

# Sustainability Report 2024



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## 01 Statement from the CEO

Environment, Social Responsibility, and Governance (ESG) is important to IKM. Over several decades, the group has established itself as a recognized service provider in the energy sector. Our companies cover a wide range of technical disciplines and possess unique expertise that is also applicable across various market areas – including renewable energy.

Today, IKM provides services in areas such as wind power, energy storage, hydrogen, and carbon capture and storage. We will continue to use our existing technology and expertise to help reduce both our own and the industry's overall CO<sub>2</sub>-footprint.

In 2024, we have continued our efforts to prepare the group for reporting in accordance with EU's new legal requirements, the Corporate Sustainability Reporting Directive (CSRD). To enhance the quality of sustainability reporting, IKM has launched several initiatives to streamline data collection and improve the reporting foundation across the group. This includes:

- Acquisition of ESG reporting tools
- Establishment of a new data warehouse
- Development of new procedures for data management and governance

IKM has also implemented several measures to reduce its own CO<sub>2</sub>-emissions, including reduced travel activity, energy efficiency improvements at offices and locations, increased use of public transport and electric vehicles, and a transition to electric and pneumatic equipment.

Additionally, in 2024, several strategic investments have been made within the renewable segment, with a particular focus on the circular economy – such as life extension, reuse, and maintenance. This initiative will continue in the years to come.

Kind 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 Values and Vision
- 2.2 Sustainability Goals
- 2.3 Our Core Business

## 02 Sustainability at IKM

The Board of IKM Gruppen establishes the overarching guidelines for corporate governance, management, and control of the group's companies. Our sustainability strategy is anchored at board level and within group management, and is viewed as a strategic tool to create value and achieve competitive advantages in the market.

IKM is currently preparing for reporting in accordance with the EU regulation, the Corporate Sustainability Reporting Directive (CSRD). IKM Gruppen will report in accordance with CSRD on behalf of all companies within the group. To ensure higher quality in sustainability reporting, IKM has launched several initiatives to streamline data collection and improve reporting quality across the group. This includes:

### Implementation of an ESG reporting system

IKM has acquired the ESG software, IBM Envizi, to help streamline data collection and reporting, and ensure compliance with legal requirements and other reporting frameworks (CSRD, CDP, etc.). The system will help improve the quality of climate accounting across all companies in the group and contribute to more standardized data collection from various sources.

### Establishment of a data warehouse

IKM sees significant value in streamlining data collection across the group's companies. The goal is to enable more automated and efficient reporting. By establishing robust processes and implementing a comprehensive data warehouse solution, IKM will be able to reduce manual work while improving data quality in reporting. This will provide better insights and decision-making support, enabling more informed and strategic choices across the group.

### Expected value creation:

- Improved CO<sub>2</sub>-reporting
- Increased data quality
- Clearer visibility of the group's contributions to stakeholders

### 2.11 Our Values and Vision

IKM's values are based on the group's shared foundation – what binds us together and makes us enthusiastic, stronger, and better than our competitors. Our values are our guiding principles and serve as mental guidelines embedded in our daily work.



Responsible



Bold



Clear

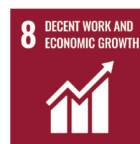


Focused

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

### 2.2 Sustainability Goals

IKM recognizes the UN's 17 Sustainable Development Goals and will actively contribute to achieving these goals by 2030. We have prioritized three goals where we believe IKM can make a difference. These three goals are aligned with our values, principles, and focus areas. IKM has an overarching goal to reduce CO<sub>2</sub>-emissions by 50% by 2030 and to reach net zero by 2050.



