is carried out throughout the business activities of Aker Carbon Capture's subsidiaries and projects. The main priority through 2021 has been to assess the main risks across all processes and determine how to address the top risks in the financial reporting process. The process, including the outcome and suggested mitigating actions have been shared and aligned with the Audit Committee and the statutory auditor.

## 11. Remuneration of the Board of Directors

Board of Director remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker Carbon Capture's financial performance, and there are no option programs for any of the board members.

The annual general meeting determines board remuneration after considering recommendations by the company's Nomination Committee. Additional information on remuneration paid to individual board members for 2021 can be found in [Note 19](#) to the consolidated accounts.

## 12. Remuneration of Executive Management

The board has adopted separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Companies Act. The company's guidelines for remuneration to executive management are described in [Note 19](#) to the consolidated accounts and will also be presented to shareholders at the annual general meeting in the form of a supporting document.

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The employment contract of the Chief Executive Officer has been approved by the Board of Directors. The remuneration paid to the Chief Executive Officer is approved by the board after considering recommendations from the Chairman of the Board of Directors.

The Chief Executive Officer determines the remuneration payable to key executives in accordance with board guidelines. Aker Carbon Capture has no stock option programs. The remuneration for executive management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element.

Further information on remuneration for 2021 for individual members of Aker Carbon Capture's executive management can be found in [Note 19](#) to the consolidated accounts.

## 13. Information and communications

Aker Carbon Capture's reporting of financial and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the company website, [www.akercarboncapture.com](http://www.akercarboncapture.com). Stock exchange notices are also available at [www.newsweb.no](http://www.newsweb.no). The company organizes presentations in connection with its financial reporting. These meetings are generally broadcast directly via the internet (webcast). The company's financial calendar appears in the 2021 Annual Integrated Report and is published on Aker Carbon Capture's website.

## 14. Take-overs

The company does not have separate guidelines on how to respond in the event of a take-over bid. The Code of Practice recommends the adoption of such guidelines. Through his privately held TRG holding companies, Kjell Inge Røkke is the ultimate beneficial owner of Aker Horizons Holding AS, the company's

largest shareholder, holding more than 40 % of the shares in the company. In view of this, the Board of Directors has deemed separate take-over guidelines as recommended by the Code of Practice to be unnecessary.

## 15. Auditor

The auditor makes an annual presentation of the auditing plan to the board. Further, the auditor has provided the board with written confirmation that the requirement of independence is met.

The auditor participates in all meetings of the Audit Committee that deals with the annual accounts. The auditor reviews, with the board, any material changes in the company's accounting principles and assessments of material accounting estimates. There have been no disagreements between the auditor and management on any material issues.

The auditor reports to the Audit Committee on his assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the board. The Audit Committee receives a quarterly overview of services rendered by the auditor to the company. The Audit Committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2021 for both audit and other services is presented in Note 5 to the consolidated accounts. These details are also presented to the annual general meeting.



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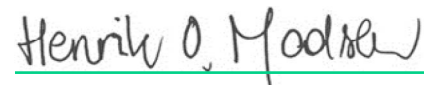
The board and Chief Executive Officer have today considered and approved the Annual Integrated Report and financial statements for the Aker Carbon Capture group and its parent company Aker Carbon Capture ASA for the year ended on 31 December 2021. The board has based this declaration on reports and statements from the group's Chief Executive Officer, Chief Financial Officer and on the results of the group's activities, as well as other information that is essential to assess the group's position which has been provided to the board of directors.

### To the best of our knowledge:

- The financial statements for 2021 for Aker Carbon Capture group and its parent company have been prepared in accordance with all applicable accounting standards.
- The information provided in the financial statements gives a true and fair portrayal of the group and its parent company's assets, liabilities, profit and overall financial position as of 31 December 2021.
- The Annual Integrated Report provides a true and fair overview of the development, profit and financial position of Aker Carbon Capture group and its parent company, as well as the most significant risks and uncertainties facing the group and the parent company.

Fornebu, 17 March 2022

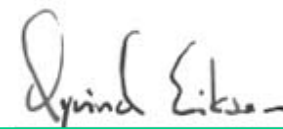
Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



**Henrik Overgaard Madsen**  
CHAIRMAN



**Kristian Røkke**  
BOARD MEMBER



**Øyvind Eriksen**  
BOARD MEMBER



**Nina Kristine Jensen**  
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**Linda Litlekalsøy Aase**  
BOARD MEMBER



**Valborg Lundegaard**  
CEO

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### Income statement

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
Revenues	4	363,177	15,801
Materials, goods and services		(332,814)	(9,955)
Salary and other personnel costs	12	(92,102)	(21,147)
Other operating expenses	5	(128,104)	(27,400)
<b>Operating profit (loss) before depreciation, amortization and impairment</b>		<b>(189,843)</b>	<b>(42,701)</b>
Depreciation and amortization	8, 9, 11	(5,346)	(1,881)
<b>Operating profit (loss)</b>		<b>(195,189)</b>	<b>(44,581)</b>
Financial income		3,149	462
Financial expenses		(659)	(341)
Foreign exchange gain (loss)		399	—
<b>Net financial items</b>		<b>2,889</b>	<b>121</b>
Profit (loss) before tax		(192,301)	(44,460)
<b>Tax benefit (expense)</b>	6	<b>—</b>	<b>—</b>
Profit (loss) for the period		(192,301)	(44,460)
Earnings (loss) per share in NOK (basic and diluted)	7	(0.33)	(0.09)

### Other comprehensive income

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
<b>Profit (loss) for the period</b>		<b>(192,301)</b>	<b>(44,460)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Translation differences - foreign operations		8	—
Other comprehensive income (loss)		8	—
<b>Total comprehensive income (loss)</b>		<b>(192,293)</b>	<b>(44,460)</b>

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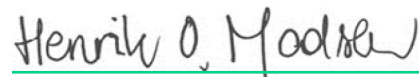
## Balance sheet


Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	7,732	2,610
Right-of-use assets	11	14,242	13,184
Intangible assets	9	11,292	3,792
<b>Total non-current assets</b>		<b>33,266</b>	<b>19,586</b>
<b>Current assets</b>			
Trade and other receivables	10	255,306	7,196
Cash and cash equivalents		1,321,270	457,699
<b>Total current assets</b>		<b>1,576,576</b>	<b>464,896</b>
<b>Total assets</b>		<b>1,609,841</b>	<b>484,481</b>

Equity and liabilities	Note	2021	2020
<b>Equity</b>			
Share capital		604,242	566,060
Other equity and reserves		472,034	(114,200)
<b>Total equity</b>	<b>13</b>	<b>1,076,276</b>	<b>451,860</b>
<b>Non-current liabilities</b>			
Pension liabilities	12	2,685	2,849
Non-current lease liabilities	11	6,091	9,272
<b>Total non-current liabilities</b>		<b>8,775</b>	<b>12,121</b>
<b>Current liabilities</b>			
Current lease liabilities	11	9,714	4,908
Trade and other payables	10	515,076	15,592
Total current liabilities		524,790	20,500
<b>Total equity and liabilities</b>		<b>1,609,841</b>	<b>484,481</b>

Fornebu, 17 March 2022  
Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA

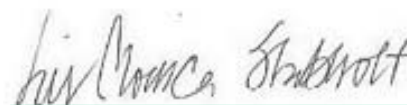
  
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Consolidated statement of changes in equity

Amounts in NOK thousand	Note	Share capital	Other paid-in capital	Other equity	Retained earnings	Currency translation reserve	Total equity
<b>2020</b>							
Profit (loss) for the period		—			(44,460)	—	<b>(44,460)</b>
Other comprehensive income		—			—	—	—
<b>Total other comprehensive income</b>		—	—	—	<b>(44,460)</b>	—	<b>(44,460)</b>
Equity as of 8 July 2020 (incorporation)		30		—	—	—	<b>30</b>
Reduction of shares		(30)		—	—	—	<b>(30)</b>
Contribution-in-kind		271,943	240,057	—	—	—	<b>512,000</b>
Share issue		294,118	205,882	—	—	—	<b>500,000</b>
Transaction costs, share issue		—	(12,489)	—	—	—	<b>(12,489)</b>
Loss on sale of Treasury Shares		—	(558)	—	—	—	<b>(558)</b>
Continuity difference	16	—		(502,633)	—	—	<b>(502,633)</b>
<b>Equity as of 31 December 2020</b>		<b>566,060</b>	<b>432,893</b>	<b>(502,633)</b>	<b>(44,460)</b>	—	<b>451,860</b>
<b>2021</b>							
Profit (loss) for the period		—		—	(192,301)	—	<b>(192,301)</b>
Other comprehensive income		—		—	—	8	<b>8</b>
<b>Total other comprehensive income</b>		—	—	—	<b>(192,301)</b>	<b>8</b>	<b>(192,293)</b>
Share issue		38,182	801,818	—	—	—	<b>840,000</b>
Transaction costs, share issue		—	(23,291)	—	—	—	<b>(23,291)</b>
<b>Equity as of 31 December 2021</b>		<b>604,242</b>	<b>1,211,419</b>	<b>(502,633)</b>	<b>(236,761)</b>	<b>8</b>	<b>1,076,276</b>

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## Cash flow statement

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
Profit (loss) before tax		(192,301)	(44,460)
<b>ADJUSTMENT FOR:</b>			
Depreciation		5,346	1,881
Changes in current operating assets and liabilities		243,039	308
Accrued interest and foreign exchange		596	16,728
<b>Cash flow from operating activities</b>		<b>56,680</b>	<b>(25,545)</b>
Acquisition of property, plant and equipment		(5,341)	(376)
Payments for capitalized development		(7,769)	(2,142)
<b>Cash flow from investing activities</b>		<b>(13,110)</b>	<b>(2,518)</b>
Payment of lease liability		(4,888)	(1,192)
Proceeds from share issues		840,000	500,000
Transaction costs related to share issues		(15,112)	(12,489)
Purchase of treasury shares		—	(1,859)
Proceeds from sale of treasury shares		—	1,302
<b>Cash flow from financing activities</b>		<b>820,000</b>	<b>485,762</b>
<b>Net cash flow in the period</b>		<b>863,571</b>	<b>457,699</b>
Cash and cash equivalent at the beginning of the period		457,699	—
<b>Cash and cash equivalent at the end of the period</b>		<b>1,321,270</b>	<b>457,699</b>



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## Notes to the consolidated financial statements

### NOTE 1 Company information

Aker Carbon Capture ASA is a limited liability company incorporated and domiciled in Norway and whose shares are traded on Oslo Stock Exchange. The registered office is located at Oksenøyveien 8, Bærum, Norway. The largest shareholder is Aker Horizons Holding AS and the ultimate parent company is The Resource Group TRG AS.

The consolidated financial statements of Aker Carbon Capture ASA and its subsidiary (collectively referred as Aker Carbon Capture or the group, and separately as group companies) for the year ended 31 December 2021 were approved by the Board of Directors and CEO on 17 March 2022. The consolidated financial statements will be authorized by the Annual General Meeting on 19 April 2022.

Aker Carbon Capture is a global provider of products, technology and solutions within the field of carbon capture, utilization and storage, and is one of the few companies globally that are involved in the entire CCUS value chain. The main office is at Fornebu, Norway. On 26 August 2020, the Company was made available for trading on Euronext Growth (Oslo) under the ticker ACC-ME, on 18 June 2021 the company transferred from Euronext Growth (Oslo) to Oslo Stock Exchange (Oslo Børs). The company now trades under the ticker ACC.

Information on the group's structure is provided in Note 17 Group companies.  
Information on other related party relationships of the group is provided in Note 18 Related parties.

### NOTE 2 Basis of preparation

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2021.

#### Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis.

### Functional and presentation currency

The consolidated financial statements are presented in NOK, which is Aker Carbon Capture ASA's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except when otherwise stated. The subtotals and totals in some of the tables in these consolidated financial statements may not equal the sum of the amounts shown due to rounding. When the functional currency in a reporting unit is changed, the effect of the change is accounted for prospectively.

### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

### Cash flow statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

### Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the group has not early adopted the new or amended standards in preparing these consolidated financial statements and they are not expected to have a significant impact on the group's consolidated financial statements.

### Judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions each reporting period that affect the income statement and balance sheet. The accounting estimates will by definition seldom precisely match actual results. The main areas where judgements and estimates have been made are described in each of the following notes:

Note 4 Revenue

Note 6 Tax

Note 11 Leases

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## NOTE 3 Segments

The Aker Carbon Capture Group focuses on projects within renewable energy and decarbonization, circular economy and disruptive technologies

### Accounting principles

Operating segments are components of the Group regularly reviewed by the chief operating decision maker to assess performance and be able to allocate resources. The Group's CEO (Chief Executive Officer) is the chief decision maker at Aker Carbon Capture, and the business is defined as one operating and reportable segment. The accounting principles of the reporting segments are the same as described in this Annual Integrated Report.

The Aker Carbon Capture segment offers products, technology and solutions within the field of carbon capture, utilization and storage ("CCUS"). The segment mainly operates as a supplier within the CCUS value chain, with a core focus on supplying the solutions and technology which together comprise a carbon capture plant and the downstream processing and management of CO<sub>2</sub>. These solutions and services are provided to plant owners and operators across various industries, including energy production.

### Major customer

The Group has a contract in place for carbon capture and storage services with one major customer. The operating revenue, in both 2021 and 2020, was mainly related to this contract.

### Geographical information

All external revenue and non-current segment assets and capital expenditures were generated in Norway for the period ending 31 December 2021.

## NOTE 4 Revenue

The revenue in Aker Carbon Capture relates to delivery of technology, engineering, procurement and construction services within the carbon capture, storage and utilization ("CCUS") value chain, with a core focus on supplying the solutions and technology which together comprise a carbon capture plant and the downstream processing and management of CO<sub>2</sub> (including capture, compression, liquefaction and intermediate storage at site). Project execution is a key component of all deliveries. Deliveries include studies, Front End Engineering and Design (FEED) contracts, as well as full scale Engineering, Procurement and Construction (EPC) contracts related to the full carbon capture value chain. This will typically include services related to capturing, compression, liquefaction and storing carbon.

### Nature of performance obligations, including significant payment terms Construction contracts

Under construction contracts, specialized products are built for a specific customer and the assets have no alternative use to the group. If a construction contract is terminated by the customer, the group has an enforceable right to payment for the work completed to date. The contracts usually establish a milestone payment schedule. The group has assessed that these performance obligations are satisfied over time.

### Service revenue

Service revenue is generated from rendering of services to customers. The invoicing is usually based on the service provided on a regular basis. Under some service contracts, the invoices are based on hours or days performed at agreed rates. The Group has assessed that these performance obligations are satisfied over time.

Each contract is usually assessed as one performance obligation as the deliveries are combined in one output. Payment terms are normally 30-90 days according to predefined milestones, or as time and materials have been delivered.

### Accounting principles

Revenue from performance obligations is recognized according to progress. The progress is measured using an input method that best depicts the group's performance. The input method used to measure progress is determined by reference to the costs incurred to date relative to the total estimated contract costs. Revenue in excess of costs is not recognized until the outcome of the performance obligation can be measured reliably.

Variable considerations, such as incentive bonus or penalties, are included in construction revenue when it is highly probable that a significant revenue reversal will not occur. Potential penalty for liquidated damages is recognized as a reduction of the transaction price unless it is highly probable that it will not be incurred. Disputed amounts and claims are only recognized when negotiations have reached an advanced stage, customer acceptance is highly likely and the amounts can be measured reliably. Contract modifications, usually in form of variation orders, are only accounted for when they are approved by the customers.



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## Types of contracts

In 2021, revenues were mainly related to the EPC-delivery to Norcem Heidelberg Cement (Brevik CCS project) of a complete plant for capture, intermittent storage and offloading of CO<sub>2</sub>, with integrated waste-heat recovery. The plant is scheduled to be in operation in 2024. At the end of 2021, the group started up the work on the Twence Just Catch EPC project. In addition, revenue recognized during 2021 related to various studies, FEEDs and mobile test unit campaigns.

