

Communication on Progress

UN Global Compact

Aker Solutions' corporate responsibility is described as an integrated part of our annual reports. In addition to the information available in our annual reports, more comprehensive information is included in the Environment and Society section on our website www.akersolutions.com. This document is based on the information available on our internet pages.



Caring about people

Our people are our main asset. As a technology-based company, we depend on smart minds and a working environment with room for creativity and cooperation.



Caring about environment

We work to minimise negative impact on the environment by continuously developing technology, practices and business opportunities compatible with sustainable development.



Caring about integrity

We believe that supporting a rule-based system, with transparency, fair competition and equal treatment, is of benefit both to our company, to the sustainability of our industry and to the society that surrounds us.



Caring about the community

We are a significant part of the societies in which we operate, both locally and globally. We believe in playing our part in the community through investing in building a healthy, safe and stable society.

Letter from the Executive Chairman

Our vision is to be the preferred partner for solutions in the oil and gas industry through living our values. Being a responsible societal actor is of key importance towards this vision.

“
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”



We believe it is our responsibility to ensure mutual benefit between companies and the society, and to do our part towards a sustainable future. As a company, and a large employer, we need to engage with our stakeholders and assess sustainability risks and opportunities related to our operations to continue to improve our Corporate Responsibility (CR) performance.

As a supplier to the oil and gas industry, it is important that we stay abreast with the on-going developments in environmental standards. Aker Solutions will continue to invest in research that will lead our products and services and thus, our industry, towards a more sustainable future.

Aker Solutions' approach to corporate responsibility is grouped into four building blocks: People, Community, Environment, and Integrity. Together with our values they provide guidelines for our conduct and operations. We encourage employees to live our values and demand that our CR principles, outlined in our Code of Conduct, are reflected in our behaviour. Our principles and vision can only become part of our common culture and practice if they are brought to life through the everyday actions of our employees.

In 2008, Aker Solutions joined the United Nations Global Compact (UNGC). Its ten principles matched our own approach to business and constituted a strong framework for the development of our policies and strategies. The UNGC is founded on universally accepted principles and a multi-stakeholder approach. This means that by aligning our conduct with the Ten Principles, Aker Solutions attempts to actively respond to the most important concerns raised by our stakeholders.

Aker Solutions will continue and strengthen its commitment to the UN Global Compact. We see the principles as constituting basic rules which all companies should integrate into their operations and every day practice. We also encourage our suppliers, sub-contractors and other third parties to align their conduct with these principles.

Since Aker Solutions became a member of the UNGC in 2008, we have focused on strengthening our framework for Corporate Responsibility, by reviewing policies and standards, and increasing our competence in the Corporate Enterprise Risk department and Compliance resources throughout our organisation.

Our effort towards anti-corruption awareness has been renewed and in 2010 we undertook a global review of all Aker Solutions' third party representative contracts. In addition we have increased the focus on our whistle-blowing function and revised the whistle blowing chart.

We have also implemented an improved project review system, which incorporates considerations of human rights, environmental impacts and ethical dilemmas in the projects we are involved with.

Following our reorganisation in the first part of 2011, we have engaged with stakeholders to confirm the materiality of our CR focus areas, and to improve our reporting according to the Global Reporting Initiative. This year we will also implement a new and more broadly focused ethical training programme, and we will follow up on the increased CR focus in our supply chain management.

More information about our on-going initiatives and actions to improve our CR efforts, including communication on our progress towards the Global Compact principles, is available on our webpages.

Yours sincerely,



Øyvind Eriksen, Executive Chairman

26 August 2011

Caring about community

As a large company we are a significant part of the societies in which we operate, both locally and globally. We believe in playing our part in the community through investing in building a healthy, safe, and stable society.

UN Global Compact

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses

Aker Solutions strives to conduct its business in line with fundamental human rights, supporting the United Nations Declaration of Human Rights and the principles established by the International Labour Organization. Slavery, child labour, torture, and other violations of basic human rights are unacceptable.

Aker Solutions employees shall respect human rights and seek to minimise any negative impact our business activities may have on society and are challenged to look for opportunities that benefit both society and our business. This is outlined in our Business Ethics Policy, our Supply Management Policy, in our Corporate Code of Conduct, and the framework agreement entered into by Aker ASA and the Norwegian Confederation of Trade Unions and the International Metalworkers Federation.



Our approach

Aker Solutions' employees are required to ensure that the company is not involved with human rights abuse. It is the responsibility of every line manager in Aker Solutions to ensure that everyone they manage is aware of and complies with our guidelines for ethical behaviour.