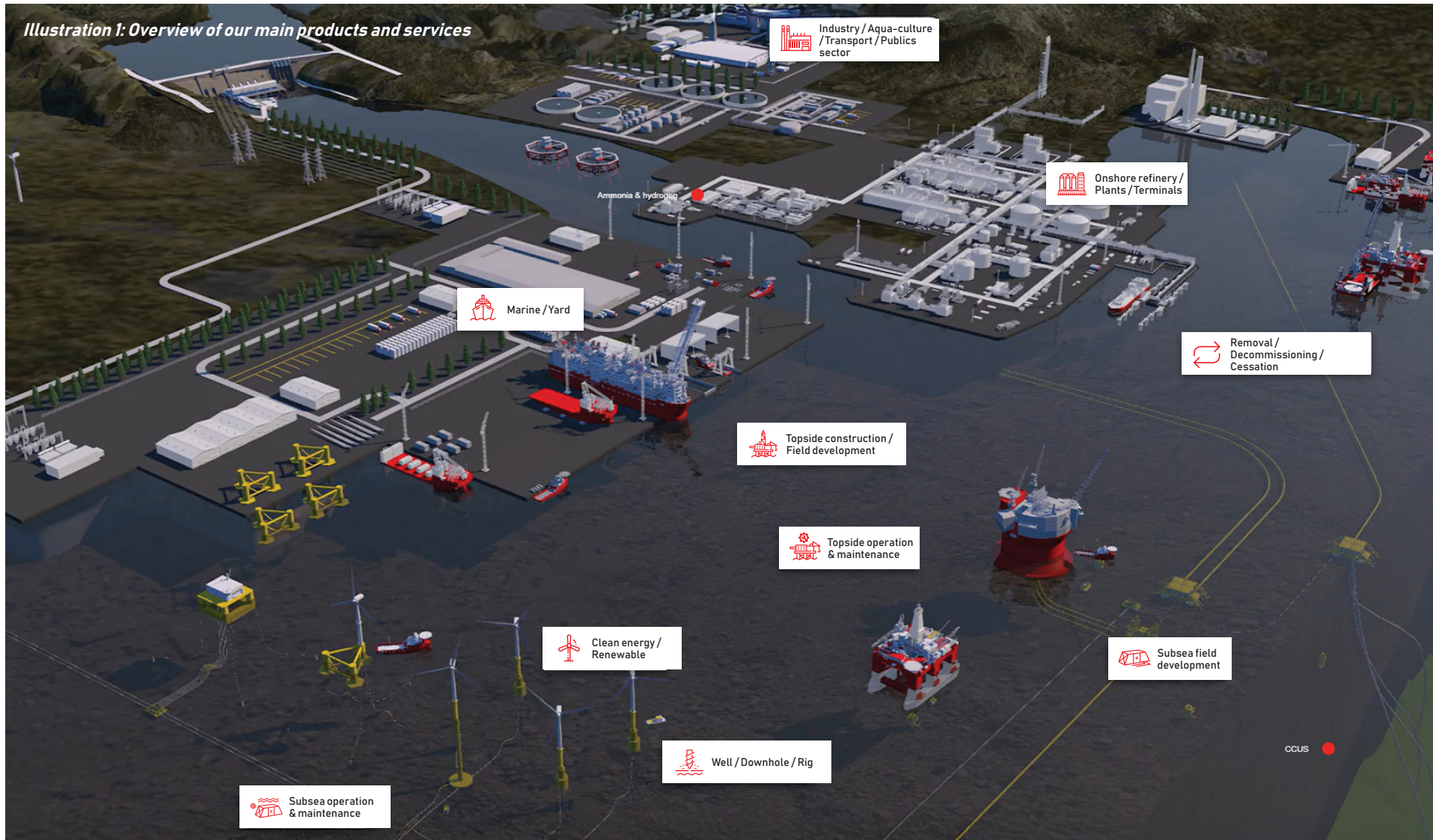
## 2.3 Our Core Business

The IKM Group consists of several companies operating in the oil and energy sector and land-based industry, particularly focused on operation and maintenance.

IKM has activities worldwide with employees and contracted personnel in Norway, Denmark, the United Kingdom, Australia, Brazil, Canada, Indonesia, Korea, Malaysia, Singapore, Poland, UAE, and Thailand.

The illustration below provides an overview of IKM Gruppen's main products and services, spanning a wide range of technical disciplines and market areas.

Illustration 1: Overview of our main products and services



# 03 Environment

- 3.1 Climate Accounting
  - 3.1.1 Method
  - 3.1.2 Climate Accounting 2024: Scope 1, 2, and 3
  - 3.1.3 Goals for 2024
  - 3.1.4 Goals for 2025
  - 3.1.5 CO<sub>2</sub>-Mitigation Measures
- 3.2 Waste Management
- 3.3 ISO Certification
- 3.4 Transition to the Green Market
  - 3.4.1 CO<sub>2</sub>-Saving Technologies at IKM

## 03 Environment

### 3.1 Climate Accounting

IKM is actively working to improve the data quality of the group's climate accounting to provide better insights into operations and ensure compliance with new reporting requirements. IKM began measuring CO<sub>2</sub>-emissions in 2020 and has reported emissions annually since then. The measurements have been based on available data sources and conducted in accordance with the GHG Protocol. In 2023, the focus was expanded to include several Scope 3 categories, such as "purchased goods and services."

For a group structure like IKM's, Scope 3 is particularly challenging to calculate due to the wide variation in activities, suppliers, and internal dependencies between companies—as well as issues related to data quality. Scope 3 represents a significant portion of IKM's total CO<sub>2</sub>-footprint, and targeted efforts are underway to improve both data quality and reporting in these categories.

#### 3.1.1 Method

IKM reports in accordance with the GHG Protocol, which also meets the requirements of the CSRD, and includes Scope 1, 2, and 3. Emissions in Scope 1 and 2 are based on activity data and CO<sub>2</sub>-data provided by suppliers, mainly related to company vehicles and electricity consumption at offices and workshops. The cost-based method has been used to calculate emissions from electricity consumption where consumption data in kWh was not available.

For Scope 3 emissions, a mix of different calculation methods has been used depending on the emission source. For travel and transportation categories, IKM has used supplier-specific consumption and CO<sub>2</sub>-reports. For calculating emissions from purchased goods and services, the cost-based method has been applied. Although this method provides an overall estimate, it is less accurate than calculations based on actual consumption data. Therefore, IKM has a clear plan to improve data quality over time. A key initiative in this effort is to strengthen collaboration with suppliers to obtain more accurate consumption data for future emissions calculations.

Purchased goods and services account for a large portion of IKM's CO<sub>2</sub>-emissions. This has led to significantly higher measured emissions for IKM, as this is the first year Scope 3 Category 1 is being measured. In 2024, IKM used Envizi for emissions measurement. The CO<sub>2</sub>-factors used for Scope 1 and 2 calculations in 2023 were also used for the 2024 calculations. Scope 2 emissions are slightly reduced from 2023 because all locations are now calculated uniformly based on kWh. Scope 3 spend-based emissions will vary from last year's calculations due to different CO<sub>2</sub>-factors allocated by the Envizi tool. Envizi uses multiple CO<sub>2</sub>-factor databases and allocates emission factors based on the region where the emission originates.

The 2024 emission figures for IKM Gruppen cover only the operations of its Norwegian entities. The group aims to include emissions from foreign subsidiaries in the reporting starting in 2025.

Changes in the company portfolio through acquisitions and sales affect IKM's annual CO<sub>2</sub>-footprint. CO<sub>2</sub>-intensity is measured as the number of kilograms of CO<sub>2</sub>-equivalents per working hour and per million NOK in revenue. As measurement methods improve and data quality increases, reported emissions may rise. This is largely due to the inclusion of more Scope 3 categories in the climate accounting. Emissions calculated using cost-based methods can be general and, in some cases, higher than actual emissions. As more precise consumption data becomes available, the calculations are expected to become more accurate and representative.

#### 3.1.2 Climate Accounting 2024: Scope 1, 2, and 3

IKM Gruppen's total CO<sub>2</sub>-emissions in 2024 amount to **430,220 tons of CO<sub>2</sub>e** (based on location-based Scope 2 emissions), up from **154,027 CO<sub>2</sub>e** in 2023. The tables and figures below provide an overview of IKM's total CO<sub>2</sub>-emissions and sources for Scope 1, 2, and 3 in 2024, compared with emissions for 2023 and 2022.

