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# Transparency Act Progress Report 2022

This statement represents Aker Carbon Capture's account of due diligence pursuant to Section 5 in the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The reporting period covered in this report is from 1 January 2022 to 31 December 2022.

## About Aker Carbon Capture

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 reduction and removal in sectors such as cement, gas-to-power, waste incineration, bio-energy, and other hard-to-abate 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.

### Purpose

Aker Carbon Capture's overall purpose is to accelerate planet positive by enabling carbon reduction and removal from industries and energy solutions. To drive this effort, the company and its employees are devoted to three core values: working together, doing the right thing and bold innovation.

### Operations

Aker Carbon Capture is headquartered in Norway with operations in Norway, Denmark, United Kingdom, the Netherlands and India, and starting up in Sweden. The operations are primarily office-based, require high-skilled labor and involve limited direct labor-intensive work.

In 2022, Aker Carbon Capture delivered several pre-FEED and FEED studies, which are written engineering reports developed at our offices, to customers primarily located in Europe. The company also made significant progress on its two flagship projects, Brevik CCS in Norway and Twence in the Netherlands. The flagship projects involve delivering two carbon capture plants at the customers' cement and waste-to-energy facilities in Norway and the Netherlands, respectively.

Aker Carbon Capture's procurement activities are closely linked to and at all times dependent on the projects the company executes. The company divides its procurement activities into two categories: direct procurement, which is goods and services procured for our ongoing projects; and indirect procurement, which is goods and services not utilized directly in our projects. The majority of Aker Carbon Capture's direct procurement activities, both in terms of value and volume, are from the general manufacturing and electronics manufacturing industries. The company sources a variety of industrial parts and highly

technical components and systems from suppliers of products ready for use in the process industry. These items are collected and assembled into carbon capture units and facilities. The whole production and assembly process is executed by third parties. Besides the general and electronic manufacturing industries, the company also purchases items and services from the chemicals and pharmaceutical, services, hospitality, and information, communication and technology industries. Looking beyond tier 1, the components and items the company buys from the general and electronics manufacturing industries are produced from metals, minerals, and electronic equipment industries. The majority of Aker Carbon Capture's suppliers are multinational companies with presence and production in Europe and Norway.

## Protecting human rights at Aker Carbon Capture

### Our commitment

Aker Carbon Capture supports and respects internationally proclaimed human and labor rights such as the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, as well as the International Bill of Human Rights, the UK Modern Slavery Act and the OECD Guidelines for Multinational Enterprises.

We acknowledge all employees' right to form and join trade unions of their own choice. We will not use child or forced labor and have zero tolerance for modern slavery, human trafficking and working conditions or treatment that conflicts with international laws, regulations, and generally accepted practices.

We are committed to implementing and enforcing effective systems to cease, prevent and mitigate adverse impacts on human rights that we may have caused, contributed to or be linked to through our operations and supply chain. Reducing the risks of such adverse impacts is done by conducting a human rights impact assessment and due diligence of our operations and business partners. The company's procedures and risk mitigation efforts are risk-based, focusing on the operations and business partners where the probability for adverse impacts on human rights is highest.

If Aker Carbon Capture causes, contributes to or is linked to adverse impacts on human rights, the company will take necessary steps to cease, prevent and/or mitigate (as appropriate) the adverse impacts.

### Our approach

Aker Carbon Capture has established guidelines and routines to prevent adverse impacts on human rights and decent working conditions throughout the company's operations. Our human rights policy is described in the [Code of Conduct](#) and [Sustainability Policy](#), both of which are approved by the Board of Directors. Internal procedural requirements to conduct human rights impact assessments and due diligence of business partners are described in the company's [Sustainability Policy](#) and the Sales, Procurement and Integrity Due Diligence (IDD) procedures. These policies and procedures are available in the company's management system.

Aker Carbon Capture expects that our business partners adhere to the Code of Conduct for Business Partners, a new policy document that was implemented in 2022. The document describes key mandatory principles related to governance and sustainability, including the respect and protection of human and labor rights and performance of human rights impact assessments. The Code of Conduct for Business Partners is available on the company [website](#).

Besides our internal policies and procedures, the company is also covered by the Global Framework Agreement between Aker ASA, the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. The agreement commits Aker and its portfolio companies to respect and support fundamental human rights and union rights in societies where the companies operate.

### Governance

The Board of Directors is responsible for overseeing the company's implementation of applicable laws and regulations, including the Transparency Act, and is the owner of the Code of Conduct and Sustainability Policy.

The Audit Committee supports the board in executing oversight over the management of the company and has been given a review role related to ESG topics, including risk of adverse impacts on human rights and decent working conditions. In 2022, the Audit Committee and the executive management received regular progress updates related to the

implementation of the Transparency Act, relevant risks of adverse impacts and mitigating actions.

