

Sustainability report 2023



Table of Contents

01 Statement from the CEO	3	04 Social responsibility	14
		4.1 The Norwegian Transparency Act	14
02 Sustainability at IKM	5	4.2 HSE	15
2.1 Our core operations	5	4.3 Diversity and inclusion	15
2.2 Our values and vision	5	4.4 Charitable contributions	15
2.3 Sustainability goals	5		
03 Environment	7	05 Governance	17
3.1 Climate impact assessment	7	5.1 Internal audit	17
3.1.1 2023 Targets	8	5.2 Compliance	17
3.1.2 2024 Targets	8	5.2.1 Establishing of a Compliance program	17
3.1.3 CO ₂ -reduction Initiatives	8	5.2.2 2023 Targets	17
3.2 Waste management	8	5.2.3 2024 Targets	17
3.3 ISO Certification	9	5.3 Data security and personal data processing	18
3.4 Green energy market transition	9	5.4 Contingency plans	18
3.4.1 CO ₂ -reducing technologies at IKM	10	5.5 Whistleblowing channels	18

01 Statement from the CEO

Environment, social responsibility, and governance (ESG) is important to IKM. Over several decades IKM has grown to become a recognized service provider within the oil and gas industry. Our companies cover most technical areas and possess a wide array of unique competencies applicable to several market sectors. IKM provides services within several sectors, such as wind power, energy storage, hydrogen, and carbon storage. We will continue to leverage our existing competencies and technology to contribute toward reducing the CO₂-emissions of our companies and the industry at large.

In 2023 we have improved the quality of our CO₂-emission measurements by including the following metrics:

- Scope 2 – Electricity
- Scope 3 – Purchases of goods and services
- Scope 3 – Waste treatment

IKM has continued its preparations in 2023 for reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD), which will apply to IKM in the fiscal year 2025 onwards. We have also used a Life Cycle Assessment (LCA) to map the

CO₂-savings tied to our own technology; electric ROVs, Onshore Control Centers and Residential ROVs. This analysis shows that our technology contributes to reducing the total emissions of our industry!

We have introduced a series of important measures to reduce our own CO₂-emissions, such as: reduced travel activity, energy-efficient solutions at our offices and locations, increased use of public transport and electric vehicles, and the use of electric and pneumatic equipment in our industrial operations, among others.

We have made several strategic investments within the renewable sector in 2023. We expect these to increase in the coming years!

With best regards,



Ståle Kyllingstad
CEO

“

IKM's objective is to ensure that the competencies we have developed in the energy sector over 30 years will also be used to mitigate the damage caused by the products that have made us filthy rich as a nation.

”



Photo: Ståle Kyllingstad, CEO IKM

02 Sustainability at IKM

- 2.1 Our core operations
- 2.2 Our values and vision
- 2.3 Sustainability goals

02 Sustainability at IKM

The IKM board establishes the overarching guidelines for governance, management, and control at the group's companies. Our sustainability strategy is anchored at the board level and within the corporate management. At the time of publishing this report, IKM is not required to create an ESG report but has chosen to do so to demonstrate our contributions to our stakeholders. We are working continuously to create a unified system for sustainability reporting at the IKM group, including:

- Improve CO₂-reporting in accordance with the GHG protocol.

We are working to establish a new system for the automatic measurement of CO₂-emissions, and much of it is expected to be ready by the end of 2024.

- Establish a system for more comprehensive ESG reporting (CSRD).

This work will continue toward the reporting obligation for the fiscal year 2025.

We are currently working on improving the existing data infrastructure for this reporting

2.1 Our core operations

The IKM group consists of several companies operating in the oil and gas industry and within land-based industry, with a particular focus on operations and maintenance. IKM is active across the world with employees and contractors in Norway, Denmark, Great Britain, Australia, Brazil, Canada, Indonesia, Korea, Malaysia, Singapore, Poland, Ghana, the UAE, and Thailand.

2.2 Our values and vision

IKM's values are rooted in the group's shared values, which bind us together and will make us enthusiastic, stronger, and better than our competitors. Our values are our guiding principles and will function as the mental guidelines that are embedded in our daily work.