Line managers are expected not only to actively communicate these guidelines but also to identify and act on any issues they raise and to access the necessary resources in the organisation to achieve compliance.

If a breach of the above mentioned responsibilities is suspected it shall be reported to Corporate Enterprise Risk which is required to address the issue promptly setting in motion an investigation to determine whether or not a breach has in fact occurred. If a breach is revealed corrective actions shall be identified and implemented.

Supply-chain and procurement managers are responsible for informing and monitoring the performance of suppliers. Our country risk management system is implemented to ensure consistency with our business ethics policy in operations in high-risk countries.

Our activities

Aker Solutions is committed to continuous improvement of our corporate responsibility and our implementation of the Ten Principles of the UN Global Compact. Here are some examples of activities implemented in the last reporting period.

Revision of policies and code of conduct: The business ethics policy, the Supply Management Policy, the Corporate Code of Conduct, and other specific governing documents have been revised to ensure appropriate attention to human rights risks and the reflection of UN Global Compact principles 1 and 2.

Working with suppliers and third parties: Aker Solutions work with our suppliers to support the protection of internationally proclaimed human rights. All third parties shall be informed about Aker Solutions' Code of Conduct and our expectations to them about aligning their conduct with Aker Solutions' Policies. We are also in the process of integrating the commitment to Human Rights into our suppliers' pre-qualifications procedures.

Human rights considerations in bidding activities: Aker Solutions is a large supplier to the oil and gas industry and we strive to ensure that the projects we support and supply with our technology and services are consistent with our business ethics policy and our support of human rights. In 2010 we implemented a project review system for bidding activities in high-risk countries. With the publication of our country risk standard we initiated an information campaign. Intranet articles described the risks and the management system and managers were trained on the implementation. Specific information sessions have been arranged for new business teams and tender managers and for locations working towards high-risk markets. Along with the increased

information we have seen an increase in approaches from our different business units with questions and notifications for new tender opportunities. We consider this to be a positive sign of increased awareness in the organisation.

Training and awareness-raising: Our interactive computer based learning tool on Corporate Responsibility has been in place since 2007. The code of conduct is distributed to all new employees and has also been made available on our webpages. A business ethics programme is under development and will be implemented from mid October 2011. Employees are encouraged to apply their skills and knowledge for the benefit of the communities in which they live and work.

Partnering with Red Cross: Aker Solutions remains a global partner of the Norwegian Red Cross. Our main focus is in offering relief and emergency aid in the event of catastrophes. The partnership encompasses financial support, knowledge exchange, sharing of expertise and best practice, and volunteering of Aker Solutions Employees in Red Cross projects. We encourage our employees to take part in voluntary work.

Sponsorship: Aker Solutions supports local sports activities and other social initiatives in the societies where we are present. No charitable donations are made to political or religious organisations and all charitable donations must be approved in advance by Aker Solutions' Board of Directors.

Building on local capabilities: Aker Solutions is committed to building on local capabilities and sharing our technology with the markets we enter. We believe that we benefit from drawing on local resources to create jobs, customise product strategies, and work with local governments.

- We have been increasing our capacity in the Asia Pacific region. Currently we employ approximately 4 000 people in the region, including around 1000 located in Malaysia. Of those 1000, most work at the high-tech manufacturing centre we established in 2007. Nearly 100 of the engineers and technicians employed at the centre at Port Klang were trained at our Norwegian and British Subsea facilities. The centre has also created opportunities for local vendors who supply the centre with components and services.
- Our Subsea operations in Brazil have more than 1000 people in an almost exclusively Brazilian workforce.
- In Angola we have developed West Africa's most advanced Subsea base. To promote the effective sharing of our know-how in the region an active training programme has brought employees from the region to be trained at other Aker Solutions facilities.
- We are also implementing local graduate programmes in key regions as US, Brazil, and Norway, and similar efforts with local employees in several other countries.

Caring about people



Our people are our main asset. As a technology-based company, we depend on smart minds and a working environment with room for creativity and considerable cooperation.

UN Global Compact

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation

A competent and motivated workforce, driving toward the same goals, is vital to our success. With thousands of employees around the world, representing many cultures, religions and ethnic groups, our focus is to help each individual employee realise his or her potential and look after his or her own health and safety. All our efforts are guided by a commitment to protect the human rights of our employees and of the stakeholders we influence.

Our commitment to individual competence: Aker Solutions' deliveries are the sum of the expertise and experience of thousands of individuals. This diversity of personal capabilities and the interaction between them liberates energy and generates new technology, creative solutions and lasting value. Aker Solutions actively strives to attract and develop talented individuals who

understand our customers' needs and requirements and who can produce and deliver the best solutions.

