



Sustainability report 2022



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Statement from the CEO

Environment, Social Responsibility, and Corporate Governance (ESG) are important to IKM. In recent years, we have increased our focus on ESG and began measuring CO₂-emissions according to the Greenhouse Gas Protocol (GHG-Protocol) in 2020. In 2022, we established a comprehensive Compliance program.

We are currently working on improving the quality of our CO₂-measurements and preparing for reporting according to the Corporate Sustainability Reporting Directive (CSRD).

Over several decades, IKM has established itself as a renowned service provider within the traditional oil and gas industry. Our companies cover a wide range of technical disciplines, providing a diverse variety of unique expertise that applies to multiple market areas.

IKM offers services in various other fields, such as wind, energy storage, hydrogen, and carbon capture and storage. We are committed to using our existing knowledge and technology to contribute to the reduction of our own and the industry's total CO₂-emissions.

In 2022, IKM made several strategic investments in the renewable energy sector, and we plan to continue doing so in the years ahead.

As part of our commitment to sustainability, IKM established a green division in 2022, dedicated to the group's renewable energy initiatives.

Moreover, in 2022, IKM implemented several significant measures to reduce our own CO₂-emissions. These measures included reducing travel activities, implementing energy-efficient solutions in our offices and locations, promoting the use of public transportation, adopting electric vehicles, and utilizing electric and pneumatic equipment, among others. These efforts demonstrate our dedication to environmental responsibility and our goal to minimize our carbon footprint.

With best regards



Ståle Kyllingstad
CEO

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The goal of IKM is to ensure that our expertise built over 30 years in the energy sector is utilized to rectify the damages caused by the oil and gas activities that have enriched our nation.

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Sustainability in IKM

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Sustainability in IKM

The board of IKM Group establishes the overall guidelines for governance, leadership, and control of the group's companies. Our sustainability strategy is anchored at board level and within the group's management.

As of the date of this report, IKM is not formally required to create an ESG report, but we have chosen to do so to demonstrate our contributions to our stakeholders.

We are currently in the process of implementing a comprehensive sustainability reporting system for the IKM Group, which includes:

- Improving CO₂-reporting according to the GHG- Protocol
- Establishing a system for more comprehensive ESG reporting (CSRD)

Due to this ongoing work, not all aspects of the report will have established goals for 2022 and 2023, but this is an essential part of our current efforts.

Our core business

The IKM Group consists of several companies operating within the oil and energy sector and land-based industries, with a particular focus on operations and maintenance. We have activities worldwide with employees and contracted personnel in Norway, Denmark, the United Kingdom, Australia, Brazil, Canada, Indonesia, Korea, Malaysia, Singapore, Poland, Ghana, UAE and Thailand.

Our values and vision

IKM's values are based on the group's shared foundation, which binds us together and is designed to make us enthusiastic, stronger, and better than our competitors.

Our values serve as our guiding principles and function as mental guidelines that are integrated into our daily work life.



Responsibility



Courage



Clarity



Focus

We strive to be the largest, the most complete and the most competitive service provider within the energy sector.

Sustainability goals

IKM recognizes the UN's 17 Sustainable Development Goals and actively aims to contribute to achieving these goals by 2030.

We have prioritized three objectives where we believe IKM can make a difference. These three sustainability goals are aligned with our values, principles, and focus areas.

IKM has an overarching goal to reduce CO₂-emissions by 50% by 2030 and achieve net-zero emissions by 2050.





Environment

Greenhouse gas emissions

- Goals for 2023
- CO₂-reducing measures carried out in 2022

Waste management

ISO certification

Transition towards the green market

- Establishment of a green division
- CO₂-saving technologies in IKM



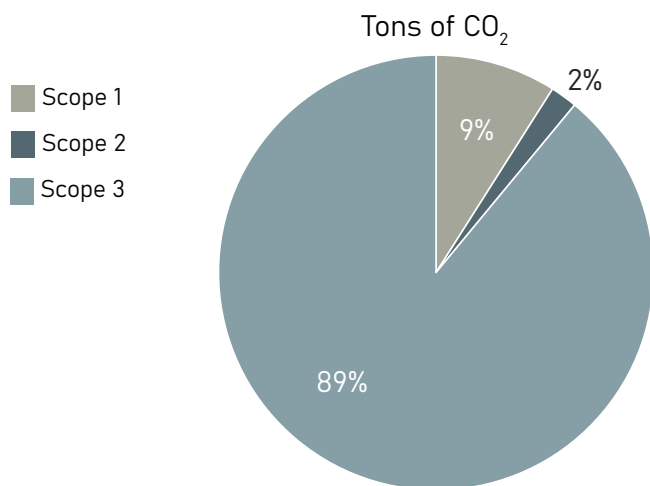
Environment

Greenhouse gas emissions

IKM began measuring emissions back in 2020. The measurements are based on the available sources and have been conducted following the GHG Protocol guidelines. Additionally, we have chosen to measure the total CO₂-emissions per worked hour, considering that IKM primarily provides services.