Responsible



Bold



Clear

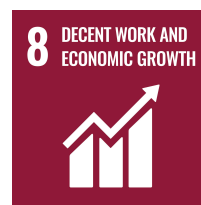


Focus

We aim to be the largest, most comprehensive, and competitive service provider in the energy sector.

2.3 Sustainability goals

IKM recognizes the UN's 17 Sustainable Development Goals and will actively contribute toward reaching these goals by 2030. We have prioritized three goals where we think IKM can make a difference. These three goals are relevant to our values, teachings, and areas of focus. IKM has an overarching goal of reducing its CO₂-emissions by 50% within 2030 and to net zero by 2050.



03 Environment

- 3.1 Climate impact assessment
 - 3.1.1 2023 Targets
 - 3.1.2 2024 Targets
 - 3.1.3 CO₂-reduction initiatives
- 3.2 Waste management
- 3.3 ISO certification
- 3.4 Green energy market transition
 - 3.4.1 CO₂-reducing technologies at IKM

03 Environment

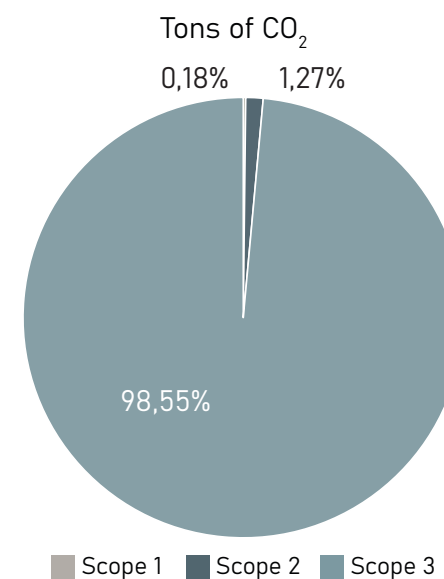
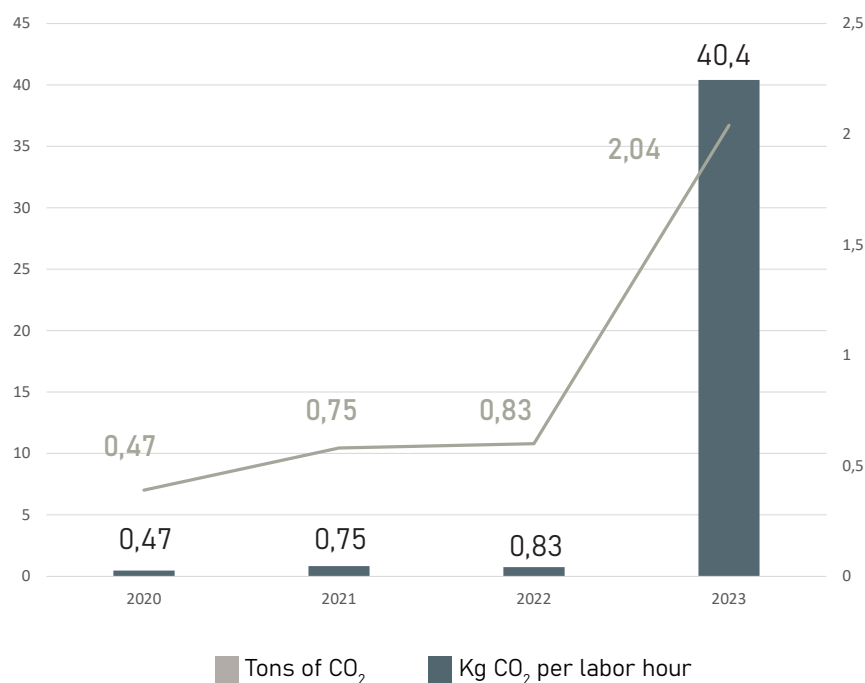
3.1 Climate impact assessment

IKM began measuring its CO₂-emissions in 2020. The measurements are based on the sources that are available and are made in accordance with the GHG protocol. In 2023 we have furthered improved our measurements by including Scope 3 emissions originating from purchases of goods and services. The measurements of emissions from the purchase of goods and services are based on the cost method (not adjusted for intercompany purchases). Purchases of goods and services make up a large share of our CO₂-emissions. This has led to a significant increase in measured emissions for IKM in 2023.

