

Integrated Sustainability Report

2023

HITECVISION

Important notice

This Integrated Sustainability Report is issued for information purposes only. While the information included in the report has been obtained from HitecVision portfolio companies and other sources which are believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and HitecVision expressly disclaims all liability for damages of any kind arising out of use, reference to, or reliance on any information provided in this report.

Contents

Introduction	<ul style="list-style-type: none"> About HitecVision Letter from the CEO Executive Summary 	Page 4			
The HitecVision way	<ul style="list-style-type: none"> Our investment strategy Plan the Work, Work the Plan The HitecVision governance model 	Page 9			
People, planet and prosperity	<ul style="list-style-type: none"> Our material ESG topics Climate and nature Health and wellbeing Diversity and inclusion Ethical business conduct and regulatory compliance Performance reporting on material topics Community impact 	Page 21			
Market commentary	<ul style="list-style-type: none"> 2023 in review Outlook and market trends Concluding remarks 	Page 40			
Sustainability in the portfolio companies	<table> <tr> <td> New Energy Program <ul style="list-style-type: none"> Aneo Celsio Vårgrønn Cadre Skygard 1Vision Biogas </td> <td> Exploration and production <ul style="list-style-type: none"> NEO Energy Sval Energi Vår Energi </td> <td> Infrastructure and services <ul style="list-style-type: none"> Hav Energy OMP Capital Ocean Installer Energy Drilling Moreld Prosafe WellPartner </td> </tr> </table>	New Energy Program <ul style="list-style-type: none"> Aneo Celsio Vårgrønn Cadre Skygard 1Vision Biogas 	Exploration and production <ul style="list-style-type: none"> NEO Energy Sval Energi Vår Energi 	Infrastructure and services <ul style="list-style-type: none"> Hav Energy OMP Capital Ocean Installer Energy Drilling Moreld Prosafe WellPartner 	Page 59
New Energy Program <ul style="list-style-type: none"> Aneo Celsio Vårgrønn Cadre Skygard 1Vision Biogas 	Exploration and production <ul style="list-style-type: none"> NEO Energy Sval Energi Vår Energi 	Infrastructure and services <ul style="list-style-type: none"> Hav Energy OMP Capital Ocean Installer Energy Drilling Moreld Prosafe WellPartner 			
Financial information	<ul style="list-style-type: none"> Board of Director's report Financial statements Auditors' report 	Page 139			
Appendix	<ul style="list-style-type: none"> A: GRI Index B: SASB Index C: Principal adverse impacts statement D: Ethical Guidelines E: Responsible Investment Policy F: Supplier Expectations Statement G: Terms and abbreviations H: References Assurance statement 	Page 162			

About HitecVision

HitecVision is a provider of institutional capital to Europe's energy industry, helping to build successful companies within energy and associated infrastructure in Europe. We have been investing in the energy industry for nearly four decades, and since 2019, our work has been focused on investing in Europe's energy transition.

HitecVision manages energy-focused private equity funds with a total committed capital base of EUR 8.3 billion. We are an investment team of around 40 professionals, supported by specialist functions and corporate services, with offices in Stavanger, Oslo, London, and Milan.

Since 2019, we have focused our investments on supporting the energy transition in Europe. We have raised EUR 2.1 billion for our New Energy Program dedicated to the energy transition and have established and invested in six new companies. We continue to see many investment opportunities in Europe's new energy landscape.

Our clients are the investors in our private equity funds, which consist of a global investor base. This includes institutional investors, such as public and private pension funds, foundations, and university endowments. Our commitment is to deliver our investors robust returns from our funds.

HitecVision believes that by ensuring that sustainability is inherent in our operations, we can improve the performance of our portfolio companies. Thus, proper management of ESG can have a material impact on our financial performance and that of our portfolio companies, as well as on the communities in which both we and our portfolio companies operate.

Our six newest companies are all positioned to deliver on the energy transition in Europe. We own these companies together with industrial partners who complement us. This way, we are building knowledge and experience within the new energy landscape in Europe. The transition to low-carbon energy sources will require significant investments over the next decades. With the help of our offices in the UK and Italy, we will deliver on our strategy beyond the Nordics.

In parallel, we continue the work of concluding the older funds' mandates within oil and gas. We intend to remain a good owner of our existing portfolio companies in oil and gas and their employees until these processes have been finalised. We are proud of our legacy from the oil and gas industry and our remaining investments in the sector, and we believe that using the competencies and skills of this sector will help accelerate the shift towards decarbonised energy markets.

HitecVision has seen the development of the energy industry from the inside and acknowledges the need for significant investments to enable the low-carbon future. Therefore, we aim to keep our position, playing our part in the energy transition over the next decades.

Signatory of:

**Net Zero Asset
Managers Initiative**

Signatory of:

 **PRI** | Principles for
Responsible
Investment

Letter from the CEO

Ole Ertvaag, Founding Partner and CEO

As we close another year and look ahead, I am proud of the achievements HitecVision leaves behind in 2023. Through the year and the first quarter of 2024, NOK 20 billion was distributed to investors in HitecVision's funds. In total, funds managed by HitecVision have delivered NOK 61 billion in distributions since 2022. This return is a result of targeted and long-term investments in building up companies in the energy sector.

After several years of effort, we have now fortified our position as an investor in the energy transition. In 2022, we started the HitecVision New Energy Program, dedicated to building companies that support the energy transition. In February 2024, we made our sixth investment in the new program. As of today, the New Energy Program has raised EUR 2.1 billion in capital from Norwegian and foreign investors, and we will continue to raise capital for the program.

The global energy landscape in 2023 presented an array of challenges and disruptions. The repercussions of geopolitical events have underscored the critical need for energy security and resilience. Despite these hurdles, we will continue to navigate the complexities of the energy transition framed by our investment mandate, deepening our commitment to creating long-term value for our investors and for society at large.

Since the foundation of HitecVision, our investments have been guided by our 8 promises and our expertise in the energy sector. Our active engagement approach has not only driven financial performance but also fostered environmental and social stewardship across our portfolio companies. Our Black Book model has enabled us to systematically address material impacts and seize opportunities that align with our values. For us, ESG is more than a three-letter word, and we believe that focusing on sustainability is not only the right thing to do but is also imperative for long-term success. The evolution of ESG regulations echoes the initial introduction and subsequent integration of HSEQ standards within the oil and gas industry. Initially perceived as disruptive, these standards have become indispensable, now recognised as a fundamental license to operate. By aligning our practices with these principles, we not only adhere to global expectations but also position ourselves strategically for sustainable growth.



This 2023 Integrated Sustainability Report, for the first time, merges our sustainability report with our annual report, which includes the Board of Directors' report and our financial statements. We are reporting in accordance with the Global Reporting Initiative (GRI), but we have also broadened the scope of the report to provide more detailed information about our business operations and procedures as part of "The HitecVision way" section, engaging a wider spectrum of stakeholders. These steps are part of our preparations for compliance with the Corporate Sustainability Reporting Directive (CSRD), which HitecVision is required to adhere to by the reporting year 2025. Ambitious in our approach, we aim to publish our first integrated annual report for 2024, thereby reinforcing our commitment to transparency and sustainability.

This report shows that 2023 was not only a year of financial strength for HitecVision and our funds but also a period of significant strides towards our sustainability goals. The aggregated direct greenhouse gas emissions (Scope 1, operational control) from our portfolio companies was reduced by 19% compared to 2022 on our funds' equity share basis. In aggregate, our portfolio holds 1,510 MW of renewable energy capacity and the companies generated 3.7 TWh of renewable energy, an increase of 45% from the previous year. The proportion of women in the portfolio companies' workforce also improved, rising from 21% in 2022 to 27% in 2023. However, we acknowledge that there is still considerable work to be done to further our positive impact.

The urgency to address climate change and the drastic loss of nature and biodiversity has never been more pronounced. The need for a transition in the energy industry, coupled with the rapid advancement across the entire energy system, sets the stage for us to operationalise our investment strategies and focus. Since 2019, we have refocused our investment activity towards the energy transition, and in 2023, we continued to diversify our investments in the New Energy Program by adding Cadre, a small-scale hydropower company, and Skygard, a company building energy-efficient data centres, to our portfolio. The sixth investment, 1Vision Biogas, a Nordic biomethane company, was completed in February 2024. Previously, the New Energy Program had already established a portfolio of companies across key markets such as offshore and onshore wind power, solar power, hydropower, district heating, and more.

The people of HitecVision are the heart of our success. Our team's expertise and dedication are the driving forces behind our achievements. Their hard work, judgements, and decisions are the basis of the returns we deliver to the investors. We are committed to fostering a diverse and inclusive culture that nurtures innovation and values every contribution. This extends to our engagement with local communities, where we aim to make a meaningful difference through various initiatives, emphasising the importance of giving back to the local community which we operate. The initiatives Paahjul and Viking Gatelag are both long-term engagements where we are proud contributors – financial

but also practical; many of our colleagues contribute with their time and business know-how. New in 2023, was that HitecVision offered work training for Ukrainian refugees and became the main sponsor for the Ukrainian boys U18 ice hockey team, Ravens.

As we move forward, our focus remains. We are committed to increasing our investments in companies leading the way in low-carbon energy, while we work to finalise our mandates within the oil and gas industry. The balance of fostering innovation in new energy solutions and optimising the sustainability performance of existing resources is crucial for a holistic approach to the energy transition. As we navigate this journey, our core value statement "We shall keep what we promise - and behave" will continue to guide us.

I am proud of what we have achieved together and excited about the path ahead. Our journey is a collective one, driven by the collaboration and dedication of our employees, portfolio companies, and stakeholders. Together, we are not only navigating the energy transition but are also playing a role in shaping it.



Ole Ertvaag
30 April 2024

Executive Summary

HitecVision is playing an active role in the transition to a low-carbon energy future. Our New Energy Program now holds a portfolio of six companies positioned to deliver on the energy transition, as a result of significant efforts over the reporting period. In 2023, we have maintained our long-standing efforts in all important ESG areas and also added new initiatives as described below.

Decisive investment decisions

Since 2019, we have focused our investments on supporting the energy transition in Europe. We have raised EUR 2.1 billion for our New Energy Program dedicated to the energy transition and have established and invested in six new companies. The last three investments were concluded in 2023, including Cadre, Skygard, and 1Vision Biogas. All of these companies have been invested in together with industrial partners who complement us.

Cadre was established together with Nordkraft early in 2023 as a major initiative within small-scale hydropower in Norway. Skygard was established by HitecVision, Telenor, Hafslund, and Analysys Mason as a company that will build secure and energy-efficient data centres. Together with St1, HitecVision established 1Vision Biogas in early 2024 with the intention of building a fully integrated Nordic biomethane company. Combined with the previous three investments, the New Energy Program now comprises a broad portfolio of companies well-positioned to drive the energy transition forward.

In parallel, we work to conclude many of the older funds' mandates within oil and gas. In 2023, we started divesting Moreld and OMP Capital and significantly reduced our ownership share in Vår Energi.

Performance management in existing portfolio

We are actively managing the performance of our portfolio companies through our Black Book model. Several milestones have been achieved for our existing portfolio companies. Vårgrønn has produced electricity from its first project through its 20% ownership stake in the world's largest offshore wind farm under construction, Dogger Bank in the UK. Aneo has acquired two operational wind parks with an annual production of 285 GWh, as well as built the company's first solar park in Sweden. Celsio reached a record-high sales of 1.8 TWh of district heating during the year.

The activity in our oil and gas-related portfolios has also been high. NEO Energy was awarded several new exploration licenses in connection with existing operations that enable resource-efficient growth. Sval Energi was awarded the operatorship of a CO₂ storage license in the North Sea with the potential to store nine million tons of CO₂ annually. Vår Energi announced the acquisition of Neptune Energy Norway, which was completed in January 2024.

Progressing on climate change mitigation

Our carbon footprint is largely driven by our oil and gas-producing portfolio. 2023 saw a decrease in the aggregated direct greenhouse gas emissions (Scope 1, operational control) from our portfolio companies by 19% on our funds' equity share basis, driven by the electrification of the Ivar Aasen field held by Sval Energi and our reduced ownership in Vår Energi.

As new investments have been added to the portfolio companies through our New Energy Program, the positive impact related to renewable energy has accelerated. In total, our portfolio companies hold 1,510 MW of renewable energy capacity and the companies generated 3.7 TWh of renewable energy in 2023, an increase of 45% from the previous year. The increase is both due to increased activity and the first year of full-year reporting for many of the companies in the New Energy Program. The renewable energy generated is estimated to have contributed to 128 thousand tonnes of net avoided emissions in 2023 (ex-post) based on United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM) methodology for grid-connected electricity generation from renewable sources (ACM0002).

Unwavering commitment to diversity and inclusion

Our commitment to diversity and inclusion extends beyond achieving gender balance; it encompasses an organisational vision where our team composition reflects the diverse societies

in which we operate. Nevertheless, achieving gender balance remains a crucial objective due to industry-specific challenges in attracting female professionals to both our investment team and our portfolio companies. In this regard, we were encouraged to see an improvement in the proportion of women in our portfolio companies' workforce, rising from 21% in 2022 to 27% in 2023, thanks to concerted efforts across our investments.

We have set a goal for gender diversity, aiming for a minimum representation of 1:3 gender balance across all teams and functional units. The share of women in our own operations remains strong, with a 38% representation in the workforce and 33% in management. However, the percentage of women among our investment professionals declined to 26%, from a peak of 30% in 2022, resulting from a few departures. Although new hires in early 2024 have since helped to improve these numbers, the fluctuation underscores the challenges faced by a small and focused organisation and highlights the need for continuous action. As part of our commitment to enhancing gender diversity, we have signed the Women in Finance Charter Norway.

Governance practice in line with SFDR

The EU Sustainable Finance Disclosure Regulation (SFDR) came into force in January 2021, and the detailed Regulatory Technical Standards (RTS) entered into force on 1 January 2023. HitecVision has been preparing for the additional requirements of SFDR over the past two years, and we have completed our 2023 reporting in accordance with the regulation. The principal adverse impact indicators defined by SFDR are provided in Appendix C, covering all our portfolio companies.

We continue to develop and improve our governance practices and have through 2023 placed a particular emphasis on the boards' increased responsibility for sustainability matters, as well as integrity due diligence (IDD), as part of our comprehensive compliance program for our portfolio companies "We behave and comply".

In 2024, our compliance program is being updated to ensure full alignment with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and United Nations Guiding Principles on Business and Human Rights.

Preparing for CSRD

The regulatory ESG landscape evolves rapidly, and new standards and requirements are introduced at a high pace. In 2023, we started HitecVision's journey to compliance with

the EU Corporate Sustainability Reporting Directive (CSRD), and in preparation for compliance with CSRD, a double materiality assessment will be concluded in the first half of 2024.

Furthermore, a roadmap for HitecVision's CSRD readiness has been drawn up toward 2025, where we aim to deep dive into the material topics and refine our material topics, in terms of both investment processes and reporting. A description of our double materiality assessment process can be found on page 24 of this report

Market commentary: Navigating across three decarbonisation trends

2023 was a landmark year for the global energy sector, marked by unprecedented growth in renewable energy investments, a significant shift towards decarbonisation, and the continued evolution of energy markets. However, energy markets were also hit with turbulence, particularly in Europe and for renewables supply chains more broadly. 2023 was also confirmed as the absolute warmest on record, according to the National Oceanic and Atmospheric Administration (NOAA). This grim milestone underscores the unrelenting force of the global climate crisis and its disregard for societal and market trends - the planet is warming at unprecedented rates, causing severe impacts on human and planetary health. In short, these colliding forces further strengthens the energy trilemma between energy security, affordability and decarbonisation.

As stated by Dr Fatih Birol in the foreword of the IEA's outlook, "A crisis with multiple dimensions requires solutions that are similarly all-encompassing. Ultimately, what is required is not just to diversify away from a single energy commodity but to change the energy system itself, and to do so while maintaining the affordable and secure provision of energy services." In this year's market commentary, analytical perspectives on trends and outlooks transforming the energy system are discussed with a particular focus on the three decarbonisation themes HitecVision is targeting.

Nearly all roadmaps towards net zero include a decisive focus on key decarbonisation themes to drive the industrial transition. HitecVision is targeting three key decarbonisation themes highly relevant for the European energy sector. This includes the widespread scaling of renewable energy production and electrification, decarbonising hard-to-abate industries through sustainable fuels, and optimising our energy systems through focused efforts on energy efficiency and resource circularity. You can read a more in-depth discussion on the trends and outlooks within these three decarbonisation themes in the "Market commentary" section.

The HitecVision way

Our investment strategy page 11

Plan the Work, Work the Plan page 15

The HitecVision governance model page 16

HITECVISION

The HitecVision way

In HitecVision, we believe that a structured approach to sustainability is fundamental to long-term value creation and ESG is therefore an important focus area for the entire organisation. Our investment strategy reflects this view and our ESG governance helps us meet the evolving demands of investors, regulators and other stakeholders to mitigate risks, capture opportunities, create real-world impacts, and be transparent about what we do and what we achieve.

We are signatories to the UN Principles of Responsible Investment (PRI) and the Net Zero Asset Managers Initiative (NZAM), and members of Norsif, the Norwegian Forum for Sustainable Investment.



Sindre Veen Larsen and Kjell-Erik Endresen from our structuring, financing and risks solutions team at our Stavanger office.

Our investment strategy: To create profit and deliver strong ESG performance

There is an ongoing revolution in the energy industry, transitioning from fossil fuels to a low-carbon future. Building on the company's long-standing experience and track record in the energy sector, HitecVision aims to be part of the solution rather than part of the problem. We have aligned our new investment mandates with the need for new energy solutions and contribute to strong management of ESG in our portfolio companies.

HitecVision aims to accelerate the energy transition by building companies in the European energy sector. Our strategy states that we will contribute to a low-carbon future, where we focus on developing robust, ambitious and sustainable companies with the target to become major players in their respective fields.

In parallel, we continue the work of concluding the older funds' mandates within oil and gas. We intend to remain a good owner of our existing portfolio companies in oil and gas until these processes have been finalised and work with them to reduce their adverse impacts as much as possible.

The nearly four decades of experience in the European energy sector provides us with extensive industry insights and compounded know-how. Our team of professionals – many of whom with long energy industry experience before joining HitecVision – are adept at capitalising on emerging opportunities and effectively tackling new challenges.

We apply a disciplined approach to sourcing and selecting new investments, providing buy-out and growth capital to build businesses with meaningful impact. For new investments, we seek companies across three core energy transition investment themes; 1) renewable power and electrification, 2) sustainable fuels, and 3) circular and efficient energy systems. These themes illustrate how we are pivoting our focus from the oil and gas industry to companies that contribute to decarbonising the energy sector.

The strategy is operationalised through our New Energy Program. Since 2021, we have raised EUR 2.1 billion in fund and co-investment capital for the program and have invested in six new platform companies. We observe that the demand for our investment program is strong, and we continue to see many investment opportunities in Europe's new energy landscape.

What we promise our investors

Our 8 promises

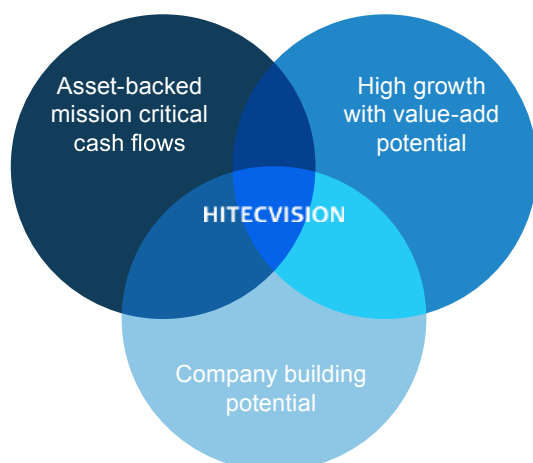
- 1 We keep what we promise, and behave
- 2 3x = We build companies
- 3 2x = Cash flow
- 4 1x = Fully funded
- 5 We invest in mission critical cash flows
- 6 3x3 We only take on investments, game plans and geographies that "we have done before"
- 7 ESG is more than a three-letter word
- 8 Maintain self-generated deal flow and game plans/realise the dreams

The HitecVision 8 promises and target investment characteristics

HitecVision's investment model is grounded in the 8 promises that we give to our investors. The promises create guiding principles for how we shall behave, and how we are securing value protection and enhanced return potential.

The promise of 1x/2x/3x are HitecVision's core principles which are applied to all investments. In turn, all our portfolio companies shall be 1x fully funded, ensuring resilience towards changing externalities, 2x cash flow proofed, showing return visibility from tangible growth plans based on mission critical cash flows, and 3x we build companies through transformational game plan activities and inherent future pipeline for further growth at the exit.

Figure 1: Our targeted investment characteristics.



As an investor, HitecVision seeks to leverage the industrial and financial expertise and experience of the team to identify and target the most attractive investment opportunities in the energy transition. In general, we are targeting investments that combine the following characteristics:

- Asset backed with mission-critical cash flows: Typically generated from critical resources and real assets, based on proven technologies with industrial scaling potential. We focus on implementing adequate control and hedging mechanisms to contain downside risk while maintaining potential to capture upside.
- High growth and value-add potential: Either in a market experiencing significant underlying growth accelerated by net zero ambitions, and/or where there is considerable consolidation potential. Companies that can be sufficiently scaled or repositioned to deliver long-term strategic value, providing additional opportunities to generate outsize returns.
- Company building potential: Opportunity to deploy our playbook across multiple organic and in-organic value creation levers, as well as taking advantage of cyclicity or market changes to enhance value on the upside and protect value on the downside. The focus is on developing companies that in early phases are often valued on the basis of their underlying assets but which, when grown organically or through an acquisition strategy, reach a point where the buyer is willing to put a premium on the company's strategic position and further growth opportunities, rather than a sum of the parts of the underlying assets.

Combined, the 8 promises and the target investment characteristics form the main investment strategy and function as our key investment criteria.

ESG is more than a three-letter word: Prioritising ESG throughout our entire investment process

As responsible investors, we consider ethical behaviour a core value that pervades everything we do. Our ESG focus is an integral part of our value creation process, from initial due diligence to active ownership and eventual exit.

We recognise that by integrating our ESG approach into our core business, we can make better investment decisions. Furthermore, it enables us to identify, analyse, and mitigate the ESG-related risks and opportunities of our portfolio companies. In doing so, we futureproof our companies, improving the resilience of our portfolio while being better positioned to take advantage of the opportunities following the sustainability agenda.

In the assessment and selection of potential investments, HitecVision integrates consideration of relevant environmental, social and business conduct issues. From the pre-investment phase to the investment decision, we assess potential ESG risks and opportunities, ensuring that all our new investments contribute to the energy transition. During our ownership period, we engage actively with our portfolio companies, working together to manage their ESG impacts and drive their overall ESG performance.

Figure 2 outlines our systematic approach to ESG integration in the investment cycle, from initial due diligence and compliance checks to strategy development, monitoring, target setting and improvement projects. We believe that a diligent and robust approach provides a solid foundation for mitigating ESG risks and capturing value creation opportunities in our portfolio.

Figure 2: ESG activity throughout the investment process.



Managing the impacts of our portfolio companies

ESG issues can have a material impact on the financial performance of our portfolio companies and on the communities in which both HitecVision and our portfolio companies operate.

We address our actual and potential impacts by structuring our ESG work into three parts; 1) our pre-investment approach, including ESG-specific due diligence, 2) active engagement with the portfolio companies during the holding period to manage their impacts, in partnership with our co-investors where relevant, and 3) managing the direct impacts of our own operations.

All our portfolio companies prioritise ESG issues, and we expect them to adopt what's considered as best practise in

their respective industries. We support and learn from them on their journey, and we believe that they also help us to stay on top of the common ESG issues facing the industry. More details on our material impact areas, as well as areas material to us from a risk- and opportunity perspective, are provided in the following section of the report.

We set expectations and requirements for all our portfolio companies, which we also uphold within our own organisation. For instance, our effort to strengthen diversity and inclusion within HitecVision coincides with our expectations for our companies in pursuing the same. Similarly, our Energy Transition Strategy sets ambitious goals for both ourselves and our portfolio companies to reduce emissions and embrace new solutions for the energy transition.

Francesco Verre, Chiara Sgambaro and Kristoffer Kleppa in a meeting room at our Milan office.



Marisa Tardugno and Francesco Verre in the corridors of our Milan office.



Plan the Work, Work the Plan

HitecVision is creating value through our core operating tool, referred to as the Black Book model. By setting goals, strategies, and action plans, we are translating long-term goals into short-term milestones. We do this in close cooperation with our portfolio companies to create ownership and alignment, which is secured through the 3x3 – a governance framework for the composition, roles and interaction of the key members in the company board, management, and HitecVision team.



Sissel Holm Lutro and Monica Molaug at our Stavanger office.

HitecVision's Black Book model

The Black Book model is a systematic approach to delivering rapid growth and scale-up across all investment phases.

The approach is composed of various elements, targeting to enhance the portfolio companies' ability to grow and create value. As part of this, we develop a game plan, describing the long-term vision and value creation levers for the investment, including the portfolio company's path to future exit. The game plan is then translated into quarterly milestones overseen by the 3x3-team, which has the overall responsibility for executing and meeting the targets stipulated in the game plan.

A company's Black Book summarises all key strategies, targets, and actions and monitors the value creation plan, driving the game plan forward. The progress is documented in the form of reporting of periodic and annual milestones and financial targets, where each portfolio company is subject to regular revisions and updates of goals, strategies, and action plans. When all milestones are achieved and financial targets are met, the company enters the final phase referred to as CashMax, which means that the company is being prepared for an exit.

ESG is an important part of commercial ownership

By integrating ESG factors into our commercial ownership practices, we aim to deliver returns for our investors, while also making a positive impact on society and the environment. We believe that ESG is more than a three-letter word, where commercial success and ESG go hand in hand, and that sustainable business practices are key to long-term value creation.

Therefore, we engage with our portfolio companies to enhance their overall ESG performance. This involves leveraging our expertise within the energy sector, exchanging insights, promoting best practices, and providing them with necessary support and challenges for continuous improvement. We encourage and expect our portfolio companies to set targets for their ESG initiatives, which we monitor in our biannual ESG meetings with each portfolio company. These meetings often lead to further engagement on issues of mutual interest.

The HitecVision governance model

As a regulated alternative investment fund manager (AIFM) pursuant to the Norwegian Alternative Investment Fund Management Act of 20 June 2014, HitecVision Advisory, a wholly owned subsidiary of HitecVision, is responsible for ensuring that fund management activities are carried out in accordance with applicable legislation. This extends to how we manage our portfolio companies and carry out our ownership, hereunder working to ensure that our portfolio companies comply with laws and regulations and align with recognised standard for responsible business conduct.

We recognise that effective governance is not only about compliance and oversight, but also about setting standards for responsible business conduct, and actively taking a stand. HitecVision is committed to fostering a culture of responsible business conduct in accordance with leading standards. We support the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

We believe that good governance standards on responsible business conduct will strengthen confidence in companies, mitigate risk, and protect and enhance value creation over time in the best interest of shareholders. We require that our portfolio companies use their best effort to align with these leading standards for responsible business conduct. Furthermore, we expect our suppliers, third-party contractors, and other business partners within our value chain to do the same.