As the measurements improve, we observe an increase in the number of grams of CO₂-per worked hour, which is partially related to enhanced activity. Similarly, the overall rise in emissions is somewhat influenced by increased activity levels.

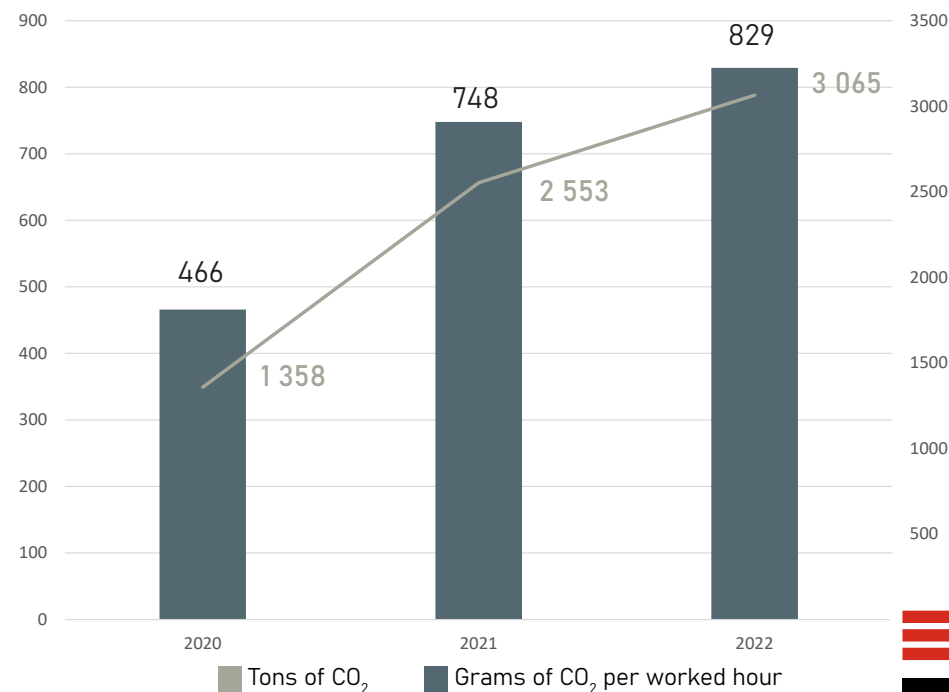
Parameter	Tons of CO ₂
Scope 1	274
Other fuel	173
Fuel	74
Natural gas	27
Scope 2	61
Electricity	59
District heating	1
District cooling	0,3
Scope 3	2 730
Flights	1 147
Transportation	956
Waste	628
Totall	3 065



We continue to identify areas that are not included in the basis for greenhouse gas emissions, and we are working on improving reporting in areas such as procurement of goods, capital assets, and employee business travel.

IKM has established a dedicated ESG team that is actively working to enable us to gather information from these areas and align our reporting with the GHG Protocol and CSRD. As a result, specific goals for 2022 have not been set at this time.

	Hours worked	Grams of CO ₂ per worked hour	Tons of CO ₂
2022	3 695 804	829	3 065
2021	3 415 240	748	2 553
2020	2 917 867	466	1 358



Goals for 2023

- Improve the system for CO₂-capture and reporting to enhance accuracy and comprehensiveness in tracking emissions.
- Update the travel policy and procurement policy to consider sustainability.
 - Reduce transportation needs and air travel.
 - Promote sustainable procurement practices by prioritizing environmentally friendly options.

CO₂-reducing measures implemented in 2022

IKM has undertaken several CO₂-saving measures in 2022. We have chosen to highlight some of these below.

Transportation

We extensively use electric company cars and trucks. Several of our companies have also equipped their locations with electric vehicle chargers. Measures we have implemented to reduce our travel activities include:

- Increased use of online courses instead of physical attendance.
- Increased utilization of digital meetings.
- Encouraging employees to use environmentally friendly means of transportation.