Amounts in NOK thousand	2021	8 Jul - 31 Dec 2020
Construction revenue	338,442	—
Service revenue	24,735	15,801
<b>Total</b>	<b>363,177</b>	<b>15,801</b>

## Timing of revenue

The performance obligations in customer contracts vary from a few months to as long as five years. The order backlog as of 31 December 2021, was NOK 1.9 billion, mainly consisting of the Brevik CCS EPC project, Twence Just Catch EPC project, and Net Zero Teesside FEED. The revenue is expected to be recognized over the years 2022-2024.

## Contract balances

The company has recognized the following assets and liabilities related to contracts with customers:

Amounts in NOK thousand	Note	2021	2020
Trade receivables	10	236,834	5,171
Customer contract assets	10	6,340	191
Customer contract liabilities	10	(330,938)	(1,395)
<b>Total</b>		<b>(87,764)</b>	<b>3,967</b>

Customer contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to trade receivables when the right to payment become unconditional, which usually occurs when invoices are issued to the customers. Customer contract liabilities relate to advances from customer for work not yet performed.

## NOTE 5 Expenses

### Other operating expenses by nature

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
IT Services		13,360	3,206
External consultants and hired-ins inclusive audit fees <sup>1,2</sup>	18	103,921	22,031
Other operating expenses		10,823	2,163
<b>Total</b>		<b>128,104</b>	<b>27,400</b>

<sup>1</sup> See note 18 for information about hired-ins from related parties

<sup>2</sup> 2020 amount is net of funding from customers and government institutions

### Fees to KPMG

Amounts in NOK thousand	Aker Carbon Capture ASA		Other group companies		Total	
	2021	2020	2021	2020	2021	2020
Audit	250	150	167	134	417	284
Other assurance services <sup>1</sup>	458	159	14	22	473	181
<b>Total</b>	<b>708</b>	<b>309</b>	<b>181</b>	<b>156</b>	<b>890</b>	<b>465</b>

<sup>1</sup> Other assurances services in Aker Carbon Capture ASA in 2020 of NOK 137 thousand relates to listing process on Euronext Growth and is reported directly to equity.

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## NOTE 6 Tax

### Accounting principles

Income tax in the income statement consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date that will be paid during the next 12 months. Current tax also includes any adjustment of taxes from previous years and taxes on dividends recognized in the year.

### Deferred tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognized for goodwill identified in business combinations. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences. The deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available to utilize the credits.

### Judgements and estimates

Income tax expense is calculated based on reported income in the different legal entities. Deferred income tax expense is calculated based on the temporary differences between the assets' carrying amount for financial reporting purposes and their respective tax basis. The total amount of income tax expense and allocation between current and deferred income tax requires management's interpretation of complex tax laws and regulations in the tax jurisdictions where the group operates.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Neither the Company nor any taxable subsidiaries existed before 8 July 2020 when the Company was incorporated. No net taxable income has been reported for the years presented and no deferred tax assets have been recognized as uncertainty for future taxable income exists.

## Effective tax reconciliation

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020		
Profit before tax		(192,301)	(44,460)		
Expected tax rate		42,306	22.0%	9,781	22.0%
Tax effects of:					
Permanent differences		5,185	2.7%	2,528	5.6%
Effect of different tax rates		(119)	(0.1)%	—	0.0%
Tax effect loss on sale of treasury shares		—	0.0%	123	0.3%
Difference due to continuity method <sup>1</sup>		13,471	7.0%	5,613	12.6%
No recognition of deferred tax assets		(60,844)	(31.6)%	(18,045)	(40.6)%
<b>Total income tax benefit (expense)</b>		<b>—</b>		<b>—</b>	

<sup>1</sup> The acquisition of business from Aker Solutions in July 2020 is recognized at fair values in statutory accounts, see note 16 Acquisition of business.

## Deferred tax position

Amounts in NOK thousand	2021	2020
Projects under construction	(16,535)	—
Property, plant and equipment	(3,699)	(2,447)
Intangible assets	(13,124)	(19,726)
Other liabilities	2,536	—
Tax loss carry forwards	386,701	101,349
Pension	2,685	2,849
<b>Total deferred tax positions</b>	<b>358,563</b>	<b>82,025</b>
Not recognized in the balance sheet <sup>1</sup>	(358,563)	(82,025)
<b>Deferred tax asset (liability)</b>	<b>—</b>	<b>—</b>

<sup>1</sup> No deferred tax has been recognized as the companies are newly founded and have no history of taxable profits

As of 31 December 2021, the subsidiary Aker Carbon Capture Norway AS had an additional NOK 401 million (2020: NOK 456 million) in tax reducing temporary differences not reflected in the table above, representing the difference between the book values and tax values on assets acquired from Aker Solutions in July 2020.

NOK 379 million of tax loss carry forwards is related to Norwegian entities, and there are no expiry date on these losses.

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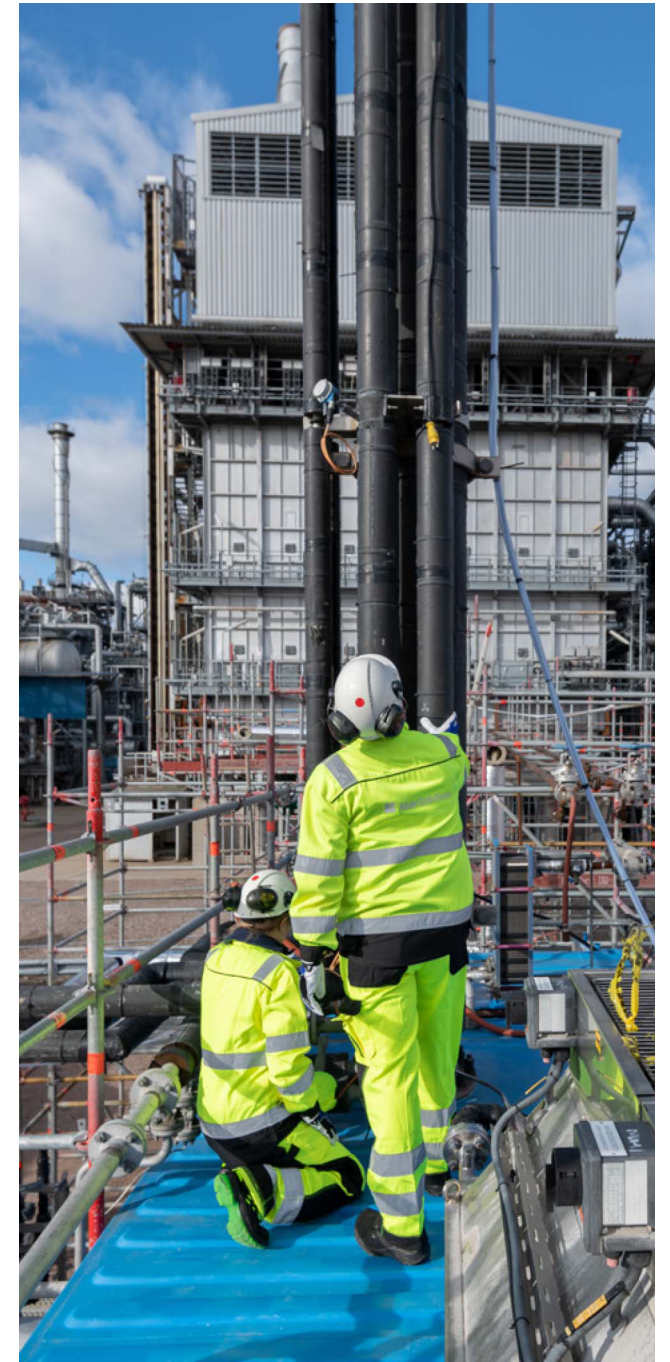
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## NOTE 7 Earnings per share

Aker Carbon Capture ASA holds 604,242,218 ordinary shares as of 31 December 2021. The company holds no treasury shares.

Amounts in NOK thousand	2021	8 Jul - 31 Dec 2020
Profit (loss) for the period	(192,301)	(44,460)
<b>BASIC/ DILUTED EARNINGS PER SHARE (NOK)</b>		
Issued ordinary shares at 1 January	566,060,400	—
Issued ordinary shares at incorporation	—	30
Effect of shares issued in July 2020	—	21,631,784
Effect of shares issued in August 2020	—	447,059,066
Effect of shares issued in August 2021	14,749,689	—
<b>Weighted average number of issued ordinary shares for the year</b>	<b>580,810,089</b>	<b>468,690,880</b>
<b>Earnings (loss) per share in NOK (basic and diluted)</b>	<b>(0.33)</b>	<b>(0.09)</b>



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## NOTE 8 Property, plant and equipment

Property, plant and equipment consists of the Mobile Test Unit (MTU) for carbon capture and capitalized IT equipment.

### Accounting principles

Property, plant and equipment (PPE) is stated at cost less accumulated depreciation and impairment losses. Components of property, plant and equipment with different useful lives are accounted for separately. Assets are normally depreciated on a straight-line basis over their expected economic lives as follows:

- Machinery: 5-8 years
- IT Equipment: 3 years

Impairment triggers are assessed at the end of the reporting period, and impairment testing is performed when triggers have been identified. The cost of self-constructed assets includes the cost of materials, direct labour, production overheads and borrowing cost.

### Judgments and estimates

Judgment is involved when determining the depreciation period and when assessing impairment or reversal of impairment. Impairment is assessed for individual assets and for cash generating units. The impairment testing involves judgmental assumptions about future market development, cash flows, determination of weighted average cost of capital (WACC), growth rate and other assumptions that may change over time.

Amounts in NOK thousand	Note	Machinery and equipment
<b>Historical cost</b>		
Acquired in business combination	3	2,234
Additions		376
<b>Balance as of 31 December 2020</b>		<b>2,610</b>
Balance as of 1 January 2021		2,610
Additions		5,341
<b>Balance as of 31 December 2021</b>		<b>7,951</b>
<b>Accumulated depreciation</b>		
Depreciation for the year <sup>1</sup>		—
<b>Balance as of 31 December 2020</b>		<b>—</b>
Depreciation for the year		(218)
<b>Balance as of 31 December 2021</b>		<b>(218)</b>
<b>Book value as of 31 December 2020</b>		<b>2,610</b>
<b>Book value as of 31 December 2021</b>		<b>7,732</b>

<sup>1</sup> The additions relate to on-going upgrades and no depreciation has been recognized in the period.

The group has per 31 December 2021 not entered into any contractual commitments for the acquisition of property, plant and equipment.

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## NOTE 9 Intangible assets

Intangible assets mainly relate to development costs capitalized for the Group's carbon capture technologies, and cost related to the digitalization program.

### Accounting principles Capitalized development

Development costs are only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. Capitalized development mainly includes internal labor costs in addition to materials for the development program. Any third-party funding is presented as a reduction of the capitalized amount. The capitalized development is normally amortized over five years on a straight-line basis, but certain programs with a clear differentiating offering and a longer economic benefit may be amortized up to seven years. For development projects in progress, a full impairment test is performed annually or when impairment indicators are identified. Assets are written down to recoverable amount, if lower than book value.

### External funding of research and development activities

Research and development activities carried out by the Group may qualify for funding i.e. from government institutions. Such funding is recognized when there is a reasonable assurance that the entity will comply with the relevant conditions and the funding will be received. The funding is to be recognized in profit or loss on a systematic basis as the entity recognizes the expenses they are intended to compensate and is reporting as a reduction of these expenses. If the research and development activities that are carried out qualifies to be recognized in the balance sheet, then the funding is reported as reduction of the capitalized amount.

### Judgments and estimates

The value in use of some of the intangible assets can be significantly impacted by changes of market conditions. The Group considers whether there are indications of impairment on the carrying amounts of such non-current assets. If such indications exist, an impairment test is performed to assess whether the assets should be impaired. The valuations, often determined by value in use calculations, will often be performed based on estimates of future cash flows discounted by an appropriate discount rate. The market capitalization of the Group per the reporting date 2021 further support management's assumption that the fair value of the Group's intangible assets exceeds the carrying values. Significant estimates and judgments made by the management includes discount rate projections for future cash flows and assumptions of future market conditions.

Amounts in NOK thousand	Note	Capitalized development costs
<b>Historical cost</b>		
Acquired in business combination		1,650
Additions		2,142
<b>Balance as of 31 December 2020</b>		<b>3,792</b>
Balance as of 1 January 2021		3,792
Additions		7,769
<b>Balance as of 31 December 2021</b>		<b>11,561</b>
<b>Accumulated depreciation</b>		
Amortization for the year <sup>1</sup>		—
<b>Balance as of 31 December 2020</b>		<b>—</b>
Amortization for the year		(269)
<b>Balance as of 31 December 2021</b>		<b>(269)</b>
<b>Book value as of 31 December 2020</b>		<b>3,792</b>
<b>Book value as of 31 December 2021</b>		<b>11,292</b>

<sup>1</sup> The additions relate to on-going upgrades and no depreciation has been recognized in the period.

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## Research and development costs

Aker Carbon Capture's research and development activities relate to the enhancement of the Group's CO<sub>2</sub> emission removal technology which can be applied to existing plants or new builds. The proprietary carbon capture process uses a mixture of water and organic amine solvents to absorb the CO<sub>2</sub>. This process can be applied on emissions from various sources, from gas, coal, cement, refineries, and waste-to-energy through to hydrogen and other process industries.

NOK 7,769 thousand has been capitalized in 2021 (3,792 in 2020) related to development activities. In addition, NOK 73,998 thousand in research and development costs were expensed during the year because the criteria for capitalization are not met. Further, the Group has received external funding of research and development costs that has been recognized as a reduction of costs in the income statement.

Amounts in NOK thousand	2021	2020
Capitalized research and development cost	7,769	2,142
Expensed research and development cost	73,998	—
<b>Total research and development spend</b>	<b>81,767</b>	<b>2,142</b>
External funding of research and development cost	(24,545)	(20)

## NOTE 10 Current operating assets and liabilities

### Accounting principles

#### Current operating assets

Trade and other receivables are recognized at the original invoiced amount, less impairment losses. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used. Impairment losses are estimated based on the expected credit loss method (ECL) for trade receivables, contract assets (with or without a significant financing component) and other receivables.

#### Current operating liabilities

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used.

## Judgments and estimates

Judgment is involved when determining the impairment losses on doubtful receivables. The impairment is based on individual assessments of each customer and default risk in the industry and the country in which the customer operates. The customers of the Group are mainly large companies with low credit risk, and no material impairment losses have been recognized for the reporting periods presented.

## Trade and other receivables

Amounts in NOK thousand	Note	2021	2020
Trade receivables	4	236,834	5,171
Customer contract assets	4	6,340	191
Public duties and taxes refund		—	1,835
Other receivables		8,956	—
Prepaid expenses		2,542	—
Derivative financial instruments		634	—
<b>Total</b>		<b>255,306</b>	<b>7,196</b>

## Trade and other payables

Amounts in NOK thousand	Note	2021	2020
Contract liabilities	4	330,938	1,395
Accrued operating expenses		133,186	991
Other current liabilities		2,898	—
Public duties and taxes		31,114	—
Trade payables		16,939	13,205
<b>Total</b>		<b>515,076</b>	<b>15,592</b>

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## NOTE 11 Leases

In 2020, the Group entered into a property lease contract for its offices at Fornebu, Norway. See note 18 Related parties for more information about the lease contract. No other material lease agreements existed for previous periods presented.

### Accounting principles

The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-of-use asset is depreciated over the lease term and is subject to impairment testing. The cash outflows for leases under IFRS 16 is presented as repayment of lease liabilities within financing activities in the cashflow statement. Interest paid is still classified as cash outflows within operating activities.

### Judgments and estimates

The property lease, in which the group is a lessee, contain extension or termination options exercisable before the end of the noncancellable period. These options are used to provide operational flexibility for the group. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The most relevant factors to be considered as "creating economic incentive" include significant leasehold improvement, alternatives for the leased property and the costs and business disruption required to replace the leased assets.