The increase is due to a broader scope of companies included in the calculation, improved data quality, and updated emission factors using Envizi. The largest increase comes from Scope 3 Category 1 calculations.

There are still some Scope 3 categories for which calculations have not been made due to insufficient data or lack of relevance (these categories are considered non-material for IKM). These Scope 3 categories are marked in gray as "N/A" in Table 1.

IKM's emissions accounting follows the GHG Protocol and includes figures for both market-based and location-based methods. This is illustrated in Table 1. Where possible, IKM uses activity-based data and emission factors from suppliers in the calculation of greenhouse gas emissions.

**Scope 1-emissions** mainly stem from the use of company vehicles and gas combustion at workshops. Emission factors for fossil fuels are sourced from the Norwegian Environment Agency's calculations and supplemented with factor data from Envizi where relevant.

**Scope 2-emissions** include electricity consumption at IKM's offices and workshops in Norway. The emission factor for electricity is based on figures from NVE, corresponding to 19 grams of CO<sub>2</sub> per kWh. The market-based factor is also based on NVE data, with a factor of 0.599 kg CO<sub>2</sub> per kWh. In 2022, the location-based method was exclusively applied for emissions calculations. In 2023, some electricity consumption data was unavailable and was therefore calculated using both activity-based and spend-based methods. Location-based electricity emissions in 2023 were therefore somewhat higher than in 2024.

**Scope 3-emissions** are largely related to purchased goods and services (Category 1), employee business travel (Category 6), and upstream transportation and distribution (Category 4). Category 1 emissions are calculated based on aggregated purchase amounts for goods and services in 2024. Emissions from transport, travel, and waste are based on actual consumption or CO<sub>2</sub>-data provided directly by IKM's suppliers. In 2024, there was insufficient activity-based CO<sub>2</sub>-data from waste suppliers, so this is included in spend-based emissions in Category 1. IKM prioritizes the use of suppliers' own emission figures where available to ensure the highest possible accuracy in the climate accounting.

Table 1: Classification of Emissions into Three Categories (Scope 1, 2, and 3) According to the GHG Protocol.

Emission Sources by Scope	2022	2023	2024
<b>Scope 1: Direct emissions from owned or controlled equipment/operations</b>	<b>274</b>	<b>276</b>	<b>823</b>
Stationary combustion sources	0	0	29
Mobile combustion sources	274	276	794
<b>Scope 2: Purchased electricity</b>	<b>61</b>		
Location-based electricity	61	1958	552
Market-based electricity	N/A	5 752	6 764
<b>Scope 3: Upstream emissions</b>	<b>2 730</b>	<b>151 793</b>	<b>428 828</b>
Category 1: Purchased goods and services	N/A	146 506	423 957
Category 2: Capital goods	N/A	N/A	N/A
Category 3: Fuel- and energy-related activities (not included in Scope 1 & 2)	N/A	N/A	210
Category 4: Upstream transportation and distribution	956	2 793	1 740
Category 5: Waste generated in operations	628	1 257	1 046
Category 6: Business travel	1 147	1 234	1 876
Category 7: Employee commuting	N/A	N/A	N/A
Category 8: Upstream leased assets	N/A	N/A	N/A
<b>Scope 3: Downstream emissions</b>	<b>-</b>	<b>-</b>	<b>17</b>
Category 9: Downstream transportation and distribution	N/A	N/A	<b>17</b>
Category 10: Processing of sold products	N/A	N/A	N/A
Category 11: Use of sold products	N/A	N/A	N/A
Category 12: End-of-life treatment of sold products	N/A	N/A	N/A
Category 13: Downstream leased assets	N/A	N/A	N/A
Category 14: Franchises	N/A	N/A	N/A
Category 15: Investments	N/A	N/A	N/A
<b>Total Scope 3 emissions</b>	<b>2 730</b>	<b>151 793</b>	<b>428 845</b>
<b>Total CO<sub>2</sub>-emissions Scope 1 &amp; 2 (location-based)</b>	<b>335</b>	<b>2 234</b>	<b>1 375</b>
<b>Total CO<sub>2</sub>-emissions Scope 1 &amp; 2 (market-based)</b>	<b>N/A</b>	<b>6 028</b>	<b>7 587</b>
<b>Total CO<sub>2</sub>-emissions Scope 1, 2 &amp; 3 (location-based)</b>	<b>3 065</b>	<b>154 027</b>	<b>430 220</b>
<b>Total CO<sub>2</sub>-emissions Scope 1, 2 &amp; 3 (market-based)</b>	<b>N/A</b>	<b>157 821</b>	<b>436 432</b>

Table 1: Total CO<sub>2</sub>-emissions in tons by Scope 1, 2, and 3 for the years 2022-2024 (where N/A indicates non-relevant categories or insufficient data).

Table 2: Emissions Intensity, 2022-2024

CO <sub>2</sub> -Intensity	Unit	2022	2023*	2024
Total CO <sub>2</sub> e emissions per revenue (location-based)	Tons CO <sub>2</sub> e/MNOK	0,58	23	46,8
Total CO <sub>2</sub> e emissions per revenue (market-based)	Tons CO <sub>2</sub> e/MNOK	<b>N/A</b>	23,6	47,5
Total CO <sub>2</sub> e per working hour (location-based)	Kg CO <sub>2</sub> e/Hour	0,83	40,4	92,5
Total CO <sub>2</sub> e per working hour (market-based)	Kg CO <sub>2</sub> e/Hour	<b>N/A</b>	41,4	93,9
Revenue	MNOK	5 256	6 670	9 200
Working hours	Hours	3 695 804	3 943 624	4 656 800

Table 2: Emissions intensity based on revenue and working hours from 2022-2024.  
 \*2023 was the first year with Scope 3 category 1 calculations.