Energy efficiency in buildings/offices

- Energy-efficient lighting solutions
 - Switching to LED lights
- Energy-efficient heating solutions
 - Reduced operating hours for ventilation systems, limited to office hours.

- Decreased heating during winter and cooling during summertime.

We have recently entered into an agreement with NOVA to assist in identifying energy-saving measures. We are also in the process of exploring the possibility of using solar panels on our buildings.

Waste management

To protect the environment from pollution, all waste is sent to approved facilities for proper treatment. This includes resources that are recycled, hazardous waste, and special waste. Our waste disposal partner declares all waste, unless the IKM company does it independently. For safety reasons, IKM uses a dedicated supplier for recycling IT equipment.

Workshops at risk of oil spills have installed oil separators before the water enters the drainage system. The oil separators are regularly maintained.

ISO certification

IKM Group is certified according to ISO 14001:2015, which is an internationally recognized certification for environmental management systems. This helps us reduce our impact on the environment and maintain focus on environmental conservation.

Simultaneously, it facilitates sustainable growth and increased profitability, such as:

- Reduced resource consumption
- Reduced use of harmful chemicals
- Increased recycling rate

All major companies within the IKM Group are ISO-certified according to relevant standards.





Transformation towards the green market

IKM Group has increased its focus on opportunities within green energy and utilizes the group's technology and expertise in activities that directly and indirectly contribute to reducing emissions to the environment.

Over several decades, IKM has established itself as a recognized service provider in the traditional oil and gas industry. Our companies cover various technical disciplines, providing a wide range of unique expertise applicable to multiple market areas.

Our most significant contribution to the energy transition is sustainability goal number 12, which involves circular economy principles and requirements for extending the lifespan of equipment and facilities. This is already a significant part of IKM's core business through specialized inspection and maintenance services.

Much of the existing knowledge can be transferred to the renewable energy market with minor adjustments. IKM will continue to serve the oil and gas industry while simultaneously working towards transformation into the green market, including:

- Knowledge transformation
- Technology transformation

In 2022, we aimed to establish a position in the green market, and we successfully achieved that goal. We secured several strategic contracts related to carbon capture, storage (CCS), and wind power. By 2022, approximately 30% of IKM Group's revenue was generated from green activities, and we aim to increase this percentage in the coming years.

Given that we are in the process of establishing a sustainability reporting system, we currently prefer not to set specific numerical targets. As we continue to progress and refine our reporting framework, we will be able to set more concrete and measurable goals in the future.

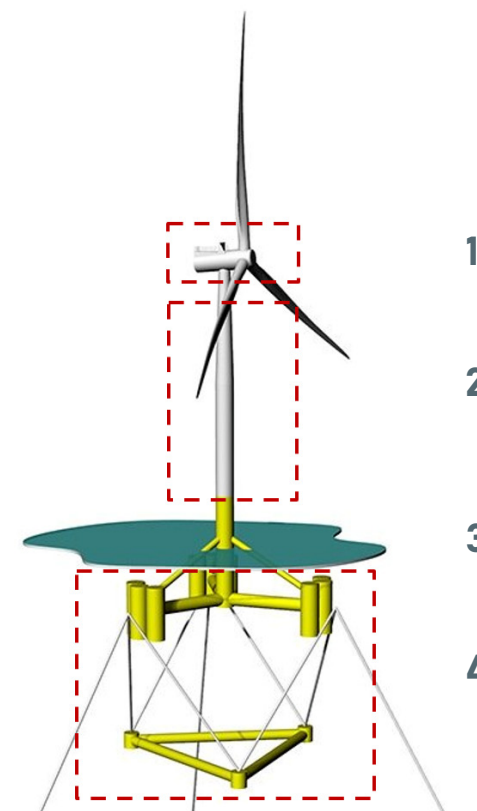
Establishment of a Green division

IKM has been actively working to find its position in the renewable energy market over the past years, resulting in several strategic investments to become a key service provider in this sector. One of these initiatives was the establishment of FØN Energy Services and the acquisition of Energy Innovation.

Energy Innovation is Norway's leading training center for certifying wind turbine technicians, which will be in high demand due to the significant offshore wind developments in the future.