The lease term assessment requires management's judgment and is made at the commencement of the leases. The lease term is reassessed if an option is actually exercised or the group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the group's control.

## Right-of-use assets (ROU)

Amounts in NOK thousand	2021	2020
Historical cost		
Balance 1 January	15,065	—
Additions and remeasurement	5,916	15,065
<b>Total</b>	<b>20,981</b>	<b>15,065</b>
Accumulated depreciation		
Balance 1 January	(1,881)	—
Depreciation	(4,859)	(1,881)
<b>Total</b>	<b>(6,740)</b>	<b>13,184</b>
<b>Book value 31 December</b>	<b>14,242</b>	<b>13,184</b>

## Lease liability

Amounts in NOK thousand	2021	2020
Balance 1 January	14,181	—
Additions and remeasurement	5,916	15,065
Lease payments	(4,888)	(1,192)
Accrued interest	596	308
<b>Total</b>	<b>15,805</b>	<b>14,181</b>
Current lease liability	9,714	4,908
Non-current lease liability	6,091	9,272

## Maturity lease liabilities

Amounts in NOK thousand	2021	2020
Maturity within one year	9,714	4,908
Maturity 1-5 years	6,476	10,333
Maturity later than 5 years	—	—
<b>Total undiscounted lease liability</b>	<b>16,190</b>	<b>15,241</b>

## Expenses related to short-term and low-value assets

Amounts in NOK thousand	2021	2020
Expenses related to short term leases and low value assets	784	23

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## NOTE 12 Employee benefits

### Accounting principles

A defined contribution plan is a type of retirement plan where the employer makes contributions on a regular basis to the employees individual pension account. The benefits received by the employee are based on the employer contributions and gains or losses from investing the capital. Contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

### The Group's pension plans

The company does not have any defined benefit plans.

### Defined Contribution Plan

All employees are offered participation in a defined contribution plan. The annual contributions expensed for the Norwegian plans in 2021 were NOK 3,387 thousand. The estimated contribution expected to be paid in 2022 is NOK 3,560 thousand.

### Compensation plan

Employees in Aker Carbon Capture that were employed by Aker Solutions in 2008 when the company changed to defined contribution plan, are part of a compensation plan. The compensation amount is adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. The compensation plan is an unfunded plan and is calculated using a earned balance method.

### Tariff based pension agreement (AFP)

Employees in Norway have a tariff based lifelong retirement arrangement (AFP) organized by the main labor unions and the Norwegian state. The pension can be withdrawn from the age of 62. The information required to estimate the pension obligation from this defined benefit plan is not available from the plan administrator. Aker Carbon Capture therefore currently accounts for the plan as if it was a defined contribution plan. The company will account for it as a defined benefit plan if information becomes available from the plan administrator.

## Salary and other personnel costs

Amounts in NOK thousand	2021	Jul 8 - Dec 31 2020
Salaries and wages	76,566	21,147
Social security costs	10,138	2,767
Pension costs	4,651	960
Other employee benefits	747	164
<b>Total salary and other personnel costs</b>	<b>92,102</b>	<b>25,038</b>

The company has 70 full-time employees as of 31 December 2021.

## Total pension liability

Amounts in NOK thousand	2021	2020
Compensation plan	2,685	2,849
<b>Total</b>	<b>2,685</b>	<b>2,849</b>



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## NOTE 13 Capital and reserves

### Share capital

The total number of outstanding shares in Aker Carbon Capture ASA at 31 December 2021, is 604,242,218 at a par value of NOK 1.00 per share. All issued shares are fully paid. Aker Carbon Capture ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at general meetings.

### Other paid-in capital

Other paid-in capital include share premium net of transaction costs.

### Other equity

Other paid-in capital include negative NOK 502,633 thousand in continuity difference from the common control transaction.

### Currency translation reserve

The foreign currency translation reserve comprises the aggregate effect since incorporation or acquisition of translating the equity of subsidiaries that have a functional currency different than its parent company to the currency of the parent company, including the Group's share of joint venture and associate foreign exchange variations.

## NOTE 14 Capital management

The objective of Aker Carbon Capture's capital management is to optimize the capital structure to ensure sufficient and timely funding over time to finance its activities at the lowest cost, in addition to investing in projects and technology which will increase the Group's return on capital employed over time.

### Investment policy

Aker Carbon Capture's capital management is based on a rigorous investment selection process which considers the weighted average cost of capital and strategic orientation in addition to external factors such as market expectations and extrinsic risk factors.

### Liquidity planning

Aker Carbon Capture has a strong focus on its liquidity situation in order to meet its short-term working capital needs. Aker Carbon Capture had a liquidity reserve at 31 December 2021 of NOK 1,321 million in cash and cash equivalents, compared to 458 million at 31 December 2020. A total of NOK 3.3 million of outstanding cash and cash equivalents as of 31 December 2021 was related to withholding taxes.

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## NOTE 15 Financial risk management and exposure

The objective of financial risk management is to manage exposure from financial risks, to increase predictability of earnings and minimize potential adverse effects on financial results and performance. The Group is or may be exposed to a variety of financial market risks, such as currency risk, credit risk, interest rate risk, liquidity risk and capital risks, as well as risks associated with access to and terms of financing.

### Risk management

Aker Carbon Capture has implemented a risk-based management system with clear policies and procedures to facilitate risk management. The overarching governance policy requires the Group to ensure active identification and management of risks in activities to ensure safe operations and achievement of strategic objectives. This risk-based approach has been adopted across all company policies and further operationalized through the Group's Enterprise Risk, Quality Operations, and ICFR procedures. Through these governing processes, Aker Carbon Capture control risks, effectuate risk reducing measures, systematically identify business opportunities, increase the effect of improvement efforts, and ensures quality of internal and external reporting. Risk management of financial exposures is performed in every contract and is the responsibility of the project manager. The project manager cooperates with relevant finance managers to identify, evaluate and perform necessary hedging and mitigating actions when necessary.

### Currency risk

Aker Carbon Capture have limited currency exposures in current customer contracts but expect this to increase going forward with the projected international growth. Aker Carbon Capture will thus will be exposed to currency risk on commercial transactions, recognized assets and liabilities and net investments in foreign operations. Commercial transactions and recognized assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the Group.

The policy requires that all projects hedge their net exposure. Aker Carbon Capture manages the currency risk in the tender period by including currency clauses in the tender, by entering into currency options or by adding a contingency in the tender price to cover for potential currency fluctuations.

### Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations.

### Trade receivables and contract assets

Assessment of credit risk related to customers and subcontractors is an important requirement in the bid phase and throughout the contract period. Such assessments are based on credit ratings, income statement and balance sheet reviews and using

credit assessment tools available (e.g. Dun & Bradstreet). Revenues are mainly related to large and long-term projects closely followed up in terms of payments up front and in accordance with agreed milestones. Normally, lack of payment would be due to disagreements and related to project deliveries and would be solved together with the customer.

### Measurement of expected credit losses (ECLs)

Impairment is assessed using the expected credit loss (ECL) method for financial assets. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation to the Group in full. ECLs are estimated probability-weighted net present value of future expected credit losses. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances are always measured at an amount equal to lifetime ECLs. At each reporting date, the Group assesses whether any financial assets are credit impaired. Evidence that a financial asset is credit-impaired includes when invoices are more than 90 days past due without agreed postponement, knowledge of significant financial difficulty of the customer or debtor or other forward-looking information. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

### Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity reserves to meet its liabilities when due.

### Price risk

The Group is exposed to inflation and fluctuations in market prices in the operational areas related to contracts, including changes in market prices for raw materials, equipment and development in wages. These risks are to the extent possible managed in bid processes by locking in committed prices from vendors as a basis for offers to customer and through escalation clauses with customers.

### Climate-related risk

Aker Carbon Capture is exposed to climate-related risks mainly due to its sites, logistics and supply chain. The climate-related financial risks for Aker Carbon Capture range from both physical acute and chronic ones, to regulatory, and technological. Even though the overall climate-related risk is low, effective assessment and analysis of climate-related risks and opportunities are critical to understanding their potential impacts on asset valuations, revenue, investment needs, and hence financial resilience of the company. To successfully identify and manage climate-related risks and opportunities, Aker Carbon Capture used the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The results of this assessment inform Aker Carbon

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Capture's strategy, investments, financial planning, valuations and allow stakeholders to comprehend Aker Carbon Capture's financial ramifications of climate-related exposure. Full Aker Carbon Capture's TCFD report can be found in the appendix.

## Guarantees

Aker Carbon Capture ASA has entered into a parent company guarantee related to project performance on behalf of group companies. In addition, Aker Carbon Capture Norway AS has entered into a NOK 750 million Advance Payment Guarantee facility. According to the advanced payment facility, the group has an obligation to ensure that it has sufficient cash or cash equivalents, whereby the total cash and cash equivalents held by the group shall be at least equal to 25% of any outstanding guarantees under the guarantee facility, and in any event, minimum NOK 100 million.

Although guarantees are financial instruments, they are considered contingent obligations and the notional amounts are not included in the financial statements.

## NOTE 16 Acquisition of business

Acquisition of Carbon Capture business from Aker Solutions. On 17 July 2020, an Asset Purchase Agreement with Aker Solutions was entered into for the acquisition of personnel, technology (including know-how) and intellectual property rights, the MTU, as well as its project and tender portfolio in the CCUS business, together with other industry projects/engagements. Approximately 20 employees were transferred as part of the deal. Purchase price was NOK 512 million.

The transaction was booked as a common control transaction out of scope from IFRS 3 Business Combinations, as Aker Solutions were the sole shareholder at the time of the transaction. This means that Aker Solutions' book values of acquired assets and liabilities are continued in Aker Carbon Capture consolidated accounts. The difference between the fair value of the transaction and the net assets acquired has been booked as continuity difference towards equity.

## Fair value of acquired assets and liabilities

Amounts in NOK thousand	Book value	Fair value adjustment <sup>1</sup>	Fair value
Property, plant and equipment	2,234	—	2,234
Intangible assets	1,650	502,633	504,283
Trade receivables and other short term assets	6,830	—	6,830
Trade payables and other short term liabilities	(1,347)	—	(1,347)
<b>Total</b>	<b>9,367</b>	<b>502,633</b>	<b>512,000</b>

<sup>1</sup> The fair value adjustments have been booked towards equity as continuity difference in a common control transaction.

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## NOTE 17 Group companies

### Accounting principles

The consolidated statements include all entities controlled by Aker Carbon Capture ASA. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

### Group companies

If not stated otherwise, ownership equals the percentage of voting shares.

Company	Location	Country	2021 Ownership	2020
Aker Carbon Capture Norway AS	Oslo	Norway	100%	100%
Aker Carbon Capture Denmark A/S	Copenhagen	Denmark	100%	—
Aker Carbon Capture UK Ltd	Leeds	UK	100%	—



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## NOTE 18 Related parties

### Accounting principles

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with Aker Carbon Capture that would not necessarily be undertaken between unrelated parties.

Aker Carbon Capture ASA at 31 December 2021 is a parent company with control of the group entities as listed in note 17 Group companies. Any transactions between the parent company and the group entities are eliminated in the consolidated financial statements.

Remunerations and transactions with directors and executive officers are summarized in note 19 Management remuneration.

The largest shareholder of Aker Carbon Capture ASA is Aker Horizons Holding AS (previously Aker Horizons AS) which in turn is controlled by Kjell Inge Røkke through Aker ASA, TRG Holding AS and The Resource Group TRG AS. The Resource Group TRG AS is the ultimate parent company of Aker Carbon Capture ASA. In this respect, all entities controlled by Aker ASA and entities which Kjell Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Carbon Capture ASA and referred to as "Aker entities" in the table below.

### Agreements with related parties to Aker

#### Aker Solutions

##### Global frame agreement

On 31 July 2020, the three Global Frame Agreements with Aker Solutions were entered into for (i) provision of fabrication services; (ii) provision of technical services, including engineering services; and (iii) for personnel hire. The purpose of these agreements is to ensure access to capabilities and manpower while maintaining needed flexibility in the cost base following the Separation. All agreements are subject to a 5-year term with an option to renew for 3 + 3 years. The contract for provision of technical services includes an exclusivity provision. Also, the same parties have on the same date agreed on a roadmap for the purpose of negotiating and agreeing on a framework agreement for the provision of engineering, procurement, construction and management assistance based on an alliance model.

##### Brevik CCS project

On 22 December 2020, Aker Carbon Capture awarded Aker Solutions a contract for engineering, procurement and management assistance services to realize the carbon capture plant at the Brevik cement factory in southern Norway.

### Agreements with Aker entities

#### Aker Horizons Holding AS

Aker Carbon Capture has entered into a cooperation and shared service agreement with Aker Horizons Holding AS. The agreement includes finance and accounting services, business development and M&A support, and other support functions. Also, legal resources are seconded from Aker Horizons to Aker Carbon Capture. Further, the group has entered into a sublease agreement with Aker Horizons Holding AS for its headquarter offices at Fornebu. The contract term is two years starting 17 August 2020, with option for one additional year.

#### Aker ASA

The group has entered into an IT service agreement with Aker ASA for delivery of IT services to the group.

#### Aize/Cognite

The Group has entered into a multi-year cooperation with Cognite AS and Aize AS as part of the agenda to invest in Products, Services and R&D with the intent of developing software and associated processes to enable new ways of working along the entire CCUS value chain.

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## Significant related party transactions

Summary of transactions and balances with significant related parties

Amounts in NOK thousand	Aker entities	Related parties to Aker	Total
<b>2021</b>			
<b>Income statement</b>			
Revenues	88	3,497	3,585
Operating expenses	44,055	181,521	225,576
Net financial items (lease liability)	(596)	—	(596)
<b>Balance sheet</b>			
Trade and other receivables	—	2,060	2,060
Trade and other payables	11,249	1,067	12,316
Lease liabilities	14,181	—	14,181
<b>2020</b>			
<b>Income statement</b>			
Revenues	—	—	—
Operating expenses	(5,553)	(18,639)	(24,192)
Depreciations (ROU assets)	(1,881)	—	(1,881)
Net financial items (lease liability)	(308)	—	(308)
<b>Balance sheet</b>			
Right-of-use asset (ROU assets)	13,184	—	13,184
Trade and other payables	(2,106)	(5,473)	(7,579)
Lease liabilities	(14,181)	—	(14,181)

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## NOTE 19 Management remuneration

### Remuneration to the Board of Directors

Board member Oscar Fredrik Graff, through his firm Graff Consulting, received a payment of NOK 500 thousand in 2021 related to consultancy services performed in 2020 as part of the initial establishment of Aker Carbon Capture. The Board of Directors did not receive any other fees than the aforementioned payment and those listed in the table below. The members of the Board of Directors have no agreements that entitle them to any extraordinary remuneration.

The fees in the table below represent expenses recognized in the income statement based on assumptions about fees to be approved at the general assembly rather than actual payments made in the year.

Amounts in NOK thousand		Period	2021	Period	2020
Henrik Overgaard Madsen	Chairperson	Jan-Dec	533	Aug-Dec	167
Kristian Monsen Røkke <sup>1</sup>	Board member	Jan-Dec	307	Aug-Dec	125
Øyvind Eriksen <sup>1</sup>	Board member	Jan-Dec	307	Oct-Dec	75
Oscar Fredrik Graff	Board member	Jan-Dec	307	Oct-Dec	75
Nina Jensen <sup>2</sup>	Board member	Jan-Dec	307	Oct-Dec	75
Liv Monica Stubholt	Board member	May-Dec	207	NA	—
Linda Litlekalsøy Aase <sup>1</sup>	Board member	Jun-Dec	181	NA	—

<sup>1</sup> According to policy in Aker, fees to directors employed in Aker companies are paid to the Aker companies, not to the directors in person. Accordingly, the fees allocated to Øyvind Eriksen, Kristian Monsen Røkke and Linda Litlekalsøy Aase will be paid to their respective employer companies

<sup>2</sup> 50 percent of the fee is paid to employer company REV Ocean AS

### Audit Committee

Aker Carbon Capture has an Audit Committee comprising two directors, which held six meetings in 2021. As of 31 December 2021, the Audit Committee comprises Liv Monica Stubholt (chairperson) and Kristian Monsen Røkke.