Scope 3 emissions (indirect emissions) account for nearly the entire CO<sub>2</sub>-footprint of IKM, as shown in Figure 1 and Table 3 below. Scope 1 and 2 each represent only 0.01 percent of the total emissions. Among Scope 3 categories, purchased goods and services make up the largest share of IKM's emissions—nearly 100%. Figure 2 shows the top 15 emission sources that constitute the majority (95%) of Scope 3. The Scope 3 data for 2024 will appear somewhat different compared to 2023, largely due to improved data quality, updated emission factors, and a greater number of companies included in the emissions base.

Figure 1: Total GHG Emissions in 2024 by Scope

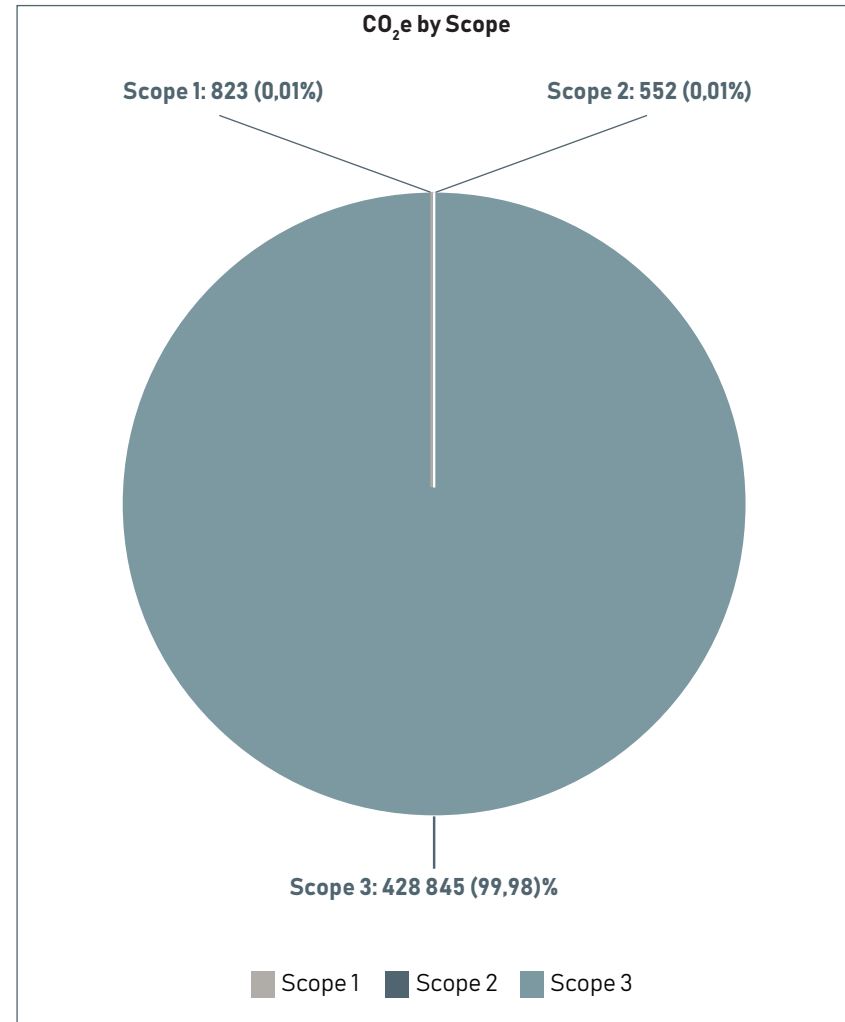


Figure 1: Total CO<sub>2</sub>-emissions in tons for 2024 by Scope 1, 2, and 3 (based on location-based Scope 2 calculation)

Table 3: Emissions in 2024 by Scope and Emission Source

Scope	Emission Source	Tons CO <sub>2</sub> e (%)
<b>Scope 1</b>	<b>Direct greenhouse gas emissions</b>	<b>823 (100%)</b>
	Diesel	661 (80%)
	Company vehicles	124 (15%)
	Stationary diesel	27 (3%)
	Gasoline	10 (1%)
	Propane	1 (0%)
<b>Scope 2</b>	<b>Indirect greenhouse gas emissions from purchased electricity, steam, heating, and cooling (location-based)</b>	<b>552 (100%)</b>
	District heating	325 (59%)
	Elektrisitet	227 (41%)
<b>Scope 2</b>	<b>Indirect greenhouse gas emissions from purchased electricity, steam, heating, and cooling (market-based)</b>	<b>6764 (100%)</b>
	District heating	325 (4%)
	Electricity	6439 (96%)
<b>Scope 3</b>	<b>Other indirect emissions</b>	<b>428 845 (100%)</b>
	Category 1: Purchased goods and services	423 957 (98%)
	Category 3: Emissions related to energy production (not included in Scope 1 & 2)	210
	Category 4: Upstream transportation and distribution	1740
	Category 5: Waste management	1046
	Category 6: Business travel – Air	1831
	Category 6: Business travel – Hotel	40
	Category 6: Business travel – Rental car	4
	Category 6: Business travel – Train	0.12
	Category 9: Downstream transportation and distribution	17

Table 3: Total CO<sub>2</sub>-emissions in tons and total share in % based on main emission categories