IKM's commitment to alternative forms of energy is carried out through the company IKM InWind AS. In 2021, this company was directly incorporated under IKM Holding AS as a sister company to the IKM Group. Additionally, the group's crane operations were integrated into FØN Energy Services AS, which focuses on service and maintenance within the offshore wind industry .

As an asset integrity partner, we offer services such as maintenance, protection, instrumentation, monitoring, inspection, and condition monitoring of our customers' facilities.



IKM can and will contribute services within:

1. Drivline and power distribution
2. Topside structure and support system
3. Crew Transport Vessel
4. Subsea structure and anchoring system

Services that IKM can provide to the wind market

As a total asset integrity partner we provide, service, maintenance, protection, instrumentation, surveillance, inspection and condition monitoring of all client assets.



Condition Monitoring

Machine Protection, Vibration, Laser Alignment, Fluids, Oil analysis



Development & Engineering

Environmental studies, FEED, Technical consultant



Certification/Inspection

Lifting, Cranes, RBI (Electrical)



Maintenance

Electrical, Mechanical, Automation



Protection

Fire, Blast Walls, Weather



Instrumentation

Pressure, Temperature, Electrical

CO₂-saving technologies at IKM

For many years, IKM has been utilizing CO₂-saving technologies. One of our most significant contributions to emission reduction for both IKM and the industry as a whole is the use of more environmentally friendly technology.

Onshore Control Center

IKM's Onshore Control Center operates our ROVs (Remotely Operated Vehicles) for projects and offshore missions worldwide. The center requires less on-site personnel, resulting in reduced travel activity and increased efficiency, benefiting both safety and cost-effectiveness. This significantly contributes to the reduction of our own and the industry's total emissions.

IKM has several such centers in operation:

- Three in Norway
- One in Singapore
- Planning to establish one in Brazil in 2023

Electrification

IKM was a pioneer in the industry by producing electric work-class ROVs (Remotely Operated Vehicles). Additionally, IKM has developed an electric "residential" ROV that can remain on the seabed between missions. This technology contributes to reduced costs, lower CO₂-emissions, and decreased risk of pollution and damage to ecosystems.

IKM has also developed an efficient electric motor used by IKM companies, customers, and competitors. This motor is more environmentally friendly, with a lower CO₂-footprint and reduced risk of pollution.

Drones

IKM has been providing drone services since 2014. Our drone services contribute to increased efficiency, improved safety, reduced costs, and a lower CO₂-footprint, as they require less on-site personnel and equipment.

3D-printing

IKM utilizes 3D printing (additive manufacturing) for parts and spare parts. By using 3D printing as a technology and tool, we can salvage components that would otherwise end up as scrap. Obtaining parts can be challenging or impossible if the machine is no longer in production. This is an excellent example of our contribution to the circular economy, where we enable old equipment to continue functioning.



Social

The Norwegian Transparency Act
Health, Safety and Environment
Diversity and inclusion
Charitable support





Social

The Norwegian Transparency Act

We can only gain trust from society, customers, employees, and other stakeholders by applying high ethical standards. We believe this can be achieved by always following applicable laws, acting socially and environmentally responsibly, and applying ethical principles in our business conduct.

IKM requires that every employee be aware of, understand, and be committed to conducting business in accordance with these standards and in full compliance with all applicable laws.

Furthermore, IKM holds our business partners to the same expectations and will not collaborate with partners who do not respect:

- The United Nations Universal Declaration of Human Rights
- The United Nations Guiding Principles on Business and Human Rights (UNGPs)
- The United Nations Global Compact (UNGC)
- The Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO)
- Our Code of Conduct

IKM's risk assessment on human rights and decent working conditions is based on the [Transparency Act](#) and the ["OECD Guidelines for Responsible Business Conduct."](#)

Environment, social responsibility, and corporate governance are essential for IKM, and sustainability is embedded in our internal guiding documents and policies.

IKM Group's subsidiaries covered by the Transparency Act are required to conduct risk assessments. The disclosure related to the Transparency Act is published on [our website](#).

IKM has the following policies and systems that require the protection of human rights and decent working conditions:

- Sustainability Policy
- Code of Conduct for employees
- Code of Conduct for Business Partners
- Procedures for Supplier Evaluation and Approval
- Procedures for Integrity Due Diligence of IKM Group's business partners

All our suppliers are required to follow our Code of conduct for Business Partners, undergo integrity due diligence according to our procedures, and follow other supplier approval processes. As part of our due diligence assessments, IKM conducts a risk assessment of all suppliers in our major enterprises covered by the law.