Amounts in NOK thousand		Period	2021
Liv Monica Stubholt	Chairperson	Jun-Dec	105
Kristian Monsen Røkke <sup>1</sup>	Committee member	Jun-Dec	60

<sup>1</sup> According to policy in Aker, fees to Audit Committee members in Aker companies are paid to the Aker companies, not to the directors in person. Accordingly, the fees allocated to Kristian Monsen Røkke will as per Aker policies be paid to Aker Horizons Holding AS.

### Remuneration to the executive management team

The total remuneration to the executive management team consists of a fixed base salary, employee benefits and variable pay programs. The executive management team participates in the standard pension and insurance schemes applicable to all employees.

The variable pay program for the CEO and other members of the management team is based on the achievement of company specific objects, as well as individual performance objectives. The variable payment is earned over a period of one year and the maximum achievable payment is 100% of annual base salary for the CEO and between 40-70% for the other members of the executive management team.

Other benefits include membership in the standard employee benefit scheme and an additional executive group life and disability insurance.

Amounts in NOK thousand	Job title	Base salary	Variable pay	Other benefits	Total taxable remuneration	Pension benefit earned
<b>2021</b>						
Valborg Lundegaard <sup>1</sup>	Chief Executive Officer	3,406	3,330	30	6,766	96
Egil Fagerland <sup>2</sup>	Chief Financial Officer	1,129	951	6	2,086	63
Pernille Brente <sup>3</sup>	General Counsel	1,426	510	32	1,968	197
Erik Langholm <sup>3</sup>	Chief Project Officer	1,842	1,166	18	3,026	91
Jon Christopher Knudsen <sup>3</sup>	Chief Commercial Officer	1,858	1,169	10	3,037	85
Jim Stian Olsen <sup>3</sup>	Chief Technology Officer	1,411	840	8	2,259	85
Nina Westgaard <sup>4</sup>	People & Organization Director	510	255	3	768	30
<b>2020</b>						
Valborg Lundegaard <sup>1</sup>	Chief Executive Officer	1,237	1,456	15	2,707	107

<sup>1</sup> Employment from 1 August 2020

<sup>2</sup> Employment from 1 April 2021

<sup>3</sup> Employed for the full year

<sup>4</sup> Employment from 1 September

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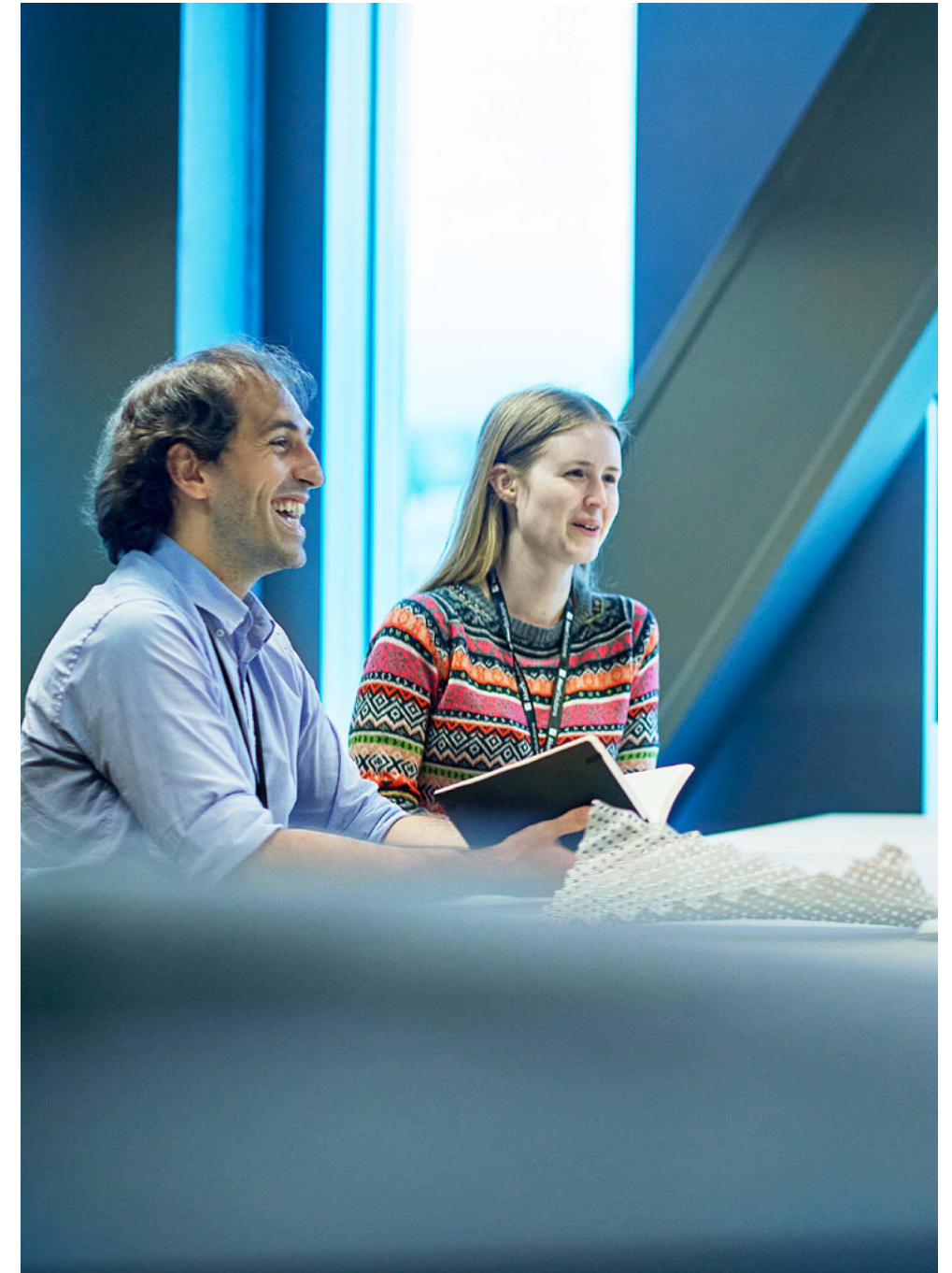
Refer to further description about management compensation in the Management Remuneration Report available at [www.akercarboncapture.com](http://www.akercarboncapture.com)

## Directors' and management's shareholding

Shares in Aker Carbon Capture owned by directors and members of the executive management group and their related parties as of 31 December:

	Job title	Number of shares
Henrik Overgaard Madsen	Chairman	30,000
Linda Litlekalsøy Aase	Board member	19,551
Valborg Lundegaard	CEO	30,581
Erik Langholm	Chief Project Officer	13,417
Jon Christopher Knudsen	Chief Commercial Officer	41,356
Jim Stian Olsen	Chief Technology Officer	10,725
Pernille Brente	General Counsel	4,628

The overview includes only direct ownership of shares in Aker Carbon Capture ASA.





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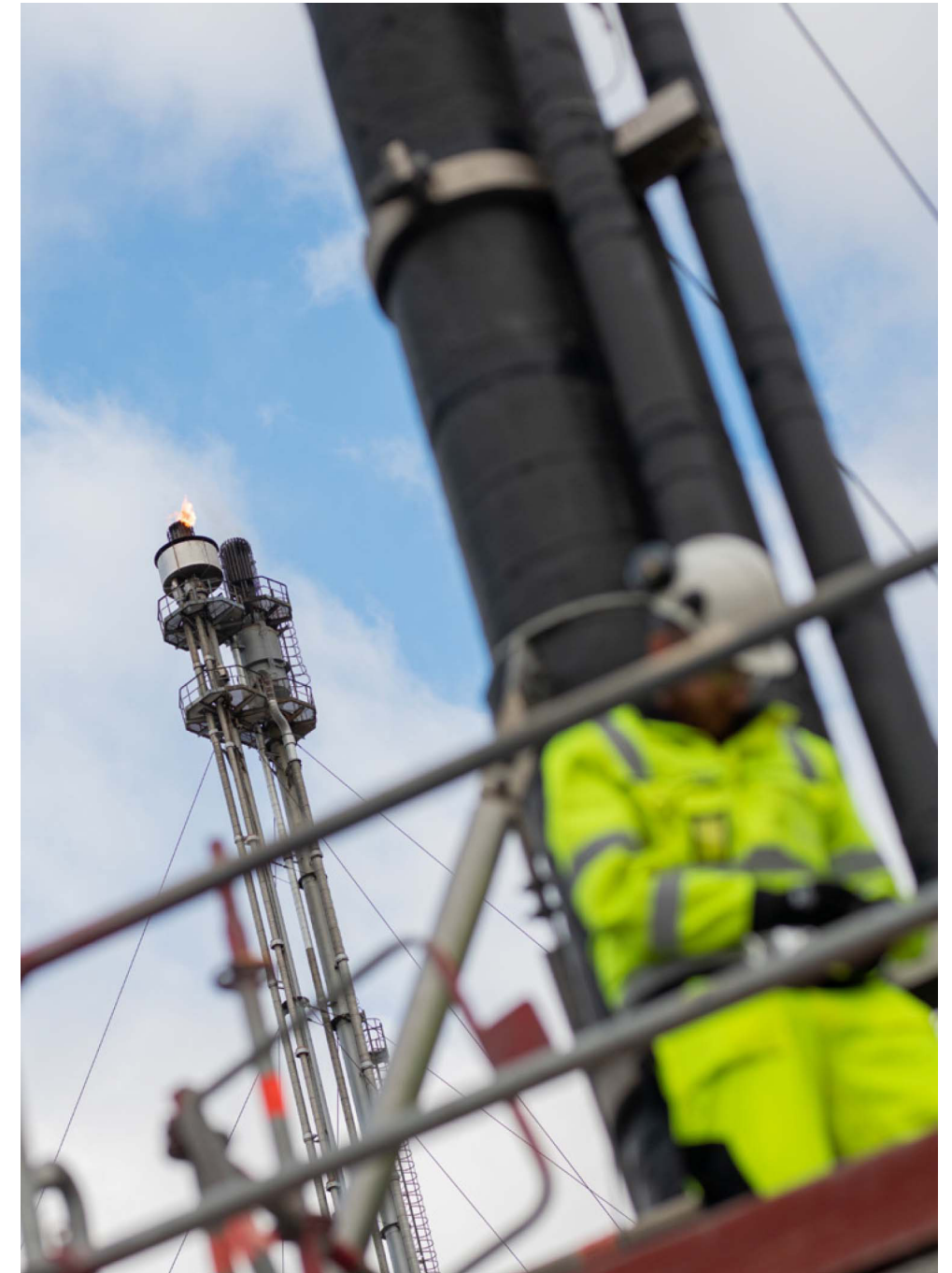
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## Parent company income statement

Statement for the period ended 31 December

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
Revenues		76	—
Operating expenses	4	(13,462)	(2,326)
<b>Operating profit (loss)</b>		<b>(13,386)</b>	<b>(2,326)</b>
Financial income		1,487	452
Financial expenses		(69)	—
Net financial items		1,418	452
<b>Profit (loss) before tax</b>		<b>(11,968)</b>	<b>(1,874)</b>
Tax benefit (expense)	7	—	—
<b>Profit (loss) for the period</b>		<b>(11,968)</b>	<b>(1,874)</b>



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## Parent company balance sheet

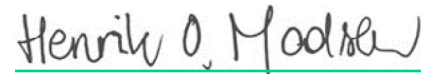
Statement for the period ended 31 December

Amounts in NOK thousand	Note	2021	2020
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in group companies	5	1,012,903	987,030
<b>Total non-current assets</b>		<b>1,012,903</b>	<b>987,030</b>
<b>Current assets</b>			
Current operating assets		4,026	338
Cash and cash equivalents		795,743	14,553
<b>Total current assets</b>		<b>799,768</b>	<b>14,892</b>
<b>Total assets</b>		<b>1,812,672</b>	<b>1,001,922</b>

Amounts in NOK thousand	Note	2021	2020
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		604,242	566,060
Share premium		1,211,978	433,451
Retained earnings		(13,843)	(1,874)
<b>Total equity</b>	<b>3</b>	<b>1,802,377</b>	<b>997,637</b>
<b>Current liabilities</b>			
Current operating liabilities		10,294	4,285
<b>Total current liabilities</b>		<b>10,294</b>	<b>4,285</b>
<b>Total equity and liabilities</b>		<b>1,812,672</b>	<b>1,001,922</b>

Fornebu, 17 March 2022

Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



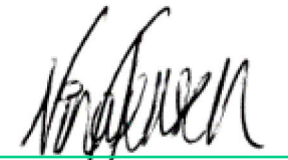
**Henrik Overgaard Madsen**  
CHAIRMAN



**Kristian Røkke**  
BOARD MEMBER



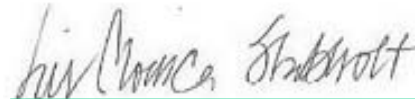
**Øyvind Eriksen**  
BOARD MEMBER



**Nina Kristine Jensen**  
BOARD MEMBER



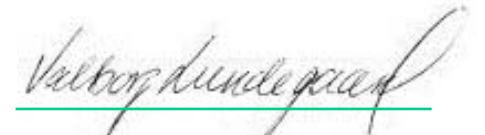
**Oscar Fredrik Graff**  
BOARD MEMBER



**Liv Monica Stubholt**  
BOARD MEMBER



**Linda Litlekalsøy Aase**  
BOARD MEMBER



**Valborg Lundegaard**  
CEO

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## Parent company cash flow statement

Statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
Profit (loss) before tax		(11,968)	(1,874)
Changes in operating assets and liabilities		(5,857)	3,947
<b>Cash flow from operating activities</b>		<b>(17,825)</b>	<b>2,073</b>
Investment in group companies		(25,873)	(475,030)
<b>Cash flow from investing activities</b>		<b>(25,873)</b>	<b>(475,030)</b>
Proceeds from share issues	3	840,000	500,000
Transaction costs related to share issues	3	(15,112)	(12,489)
Cash flow from financing activities		824,888	487,511
<b>Net cash flow in the period</b>		<b>781,190</b>	<b>14,554</b>
Cash and cash equivalent at the beginning of the period		14,553	—
<b>Cash and cash equivalent at the end of the period</b>		<b>795,743</b>	<b>14,553</b>

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## Notes to the parent company financial statements

### Note 1 Company information

Aker Carbon Capture ASA is the parent company in the Aker Carbon Capture Group, and is domiciled in Norway. On 26 August 2020, the Company was made available for trading on Euronext Growth (Oslo) under the ticker ACC-ME, on 18 June 2021 the company moved from Euronext Growth (Oslo) to Oslo Stock Exchange (Oslo Børs). The company now trades under the ticker ACC.

### Note 2 Basis of accounting

The financial statements of the parent company are prepared in accordance with Norwegian legislation and Norwegian Generally Accepted Accounting Principles.

Financial reporting principles for notes to these financial statements are included in the relevant notes. For other financial reporting principles, see below.

#### Functional currency and presentation currency

The parent company's financial statements are presented in NOK, which is Aker Carbon Capture ASA's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except when otherwise stated. The subtotals and totals in some of the tables in these financial statements may not equal the sum of the amounts shown due to rounding.

#### Foreign currency

Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

#### Classification

Current assets and current liabilities include items due within one year or items that are part of the operating cycle. Other balance sheet items are classified as non-current assets/debts.

### Measurement of borrowings and receivables

Financial assets and liabilities consist of investments in other companies, trade and other receivables, cash and cash equivalents and trade and other payables.

Trade receivables and other receivables are recognized in the balance sheet at nominal value less provision for expected losses.