Figure 2: Largest Scope 3 Emission Sources

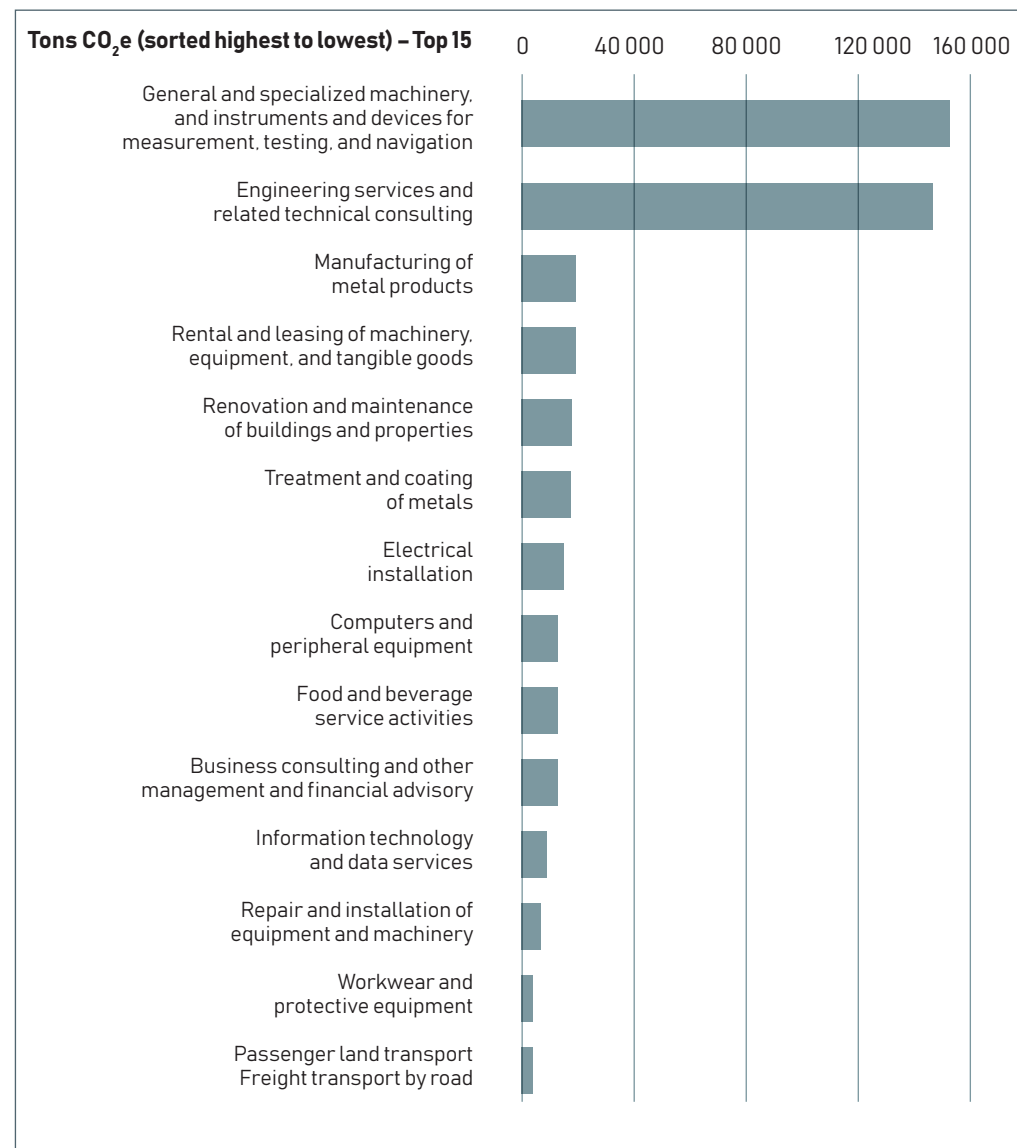


Figure 2: Total CO<sub>2</sub>-emissions in tons for the top 15 Scope 3 emission sources (primarily representing supplier-related activities)

### 3.1.3 Goals for 2024

- Map employee commuting patterns – not completed
- Increase the share of electric vehicles – completed
- Install solar panels on selected buildings – completed
- Implement a comprehensive automated system for CO<sub>2</sub>-measurement – completed

### 3.1.4 Goals for 2025

- Map employee commuting patterns
- Compile a complete emissions report including foreign subsidiaries
- Identify emission “hotspots” and explore opportunities for reductions
- Work on improving data quality in emissions calculations

### 3.1.5 CO<sub>2</sub>-Mitigation Measures

IKM is continuously working on several important CO<sub>2</sub>-saving initiatives. Below are some of the key measures:

#### Transport

We make extensive use of electric company cars and forklifts. Several of our companies have also equipped their locations with electric vehicle chargers. Measures we have implemented to reduce our travel activity include:

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

### Energy Efficiency in Buildings/Offices

- Energy-Efficient Lighting Solutions
- Switched to LED lighting
- Energy-efficient heating solutions
- Ventilation systems operate only during office hours (reduced hours)
- Reduced heating in winter and cooling in summer
- Installed solar panels on four buildings

In 2022, an agreement was made with Noova Energy Systems to assist in identifying energy-saving measures. The findings were implemented in 2023. Additional measures will be assessed in 2025.

## 3.2 Waste Management

To protect the external environment from pollution, all waste is sent to approved facilities for proper treatment. This includes recyclable resources, residual waste, special waste, and hazardous waste. All waste is declared by our waste management partner unless handled directly by the IKM company.

For safety reasons, IKM uses a dedicated supplier for recycling IT equipment. Workshops with oil spill risks have installed oil separators before water enters the sewage system. These separators are maintained regularly.



Photo: IKM Subsea AS

### 3.3 ISO Certification

IKM Gruppen is certified under ISO 14001:2015, an internationally recognized environmental management system certification. This helps us reduce environmental impact and maintain focus on external environmental concerns.

It also supports sustainable growth and increased profitability through:

- Reduced resource usage
- Reduced use of harmful chemicals
- Increased recycling rates

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

### 3.4 Transition to the Green Market

IKM Gruppen has increased its focus on opportunities in green energy and leverages its technology and expertise in activities that directly and indirectly help reduce environmental emissions.

Over several decades, IKM has built a strong reputation as a service provider in traditional oil and gas operations. Our companies cover most technical disciplines, offering a wide range of unique expertise applicable across multiple market areas.

Our most significant contribution to the energy transition is through circular economy practices and requirements for extending the lifespan of equipment and facilities. This is already a core part of IKM's business through specialized inspection and maintenance services. Technically, much of our existing knowledge can be transferred to the renewable market with only minor adjustments.