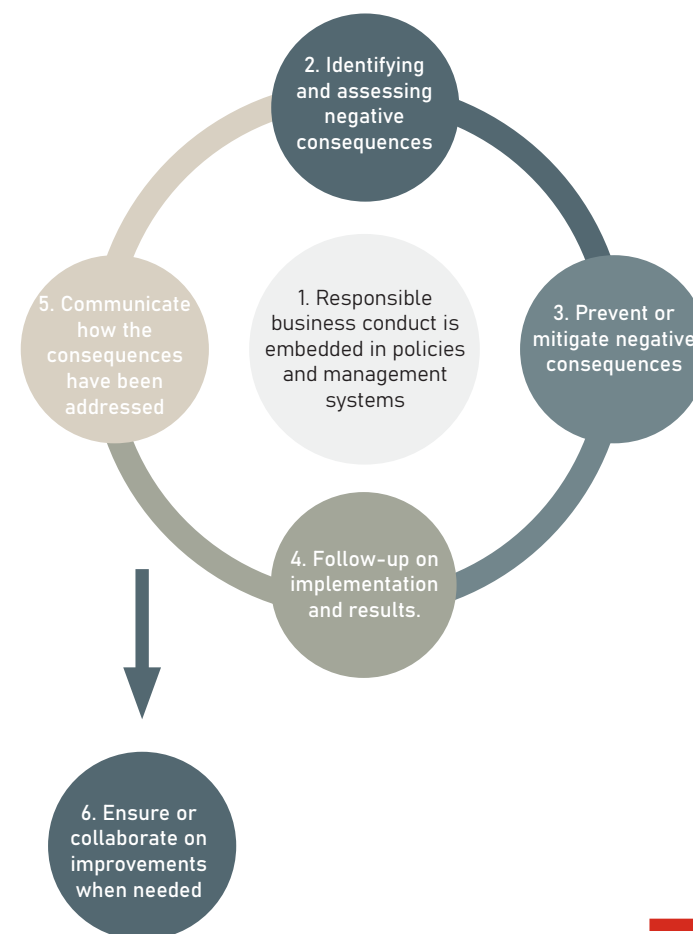
The supplier list is subject to a risk assessment at least every three years.

Risks are assessed based on:

- Risks related to child labor and forced labor (USDL list)
- Country of production/country risk (CPI, ITUC)
- Industry/sector (DFØ – high-risk list, collective bargaining agreements, labor inspectorate's registry)
- Category of goods (DFØ – high-risk list)
- Volume

In our risk assessment for 2022, we have identified the use of hired labor, suppliers from the transport industry, and the cleaning industry as the highest-risk areas in our value chains.

We have not identified any violations of human rights and responsible working conditions in 2022.



HSE

IKM Group has set some key objectives for workplace health, safety, and the environment for 2022:

	Target	Result
Sick Leave	4,0 %	4,2 %
TRIF rate	2,0 %	2,2 %
SIF rate	0,6 %	0,6 %
Serious emissions to the environment	0 emission	0 emission

IKM Group continues with the same goals for 2023.



Diversity and Inclusion

Men and women have equal opportunities to qualify for all types of tasks and positions, and advancement opportunities are the same. Compensation reflects individual qualifications, regardless of gender.

In IKM Group, there are 2 women in top management. There are 2 women represented on the boards of subsidiary companies.

IKM actively works to promote gender equality, ensure equal opportunities and rights, and prevent discrimination based on ethnicity, national origin, descent, skin color, language, religion, and beliefs. Activities include recruitment, salary and working conditions, promotion, development opportunities, and protection against harassment.

IKM has assessed the status of gender equality and prepared a report in line with the duty to report on activities and results. This has been carried out for our companies that are required to do so according to the Norwegian Equality and Anti-Discrimination Act. These reports are published on our website. No specific goals were set for 2022, as this year was dedicated to establishing a system for this assessment.

Goals for 2023

- Map the gender ratio for the entire group and set goals
- Map diversity

Charitable support

IKM takes social responsibility and engages both locally and internationally. For many years, we have provided financial support to various projects within education, sports, and culture.

What do we do?