Health and Safety: Aker Solutions employees are entitled to a workplace which is safe and healthy. We sometimes work in challenging environments, and in these cases our main priority is to maintain a safe and healthy environment for our employees and our customers, our sub-contractors, consultants and other parties working together with us. We have a zero incident mind-set. We believe that it is possible to get to zero accidents, and that is what we strive for. Our HSE commitment is outlined in our HSE policy, our People's Policy and our Code of Conduct.

Freedom to organise: Aker Solutions employees have the right to be heard, represented and to form and join trade unions of their own choice. These unions shall have the right to be recognised for the purpose of collective bargaining. This is outlined in the International Framework Agreement between Aker ASA and the Norwegian Confederation of Trade Unions and the International Metalworkers Federation.

Equal opportunity, diversity and harassment: Aker Solutions endorses diversity and encourages the building of teams in which energy, enthusiasm and creativity can be unlocked through diversification. We are committed to employment policies which are open and fair and without distinction of any kind such as race, colour, sex, language, religion, political or other opinion, national or social origin, or other status.

Aker Solutions employees shall expect a workplace which is free from harassment and discrimination. This is outlined in our People's Policy and our Code of Conduct. Aker Solutions will respect its employees, apply an approach of fair rewards, and provide suitable training and development opportunities. There will be no retaliation against any employee that should raise any issue of genuine concern including but not limited to safety, ethics, alcohol or drugs, equal opportunity, or harassment. Our Supply Management Policy establishes similar requirements and rights in our supply-chain.

Our approach

Aker Solutions recognises the value that diversity in the workplace brings to our company. We are enriched by having the diversity of a global organisation which embraces people from many cultures, religions, and ethnic groups. Aker Solutions' policy is therefore to ensure that equal opportunity is provided to all prospective employees regardless of race, colour, religion, sex, age, national origin, or disability.

Our People Policy and our Code of Conduct outlines the key rights and responsibilities of our employees. It is the responsibility of all line managers to ensure that the policies are implemented. HR managers at each location are responsible for the relevant training and monitoring while Corporate HR is responsible for implementing strategies and monitoring effectiveness.

Each business area is responsible for developing appropriate procedures for their environment which seek to promote equal opportunity and diversity ensuring compliance with local legislation as a minimum. Individuals who believe they have been subjected to harassment are encouraged to report the incident to their supervisor, higher management, their HR contact, or through the established “whistle-blower” channels. All complaints will be promptly and thoroughly investigated. The company will treat such complaints confidentially, releasing information only to those with a need or right to know.

We also encourage employee representation in our business units in all the countries where we have operations. Through participation in working committees and on our Board of Directors trade union representatives provide employees with valuable influence and provide an important line of communication between employees and management.

Our activities

Aker Solutions is committed to continuous improvement of our corporate responsibility and our implementation of the Ten Principles of the UN Global Compact. Here are some examples of activities implemented in the last reporting period.

Policies and code of conduct: Our People Policy and Code of Conduct are aligned with the Principles in the UN Global Compact. Aker Solutions maintains committed to adhere to the principles outlined in the framework agreement entered into by Aker ASA and the Norwegian Confederation of Trades Unions and the International Metalworkers Federation. This contract was renewed in October 2010.

Incorporating Labour Rights provisions in our Supply Management: Our Supply Management policy has been revised to better express expectations to labour rights in our supply chain. It is clearly stated in the policy that suppliers using child labour or forced or compulsory labour shall not be pre-qualified. We are also in the process of rolling out a new database system to streamline and control our supplier selection and to better monitor implementation of internal and external audits.

People Survey 2010: 17 780 employees from 23 countries and 67 of our business units took part in a survey giving open feedback to our global management and helping us improve our organisation's performance and the development of our people.

Our Diversity Programme: In supporting our principles on non-discrimination our focus is on creating a culture open to diversity. Our vision is to build an Aker Solution mind-set and culture in which cultural intelligence is an integrated element of our behaviour on all levels and in all locations. Cultural awareness has been integrated in global learning and development initiatives and is now being systematically included into our people processes. To support an on-going learning process Aker Solutions has initiated a cultural awareness programme where we have trained (and continue to train) cross-cultural connectors across all our locations. Their mission is to create an environment where people are successful and confident in working across cultures, beliefs, and with different individual differences.

Caring about environment



The environment depends on companies like ours to contribute to its positive development. We therefore work to minimise negative impact on the environment by continuously developing technology, practices, and business opportunities compatible with sustainable development.