### Cash flow statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

### Note 3 Shareholders equity

#### Financial reporting principles

Repurchase of share capital is recognized at cost as a reduction in equity and is classified as treasury shares. No gain or loss is recognized in the income statement on the purchase or sale of the company's own shares.

Amounts in NOK thousand	Share capital	Share premium	Retained earnings	Total equity
Equity at incorporation 8 July 2020	30	—	—	30
Reduction of shares	(30)	—	—	(30)
Contribution-in-kind	271,943	240,057	—	512,000
Share issue	294,118	205,882	—	500,000
Transaction costs, share issue	—	(12,489)	—	(12,489)
Profit (loss) for the period	—	—	(1,874)	(1,874)
<b>Total equity as of 31 December 2020</b>	<b>566,060</b>	<b>433,451</b>	<b>(1,874)</b>	<b>997,637</b>
Share issue	38,182	801,818	—	840,000
Transaction cost, share issue	—	(23,291)	—	(23,291)
Profit (loss) for the period	—	—	(11,968)	(11,968)
<b>Total equity as of 31 December 2021</b>	<b>604,242</b>	<b>1,211,978</b>	<b>(13,843)</b>	<b>1,802,377</b>

The share capital of Aker Carbon Capture ASA is divided into 604,242,218 shares with a nominal value of NOK 1. All issued shares are fully paid. The shares can be freely traded. See note 8 Shareholders for an overview of the company's largest shareholders.

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## Note 4 Expenses

Aker Carbon Capture ASA has no employees and hence no personnel expenses. The CEO is employed by Aker Carbon Capture Norway AS.

Remuneration to and shareholding of CEO and Board of Directors are described in note 19 Management remuneration in the consolidated financial statements of Aker Carbon Capture group.

Amounts in NOK thousand	2021	8 Jul - 31 Dec 2020 <sup>1</sup>
Audit	250	150
Other assurance services	458	159
<b>Total</b>	<b>708</b>	<b>309</b>

<sup>1</sup> Other assurances services in 2020 of NOK 137 thousand relate to listing process on Euronext Growth and is reported directly to equity.

## Note 5 Investments in group companies

### Accounting principles

Investments in subsidiaries are measured at cost. The investments are written down to fair value when the impairment is not considered to be temporary. Impairment losses are reversed if the basis for the impairment is no longer present.

Dividends and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If the distributed dividend in the subsidiary exceeds accumulated profits in the ownership period, the payment is treated as a reduction of the carrying value of the investment.

Amounts in NOK thousand	Reg. office	Share capital	Number of shares held	Ownership	Book value
Aker Carbon Capture Norway AS	Fornebu, Norway	120,003	3,000	100%	987,030
Aker Carbon Capture Denmark A/S	Copenhagen, Denmark	13,969,280	13,969,280	100%	13,959
Aker Carbon Capture UK Ltd	Leeds, UK	11,887,500	11,887,500	100%	11,914
<b>Total</b>					<b>1,012,903</b>

## Note 6 Related parties

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions with related parties to Aker Carbon Capture ASA have been based on arm's length terms.

### Transactions with related parties

Remuneration to CEO and Board of Directors are described in note 19 Management remuneration in the consolidated financial statements of Aker Carbon Capture.

### Guarantees

Aker Carbon Capture ASA has issued a parent company guarantee on behalf of Aker Carbon Capture Norway AS related to the Brevik CCS project.

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## Note 7 Tax

### Accounting principles

Tax expenses in the income statement comprise current tax and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Deferred tax assets are recognized only to the extent it is probable that they will be utilized against future taxable profits.

Amounts in NOK thousand	2021	8 Jul - 31 Dec 2020
Profit (loss) before tax	(11,968)	(1,874)
Permanent differences	(22,861)	(12,489)
<b>Taxable income (loss)</b>	<b>(34,830)</b>	<b>(14,363)</b>

## Note 8 Shareholders

Shareholders with more than 1 percent shareholding per 31 December 2021 are listed below.

Company	Nominee	Number of shares held	Ownership
<b>2021</b>			
Aker Horizons Holding AS <sup>1</sup>		255,757,041	42.33%
Morgan Stanley & Co. Int. Plc.	Nominee	22,342,726	3.70%
Clearstream Banking S.A.	Nominee	18,161,592	3.01%
State Street Bank and Trust Comp	Nominee	17,773,875	2.94%
The Bank of New York Mellon	Nominee	14,484,615	2.40%
Folketrygdfondet		13,621,554	2.25%
J.P. Morgan Bank Luxembourg S.A.	Nominee	11,226,809	1.86%
State Street Bank and Trust Comp	Nominee	10,752,361	1.78%
State Street Bank and Trust Comp	Nominee	8,751,764	1.45%
The Northern Trust Comp	Nominee	7,755,065	1.28%
State Street Bank and Trust Comp	Nominee	7,570,987	1.25%
<b>2020</b>			
Aker Horizons Holding AS <sup>1</sup>		288,682,939	51.00%
Nærings- og Fiskeridepartementet		33,100,085	5.85%
Folketrygdfondet		21,011,677	3.71%
J.P. Morgan Bank Luxembourg S.A.	Nominee	10,691,362	1.89%
BNP Paribas Securities Services	Nominee	9,823,786	1.74%
Aker Solutions ASA		5,798,699	1.02%

<sup>1</sup> Changed name from Aker Horizons AS in 2021

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# Auditor's Report





To the General Meeting of Aker Carbon Capture ASA

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Aker Carbon Capture ASA, which comprise:

- The financial statements of the parent company Aker Carbon Capture ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker Carbon Capture ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 27 July 2020 for the accounting year 2020.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Contract accounting estimates*

Refer to the 'Projects' section of the Board of Directors' report and group financial statements Note 2 Judgments and estimates and Note 4 Revenue.

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<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The majority of the Group's revenues and profits are derived from one long-term construction contract.</p> <p>Accounting for such a contract involves management's estimates and judgments which may be complex and involve assumptions regarding future events. Judgment is also required to determine when the outcome of a contract can be reliably estimated such that it is appropriate to recognise project margins.</p> <p>As such, these contract accounting estimates also require significant attention during the audit and are subject to a high degree of auditor judgment.</p>	<p>For the financially significant contract subject to estimation uncertainty we applied professional skepticism and critically assessed the accounting estimates and judgments against the requirements of IFRS 15. Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• updating our understanding of project performance, changes compared to previous forecasts, sensitivities and risks by reading contracts, management's project assessments and reporting and discussing these with relevant members of project and financial reporting management teams;</li> <li>• corroborating contractually based revenue and cost amounts included in project forecasts with reference to signed contracts and external confirmations;</li> <li>• evaluating the application of the Group's accounting policy regarding recognition of profit on long-term construction contracts and consider whether they represented indications of management bias requiring further audit consideration; and</li> <li>• evaluating the Group's disclosures against the relevant requirements of IFRS 15.</li> </ul>

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the

Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the Corporate Governance Report and Sustainability Progress Report.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

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an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Report on compliance with Regulation on European Single Electronic Format (ESEF)

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name acc-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandeloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

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## KPMG AS

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Enterprise 935 174 627 MVA

### Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

### Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 18 March 2022  
KPMG AS

A blue ink signature of Vegard Tangerud, written in a cursive style.

Vegard Tangerud  
State Authorised Public Accountant

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# Alternative performance measures

Aker Carbon Capture discloses alternative performance measures in addition to those normally required by IFRS as such performance measures are frequently used by securities analysts, investors and other interested parties. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period.

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## Definitions

**EBITDA** - Earnings before interest, tax, depreciation and amortization, corresponding to "Operating profit before depreciation, amortization and impairment" in the consolidated income statement.

**EBIT** - Earnings before interest and tax, corresponding to "Operating profit (loss)" in the consolidated income statement.

**Capex** - A measure of expenditure on PPE that qualify for capitalization.

**Net current operating assets (NCOA)** - A measure of working capital. It is calculated by trade and other receivables and inventories minus trade and other payables, excluding financial assets or financial liabilities related to hedging activities.

**Research and development spend** - A measure of total expenditure on research and development activities. It is calculated by adding total capital expenditures related to fixed assets, and capitalized development of intangible assets, as well as non-capitalized direct cost on development projects.

## Reconciliation

The table below show the reconciliation of alternative performance measures to the line items in the consolidated financial statements according to IFRS.

### Net current operating assets

Amounts in NOK thousand	2021	2020
Trade and other receivables	255,306	7,196
Trade and other payables	(515,076)	(15,592)
<b>Net current operating assets (NCOA)</b>	<b>(259,770)</b>	<b>(8,395)</b>

### Research and development spend

Amounts in NOK thousand	2021	2020
Capitalized research and development cost	7,769	2,142
Expensed research and development cost	73,998	—
<b>Total research and development spend</b>	<b>81,767</b>	<b>2,142</b>



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## ESG performance metrics

### Planet

Climate			
Carbon Capture	Unit	2021	2020
Carbon capture design capacity (annual) in construction	Million tons	0.5	0.4
Energy consumption <sup>11</sup>	Unit	2021	2020
Electricity, offices and mobile test unit	MWh	311.41	380.1
Purchase of Guarantee of Origin renewable electricity	MWh	302.42	—
Share renewable consumption (GO) of total <sup>12</sup>	%	97.1	—
District heating	MWh	217.12	37.7
District cooling	MWh	98.92	23.4
Greenhouse Gas Emissions	Unit	2021	2020
Scope 1, Direct emissions	tCO <sub>2</sub> e	0	—
Scope 2, Indirect emissions, location based	tCO <sub>2</sub> e	3.2	1.20
Scope 2, Indirect emissions, marked based	tCO <sub>2</sub> e	2.2	28.90
Scope 3, Other indirect emissions, location based	tCO <sub>2</sub> e	81.1	19.40
Scope 3, Other indirect emissions, marked based	tCO <sub>2</sub> e	34.9	—
Total GHG emissions, scope 1,2,3, location based	tCO <sub>2</sub> e	84.4	20.70
Total GHG emissions, scope 1,2,3, marked based	tCO <sub>2</sub> e	37.1	—
Purchase of carbon removal	tCO <sub>2</sub> e	—	—
Net GHG emissions, tCO <sub>2</sub> e emitted - tCO <sub>2</sub> removed <sup>13</sup>	tCO <sub>2</sub> e	37.1	—
Carbon intensity	Unit	2021	2020
Carbon intensity, Just Catch™	% ((tCO <sub>2</sub> e emitted/tCO <sub>2</sub> e captured)x100)	0.2	—
Carbon intensity, Big Catch™	% ((tCO <sub>2</sub> e emitted/tCO <sub>2</sub> e captured)x100)	1.6	—

<sup>11</sup> Based on estimates for Danish office

<sup>12</sup> Includes scope 2 and downstream leased assets in scope 3

<sup>13</sup> Marked based approach



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Environment			
Waste	Unit	2021	2020
Hazardous waste generated	Tons	0.002	—
Total waste	Tons	7.1	1.6
Non-recycled waste	Tons	3.2	—
Non-recycled waste - proportion of all waste generated	%	0.45	—
Water consumption	Unit	2021	2020
Water consumption, office	m3	1342	347
Water consumption, mobile test unit	m3	10	—
Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool)	Number	—	—
Environmental incidents	Unit	2021	2020
Environmental incidents	Number	—	—
Penal sanctions. environment	Unit	2021	2020
Cases where legal or administrative sanctions have been issued for material breaches of environmental legislation	Number	—	—
Fines or charges for material breaches of environmental legislation	MNOK	—	—

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## People

People			
Employees <sup>14</sup>	Unit	2021	2020
Permanent employees as per 31.12	Number	71	26
Norway	Number	61	26
Denmark	Number	6	—
UK	Number	3	—
Contract staff	Number	11	—
Norway	Number	10	—
Denmark	Number	1	—
UK	Number	—	—
Full-time	Number	70	26
Part-time	Number	1	—
Turnover	%	4	—
Trainees as per 31.12	Number	5	—
Total trainees (incl completed internships during 2021)	Number	7	—

<sup>14</sup> Headcount

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HSSE & Well-being			
Well-being	Unit	2021	2020
Employee satisfaction survey	Employee net promoter score	44	—
Participation in employee satisfaction survey	%	80	—
Average hours of training <sup>15</sup>	Hours	48	—
Average hours of training -female	Hours	48	—
Average hours of training -male	Hours	48	—
Training expenditure	NOK	8000	—
Health and Safety	Unit	2021	2020
Sickness absence	%	0.35	1
Fatalities as a result of work-related injury	Number	0	—
Employees	Number	—	—
Non-employees	Number	—	—
High-consequence work-related injuries (excluding fatalities) - number (LTIF)	Number	—	—
Employees	Number	—	—
Non-employees	Number	—	—
The rate of high-consequence work-related injuries (excluding fatalities) - rate per million hours worked (LTIF)	Rate per million	—	—
Employees	Rate per million	—	—
Non-employees	Rate per million	—	—
The number of recordable work-related injuries (excluding fatalities) - number (TRIF)	Number	—	—
Employees	Number	—	—
Non-employees	Number	—	—
The rate of recordable work-related injuries (excluding fatalities) - rate per million hours worked (TRIF)	Rate per million	—	—
Employees	Rate per million	—	—
Non-employees	Rate per million	—	—

<sup>15</sup> Estimate based on offered training

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Equality, Diversity & Inclusion			
Diversity, Age	Unit	2021	2020
Employees under 30	%	12	7
Employees aged 30-50	%	54	58
Employees over 50	%	34	35
Average age, all employees	Years	44	46
Average age, men	Years	45	48
Average age, female	Years	42	42
Diversity, Gender	Unit	2021	2020
Female	Number	24	7
Norway	Number	24	7
Denmark	Number	3	—
UK	Number	—	—
Male	Number	47	19
Norway	Number	44	19
Denmark	Number	3	—
UK	Number	3	—
Other and not disclosed	Number	—	—
Female representation, across Company	%	34	26
Female representation, Management	%	38	38
Female representation, Board of Directors	%	43	20
Diversity, Nationalities	Unit	2021	2020
Number of nationalities in Company	Number	12	6
Equal pay	Unit	2021	2020
Average salary for women as a percentage of average salary for all employees	%	96	101
Average salary for men as a percentage of average salary for all employees	%	101	99
Ratio of CEO's compensation to median compensation employees <sup>16</sup>	Ratio	3.6	—

<sup>16</sup> Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO): CEO salary/Median salary excl. CEO

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## Prosperity

Innovation of better products and services			
Taxonomy eligible and aligned	Unit	2021	2020
Total CAPEX during the reporting period	MNOK	18,879	—
Turnover considered according to EU Taxonomy – total	MNOK	363,177	—
CAPEX considered according to EU Taxonomy – total	MNOK	18,879	—
OPEX considered according to EU Taxonomy – total	MNOK	109,092	—
EU Taxonomy eligible turnover	MNOK	363,177	—
EU Taxonomy eligible CAPEX	MNOK	18,879	—
EU Taxonomy eligible OPEX	MNOK	109,092	—
EU Taxonomy aligned turnover	MNOK	363,177	—
EU Taxonomy aligned CAPEX	MNOK	18,879	—
EU Taxonomy aligned OPEX	MNOK	104,024	—
EU Taxonomy eligible turnover	%	100	—
EU Taxonomy eligible CAPEX	%	100	—
EU Taxonomy eligible OPEX	%	100	—
EU Taxonomy aligned turnover	%	100	—
EU Taxonomy aligned CAPEX	%	100	—
EU Taxonomy aligned OPEX	%	95	—
Research, development and innovation	Unit	2021	2020
Total R&D expenses	MNOK	81,767	—

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Employment			
Job creation	Unit	2021	2020
Total number of new employee hires	Number	52	26
Rate of new employees / total employees	%	66	100
Norway	Number	43	26
Denmark	Number	6	—
UK	Number	3	—
Turnover			
Total number of employee turnover	Number	3	—
Total number of employee turnover <sup>17</sup>	Ratio	0.04	—
Employee turnover - female	Number	0	—
Employee turnover - male	Number	3	—