IKM will continue to serve the oil and gas industry while also working toward a green transformation, including:

- Knowledge transformation
- Technology transformation

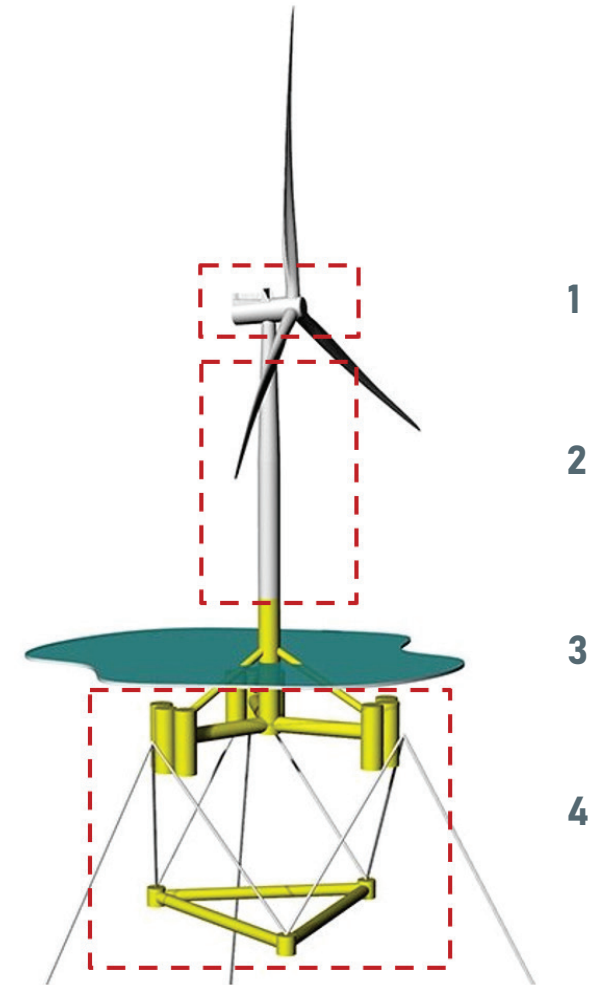
In 2024, approximately one-third of IKM Gruppen's revenue came from green business activities, and we aim to increase this share in the coming years.

IKM has actively worked to establish its position in the renewable energy market, resulting in several strategic investments in electrical and inspection services with the goal of becoming a key service provider in these markets.

In recent years, IKM has established itself within the operation and maintenance of wind turbines (both onshore and offshore). In 2024, we expanded our service offerings in this sector, including blade repair and turbine maintenance.

#### 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

### IKM Services for the Wind Market

As an integrity partner, we provide service, maintenance, protection, instrumentation, monitoring, inspection, and condition monitoring for our clients' 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 CO<sub>2</sub>-Saving Technologies at IKM

IKM has for many years utilized CO<sub>2</sub>-reducing technologies. One of our most significant contributions to emission reduction—both for IKM and the industry as a whole—is the use of more environmentally friendly technology.

#### Onshore Control Center and ROV Technology

IKM's Onshore Control Center operates our ROVs (Remotely Operated Vehicles) on projects and assignments offshore around the world. This reduces the need for on-site personnel, leading to less travel and increased efficiency in terms of both safety and cost. This contributes significantly to reducing both our own and the industry's total greenhouse gas emissions.

IKM currently operates several such centers:

- Three in Norway
- One in Singapore
- One under consideration in Brazil

IKM was the first in the industry to produce electric work-class ROVs. We have also developed an electric "residential" ROV that can remain on the seabed between assignments. This technology helps reduce costs, lower CO<sub>2</sub>-emissions, and minimize the risk of pollution and damage to ecosystems. A Life Cycle Assessment (LCA) has been conducted to quantify the CO<sub>2</sub>-savings associated with these technologies. The analysis was carried out by Terravera.

#### Electric ROV

IKM Electric ROV – A Smarter Choice

As the first to develop electric ROVs, IKM's fleet delivers high uptime, improving operational efficiency, reducing costs, and significantly lowering carbon emissions. With Electric ROVs, total emission savings of 32–35% can be achieved during seabed surveys and drill support operations, respectively.

#### Total CO<sub>2</sub>-Emission Savings Using Electric ROVs:

Seabed surveys

**32%**

Emissions saved

Drill Support operations

**35%**

Emissions saved

**200–690**

kg CO<sub>2</sub>/24h saved

**100–300**

kg CO<sub>2</sub>/24h saved

*Emissions are based on a 24-hour operational period. The figures represent average emissions from ROV supply via rig and vessel. Vessel supply typically results in higher emissions than rig supply.*



Photo: IKM Subsea AS



**Residential ROV (RROV)**

Traditional WROV vs. IKM RROV

IKM's RROV models are more efficient than traditional WROVs and significantly reduce CO<sub>2</sub>-emissions through lower energy use and reduced launch frequency. The RROV can remain underwater longer than a WROV and reduces emissions by approximately 98% every three months in operation.

**Overall CO<sub>2</sub>-emission reduction with the use of IKM RROV**

		IKM RROV	Traditional WROV
<b>98%</b>	<b>450</b>	<b>1</b>	<b>20</b>
Overall reduction in CO <sub>2</sub>	Kg CO <sub>2</sub> per period	Lift	Lifts



Photo: IKM Subsea AS

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

**Onshore Operations**

IKM reduces emissions by eliminating the need for travel to offshore platforms or vessels, thereby reducing the number of support vessels and helicopter trips required to transport personnel and supplies. This results in an estimated 96% reduction in emissions per employee per rotation.

**Overall CO<sub>2</sub>-emission savings of**

**96%** per employee per rotation

**Emissions on land and sea per rotation from Stavanger:**

Onshore Control Rom (Bryne)	Difference	Offshore Rig (SnorreB)
<b>10</b>	<b>294</b>	<b>305</b>
kg CO <sub>2</sub>	kg CO <sub>2</sub>	kg CO <sub>2</sub>



Photo: IKM Subsea AS

\*A rotation is considered to be 14 days. Emissions are calculated based on average emissions from travel, energy, and food consumption during the rotation. Stavanger is used as the reference point, as it 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 CO<sub>2</sub>-footprint and reduced risk of pollution.