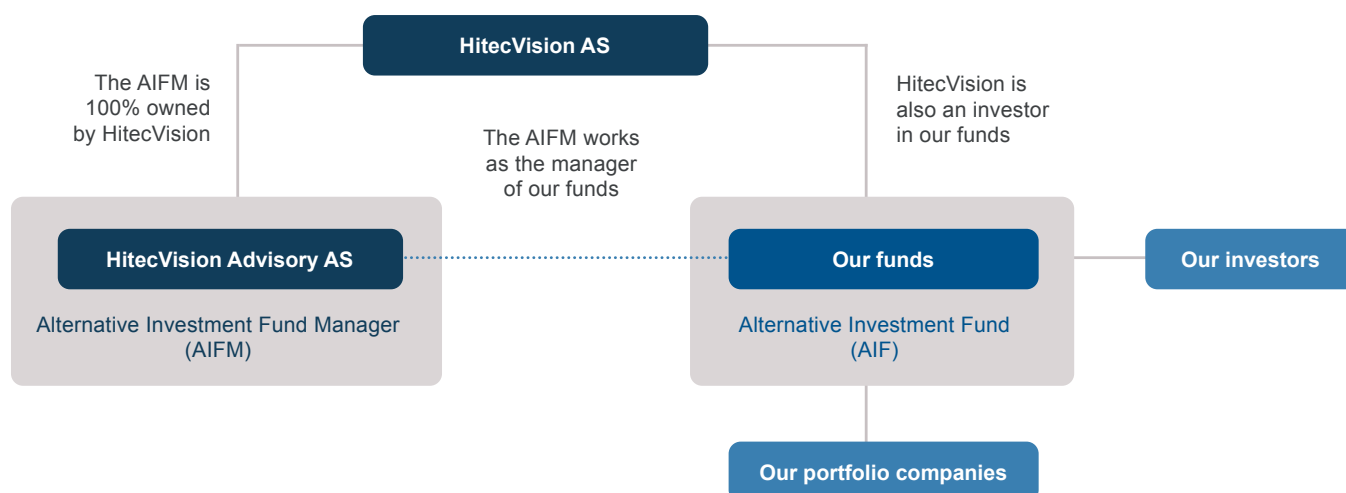
Compliance with these internationally recognised principles is part of the due diligence process applied to potential investments, where HitecVision seeks to ensure that the potential investments have implemented adequate governance models relating to, among other things, environmental, social, and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Our commitment to responsible business conduct extends to exercising active ownership to promote respect for responsible business conduct within our portfolio companies, supporting them in developing their capacities to uphold these leading standards. This also includes compliance with applicable laws, rules, and regulations.

A cornerstone of our governance model for responsible business conduct is our “We behave and comply” program for portfolio companies which contains training and model documents to facilitate implementation of the program. HitecVision places responsibility for ESG issues, including responsible business conduct, with the companies’ boards of directors.

Portfolio companies are expected to follow modern corporate governance standards. HitecVision seeks to ensure professional governance of its portfolio companies through its board work and has, in addition to the compliance program “We behave and comply”, also developed a board package on corporate governance, containing templates and model documents for the board and the board work.

Figure 3: Our simplified governance structure.





Marte Westersjø Nesheim and Jan Hellend Eide in a meeting room at our Stavanger office.

Our ESG policy instruments, including our Responsible Investment Policy

The overarching responsibility for the governance of HitecVision's own ESG impact and how we engage with our portfolio companies on ESG-related matters is assigned to the board of our operating subsidiary HitecVision Advisory, which is the licenced alternative investment fund manager. On a daily basis, this responsibility is delegated to the Head of Sustainability, which has been a dedicated role since 2020.

The Head of Sustainability works closely with the rest of the management team in monitoring and preparing our ESG policies and reporting. This includes the Chief Compliance Officer, the Head of People, Organisation and Community Engagement, the Head of Structuring, Financing and Risk Solutions, and the Head of Investments. The five make up an internal ESG group that meets regularly to drive and coordinate ESG initiatives in the firm. The Director in charge of Portfolio Monitoring and Reporting is also deeply involved in ESG reporting matters.

Since 2023, the Head of Sustainability has also been part of HitecVision's investment team, ensuring that sustainability matters are reflected throughout the investment process. The CEO and Head of Sustainability report to the board of HitecVision on ESG-related matters.

In addition to the compliance program "We behave and comply" for portfolio companies, HitecVision has formalised several ESG policy instruments and procedures to support our own ESG management and impact approach.

These include:

- Ethical Guidelines
- Responsible Investment Policy
- ESG Integration Procedure
- Energy Transition Strategy
- Diversity, Equity and Inclusion Policy
- Supplier Expectations Statement

These policies and procedures form an important foundation in HitecVision's governance model and set out the guidelines for how we work with and manage our material ESG topics, including responsible business conduct.

Reporting and engagement are part of our ongoing due diligence and monitoring of our portfolio companies. In our biannual ESG meetings with the management of our portfolio companies, we also raise topics on responsible business conduct.

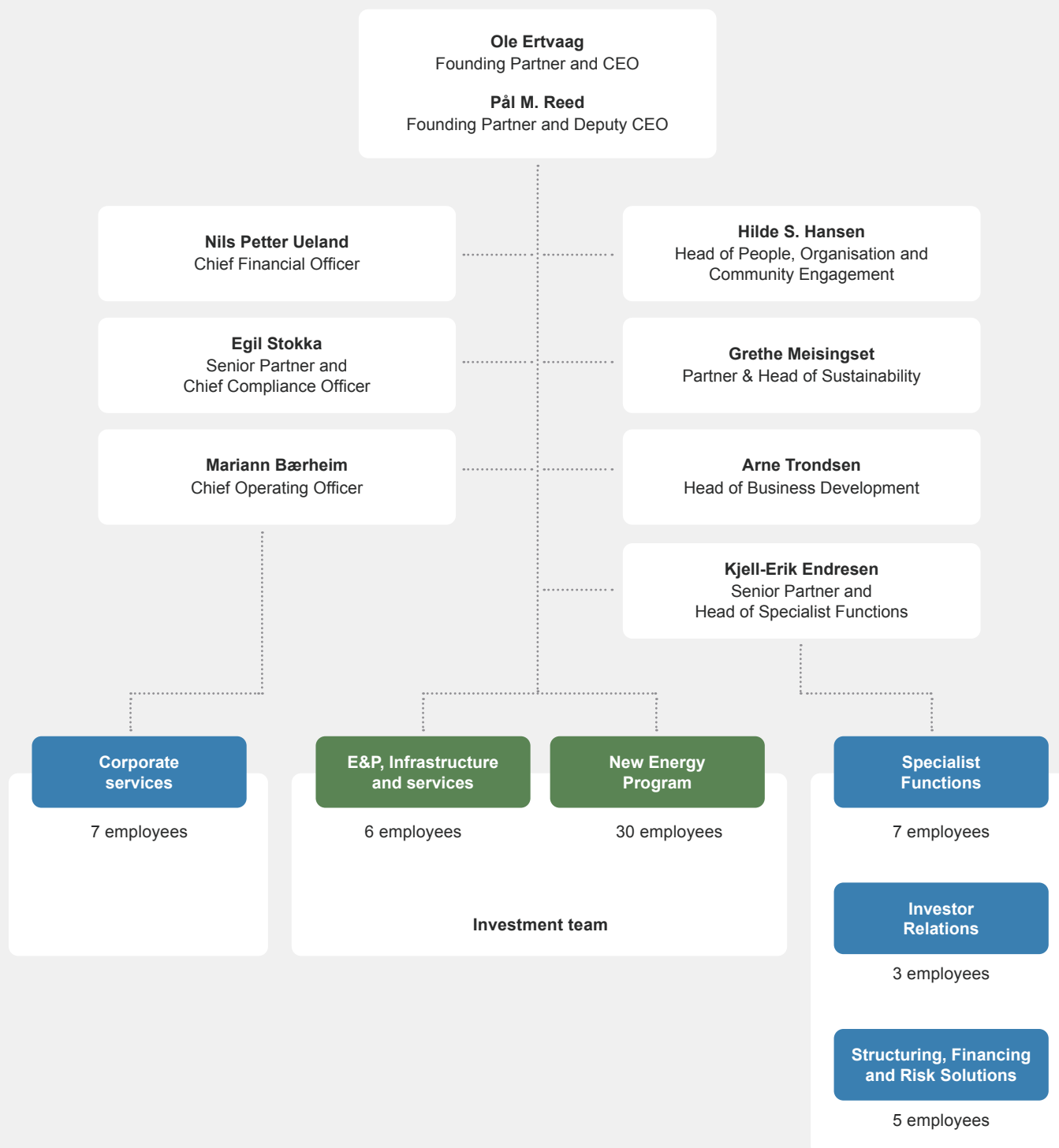
Figure 4: HitecVision's organisational structure as per 31.12.2023.

Figure 5: HitecVision's Responsible Investment Policy.

Environmental

- HitecVision seeks to invest in companies that are part of the solution to the climate challenge.
- HitecVision works to ensure that its portfolio companies operate in an environmentally responsible manner and aim to follow best industry practice.

Social

- HitecVision seeks to ensure that its portfolio companies offer equal opportunities to all employees, respect fundamental human rights, labour rights and union engagement, and provide their employees with good, healthy and safe working conditions.
- HitecVision seeks to ensure that its portfolio companies contribute positively to the communities in which they operate by developing businesses, encouraging innovation and enhancing international competitiveness.

Governance

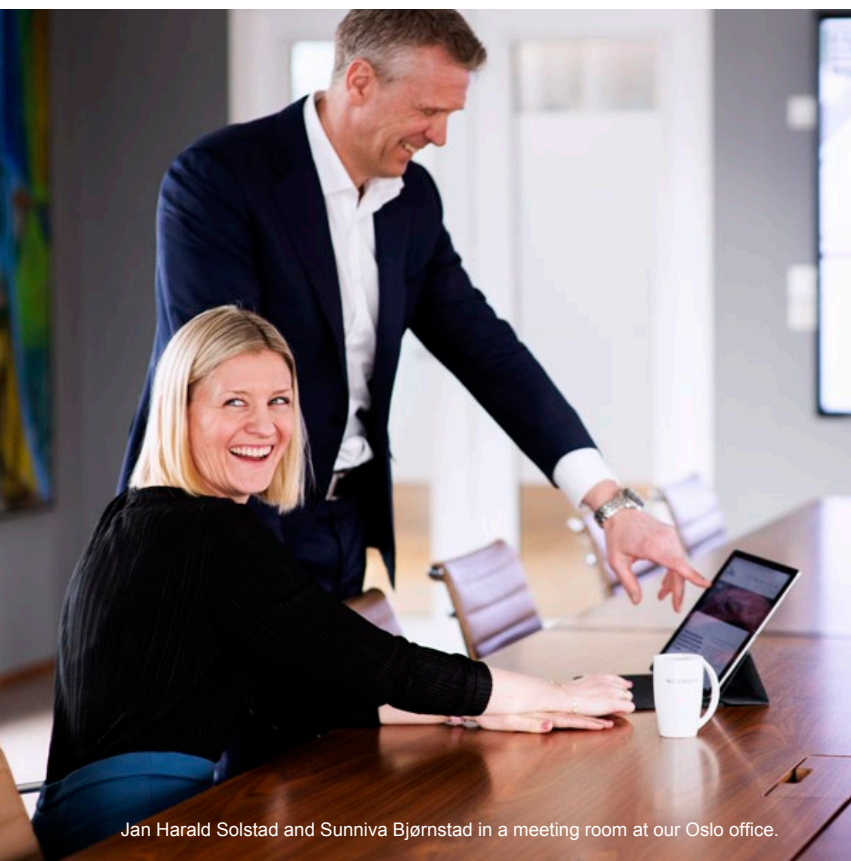
- HitecVision seeks to ensure that its portfolio companies comply with all applicable laws, rules and regulations in the markets in which they operate, including environmental, labour, anti-corruption and anti-money laundering laws, rules and regulations.
- HitecVision seeks to contribute to high ethical standards being maintained by its portfolio companies.
- HitecVision seeks to professionalise the governance models of its portfolio companies through its board work.

Responsible Investment Policy

Our Responsible Investment Policy applies to all aspects of HitecVision operations and forms an integral part of HitecVision's investment processes and active owner practices. The Responsible Investment Policy aims to ensure that the HitecVision portfolio companies operate in an environmentally responsible manner, respect human and labour rights and provide their employees with good, healthy and safe

working conditions, and maintain high ethical standards and follow good corporate governance practice.

We aim to be transparent regarding all issues covered by these principles and seek to ensure similar transparency from our portfolio companies. The policy is publicly available on our website and is provided as Appendix E to this report.



Jan Harald Solstad and Sunniva Bjørnstad in a meeting room at our Oslo office.



Jan Harald Solstad and Pål M. Reed in the corridors of our Oslo office.

Our reporting according to the SFDR

The EU Sustainable Finance Disclosure Regulation (SFDR) is a regulation with the objective of harmonising sustainability-related disclosures for providers and advisers of financial products. The regulation is aimed at improving transparency for investors with regards to the ESG risks and adverse impact of their investments, reducing greenwashing, and making it easier to compare ESG performance across financial products.

The SFDR has been in force since 2021, while the detailed Regulatory Technical Standards (RTS) entered into force on 1 January 2023. HitecVision has reported according to SFDR since 2022. HitecVision currently manages seven funds whereof six are classified as SFDR Article 6, integrating sustainability risks into investment decisions, and one as an SFDR Article 8 fund, which is considered a light green fund,

promoting environmental characteristics. As part of the SFDR requirements for Article 8 funds, HitecVision also reports on the EU Taxonomy for this fund.

HitecVision has collated our various ESG activities and processes in an ESG Integration Procedure. This procedure also addresses the operational implications of the SFDR. Consequently, the SFDR Principal Adverse Impact (PAI) indicators of the target's operations are systematically assessed in the pre-investment stage and in the ownership phase, either as part of the ESG due diligence or as a stand-alone analysis. We require quarterly reporting from the portfolio companies to cover the mandatory PAI indicators as defined in SFDR, adding a number of KPIs and adjusting others to conform with SFDR definitions. The SFDR PAI indicators for HitecVision's portfolio are provided as Appendix C to this report.

People, planet and prosperity

Our material ESG topics page 23

Climate and nature page 25

Health and wellbeing page 28

Diversity and inclusion page 30

Ethical business conduct and regulatory compliance page 32

Performance reporting on material topics page 35

Community impact page 38

People, planet and prosperity

As a European energy investor, HitecVision's main sustainability-related impacts, risks and opportunities are through our portfolio companies. We consider our potential and actual impacts, risks, and opportunities from a long-term perspective, keeping in mind our ambition to create sustained value for our investors and broader stakeholders. This requires consideration and management of the material ESG topics for our business.

ESG issues have the potential to influence the long-term financial performance of both HitecVision and our portfolio and successful management of these issues across the investment cycle is crucial for our continued success as a private equity investor.

Our portfolio companies take responsibility for identifying and reporting their own specific ESG impacts, risks, and opportunities. For detailed performance information and commentary on the management of ESG topics within these companies, please refer to the "Sustainability in the portfolio companies" section.

Our material ESG topics

At the end of 2023 and in the first half of 2024, HitecVision is working to refine and evaluate our material topics through a double materiality analysis, in preparation for the mandates of the Corporate Sustainability Reporting Directive (CSRD). This analysis considers impacts, risks, and opportunities (IROs) across the entire value chains of our own organisation and our portfolio companies, spanning upstream activities, internal operations, and downstream activities. The material ESG topics presented here is in line with the material topics identified through the material analysis performed in accordance with GRI 3 in 2021. The wording of the topics are refined to match the wordings in CSRD. Impacts and dependencies on biodiversity and ecosystems has been added, see decription on page 27. Metrics will be added in 2024. Furthermore two topics; ESG investment approach and portfolio engagement are redefined from material topics to strategic guidelines.

Table 1: Our current material ESG topics, to be further updated through our ongoing double materiality assessment.

Environment	Social	Governance
<div>Climate and nature</div> <div><ul style="list-style-type: none">■ Climate change mitigation and adaptation■ Energy use and production■ Impacts and dependencies on biodiversity and ecosystems</div>	<div>Health & wellbeing</div> <div><ul style="list-style-type: none">■ Working conditions■ Health and safety■ Knowledge building and skill development</div> <div>Diversity and inclusion</div> <div><ul style="list-style-type: none">■ Equal treatment and opportunities</div>	<div>Ethical business conduct and regulatory compliance</div> <div><ul style="list-style-type: none">■ Corruption and bribery■ Protection of whistle-blowers■ Data protection and cyber security</div>

Our double materiality assessment

The double materiality assessment is conducted by a working group within HitecVision. The working group involves senior management and other key personnel throughout the entire process to ensure alignment and integration of expertise. In short, the double materiality assessment follows four key stages, in line with recommendations in GRI 3 and inspired of the implementations guidelines of the CSRD.

Table 2: HitecVision's double materiality assessment process.

1. Understand

This first stage comprised the mapping of HitecVision's value chain. As we are an investment company, we concluded that the most appropriate value chain visualisation would be to do this for three sectoral categories that all our companies can sort under. These categories are; (1) New Energy Program, (2) exploration and production, and (3) infrastructure and services. Additionally, we assessed (4) our own fund management operations. The value chains of these four categories were illustrated at a practical level to progress to the next stage.

2. Identify

Based on the value chain mapping described in the first stage, a long list of impacts, risks, and opportunities was determined according to the terminology of the European Sustainability Reporting Standard (ESRS) documents, i.e. topics, sub-topics, and sub-sub-topics. These were determined to be HitecVision's potential "core IROs". To ensure appropriate prioritisation and analytical scope, this long list of core IROs was shortened down based on various criteria tied to relevance, including a hypothesis-based approach to understanding their severity and likelihood. The shortened list of core IROs was hence taken to the third stage for more dedicated assessments.

3. Assess

This stage includes the analytical assessment of priority IROs according to the implementation guidelines of the CSRD. In short, actual and potential impacts are being assessed according to their scale, scope, and irremediable character. Risks and opportunities are assessed according to various parameters delineating their potential financial consequences for HitecVision's funds. These parameters include consequences on reputation, resource dependency, and financial indicators such as fair value and operating expenses.

4. Determine

The final stage features a comprehensive alignment of preliminary findings from the assessment stage with senior management and key personnel in HitecVision. Topics are being determined either as strategic material or material for reporting purposes. Topics determined to be immaterial will be screened out.

A HitecVision toolbox for conducting double materiality assessments was made available to all portfolio companies at the end of 2023. All portfolio companies have been encouraged to initiate their own double materiality assessments. The findings from these assessments will be used to update HitecVision's own assessment to ensure that it properly reflects the IROs across the portfolio.

The following sections detail our approach to each material topic shown in Table 1, including how impacts, risks, and opportunities are monitored, managed, and mitigated.

Climate and nature

As a specialist investor in the energy industry, HitecVision has a strong focus on the transition of the world's energy systems towards a low-carbon future. We believe that our institutional capacity and industry insight put us in a position to help drive this transition. However, prioritising the energy transition can also pose conflicts between other sustainability objectives, most notably between climate change and nature. HitecVision acknowledges that significant contributions towards the energy transition cannot impede on nature's ability to function properly and deliver vital ecosystem services that our societies depend on. In turn, we consider climate and nature as two interlinked and corresponding dimensions of one another – we will not succeed at addressing one without addressing the other.

Investing to accelerate the energy transition

To quantify HitecVision's climate ambitions and help us steer a course towards a low-carbon future, we developed our Energy Transition Strategy in 2020. Consequently, we announced in 2021 that all new investments will be in companies that contribute to the transition to a world based on renewable energy. Our Energy Transition Strategy signalled the start of a transformation for HitecVision and has been operationalised through our New Energy Program, for which we now have raised EUR 2.1 billion in fund and co-investment capital.

Demand for this type of investment is strong, and we have already invested in six low-carbon and renewable energy companies as part of the New Energy Program. When deploying the funds, we have entered new partnership models and joint ventures across onshore and offshore wind power, solar power, hydropower, district heating with carbon capture, and other energy transition initiatives, illustrating HitecVision's strength in relationships and ability to execute on our new strategic focus.

Transitioning our portfolio companies

We are still in a position where some of our portfolio companies are exclusively or partly operating in the oil and gas industry. We aim to remain a good owner for these companies while we work closely with them to help them reduce emissions, limit adverse impacts, and, where relevant, transition their business to a new future.

In 2020, the portfolio companies were tasked with establishing their own low-carbon transition plans, and we have seen the effects of these on company strategies and actions, which are described in the "Sustainability in the portfolio companies" section of this report. A key focus area for 2024 is to encourage further development of these plans, and also ensure that our portfolio companies within the New Energy Program establishes appropriate decarbonisation strategies.

To further drive our investments towards a net zero target, we joined the Net Zero Asset Managers Initiative in 2022. The initiative is formed by asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit global warming to 1.5 degrees Celsius. This involves aligning investments accordingly, and HitecVision aims to align all investments in the energy transition to the net zero target. Today, this equals 25% of total assets under management to be managed in line with the net zero commitment, a proportion which is increasing progressively as new funds are raised and older investments in oil and gas are realised. By 2030, our target is that all our portfolio companies shall have set science-based emissions reduction targets.

Climate change mitigation and energy production

HitecVision's own carbon footprint reflects limited impacts from our own operations. Business travel, mainly air travel, is the most significant source of other indirect greenhouse gas emissions (Scope 3) for HitecVision, besides our investments. We seek to restrict extensive traveling and purchase natural carbon capture offset for necessary air travel through our travel agency, amounting to 145 tonnes in 2023 (2022: 112 tonnes). We also secure 100% renewable electricity for our power consumption through purchasing certificates of origin. Where these certificates are not obtainable, we obtain natural carbon capture offsets.

Our Scope 3 emissions have been updated in 2023 to include additional categories, such as investments (Scope 3, category 15). These financed emissions have been calculated as the funds' equity share of our portfolio's Scope 1 and Scope 2 emissions, as per the GHG Protocol, amounting to 367 thousand tonnes in 2023 (2022: 447 thousand).

The aggregated direct greenhouse gas emissions (Scope 1, operational control) from our portfolio companies decreased by 19% in 2023 compared to 2022 on our funds' equity share basis. This is driven by the electrification of the Ivar Aasen field held by Sval Energi and our reduced ownership in Vår Energi.

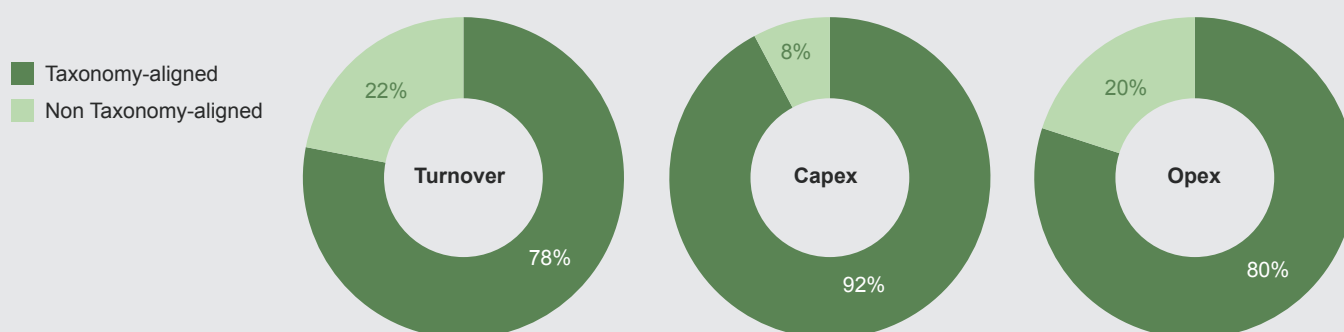
2022 was a year with exceptionally high production volume and record-high energy prices. 2023 saw both volume and prices return to a more normalised level. This development triggered an increase in the carbon intensity figure in 2023. See page 37 for more details.

While the production of oil and gas declined in 2023, the renewable energy generated by HitecVision's portfolio companies increased by 45%. This is both due to increased activity and the first year of full-year reporting for many of the companies in the New Energy Program. The renewable energy generated is estimated to have contributed to 128 thousand tonnes of net avoided emissions in 2023 (ex-post) based on United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM) methodology for Grid-connected electricity generation from renewable sources (ACM0002). HitecVision has during 2023 continued to develop comprehensive models for each of the investments under the New Energy Program to calculate their avoided emissions, with assistance from the carbon accounting specialist CEMAsys.

EU Taxonomy alignment of the New Energy Program

The New Energy Program invests in the energy transition, a mandate that fits well with EU's sustainability agenda. This is reflected in the Taxonomy-alignment figures which are driven by activities contributing to climate change mitigation.

Figure 6: HitecVision New Energy Fund's 2023 alignment with the EU Taxonomy.



HitecVision have collected EU Taxonomy figures and information from the portfolio companies part of the New Energy Fund. The quality of these figures and information provided is the best of our assessment and has not been subject to third-party assurance. The process for Taxonomy assessment is under development and will be further refined and assured in the coming periods.

Working towards better understanding of our nature impact

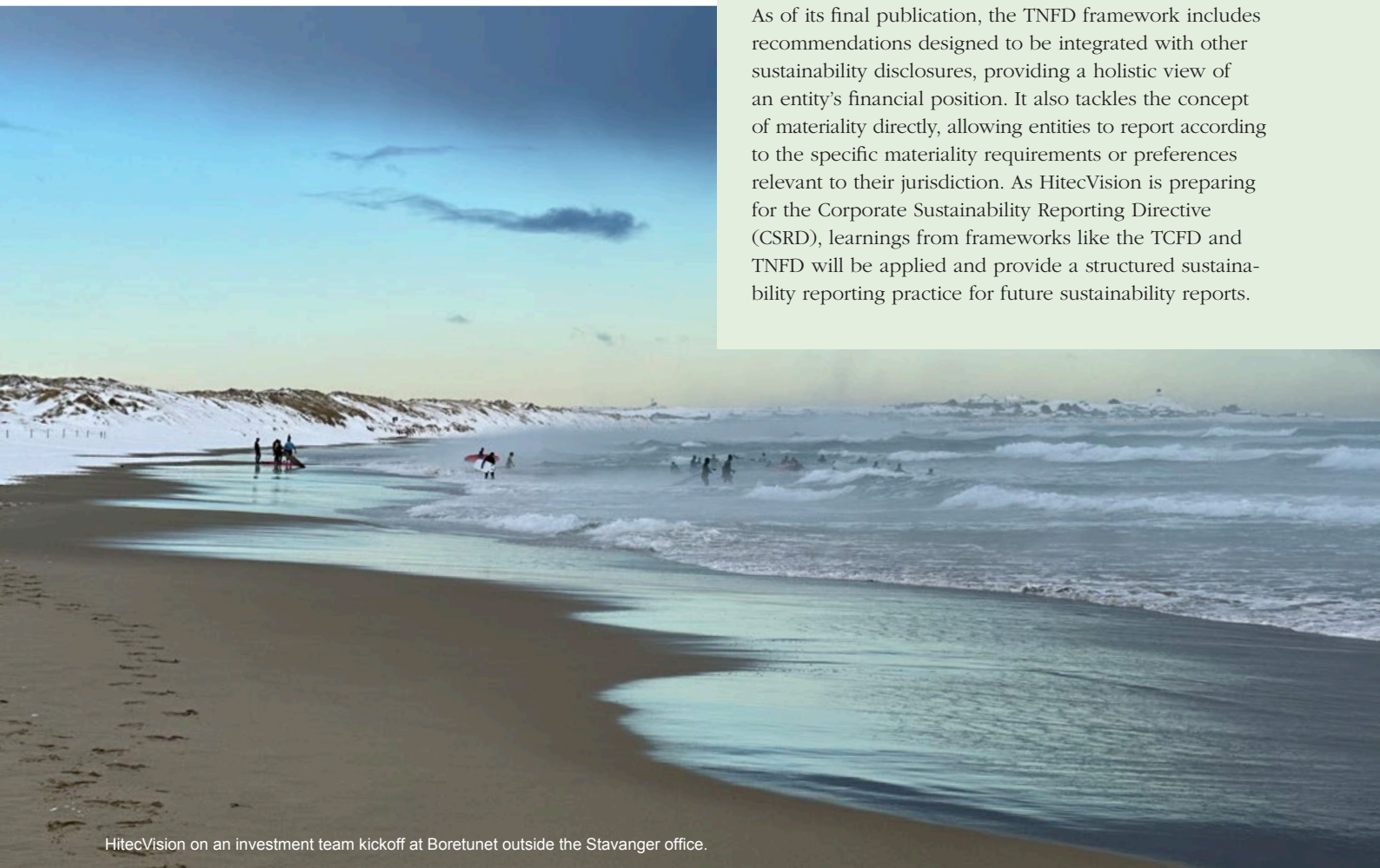
At HitecVision, we understand that the energy sector's activities are intricately linked to nature, and we recognise the critical importance of understanding the part nature plays in our portfolio companies. Going forward, we aim to increase our emphasis on this topic as we, together with our portfolio companies, mature our understanding of nature-related impacts.