The Chief Executive Officer is responsible for the daily operations of the company, including policy implementation and ensuring that ESG impacts are considered in the company's operations.

The compliance function maintains the company's human rights policies and procedures, including the due diligence procedures, and is responsible for rolling out training and awareness initiatives.

The line management is responsible for implementing the company policies, procedures and any relevant risk mitigating actions.

All Aker Carbon Capture employees have a responsibility to protect human rights and decent working conditions and must report suspected infringements of these rights. This responsibility is described in the Code of Conduct.

## Human rights impact assessment

Aker Carbon Capture considers the risk of adverse impacts on human rights to be limited for its own operations as these are primarily office-based and based in countries where human rights are recognized and protected by national authorities, and/or where the risk of adverse impacts on human rights is generally considered low.

On the customer side, there were limited site operations on our ongoing projects in 2022, which reduces the risks of adverse impacts on our personnel and those involved, associated and potentially impacted by such operations.

On the supplier side, the risks of adverse impacts are considered relevant because the company procures from industries that have inherent risks of adverse impacts on human rights. To identify whether such inherent risks are relevant in our operations, we conducted a human rights impact assessment focusing specifically on our supply chain. To determine potential adverse impacts on human rights, we combined factors and known risks associated with the production location and industries our suppliers operate within, with the spend values and our perceived ability to influence change.

The assessment did not identify adverse impacts linked to or caused by our suppliers and we have not identified adverse impacts on human rights in our own or our customers' operations. Nevertheless, there is an

inherent risk associated with the industries that the company procures from. Specifically, this involves risks of child labor, forced labor, poor working conditions (long hours and low wages), affected and exploited land and communities, health and safety issues, exploitation of migrant workers, lack of collective bargaining and freedom of association, and lack of equality, diversity and inclusion.

Considering Aker Carbon Capture's operating model, the production location of our suppliers combined with limited use of migrant workers, labor intensive work and low skilled labor, we consider the risks of these adverse impacts materializing to be limited. Further, the items procured are highly technical and require skilled competence, which reduces the risks of child labor specifically. Nevertheless, the company recognizes that risks of adverse impacts on human rights cannot categorically be ignored based on the above risk reducing factors alone, and therefore considers due diligence, regular risk assessments and continuous monitoring to be of utmost importance to prevent, detect and respond to potential adverse impacts on human rights.

## Reducing risks of negative impacts

### Due diligence

Based on the results of the 2022 human rights impact assessment, Aker Carbon Capture updated internal procedures and routines. Specifically, risk based due diligence was added as a mandatory requirement in the company's IDD, sales and procurement procedures. Background screening of all new and current business partners was also added as a mandatory requirement.

To make sure we prioritize our efforts towards the areas with the highest risks, a method to identify suppliers with elevated risks of adverse impacts was developed. The method combines three factors: 1) type of procurement 2) production location and 3) delivery scope. For suppliers that are, based on these factors, defined as medium and high risk, increased human rights due diligence is pursued.

If the due diligence process reveals risks or concerns relating to adverse human rights impacts, dialogue, reviews or audits will be initiated to obtain more information. Aker Carbon Capture will seek to work together with and engage stakeholders, suppliers and other business partners to improve conditions and correct weaknesses.

## Communication

A communication channel for human rights related grievances was established on the company [website](#), and an Information Request Procedure, describing the internal roles and process for handling general information requests from the public, were implemented.

## Training and awareness

Training and awareness are important tools to equip employees with relevant competence so they can take responsibility for and contribute to the identification, assessment and prevention of adverse impacts on human rights and decent working conditions in our daily operations.

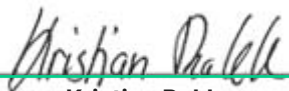
In 2022, a 30-minute e-learning course about human rights was rolled out to a majority of the company's employees. Tailored training on the updated procedures and new routines was given to the company's procurement and sales teams.

## Priorities for 2023

Aker Carbon Capture will continue to work proactively to identify, assess and prevent potential negative impacts on human rights in 2023. The company will monitor the implementation of its due diligence procedures and current business relationships, it will update its human rights impact assessment, and strengthen its internal competence in performing human rights audits. Audits of critical suppliers in ongoing projects will also be initiated. Sustainability dialogues, including human rights topics, will be established with critical suppliers and further internal training and awareness initiatives will be rolled out.

Fornebu, 14 March 2023

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



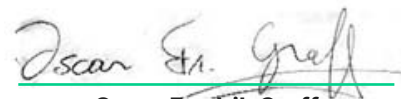
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