We measure our carbon intensity by kilograms of CO₂-per labor hour and by revenue, measured as tons of CO₂-per NOK million. As our measurements improve, we observe an increase in carbon intensity. Going forward we expect smaller increases as we include additional components of Scope 3 emissions. Future acquisitions and disposals will also have an impact on our CO₂-intensity.

	Tons of CO ₂	Kg CO ₂ per labor hour	Tons of CO ₂ per NOK million
2023	154 162	40,4	2,04
2022	3 065	0,83	0,58
2021	2 553	0,75	0,60
2020	1 358	0,47	0,39

	Metric	Tons of CO ₂
Scope 1	Direct emissions	276
Scope 2	Indirect emissions from purchases of electricity, steam, heating, and cooling	1 958
Scope 3	Other indirect emissions	151 793
	Category 1 – Purchases of goods and services	146 506
	Category 4 – Upstream transportation and distribution	2 793
	Category 5 – Waste from operations	1 257
	Category 6 – Business travel	1 234



3.1.1 2023 Targets

- Improve systems for CO₂-capture and reporting
- Incorporate sustainability in travel and purchase policies
- Increased focus on sustainable purchasing
- Reduce need for travel, including flights

The 2023 targets were reached.

3.1.2 2024 Targets

- Implement unified system for measuring CO₂-intensity
- Document employee travel to and from work
- Increase the share of electric vehicles
- Installing solar panels on selected facilities

3.1.3 CO₂-reduction initiatives

IKM has implemented several important CO₂-reduction initiatives in 2023. We have chosen to highlight some of these below.

Transportation

We make extensive use of electric company cars and trucks. Several of our companies have also installed electric car chargers at their locations. We have implemented the following changes to reduce our travel activity:

- Increased use of online learning
- Increased use of online meetings
- Encouraging employees to use public transportation

Energy efficiency improvements to facilities/offices

- Energy efficient lighting solutions
 - Changed to LED lights
- Energy efficient heating solutions
 - Ventilation only runs during working hours
 - Reduced use of heating in winter and cooling during summer.
 - Installation of solar panels on one facility

An agreement was made with Noova Energy Systems in 2022 for assistance in documentation of energy-saving measures. The identified measures were implemented in 2023. Additional measures will be identified and implemented in 2024.

3.2 Waste management

To protect the external environment from pollution, all waste is delivered to approved facilities for correct treatment. This includes recyclable compounds and hazardous waste. All waste is declared by our waste management partner unless the company does it itself. For safety reasons, the company uses a dedicated supplier for recycling IT equipment.

Workshops with risk of oil spills have installed oil separators that remove oil from water before they enter the sewage system. Oil separators undergo regular maintenance.



Photo: IKM Subsea

3.3 ISO Certification

IKM Gruppen is ISO 14001:2015 certified, which is an internationally recognized environmental management system. This helps us reduce our environmental impact and maintain a focus on external environmental factors.

At the same time, it facilitates sustainable growth and increased profitability, such as:

- Lowering use of resources
- Reducing the use of dangerous materials
- Increasing our recycling rate

All large companies in the IKM group are ISO certified according to all relevant standards.

3.4 Green energy market transition

IKM Gruppen has increased its focus on opportunities within green energy markets and using its technology and core competencies in activities that directly and indirectly contribute to reducing emissions in the external environment. Over decades, IKM has grown to become a renowned service provider in the oil and gas industry. Our companies cover most technical disciplines and possess a wide range of unique competencies that can be applied to several other business segments.

Our most important contribution to the energy transition is through our contribution to the circular economy and extending the lifetime of equipment and facilities. This is in line with IKM's existing competencies in inspection and maintenance, which can also be applied to our operations. Several of our competencies and services can also be applied to the market for green energy with only minor adjustment.