- Nedeia Uganda
- «Sola ungdomsteam»
- «Ungt entreprenørskap»
- The Salvation Army
- Member of the business association's resource group for diversity
- «Åpen Dør Stavanger»
- This year's TV fundraiser – Medicines Sans Frontiers
- Rynkeby – Children's Cancer Association



Governance

Internal audit

Compliance

- Establishment of the Compliance program
- Goals for 2022
- Goals for 2023

Data security and personal data processing

Contingency plans

Whistle blower service

Governance

The board of IKM Group sets the overall guidelines for the management and control of the group's companies. The board is responsible for ensuring that the group has good internal control and applicable systems for risk management.

Internal audit

IKM's internal audit team aims to contribute to the organization's achievement of its goals for risk management, control, and corporate governance. Several internal audits were conducted in 2022, and no serious findings were uncovered during that year.

Compliance

IKM has a policy for ethics and social responsibility, along with ethical guidelines. Everyone acting on behalf of IKM must do so in accordance with applicable laws and our ethical guidelines.

Compliance is the responsibility of each employee in the IKM group. It is the responsibility of the management to set a clear tone from the top and take action to implement structures to ensure that compliance risks are effectively identified, assessed, and mitigated.

Establishment of the Compliance program

IKM has established an independent Compliance function with direct reporting to the CEO or the group's board. This role was established in 2021. The Compliance function is under the internal audit team (IAT), which supports the group's board and CEO in ensuring that compliance risks are managed effectively and systematically in the organization. The Compliance function is responsible for establishing and maintaining an effective Compliance program tailored to IKM's risk exposure.

Goals for 2022

We had set the following goals for 2022:

- Establish a comprehensive Compliance program for the entire group
- Establish a Compliance portal on the intranet accessible to all companies in the group
- Conduct Compliance training for the management of all companies
- Improve our procedures and systems for follow-up related to human rights in connection with the Transparency Act.

These goals were achieved in 2022.

Goals for 2023

We have the following goals for 2023:

- Conduct Compliance training for all employees
- Perform Compliance risk assessments and actively work on follow-up of findings
- Conduct tailored Compliance training for companies in high-risk countries
- Establish a whistle blower committee and further develop procedures for handling reports
 - Identify root causes and ensure learning from incidents.



Data Security and Processing of Personal Data

IKM places significant emphasis on data security to safeguard our own data and operations as well as our customers' data. We continuously work on improving and securing our IT solutions, and we provide training to our employees. Mandatory e-learning courses and regular phishing tests are conducted to enhance awareness and vigilance.

We have established agreements with subcontractors for essential parts of our IT infrastructure and other security systems, which are ISO 27001 certified, including a 24/7 Security Operations Center (SOC) arrangement.

Our Disaster Recovery systems and plans have been enhanced to effectively handle severe unforeseen cyber incidents. Regular risk assessments concerning IT security are carried out, and targeted cyber attacks are considered one of the most significant risks at present.

Privacy and data protection laws safeguard the private information of all personnel associated with IKM. We are committed to protecting the privacy of our employees and everyone involved with IKM. Personal data is only used for appropriate purposes and is processed in accordance with applicable laws and internal requirements.

Contingency Plans

To handle unforeseen and unusual events, IKM has established contingency organizations both centrally and locally within each subsidiary.

The main focus of the contingency planning in 2022 was to restructure the contingency organization to better align with IKM's structure, which includes multiple companies of varying sizes.

In this context, an emergency preparedness plan, organization, and incident flow were reviewed with the general managers in the IKM companies. Going forward, the focus will be on cybersecurity and the handling of cyber incidents.

The principle for organizing the emergency preparedness organization is that each IKM company handles the situation according to its own emergency preparedness plan but can access support from the central emergency preparedness organization if needed. In more severe cases, the central emergency preparedness organization manages the incident and ensures operational continuity.

In offshore incidents, the operator of the offshore installation or vessel is responsible for emergency preparedness, while IKM's emergency preparedness organization provides support, with a focus on our own personnel. There were no incidents that required activation of the central emergency preparedness organization in 2022.

Whistle blower service

In 2019, IKM established an external whistle blower service operated by KPMG. The whistle blower channel ensures that employees, contractors, suppliers, customers, and other partners can report misconduct in a safe manner. Whistle blower reports submitted through the external channel are handled by KPMG. The content of the report is then forwarded anonymously to the IKM Group's executive management.

In 2022, there were four whistle blower cases at IKM. All cases were handled promptly by our internal whistle blower group. After the investigations, the whistle blowers were informed of the internal processes and actions taken through the whistle blower service.