UN Global Compact

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

As a supplier to the oil and gas sector it is important for Aker Solutions to ensure that we can continue to deliver high quality products that can help our customers be more energy-efficient, and solutions that can help reduce environmental risks and impacts. We have committed resources to research into environmentally friendly solutions for the oil and gas industry’s future as well as new and greener business opportunities. It is important to develop new technologies. It is also important to combine existing technologies in smarter and more efficient ways.

Our product innovation goes further and includes the full life cycle - not just technology but product design, manufacturing, operation, and decommissioning. Our brochure “Powered to Perform” provides more information on our product innovation.

We also take our own commitment to environmental performance seriously and we are working towards a zero-level for accidental spills. This is established in our "Just Care" Health Safety and Environment (HSE) policy.

Our approach

In Aker Solutions, "We take personal responsibility for HSE because we care about people, the environment, and our company." All employees are responsible to implement our HSE standards and the requirement to consider our impact on the Environment is clearly stated in our Code of Conduct.

All operating units shall implement the HSE Operating System. This implies adopting the expectations set out in the HSE Operating System as improvement targets, performing assessments against these expectations, and have in place a continual improvement process to meet the expectations. Each business unit reports electricity use by location, renewable and non-renewable fuels, waste disposal, and recycling factors. The environmental performance KPIs also includes intensity factors to be able to monitor energy consumptions and emissions as a factor of million worked hours. Currently the global HSE network employs more than 200 fulltime HSE professionals to secure continuous improvement.

Our activities

Aker Solutions is committed to continuous improvement of our corporate responsibility and our implementation of the Ten Principles of the UN Global Compact. Here are some examples of activities implemented in the last reporting period.

Reduced CO2 from travel: Over the past years we have maintained a focus on reducing energy use and CO2 emissions from travelling by investing in and encouraging in green collaboration, including video conferencing equipment, online meeting tools, and effective phone conferencing and smart boards. We have also invested in electrical cars for corporate use.

Green Logistics: We have also adopted a "green logistics" program for our offshore personnel in the North Sea. In this, personnel are engaged in offshore modification and maintenance projects closest to each individual's home to avoid unnecessary travel. Tools and service equipment is also stored closest possible to the offshore installations to avoid unnecessary transportation.

Reduced energy use and CO2 emissions from buildings: In 2010 we established smarter systems to control heating, lighting, and cooling at our headquarters in Oslo. We have restricted the access to unnecessary use of cooling systems and to compensate we have reduced the temperature of the supply air from ventilation. We have managed to reduce our energy consumption by 37% from January 2010 to January 2011. We have also reduced the required effect of remote supply of heating and cooling which provides an estimated saving of one million Norwegian Kroner (NOK) per year. Our offices at other geographical locations have been asked to prepare suitable plans for reducing their CO2 footprint.

Mitigation of environmental impacts from our products and services:

The Gjøa oil platform: The first platform with land-based electricity-supply to be operated in the North Sea was built at Aker Solutions yard in Stord

Aker H-6e rigs:

- Zero harmful discharges to sea
- Energy optimisation and reduced emissions to air
- Facilitate for use of green chemicals
- Facilitate for an effective waste management system
- Strong focus on HSE

Zero discharge to sea systems: Aker Solutions has engineered and constructed Floating, Production and Storage vessels with zero discharge to sea.

Arctic bow loading: Aker Solutions has delivered offshore loading equipment for decades, i.e. Pusnes bow loading system™ and Pusnes offloading system™. As more field developments materialise in arctic regions Aker Solutions saw the need for specialised loading systems that satisfy stringent environmental requirements. The Pusnes inboard bow loading system™ is one of these developments.

Subsea Control systems: Several environmental initiatives have resulted in more environmental friendly subsea tools and systems. I.e. hydraulic fluids are changed to electrically operated systems. Also subsea developments eliminate need for huge surface vessels/ships.

Cessation and decommissioning: Aker Solutions is heavily involved in the decommissioning market in the North Sea. Old redundant oil platforms are closed down, cleaned, and decommissioned at our site for further recycling of materials. Close to 100% is recycled.

Caring about integrity



In Aker Solutions we have an absolute zero tolerance for corruption. We believe that supporting a rule-based system with transparency, fair competition, and equal treatment is of benefit both to our company, to the sustainability of our industry, and to the society that surrounds us.