IKM will continue to provide services to the oil and gas industry but simultaneously work toward the green energy market, through the following

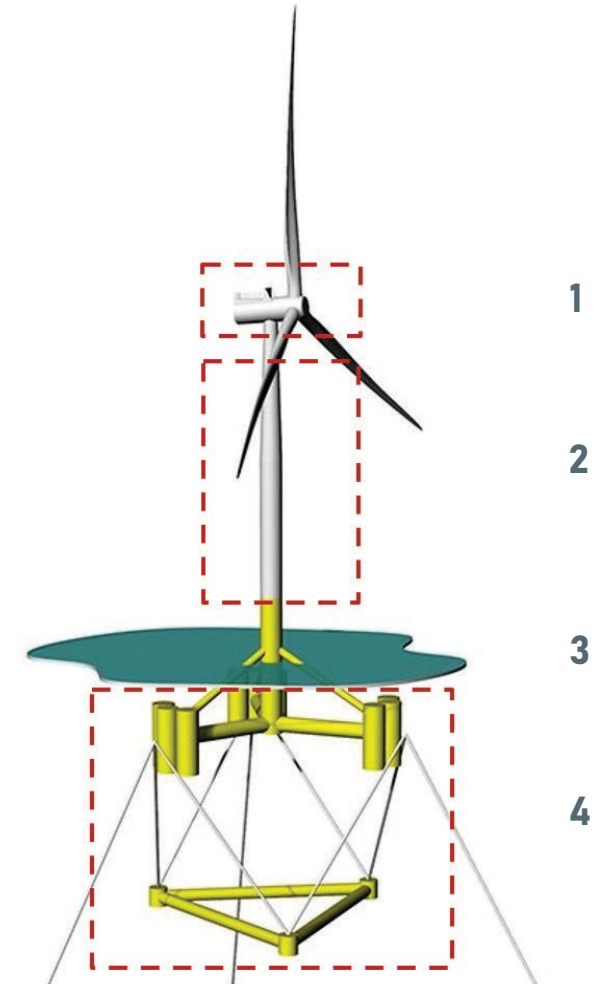
- Knowledge transformation
- Technology transformation

In 2023, approximately one-third of IKM's revenue came from green business activities, and we aim to increase this in the coming years. As we are in the process of establishing a system for sustainability reporting, we do not wish to set specific numerical targets for this yet.

Over the past few years, IKM has actively worked to find its position in the renewable energy market, resulting in several strategic investments in electrical and inspection services to be a key service provider in these markets. In recent years, IKM has also established itself in the operation and maintenance of onshore and offshore wind turbines.

IKM can and will provide services in:

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



1

2

3

4

Services that IKM can deliver to the wind market:

As an integrity partner, we ensure service, maintenance, protection, instrumentation, monitoring, inspection, and condition monitoring of our customers' facilities.



Condition Monitoring

Machine protection, vibration and temperature, electrical / magnetic, fluids, oil analysis



Development & Engineering

Environmental studies, FEED studies, cable laying studies, risk assessment and technical documentation.



Certification/Inspection

Lifting technology, cranes, risk-based inspection, certification/inspection



Maintenance

Electrical, mechanical, process, maintenance philosophy



Protection

Fire, explosion, weather



Instrumentation

Pressure, temperature, electric

3.4.1 CO₂-reducing technologies at IKM

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

Onshore Control Center and ROV technology

IKM's Onshore Control Center operates our ROVs on projects and missions offshore around the world. This requires less on-site personnel, leading to reduced travel and increased efficiency, both in terms of safety and costs. This significantly contributes to the reduction of our own and the industry's total greenhouse gas emissions.

IKM has several such centers in operation

- Three in Norway
- One in Singapore
- Planning one in Brazil

IKM was the first in the industry to produce electric work-class ROVs. IKM has also developed an electric «residential» ROV that can remain on the seabed between missions. This technology contributes to reduced costs, lower CO₂-emissions, as well as reduced risk of pollution and damage to ecosystems.

A Life Cycle Assessment (LCA) was conducted in 2023 to document the CO₂-savings of these technologies. The analysis was carried out by Terravera. The findings from this analysis are presented below.