We also aim to take proactive steps to understand and support nature in our investments. For instance, this includes addressing the potential impacts our portfolio companies have on natural habitats and wildlife through dedicated analysis of nature-related impacts, risks, and opportunities. The insight will further be implemented in our governance model to set relevant goals and expectations for our portfolio companies. We seek to invest in companies that demonstrate a commitment to minimising their environmental footprint and contributing to biodiversity conservation.

The Taskforce on Nature-related Financial Disclosures

The Taskforce on Nature-related Financial Disclosures (TNFD) finalised its recommendations in September 2023, following two years of consultations and pilot testing involving over 200 companies. TNFD provides a framework for businesses and financial institutions to assess, manage, and disclose nature-related risks and impacts. It aims to integrate nature risks with financial, operational, and climate risks, helping to shift capital towards nature-positive outcomes. The TNFD framework builds on pillars which are similar to the approach of the Task Force on Climate-related Financial Disclosures (TCFD), including governance, strategy, risk and impact management, as well as metrics and targets.

As of its final publication, the TNFD framework includes recommendations designed to be integrated with other sustainability disclosures, providing a holistic view of an entity's financial position. It also tackles the concept of materiality directly, allowing entities to report according to the specific materiality requirements or preferences relevant to their jurisdiction. As HitecVision is preparing for the Corporate Sustainability Reporting Directive (CSRD), learnings from frameworks like the TCFD and TNFD will be applied and provide a structured sustainability reporting practice for future sustainability reports.



HitecVision on an investment team kickoff at Boretunet outside the Stavanger office.



Nicolay Iankov and Marte Westersjø Nesheim at our Stavanger office.

Health and wellbeing

Health and wellbeing have and will remain a top priority for HitecVision. We are committed to providing a safe and healthy work environment for all our employees as well as those in our portfolio companies.

For our own employees, we offer flexible working hours and locations, adjusted to different life stages, as an integral part of this commitment. While the pandemic accelerated the adoption of virtual communication and brought efficiencies and flexibility for our employees, we now aim to facilitate for a balance between virtual and on-site meetings. Whereas remote work will undoubtedly remain a component of our employees' work arrangements, we acknowledge the importance for employees to meet in person, build professional relationships and share knowledge.

As part of our work with employee wellbeing, we prioritise occupational health services and workplace ergonomics. In addition, we subsidise our employees' gym memberships and other health-supporting activities. We regularly provide

cardiopulmonary resuscitation (CPR) training for all employees and have CPR equipment, including automated external defibrillators (AEDs), available in our offices. Employees also have access to both psychologist and physiotherapist services through our insurance scheme.

For our portfolio companies, we establish clear expectations regarding employee health, wellbeing, and benefits. The ultimate responsibility for implementing the specific initiatives that meet these expectations lies with the portfolio companies themselves. This approach allows each portfolio company to tailor their strategies to the unique needs of its workforce while adhering to our high standards of employee wellbeing.

Operational health and safety and working conditions across our value chain

Many of our portfolio companies have operations and supply chains that can pose risks to human safety. In 2023, we saw 18 lost time injuries reported across the portfolio companies (2022: 21). Safeguarding the operational health and safety of employees in the value chain has, and will remain, a top priority for HitecVision and the energy industry more broadly.

We approach operational health and safety as an integral element of our investment strategy, embedding HSEQ considerations into our due diligence processes, investment decisions, and ongoing portfolio management through closely monitoring performance. These measures are implemented to manage and improve HSEQ across our value chain, and we collaborate with our portfolio companies to establish and maintain rigorous standards, aiming to exceed regulatory requirements and align with best practices across the industry.

Although our main impact will always be through our portfolio companies, HitecVision is also a purchaser of goods and services, where the largest category is professional services. We have therefore addressed this indirect impact both through our Energy Transition Strategy, which was

introduced in 2020, and our Supplier Expectations Statement, which we introduced in 2021.

In 2023, HitecVision conducted due diligence assessments in accordance with the OECD Guidelines for Multinational Enterprises to account for potential risks and violations with regard to human rights and working conditions in our own supply chain, in compliance with the Norwegian Transparency Act. We have also engaged with our portfolio companies on the issue, to help ensure that they have adequate procedures in place regardless of legislation. We will continue to monitor compliance on a regular basis. HitecVision publishes a stand-alone report available on our website www.hitecvision.com. The stand-alone report will be subject to an annual revision by 30 June of each year. Most of our Norwegian portfolio companies are also subject to the Act.

We believe that protecting the wellbeing of our employees, contractors, and communities is not only a regulatory obligation but also essential to creating sustainable, long-term value for all our stakeholders.

Ensuring an attractive workplace through knowledge-building and skill development

HitecVision's ongoing success for over three decades reflects our ability to attract skilled professionals from our industry and our commitment to cultivating a culture that encourages learning, knowledge retention, and widespread sharing across our organisation.

The HitecVision Academy is our dedicated platform for professional development and knowledge creation. The platform was established in 2010 and formed to align and professionalise our onboarding, training and development activities for our own employees, and for the board of directors and management teams in our portfolio companies. Through HitecVision Academy, we provide a variety of learning opportunities relevant to all parts of the organisation, including nano-learning and insights into topics to continuously enhance employees' skills, knowledge, and

expertise to execute our value chain. We design learning modules, utilising both internal and external expertise, to suit our employees' competency needs and work schedules. In 2023, a total of 606 hours of training were completed, with external resources conducting 39%, and internal senior resources conducting 61% of the training.

In response to the need for upskilling, we offer theme-based competence programs to our employees on relevant topics. An example of this was the learning sessions we organised in 2023 on the CSRD and the concept of "double materiality" in relation to this directive. These sessions, which were also held separately for our portfolio companies, were designed to enhance our understanding of what these regulations and principles mean for HitecVision and our portfolio companies, and how they affect our reporting and operational practices.

Diversity and inclusion

Leading by example

At HitecVision, we value the unique contributions of each individual. By fostering diversity, inclusion, and an equitable workplace, we strive to create a vibrant and dynamic culture that benefits not just our organisation, but also our portfolio companies and their collective performance.

We work strategically to improve diversity and inclusion in our own organisation, in those of our portfolio companies, and at other stakeholders and business relations. We understand that creating and sustaining a diverse organisation requires continuous effort and time. As we are a relatively small workforce, we are aware that changes need to be implemented incrementally, guided by clear objectives and measures.

We place a high value on diversity in all its forms. We have implemented systematic measures to ensure a diverse workforce. Our diversity measures include targeted recruitment and retention strategies, which are monitored using key performance indicators. Our Diversity, Equity and Inclusion Policy formalises our commitment to diversity and reinforces our efforts to create an inclusive work environment where everyone is treated with respect and equality, and to ensure that we all act in a manner which respects our investors, business partners, shareholders and communities.

We have set a goal for gender diversity, aiming for a minimum representation of 1:3 gender balance across all teams and functional units. All new recruitments are evaluated against this target. The HR department is tasked with monitoring these efforts and regularly reports to the CEO and the board of directors.

By the end of 2023, HitecVision had a total of 65 employees, with a gender distribution of 62% male and 38% female. Our group management team, consisting of nine individuals, was 67% male and 33% female. In 2023, the percentage of women among our investment professionals declined to 26%, from a peak of 30% in 2022, resulting from a few departures. Although new hires in early 2024 have since helped to improve these numbers, the fluctuation underscores the challenges faced by a small and focused organisation and highlights the need for continuous action.

HitecVision has committed to the Women in Finance Charter Norway, an initiative motivated by the UK's counterpart launched by HM Treasury.

Remuneration and promotions

We recruit, promote, develop and reward our employees based on merit alone, as outlined in our Ethical Guidelines and Diversity, Equity and Inclusion Policy. In our portfolio companies, we recommend that the board should appoint a compensation committee. The same principles apply to HitecVision itself. Performance is evaluated systematically, based on an appraisal system that maps each employee's performance with regards to both personal and technical skills. Our systematic remuneration approach aims to ensure that decisions regarding pay, and promotions are based on demonstrated skills and achievements.

Table 3: Recruitment and promotions - by gender.

	2021	2022	2023	Total number of employees per 31.12.2023
Recruitment to the investment team				
Men	6	6	4	28
Women	2	5	3	10
Recruitment to other positions				
Men	2	2	0	12
Women	0	2	1	15
Promotions				
Men	5	6	5	-
Women	6	6	4	-

Our guiding documents

Our approach and commitment to diversity and inclusion is ultimately based on our Ethical Guidelines (Appendix D), that were originally introduced in 2006. The guidelines describe our commitment to a work environment free of harassment, discrimination, and bullying, where everyone treats all colleagues with courtesy and respect, and where our focus on qualifications, demonstrated skills and achievements forms the basis for promotion and rewards. All new employees are introduced to the guidelines and are required to sign them.

Our Diversity, Equity and Inclusion Policy outlines HitecVision's overall goals for a balanced composition in all teams, and covers equal opportunities in recruitment, promotion and retention, equal pay, parental leave, discrimination and harassment. In addition, the policy underlines our expectations and ambitions on behalf of our portfolio companies, including a requirement that each portfolio company should have a similar diversity and inclusion policy in place, supported by concrete action plans and periodic reporting. We also state that we expect our key suppliers to have their own diversity and inclusion programs, as described in our Supplier Expectations Statement.

Promoting diversity and inclusion in portfolio companies

We clearly communicate our diversity and inclusion expectations to all our portfolio companies. By working directly with the board and management of these companies we ensure that diversity and inclusion are integrated into their overall strategy and decision-making processes. The ultimate responsibility for meeting diversity goals lies with the boards and management teams.

To assist in the implementation of these goals, we provide guidelines, policy templates, and reporting tools. In our

regular meetings with portfolio companies, we make it a point to raise diversity issues, discuss their action plans, and challenge them to meet their targets for diversity and inclusion.

In 2023, we were encouraged to see an improvement in the proportion of women in our portfolio companies' workforce, rising to 27% from 21% in 2022, thanks to concerted efforts across our investments.

Additional information provided in accordance with the Norwegian Equality and Anti-Discrimination Act

HitecVision has conducted a pay structure mapping analysis to ensure equal pay for equal work within our organisation. We are not able to publish the data for the different salary ranges due to privacy concerns stemming from the limited number of employees at each level. Our employees shall receive equal pay for work of equal value, regardless of gender, race, religion or belief, age, marital or civil status, pregnancy, sexual orientation, or disability.

Our family leave policy for employees based in Norway is regulated by the Norwegian Working Environment Act. The parental leave period consists of a total of 49 weeks, including a period of 3 weeks before the due date for the

mother; a maternal quota of 15 weeks, of which the first six weeks must be taken immediately following the birth, a paternal quota of 15 weeks, as well as a period of 16 weeks that can be distributed by choice between the parents. The company policy is that all Norwegian employees, regardless of gender or function, are required to take their allocated parental leave, as a minimum. HitecVision covers full pay throughout the leave period for all employees. For employees regulated by other European restrictions with less statutory leave, we offer additional weeks with full pay.

The fact that an employee is on parental leave does not influence decisions about pay rises or promotions.

Ethical business conduct and regulatory compliance

Our guiding principles

We adhere to five guiding principles designed to uphold sound business practices, prevent conflicts of interest, and safeguard confidential information. These principles aim to ensure our business activities are conducted with the highest level of integrity and ethical standards.

For more details, please see our Ethical Guidelines in Appendix D.

The five principles are:

- 1 We behave and comply with laws
- 2 We respect our colleagues
- 3 We protect our assets and confidential information
- 4 We never make illegal payments
- 5 We avoid conflicts of interest



Jan Harald Solstad, Elisabeth Haavardsholm and Petter Tandstad Ege in a meeting room at our Oslo office.

We behave and comply – our program for ensuring responsible business conduct in our portfolio companies

We believe that effective ESG management needs to start with the board of directors, and establishing sound corporate governance practices is the responsibility of the board. We encourage each portfolio company board to establish a dedicated ESG or sustainability sub-committee as the company reaches a certain maturity, and we are often represented on these committees.

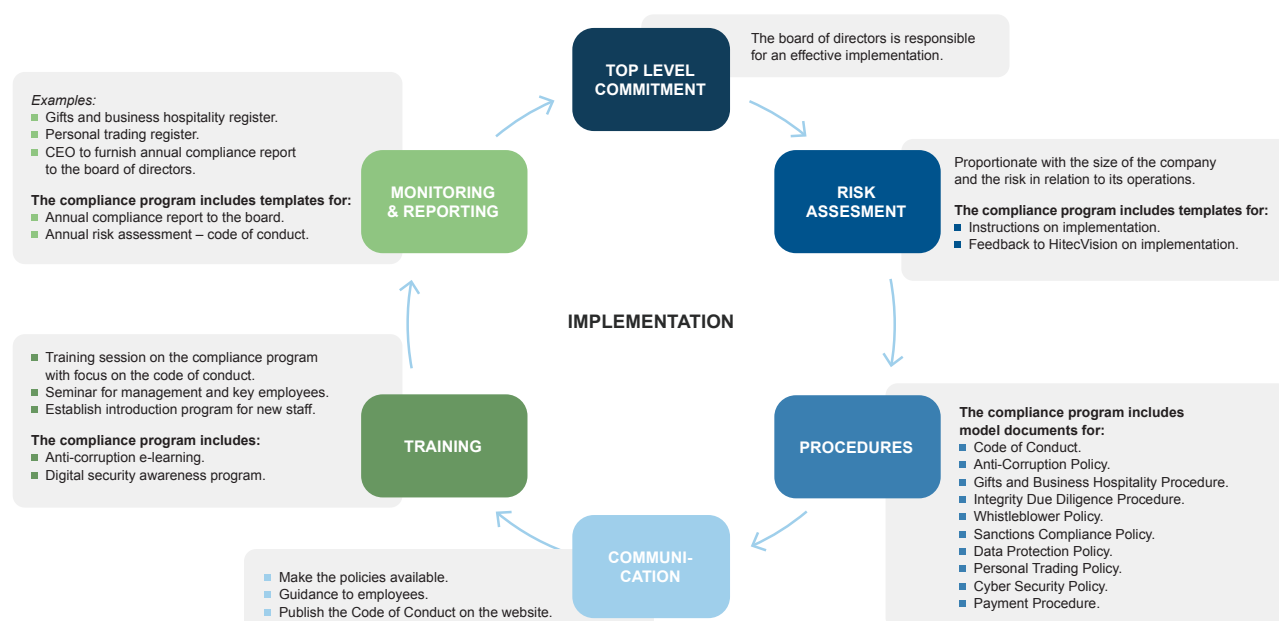
To help ensure good governance and responsible business conduct at our portfolio companies, we have developed a comprehensive corporate governance program that we ask the companies to implement (except for companies that already have corresponding programs in place). The key elements of this program are a board package and the compliance program “We behave and comply” on responsible business conduct.

The board package includes procedures, where the most important are board guidelines, agendas, and annual calendars, as well as document templates for various standard board documents. The board guidelines and the template for the board’s annual calendar have been revised and updated in recent years, to include a stronger emphasis on ESG-related issues such as climate risk and diversity and inclusion.

“We behave and comply” is a compliance program on responsible business conduct for the portfolio companies, which includes instructions for implementation and model documents that will help the portfolio companies to cover key topics on responsible business conduct within their organisation, such as templates for code of conduct, anti-corruption policy, cyber security policy, and more. We have partnered with a major law firm to develop the program, and they also provide training sessions for our portfolio companies on these issues. In 2023, we have placed particular emphasis on the boards’ increased responsibility for sustainability matters, as well as integrity due diligence (IDD), and we have provided dedicated training sessions on these topics for internal HitecVision staff as well as the portfolio companies. In 2024, the program is being updated to ensure alignment with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and United Nations Guiding Principles on Business and Human Rights.

Our compliance program provides our portfolio companies with the necessary operational tools and helps them to achieve high standards of responsible business conduct, ensuring that they and their employees operate with the integrity HitecVision and our investors require as responsible owners. This extends to compliance with all applicable laws, rules, and regulations, including respect for fundamental human rights.

Figure 7: The compliance programme *We behave and comply*.



Anti-corruption and protection of whistleblowers

The HitecVision anti-corruption training program was evaluated in 2023 and the contract with the existing supplier was renewed. The percentage of employees completing the anti-corruption training in HitecVision in 2023 was 98% (2022: 92%). The renewed anti-corruption program was made available for the portfolio companies in November 2023, and at year-end, all of the portfolio companies had an anti-corruption program in place (2022: 85%). 81% had completed the anti-corruption training (2022: 87%), and this share is expected to increase as the companies' employees catch up with the recent roll-out of the renewed program.

The HitecVision Whistleblowing Procedure was updated in 2023 to align with new regulatory requirements in Norway. Our whistleblowing channel is available to all employees and provides the opportunity to report concerns anonymously and without retaliation, retribution, or harassment. Whistleblowing mechanisms are in place at 93% of the portfolio companies (2022: 92%).

Data protection and cyber security

Although there have been no registered cyberattacks in HitecVision in the last five years, we experienced increased cyber security threats across our portfolio in 2023, with 4 cyber incidents resulting in losses (2022: 0). Recognising the growing need to safeguard our data and digital systems against cyber-related crime, HitecVision is proactively acting on three fronts to mitigate cyber risks through; 1) technical, 2) procedural, and 3) educational measures.

Our private data is securely housed in a Tier 3 certified data centre facility, and we utilise the Microsoft Defender suite for all Microsoft service. To further bolster our security, we have implemented 24/7 real-time monitoring of our IT platforms, conducted by the security operations centre of our IT services provider. Regular penetration testing and vulnerability scans are also part of our security measures.

In terms of educational measures, we have rolled out an e-learning program for our staff to enhance their cyber security competence. In 2023, 85% of staff had completed the cyber security training (2022: 79%). This program, complemented by regular phishing tests, is also made available to our portfolio companies. Additionally, our Cyber Security Policy, which forms part of the compliance package "We behave and comply", is shared with these companies. In 2023, all of the portfolio companies have formalised an ICT / Cyber Security Policy, or have integrated ICT risk management into their quality system (2022: 85%).

One of our laptops on a desk in our Stavanger office.



Erlend Basmo Ellingsen, Sunniva L. Bjørnstad and Christian Kronstad speaking at the HitecVision 2023 Investor Conference in London.

Performance reporting on material topics

All portfolio companies owned by HitecVision's funds are required to adhere to an ESG reporting system that enables us to effectively monitor and evaluate their performance.

We have been tracking a set of ESG-related KPIs since 2019, applicable to our entire portfolio. Transparency is a core value at HitecVision, and we work closely with our portfolio companies to ensure comprehensive measurement and reporting of all significant sustainability-related KPIs. These KPIs can be aggregated to reflect the ESG performance at the portfolio and fund levels, enabling us to track progress on essential indicators. The 2023 ESG performance of our portfolio, based on these key metrics, is illustrated in the table on page 37.

This information is essential for providing relevant and timely updates to our investors and the broader public. We offer quarterly updates to our investors on the ESG performance of our portfolio companies, and our own performance is disclosed to all stakeholders through this annual report.

We also report on HitecVision's own operations which includes HitecVision and HitecVision Advisory. For greenhouse gas emissions, we consistently follow the operational control approach, and the KPIs cover 100% of our own employees. For our own indirect greenhouse gas emissions (Scope 3) we include the categories 1) purchased goods and services (IT equipment), 5) waste generated in operations and 6) business travel, and we also include emissions from investments managed by HitecVision through category 15) investments, see page 36-37. For 2024, we also plan to add reporting on category 7) employee commuting. The other Scope 3 categories are not considered

material to our business. HitecVision is also encouraging its portfolio companies to progress on the calculation and reporting of Scope 3 emissions, which has been improved during 2023.

The ESG reporting landscape is dynamic and rapidly evolving. To ensure we uphold best-in-class reporting standards, we align our practices with internationally recognised reporting frameworks. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and the materiality analysis were our material topics are identified follow the recommendations in GRI 3. We have engaged our external auditor Deloitte to perform assurance with limited level of assurance on the GRI Index and the Sustainability Accounting Standards Board (SASB) disclosures. As a signatory to the UN Principles for Responsible Investment (PRI), we also participate in their comprehensive reporting framework. Moving forward, our disclosures will also begin alignment with the regulations stipulated in the Corporate Sustainability Reporting Directive (CSRD), which will be mandatory for HitecVision in 2026 reporting on figures from 2025.

We also comply with the latest EU legislation on ESG transparency, specifically the Sustainable Finance Disclosure Regulation (SFDR). This report includes disclosures on the Principal Adverse Impacts indicators as outlined by the SFDR in Appendix C.

HitecVision's ESG performance

HitecVision AS and its subsidiary HitecVision Advisory AS

HitecVision's own operations

ENVIRONMENTAL ¹	UNIT	2019	2020	2021	2022	2023
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	0	0	0	0	0
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	21	16	12	11	16
Energy indirect GHG emissions (GHG PCS Scope 2), market-based	tCO ₂ e	74	3	2	3	3
Other indirect GHG emissions (GHG PCS Scope 3), excluding investments ⁶	tCO ₂ e	199 ⁵	10 ⁵	44 ⁵	173 ⁵	180
Other indirect GHG emissions (GHG PCS Scope 3), investments only ⁷	tCO ₂ e	251 860	223 706	320 572	447 417	366 571

SOCIAL	UNIT	2019	2020	2021	2022	2023
Number of employees	#	66	60	64	64	65
Short term sick leave	%	0%	1%	1%	1%	1%
Long term sick leave	%	1%	1%	0%	0%	2%
Employee turnover ratio	%	11%	18%	10%	22%	11%
Share of women in total workforce	%	39%	42%	39%	39%	38%
Share of women among investment professionals	%	21%	22%	25%	30%	26%
Share of women in management	%	50%	50%	50%	25%	33%

GOVERNANCE	UNIT	2019	2020	2021	2022	2023
Share of relevant staff who have completed anti-corruption training	%	100%	100%	97%	92%	98%
Breaches of ethical guidelines	#	0	0	0	0	0
Share of staff who have completed cyber security awareness training	%				79%	85%
Cyber attacks or similar incidents resulting in loss of data, loss of integrity or other loss	#	0	0	0	0	0
Whistleblowing cases being addressed by management or board	#	0	0	0	0	0

DIVERSITY AND INCLUSION REPORTING ⁸	UNIT	2019 ²	2020	2021	2022	2023
Temporary employment – women	#		0	4	1	1
Temporary employment – men	#		2	2	1	1
Family parental leave – women (average number of weeks)	#		11 ³	25 ³	25 ⁴	34
Family parental leave – men (average number of weeks)	#		0 ³	11 ³	14 ⁴	0
Part time – women	#		0	0	0	0
Part time – men	#		0	0	0	0
Involuntary part time – women	#		0	0	0	0
Involuntary part time – men	#		0	0	0	0

¹ Operational control. ² Mandatory reporting requirements for diversity came into force on January 1, 2020 and were not required in 2019. ³ Includes only the 2021 calendar year or family leave periods that started in 2020 or ended in 2022. ⁴ Includes only the calendar year, not family leave periods that started the year before or ended the year after.

⁵ The scope 3 emissions have been adjusted from prior year to include emissions associated with the investments (category 15) in the reporting year. ⁶ The scope 3 emissions have been adjusted from prior year to include emissions associated with the investments (category 15) in the reporting year. ⁷ Scope 3 emissions include the following categories; 1) purchase of goods and services (IT equipment), 5) waste generated in operations and 6) business travel. ⁸ Mandatory reporting requirement under Norwegian law (Lov om likestilling og forbud mot diskriminering).

PERFORMANCE COMMENTARY. HitecVision has no direct GHG emissions from its operations (Scope 1). 2023 was the first full year of operations at all our four offices, with the newest addition being Milan, opening in 2022. Business travel, mainly air travel, is a significant source of other indirect GHG emissions (Scope 3) for HitecVision. After limited traveling activity during the pandemic, the emissions have increased, and returned to a level just below pre-pandemic.

Our Scope 3 emissions have been updated in 2023 to include additional categories, such as emissions from investments (category 15). These emissions have been calculated as our equity share of our portfolio's Scope 1 and Scope 2 emissions, as per the GHG Protocol. The decrease in 2023 is attributable to reduced direct emissions from our oil and gas-producing companies, mainly driven by the electrification of the field held by Sval Energi and our reduced ownership in Vår Energi.

Social performance indicators remained overall stable in 2023 compared to 2022. The percentage of women among our investment professionals declined to 26% from a peak of 30% in 2022, resulting from a few departures. Although new hires in early 2024 have since helped to improve these numbers, the fluctuation underscores the challenges faced by a small and focused organisation and highlights the need for continuous action. As for previous years, there were no ethical breaches or whistleblowing cases being addressed by management or the board in 2023.

Aggregated ESG metrics at the portfolio level

KEY AGGREGATED FIGURES		UNIT	2019	2020	2021	2022	2023
Number of employees		#	4 705	4 723	4 013	5 004	3 533
Total revenue		EUR million	6 665	4 170	7 255	16 563	12 645
ENVIRONMENTAL		UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions (operational control)¹							
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1 for all reported companies)		tCO ₂ e	245 718	216 629	315 352	445 118	362 604
Energy indirect GHG emissions (GHG PCS Scope 2 for all reported companies), location-based		tCO ₂ e	6 142	7 077	5 220	2 299	3 967
Other indirect GHG emissions (GHG PCS Scope 3 for all reported companies), excluding use of sold products		tCO ₂ e	250 101	221 345	249 696	294 098	1 042 664
Other indirect GHG emissions (GHG PCS Scope 3, oil companies only), use of sold products only							10 429 481
Carbon Intensity							
Weighted Average Carbon Intensity ²		tCO ₂ e/ EURm	96.5	92.4	101.7	57.5	92.6
Carbon intensity per barrel of oil equivalent produced – operational control (oil companies only)		scope 1 kgCO ₂ e/boe	10.1	11.9	12.6	14.3 ⁴	15.5
Carbon intensity per barrel of oil equivalent produced – equity share (oil companies only)		scope 1 kgCO ₂ e/boe	11.0	12.6	14.4	13.6 ⁴	14.2
Revenue carbon intensity – Scope 1 & 2 ²		tCO ₂ e/ EURm	68.3	83.8	76.0	45.5	54.4
Revenue carbon intensity – Scope 1, 2 & 3 ²		tCO ₂ e/ EURm	136.2	166.8	135.1	77.6	1 756.4
OIL AND GAS PRODUCTION		UNIT	2019	2020	2021	2022	2023
Oil and gas productions - operational control		boe			29 889 229	34 554 520 ⁴	27 736 681
Oil and gas productions - equity share		boe			111 004 018	137 747 449	125 690 649
RENEWABLE ENERGY		UNIT	2019	2020	2021	2022	2023
Renewable energy capacity		MW				1 227	1 510
Renewable energy contracted to be built		MW				720	717
Renewable energy generated		MWh				2 570 533	3 722 149
Net avoided emissions (ex-post) ¹		tCO ₂ e					127 926
WASTE, UNPLANNED SPILLS AND RECYCLING RATIO		UNIT	2019	2020	2021	2022	2023
Total waste		tonnes				75 536	111 099
Non-Hazardous waste		tonnes				48 601	74 837
Hazardous waste		tonnes				26 935	36 263
Recycling ratio		weighted average %				10%	8%
Unplanned spills (emissions to ground/sea/air)		#				279	275
SOCIAL		UNIT	2019	2020	2021	2022	2023
Health and safety							
Lost Time Injuries (LTI)		#	21	11	20	21 ^{3,4}	18 ³
Diversity							
Share of women in workforce		Weighted average %	20%	19%	21%	21%	27%
Share of women in senior management		Weighted average %	23%	25%	24%	27%	26%
Share of women in board of directors		%				30%	31%
Share of women among external board directors appointed by HitecVision		%	3%	28%	33%	45%	41%
People							
Short term sick leave		%					2%
Long term sick leave		%					2%
Employee turnover ratio		%		7%	10%	9%	10%
Percentage of companies who conducted an employee survey during the year		%					57%
Employee survey response rate for companies who conducted an employee survey during the year		Weighted average %					51%
GOVERNANCE		UNIT	2019	2020	2021	2022	2023
Maturity in governance matters							
Percentage of companies that have an anti-corruption program in place		%	92%	100%	91%	85%	100%
Percentage of employees that have completed anti-corruption training		%		82%	89%	87%	81%
Percentage of companies with an established whistleblowing channel		%	72%	82%	82%	92%	93%
Number of whistleblowing cases		#		6	6	12	11
Percentage of companies with an assigned responsible for ESG issues		%	100%	100%	100%	100%	100%
Breaches of ethical guidelines		#		0	1	2 ⁴	2
Investigations or lawsuits in relation to ESG issues		#		3 ⁴	1	1	3
Percentage of companies that have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system		%	92%	96%	91%	85%	100%
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss		#		2	2	0	4

¹ Calculated on an ownership share basis. ² Historical figures are calculated by dividing by revenues in USD, whereas the 2023 figures are based on revenues in EUR. ³ For Vår Energi, we have used the company's reported value of "serious incidents" as a proxy for LTI, as this is not reported separately. Please refer to page 74 of the company's Annual Report, for a detailed description of the definition. ⁴ This figure has been revised from the reported figure in the 2022 report.