UN Global Compact

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Aker Solutions employees must not (neither directly or indirectly through a third party representative (TPR)) offer anything of value to influence the actions or decisions of any official, other person in public or legal duty, any person acting on behalf of customers or sub-contractors/suppliers, or any other third party. Or, to otherwise obtain any improper advantage, in selling goods and services, conducting financial transactions, or representing the company's interests.

Aker Solutions is committed to fair and open competition. We are committed not to engage in any anti-competitive practices or other activities which violate anti-trust laws or directives. We treat our customers fairly and act with concerns also for their integrity. Aker Solutions does not offer any financial or in-kind contributions to political parties.

Our approach

We build a culture that values honesty, integrity, and transparency and we encourage the same behaviour among our partners. All Aker Solutions employees are provided training and information material about how to avoid being involved with unfair practices and we are continuously working to improve our compliance programme.

All employees and business units are responsible to oversee that all of their conduct is aligned with our Business Ethics Policy and the Code of Conduct's guidelines for bribery and corruption. Special programmes have been implemented for high risk areas and all Third Party Representatives (TPR) need to go through an integrity check before contracts can be initiated. Enterprise Risk has a special responsibility to support the business areas in reducing their exposure to corruption risks.

Integrity risk assessment in Aker Solutions is integrated with other risk assessment activities. All operating units are required to submit a self-assessment questionnaire to Enterprise Risk on an annual basis. The assessment includes analysis of control frameworks; communication of corporate policies including business ethics; management of Third Party Representatives and Joint Ventures; and financial control in the business units. In 2009 and 2010 the self-assessment questionnaire was submitted by all operating units.

Our activities

Aker Solutions is committed to continuous improvement of our corporate responsibility and our implementation of the Ten Principles of the UN Global Compact. Here are some examples of activities implemented in the last reporting period.

Review of Third Party Representative (TPR) agreements: A thorough review and due diligence of all existing relationships with third party representatives. This included external and internal due diligence of all TPRs and contract review.

Training and awareness raising: In addition to our e-learning courses, training was provided to units and groups with higher exposure to integrity risks. Relevant individuals have also attended external conferences and training, for example on the UK Bribery Act. We are in the process of developing a more broadly focused dilemma training programme.

Our performance

Finance	2010¹	2009²	2008²
Operating revenues (MNOK)	46 267	54 077	58 252
Payroll expenses (MNOK)	12 606	14 359	13 122
Income tax expense (MNOK)	697	877	590
Share dividends (MNOK)	714	451	829
Interest to lenders (MNOK)	454	308	295
Retained earnings (MNOK)	1 957	2 260	1 438

Community

Hours spent on CR and human rights training	976.5	1432.5	918
Number of new employees that completed the CR e-learning on business ethics	1 302	1 910	1 224
Percentage of employees that have completed the CR e-learning on business ethics (estimate to include turnover)	24.5	19.7	11.5

Health and safety

Lost time incident frequency (LTIF) including sub-contractors	0,83	0,9	0,93
Total recordable incident frequency (TRIF) including sub-contractors	2,62	2,7	3,62
Fatalities, including sub-contractors	0	3	0
Sick leave rate (%)	2.04	2.18	2.27

Diversity and workforce

Total number of employees	24 814	29 937	33 961
Of which permanent employees	19 444	22 133	23 360
Percentage permanent employees	78.4	73.9	68.8
Percentage of local managers in key locations ³	87.6	NA	NA
Percentage of employees covered by trade union agreements at key locations ⁴	80.7	NA	NA
Number of hours spent on training per employee	1.83	1.88	2.27
Percentage of employees that have had a formal performance review	67.5	NA	NA

Environment

Energy consumption (MWH)	473 950	588 206	623 049
Energy intensity (MWH per million worked hours)	5 327	5 966	6 560
Energy intensity (GJ)	1 706 220	2 117 541	2 242 976
Energy intensity (GJ per million worked hours)	19 177	21 477	23 616
CO2 Emissions (Tonnes)	109 573	136 797	146 654
CO2 Emissions intensity (Tonnes per million worked hours)	1 232	1 387	1 544
Recycled waste (Tonnes)	36 096	34 494	22 021
Total waste (Tonnes)	42 171	45 744	35 756
Recycling factor (%)	85.6	75.4	61.6
Hazardous waste (Tonnes)	965	2 769.2	2 200
Accidental oil spills (number)	0	0	0

¹ Financial data for continuing operations only

² As reported in annual reports: Includes discontinued operations

³ The table shows senior managers at locations with more than 500 employees Information not available for Germany

⁴ The table shows employees that are covered by collective bargaining agreement at locations with more than 500 employees (data not available for US and India). Employees at key locations make up 80.2% of all Aker Solutions employees.