Electric ROV

IKM Electric ROV - a smarter choice

As the first to develop electric ROVs, IKM's fleet delivers high-uptime ROV operations that enhance operational efficiency, reduce costs, and significantly lower carbon emissions. With Electric ROVs, a total emissions savings of 32-35% can be achieved during subsea surveys and drilling support operations.

Overall CO₂-emission savings using electric ROV

Subsea surveys

Drill Support operations

32%

35%

Emissions saved

Emissions saved

200-690

100-300

kg CO₂/24h saved

kg CO₂/24h saved

**Emissions are based on the emissions released over a 24-hour period per operation. The emissions per operation shown are an average of the emissions released from the supply of ROVs from rigs and vessels. Vessel supply generally results in higher emissions compared to rigs.*

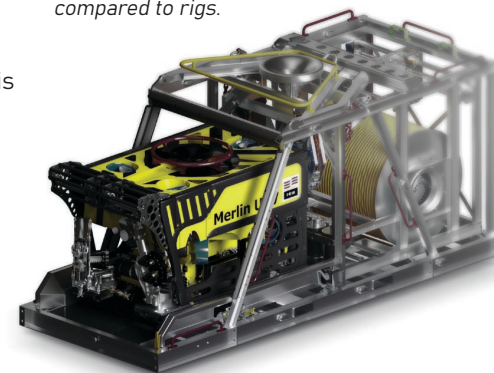


Photo: IKM Subsea



Residential ROV (RROV)

Traditional WROV vs IKM RROV.

IKM RROV models are more efficient than traditional WROV models and will significantly reduce CO₂-emissions through reduced energy consumption and frequency of lifts. IKM RROV is capable of operating underwater longer than WROVs, reducing emissions by about 98% for every third month in operation*.

Overall CO₂-emission reduction with the use of IKM RROV

		IKM RROV	Traditional WROV
98%	450	1	20
Overall reduction in CO ₂	Kg CO ₂ per period	lift	lifts



Photo: IKM Subsea

*Emissions are calculated based on a three-month period and are derived from the energy used to deploy the ROV during operations. The emissions are based on the use of a gas turbine supplied from an offshore rig.

Onshore Operations

IKM saves emissions by eliminating the need for travel to offshore platforms or vessels, thereby reducing the number of support vessels and helicopter transfers required to transport personnel and supplies. This results in a reduction of around 96% per employee per rotation*.

Overall CO₂-emission savings of

96% per employee per rotation

Emissions on land and sea per rotation from Stavanger:

Onshore Control Room (Bryne)	Difference	Offshore Rig (SnorreB)
10	294	305
kg CO ₂	kg CO ₂	kg CO ₂



Photo: IKM Subsea

*A rotation is considered to be 14 days. The emissions are calculated based on the average emissions from travel, energy, and food consumption during the rotation. Stavanger is used as an example here, as this is the most common travel route.



Electric motors

IKM has 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 provided drone services since 2014. Our drone services contribute to increased efficiency, increased safety, lower costs, and lower CO₂-footprints as they require fewer personnel and equipment on-site.

3D Printing

IKM uses 3D printing for parts and spare parts. By using 3D printing, components can be salvaged from scrap. It can be very difficult or impossible to obtain parts if the machine is out of production. This is especially true for critical economic sectors where old equipment still needs to function. In addition to salvaging components, new parts can be built using 3D printing.

Condition Monitoring System (CMS)

IKM delivers and installs equipment for condition-based maintenance. The technology is used to ensure that maintenance and repair are performed based on the equipment's condition and not just on a time-based schedule. This helps to avoid unnecessary maintenance that could save CO₂-emissions, energy consumption, and resource usage.

By using sensor data for continuous monitoring and analysis, maintenance and repair can be performed exactly when needed, thus ensuring optimal use of resources.

By using this technology, unnecessary maintenance and repairs are avoided, and energy consumption and resource usage are reduced.

Emissions Monitoring

IKM delivers a range of sensors for process instrumentation. The sensors monitor various processes so that facilities are monitored to ensure optimal use of energy, resulting in a lower CO₂-footprint.