Community impact

Since 1985, HitecVision has created jobs and local value by investing in Europe's energy industry. We are also involved in local initiatives and are committed to give back to our communities to help bridge social and economic gaps.

HitecVision works with several charities and organisations to make a positive impact on our local communities. We are driven by creating socioeconomic benefits and philanthropic impacts, such as improving access to education and job opportunities.

Two of our main initiatives include Paahjul and Viking Gatelag. These are both long-term engagements that provide opportunities for individuals with current or past substance-related challenges, to develop skills, build relationships and improve their wellbeing. Through these initiatives, we aim to promote workforce reintegration, while also fostering a sense of unity and strength.

Additionally, for 2023, we were the main sponsor of the Ukrainian ice hockey team Ravens located in the Stavanger region and we also offered work training to Ukrainian refugees through the refugee services in Stavanger Municipality. Additionally, we were involved in seasonal activities, such as "Gi en jul".



PAAHJUL

KIRKENS BYMISJONS SYKKELVERKSTED

Paahjul has bicycle repair shops in Stavanger and Oslo that offer working experience to people recovering from substance abuse issues.

The first repair shop opened in Stavanger in 2013, and the concept has since expanded to a total of four shops in the Stavanger region, as well as one shop in Oslo. At each shop, the program introduces four to six new people to work training per year, helping them become familiar with the routines and expectations of a workplace. After participating in the work training, the participants should be empowered to start studying or go on to work with another employer based on the knowledge, skills, and experience gained at Paahjul.

After the pandemic, we saw an increasing demand for the work training program offered at Paahjul. The participants have been facing more complex situations than earlier, as the substance-related challenges are increasingly accompanied with mental health issues. This underlines the need for Paahjul as a safe arena to build competence for a group that is at particular risk of exclusion and inequality.



GATELAGET



Viking Gatelag is a football team for adults with substance-related problems, promoting physical activity and social inclusion for people in challenging life situations. HitecVision is the team's main sponsor.

The team meets twice a week for football practice with an experienced coach from Viking Football Club and a social counsellor from Helse Stavanger. In addition to learning new football skills, the participants eat together and build relationships with individuals in similar situations. This helps foster social skills and teamwork, personal growth, and a sense of belonging.

A highlight of 2023 was participating in the national championship cup for similar teams. The team also participated in the regional tournament in Bergen, where they emerged as the winners. In 2024, the team looks forward to increasing its activity levels, playing more games, and welcoming more female players to the team.



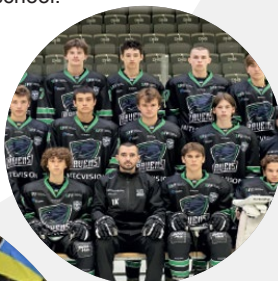
Ravens ice hockey team

HitecVision is the main sponsor of the **Ukrainian ice hockey team Ravens**, who came to the Stavanger region after the war started.

The team plays in the top division in the boys U18 league in Norway and had a great start to the season, winning most matches.

The team was on their way to a tournament in Hungary by bus when the war in Ukraine started. The bus with around twenty boys who were 15 years old at the time, together with coaches and some parents, decided to drive to Poland to get the boys safe and stay there until the situation was resolved. Their stay in Poland lasted longer than they had intended.

Stavanger Oilers, a local ice hockey club, learned about their situation and arranged transportation and accommodation for the team, coaches, and parents to the Stavanger area. The team has since been granted residence in Norway and has been enrolled at a local Norwegian school.



“Gi en jul”

Every Christmas, HitecVision's employees and their families in Stavanger and Oslo support local families in disadvantaged situations with Christmas food and gifts.

The initiative started in 2019 and has been a highlight for both our employees and the receiving families during the Christmas period. HitecVision facilitates the initiative in partnership with the local Child Welfare Services in Stavanger and the organisation Ung Norge in Oslo. Every employee is allocated an anonymous family and receives general information about the family members as well as their wishes for Christmas meals and presents. HitecVision provides funding, while the employees and their family members do the Christmas shopping. Our employees and their families have enthusiastically engaged in the project to ensure that families in need can enjoy the holiday season.

Work training for Ukrainian refugees

HitecVision, in collaboration with the Refugee Services in Stavanger Municipality, has established a program designed to support Ukrainian refugees in Norway.

This initiative is a response to the Norwegian government's policy of providing temporary collective protection to these refugees, which includes the right to employment.

The initiative facilitates highly skilled Ukrainian refugees with an opportunity to gain experience in Norwegian working life. Participants are placed within HitecVision's offices in Stavanger, where they receive training and mentorship. From August, HitecVision engaged six Ukrainian women for work training, working in the Stavanger office. They were involved in a job training project two days a week, aimed at providing an understanding of Norwegian working life. The project provided support in job search processes, including assistance with CV writing, interview training, and introductions to recruitment companies.

Market commentary

2023 in review page 42

Outlook and market trends page 45

1st decarbonisation theme: Renewable energy and electrification page 47

2nd decarbonisation theme: Sustainable fuels page 50

3rd decarbonisation theme: Optimised energy systems page 54

Concluding remarks page 57

Navigating across three decarbonisation trends

2023 was marked by unprecedented growth in renewable energy investments, a significant shift towards decarbonisation, and the continued evolution of energy markets. However, energy markets were also hit with turbulence. To help take energy systems closer to a net zero reality, HitecVision is focusing on three key decarbonisation themes highly relevant for the European energy sector. This includes the widespread scaling of renewable energy production and electrification, decarbonising hard-to-abate industries through sustainable fuels, and optimising our energy systems through focused efforts on energy efficiency and resource circularity. These three themes are thoroughly covered in this year's market commentary, discussing corresponding trends and outlooks.



Wind power is among the new energy sources that are reshaping the electricity supply.

2023 in review

By Erlend Bjørklund and Asle Sigbjørnsen, PwC Norway

2023 was a landmark year for the global energy sector, marked by unprecedented growth in renewable energy investments, a significant shift towards decarbonisation, and the continued evolution of energy markets. However, energy markets were also hit with turbulence, particularly in Europe and for renewables supply chains more broadly. Several factors contributed to this volatility, including geopolitical influences and macroeconomic challenges, alongside the escalating global climate crisis.

The International Energy Agency's (IEA) *World Energy Outlook 2023* highlighted the significant influence of geopolitical factors on energy markets, particularly those involving major oil and gas producers. These geopolitical dynamics directly impacted the EU's energy security interests, with supply disruptions and price spikes causing concern for both policymakers and consumers.

2023 was also confirmed as the absolute warmest on record, according to the National Oceanic and Atmospheric Administration (NOAA). This grim mile-

stone underscored the unrelenting force of the global climate crisis and its disregard for societal and market trends - the planet is warming at unprecedented rates, causing severe impacts on human and planetary health. In short, these colliding forces further strengthens the energy trilemma between energy security, affordability, and decarbonisation.

As stated by Dr Fatih Birol in the foreword of the IEA's outlook, "A crisis with multiple dimensions requires solutions that are similarly all-encompassing.

Ultimately, what is required is not just to diversify away from a single energy commodity but to change the energy system itself, and to do so while maintaining the affordable and secure provision of energy services."

In this market commentary, we reflect on trends and outlooks transforming the energy system as we know it, weaving in our perspectives to incite further interpretation and analysis.



Scaling up power system flexibility is critical to integrate more renewable energy sources and accelerate transitions away from coal and natural gas.

2023 highs and lows

Policy drivers

In the EU, initiatives such as the **REPowerEU** action plan and other regulatory drivers highlighted how countries are responding to the energy trilemma in practice. These initiatives underscore the EU's commitment to enhancing energy security, promoting renewable energy, and achieving climate targets.

Moreover, the 2023 **revision of the Renewable Energy Directive (RED III)** was adapted to account for significant changes in the transport sector, and includes strict indicative targets for more sustainable fuel use. Under RED III, the compulsory target for renewable energies in total energy consumption is now to be 42.5% by 2030, compared with 32% in RED II adopted in 2018. In addition, there is an indicative target of a further 2.5% on top of the 42.5% target.

The US saw its first full-year implementation of the **Inflation Reduction Act (IRA)**. According to Climate Power, a nonprofit climate advocacy group, the climate plan in the Inflation Reduction Act has created more than 170,600 clean-energy jobs. That figure is also growing, expected to hit more than 9 million over the next 10 years.

Investments

The total investment reached a record of nearly \$1.8 trillion, representing a 17% year-on-year gain. Electrified transport overtook renewable energy to become the largest driver of spending.

The ratio of investments in renewables outpaced those in fossil significantly. For every \$1 invested in fossil fuels, the International Energy Agency reported in May 2023, about \$1.70 is now going to clean energy.

Globally speaking, **investment in so-called emerging climate solutions also experienced strong growth**, with investment in hydrogen tripling year-on-year, carbon capture and storage nearly doubling, and energy storage jumping 76%.

Capital investment in global power grids increased by 5% from 2022, driven by a need to decrease grid congestion and shorten interconnection queues. Moreover, utilities are also by far the largest sector raising debt for the energy transition.

Climate-tech companies raised \$84 billion in private and public equity in 2023, a decrease of 34% year-on-year. The volatility in the global markets, induced by factors such as the ongoing energy crisis and geopolitical tensions, has led to a more cautious investment climate, thus slowing the previously rampant growth in the climate-tech sector.

Regional variations

China remains the largest market for energy transition spending, measuring nearly \$676 billion with a nearly even split between renewable energy and electrified transport leading the numbers. The US claims second place with \$303 billion, divided roughly evenly between renewable energy, electrified transport and power grids. Although the gap between the US and China remains wide, figures show strong signs that the Inflation Reduction Act has helped narrow the gulf.

EU countries collectively invested more than 12% more than the US in 2023 (with Germany leading the pack), and if you add figures from the UK as well this figure increases to nearly 37%. Chinese investments are only surpassed when taking the US, EU and UK together.

Sources: BloombergNEF, IEA, European Commission, Wood Mackenzie, Global CCS Institute, Bluegreen Alliance

2023 highs and lows

Geopolitical drivers

Despite conflicts such as the ongoing war in Ukraine and the Israel-Hamas conflict, **2023's restructuring of European gas supply arrangements left the region's energy market fairly insulated.**

Reshoring supply chains in the European and American energy sector presents significant barriers when it comes to scaling up manufacturing capacity and maintaining competitiveness. To address these hurdles, the EU in 2023 launched the Net Zero Industry Act (NZIA) which is designed to strengthen the European manufacturing capacity of net zero technologies and overcome the barriers of scaling up production in Europe.

Climate commitments

At the **28th Conference of the Parties (COP28)**, governments and corporations came together and reaffirmed their long-term commitment to phase down oil and gas towards 2050 and triple renewable energy by 2030.

In 2023, **the European Commission significantly raised the targets of the REPowerEU Plan**, a strategy designed to lessen the EU's dependence on Russian fossil fuels. The enhanced plan included a revised 2030 goal for renewable energy, now at 45%, alongside accelerated deployment of solar energy and heat pumps, more rapid permitting for renewable projects, and an increased energy savings target of 13% by 2030.

The International Maritime Organization (IMO) adopts historical agreement on net zero emissions target for 2050.

Technology maturity

Global EV sales hit a new record in November, with 1.4 million sold that month alone.

In 2023, the number of carbon capture and storage (CCS) projects in Europe under development increased by 61% compared to the previous year, reaching a total of 119 projects. This growth shows the rising interest in using CCS as a tool to combat climate change.

Sources: BloombergNEF, IEA, European Commission, Wood Mackenzie, Global CCS Institute, Bluegreen Alliance

Outlook and market trends

Nearly all roadmaps towards net zero include a decisive focus on key decarbonisation themes to drive an industrial transition. For Europe in particular, three key decarbonisation themes include the widespread scaling of renewable energy production and electrification, decarbonising hard-to-abate industries through sustainable fuels, and optimising our energy systems through focused efforts on energy efficiency and resource circularity.

Renewable energy and electrification is reshaping energy generation and consumption patterns, providing a cleaner alternative to traditional high-emission energy sources. Sustainable fuels are gradually emerging as a vital solution for

hard-to-electrify sectors, most notably heavy industry, aviation and shipping. Beyond energy use, optimised energy systems are also paving the way for better utilisation of existing infrastructure and energy flows, highlighting the importance of waste

heat optimisation, carbon capture and even negative emissions. This section dives into these themes, exploring their current trends, future outlooks, and the intricate dynamics between them in the context of Europe's journey towards net zero emissions.



Solar PV continues to gain momentum and grows at an astonishing rate.

Understanding energy scenarios and outlooks: A recap

In HitecVision's 2022 sustainability report, PwC conducted an analysis to categorise a variety of future energy scenarios leading up to 2050. These scenarios are data-driven narratives that illustrate different pathways for the energy sector and ultimately predict future energy supply and demand.

Assumptions around supply and demand are often a necessary starting point to provide a deeper understanding of how the energy transition may affect the future global energy mix and society more broadly.

Each scenario provides a unique projection of the energy mix, the pace of decarbonisation, and the extent to which society can achieve net zero emissions. According to our analysis, the selected scenarios can be categorised into three main categories depending on how ambitious they are in relation to decarbonisation and reaching net zero in 2050:

• Category 1 – As-is Development:

These scenarios project the future based on the continuation of current policies and trends. They predict that fossil fuels will still make up the majority of the energy mix in 2050, indicating a pace of decarbonisation that is far too slow.

• Category 2 – Increased Ambitions:

These scenarios present a more ambitious future, where substantial policy changes and technological advancements lead to a more balanced energy mix by 2050. They suggest a faster transition towards renewable energy, potentially even surpassing fossil fuels.

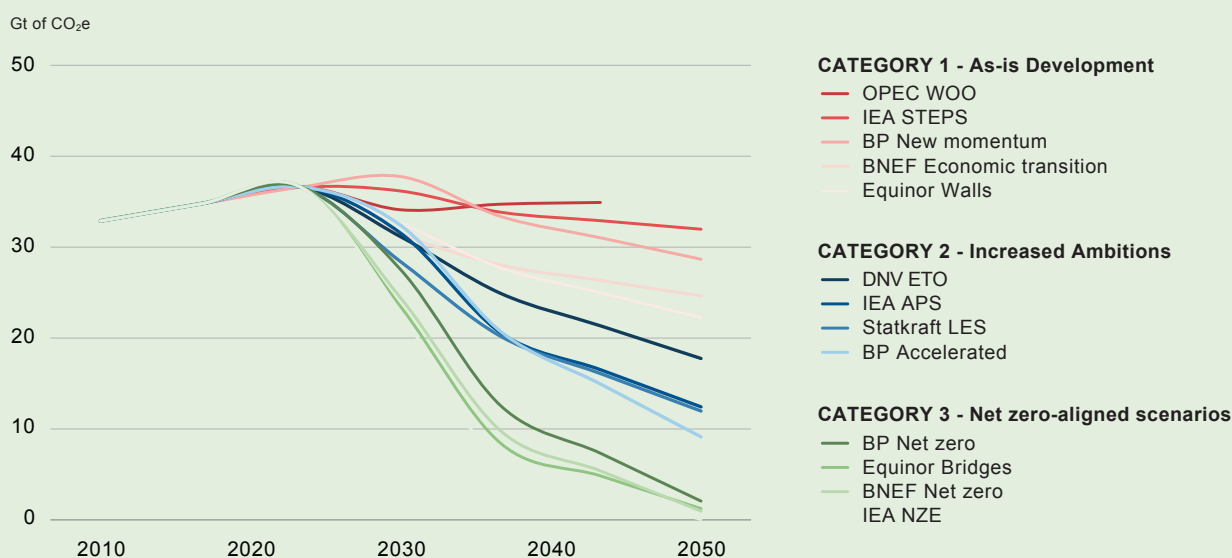
• Category 3 – Net zero-aligned scenarios:

These are the most ambitious scenarios, targeting net zero emissions by 2050. They start with the goal of net zero emissions and then work backwards to determine what changes in the energy mix, technology, and policy would be necessary to achieve this.

In the next section we will mainly discuss the outlooks for Category 3 as this represents the scenarios that align both with the EU's political intentions as well as the ambitions of several corporates looking to accelerate the transition. This category also offers the most robust data and analyses, though we will also make comparisons to how these projections contrast those in the other two categories. The primary differences between the categories lie in their assumptions about the 2050 energy mix and the pace of transition towards net zero emissions. In the following, we will highlight how Category 3 scenarios showcase a clear path towards net zero, but aim to simultaneously illustrate how these are dependent on a multitude of factors.

Exhibit 1: Categorising various market outlooks and trajectories.

Source: PwC Analysis



1st decarbonisation theme:

Renewable energy and electrification

Renewable energy and electrification as a key decarbonisation theme is not only leading the global energy transition but is also fundamentally transforming the economic dynamics of the energy sector as we know it. The shift from fossil fuels to renewable sources, and the resulting electrification of various sectors, is accelerating due to rapidly declining technology costs, supportive policy measures, and increasing market demand. Renewable power and electrification have already made significant contributions to mitigating climate change, and this decarbonisation theme is critical towards achieving net zero emissions.

The pace and scale at which renewable energy and electrification are adopted can significantly alter the trajectory of our future energy system and its carbon intensity. This is highlighted by the stark contrasts between net zero-aligned scenarios versus as-is scenarios. While current

trends suggest an already significant shift in the European energy mix, pain points have emerged that could slow the pace of clean technology adoption.

Astonishing is still not enough: highlighted gaps across scenarios

Regardless of scenario, the renewable power sector is set to undergo a significant transformation in the coming years. Globally, the IEA's World Energy Outlook 2023 projects that both solar PV and wind continue to grow at astonishing rates across all scenarios. However, current trends are not close to what is needed from net zero-aligned scenarios, as illustrated by Exhibit 2.

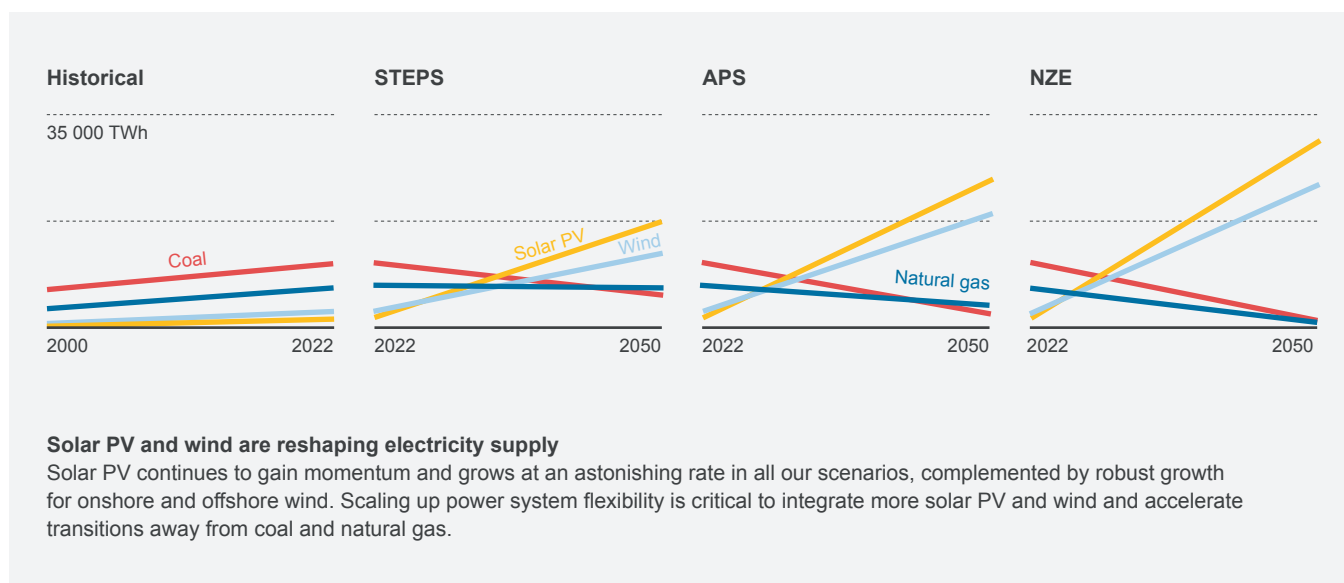
In Europe, projections on the evolution of renewable energy technologies favours economies of wind and solar in the power sector to drive decarbonisation this decade. In BloombergNEF's net zero-aligned scenario, wind and solar power are not just crucial to meet

climate goals, but their market share and adoption will need to surge to 70% of power by 2035. According to the European Commission's own estimates, the share of renewable energy in electricity would need to reach 69% by 2030. This will require a rise to 32% in transport, and for the heating/cooling sector to increase by a minimum of 2.3 percentage points each year.

EU energy policy is aiming to stimulate trajectories that meet these ambitious milestones and is therefore a major driver behind both supply-side and demand-side outlooks for renewable energy and electrification. More specifically, EU policies are targeting the electrification of end-use sectors as these are considered the most important driver of short-term decarbonisation in Europe. The intention is to increase production while lowering consumption to stimulate growth in renewable capacity proportions within the electricity, transport, heating and

Exhibit 2: Supply-side view: Current global growth in renewable energy supply, though astonishing, is still not enough for net zero-aligned decarbonisation.

Source: IEA, 2023.



POLICY UPDATE

THE REPOWEREU PLAN

The REPowerEU plan is a strategic initiative by the European Union that aims to boost renewable energy production and use within the region. The main goal is to accelerate the transition towards a more sustainable, renewable energy-based system. The plan intends to increase the production and use of renewable energy sources such as wind, solar, and hydroelectric power. The initiative increases the renewable energy target of the proposed Fit for 55 package (launched in 2021) from 40% to 45%. This initiative is a key part of the EU's commitment to achieving energy security and climate neutrality by 2050.

cooling sectors. Between 2021 and 2025, the deployment of these technologies needs to double compared to the growth observed from 2016 to 2020.

On the demand-side, net zero-aligned scenarios see electricity increase by over 80% in Europe over 2021-2050. Demand-side drivers include a boost in the adoption of electric vehicles, heat pumps, and the electrification of industrial processes. However, current adoption rates indicate that the growth of solar PV and wind capacity is insufficient to meet the renewable electricity targets set by the REPowerEU plan for 2030. To reach the necessary installed capacity to generate 69% of electricity from renewables by 2030, the average annual net additions of solar PV capacity need to be 22% higher, and for wind energy, more than twice as high as current levels. Closing this gap will also require dedicated investments efforts. In total, estimates from BloombergNEF show that delivering a net zero economy requires a cumulative

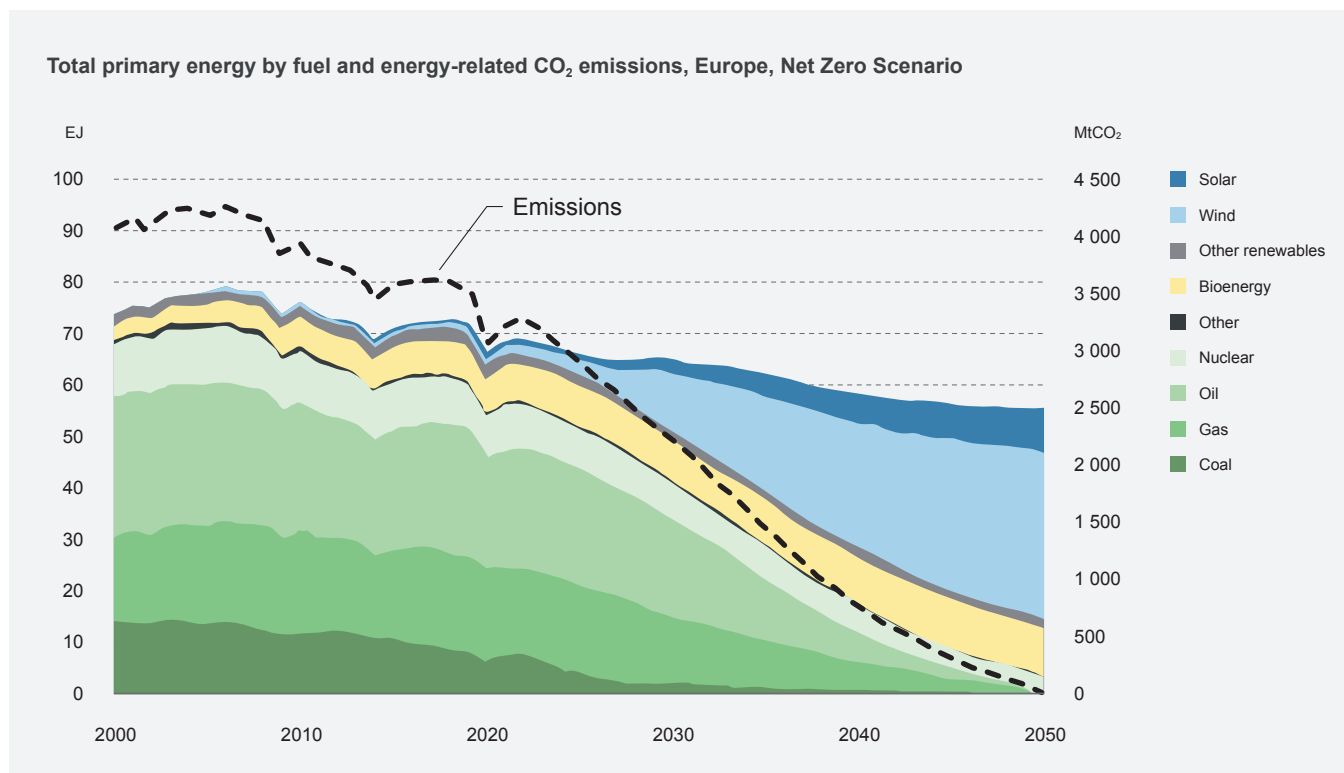
\$32.6 trillion of investments into the European energy system over 2022-2050.

Accelerating sectoral electrification

Transitioning end-use sectors involves replacing systems that currently rely on fossil fuels with those powered by electricity, which can be generated from renewable sources. Seeing that Europe's final energy consumption is heavily driven by the transport and building sector, the region is heavily dependent on the adoption of heat pumps and electric vehicles (EVs) as key tools in the displacement of carbon emissions under net zero-aligned scenarios. Heat pumps and EVs, powered by renewable electricity, offer a sustainable alternative to traditional heating systems and petrol or diesel-powered vehicles. In fact, electrification is expected to contribute to almost 60% of the additional abatement needed compared with the Emissions Trading System (ETS).

Exhibit 3: Demand-side view: In Europe, a net zero scenario sees all energy-consuming sectors decarbonise by 2025, largely through electrification and switching to zero-emission fuels.

Source: Bloomberg NEF, 2023.





Road transport and heating for buildings contribute almost half of all energy-related emissions in the region. Both sectors have the potential to rapidly electrify a significant portion of their energy use with existing, mature technologies. This transition presents a challenge, but the outlook is promising. In 2023, BloombergNEF reported that electrified transport has surpassed renewable energy as the largest driver of spending within global energy transition investments, seeing a 36% increase from the previous year. This surge in investment is a clear indicator of the growing commitment to and momentum behind the electrification of transport.