<sup>17</sup> turnover/total employees excl. turnover

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## Governance

Strong governance and compliance			
Code of conduct training	Unit	2021	2020
Employees completed training	%	100	100
Whistleblowing cases	Unit	2021	2020
Total number of concerns reported	Number	—	—
Penal sanctions, business ethics	Unit	2021	2020
Cases where legal or administrative sanctions have been issued for material breaches of business ethics legislation	Number	—	—
Fines or charges for material breaches of business ethics legislation	MNOK	—	—

Board of Directors			
Board composition	Unit	2021	2020
Total number of board members	Number	7	—
Female (or other gender minority) board members	Number	3	—
Female (or other gender minority) board members	%	43	—
Board members with ESG competence	Number	2	—
Board members with ESG competence	%	29	—
Board members with executive positions in the company	Number	0	—
Board members with executive positions in the company	%	0	—
Independent board members	Number	2	—
Independent board members	%	29	—
Average tenure on the Board of Directors	Years	2	—
Board members aged under 30	Number	0	—
Board members aged under 30	%	0	—
Board members aged 30-50	Number	2	—
Board members aged 30-50	%	29	—
Board members aged over 50	Number	5	—
Board members aged over 50	%	71	—
Number of board meetings held	Number	7	—
Directors average meeting attendance	%	96	—

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## Sustainable Finance Disclosure Regulation (SFDR) indicators

	Unit	2021
<b>Greenhouse gas emissions<sup>18</sup></b>	tCO <sub>2</sub> e	37.1
<b>Carbon footprint</b>		Not relevant for Aker Carbon Capture
<b>GHG intensity of investee companies</b>		Not relevant for Aker Carbon Capture
<b>Share of investments in companies active in the fossil fuel sector</b>		Not relevant for Aker Carbon Capture
<b>Share of non-renewable energy consumption and production<sup>19</sup></b>	%	1.44
<b>Energy consumption intensity per high impact climate sector<sup>20</sup></b>	Ratio	0.007
<b>Activities negatively affecting biodiversity-sensitive areas</b>	Number	0
<b>Emissions to water</b>	tons	0
<b>Hazardous waste</b>	tons	0.002
<b>Violations of UNGC principles and OECD Guidelines for Multinational Enterprises</b>	Number	0
<b>Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises</b>	Number	0
<b>Unadjusted gender pay gap<sup>21</sup></b>	Ratio	0.94
<b>Board gender diversity, female representation</b>	%	43%
<b>Exposure to controversial weapons</b>		None

<sup>18</sup> Operational control, marked-based approach

<sup>19</sup> Limited to HQ offices at Fornebu, Norway

<sup>20</sup> Intensity measure: gwh scope 1+ 2/MEUR revenue

<sup>21</sup> The ratio is based on average salary in the organization regardless of employment level including the CEO, and is affected by a larger % of males in executive and management positions



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## Global Reporting Initiative (GRI) content index

Statement of use: Aker Carbon Capture has reported the information cited in this GRI content index for the period of 1 January 2021 to 31 December 2021 with reference to the GRI Standards. GRI 1 used: GRI 1 Foundation 2021

### General Disclosures

DISCLOSURE	LOCATION	PAGE
<b>GRI 2: General Disclosures 2021</b>		
2-1 Organizational details	Aker Carbon Capture in brief	2
2-2 Entities included in the organization's sustainability reporting	Sustainability progress	34
2-3 Reporting period, frequency and contact point	About this report, Sustainability progress	2, 34
2-4 Restatements of information	No changes from last year's reporting	
2-5 External assurance	No external assurance of the sustainability reporting has been performed for 2021, target for 2022.	
2-6 Activities, value chain and other business relationships	Our strategy	20
2-7 Employees	Sustainability progress - People, ESG Performance metrics	41, 96
2-8 Workers who are not employees	Have worked with a number of consultants, all on office based projects with low risk	
2-9 Governance structure and composition	Board of Directors, Sustainability progress , ESG Performance metrics	16, 51, 96
2-10 Nomination and selection of the highest governance body	Corporate Governance report	58
2-11 Chair of the highest governance body	Board of Directors	16
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability progress - Governance, Board of Directors report	9, 51
2-13 Delegation of responsibility for managing impacts	Sustainability progress - Governance, Board of Directors report	9, 51
2-14 Role of the highest governance body in sustainability reporting	Sustainability progress - Governance	51
2-15 Conflicts of interest	Sustainability progress - Governance	51
2-16 Communication of critical concerns	Sustainability progress - Governance. No whistleblowing cases 2021	51
2-17 Collective knowledge of the highest governance body	Board composition has been expanded with further ESG competence. Board of Directors. Sustainability progress - Governance.	16, 51
2-18 Evaluation of the performance of the highest governance body	We do not undertake an independent evaluation of the board's performance regarding ESG, but it is important for us that the knowledge amongst the Board of Directors on ESG is adequate, and the overall ESG competence in the board has been strengthened in 2021.	
2-19 Remuneration policies	Corporate Governance report. No direct link between remuneration and performance in the relation to the management of ESG for 2021, this is in place for 2022 operations.	58
2-20 Process to determine remuneration	Corporate Governance report	58
2-21 Annual total compensation ratio	ESG Performance metrics	96
2-22 Statement on sustainable development strategy	CEO letter, BoD report	3, 10

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DISCLOSURE	LOCATION	PAGE
<b>GRI 2: General Disclosures 2021</b>		
2-23 Policy commitments	Sustainability progress - Governance	51
2-24 Embedding policy commitments	Sustainability progress - Governance	51
2-25 Processes to remediate negative impacts	Omission: due to limited activity in 2021 this has not been relevant	
2-26 Mechanisms for seeking advice and raising concerns	Sustainability progress - Governance	51
2-27 Compliance with laws and regulations	We had zero non-compliance instances in 2021	
2-28 Membership associations	Memberships and Collaborations	31
2-29 Approach to stakeholder engagement	Materiality assessment	29
2-30 Collective bargaining agreements	Sustainability progress - People	41

## Material Disclosures

DISCLOSURE	LOCATION	Page
<b>GRI 3: Material Topics 2021</b>		
3-1 Process to determine material topics	Materiality assessment	29
3-2 List of material topics	Materiality assessment	29
3-3 Management of material topics	Sustainability progress - Planet, People, Prosperity, Governance	35, 41, 47, 51
<b>GRI 201: Economic Performance 2016</b>		
201-1 Direct economic value generated and distributed	Consolidated financial statement	86
201-2 Financial implications and other risks and opportunities due to climate change	TCFD Assessment	108
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-2 Significant indirect economic impacts	Sustainability progress - Prosperity	47
<b>GRI 205: Anti-corruption 2016</b>		
205-2 Communication and training about anti-corruption policies and procedures	Sustainability progress - Governance	51
205-3 Confirmed incidents of corruption and actions taken	Zero incidents. ESG Performance metrics	96
<b>GRI 305: Emissions 2016</b>		
305-1 Direct (Scope 1) GHG emissions	Sustainability progress - Planet, ESG Performance metrics	35, 96
305-2 Energy indirect (Scope 2) GHG emissions	Sustainability progress - Planet, ESG Performance metrics	35, 96
305-3 Other indirect (Scope 3) GHG emissions	Sustainability progress - Planet, ESG Performance metrics	35, 96
305-4 GHG emissions intensity	Sustainability progress - Planet, ESG Performance metrics	35, 96
<b>GRI 306: Waste 2020</b>		
306-3 Waste generated	ESG Performance metrics	96

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DISCLOSURE	LOCATION	Page
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-2 Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts in the supply chain were detected in 2021	
<b>GRI 401: Employment 2016</b>		
401-1 New employee hires and employee turnover	ESG Performance metrics	96
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Part-time employees have the same benefits as full-time employees with exception of insurance covering death- and accidents outside of work.	
401-3 Parental leave	ESG Performance metrics. In 2021 3 employees (1 male/2 female) were entitled to, and 3 took parental leave. Out of these 3, 2 returned to work after parental leave ended in the reporting period. 1 employee is still on parental leave.	
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1 Occupational health and safety management system	Certified according to ISO 45001:2018	
403-3 Occupational health services	Sustainability progress - People	41
403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability progress - People	41
403-6 Promotion of worker health	Sustainability progress - People	41
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Regular audits will identify, isolate and address potential shortcomings.	
403-8 Workers covered by an occupational health and safety management system	The system covers all employees and contractors.	
403-9 Work-related injuries	Sustainability progress - People, ESG Performance metrics	41, 96
403-10 Work-related ill health	Sustainability progress - People, ESG Performance metrics	41, 96
<b>GRI 404: Training and Education 2016</b>		
404-1 Average hours of training per year per employee	ESG Performance metrics, data provided is on employee, no differentiation on gender or employee category	96
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability progress - People	41
404-3 Percentage of employees receiving regular performance and career development reviews	Target for 2021 was to achieve minimum 80% coverage, and this is fully achieved for 2021. Target for 2022 is 100% coverage.	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1 Diversity of governance bodies and employees	Board of Directors, ESG Performance metrics	16, 96
405-2 Ratio of basic salary and remuneration of women to men	Sustainability progress - People	41
<b>GRI 406: Non-discrimination 2016</b>		
406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken in 2021	
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-2 Negative social impacts in the supply chain and actions taken	No negative social impacts in the supply chain were detected in 2021	

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## Task Force on Climate-Related Financial Disclosures (TCFD) assessment

This report is available on our website:

<https://akercarboncapture.com/tcf-d-summary-report/>



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### The Governance Group

The Governance Group AS (TGG) is an advisory firm specializing in risk analysis and sustainability strategies. TGG has a core team in Oslo and a network of affiliated experts in Africa, the Americas, Asia and Europe. Clients include large corporations in the energy, shipping, telecom, real estate and finance sectors, as well as government agencies in several countries.

TCFD MAPPING

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## 1 Introduction

### BACKGROUND

The Financial Stability Board established the Task Force on Climate-Related Financial Disclosures (TCFD) to develop recommendations for effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions. The disclosures enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

The TCFD recommends companies report on 11 disclosure items related to governance, strategy, risk management and metrics to inform the market of their exposure and approach to climate-related risks and opportunities. TCFD is now considered best practice for reporting on climate risk and is integrated into several jurisdictional reporting requirements globally.

This report summarizes key findings, gaps and recommendations on climate-related risks and opportunities for Aker Carbon Capture based on the 11 recommended disclosure items.

The report is structured according to the TCFD recommendations and provides suggestions for improvements in line with these recommendations.

### METHOD

The analysis is based on 90-minute workshops with key personnel from Aker Carbon Capture, conducted in December 2021. This included key people from finance, sustainability, supply chain, quality, HR, sales/market and HSSE.

The summary was shared with the company for corrections and quality assurance. Findings, gaps and recommendations were then compiled into this report.

### HOW TO READ THIS REPORT

Key findings, gaps and recommendations for Aker Carbon Capture are summarized in chapters 2 and 3. They include an assessment of Aker Carbon Capture's climate-related risk exposure and management, as well as overarching observations.

The complete list of identified risks and opportunities by Aker Carbon Capture are referenced in Table 1. The full review of Aker Carbon Capture against the 11 disclosure items recommended by the TCFD is referenced in Table 2.

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## 2 Key risks and opportunities

The list below provides a summary of identified risks and opportunities for Aker Carbon Capture. Financial impacts of the risks identified have not been assessed.

### PHYSICAL CLIMATE RISK IDENTIFIED

Aker Carbon Capture has identified acute risks as relevant, such as extreme weather causing higher maintenance costs for operations and challenges in logistics and the supply chain. Chronic risks related to sea-level rise can cause challenges in stability for supply chain, operations, and transport to/from sites near the coast.

### REGULATORY OPPORTUNITIES ARE SUBSTANTIAL, BUT UNPREDICTABLE

Policy support for increased pricing or restrictions of GHG emissions is growing in several markets and will increase the demand for carbon capture and storage (CCS) solutions. There are, however, some concerns related to unpredictable regulations, particularly in terms of the roll-out of policy instruments such as government support and subsidies for customers, which may delay project commencement and impact profitability.

### MARKET RISK AND GREEN FINANCE IS FAVORABLE

Aker Carbon Capture has identified extensive market opportunities as there is growing market demand for CCS in all climate-related policy scenarios. Further, the company is experiencing promising access to green finance for its activities.

### TECHNOLOGY RISK IS UNCLEAR

There are some concerns related to first mover challenges, and the risk of over- or under-investing in technologies and projects, as there are rapid technological developments and several immature technologies involved. However, this is not mentioned as a major concern.

### REPUTATIONAL RISK IS CONSIDERED LOW FROM A CLIMATE PERSPECTIVE

Aker Carbon Capture reports positive talent attraction and political goodwill due to its climate-friendly business models. Aker Carbon Capture has chosen to not engage with controversial customer segments such as oil/tar sand in order to avoid the reputational risk associated with these segments. There may be some reputational risk of being associated with the involvement with oil and gas.

Table 1 below references the risks and opportunities identified by Aker Carbon Capture in the workshop.

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TABLE 1: RISKS AND OPPORTUNITIES IDENTIFIED IN WORKSHOP WITH AKER CARBON CAPTURE

<p><b>PHYSICAL</b></p> <p><i>Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes</i></p>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Chronic risks include rising sea levels causing challenges on stability for supply chain, operations and transport to/from sites near the coast.</li> <li>Acute risks include increased severity of extreme weather events causing higher maintenance costs for operations and supply chain.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>None mentioned.</li> </ul>
<p><b>REGULATORY</b></p> <p><i>Stricter regulations such as CO2 taxes cap-and-trade schemes, energy efficiency requirements and reporting requirements</i></p>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>CCS requires substantial investments, and many customers are dependent on government support/subsidies. The development of policy instruments may take time and their effectiveness is uncertain, which may delay Aker Carbon Capture's start up and operations.</li> </ul> <p><b>Opportunities:</b></p> <p>Policy support for increased pricing/restrictions of GHG emissions is growing in several markets.</p>
<p><b>MARKET</b></p> <p><i>Changes in market demand, customer requirements and investor behavior</i></p>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Some industry segments are more challenged due to the green transition (i.e. O&amp;G), and some industries – and potential markets segments – may not survive.</li> <li>Decreased pricing of GHG emissions.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Increased demand for CCS in several industry segments in order to meet CO2 regulations, market demands and corporate net-zero targets.</li> <li>Being a green company increases access to capital and may reduce cost of capital. Relevant for both Aker Carbon Capture and for customers using CCS technology.</li> </ul>
<p><b>TECHNOLOGY</b></p> <p><i>Step-wise or radical technology shifts leading to increased need for investments or risk of stranded assets</i></p>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>New technology in the future that may render our products less competitive and hence reduce our return on investment.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Aker Carbon Capture technology delivers better than customers' current emissions permit. This may create an opportunity if future permit levels get stricter.</li> </ul>
<p><b>REPUTATION</b></p> <p><i>Risk of stigmatization leading to loss of goodwill, brand value and employee attraction</i></p>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Doing business with customers in controversial industries could cause reputational risk for Aker Carbon Capture (i.e. coal, production of liquid hydrocarbons and/or industries with high emission/energy intensity such as Enhanced Oil Recovery and oil/tar sands. Aker Carbon Capture does not currently engage with these segments).</li> <li>Solutions chosen by other CCS providers (i.e. lower HSSE quality) may cause a general bad reputation for the industry that may affect Aker Carbon Capture.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Being a green company has a positive impact on reputation incl. recruitment.</li> </ul>

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## 3 Key findings & recommendations

The company's business model is founded on meeting the energy needs of a low emission society, and hence directly aligned with the Paris agreement. The company has several projects under development which has not entered the operational phase. Aker Carbon Capture has identified several relevant risks and opportunities, and the approach to risk management, strategy development and target setting appears systematic and coherent for a company with projects in this stage of development.