Photo: IKM Flux



Photo: IKM Testing

04 Social responsibility

- 4.1 The Norwegian Transparency Act
- 4.2 HSE
- 4.3 Diversity and inclusion
- 4.4 Charitable contributions

04 Social responsibility

4.1 The Norwegian Transparency Act

We can only gain the trust of society, customers, employees, and other stakeholders by applying good ethical standards. We believe this can always be achieved by adhering to applicable laws, acting socially and environmentally responsibly, and by using ethical principles in our business conduct.

IKM requires that every employee must be aware of, understand, and comply with these standards and fully comply with applicable laws.

IKM has the same expectations of our business partners and will not cooperate with businesses who do not respect:

- The UN Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights - UNGPFNs Global Compact - UNGC
- The Declaration on Fundamental Principles and Rights at Work – ILO
- Our ethical guidelines

IKM's due diligence assessments of human rights and decent working conditions are based on The Norwegian Transparency Act and OECD's Guidelines for Multinational Enterprises for responsible business conduct.

Social responsibility and governance are important to IKM, and sustainability is anchored in our internal governing documents and policies. IKM Group's subsidiaries covered by the Transparency Act shall conduct due diligence assessments.

A statement relating to the Transparency Act is published on [our website](#).

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

- Sustainability policy
- Ethical guidelines for employees
- Ethical guidelines for business partners
- Procedures for Supplier Evaluation and Approval
- Procedures for Integrity Due Diligence of IKM Group's business partners

All our suppliers must follow our ethical guidelines for business relationships, undergo procedures for integrity due diligence, and follow the requirements for supplier approval. As part of our due diligence assessments, IKM conducts a risk assessment of all suppliers in our supply chain covered by the law.

The supplier list is risk assessed annually.

Risks are assessed based on:

- Risk of child labor and forced labor (USDOL list)
- Country of production (CPI, ITUC)
- Industry/sector (DFØ - high-risk list, general tariffs, subcontractor register)
- Product category (DFØ - high-risk list)
- Volume

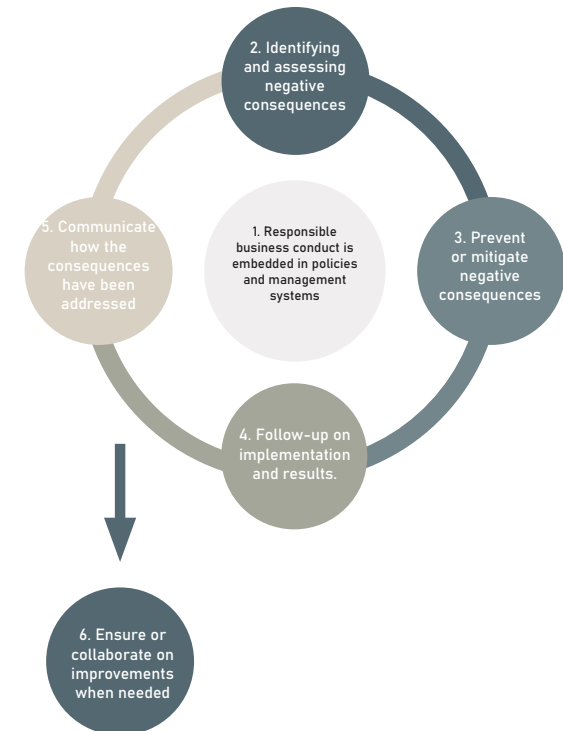
In our risk assessment for 2023, we have identified the use of hired labor, suppliers from the transportation industry, and the cleaning industry as having the highest risks in our value chains.

Our transport partners have been audited for compliance with the general tariff agreement for the transport industry.

In 2023, five supplier audits were conducted.

We have not identified any breaches of human rights and responsible business conduct in 2023.

IKM is working on a new system to qualify, evaluate, approve, and follow up on suppliers. This will provide us with better oversight and the ability to closely follow up with more suppliers and to a greater extent. The system is expected to be implemented in 2024.



4.2 HSE

IKM Group established some key goals for work environment, health, and safety for 2023:

	Goal	Result
Sick leave	4,0 %	3,8 %
TRIF rate	2,0	1,3
SIF rate	0	0
Serious incidents	0 emissions	0 emissions

IKM Group will bring forward the same goals for 2024.