While the growth of electric vehicles shows a positive trend, and as the EU aims to have at least 30 million zero-emission vehicles on its roads by 2030, it's crucial that the electricity powering these vehicles comes from renewable sources. If not, the environmental benefits could be compromised. Therefore, investments in renewable energy must keep pace with the

growth of electric vehicles to ensure a truly green transition.

In addition, decarbonising the heating and cooling sector is also a major focus towards aligning with the EU's overall target of at least 55% greenhouse gas (GHG) emissions reductions by 2030. Given the sector's sizeable contribution to total energy consumption, a shift towards renewable heat sources will have a substantial impact on the EU's overall carbon footprint. However, the current outlook for renewable heat developments in the European Union falls significantly short of the requirements outlined in the REPowerEU initiative.

Electrifying end-use sectors also necessitates a corresponding expansion of the power grid. As more vehicles and heating systems switch from fossil fuels to electricity, the demand for electrical power is set to increase significantly. This means not only upgrading the existing infrastructure but also extending the network to reach all areas where the electrification

of transport and heating is taking place. In Europe, while overall investment in clean technologies is high, it is not evenly distributed. Countries like Germany and the UK are dominating the region's share of investments, and an uneven investment distribution poses a risk to the energy transition in less developed regions that also require electrified end-use sectors and improved power grids.

With a careful combination of both policy support and targeted investments, the acceleration of renewable energy generation and electrification can still close current gaps towards net zero. Along the way, Europe's renewable capacity expansion will need to simultaneously address lengthy and complex permitting procedures, the slow pace of transmission and distribution network upgrades and inadequate support schemes on both the demand-side and supply-side.

2nd decarbonisation theme:

Sustainable fuels

In a net zero-scenario, the IEA forecasts a decline in traditional use of biomass at the global level, but the application of modern bioenergy is projected to more than double by 2050 due to its capability to directly replace fossil fuels. The potential and necessity of sustainable fuels become more evident when examining specific sectors that are particularly reliant on them. These sectors, such as heavy industry, aviation, and shipping, face unique challenges that cannot be fully addressed by electrification alone. The following section provides outlooks and trends of these sectors, underlining the crucial role sustainable fuels play in their decarbonisation journey.

Hydrogen's long-term potential as a low-carbon fuel

Heavy industry is a grouping of energy intensive processes like steel and other metals, petrochemicals, refineries and non-metallic minerals like cement. These processes all require high-temperature heat (more than 200°C) which is difficult to electrify. To mitigate these challenges, heavy industry is increasingly turning to low-carbon hydrogen and bioenergy. These alternatives offer a feasible route to reducing carbon emissions while still meeting the high-energy demands of industrial processes.

In DNV's net zero-aligned scenario, it is projected that hydrogen will cater to 4% of Europe's final energy demand by 2035, with a substantial increase to 12% expected by 2050. Even considering other scenarios, hydrogen is projected to play a role within the industry, although the future application is primarily limited to steel production in Europe. It is anticipated that by the late 2040s, the intersection of declining hydrogen costs and equipment replacement cycles will stimulate the development of new hydrogen-powered capacity. Given the industry's potential for more

rapid scaling, particularly in light of significant policy incentives in the US, it is expected that the use of hydrogen within the EU ETS will expand. As such, hydrogen has a promising future but is mainly limited to the long term.

In the short term, however, hydrogen adoption is not progressing at a pace sufficient to meet the targets set by net zero-aligned scenarios. This lag is primarily due to cost constraints, but is also dependent on ramping up renewable energy production in order to create so-called green hydrogen. In the discussion of hydrogen as a future energy carrier, hydrogen from different sources is often referred to by "colour". Green hydrogen is produced through renewable energy in combination with electrolysis. Blue hydrogen is fossil-fuel-derived hydrogen in combination with carbon capture and storage (CCS). Finally, grey hydrogen is the traditional hydrogen production from natural gas, which is the predominant type today. There are several other variants that are currently not commercial or not used at scale, including black or brown hydrogen, produced from coal, and pink hydrogen, generated through electrolysis powered by nuclear energy.

Bioenergy's promise for hard-to-electrify transport

Other hard-to-abate sectors, notably aviation and shipping, are on their own net zero transformation journeys. Bioenergy has emerged as a key solution for decarbonising these sectors, offering a viable pathway to significantly reduce their greenhouse gas emissions.

Bioenergy is the term used to describe the energy produced from biomass. Biomass refers to organic materials that can be used as a fuel source. This could include a wide range of materials such as wood, crops, algae,

or even agricultural and industrial waste. The energy stored in biomass can be released through various processes, including burning, fermentation, and conversion to gas or liquid fuels.

Biomass is considered a form of renewable energy because the carbon dioxide released during the combustion or conversion process is offset by the carbon dioxide absorbed by the plant-matter itself during its growth. However, the potential for bioenergy to be considered a carbon-neutral source of energy greatly depends on sustainable biomass production practices across its lifecycle.

According to DNV's forecast, the overall contribution of biomass to primary energy supply is expected to see a fairly minimal increase, reaching approximately 11% by 2050, compared to the current 10%. However, the utilisation of bioenergy in the transport sector more specifically is set to undergo a significant change. This is expected to effectively double, predominantly in the form of liquid biofuels. These biofuels will play a crucial role in the decarbonisation of hard-to-electrify transport, particularly in aviation and maritime transport, where electrified propulsion technologies are less feasible. These sectors are characterised by long-distance travel and high energy demand, making the transition away from fossil fuels particularly complex.

Sustainable airfare's dependence of SAFs

In the aviation industry, the energy density of traditional jet fuel has thus far made it difficult to find suitable low-carbon alternatives. That being said, biofuels or synthetic fuels produced using hydrogen and captured carbon dioxide, often called sustainable aviation fuels (SAFs) or power-to-liquid (PtL) fuels, are emerging as promising solutions. These fuels can be blended with conventional jet fuel and used in existing aircrafts, reducing the need for extensive modifications to current fleets. There are however regulatory limits on the blend ratio, and the maximum allowed blend with conventional jet fuel is currently up to 50% SAFs due to safety considerations.

By 2035, it is anticipated that biofuels and SAFs could provide a significant share of the aviation industry's fuel demand. However, the pace of adoption is currently slower than what would

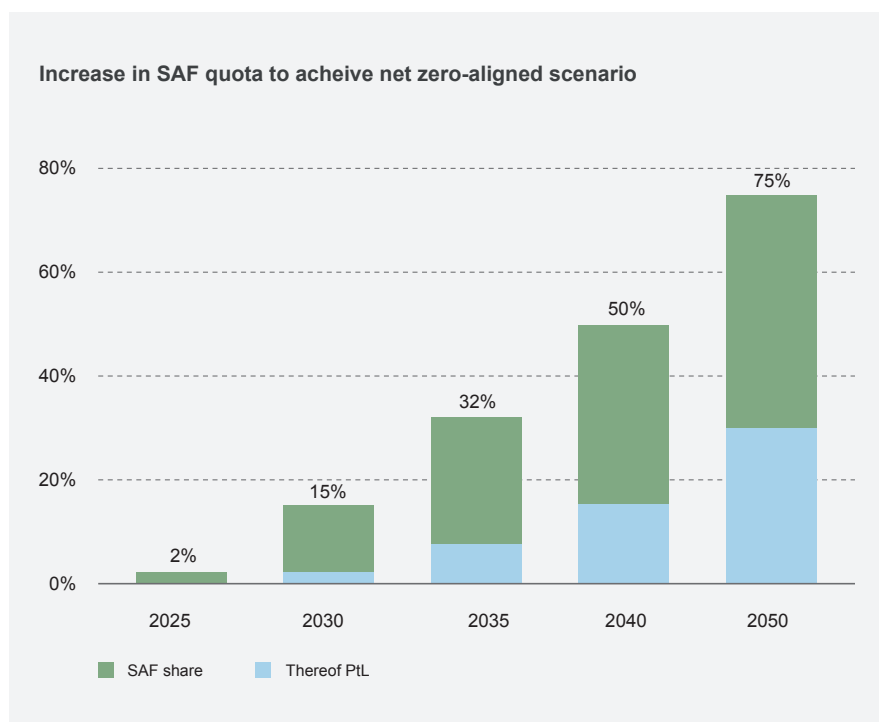
be required to meet the targets in net zero-aligned scenarios. This is due to several factors, including the high cost of these fuels compared to traditional jet fuel, regulatory barriers, and the technical challenges associated with producing these fuels at scale.

SAFs can be derived from biomass, fatty acids, or PtL processes, and have the potential to reduce life-cycle CO₂ emissions by up to 80% compared to conventional jet fuel. Current global projections for 2024 anticipate a tripling of SAF production to 1.9 billion litres, up from 600 million litres the previous year. Companies like Airbus have already started utilising SAFs. Since 2019, Airbus has used SAFs to operate its Beluga transport aircraft for internal logistics, with plans to make all its aircraft capable of flying with 100% SAF by 2030. Additionally, United Airlines has recently emerged as the top buyer, securing 2.9 billion gallons of SAF through offtake agreements and investments.

Still, to meet net zero goals, production must dramatically increase in the coming decades, necessitating the establishment of hundreds of production facilities, vast amounts of storage and feedstock capacities, and the necessary distribution infrastructure. In fact, current SAF supply is even insufficient for meeting as-is forecasted demand. A study supporting the ReFuelEU Aviation initiative suggests a 2% SAF quota by 2025 and 6% by 2030 for all flights departing from EU airports. While the current supply barely meets the 2% target, achieving the 2030 targets would require a tripling of production capacities in half the time. To align with the broader aim of achieving net zero emissions by 2050 across all sectors, these quotas would need to increase to 15% in 2030 and 75% in 2050.

Exhibit 4: The persistent rise in global demand for sustainable aviation fuels is mainly dominated by sustainable biofuels with an increasing proportional rise from PtL in the long term.

Source: PwC, STRATEGY&, 2024.



POLICY UPDATE

THE RENEWABLE ENERGY DIRECTIVE (RED III)

Regional policies and sector-specific strategies play a crucial role in bolstering Europe's transition towards sustainable fuel use. The Renewable Energy Directive (RED III) serves as a key instrument to drive this change, especially in the transport sector. RED III, revised in 2023, sets a compulsory target for renewable energies in total energy consumption to be 42.5% by 2030, up from 32% in the previous version, RED II. This shift demonstrates the EU's commitment to more stringent sustainable fuel targets and the role of regional policies in achieving these goals. However, implementing these ambitious targets presents significant challenges, particularly in supply and logistics.

Stimulating further uptake of sustainable fuels in shipping

In the shipping industry, the use of biofuels, hydrogen, and ammonia are being explored as potential means to reduce emissions. Biofuels can be used in existing engines with minor modifications, while hydrogen and ammonia require more extensive changes to the ship design and fuel infrastructure. The transition to sustainable fuels in the shipping industry is, however, not only a matter of technological innovation, but also necessitates the creation of a vastly new ecosystem involving chemicals, batteries, ship construction, and port operators.

Regulatory measures are also playing a significant role in catalysing the shift towards a more sustainable ecosystem for shipping. The European Union has set legally binding targets to reduce emissions by 55% in 2030 relative to 1990 levels, and to become climate-neutral by 2050. Two key pieces of legislation, the EU ETS and FuelEU Maritime, have set specific require-

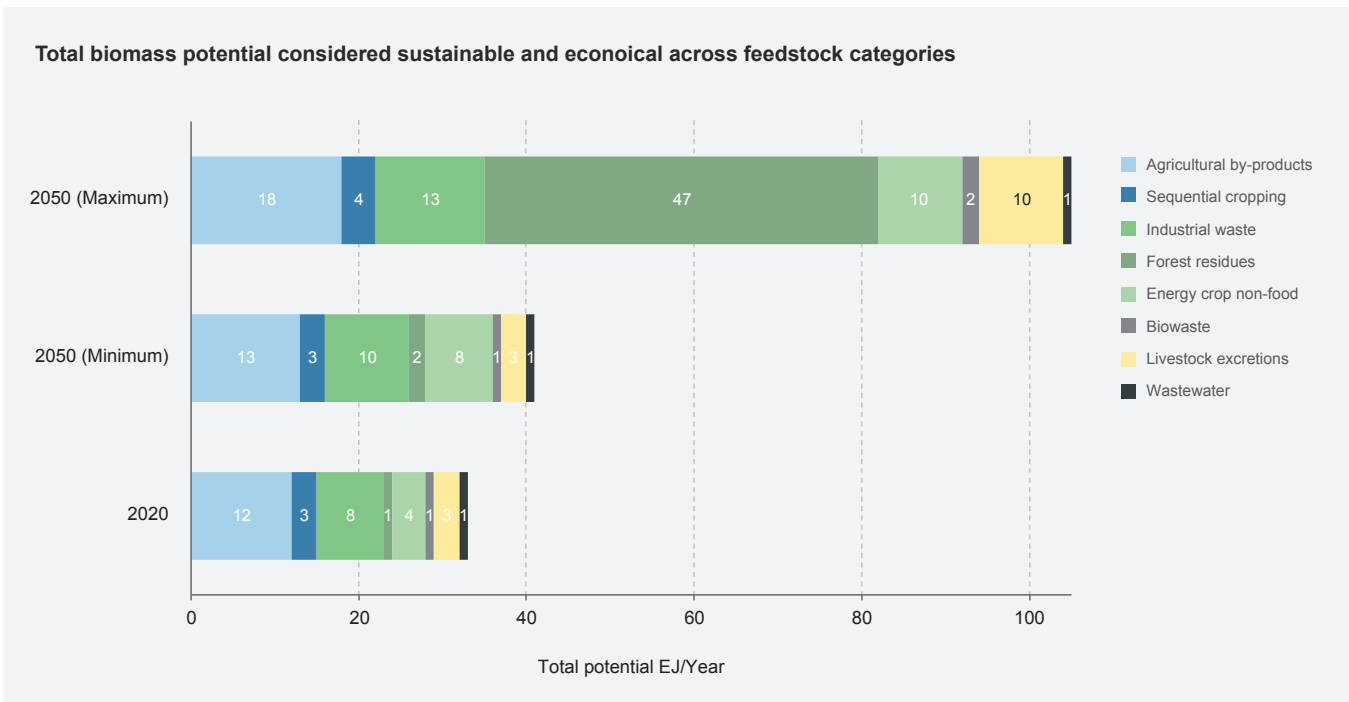
ments for ships. From 2024, ships above 5,000 gross tonnage transporting cargo or passengers for commercial purposes in the EU will be required to acquire and surrender emission allowances for their greenhouse gas emissions. This will be the first time that ships in international trade are subject to a carbon price, with the intention of driving forth emissions abatement.

The International Maritime Organization (IMO) has also set ambitious targets to reduce emissions globally. The member states have agreed on emission reduction milestones of 20% in 2030 with a strive for 30%, and 70% in 2040 with a strive for 80%. The ultimate goal is to achieve net zero emissions by 2050. In the 2023 IMO GHG Strategy, the organisation underscores the importance of technological innovation and the global introduction of alternative fuels and energy sources. In turn, this sectoral initiative is likely to continue driving the demand for sustainable fuels.

However, the transition to alternative fuels in the shipping industry is not without challenges. The price of ETS emission allowances, while potentially encouraging a shift towards cleaner fuels, may not be sufficiently high in the short term to incentivise a fuel shift by itself. Furthermore, while the EU has set ambitious targets, the adoption of these technologies is currently slower than what is needed to meet international climate targets, highlighting the need for accelerated adoption and significant investment in infrastructure and technology will be necessary to meet these goals. According to DNV's Energy Transition Outlook 2023, for example, the shipping industry must see a drastic shift from being almost entirely oil-based today, to a 2050 fuel mix where 84% consists of low- or zero-carbon fuels. Ammonia is expected to make up the main share (36%) of this low- or zero-carbon portion, followed by biofuels (25%), synthetic fuels (19%) and finally electrification (only 4%).

Exhibit 5: Forecasting the potential of sustainable biofuels according to feedstock category

Source: DNV Energy Transition Outlook, 2023



Sustainable feedstocks in focus

The future availability of sustainably sourced feedstocks is a pressing concern that has been widely recognised with numerous studies offering perspectives. Feedstocks refers to the raw materials required for a specific process or production of biofuels, and understanding their availability and logistical constraints lies at the heart of the outlook for biofuels. Feedstocks considered to be sustainable for biofuel production include biomass sources such as agricultural by-products, forestry and wood industry residues, municipal waste, and industrial residues.

As of 2023, the global production capacity of sustainable biofuels was around 11 million tonnes of oil equivalent (Mtoe) per year. This is projected to more than double to 23 Mtoe by 2026, and scale dramatically towards 2050. As noted, however, biofuel supply's upper limit is defined by physical constraints on sustainable feedstock availability. Using strict sustainability criteria in line with the EU's Renewable Energy Directive II (RED II), DNV estimated that the potential supply of biofuels could be sustainably and economically scaled up to a range of 500 to 1,300 Mtoe per year by 2050. We currently tap into a very small share of the exploitable biomass potential, primarily due to the low production of biofuels from sustainable biomass sources. As a result, fuels derived from sustainable biomass sources are in high demand, especially in the United States and Europe, due to their ability to meet GHG and feedstock policy objectives.

The scalability of biofuels is therefore dependent on clear policy frameworks and criteria, such as those stipulated under RED III, alongside trusted certification schemes that give buyers and end-users the assurance that sustainability criteria are met.

Boosting trust and assurance in the supply chain

A balance between supporting policy frameworks and supply chain stability must be struck to meet the intentions and goals outlined in regional policies like the European Green Deal and directives like RED III. RED III sets a compulsory target for renewable energies, requiring a substantial increase in the production and use of renewable fuels. However, the successful implementation of such policies hinges not only on the production capabilities but also on robust certification systems and efficient logistics for scaling the entire system.

The certification systems are intended to verifying the sustainable sourcing of raw materials and ensuring that the production process complies with environmental standards. Any lapse in this certification process could undermine the credibility and effectiveness of sustainable biofuels, and ultimately see the entire segment collapse.

Maintaining the integrity of the system is however a major challenge in the market, with various examples of fraudulent waste supplies being detected. In the EU, recent data has indicated a significant spike in supplies of used cooking oil (UCO), a crucial feedstock for biodiesel and SAFs. This surge has reignited concerns over potential customs fraud, which could allow unsustainable palm oil to be misrepresented as a waste-based biomass source in Europe.

The International Sustainability and Carbon Certification (ISCC), the largest feedstocks accreditor, issued certificates for 4.85 million metric tonnes (mt) of UCO feedstock globally in 2022, marking a 40% increase from the previous year. The data, published by the European Commission, shows notable increases particularly in Italy

and Malta. Italy saw a twelvefold increase to 604,040 mt, while Malta, which had no UCO accreditations from the ISCC in 2021, rose to be the third-largest UCO source, certifying 520,000 mt of feedstock in 2022. Together, these two countries' 2022 numbers accounted for the equivalent of over a third of the global UCO supplies certified in 2021. This increase has been met with scepticism and has prompted an increased demand in increased transparency across the value chain.

However, the complexities in tracing UCO origins are further complicated by Europe's import dependence on less transparent suppliers. Estimates suggest that Europe currently imports 80% of its used cooking oil, with around 60% coming from China. While the ISCC has conducted audits with biofuel suppliers and revoked some certificates, it continues to issue new licenses, and several counterfeit UCO scandals have underscored the need for continuous scrutiny and anti-fraud mechanisms.

In short, while the implementation of policies like RED III is crucial for driving the transition towards sustainable fuel use, it is equally important to manage this transition in a way that maintains trust and transparency across the entire supply chain.

3rd decarbonisation theme:

Optimised energy systems

Today's energy systems are far from perfect – energy is moved from primary sources to final users in the form of useful energy, though significant losses are generated along the way. This inefficiency is both a drain on resources and a significant contributor to global emissions. However, the potential for optimisation within these systems is enormous, and leveraging the existing waste could be seen as the lowest hanging fruit within decarbonisation efforts.

Embracing energy efficiency

Energy efficiency, often termed the “first fuel” in clean energy transitions, provides some of the quickest and most cost-effective CO₂ mitigation options. It lowers energy costs,

strengthens energy security, and is the single largest measure to minimising energy demand in net zero-aligned scenarios. Electricity generation from fossil sources such as coal, gas, and oil are highly inefficient, losing much primary energy to heat. However, the shift to renewables, mainly solar PV and wind, has led to a massive increase in the share of primary energy converted to useful energy. In fact, this increase in the share of primary energy converted to useful energy has increased from half to three-quarters of useful energy output. As renewables more efficiently capture energy to electricity without heat loss, the losses in end use are far less. However, even despite significant advancements in renewable energy technologies, today's energy system still wastes a considerable

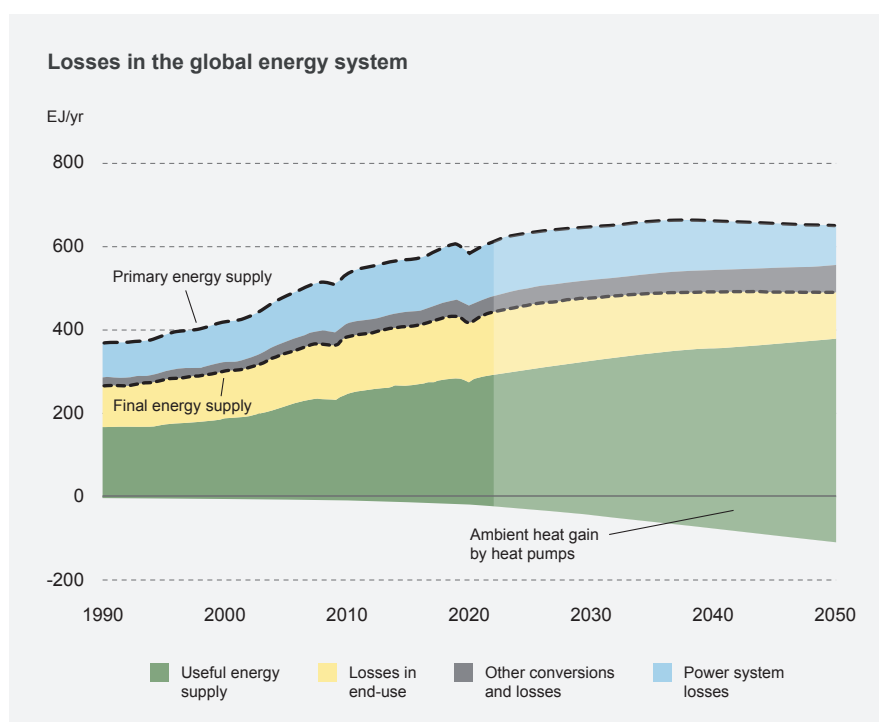
amount of generated power, equivalent to a substantial amount of CO₂ emissions.

The promise of waste heat recovery

Waste heat recovery presents a promising opportunity to improve optimisation of energy systems by reducing emissions and supporting an increasingly decentralised energy system. This process involves capturing and reusing heat that would otherwise be wasted. Industrial processes often have significant amounts of low-grade waste heat, which can be utilised as a heat source to improve efficiency. Even more promising are process streams that require cooling, as the heat generated from these processes

Exhibit 6: To meet net zero-aligned scenarios, useful energy supply must increase significantly towards 2050. Some power system losses are inevitable, though ambient heat gain from heat pumps can make a significant impact.

Source: IEA, 2023



POLICY UPDATE

GLOBAL COMMITMENTS & THE EU ENERGY EFFICIENCY DIRECTIVE

Mid-2023 saw increased global momentum to target a doubling in the rate of efficiency progress to 4%, underscored by 46 new governments endorsing the ‘Versailles Statement’, agreeing to strengthen energy efficiency actions in line with a doubling of global energy intensity progress each year this decade to 2030.

More specifically for Europe, the European Commission in March 2023 strengthened the EU Energy Efficiency Directive. Under the new agreement, energy savings obligations will nearly double, with EU countries required to achieve a reduction of 1.49% per year in final energy consumption on average from 2024 to 2030, up from the current level of 0.8%.

can be harnessed to further enhance the overall system efficiency.

Every year, the world consumes over 418 exajoules (EJ) of final energy, equivalent to 116,000 terawatt-hours (TWh), predominantly by burning fossil fuels and generating heat. Much of this generated heat is unused and made unproductive. Recovering this waste heat can significantly reduce the use of primary fuels and, consequently, emissions. The recovered waste heat can be used for industrial process heating purposes, city grid heating, or converted to electricity. Commercial opportunities depend on local energy demand patterns as well as fuel and electricity prices, but estimates of annual global saving could reach up to €140 billion – this is comparable to the worth of all natural gas imported by the European Union.

Despite its potential, waste heat recovery is a complex process in practice. The initial investment costs can be substantial due to the complexity and cost of the infrastructure required to capture, store, and distribute waste heat. The logistics of waste heat recovery can also be challenging. The sources of waste heat are often dispersed, and the recovered heat needs to be transported, sometimes over long distances, to where it can be used. This requires an efficient transport network, adding another layer of complexity to its successful execution. Furthermore, there may be fees and regulatory hurdles associated with waste heat recovery and use. These could further affect the economic feasibility of waste heat recovery projects. Despite these challenges, the opportunities are promising when considering that at least 3,100 TWh of feasible waste heat is currently not being captured.

The role of carbon capture in optimised energy systems

A key part of the transition and optimising the energy system is the reimagining of previously underutilised or discarded resources as valuable components. Like waste heat, one

resource gaining recognition is carbon dioxide (CO₂). Traditionally viewed as a waste product, CO₂ is increasingly being commercialised within the carbon capture and storage (CCS) value chain. As we move towards net zero emission targets, CCS technologies will play a crucial role, transforming CO₂ molecules from a problem to a part of the solution.

Carbon capture refers to the separating and capturing of CO₂ from sources with high concentration, such as in flue gases of fossil-fuelled stations and heavy industries. Carbon removal refers to the process of removing CO₂ in low concentrations from the atmosphere, either through nature-based solutions or through engineered solutions. In both cases, the captured or removed CO₂ can be either utilised for producing value-added products or transported and stored in geological reservoirs to prevent additional global warming. More specifically, CCS is a method of countering and reducing industrial emissions, whereas carbon removal can even be a negative emission technology in some instances.

According to the Norwegian Environment Agency, the application of CCS in industrial processes, waste incineration, and direct air capture collectively hold the potential to significantly reduce CO₂ emissions, with estimates suggesting a reduction up to 5.4 million tons by 2035 in Norway alone. That's equivalent to more than 10% of the country's domestic emissions. Globally, CCS and negative emission technology is also essential for meeting net zero-aligned scenarios to offset emissions that cannot be abated even in the long term. In fact, we expect about 6% of remaining emissions to be captured by 2050 in these scenarios.

CCS's role towards a net zero Europe

According to the proposed Industrial Carbon Management Strategy by the European Commission, the EU will need to be ready to capture at least 50 million tonnes (Mt) of CO₂ annually by 2030, increase it to 280 Mt by 2040,

POLICY UPDATE

GREEN DEAL INDUSTRIAL PLAN AND SUSTAINABLE CARBON CYCLES

Under the EU's Fit for 55 Package and through the Green Deal Industrial Plan and Sustainable Carbon Cycles, the Commission is accelerating the deployment of CCS through a series of legislative and regulatory actions. In 2024, the commission proposed an ambitious EU Industrial Carbon Management Strategy. This strategy outlines a comprehensive approach to capturing, transporting, trading, storing, and utilising carbon. Central to this strategy is the goal of establishing a "European single market for industrial carbon management". This market will progressively expand over the coming years and decades, aiming to balance out residual greenhouse gas emissions through CO₂ removals by mid-century.

and reach up to 450 Mt by 2050. To put these figures into perspective, the current total annual greenhouse gas emissions from countries like France or Italy are around 400 million tonnes of CO₂ equivalents. This highlights the ambitious scale of the plan, and the crucial role that CCS technologies will play in Europe's journey towards climate neutrality by 2050.