While the overall risk level is considered low, a more systematic approach to climate risk management is recommended to prepare for stricter regulations and to align with best practice requirements. Going forward, more attention could be paid to physical climate risk, supply chain risk and targets related to the EU taxonomy KPIs.

The information below outlines the key findings reported to Aker Carbon Capture. It is important to note that the company's projects have not yet fully entered the operational phase and hence the assessment of gaps and recommendations is based on the company's development plans.

### 1. Governance

**KEY FINDINGS:** Aker Carbon Capture's Board of Directors (BoD) receives regular updates on climate-related risks and opportunities. Climate-related targets are approved by the BoD and performance against targets is reviewed on a quarterly basis. Aker Carbon Capture's management team assesses and manages climate-related risks and opportunities as part of their general corporate risk process.

**RECOMMENDATIONS:** The workshop identified that physical, chronic climate-related risks are not systematically assessed. Further, climate-related risks in the supply chain may be underestimated. Aker Carbon Capture is recommended to assess this finding and if relevant, present an updated risk review with associated management actions and targets to the BoD.

### 2. Strategy

**KEY FINDINGS:** Aker Carbon Capture has identified climate-related risk and opportunities, see Table 1. The company's business and strategy planning reflect the impact of climate-related risks and opportunities, such as site locations of assets, maintenance costs for all sites and close monitoring of technological developments. Regulatory risk and market risk and the impact on demand/revenue is monitored through different climate-related scenarios (including a 1.5 degree, 2.0- and 2.5-degree scenarios).

**RECOMMENDATIONS:** No specific recommendations; the company demonstrated good processes for including the impact of climate-related risks and opportunities in its strategy processes given the company's development stage.

### 3. Risk management

**KEY FINDINGS:** Aker Carbon Capture has integrated climate risk in the overall enterprise risk system and process. The process is managed by the quality function. Material risks are identified and assessed quarterly from all functions in the organization before being discussed in the management team and then presented to the BoD.

Climate risk is primarily included in technology investment. More detailed climate risk due diligence assessment templates will be developed if/when M&A activity increases. Aker Carbon Capture has introduced liability caps and force majeure clauses to mitigate adverse financial impacts from unexpected events, like extreme weather.

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**RECOMMENDATIONS:** Aker Carbon Capture should consider the need for more detailed climate risk due diligence assessments in investment/M&A processes and should ensure documentation of physical climate risk assessments in line with EU taxonomy requirements when the company enters the operational phase. Aker Carbon Capture should also consider reviewing physical climate risks related to disruption in logistics and downtime of operations more systematically.

### 4. Metrics and targets

**KEY FINDINGS:** Aker Carbon Capture has established and is further developing relevant and comprehensive metrics and targets. The company currently use metrics such as:

- Aker Carbon Capture's carbon emissions, carbon intensity and energy efficiency
- Carbon pricing in different IEA scenarios
- Carbon emission reduction for customers with Aker Carbon Capture technology.
- Aker Carbon Capture also reports on scope 1,2 and 3 in accordance with the GHG protocol.

Aker Carbon Capture has also set specific targets for emission reduction and removal and targets for reductions in Aker Carbon Capture's own emissions, which will be submitted to the SBTi for validation. In addition, Aker Carbon Capture will set longer-term targets for EU taxonomy KPIs in 2022.

**RECOMMENDATIONS:** Going forward, it is important that current plans and ambitions (SBTi, Taxonomy, avoided emissions targets) are duly followed up and monitored. Aker Carbon Capture could also consider addressing expectations for net-zero supply chains.

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## TCFD MATRIX: DETAILED FINDINGS

The Governance Group has summarised the key findings based on the information given in the workshop.

TABLE 2: SUMMARY OF INFORMATION PROVIDED IN THE WORKSHOP

GOVERNANCE		
#	Disclosure	Summary of findings
1	Describe the board's oversight of climate-related risks and opportunities.	Climate risk is included in Aker Carbon Capture's regular corporate processes. The board's audit committee receives quarterly risk reports and updates the board on key issues. Enterprise risk will be part of CEO updates in board meetings going forward.  The board has an annual strategy meeting and targets are approved by the board in connection with the budget process. The board reviews performance against targets on a quarterly basis.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	Climate risk is part of Aker Carbon Capture's corporate risk process.  The CFO is responsible for managing and facilitating the risk process. The respective leaders in the management team are responsible for identifying and reporting on climate-related risks within their areas.
STRATEGY		
#	Disclosure	Summary of findings
3	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See overview in table 1.
4	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	The company's business model is founded on meeting the clean energy needs of a low emission society, and a 5-year strategy process was agreed by the board in June.  Regulatory/market risk and impacts on demand/revenue is monitored through scenario analyses of demand/CO2 price for a 1.5-degree scenario with IEA numbers used for CO2 pricing. Aker Carbon Capture has also reviewed an alternative scenario for 2-2.5 degrees.  Physical climate change assessments inform site location decisions and estimated maintenance costs for all sites.  Technology risks are managed through closely monitoring tech developments and collaboration with customers, particularly with regards to energy efficiency.

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		In line with stakeholder expectations, the company has defined carbon reduction targets and has committed to SBTi.
5	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The company uses scenario analysis to inform its strategy, including 1.5 degree, 2.0 and 2.5 degree scenarios, which all show robust demand for Aker Carbon Capture's solutions.

RISK MANAGEMENT		
#	Disclosure	Summary of findings
6	Describe the organization's processes for identifying and assessing climate-related risks.	Climate risk is integrated in the overall enterprise risk system and process. The process is managed by the quality function. Material risks are identified and assessed quarterly from all functions, discussed in the management team and then presented to the board.
7	Describe the organization's processes for managing climate-related risks.	Climate risk is included in all investment decisions, primarily for technology investments, as the company is not yet in a position for acquisitions. More detailed climate risk DD templates will be developed if/when M&A activity increases. Aker Carbon Capture has decided not to pursue opportunities in severely risk-exposed industries like coal, as it expects this market to decline.  Aker Carbon Capture has introduced liability caps and force majeure clauses to mitigate adverse financial impacts from unexpected events, such as extreme weather.  Aker Carbon Capture has clear requirements for which customers it collaborates with to reduce reputational risk.  Aker Carbon Capture also expects to benefit from processes/systems in Aker Horizons as its business develops
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate risk is integrated in the overall enterprise risk system, which is made available for both the management and board

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 METRICS & TARGETS		
#	Disclosure	Summary of findings
9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics used: <ul style="list-style-type: none"> <li>Aker Carbon Capture's carbon emissions, carbon intensity and energy efficiency</li> <li>Carbon pricing in different IEA scenarios</li> <li>Carbon emission reduction for customers with Aker Carbon Capture technology.</li> <li>Further metrics are planned, as the CCS technology matures</li> </ul> Key EU taxonomy metrics (proportion of green turnover, capex and opex) will be reported in the annual report for 2021
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Aker Carbon Capture reports on scope 1, 2 and 3 GHG emissions. This will become more challenging as new activities start up and is an area that has been identified for close follow up.  Aker Carbon Capture plans to report on avoided emissions and is conscious of correct accounting according to the GHG protocol.
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>Handprint target for 2025; secure contracts to capture 10 mill tonnes of CO2 per year by 2025.</li> <li>Targets for own emission reductions and carbon intensity, with commitment letter sent to the SBTi.</li> <li>Targets for longer-term EU taxonomy KPIs.</li> </ul>

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## Taxonomy assessment

### Article 8 Taxonomy Regulation

Regulation (EU) 2020/852 (the "Taxonomy Regulation") is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

On a voluntary basis we present our assessment of the share of our company's Revenue (Turnover), capital expenditure (CAPEX) and operating expense (OPEX) which are associated with Taxonomy-eligible economic activities and Taxonomy-aligned economic activities for the 2021 reporting period.

Economic activities 2021	Turnover		CAPEX		OPEX	
	NOK	%	NOK	%	NOK	%
<b>Taxonomy eligible activities</b>	<b>363,177</b>	<b>100</b>	<b>18,879</b>	<b>100</b>	<b>109,092</b>	<b>100</b>
Manufacture of other low carbon technologies (3.6)	363,177	100	18,879	100	100,408	92
Close to market research, development and innovation (9.1)	—	—	—	—	8,684	8
<b>Taxonomy aligned activities</b>	<b>363,177</b>	<b>100</b>	<b>18,879</b>	<b>100</b>	<b>104,024</b>	<b>95</b>
Manufacture of other low carbon technologies (3.6)	363,177	100	18,879	100	100,408	92
Close to market research, development and innovation (9.1)	—	—	—	—	3,616	3

The taxonomy framework is relatively new, which leaves room for interpretation. As a result, our assessment could change as the taxonomy framework develops and is supplemented with regulatory guidance and recommendations, amendments to the taxonomy framework or court decisions going forward. As the Climate Delegated Act enter into force in 2022 and further guidance from the European Commission is made available, we will update our approach accordingly.

## Definitions

**Taxonomy-eligible economic activity** means an economic activity that is described in the Delegated Act (EU) 2021/2139 (the "Screening Regulation") supplementing the Taxonomy Regulation irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in the Screening Regulation.

**Taxonomy-non-eligible economic activity** means any economic activity that is not described in the Screening Regulation supplementing the Taxonomy Regulation.

**Taxonomy-aligned economic activity** means an economic activity that complies with all of the following requirements:

- the economic activity contributes substantially to one or more of the environmental objectives;
- it does not significantly harm any of the environmental objectives;
- it is carried out in compliance with the minimum safeguards; and
- it complies with technical screening criteria in the Screening Regulation.

An in-depth assessment of Aker Carbon Capture's economic activities in light of the criteria can be found in the sections below.

## Taxonomy eligibility and alignment

Based on the Taxonomy Regulation and the delegated acts, we have examined our activities to systematically assess whether they according to the relevant legislation are defined as Taxonomy-eligible and to what extent they are Taxonomy-aligned.

## Overview of Aker Carbon Capture's economic activities

We offer standardized and custom-made carbon capture plants named Just Catch™ and Big Catch™ for capture of pure CO<sub>2</sub> from various installations. We also provide services and studies with our mobile test unit, which is a fully functional carbon capture plant used to qualify the company's technology for new flue gases and to validate new technological solutions in an industrial environment. In addition, we conduct research and development activities related to the enhancement of our carbon capture technology which can be applied to existing plants or new-builds.

More in-depth information on our activities may be found in [our strategy](#).

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## Climate change mitigation – the keyword for all our economic activities

In Article 2 of the Taxonomy Regulation climate change mitigation is defined as “the process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement”.

According to Article 10 of the Taxonomy Regulation, an “economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals”. For example by increasing the use of environmentally safe carbon capture and utilization (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in greenhouse gas emissions.

The purpose of all our activities is to reduce greenhouse gas emissions of other activities and by delivering carbon capture solutions, a net reduction in greenhouse gas emissions is pursued. Consequently, the climate change mitigation objective is most relevant to our activities.

## Assessment of the eligibility of our economic activities

Aker Carbon Capture's economic activities can be allocated to two activities described in Annex I to the Screening Regulation: “Manufacture of other low carbon technologies” (section 3.6) and “Close to market research, development and innovation” (section 9.1).

This assessment is based on applicable laws and regulations, as well as guidance and information as currently available to us. Changes to the factual circumstances as well as the regulatory landscape, in particular amendments to laws and regulations, future legislation, guidance and information may lead to a different assessment of our economic activities under the Taxonomy Regulation in the future.

## Activity 3.6 - Manufacture of other low carbon technologies

According to section 3.6 of the Screening Regulation, the activity “Manufacture of other low carbon technologies” covers economic activities related to the “Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in Sections 3.1 to 3.5 of this Annex. The economic activities in this category could be associated with several NACE codes, in particular from C22, C25, C26, C27 and C28 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.”

Our economic activities are centered around providing carbon capture solutions with the aim to reduce GHG emissions substantially in other sectors of the economy. The activity “carbon capture” itself is not listed as a self-standing activity in section 3.1 to 3.5 or elsewhere in the Screening Regulation.

In December 2021, the Platform on Sustainable Finance published an EU taxonomy NACE alternate classification mapping which represents an indicative mapping of selected industry classification systems and how they relate to the description of economic activities in the Screening Regulation. The activities “Carbon Capture & Storage” and “Carbon Capture Services and Technologies” from alternate classification systems were included in the list of eligible activities under Section 3.6 of the Screening Regulation.

We have therefore assessed that our economic activities to a large extent can be considered as eligible economic activities under section 3.6 (manufacture of other low carbon technologies) of Annex I to the Screening Regulation.

## Activity 9.1 - Close to market research, development and innovation

Some of our activities are related to research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance or removal of GHG emissions (R&D) for which the ability to reduce, remove or avoid GHG emissions in the target economic activities has at least been demonstrated in a relevant environment, corresponding to at least Technology Readiness Level (TRL) 6. These activities are early phase activities and could be associated with several NACE codes, in particular M71.1.2v (Engineering activities and related technical consultancy), or for research that is an integral part of those economic activities for which technical screening criteria are specified in the Screening Regulation.

Research and development that represent significant novelty or new methods of carbon capture, and not assessed as incremental improvements to existing approach will be assessed under this activity. Our research, development and innovation activities are dedicated to the reduction, avoidance or removal of GHG emissions in other sectors. Our activities are related to the enhancement of the our CO<sub>2</sub> emission removal technology which aims at reducing GHG emissions in the target economic activity, and hence we have concluded that these activities can be allocated to the activity “Close to market research, development and innovation” in section 9.1 of Annex I to the Screening Regulation.

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## Taxonomy-eligible economic activities

Eligible economic activity (number, name)	Description	NACE/alternate codes	Climate change mitigation
3.6 Manufacture of other low carbon technologies (Annex I)	Manufacture and delivery of carbon capture plants	The economic activities in this category could be associated with NACE-code C28 (Manufacture of machinery and equipment n.e.c). As part of the general "carbon capture and storage" activity description, the Aker Carbon Capture economic activities can also be associated with the FTSE Russell Green Revenues Classification System (Code) EQ03.1, the TRBC code 5210201021, the BICS Classification Code 1710131110, the FactSet RBICS Primary Classification (Name) code 101025302015, and and MSCI - Sustainable Impact Metrics Factor Name and Notes code CT_ENERGY_EFF_STORAGE_MAX_REV.	
3.6 Manufacture of other low carbon technologies (Annex I)	Mobile Test Unit	The economic activities in this category could be associated with NACE-code C28 (Manufacture of machinery and equipment n.e.c). As part of the general "carbon capture and storage" activity description the Aker Carbon Capture economic activities can also be associated with the FTSE Russell Green Revenues Classification System (Code) EQ03.1, the TRBC code 5210201021, the BICS Classification Code 1710131110, the FactSet RBICS Primary Classification (Name) code 101025302015, and and MSCI - Sustainable Impact Metrics Factor Name and Notes code CT_ENERGY_EFF_STORAGE_MAX_REV.	
9.1 Close to market research, development and innovation (Annex I)	Research and development activities	The economic activities in this category could be associated with several NACE codes, in particular M71.1.2v (Engineering activities and related technical consultancy), or for research that is an integral part of those economic activities for which technical screening criteria are specified in this the Screening Regulation. As part of the general "carbon capture and storage" activity description the ACC activities can also be associated with the TRBC code 5220301014, the BICS Classification Code 1711131013, the FactSet RBICS Primary Classification (Name) code 401525101510, S&P Classification Name code 541700, and MSCI - Sustainable Impact Metrics Factor Name and Notes code CT_GREEN_BLDG_CONSTR_MAX_REV.	

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## Assessment of the alignment of our economic activities

Aker Carbon Capture is not legally obliged to disclose information on the Taxonomy-alignment of its economic activities in 2021. In light of our commitment to sustainability and in order to increase transparency on our business operation, we have chosen to provide information on our Taxonomy-alignment assessment for our economic activities for the reporting period 2021.