### Drones

IKM has provided drone services since 2014. Our drone services contribute to increased efficiency, improved safety, lower costs, and a reduced CO<sub>2</sub>-footprint by requiring less personnel and equipment on-site.

### 3D Printing

IKM uses 3D printing for parts and spare components. By using 3D printing, we can save components from being scrapped. It can be difficult or impossible to obtain parts if the machine is no longer in production. This is a good example of our contribution to the circular economy, where we help extend the life of old equipment. Additionally, obsolete or damaged components are ground into powder used for 3D printing.

### Condition Monitoring System (CMS)

IKM supplies and installs equipment for condition-based maintenance. This technology ensures that maintenance and repairs are performed based on the actual condition of the equipment, rather than on a fixed schedule. This leads to a much more efficient form of maintenance, allowing intervals to be extended and reducing CO<sub>2</sub>-emissions from travel, equipment use, and consumables.

By using sensor data for continuous monitoring and analysis, maintenance needs can be predicted and performed exactly when required. This avoids unnecessary maintenance and repairs, thereby reducing energy and resource consumption.

### Emission Monitoring

IKM provides a range of sensors for process instrumentation. These sensors monitor various processes to ensure optimal energy use at the facilities being monitored, resulting in a lower CO<sub>2</sub>-footprint.



Photo: IKM Flux AS



Photo: IKM Testing AS

# 04 Social Responsibility

- 4.1 The Transparency Act
- 4.2 Health, Safety, and Environment (HSE)
- 4.3 Diversity and Inclusion
- 4.4 Support for Charitable Causes

## 04 Social Responsibility

### 4.1 The Transparency Act

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

IKM requires every employee to be aware of, understand, and be committed to conducting business in a manner consistent with ethical principles and in full compliance with all applicable laws. Furthermore, IKM sets the same expectations for our business partners and does not wish to collaborate with partners who do not respect:

- The UN Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights (UNGP)
- The UN Global Compact (UNGC)
- The ILO Declaration on Fundamental Principles and Rights at Work
- Our Code of Ethics

IKM's human rights and decent working conditions due diligence assessments are based on the Transparency Act and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Environmental, social responsibility, and governance (ESG) are important to IKM, and sustainability is embedded in our internal governing documents and policies. IKM Gruppen's subsidiaries covered by the Transparency Act are required to conduct due diligence assessments. A statement related to the Transparency Act is published on our website.

IKM has the following policies and systems in place to ensure the protection of human rights and decent working conditions:

- Sustainability Policy
- Code of Ethics for Employees
- Code of Ethics for Business Partners
- Procedures for Supplier Evaluation and Approval
- Procedures for Integrity Due Diligence of IKM Gruppen's Business Partners

All our suppliers must adhere to our Code of Ethics for Business Partners and are followed up according to our integrity due diligence procedures as part of the supplier approval process.

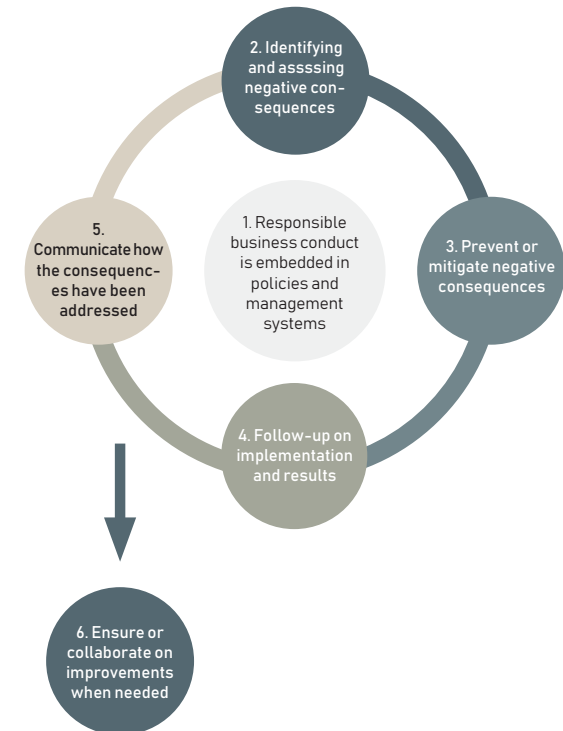
As part of our due diligence, IKM conducts risk assessments of all suppliers in our major entities covered by the law. The supplier list is reviewed annually. Risk is assessed based on:

- Risk of child labor and forced labor (USDL list)
- Country of production/country risk (CPI, ITUC)
- Industry/sector (DFØ high-risk list, generally applicable collective agreements, Norwegian Labour Inspection Authority register)
- Product category (DFØ high-risk list)
- Volume

In our 2024 risk assessment, we identified the use of hired labor and suppliers from the transport and cleaning sectors as the highest risk areas in our value chains.

Our transport providers have been audited for compliance with the generally applicable collective agreement for the transport sector.

In 2024, ten supplier audits were conducted. We did not identify any violations of human rights or responsible working conditions. IKM is working on a new system for qualifying, evaluating, approving, and following up suppliers. This will give us better oversight and the ability to closely monitor more suppliers and a broader scope. The system is expected to be implemented in the first half of 2025.



## 4.2 Health, Safety, and Environment (HSE)

IKM Gruppen set several key goals for working environment, health, and external environment for 2024:

Metric	Goal	Result
Sick leave	4,0 %	4.2 %
TRIF rate (Total Recordable Injury Frequency)	2.0	2.9
SIF rate (Serious Injury Frequency)	0.6	0
Serious environmental emissions	0 emissions	0 emissions

IKM Gruppen will maintain the same goals for 2025.

## 4.3 Diversity and Inclusion

Women and men have equal opportunities to qualify for all types of tasks and positions, and the opportunities for advancement are the same. Salaries reflect individual qualifications, regardless of gender.