The current volumes of CO₂ being transported within the EU are, however, relatively small when compared to the projected requirements for effective industrial carbon management. To meet future needs, significant investments and strategic planning will be crucial to develop a robust transport infrastructure capable of scaling up CCS, carbon capture and utilisation (CCU), and industrial carbon removals. A study conducted by the Commission's Joint Research Centre (JRC) has estimated that by 2030, the CO₂ transport infrastructure could span up to 7,300 km and cost as much as €12.2 billion.

These figures are expected to rise to approximately 19,000 km and €16 billion by 2040. In contrast, global investments in CCS projects were \$11.1 billion in 2023, indicating that the projected costs for developing a robust CO₂ transport infrastructure in the EU alone requires more than the total investment in CCS spent globally in 2023. These estimates underscore the sheer scale of the infrastructure challenge and the level of investment required.

Naturally, there are significant hurdles to overcome. Uncertainty around future CO₂ volumes, the complexity of coordinating across different stages of the value chain, and lengthy permitting procedures present considerable barriers for potential investors. These challenges are particularly acute for pipeline projects, which, while offering economies of scale, also involve high initial capital costs and long lead times.

In light of these challenges, the Commission's proposed strategy includes initiating preparatory work on a potential future

regulatory package for CO₂ transport. This aims to streamline its development and provide greater certainty for investors, which will be crucial to accelerating the uptake of CCS and meeting the ambitious goals set for 2030 and beyond.

Combining CCS, waste-to-energy and biowaste: multi-layered climate solutions

CCS, when combined with energy generation from waste incineration, or waste-to-energy (WtE), is referred to as waste-to-energy with carbon capture and storage (WECCS). Where WtE is based on or includes biowaste, this is often also referred to as bioenergy with carbon capture and storage (BECCS). WECCS with biowaste management offers an exciting opportunity for combining modern waste management, heat recovery and negative emission technologies, offering potential for improved efficiency and reduced emissions across multiple layers. This system not only captures and stores CO₂ emissions but also leverages the

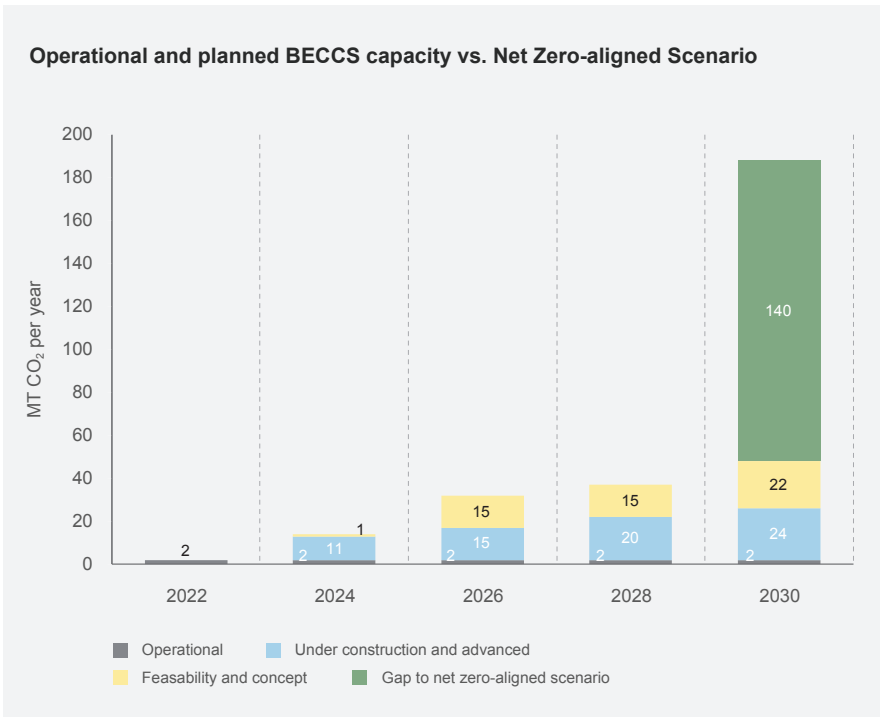
waste heat generated in the process to produce additional useful energy.

Traditional landfilling is becoming both environmentally unsustainable and uneconomic. Modern WtE incineration plants offer an environmentally efficient method for treating waste that has no other utility. Here, residual waste that cannot be recycled is incinerated, with the recovered heat used to produce heat and electricity. Traditionally, WtE plants have a significant carbon footprint as the energy required for incineration is substantial. This is where CCS technology can play a pivotal role, allowing for continued use of waste incineration while capturing emissions from both organic and non-organic waste. Emissions captured and stored from organic waste are essentially negative emissions, since carbon stored in the biomass is not able to return to the biogenic carbon cycle.

This approach addresses carbon emissions, energy efficiency and waste management in larger municipal areas in particular, making it a promising part in an optimised energy system in urban clusters. The growing trend of urbanisation and increasing volume of waste, alongside the need for scalable negative-emission energy options will likely drive further opportunities for CCS within the WtE sector.

Exhibit 7: Despite aplaudable progress, the current trajectory for beccs rollout is far behind what is needed for a net zero-aligned scenario.

Source: IEA BIOENERGY WITH CARBON CAPTURE AND STORAGE, 2023



Looking ahead, the role of WECCS in optimised energy systems is set to become increasingly significant. Net zero-aligned scenarios typically rely on significant amounts of negative emissions, and WECCS is one of the few carbon dioxide removal techniques that can also provide energy. As such, in the net zero-aligned scenario, WECCS solutions represent key strategies for achieving climate goals while also meeting growing energy demands.

Concluding remarks

Our market commentary has highlighted several promising energy solutions that can together take energy systems closer to a net zero reality. Successfully scaling these solutions are dependent on a fragile balance between a favourable policy landscape, investor belief and effective project execution. Striking this balance will depend on maintaining a focus on short-term outcomes without losing sight of long-term objectives.

The vulnerabilities in today's energy system highlight the need for an integrated approach that addresses this fragile balance while also decisively steering towards a low-carbon transition. Key features of an integrated energy system include flexibility, efficiency, resilience, and data-driven decision-making.

In our view, the transition towards a new, integrated energy system will also be underpinned by three driving levers: decarbonisation, decentralisation, and digitisation. These three

levers make up an insightful backdrop for interpreting future trends and outlooks in the energy system.

As per the IEA, investment opportunities are numerous in the transition, but challenges will persist. Addressing these will require a comprehensive understanding of the energy landscape and a commitment to sustainable practices and criteria. By focusing on these key elements, we can close the investment and emissions gap and move closer to a sustainable energy future.

Despite the volatility and challenges faced in 2023, as well as the likely challenges ahead, the commitment to a sustainable future must remain strong. The focus on decarbonisation themes and the need for transformative investments present opportunities for sustainable outcomes. The journey towards a sustainable, integrated energy system may be complex, but the rewards - both environmental and financial - are considerable.



In Europe, projections on the evolution of renewable energy technologies favours economies of wind and solar in the power sector to drive decarbonisation this decade.

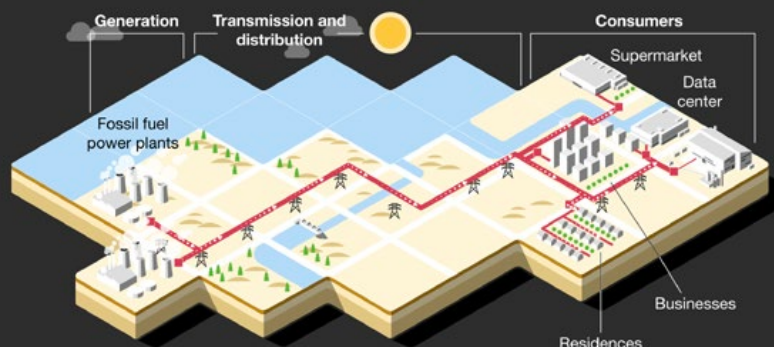
Exhibit 8: The evolution towards an integrated energy system, driven by decarbonisation, decentralisation and digitalisation.

Source: PwC, 2023

An evolving energy system

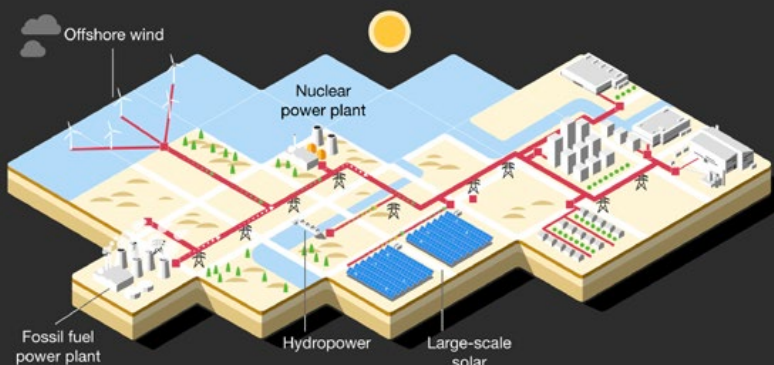
Traditional energy system

Centralised fossil fuel power plants generate electricity, which flows in one direction to customers; energy supply is typically reliable but emissions-intensive.



Decarbonisation

Utility-scale renewables (e.g., solar, wind) are introduced, starting the phaseout of fossil fuel power: this reduces emissions but creates some supply instability.



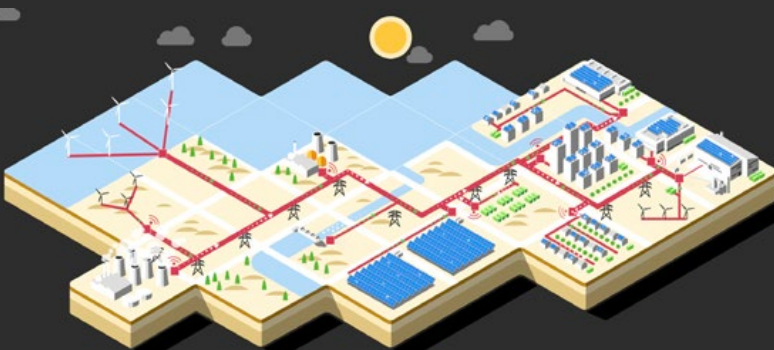
Decentralisation

Businesses and households install small-scale renewables and batteries; bidirectional flow of electricity to and from decentralised assets requires investment in network infrastructure.



Digitalisation

Internet-of-things devices help coordinate decentralised energy assets; energy users manage demand to achieve savings, use more renewable power, and support grid stability.



Sustainability in the portfolio companies

New Energy Program page 60

Exploration and production page 91

Infrastructure and services page 110

New Energy Program

Aneo page 61

Celsio page 67

Vårgrønn page 73

Cadre page 79

Skygard page 83

1Vision Biogas page 87





Wind turbines at the Sørmarkfjellet wind farm.

HEADQUARTERS: Trondheim, Norway

WEBSITE: www.aneø.com

NUMBER OF EMPLOYEES (FTES): 324

REVENUES (2023): EUR 104.9 million

HV'S SHAREHOLDING: 50%

INVESTOR: Fund NEF

ESG CONTACT: Gørild Forbord



ESG REPORTING: Sustainability report, in line with GRI

CERTIFICATIONS: None

SDGs:

Company description

Aneo is an independent energy transition group in the Nordics that was founded in 2022 as a joint venture between TrønderEnergi and HitecVision. The company is the second largest onshore wind farm operator in Norway and holds an 18.9% stake in TrønderEnergi's portfolio of hydropower plants.

In addition to this, Aneo is involved in several downstream electrification activities such as power management services for the retail industry, EV charging, and construction site electrification. The company's total power production capacity stands at approximately 1.6 TWh, and it manages a total of 7 TWh.

With these credentials, Aneo is focused on becoming a leading developer, owner, and operator of renewable energy in the Nordics.



Gunnar Hovland
CEO

Key Reported ESG Figures for Aneo 2023

(2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2022	2023
Greenhouse Gas Emissions (operational control)			
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	131	89
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	121	21
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	332	393
Carbon Intensity			
Weighted Average Carbon Intensity	tCO ₂ e/EURm	0.6	0.3
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/EURm	2.2 ⁴	1.0
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/EURm	5.2 ⁴	4.8
Renewable energy			
Renewable energy capacity	MW	385	385
Renewable energy contracted to be built	MW	0	15
Renewable energy generated	MWh	1 281 000	1 373 475
Net avoided emissions (ex-post) ¹	tCO ₂ e		32 024
Waste, unplanned spills and recycling ratio			
Total waste	tonnes	167	165
Non-Hazardous waste	tonnes	146	140
Hazardous waste	tonnes	20	26
Recycling ratio	weighted average %	32%	54%
Unplanned spills (emissions to ground/sea/air)	#	10	3

SOCIAL		2022	2023
Health and safety			
Lost time injuries (LTI)	#	1	0
Diversity and inclusion			
Share of women in workforce	%	28%	28%
Share of women in senior management	%	44%	50%
Share of women in board of directors	%	33%	17%
People			
Number of employees	#	277	324
Short term sick leave	%	4% ²	1%
Long term sick leave	%	4% ²	0%
Employee turnover ratio	%	4%	8%
Did the company conduct an employee survey during the year	Yes/No		Yes
Employee survey response rate for companies who conducted an employee survey during the year	%		83%

GOVERNANCE	2022	2023	
Maturity in governance matters			
Does the company have an anti-corruption program in place	Yes/No	No	Yes
Percentage of employees that have completed anti-corruption training	%	0% ³	0% ³
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes
Number of whistleblowing cases	#	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes
Breaches of ethical guidelines	#	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Partly	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	1

¹ Calculated on an ownership share basis. ² In 2022, Aneo's sick leave was 3.5%, without differentiation between short-term and long-term sick leave. However, starting in 2023, the company now reports separate sick leave measures. ³ The percentage of employees that have completed anti-corruption is expected to increase early 2024, when the roll-out of the renewed training program from HitecVision has been completed. ⁴ This number has been revised from the reported figure in the 2022 report.

PERFORMANCE COMMENTARY. GHG emissions from Aneo are generally limited. The company generated 1.4 TWh of renewable power in 2023 which is estimated to have contributed to 32 thousand tonnes of net avoided emissions (ex-post).

Aneo strives to ensure safety at its facilities for all workers, whether Aneo employees or sub-contractors. In 2023, Aneo had no injuries, neither among its staff nor subcontractors. All incidents, even those that did not result in an injury, are reported to the executive management team and thoroughly evaluated. This process is in place to ensure maximised learning from each incident and contributes to improved safety for everyone working for Aneo in the future. The company experienced significant growth in 2023, reflected in the increase in number of employees from 277 to 324.



Solar PV pilot project where power production and food production are sharing the agricultural area.

Initiatives in the wider renewable space

While wind and hydropower form the core of Aneo's operations, the company is on an ambitious growth trajectory. It has substantial expansion plans, both geographically and by diversifying into new segments. Aneo is not just planning, but actively executing these strategies, as seen in its recent initiatives:

Solar: In March 2024, Aneo commissioned its first utility scale solar park, Henja solar park, with an installed capacity of 15.5 MW. The project will generate 15 GWh of renewable power annually, enough to supply more than 3,000 households. The solar park is an example of sustainable development of renewable energy, partly because the park is located in a fire-damaged area. In addition, the solar cells are mounted without fencing, making the solar park open for access for both animals and humans. The project has been realised together with developer Sunna Group (owned 23% by Aneo) in record time, with less than two years from initial development to commissioning. Aneo has invested around NOK 100 million in the project.

Wind farms in Sweden: In January 2023, marking a significant milestone in its expansion strategy, Aneo acquired the Grimsås and Brännliden wind farms in Sweden. These wind farms, consisting of 23 wind turbines, produce 285 GWh annually, sufficient to power 18,000 Swedish households.

Biogas: In 2023, Aneo, Hitecvision and ST1 joined forces to consolidate ownerships in Biokraft International. It is one of the largest independent biomethane producers in the Nordics. Aneo, primarily focused on renewable power, recognises the need for biofuel growth to meet the Paris Agreement's energy transition goals. Through the partnership with St1 and HitecVision, they are supporting the industrialisation and expansion of Biokraft in Sweden and Germany to reduce climate change.

ESG management approach

Aneo is proactive in managing its ESG impacts, recognising its corporate responsibility in these areas. The CEO, Gunnar Hovland, holds the ultimate responsibility for ESG management, ensuring it is a regular and systematic topic of discussion within the company.

Day-to-day ESG operations are overseen by the company's enterprise ESG responsible, who is supported by a dedicated team. This team includes a sustainability advisor, the enterprise compliance responsible, the enterprise HSE responsible, and the enterprise environment responsible. A key objective for the ESG responsible is monitoring the company's approach to sustainability issues and presenting ESG-related proposals for the CEO's decision, with the enterprise management team providing advisory support.

Additionally, Aneo has established a Sustainability Committee to monitor the company's sustainability performance and to deliberate on relevant sustainability topics, issues, and risks. This committee is also focused on the company's efforts towards identified UN Sustainable Development Goals and climate-related targets.

” Aneo has established a Sustainability Committee to monitor the company's sustainability performance and to deliberate on relevant sustainability topics, issues, and risks.

Aiming to stay at the forefront of ESG regulations, Aneo has dedicated resources to ensure preparedness. The company has been proactive in aligning its reporting with the EU Taxonomy, transparently disclosing the extent of its environmentally sustainable economic activities. Additionally, Aneo adheres to the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and is in the process of preparing for the implementation of the EUs Corporate Sustainability Reporting Directive (CSRD).

Environment

Aneo is committed to expanding the supply of renewable power, which is its primary environmental focus. However, the company also prioritises reducing its greenhouse gas emissions. To ensure the credibility of these goals, Aneo has begun the process of having them verified by the Science Based Target initiative.

Aneo, as a major operator of wind parks and an increasingly expanding player in the solar sector, recognises the potential environmental impact and challenges associated with such developments. The construction process for wind and solar power plants often involves the creation of associated infrastructure, such as roads, which could potentially impact biodiversity and natural ecosystems. In 2023, Aneo delivered its first version of a land use guideline to be used in the sustainability assessment of projects. Aware of the potential adverse effects of operations, the company is committed to reducing harm to natural habitats. In line with this commitment, Aneo carries out restoration activities once a wind or solar site is no longer in use. Aneo also monitors updates and changes in its field of operation, including regulatory changes and market tools, to ensure its practices remain up-to-date and sustainable.

In recent years, and continuing into 2024, Aneo has worked on different projects with the aim to enhance efficiency and reduce the environmental impact of its operations. This commitment is reflected in the company's involvement in a variety of projects. Some of these include.

+CityxChange

The +CxC project, completed in fall 2023, showcased how to accelerate the energy transition in urban areas, a critical aspect for cities across Norway and Europe. Aneo, in collaboration with partners like Trondheim Municipality, Tensio, ABB, Sintef, Entra, Skanska, and others, played a significant role, particularly in developing and operating the trading system that underpinned the project. By linking production, consumption, various types of storage, and market coupling with district heating, the project has already achieved a reduction in the grid's peak load by more than 3%. By summer 2024, Aneo aims to further this to a reduction of up to 10% of peak load. This achievement underscores the potential for faster and larger-scale deployment of renewable energy through trading solutions located closer to users.

Dam Håen

The Norwegian Water Resources and Energy Directorate (NVE), has initiated the rehabilitation of a hydropower dam, Håen. Aneo, who also owns approximately 20% of the hydropower facility, has been contracted for this project and proposed a solution using 3,800m³ of low-carbon concrete. Depending on the concrete's application, the use of this low-carbon alternative will lead to a CO₂ reduction of between 36% and 47% compared to standard concrete.

Drone Inspection for wind turbine blade imaging

In 2023, Aneo replaced manual ground-based imaging with a video drone that operates on coordinates and captures images as part of the turbine blades' maintenance work. This investment has led to savings of between NOK 0.5 and 1.5 million for each inspection, and it eliminates the need to stop production.

” In 2023, Aneo delivered its first version of a land use guideline to be used in the sustainability assessment of projects. Aware of the potential adverse effects of operations, the company is committed to reducing harm to natural habitats.



Aneo trainees at one of the company's windfarms.

The use of drones allows Aneo to detect blade damage earlier, helping to prevent microplastics from entering nature while mitigating energy loss from defective blades.

Solar power on agricultural land at Skjetlein (solar sharing):

A ten-year pilot project in Trondheim focusing on efficient land-use for solar power production on agricultural land used for grazing and food production. This project, in collaboration with partners including Sintef, NTNU, and Trøndelag County Municipality, utilises land already impacted by human activity. This approach allows for power production with a lower environmental footprint within a small area.

Social

Occupational health and safety is a main priority for Aneo, and the company has a zero-incident ambition for work-related accidents and illnesses. The zero-incident ambition is a vital part of Aneo's work as their employees, contractors and suppliers may be exposed to physical, chemical, biological, psychosocial and/or ergonomic work environment factors that can lead to unwanted incidents. Hence, the company continuously work with risk assessments and risk management to ensure an acceptable level of exposure facilitating healthy and safe work conditions. This applies to both own operations and throughout the value chain. In 2023, Aneo had no injuries, neither among its staff nor subcontractors.

Aneo considers a good work environment fundamental to safeguarding the health of its employees and the key to a safe workplace and engaged employees. In 2023, Aneo initiated a comprehensive identity and culture project, involving employees at all levels of the organisation. A significant associated event was a gathering in Trondheim for 400 employees and consultants, where everyone participated in developing Aneo's new identity platform. In the annual Great Place to Work survey conducted in 2023, Aneo achieved an 80% satisfaction score, significantly higher than the national index of 58% percent.

As a response to the Norwegian Transparency Act regulation, Aneo has undertaken a review of its supply chain. In 2023, Aneo focused on strengthening the risk assessments conducted on its suppliers to enhance the precision of when audits are applied as a tool in ensuring decent working conditions. Additionally, Aneo has been carrying out due diligence assessments in its activities to gather experience and identify areas for improvement. This work continues into 2024.



Aneo workers on an industrial construction site.



Wind turbines at the Roan wind farm at Fosen.

Legal rights issued resolved at Fosen

Aneo holds 7.9% and 30.6% ownership, respectively, in two operational wind farms on the Fosen peninsula. The wind farms sit on lands that the indigenous Sámi have been using for reindeer herding. In October 2021, Norway's Supreme Court ruled that the mitigating measures for the reindeer herders granted under the current concession were insufficient and over time could violate the Sámi's protected cultural rights under the UN's International Covenant on Civil and Political Rights, and that the Ministry of Energy's decision to license the wind farms was invalid. The ruling did not indicate any remedies for the breach, and the wind turbines continued operating while the Ministry of Energy investigated whether the wind farms could be modified in some way to allow them to operate while also satisfying the Sámi's rights.

Throughout 2023, there were extensive demonstrations against the state's handling of the case and instances of vandalism at the wind power plant. Roan Vind and its owners actively engaged in the Ministry of Energy's reversal process, seeking potential solutions, establishing dialogues with reindeer herders, and considering measures to prevent negative consequences. Despite high conflict levels, the dialogues with the affected reindeer herding groups were maintained, as well as participation in mediation efforts initiated by the Ministry.

In March 2024, agreements were reached between the parties that safeguard the reindeer owners' right to cultural practice, both in the short and long term. Operator Roan Vind will provide financial support for reindeer initiatives and additional areas for winter grazing outside the Fosen reindeer grazing district. The production of renewable energy continues as it is today.

Governance

Aneo has been focusing on strengthening its corporate governance and ethical conduct since its inception. The company's quality system is based on ISO 9001 and serves as the cornerstone of all its operations, complemented by a comprehensive Code of Conduct. This code is designed to guide employees in aligning their actions with the company's core values.

Business integrity and information security are high on the company's agenda, conscious that its core activities are linked to the construction, operation, and facilitation of critical infrastructure. The company focuses on good routines and high competence in securing the digital entrances to its infrastructure, applying best practices to safeguard business integrity.

WANT MORE INFORMATION?

Aneo publishes its own sustainability report. Please see www.aneo.com





Celsio employee on the Klemetsrud waste incineration facility.

HEADQUARTERS: Oslo, Norway

WEBSITE: www.celsio.no

NUMBER OF EMPLOYEES (FTES): 238

REVENUES (2023): EUR 231.4 million

HV'S SHAREHOLDING: 20%

INVESTOR: Fund NEF

ESG CONTACT: Ingrid Dolva

OPERATIONAL GEOGRAPHY



ESG REPORTING: Integrated report via Hafslund

CERTIFICATIONS: ISO9001, ISO14001

SDGs: None

Company description

Hafslund Oslo Celsio (hereafter “Celsio”), owns and operates Norway’s largest district heating network and waste incineration plant. The company is investing in district cooling and carbon capture technology, aligned with its mission to provide innovative and sustainable energy and waste solutions for a low-carbon future. Sustainability is at the core of Celsio’s business model, and it aims to lead the green transition in Oslo. Ownership is divided among Hafslund (60%), Infranode, and HitecVision (20% each).

In 2023, Celsio processed over 366,000 tonnes of waste, generating 1.8 TWh of district heating on an annual basis for a 700 km district heating network in Oslo. Serving around 5,700 entities, this covers more than 20% of the city’s heat demand and 25% of Norway’s district heating. The energy is mainly waste heat from waste incineration, sewage systems, and data centres, in addition to biofuels. Despite this, much surplus heat remains unused in Oslo, a challenge Celsio aims to tackle by maximising energy reuse.



Knut Inderhaug
CEO

Key Reported ESG Figures for Celsio 2023

(2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2022	2023
Greenhouse Gas Emissions (operational control)			
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	139 804	209 358
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	1 395	10 205
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e		11 096
Carbon Intensity			
Weighted Average Carbon Intensity	tCO ₂ e/EURm	210.5	198.3
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/EURm	783.9 ²	948.7
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/EURm		996.7
Renewable energy			
Renewable energy capacity	MW	989	989
Renewable energy contracted to be built	MW	0	0
Renewable energy generated	MWh	1 197 271	2 074 564
Net avoided emissions (ex-post) ¹	tCO ₂ e		51 593
Waste, unplanned spills and recycling ratio			
Total waste	tonnes	52 600	86 625
Non-Hazardous waste	tonnes	40 849	68 961
Hazardous waste	tonnes	11 752	17 664
Recycling ratio	%	6%	6%
Unplanned spills (emissions to ground/sea/air)	#	270	265

SOCIAL		2022	2023
Health and safety			
Lost time injuries (LTI)	#	1	4
Diversity and inclusion			
Share of women in workforce	%	18%	22%
Share of women in senior management	%	34%	56%
Share of women in board of directors	%	38%	63%
People			
Number of employees	#	205	238
Short term sick leave	%	2%	2%
Long term sick leave	%	1%	1%
Employee turnover ratio	%	6%	4%
Did the company conduct an employee survey during the year	Yes/No		No
Employee survey response rate for companies who conducted an employee survey during the year	%		

GOVERNANCE	2022	2023	
Maturity in governance matters			
Does the company have an anti-corruption program in place	Yes/No	No	Yes
Percentage of employees that have completed anti-corruption training	%	99%	88%
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes
Number of whistleblowing cases	#	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes
Breaches of ethical guidelines	#	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Partly	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	1

¹ Calculated on an ownership share basis. ² This number has been revised from the reported figure in the 2022 report.

PERFORMANCE COMMENTARY. 2023 was the first full year of reporting for Celsio, as the 2022 figures only include the last three quarters of the year. On a year-on-year basis, Scope 1 GHG emissions increased slightly due to a rise in the volume of waste treated compared to 2022. The company generated 2.1 TWh of renewable energy enabling sales of a record-high 1.8 TWh of district heating in 2023 which is estimated to have contributed to 52 thousand tonnes of net avoided emissions (ex-post). There were fewer emissions exceedances (instances where pollutant levels surpass regulatory limits) on Klemetsrud lines 1, 2, and 3 compared to the previous year. However, Haraldrud heating central experienced a number of emissions exceedances (mainly CO hourly, HCl daily, and half-hourly). This was primarily due to the startup after revision and lack of historical data following the update of the operating control system in the summer of 2023. Environmental considerations will be included in the startup planning for 2024.