This assessment is based on applicable laws and regulations, as well as guidance and information as currently available to us. Changes to the factual circumstances as well as the regulatory landscape, in particular amendments to laws and regulations, future legislation, guidance and information may lead to a different assessment of our economic activities under the Taxonomy Regulation in the future.

### Activity 3.6 - Manufacture of other low carbon technologies Substantial contribution

In order to meet the substantial contribution criteria for climate change mitigation, the economic activity must manufacture technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, where specific emission savings calculations according to ISO 14067 needs to be done site-specific.

In contrast to other low carbon technologies that have a primary objective different from reducing GHG emissions, but that at the same time also have an intended impact on GHG emissions, carbon capture solutions delivered by Aker Carbon Capture aim solely at the reduction of GHG emissions. For our carbon capture technologies, it is therefore possible to assess potential life-cycle GHG emission savings without having to determine the best performing alternative technology/product/solution available on the market as a basis for comparison.

We are not aware of currently available official guidance on the comparison-criteria and, in particular, on how to perform this comparison. Aker Carbon Capture has carefully considered various alternatives to calculate GHG emissions savings compared to best performing alternative solution. The main effect of such a comparison to other relevant technologies would typically be the prevention of all carbon capture technologies that are currently not best performing on the market from being reported as Taxonomy-aligned and thus environmentally sustainable. This is clearly in contrast with Article 10 (1) e of the Taxonomy Regulation that explicitly qualifies economic activities as “contributing substantially to climate change mitigation” if they increase the use of environmentally safe carbon capture and utilization (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in GHG emissions. The EU has an outspoken intention to incentivize and increase the use of carbon capture, utilization and storage across sectors.

We have therefore, in line with the Taxonomy Regulation, focused on the life-cycle GHG emissions savings that can be achieved with its carbon capture solutions.

Our carbon capture technology is solely aimed at enabling other economic activities to achieve GHG emission savings by capturing CO<sub>2</sub>. An independent third party have conducted a life-cycle assessment (LCA) of our Just Catch™ and Big Catch™ solutions, providing information on the carbon footprint drivers within each phase of the products' lifetime. The LCA analysis was performed according to ISO 14040 and ISO 14044, reporting output and quantification according to ISO 14067, and the independent third-party has the resources and expertise to perform the verification, is independent to avoid any conflict of interest, and is not involved in the development or operation of Aker Carbon Capture's activities.

Considering the construction phase and operational phase consuming renewable electricity, excluding transport and storage as that varies for each emitter and is outside of Aker Carbon Capture's direct control, the resulting carbon intensity (tCO<sub>2</sub> emitted/tCO<sub>2</sub> captured) is 0.2% for the standardized Just Catch™ capturing 100.000 tons CO<sub>2</sub> annually, and 1.6% for a generic Big Catch™ capturing 400.000 tons CO<sub>2</sub> annually. Thus our technology leads to substantial GHG emission savings and a significant net reduction of GHG emissions in the sector it is applied. As described in [our strategy](#), Aker Carbon Capture's technology ranges in the upper range of capture rates in available technologies on the market. The substantial contribution criteria is thus fulfilled.

### Do no significant harm

We have carried out a diligent assessment to ensure that our activities have no significant negative environmental impact. The assessment is made on the basis of the the “do no significant harm” (DNSH) criteria set out in technical screening criteria for “Manufacture of other low carbon technologies”. For DNSH criteria that reflect legal requirements under EU regulations, it is according to the TEG Final Report reasonable for taxonomy users to assume that these criteria have been met in the normal, lawful conduct of business, unless evidence to the contrary is demonstrated. As part of the assessment, we have mapped the locations of which our activities in 2021 was carried out in order to assess whether relevant legislation is in force in the relevant countries. After a diligent assessment, we consider that our activities meet the relevant requirements:

- Climate change adaption: We have assessed our activities in light of Appendix I to the Screening Regulation. Our climate risk and vulnerability assessment identified the physical climate risks that are material to our activities and is carried out as part of our enterprise risk process. We have also conducted a third-party TCFD assessment in 2021 and will follow up recommendations on a more systematic approach of chronic and acute climate-related hazards for new projects that are maturing towards realization. Our solutions are designed with a 25 years lifetime, and include design specifications covering temperature-related and wind-related aspects. Additional assessments would need to be site specific. Such site-specific assessments have been made for our activities that took place in 2021. We therefore consider that our activities do no significant harm to climate change adaption.

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- Sustainable use and protection of water and marine resources: Our activities involve no material consumption of water, do not affect water quality in any significant manner, and we do not have any operations in water-stressed areas. Any such impacts would have been identified as part of our systematic approach to identify impacts according to ISO 14001 certification and our environment policy commits us to zero harm and sustainable resource use. Our main activities in 2021 took place in Norway, and we are not aware of any non-compliance with applicable laws and regulations nor have we identified any concerns in relation to the specific regulations set out in Appendix B to Annex I to the Screening Regulation. We consider that our activities do no significant harm to the sustainable use and protection of water and marine resources.
- Transition to a circular economy: The life-cycle analysis performed in 2021 has provided a good overview of the types and volumes of material used in our solutions, where steel is the main material used. Reducing and optimizing material input support both our carbon reduction target as well as improved circularity principles. Our products are designed in a way so that they can easily be disassembled and recycled at end of life of the product. The solutions have a design lifetime of 25 years, and designing for maintenance reduces both cost in operation and optimizes material usage. A relevant component is amine solvent which is a consumable during the operational phase of our carbon capture plants. Our proprietary solvent has a proven lower degradation than other comparable solvents, hence reducing both consumption and waste. It is part of Aker Carbon Capture's priorities in the sustainability program to identify further improvements and opportunities regarding circularity. Taken into consideration our approach, we consider that our activities do no significant harm to the transition to a circular economy.
- Pollution prevention and control: We have a systematic approach to this environmental objective as part of ISO14001 certification. Our activities do not lead to the manufacture, placing on the market or use of any substances set out in the relevant regulations, unless such activity is carried out in full compliance with the relevant conditions specified in the regulation. According to our Chemical Management procedure all chemicals to be used within EU must be registered in REACH system by the manufacturers or importers, similarly chemicals to be used in UK must be registered in REACH UK. All chemicals are kept within proper, closed industrial facilities. The solvent is produced by a chemical supplier. We have assessed that we are compliant with the relevant regulations applicable where the activities take place. We are not aware of any deviations from the regulations set out in Appendix C to Annex I to the Screening Regulation. Based on our assessments we consider that our activities do no significant harm to pollution prevention and control.
- Protection and restoration of biodiversity and ecosystems: We have a systematic approach to this environmental objective as part of ISO14001 certification, and we have assessed to be compliant with the Directive 2011/92/EU as the provisions have already been incorporated into Norwegian law and we have not identified any deviations in any of our in-scope activities. Deployment of carbon capture facilities are taking place in regulated areas for industrial purposes. Activities in 2021 are related to retrofit solutions and hence located in regulated areas. In addition, we have assessed that the sites that have been moved into project execution phase are not located in biodiversity-sensitive areas, considering Natura 2000, UNESCO World Heritage, and Key Biodiversity Areas. Based on this approach, we consider that our activities do no significant harm to the protection and restoration of biodiversity and ecosystems.

Given the result of each of the five DNSH assessments, we consider the DNSH criteria to be fulfilled for activities related to the "Manufacture of other low carbon technologies".

### Activity 9.1 - Close to market research, development, and innovation Substantial contribution

For the activity "Close to market research, development, and innovation" the Screening Regulation sets out a number of specific criteria to be fulfilled in order to be considered to make a substantial contribution to climate change mitigation.

The first criterion is that the economic activity must be dedicated to one or more economic activities which are set out in the Screening Regulation Annex I. Our activities under section 9.1 are dedicated to activity 3.6 which is set out in Annex I. The second criterion is that the results of the activity must enable the 3.6 activity to meet the criterion for substantial contribution to climate change mitigation, while respecting the relevant criteria for doing no significant harm to other environmental objectives. As set out above, our activity under 9.1 aims at developing and, in particular, ameliorating our carbon capture technology which aims at and demonstrate substantial GHG emission savings and thus contributes to climate change mitigation. Please refer to section 3.4.1 above for more information on the substantial contribution and do no significant harm assessment of our 3.6 activities.

For our activities, the third, fourth and fifth criteria are inter-related. The third criterion requires that the "economic activity aims at bringing to market a solution that is not yet in the market and is expected to have a better performance in terms of life-cycle GHG emissions than best commercially available technologies based on public or market information. The implementation of the technologies, products or other solutions being researched results in overall net GHG emissions reductions over their life cycle." The fourth criterion requires that the "activity focuses on the development of equally low- or lower-emission technologies, products or other solutions with new significant advantages, such as lower cost." And lastly the fifth criterion which applies for enabling activities, such as manufacturing other low carbon technologies (section

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3.6), states that the activity “allow those enabling activities and the activities that they ultimately enable to substantially reduce their GHG emissions or substantially improve their technological and economic feasibility in order to facilitate their scaling up.” Our research and development activities aim at finding better solutions for climate change mitigation by way of enabling other economic activities to reduce their CO<sub>2</sub> emissions. This involves both making our solutions better and more effective and enabling activities which not yet e.g. can use our Just Catch™ and Big Catch™ plants or other abatement technologies.

The sixth and seventh substantial contribution criteria are not applicable for our economic activities.

The substantial contribution criteria are thus met.

### Do no significant harm

The assessment is made on the basis of the DNSH criterion set out in technical screening criteria for “Close to market research, development and innovation”. Our close to market research, development and innovation activities relates exclusively to CCS and was in 2021 conducted in office or in research labs.

- Climate change adaption: The generic criteria for this assessment is set out in Appendix A to Annex I to the Screening Regulation, which entails an identical assessment as the one carried out above for “manufacture of other low carbon technologies”. Based on this assessment we consider that the activity does no significant harm to climate change adaption.
- Sustainable use and protection of water and marine resources: The activity does not cause any potential risks to the good status or the good ecological potential of bodies of water, or to the good environmental status of marine waters. We consider the activity to do no significant harm to the sustainable use and protection of water and marine resources.
- Transition to a circular economy: After considering the types of potential significant harm set out in the Taxonomy Regulation Article 17(1) point (d) we have concluded that the activity does not lead to any risks to the circular economy objective. We have considered that the activity does no significant harm to the transition to a circular economy.
- Pollution prevention and control: The activity does not include any risk of causing increase in the emissions of pollutants to air, water or land. The activity does not cause any significant harm to this environmental objective.
- Protection and restoration of biodiversity and ecosystems: The activity does not affect the good condition or resilience of ecosystems or the conservation status of habitats and species, including those of Union interest. We consider that the activity does no significant harm to the protection and restoration of biodiversity and ecosystems.

Given the result of each of the five DNSH assessments, we consider the DNSH criteria to be fulfilled for activities related to the “Research, development and innovation activities”.

### Minimum safeguards

The Taxonomy Regulation requires companies to have procedures in place to ensure alignment with the OECD Guidelines for Multinational Enterprises (“OECD Guidelines”), United Nations Guiding Principles on Business and Human Rights (“UNGP”), the ILO Core Labor Conventions in relation to the minimum safeguards criterion. Furthermore it is stated that companies must adhere to the principle of “do no significant harm” in the regulation on sustainability-related disclosures in the financial services sector (EU) 2019/2088 (the “SFDR”) when implementing the procedures. In addition to environmental objectives, Article 2 (17) of SFDR includes also social objectives, such as tackling inequality, fostering social cohesion, social integration and labor relations, and requires that no significant harm is done to any of the other objectives, and that the companies follow “good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance”.

The OECD Guidelines contain principles and standards for responsible business conduct. According to the OECD Guidelines, companies should carry out risk-based due diligence and impact assessment in order to identify the likelihood of adverse impacts on people, the environment and society that they cause, contribute to, or to which they are directly linked. The UNGP is a comprehensive guidance for companies to report on how they respect human rights.

Aker Carbon Capture is certified according to the international standards ISO 9001 Quality Management System, ISO 14001 Environmental management system, and ISO 45001 Occupational Health and Safety standard. More information on our management system and environment can be found in the [governance](#) and [sustainability progress](#) sections of the Annual Integrated Report.

In Aker Carbon Capture, responsible business conduct is embedded in both our management system as well as our governing documentation such as policies and procedures that guide our operations in all key areas. Our policies and procedures set out our commitment and expectation to our employees and business partners within areas such as health, safety, security and environment, project execution, quality, governance and finance. These policies shall amongst others make sure that our business is conducted in accordance with internal and external regulations relating to human rights, labor rights and combating of bribery. In 2021, 100% of our employees attended our annual ethics and integrity training covering the key topics of our Code of Conduct. Our Code of Conduct can be accessed at [www.akercarboncapture.com](http://www.akercarboncapture.com).

Aker Carbon Captures carries out risk assessments and risk-based due diligence on a regular basis. We perform risk-based due diligence on our business partners and have procedures in place for integrity due diligence as well as the assessment of country

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risk regulating our involvement in countries with perceived high political, reputational, legal or ethical risks. Please read more about this topic in the [Board of Directors report](#), the sustainability progress - [governance](#) section, and our [principle risk factors and uncertainties](#).

In the [people section](#) of the Annual Integrated Report we describe how we work with equality, diversity, health and safety, human and labor rights, and this is also part of our code of conduct which is available at [www.akercarboncapture.com](http://www.akercarboncapture.com).

In order to make sure breaches of laws and regulations, our policies and procedures, and other unethical business conduct are reported, we have a whistleblowing channels open for all employees and available on our webpages. In 2021, there were 0 whistleblower cases in Aker Carbon Capture. We will always ensure that there will be no retaliation against a whistleblower, nor any impact on a whistleblower's professional career, for reporting possible violations in good faith. For more information, please refer to our Code of Conduct.

Transparency is important to us and we will communicate relevant business information in full and on a timely basis to our employees and external stakeholders. All accounting and financial information, as well as other disclosure information, shall be accurately registered and presented in accordance with laws, regulations and relevant accounting standards.

With the above assessment, we consider the minimum safeguards to be fulfilled.

## Taxonomy KPIs and accounting policies

The key performance indicators (KPIs) set out in the EU taxonomy regulation and delegated acts include Revenue (Turnover), capital expenditure (CAPEX) and operating expenses (OPEX). Aker Carbon Capture has chosen to report on both eligibility and alignment for each of the three KPIs. We have based the assessment on our best interpretation of the EU taxonomy regulation and Annex I of the Art. 8 Delegated Act. The key assumptions for our interpretation is described below, together with our Taxonomy related accounting policies.

### Revenue (Turnover)

The turnover KPI is calculated as the part of turnover derived from Taxonomy eligible/aligned activities divided by the total turnover. The total net turnover equals the external revenue, ref note 4 in the consolidated financial statements.

### Capital expenditures (CAPEX)

The capex KPI is defined as the capex related to assets or developments associated with Taxonomy eligible/aligned activities divided by total capex as defined in IFRS standards IAS 16, IAS 36 and IFRS 16, and can be found as "additions" in note 8, 9 and 11 in the consolidated financial statements.

## Operating expenses (OPEX)

The opex KPI is defined as operational expenses related to Taxonomy eligible/aligned assets or processes divided by the direct non-capitalized cost related to research and development and any other direct expenses relating to the day-to-day maintenance of fixed assets. Other operating expenses directly linked to activities with turnover and activities related to selling, general, and administration are not considered as applicable for the calculation of the opex KPI.

Below is a reconciliation between operational expenses as reported in the income statement in the consolidated financial statement, and the opex used as the denominator in the opex KPI.

Amounts in NOK thousand	2021
Materials, goods and services	332,814
Salary and other personnel cost	92,102
Other operating expenses	128,104
<b>Total operating expenses</b>	<b>553,021</b>
- Less not applicable for EU taxonomy	443,929
<b>Operating expenses considered according to EU taxonomy</b>	<b>109,092</b>



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### Publication

18 March, 2022



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