4.3 Diversity and inclusion

Women and men have equal opportunities to qualify for all types of tasks and positions, and advancement opportunities are the same. Salary reflects the individual qualifications, experience, and skills. IKM Group has 3 women in top management. In total, there are 3 women represented on the boards of the parent companies. IKM actively works to promote equality, ensure equal opportunities and rights, and combat discrimination based on gender, ethnicity, sexual orientation, disability, age, religion, and life stance. Activities include recruitment, salary and working conditions, promotion, development opportunities, and protection against harassment.

IKM has mapped the status of gender equality and prepared a report in accordance with the activity and reporting obligation. This is to ensure that our company complies with equality and anti-discrimination legislation.

2023 Targets

- Map the proportion of women in the entire group and set goals

Map the Norwegian business every year: in 2023 the results were: 89% men, 11% women

- Map diversity

Not executex

2024 Targets

- Increase the proportion of women in the Norwegian business from 11% to 15%
- Map the proportion of women in the rest of the group (abroad)

4.4 Charitable contributions

IKM takes social responsibility and engages both locally and internationally. We have contributed financial support to various projects in education, sports, and culture.

Examples of what we do:

- Nedea Uganda - school project Sola
- Youth center
- Young entrepreneurship
- The Salvation Army
- Member of the business association's resource group for diversity



Photo: IKM Consultants

05 Governance

- 5.1 Internal audit
- 5.2 Compliance
 - 5.2.1 Establishing of a Compliance program
 - 5.2.2 2023 Targets
 - 5.2.3 2024 Targets
- 5.3 Data security and personal data processing
- 5.4 Contingency plans
- 5.5 Whistleblowing channels

05 Governance

The Board of IKM Gruppen establishes the overarching 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 appropriate systems for risk management.

5.1 Internal audit

IKM's internal audit should contribute to the organization achieving its goals for risk management, control, and governance. Four internal audits were conducted in 2023. No significant findings were uncovered in 2023.

5.2 Compliance

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

Compliance is the responsibility of every employee in the IKM Group. It is the management's responsibility to set a clear tone and act to implement structures to ensure that Compliance risks are effectively identified, assessed, and mitigated.

5.2.1 Compliance program

IKM has established an independent Compliance function that has direct reporting to the Board of the group's companies. This role was established in 2021. The Compliance function is supported by an Internal Audit Team (IAT) that assists the Board and the group's companies to ensure that Compliance risk is managed as effectively and systematically as possible. The Compliance function is responsible for establishing and maintaining an effective Compliance program tailored to the risk exposure in IKM.

5.2.2 2023 Targets

We had the following goals for 2023:

- Mandatory compliance training for all employees.
- Conduct compliance risk assessments and work actively to follow up on findings.
- Conduct tailored compliance training for companies in countries with the highest risk according to our assessments (based on the ITUC and CPI indices).
- Establish a whistleblower committee and further develop procedures for handling reports (identify root causes and ensure learning)

These goals were reached in 2023.

5.2.3 2024 Targets

We have the following goals for 2024:

- Conduct compliance risk assessments and work actively to follow up on findings.
- Conduct tailored compliance training for companies in countries with the highest risk according to our assessments.
- Continue raising awareness about Integrity Due Diligence of business partners, with a special focus on sanctions and mapping of ownership.
- Conduct supplier audits related to the Transparency Act.



Photo: IKM Testing

5.3 Data security and personal data processing

IKM places great emphasis on data security to protect its own data and the operation of the company as well as to secure our customers' data. IKM continuously works on improving and securing our IT solutions, and we base our work on NSM's core principles for IT security. The work is also assessed in accordance with ISO 27001. We also focus on training our employees, where we conduct mandatory e-learning courses and perform regular phishing tests. In addition, we have agreements with subcontractors/partners to ensure that parts of our IT infrastructure and other security systems are ISO 27001 certified. This also includes a 24/7 SOC (Security Operations Center) agreement.