In 2023, no injuries were recorded among the employees. However, 4 lost time injuries occurred among sub-contracts and several new HSEQ measures have been introduced to mitigate new incidents. There was a positive development in gender balance from 18% to 22% women in the workforce, as well as improvements in the senior management and board of directors. The company has been successful in retaining and attracting sought-after expertise in the job market during the year. There was 1 cyber incident reported during 2023 and steps have been taken to further strengthen the company's cybersecurity measures.



Celsio employees at the company's offices in Oslo.

ESG management approach

Celsio is committed to enhancing its ESG performance. The company has adopted Hafslund Eco's corporate ESG policy and has also implemented specific policies related to environmental management, quality, and HSE.

In 2023, Celsio was recertified according to ISO 14001 and ISO 9001. These standards will continue to establish robust management systems for environment and quality, respectively.

Celsio is experiencing a rising interest in ESG matters among its stakeholders with an increasing demand for transparency and reporting. To meet these demands, the company provides quarterly updates on ESG-related KPIs to its owners and its board. Furthermore, the company engages in an annual review of ESG topics with its board, which takes an active role in addressing ESG issues.

Environment

Celsio is actively committed to reducing its environmental impact, guided by an established Environmental Policy. The company is a key player in renewable and carbon-neutral energy production, leveraging energy from waste incineration, sewage, data centres, and the cold waters of the Oslo Fjord to generate district heating and cooling.

Carbon capture

Celsio generates significant greenhouse gas emissions from its waste incineration activities, and the company aims to establish one of the world's first full-scale carbon capture plants of its type to reduce these emissions. Under the Norwegian "Langskip" carbon capture and storage (CCS) initiative, the Klemetsrud waste incineration plant in Oslo aims to capture up to 350,000 tonnes of CO₂ annually, significantly reducing Oslo's carbon footprint.

” In 2023, Celsio was recertified according to ISO 14001 and ISO 9001. These standards will continue to establish robust management systems for environment and quality, respectively.



The carbon capture and storage (CCS) facility at Klemetsrud, Oslo.

The construction process for this project was paused in March 2023 due to a large increase in cost estimates. This increase was partly due to a sharp rise in inflation, interest rates, and power prices, as well as a weak NOK exchange rate. Additionally, project-specific complications, particularly related to port location and solution, as well as land access and utilisation at Klemetsrud, contributed to the cost escalation.

Throughout 2023, the project team focused on cost reduction measures. By the end of the year, the existing contract with EPC (engineering, procurement, and construction) provider Technip Energies was terminated, and a new pre-project with a new FEED (front end engineering design) agreement was established with Aker Carbon Capture.

Efforts are ongoing to reduce costs and risks, alongside business development activities leading up to a new investment decision scheduled for the summer of 2024. The project is expected to be completed in 2028. Once realised, this cutting-edge facility will demonstrate responsible waste management with negative emissions, setting a precedent for European cities in handling non-recyclable waste and achieving GHG targets.

Approximately 50% of the waste processed at Klemetsrud is biogenic, meaning the captured CO₂ is effectively removed from the atmosphere, a process known as Bio-CCS or BECCS. This approach, emphasised by the European Commission, the UN, and the International Energy Agency, is crucial for reaching global climate goals given the need for “negative emissions” to limit global warming to 1.5 or well below 2 degrees Celsius.

District cooling

The company is also working to expand its cooling services. District cooling is a critical contribution to sustainable urban development and eases the local load on the electrical grid. Celsio is witnessing a growing demand from Oslo for cooling services. As commercial buildings strive for optimal indoor climates, customers are increasingly looking to Celsio for comprehensive cooling solutions. This can be done by collecting cold water from the Oslo Fjord and using large heat exchangers to create district cooling solutions. Celsio's cooling system operates based on the principles of waste heat recovery and efficient energy management.

A key project that supports the expansion of cooling services includes the establishment of a cooling centre in the Construction City building in Oslo. This is being undertaken in partnership with OBOS, under the energy company named Hovinbyen Energy Hub AS. Currently under construction, this cooling centre is projected to commence operations from 2025. Celsio has also secured its first major customer agreement for cooling services with the new Oslo Metropolitan Emergency Clinic. A dedicated cooling centre has been built within the clinic's premises, marking a significant milestone in Celsio's cooling service delivery.



Welding of Celsio's district heating pipeline.

"Norway's largest battery"

In 2023, Celsio commissioned an accumulator tank at Haraldrud, often referred to as "Norway's largest battery". This tank, with a capacity of 8,500 cubic meters of hot water, can hold an equivalent of 350-450 MWh when fully charged. It is charged during periods of low energy prices and can be utilised during peak load demand, providing an additional capacity of 35-75 MW for several hours. This capacity is comparable to a large electric or oil boiler. This system serves as a valuable stabiliser during normal operations and acts as an important asset in situations such as heat deficits. This further demonstrates Celsio's commitment to innovative sustainable energy solutions.

Environmental Product Declaration (EPD)

Celsio is experiencing increasing demands for information related to ESG from customers and other stakeholders. This is one of the reasons that the company, as one of the first district heating suppliers in the Nordics, has prepared an environmental product declaration (EPD) for the district heating supply in Oslo, and for the district cooling offer at Økern and Ulven. An EPD is a publicly available document which, in an internationally standardised and objective way, summarises the life cycle environmental profile of a delivered kWh. An EPD is verified by an independent, accredited body. Celsio's EPDs are prepared on the basis of life cycle analyses (LCA) in accordance with the international standard ISO 14040 to 14044, and show the environmental and climate impacts per delivered kWh, including both the processing and transport of fuels, the construction of heating centres and all pipe networks, as well as all emissions during operation.

Social

The company strives to create a balanced work-life environment, prioritising professional development, diversity, equality, and inclusion, along with ensuring safe working conditions.

Several development projects are underway in Celsio and will be ongoing for the years to come. In these projects, many of the company's own employees and suppliers' employees will operate in areas with potential risks. This increases the complexity of the HSE work and may elevate the risk of unwanted incidents. Several new measures have been introduced to mitigate this risk.

For many years, the company has prioritised responsible supply chain management, establishing a supplier code of conduct and a robust due diligence process in compliance with the requirements of the Norwegian Transparency Act. The company complies with the regulation on public procurement and the "Oslo Model", which are guidelines designed to curb work-related crime and social dumping through increased transparency and control. This includes limiting the number of sub-contractors in the value chain.

Governance

In 2023, Celsio initiated an internal project focused on governance, risk, and compliance. The objective was to strengthen corporate governance and enhance internal management and control. A key objective was to better integrate risk and compliance processes into the business operations to improve the overall risk and compliance culture at Celsio.

Celsio is committed to maintaining high integrity standards in its operations, guided by a code of conduct that outlines the ethical principles and rules it adheres to.

In 2023, Celsio furthered its commitment to employee development and awareness by establishing the Celsio School. This serves as the company's training centre, offering physical courses and e-learning, and providing educational materials to enhance skill development.

Going forward, Celsio plans to improve the tools for the collection, processing, and reporting of ESG data.



Celsio worker outside the heating central at Haraldsrud.



Construction of the Dogger Bank wind farm, the world's largest offshore wind farm.

HEADQUARTERS: Stavanger, Norway

WEBSITE: www.vargronn.com

NUMBER OF EMPLOYEES (FTES): 33

REVENUES (2023): EUR 0.1 million

HV'S SHAREHOLDING: 35%

INVESTOR: Fund NEF and co-investment vehicle

ESG CONTACT: Helga Rognstad

OPERATIONAL GEOGRAPHY



ESG REPORTING: Annual report, including ESG reporting in line with GRI

CERTIFICATIONS: ISO 9001, ISO 14001

SDGs:



Company description

Vårgrønn is an offshore wind company operating in Northern European markets. The company was established in 2020 as a joint venture between the global energy company Plenitude (Eni) and HitecVision. The company has an ambition of at least 5 GW of installed and sanctioned offshore wind capacity by 2030, targeting profitable opportunities in the full cycle of developing, constructing, operating, and owning offshore wind projects and related infrastructure.

With a 20% percent share in Dogger Bank, located off the North East coast of England, Vårgrønn is Norway's largest pure-play offshore wind company. Dogger Bank is set to be the world's largest offshore wind farm when it is completed in 2026, representing 720 MW of net installed capacity to Vårgrønn's portfolio. At Dogger Bank, Vårgrønn is partnering with SSE Renewables and Equinor. In October 2023, the company reached a major milestone, as Dogger Bank A was the first of Vårgrønn's projects entering the operational phase and producing power. In addition to Dogger Bank, Vårgrønn's current pipeline of projects and prospective projects spans Scotland, Ireland, Norway, and the Baltics.



Stephen Bull
CEO

Key Reported ESG Figures for Vårgrønn 2023

(2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2022	2023
Greenhouse Gas Emissions (operational control)			
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	0	0
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	2	2
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	15	25
Carbon Intensity			
Weighted Average Carbon Intensity	tCO ₂ e/EURm	nm ¹	12.3
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/EURm	nm ¹	30.6
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/EURm	nm ¹	512.9
Renewable energy			
Renewable energy capacity	MW	0	18
Renewable energy contracted to be built	MW	720	702
Renewable energy generated	MWh	0	580
Net avoided emissions (ex-post) ²	tCO ₂ e		76
Waste, unplanned spills and recycling ratio			
Total waste	tonnes	1	1
Non-Hazardous waste	tonnes	1	1
Hazardous waste	tonnes	0	0
Recycling ratio	%	67%	75%
Unplanned spills (emissions to ground/sea/air)	#	0	0

SOCIAL		2022	2023
Health and safety			
Lost time injuries (LTI)	#	0	0
Diversity and inclusion			
Share of women in workforce	%	41%	42%
Share of women in senior management	%	0% ³	0%
Share of women in board of directors	%	20%	20%
People			
Number of employees	#	17	33
Short term sick leave	%	2%	2%
Long term sick leave	%	0%	2%
Employee turnover ratio	%	17%	0%
Did the company conduct an employee survey during the year	Yes/No		Yes
Employee survey response rate for companies who conducted an employee survey during the year	%		93%

GOVERNANCE	2022	2023	
Maturity in governance matters			
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	100%	100%
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes
Number of whistleblowing cases	#	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes
Breaches of ethical guidelines	#	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Partly	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0

¹ The company had no revenues in 2022. ² Calculated on an ownership share basis. ³ This number has been revised from the reported figure in the 2022 report.

PERFORMANCE COMMENTARY. The figures from Vårgrønn reflect that the company continues to be in a build-up phase, with significant renewable energy contracted to be built. The company focuses on establishing solid reporting mechanisms as it increases operational capacity and enters new areas. The company generated its first power when Dogger Bank came on stream in October 2023.

During the year, Vårgrønn continued to recruit team members across the company's functions. In particular, the company focused on establishing a UK team, cemented with the opening of an office in London. Overall, the company nearly doubled its number of employees, increasing to 33 permanent employees by the end of 2023, in addition to 3 secondees.



” Vårgrønn has taken important steps to build the company’s ESG approach, both in regard to reporting and strategy.

ESG management approach

Vårgrønn is a company dedicated to the green energy transition, aiming to create value for owners and society, while accounting for the impact of the company’s activities on people and the planet. The company strives to facilitate its value chain and activities to coexist with the marine environment, other users of the sea, and local communities.

Vårgrønn has taken important steps to build the company’s ESG approach, both in regard to reporting and strategy. The company’s ESG reporting is included in the annual report published on the company’s website.

In 2023, Vårgrønn continued to professionalise its work with ESG. The company experiences an increased focus on nature and biodiversity in relation to all phases of wind farm projects. During the year, the company participated and supported various research programmes and engaged in industry networks to contribute to a more sustainable offshore wind industry.

In addition, the company is reporting on ESG KPIs on a quarterly basis to HitecVision and is a signatory to the UN Global Compact, committing to their ten principles on human rights, labour rights, environment, and anti-corruption in all business activities and processes.

Environment

Vårgrønn’s main activity is to generate renewable electricity to support the low-carbon energy transition. As mentioned, the company is strongly committed to developing a sustainable offshore wind industry and value chain that coexists in harmony with the marine environment, other users of the sea, and local communities.

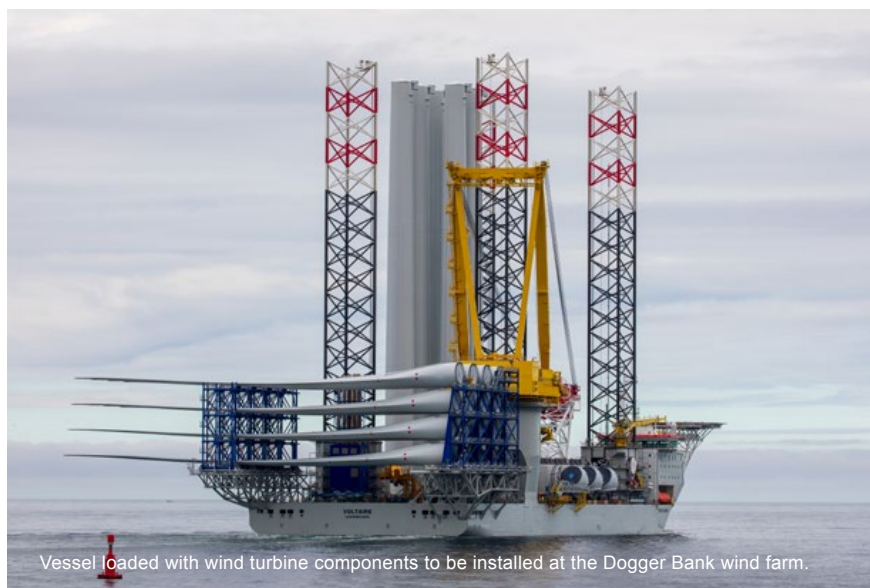
The company achieved several milestones in 2023, including first power from the Dogger Bank project, and further developed its collaboration with big industry players on the Norwegian and UK continental shelves to realise renewable energy potentials.



Wind turbines at the Dogger Bank offshore wind farm.

In Scotland, Vårgrønn received exclusivity to develop up to 1.9 GW of floating offshore wind together with partner Flotation Energy across two projects, Green Volt and Cenos. The Green Volt project secured all required planning consents from the Crown Estate Scotland in April 2024, making it the most advanced commercial-scale floating wind project in the world. When completed, Green Volt will provide up to 560 MW of gross renewable energy capacity from 35 floating wind turbines. In Ireland, Vårgrønn is partnering with Energia Renewables to advance offshore wind projects, with potential to deliver up to 1.8 GW by 2030. In Norway, Vårgrønn has teamed up with Equinor for a bid to develop floating offshore wind at the Utsira Nord area. The Norwegian government has indicated 500 MW for each of the three areas at Utsira Nord, with a possibility to increase to 750 MW, to be awarded in 2024. In the Baltics, Vårgrønn is leading a cooperation with European Energy aimed at jointly accessing opportunities arising in Lithuania, Latvia, and Estonia. Vårgrønn led the Brigg Vind consortium with Å Energi and Corio Generation for a 1500 MW project in the Sørliche Nordsjø II area of the North Sea, but the partnership decided not to participate in the prequalification due to unsatisfactory commercial prospects.

Vårgrønn aims to take an active part in innovation and development of technology, and therefore, contributes to piloting various initiatives. In 2023, Vårgrønn took part in the pilot project ReWind by DNV. ReWind is a digital tool that aims to help wind farm owners and operators to improve sustainable resource use and optimise costs of decommissioning at the end of life, and through this, increase the circularity of projects. In addition, Vårgrønn is on the expert panel for Vind AI, a start-up company offering a platform for offshore wind project planning and design. Vårgrønn uses Vind AI's tool in early project planning. The tool includes a large collection of available data which makes it easy to integrate an extensive range of sustainability factors, like biodiverse areas and fisheries, sufficiently early in the design process to ensure they have a real influence on the project design.



Vessel loaded with wind turbine components to be installed at the Dogger Bank wind farm.

” Vårgrønn engages in research projects to understand the environmental impact of offshore wind development and participates in discussions with stakeholders to determine the best solutions moving forward.

Furthermore, Vårgrønn engages in research projects to understand the environmental impact of offshore wind development and participates in discussions with stakeholders to determine the best solutions moving forward. One of the research projects the company is engaged with is SeaTrack, which aims to map the non-breeding distribution of seabirds breeding in colonies in the North Atlantic. Vårgrønn is also involved in the research project VisAviS, focusing on visualising avian migration across Norway, supporting sustainable coastal and offshore wind energy development. Lastly, the company is engaged in the research project Impact Wind aiming to enable quicker development of sustainable offshore wind on the Norwegian continental shelf through the strengthening of a common knowledge base and regional research and education relevant for ongoing and coming licensing processes.

The licensing process for offshore wind projects is important in documenting nature values in the project areas and assessing impacts. For Vårgrønn's projects in Scotland, the company has in 2023 initiated an Environmental Impact Assessment (EIA) for the Cenosis project, while the EIA for the GreenVolt project is completed, both located off the east coast of Scotland.

Social

Social responsibility is a key aspect of Vårgrønn's operations, and HSE is a top priority. The company strives for zero harm to all employees and contractors, and places great importance on the well-being of its employees. The company recognises the importance of creating positive social impact, such as generating green jobs and promoting human and labour rights.

Developing local supply chains is an important element for Vårgrønn's project and to create positive local effects from the company's projects. In 2023, the Brigg Vind project commissioned and published an extensive analysis of the potential in the Norwegian supply chain for offshore wind. Over 600 companies have been analysed in detail on their ability to deliver products and services to the rapidly growing global offshore wind industry. The report can be found at Brigg Vind's website.



Wind turbine blades waiting to be transported to the Dogger Bank wind farm.

The company has taken several measures to enhance coexistence between fisheries and offshore wind in Norway. For example, by taking part in a working group between the two industries. The group was formed in 2022, and in 2023 the group published principles and guidelines for good practice for coexistence between the two industries.

Vårgrønn is also committed to achieving a better gender balance in its recruitment processes and raising awareness within the organisation about the significance of diversity and inclusion. The company has set a goal for gender diversity: a minimum of 40% female employees by year-end 2023 and at least 40% of each gender in leadership positions by year-end 2025. In 2023, the target for gender equality was met with 42%.

Governance

The foundation for a sustainable and successful business lies in a strong governance platform. The Vårgrønn Management System (VMS), a framework aimed at effectively managing the company's operations, is based on ISO 9001 standards and serves as the foundation for Vårgrønn's Governance, Risk & Compliance (GRC) program. Further, the company has in 2023 completed the groundwork for certification according to ISO 14001 and 9001 which was received in the first quarter of 2024.

The Vårgrønn Code of Ethics and Company Policies (CoE) provide guidelines for employees to follow, promoting ethical behaviour and preventing any illegal or regulatory violations. As Vårgrønn has seen rapid growth in both market areas and organisation since 2020, Vårgrønn initiated work to revise and update the CoE in 2023.

Also in 2023, Vårgrønn strengthened its work within governance and compliance. In addition to hiring a full-time Head of Project Procurement, the company has further developed and established fit-for-purpose processes and governing documents to comply with new regulations and to support its goal of becoming an ESG fore-runner in the offshore wind industry. During the year, Vårgrønn adopted a new Enterprise Risk Management Policy, an Antitrust and Merger Control Policy and a procedure for acceptable use of IT systems.

Vårgrønn has continued its focus on risk management with a specific focus on anti-corruption and IT security. The company has developed an awareness training program to emphasize the importance of ESG and governance initiatives, covering topics such as competition law, anti-corruption, IT and cyber security, and whistleblowing and reporting of misconduct. Risk management has emerged as an increasingly important area to the company, and Vårgrønn has established an Enterprise Risk Framework to continuously assess and monitor relevant risks.

WANT MORE INFORMATION?

Vårgrønn publishes its own sustainability report. Please see www.vargronn.com





The Littlebø hydro power station.

HEADQUARTERS: Kristiansand, Norway

WEBSITE: www.cadre.no

NUMBER OF EMPLOYEES (FTES): 12

REVENUES (2023): EUR 5.2 million

HV'S SHAREHOLDING: 48.36%

INVESTOR: Fund NEF

ESG CONTACT: Anette Bråndland

OPERATIONAL GEOGRAPHY



ESG REPORTING: Annual sustainability report

CERTIFICATIONS: None

SDGs:



Company description

Cadre is a specialised small-scale hydroelectric power company established in 2021. HitecVision announced the joint investment with Nordkraft in November 2022 for the majority of shares in Cadre. The transaction closed in February 2023. Cadre have matured throughout 2023, taking the company from an acquisition phase to development of power plants and production of energy.

Cadre is involved in the entire process of planning, building, owning and operating new small-scale hydroelectric plants, in close and long-term cooperation with local landowners. The management has over 20 years of experience in the small-scale hydroelectric power industry and operates with focus on contributing to local value-creation and the expansion of renewable energy.

The company currently has 28 power plants in its portfolio, of which eight are operated for Suomen Voima, a Finnish power company. The total portfolio has an annual production capacity of 440 GWh and 53 GWh under construction. Cadre has ambitious growth plans, with a goal of reaching a capacity of 2 TWh within few years.



Carl-Fredrik Lehland
CEO

Key Reported ESG Figures for Cadre 2023

ENVIRONMENTAL	UNIT	2023
Greenhouse Gas Emissions (operational control)		
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	0
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	0
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	19
Carbon Intensity		
Weighted Average Carbon Intensity	tCO ₂ e/EURm	0.0
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/EURm	0.0
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/EURm	3.7
Renewable energy		
Renewable energy capacity	MW	52
Renewable energy contracted to be built	MW	0
Renewable energy generated	MWh	118 647
Net avoided emissions (ex-post) ¹	tCO ₂ e	2 879
Waste, unplanned spills and recycling ratio		
Total waste	tonnes	0
Non-Hazardous waste	tonnes	0
Hazardous waste	tonnes	0
Recycling ratio	weighted average %	0%
Unplanned spills (emissions to ground/sea/air)	#	0

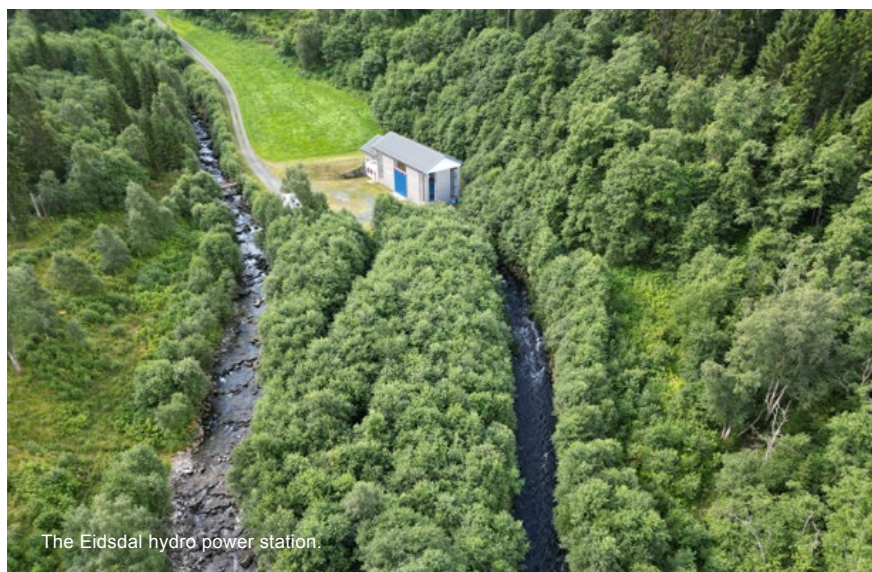
SOCIAL	2023
Health and safety	
Lost time injuries (LTI)	# 1
Diversity and inclusion	
Share of women in workforce	% 17%
Share of women in senior management	% 0%
Share of women in board of directors	% 40%
People	
Number of employees	# 12
Short term sick leave	% 1%
Long term sick leave	% 2%
Employee turnover ratio	% 0%
Did the company conduct an employee survey during the year	Yes/No No
Employee survey response rate for companies who conducted an employee survey during the year	%

GOVERNANCE	2023
Maturity in governance matters	
Does the company have an anti-corruption program in place	Yes/No Yes
Percentage of employees that have completed anti-corruption training	% 50% ²
Does the companies have an established whistleblowing channel	Yes/No Yes
Number of whistleblowing cases	# 0
Does the company have an assigned responsible for ESG issues	Yes/No Yes
Breaches of ethical guidelines	# 0
Investigations or lawsuits in relation to ESG issues	# 0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	# 0

¹ Calculated on an ownership share basis. ² The percentage of employees that have completed anti-corruption training increased in the beginning of 2024, when the roll-out of the renewed training program from HitecVision was completed.

PERFORMANCE COMMENTARY. As a small-scale hydropower producer, Cadre has a limited carbon footprint, reflected in the emissions figures. The company generated 119 GWh of renewable power in 2023 which is estimated to have contributed to 3 thousand tonnes of net avoided emissions (ex-post).

Cadre experienced 1 lost time injury during 2023 related to a sub-contractor. The company is focusing on improving its diversity metrics in its workforce and senior management.



The Eidsdal hydro power station.

” One of Cadre’s objectives is to minimise interference with nature and facilitate restoration of areas to their original state as far as possible.

ESG management approach

Cadre is currently in the early phases of corporate development, reflecting how they work with and operationalise sustainability. The company has been integrating sustainability in all parts of the business model. One of Cadre’s objectives is to minimise interference with nature and facilitate restoration of areas to their original state as far as possible.

The company is a small, yet important, player in the expansion of renewable energy in Norway. The company approach is focused on realising the potential for hydroelectric energy generation through smaller streams, rivers, dams and waterfalls. Cadre’s aim is to have a positive contribution to value creation, while at the same time taking care of the natural resources and environment for future generations. This is done by safeguarding biological diversity both on land and in water and preserving the areas’ natural character in the best way possible.

Despite that Cadre is not covered by the reporting requirements stipulated by the EU Taxonomy the company still reports on a voluntary basis. All power plants that Cadre acquires are assessed according to the technical criteria defined in the taxonomy. Currently, the assessments are not approved by a third party. However, Cadre’s work with the taxonomy has deepened the company’s understanding of upcoming ESG compliance requirements and provided a foundation for best practices for ESG strategy, action plans, and reporting going forward. In 2023, Cadre has continued to improve its ESG approach with support from HitecVision.

Environment

The hydroelectric power industry is fuelled by nature’s own forces and contributes to reducing the need for fossil energy. Environment and climate considerations are therefore integral components to Cadre’s business model. During construction phase of a hydro power plant, adverse impact on the environment will occur. This may happen when using materials like cement with high carbon intensity, and when making use of land areas that previously were untouched. Implementation of solutions that safeguard and minimise adverse impact is therefore important for Cadre to deliver on its long-term goals.

Landowners care for their local ecosystems and want to ensure that the power plant construction processes and subsequent operations have a minimal environmental impact. Furthermore, the hydroelectric power sector is a highly regulated industry, and Cadre welcomes cooperation with both local and national government organisations in optimising its processes and solutions to protect the local environment. This collaboration and stakeholder dialogue is considered a critical success factor for Cadre.

For example, in the construction of small-scale hydropower plants, Cadre has employed techniques from offshore drilling operations that have a smaller environmental impact than digging trenches, leaving behind only drill holes in the construction area. Cadre also aims to reduce the size of the construction area itself, which helps to limit the effects on local surroundings.

Social

Employee health, safety, and wellbeing are important to Cadre. The fact that Cadre is growing and moving into a new phase where the company has a greater focus on construction of power plants, highlights the importance of established policies and routines that ensure practices that safeguard people.

In 2023, the company increased its workforce from nine to 13 employees. The company emphasises the need to build the corporate culture in parallel with its expansion. Cadre's employees are located across several offices around Norway. In turn, the company has implemented measures such as regular digital team meetings and encourages visits to the different offices to build relationships. The company also emphasises workers' rights when dealing with contractors and has established routines to check-in with employees who work remotely.