In our companies, we have 3 women in top management and a total of 4 women represented on the boards of subsidiaries. IKM actively works to promote gender equality, ensure equal opportunities and rights, and prevent discrimination based on ethnicity, national origin, ancestry, skin color, language, religion, or belief.

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 accordance with the activity and reporting obligation, as required by the Equality and Anti-Discrimination Act.

IKM has for several years focused on being an inclusive employer that takes social responsibility seriously. We aim to be a workplace that actively facilitates opportunities for people who typically face challenges entering the workforce. This includes young people without work experience, individuals with disabilities, and others who have been outside the labor market for various reasons.

We work purposefully to ensure that everyone—regardless of background—has the opportunity to contribute and grow in the workplace. Since 2021, in collaboration with NAV and other partners, IKM has helped nearly 40 individuals transition from exclusion to permanent employment in our companies. This effort was recognized when IKM was named Inclusion Company of the Year in Rogaland in 2024.



(Erik Middelthon and the award for Inclusive Employer of the year 2024)

### Goals for 2024

- Increase the proportion of women in the Norwegian operations to 15% – not achieved (In 2024, approx. 91.5% of employees were men and 8.5% women)
- Map the proportion of women in the rest of the group (international) – not achieved

### Goals for 2025

- Increase the proportion of women in the Norwegian operations to over 10%
- Map the proportion of women in the rest of the group (international)
- Continue to be an inclusive employer

## 4.4 Support for Charitable Causes

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

### Examples of our contributions:

- Nedea Uganda – school project
- Sola Youth Team
- Young Entrepreneurship
- The Salvation Army

# 05 Corporate Governance

- 5.1 Internal Audit
- 5.2 Compliance
  - 5.2.1 Compliance Program
  - 5.2.2 Goals for 2024
  - 5.2.3 Goals for 2025
- 5.3 Data Security and Personal Data Management
- 5.4 Emergency Preparedness Plans
- 5.5 Whistleblowing Service

## 05 Corporate Governance

The Board of IKM Gruppen sets the overarching guidelines for the management and control of the group's companies. The Board is responsible for ensuring that the group has sound internal controls and effective risk management systems.

### 5.1 Internal Audit

IKM's internal audit function supports the organization in achieving its goals for risk management, control, and governance. Several internal audits were conducted in 2024, with no serious findings.

### 5.2 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 every employee in the IKM Group. Management is responsible for setting a clear tone from the top and implementing 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 reports directly to the CEO and the Board of Directors. This role was established in 2021. The compliance function is part of the Internal Audit Team (IAT), which supports the Board and CEO in ensuring that compliance risks are managed effectively and systematically within the organization.

The compliance function is responsible for establishing and maintaining an effective compliance program tailored to IKM's risk exposure.

#### 5.2.2 Goals for 2024

We had the following goals for 2024:

- Conduct a compliance risk assessment and actively follow up on findings
- Provide tailored compliance training for companies in countries with the highest risk according to our assessments
- Continue raising awareness of Integrity Due Diligence for partners, with a particular focus on sanctions and ownership structure mapping
- Conduct supplier audits in connection with the Transparency Act

All goals were achieved.

#### 5.2.3 Goals for 2025

We have the following goals for 2025:

- Roll out mandatory refresher training in the Code of Conduct for all employees
- Provide training on the use of the whistleblowing channel
- Establish the IKM Compliance Team



Photo: IKM Subsea AS

### 5.3 Data Security and Personal Data Management

IKM places strong emphasis on data security to protect its own data and operations, as well as customer data. We continuously work to improve and secure our IT solutions, basing our efforts on the Norwegian National Security Authority's (NSM) core principles for ICT security. Our work is also assessed against ISO 27001.

We focus on employee training, including mandatory e-learning courses and regular phishing tests. In addition, we have agreements with subcontractors/partners who are ISO 27001 certified for key parts of our IT infrastructure and other security systems, including a 24/7 SOC (Security Operations Centre) agreement.

We have improved disaster recovery systems and plans to handle serious unforeseen cyber incidents. IKM conducts regular risk assessments related to IT security. A targeted cyberattack is currently considered one of the greatest risks.

Privacy and data protection laws safeguard personal information for all personnel involved with IKM. We are committed to protecting the privacy of our employees and all individuals involved with IKM. We use personal data only for appropriate purposes, and such data is processed in accordance with applicable laws and internal requirements.

### 5.4 Emergency Preparedness Plans

To manage unforeseen and unusual events, IKM has established emergency response organizations both centrally and locally within individual companies. The main focus for emergency preparedness in 2024 was to structure the emergency organization to better align with IKM's structure, which includes many companies of varying sizes.

As part of this, emergency plans, organization, and incident workflows were reviewed with the general managers of IKM companies.

We also focus on cybersecurity and handling cyber incidents. A cyber preparedness exercise was conducted involving central personnel from the IT department, group management, emergency organization, and leaders from selected IKM companies.

The principle of emergency organization is that each IKM company handles situations independently according to its own emergency plan, but has access to support from the central emergency organization when needed. In more serious cases, the central emergency organization manages the incident and ensures operational continuity.

For offshore incidents, the operator of the offshore installation or vessel is responsible for emergency preparedness, while IKM's emergency organization provides support with a focus on its own personnel.

There were no incidents in 2024 that required activation of the central emergency organization.

### 5.5 Whistleblowing Service

In 2019, IKM established an external whistleblowing service operated by KPMG. The whistleblowing channel ensures that employees, contractors, suppliers, customers, and other partners can report concerns safely.

Reports submitted via the external whistleblowing channel are handled by KPMG. The content of the report is anonymized and forwarded to the management in the IKM Group.

In 2024, IKM received six whistleblowing cases. All cases were followed up by our internal whistleblowing group and handled within a reasonable timeframe. Reports were subsequently followed up with information on internal handling and actions via the whistleblowing service.



Photo: IKM Testing AS