We have improved our Disaster Recovery systems and plans to handle serious unforeseen cyber incidents. IKM conducts regular risk assessments against IT security and targeted cyberattacks, as we consider it one of the largest risks we are exposed to. Privacy and data protection laws protect private information for all personnel who are involved with IKM. We are committed to protecting the privacy of our employees and all those involved with IKM. We use personal data only for appropriate purposes, and this information is treated in accordance with applicable laws and internal requirements.

5.4 Contingency plans

To handle unforeseen and unusual incidents, IKM has established an emergency response organization both centrally and locally in the individual companies. The main focus of the contingency plan in 2023 was to structure the emergency response organization to better align with IKM's structure, with many companies in different locations. This led to a review of IKM's emergency response exercises, carried out by central personnel from both the IT department, corporate management, emergency response organization, and selected IKM companies.

The principle for organizing the emergency response organization is that the individual IKM company handles its incidents with its own emergency plan but has access to support from the central emergency response organization as needed in more severe situations, handling the overall emergency response and operational continuity.

In offshore incidents, the operator of the offshore installation or the vessel responsible for the emergency response manages this, while IKM's emergency response organization will support this, focusing on our personnel. There have been no incidents where the central emergency response organization was activated in 2023.

5.5 Whistleblowing channels

IKM established an external whistleblowing service operated by KPMG in 2019. The whistleblowing channel ensures that employees, contractors, customers, and other partners can report critical conditions anonymously. Reports sent via the external whistleblowing channel are handled by KPMG. The content of the report is then forwarded anonymously to the corporate management in the IKM Group.

IKM had six whistleblowing cases in 2023. All cases were followed up by our internal whistleblowing group and handled in a timely manner. Reports are subsequently closed with information about the internal handling and measures by the whistleblowing service.

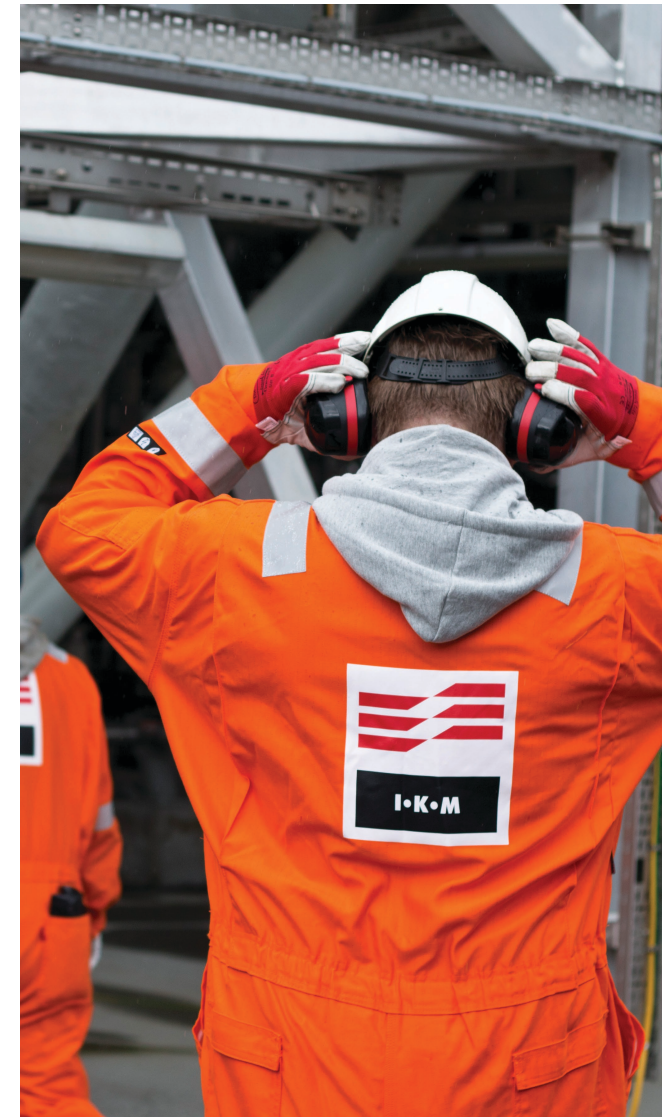


Photo: IKM Testing