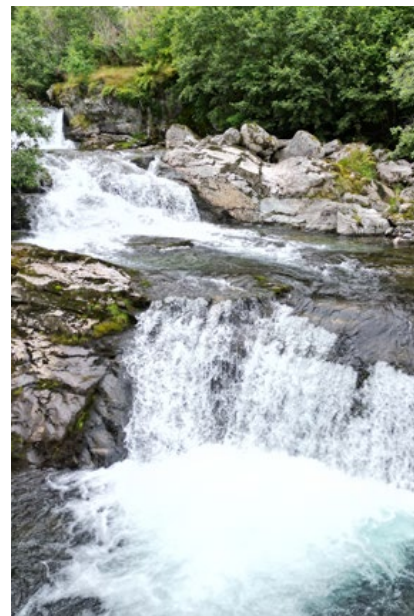
Cadre strives to establish and maintain a good relationship with landowners associated with its power plants and acknowledges the need for safeguarding the landowners' interests in the power plant development processes. To deliver on this objective, Cadre aims to have a strong local presence in communities in which it operates, informing locals of news and developments whenever possible, in addition to contributing to local value creation in rural areas by using local suppliers and providing local housing for workers.

Gender equality and balance is an area with increased attention as Cadre continues to grow. Currently, the company only has two female employees and two female board members.

Governance

Despite being a young company, Cadre has chosen to put ESG at its core from the very early stages. Cadre's focus going forward will be to facilitate growth while developing strong governance practices and routines that reinforce value creation. Cadre believes this will enable strong performance synergies as the company accelerates developments and expands energy production.

All employees have completed an anti-money laundering and anti-corruption course developed by HitecVision. The company's governance structure will continue to evolve as HitecVision and Nordkraft set priorities for the company moving forward.



The river leading to the Kandal hydro power station.

// Skygard //

Elise Lindeberg from Skygard and Bård Nilstad from Cowi at the construction site for Skygard's first data centre.

HEADQUARTERS: Oslo, Norway

WEBSITE: www.skygard.no

NUMBER OF EMPLOYEES (FTES): 1

REVENUES (2023): N/A

HV'S SHAREHOLDING: 31.7%

INVESTOR: Fund NEF

ESG CONTACT: N/A

OPERATIONAL GEOGRAPHY



ESG REPORTING: N/A

CERTIFICATIONS: N/A

SDGs:



Company description

Skygard is a data centre company, developing a high-security, energy-efficient colocation data centre cluster in Oslo. The company was established in February 2023 as a joint venture with Telenor, a leading Nordic telecom company, Hafslund, the largest regional utility in Norway, and Analysys Mason, a leading management consultancy focused on telecoms, media and technology.

Skygard has a unique profile in the data centre market with a strong focus on energy-efficient operations, sustainable operations with a strategy for heat reuse, and meeting the needs of customers with high security requirements. Further, Skygard is supported by well-respected, Norwegian owners controlling both fiber communications infrastructure, renewable power supply and district heating grid for circularity.

In 2023, the company purchased its first plot in Oslo, close to potential customers and Celsio's district heating network. In March 2024, the owners announced the investment decision for the first data centre and the hiring of Elise Lindeberg as the company's CEO. The first data centre is expected to be operational by the first half of 2025, with an aim to build two more data centres in the capital region. Once fully developed, the three data centres will have a combined capacity of 40 MW.



Elise Lindeberg
CEO



Illustration of Skygard's first data centre.

ESG management approach

Skygard is in the early stages of its corporate development, with a strong focus on integrating sustainability into all aspects of its business model.

The first data centre is designed to meet Tier 3 security requirements, ensuring minimum uptime, power outages, and redundancy of the facility. The company will adhere to all planned regulations in Norway and the EU to attract high-security demanding customers such as government agencies, hyperscalers and other corporate customers. Skygard's data centres will be new builds and designed for energy-efficient operations including optimised heat and cooling management.

During the design and procurement stages, the architect A-Lab and project manager COWI have worked to develop an ESG programme and strategy for the construction project. This includes ten ESG areas identified during a materiality assessment, which ensures KPIs and targets in-line with best practice guidelines of the EU Taxonomy.

In 2024, management will continue to develop its ESG approach and reporting with support from HitecVision's and the other owners' ESG frameworks.



” The first data centre will comply with the EU Taxonomy and its energy efficiency guidelines for data centres.

Environment

The data centre industry plays a key role in the dual transition. With an ever-increasing need for data processing and storage capabilities, the energy and resources required grow exponentially. How you design and operate data centres matter, and Skygard's first data centre in Oslo will be a testament to its commitment to sustainable solutions and energy efficiency.

The facility targets a power usage effectiveness (PUE) of 1.1, notably lower than the Norwegian average of 1.3 and the European average of 1.5. This is achieved through optimised design and cooling, aided by the cold, Nordic climate. Further, Skygard and Celsio are working to reuse the excess heat from the data centre. Overall, the cluster of 40 MW could provide heat to an estimated 30,000 to 50,000 households in the Oslo region, contributing to an energy reuse factor of 0.95 during the winter.

The first data centre will comply with the EU Taxonomy and its energy efficiency guidelines for data centres. These guidelines specify that cooling refrigerants should have a global warming potential (GWP) of less than 675. To comply with this, the centre will utilize ammonia, a substance with a GWP of zero. Skygard is also committed to minimising the use of restricted substances and scarce resources, in line with the directives outlined by the EU Taxonomy.

The construction of Skygard's data centre is also focused on minimising its environmental impact. The secured plot is located in an industrial area, ensuring minimal impact on nature. Over the past year, the company has focused on architectural quality and sustainability in the development of its first data centre. The roof and exterior of the data centre will be designed to blend with its surroundings, differentiating the facility from nearby industrial sites. Skygard also uses the latest technological and circular solutions to minimise resource and energy consumption, further emphasising its commitment to reducing environmental impact.



Elise Lindeberg from Skygard and Bård Nilstad from Cowi at the construction site for Skygard's first data centre.

” Skygard sets high demands to its contractors and suppliers in requirements on HSE management and ethical code of conduct.

Social

Skygard seeks to have a positive presence in local communities. The first data centre will provide pedestrian access, a new footway bridge over the metro-line and as mentioned, an environmentally conscious design as opposed to the industrial sites in the area.

The social aspect is also emphasised during design and construction in terms of ensuring sustainable working conditions. Skygard sets high demands to its contractors and suppliers in requirements on HSE management and ethical code of conduct. There is also a focus on privacy and data security, not only with regards to the data centre design, protecting critical data for the society, but also during design and construction.

The newly appointed CEO of Skygard, Elise Lindeberg, came from the position as Director of Security at the Norwegian Communications Authority where she led security and emergency preparedness work. Lindeberg has also been a member of the government's emergency and preparedness commission.

Currently, Lindeberg is the only employee in the company. In addition to Lindeberg, the board of directors comprises 67% women including the chairperson. Over the course of the coming year, Lindeberg and the owners will work to hire other key positions. Ensuring a gender balance will be a key consideration in the recruitment process.

Governance

As a newly established company, Skygard is putting management of ESG at its core from the very early stages. Going forward, Skygard will continue to develop strong governance practices and routines that reinforce value creation, guided by its experienced owners.



Biokraft's biomethane production facility in Skogn, Norway.

HEADQUARTERS: Stockholm, Sweden

WEBSITE: www.biokraft.com

NUMBER OF EMPLOYEES (FTES): 122

REVENUES (2023): EUR 48.1 million

HV'S SHAREHOLDING: 43.4%

INVESTOR: Fund NEF

ESG CONTACT: Tina Blix

OPERATIONAL GEOGRAPHY



ESG REPORTING: Integrated annual report

CERTIFICATIONS: ISCC EU, ISCC Plus

SDGs:



Company description

1Vision Biogas was established by St1, Aneo, and HitecVision in February 2024 with the intention of building a large European end-to-end biomethane player focused on the Nordics.

With a strong presence across the Nordic region, 1Vision Biogas will contribute to advance and enable the decarbonisation of the transportation sector and industry in the Nordics and Europe. The company is dedicated to promoting the transition from fossil fuel to low-carbon fuel. Biomethane is a sustainable and low-carbon fuel derived from organic waste materials, enabling the circular economy. It is one of the few alternatives to directly replace fossil gas and contribute to significant emission reductions compared to fossil fuels in hard-to-abate sectors. The company is well-positioned to deliver on the growth ambition of reaching 3 TWh of bio-methane production by 2030.

The first step in its plan was to acquire Biokraft International, which is now completed through the merger of Aneo and St1's shareholdings in the company, as well as the execution of a subsequent mandatory offer and delisting from the Nasdaq First North Premier Growth Market in Stockholm. As a wholly owned private company, Biokraft will form the basis for 1Vision Biogas' further growth within upstream and downstream biomethane capacity across the Nordics.



Matti Vikkula
CEO



A digester at one of Biokraft's biomethane facilities.

” Biokraft builds, owns, and operates large-scale biomethane plants and has an annual production capacity of 445 GWh.

ESG management approach

1Vision aims to be a leader in large-scale production and downstream sales of biomethane, thereby increasing the share of biogas in the European transportation and energy mix. In addition, the company will offer by-products such as biofertilisers and biogenic CO₂, ensuring circular and zero waste operation across the value chain. The company's mission to contribute to driving the energy transition is a testament to its environmental stewardship.

The company's strategic plan for sustainable and profitable growth includes expanding production and downstream capacity, creating standardised production facilities, leveraging its unique technology, increasing the share of liquefied biomethane, and developing partnerships along the value chain for faster growth. These strategies are designed to ensure the company's long-term viability and profitability, which are essential for meeting its ESG ambitions.

While 1Vision is currently in the establishment phase, its investment Biokraft, has a 20-year history and is one of the largest producers of biomethane in the Nordic region. Biokraft builds, owns, and operates large-scale biomethane plants and has an annual production capacity of 445 GWh. The company focuses on producing biomethane and biofertilisers in a circular cycle by recycling organic waste at five operational facilities located in Sweden, Norway, and South Korea.

In Norway, Biokraft operates a large-scale biomethane plant in Skogn, outside Trondheim. Commissioned in the summer of 2018, this plant is one of the world's largest for integrated production of liquid biomethane, boasting a production capacity of approximately 155 GWh per year. The strategic location of the plant facilitates substrate deliveries by boat, truck, and train, enhancing its operational efficiency.



In addition to biomethane, Biokraft also produces biofertiliser, a sustainable and environmentally friendly alternative to artificial manure.

Environment

The company's operations are based on a circular business model that transforms waste and residuals into new sustainable products. The company's biomethane serves as energy that can replace fossil fuels, thereby reducing CO₂-emissions. For example, Biokraft produced 356 GWh of biomethane in 2023, which delivered an approximate reduction in CO₂-equivalents of 90% compared to fossil fuels (based on the Swedish Energy Agency's Sustainability Criteria tool). Additionally, Biokraft's production of biofertiliser contributes to increased local self-sufficiency of fertiliser within agriculture and reduces CO₂-emissions from the agricultural sector.

Access to biological waste is central to Biokraft's production of sustainable products and its environmental impact. Biokraft's production is based on organic waste materials, most notably feedstocks derived from agriculture and municipal sewage. Moreover, Biokraft does not use any organic material that is grown to produce biomethane, as this could displace food cultivation or nature preservation and undermine Biokraft's sustainability proposition. Feedstock derivations from waste sources are regarded as environmentally sustainable, contributing to a more ecologically responsible and resource-efficient usage of waste and byproducts.

Biokraft has pioneered a unique and advanced process technology known as HOLD Technology™. This technology is a cornerstone of its operations, enabling optimised production at a large-scale, and achieving high levels of resource and energy efficiency. HOLD Technology™, which stands for High Organic Load Digestion, is recognised as one of the most efficient methods for biogas production globally. It has been implemented across all Biokraft's facilities, significantly enhancing production capabilities.

The company strives to minimise its own CO₂-emissions by optimising its operations, increasing the use of renewable fuels in transport, and developing its procurement requirements to progressively reduce emissions during construction.

” Biokraft's production is based on organic waste materials, most notably feedstocks derived from agriculture and municipal sewage.

Biokraft manages byproducts from its production of biomethane and biofertiliser. The byproducts produced include predominantly non-hazardous solid waste, with a minor proportion being hazardous. Additionally, a fraction of the incoming nitrogen and phosphorus, after undergoing purification, is present in the outgoing water. However, these levels do not exceed permitted values. The waste management process is a part of the company's commitment to a circular economy and minimising environmental impact. Biokraft only uses substrates that are ethically defensible and continually tests new types of substrates to optimise its production.

Social

Biokraft is dedicated to creating a safe and secure work environment, continually developing its processes, conducting training, and offering benefits and professional development opportunities. The company has a goal of zero work-related injuries reflecting its commitment to the health and safety of its employees.

Emphasising the importance of empathetic leadership, Biokraft recognises that a sense of community and the celebration of daily successes contribute to the development of the organisation. The company values diversity and seeks to leverage this strength to drive its growth and development. Biokraft aims to be the best workplace in its industry, retaining its employees and attracting new talent as the company expands.

In addition, Biokraft prioritises the working conditions of its own employees in addition to workers in the value chain, such as freight forwarders, contractors, and construction companies. This dedication is enforced through the company's Code of Conduct for business partners, which sets requirements for all parties involved in the company's operations to adhere to safe and decent working conditions.

Governance

Biokraft is committed to ensuring efficient and responsible operations, which stands as a cornerstone of its governance. Biokraft strives to be a responsible and transparent partner, managing its business in a way that inspires trust. This includes focusing on the health and safety of the employees of its suppliers, ensuring that they, too, adhere to the high standards set by the company.

Governance at Biokraft is guided by goals and policies. The overarching goal is to ensure efficient and responsible operations, and the company expects contributors in its value chain to take responsibility and contribute to global sustainability goals. Biokraft has three guiding policies, including the Environmental and Sustainability Policy, the Quality Policy, and the Code of Conduct for Suppliers. The company has identified greenhouse gas emissions, the generation of byproducts, and the working conditions of its suppliers as material topics related to the goal of efficient and responsible operations.



Production equipment at one of Biokraft's biomethane facilities.

WANT MORE INFORMATION?

Biokraft publishes its own sustainability report. Please see www.biokraft.com



Sustainability in the portfolio companies

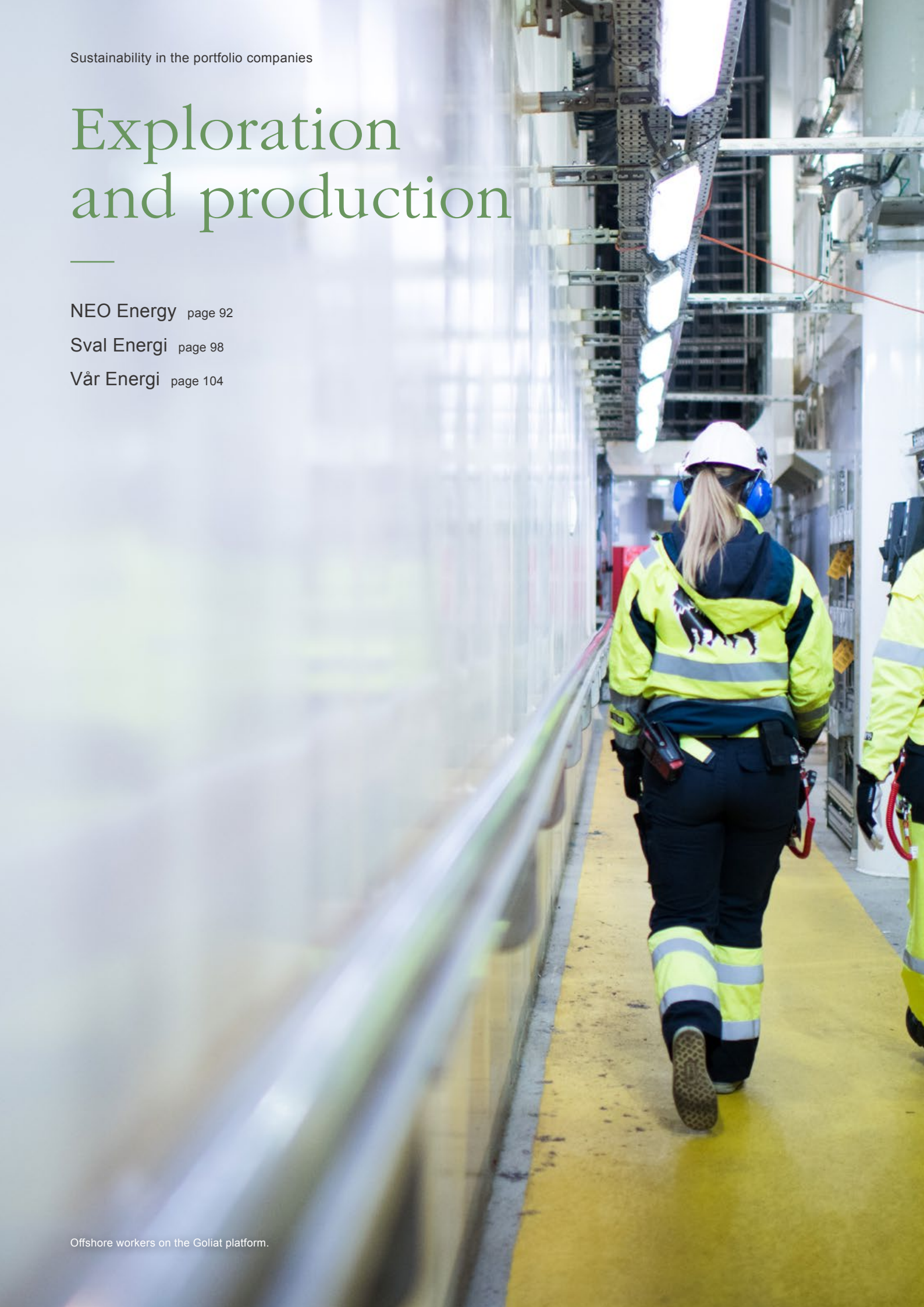
Exploration and production

NEO Energy page 92

Sval Energi page 98

Vår Energi page 104

Offshore workers on the Goliat platform.

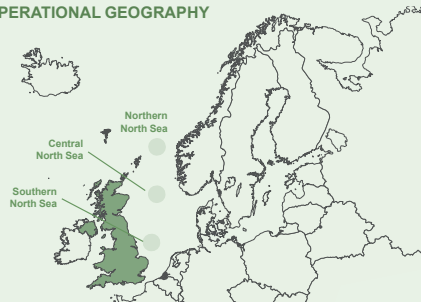




NEO Energy workers on an offshore platform.

HEADQUARTERS: London, UK
WEBSITE: www.neweuropeanoffshore.com
NUMBER OF EMPLOYEES (FTES): 209
REVENUES (2023): USD 3,014 million
HV'S SHAREHOLDING: 99.8%
INVESTOR: Fund VI, VII and NSOF
ESG CONTACT: Rebecca Clayton

OPERATIONAL GEOGRAPHY



ESG REPORTING: Sustainability report, in line with GRI

CERTIFICATIONS: ISO 14001

SDGs:



Company description

Founded in 2019, NEO Energy is an oil and gas company operating on the United Kingdom Continental Shelf (UKCS). In just a few years, it has become the fifth largest producer on the UKCS, primarily through a series of strategic acquisitions. Total volumes produced in 2023 were 27.6 million barrels of oil equivalents.

The company is committed to building a low-carbon intensity portfolio over time, and it integrates ESG priorities into its activities. This effort underscores NEO Energy's commitment to minimise its negative impact on the environment and society.



Paul Harris
CEO

Key Reported ESG Figures for NEO Energy 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions - operational control						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e		71 257	182 521	160 461	133 842
Energy indirect GHG emissions (GHG PCS Scope 2)	tCO ₂ e		17	33	72	81
Other indirect GHG emissions (GHG PCS Scope 3), excluding use of sold products	tCO ₂ e		35	25	178	16 023
Other indirect GHG emissions (GHG PCS Scope 3), use of sold products only	tCO ₂ e					940 223
Greenhouse Gas Emissions - equity share						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	67 393	158 294	322 638	677 808	615 797
Energy indirect GHG emissions (GHG PCS Scope 2)	tCO ₂ e	17	17	33	72	81
Other indirect GHG emissions (GHG PCS Scope 3), excluding use of sold products	tCO ₂ e	64	35	25	178	20 879
Other indirect GHG emissions (GHG PCS Scope 3), use of sold products only	tCO ₂ e					9 934 844
Carbon Intensity						
Weighted Average Carbon Intensity - operational control	tCO ₂ e/USDm				18.6	23.7
Carbon intensity per barrel of oil equivalent produced - operational control	Scope 1 kgCO ₂ e/boe			52.0 ²	58.8 ²	49.8
Carbon intensity per barrel of oil equivalent produced - equity share	Scope 1 kgCO ₂ e/boe	15.3 ¹		26.8	21.2	21.4
Revenue carbon intensity - Scope 1 & 2 - operational control	tCO ₂ e/USDm	288.8		202.5	43.9 ²	44.4
Revenue carbon intensity - Scope 1, 2 & 3 - operational control	tCO ₂ e/USDm	289.1		202.6	43.9 ²	361.7
Production						
Oil and gas productions - operational control	boe	0	4 154 814	3 509 565 ²	2 727 286 ²	2 685 349
Oil and gas productions - equity share	boe	4 413 582	9 130 422	20 880 381	31 907 862	28 741 099
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	1	1	97	205	236
Non-Hazardous waste	tonnes	1	1	76	172	200
Hazardous waste	tonnes	0	0	20	33	36
Recycling ratio	weighted average %	85%	75%	56%	51% ²	68%
Unplanned spills (emissions to ground/sea/air)	#	0	10	7	4	2

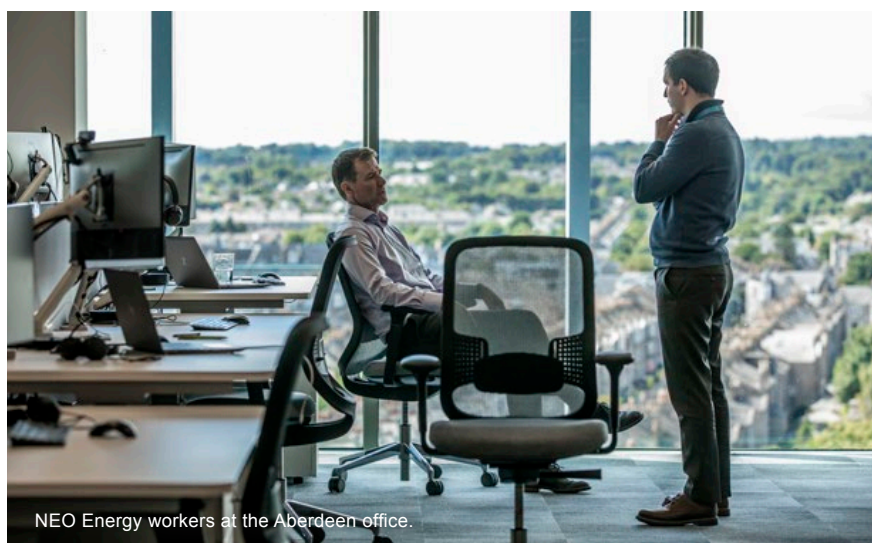
SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#	0	1	2	1	1
Diversity and inclusion						
Share of women in workforce	%	31%	23%	28%	29%	30%
Share of women in senior management	%	20% ²	17% ²	17% ²	14% ²	0%
Share of women in board of directors	%				29%	29%
People						
Number of employees	#	39	153	212	214	209
Short term sick leave	%	0%	0%	1%	1%	1%
Long term sick leave	%	0%	1%	1%	4%	2%
Employee turnover ratio	%	1%	1%	10%	12%	9%
Did the company conduct an employee survey during the year	Yes/No					Yes
Employee survey response rate for companies who conducted an employee survey during the year	%					81%

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	100%	100%	100%	100%	0% ³
Does the companies have an established whistleblowing channel	Yes/No	No	Yes	Yes	Yes	Yes
Number of whistleblowing cases	#	0	0	0	0	1
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	1
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	1

¹ Carbon intensity per barrel includes fields acquired during the year on a full-year basis. ² This number has been revised from the reported figure in the 2022 report. ³ The percentage of employees that have completed anti-corruption is expected to increase early 2024, when the roll-out of the renewed training program from HitecVision has been completed.

PERFORMANCE COMMENTARY. NEO Energy's direct GHG emissions (Scope 1) declined by 17% compared to 2022. This is attributable to significant emission reductions at GPIII as well as efficiency improvements on other assets. NEO expanded its Scope 3 GHG emissions reporting to include additional categories, resulting in increased Scope 3 emissions.

The percentage of women in senior management decreased due to natural attrition and restructuring to a smaller and more streamlined management team in 2023. NEO was subject to 1 investigation by the NSTA in 2023 due to a misallocation of cold vent volumes to the flaring consent in 2022. It should be noted that aggregate emission consents were not exceeded, and the breach did not result in an increase in CO₂ emissions. NEO fully cooperated with the investigation and immediately took action to rectify the issue once it was identified to ensure future compliance with consenting requirements. NSTA closed the investigation in April 2024 and NEO was fined GMP 100 thousand for the consent violation. There was 1 cyber incident reported during 2023, related to a data breach at a third-party provider. This isolated case has been a catalyst for further strengthening of the company's cybersecurity measures.



NEO Energy workers at the Aberdeen office.

ESG management approach

During 2023, NEO has taken steps to further improve its ESG management approach. A new Sustainability Policy was introduced, ensuring ESG issues are given increased focus and consideration as a part of the operational and business decision-making. Additionally, the company prepared an HSE and ESG strategy called “Safe Today, Safer Tomorrow”, which involves conducting business activities with a full commitment to the health, safety and security of its people, and protecting the environment.

ESG considerations have been integrated into NEO’s monthly business performance reviews. A dedicated monthly management meeting that primarily addresses ESG-related issues, ensures that critical ESG aspects are at the forefront of organisational decision-making. NEO has established an ESG subcommittee which supports the board on ESG related matters. The committee’s responsibilities include ensuring that the company’s ESG policies and practices are fit for purpose, monitoring progress against ESG targets, and reviewing ESG reporting. KPIs related to GHG intensity are reviewed by the board to track progress.

Environment

NEO Energy aims to produce oil and gas to meet the energy needs of the UK in the most efficient way possible. However, the company’s core operations – producing oil and gas – cause significant Scope 1 greenhouse gas emissions. The company is committed to reducing these and constantly explores ways to reduce emissions without compromising growth or value creation.

The company’s decarbonisation strategy is outlined in its Low Carbon Transition Plan which involves a 50% reduction in carbon intensity (emissions per barrel produced), from a 2020 base year, by 2030 for Scope 1 and 2 emissions. The ESG strategy is focused on delivering this through alignment with the UN SDG 13 and 14, as the offshore oil and gas industry plays an important role in reducing GHG emissions and protecting life below water.

To reach its emissions reduction targets, NEO will intensify its efforts on several key areas; 1) reducing Scope 1 and 2 emissions, 2) developing a sustainable culture, and 3) implementing digital systems. These efforts will guide NEO in its mission to achieve its sustainability goals.

In 2023, NEO formulated Emission Reduction Action Plans (ERAPs) for operated assets and collaborated with non-operated assets to gather ERAPs across the portfolio. A key element of these plans is enhancing energy efficiency to lower emissions. Additionally, NEO has made progress in reducing methane emissions by decreasing flaring and cold venting activities. NEO is collaborating with industry peers to explore electrification solutions for platforms, recognised as having the largest impact on emission reduction. To cap the year, NEO completed the ISO 14001 Environmental Management System recertification.

During 2023, NEO continued its engagement with regulators, industry groups, and SEQual to contribute to an industry-wide solution aimed at engaging the supply chain and reducing Scope 3 emissions. This work builds upon the foundational efforts in 2022, when NEO introduced the Contractor Management Procedure into SAP Ariba, enhancing the ESG Governance Framework and will continue to lay the foundations for supply chain emissions management.

Social

NEO's HSE & Social Responsibility Policy outlines the company's commitment to creating a safe working environment for all employees and is further underpinned by additional health and safety procedures.

As mentioned, the HSE strategy "Safe Today, Safer Tomorrow" involves conducting business activities with a full commitment to the health, safety and security of its people, and protecting the environment while doing so. All events are reported, recorded and investigated to identify root causes and identify and implement effective corrective and preventative measures. "Stop the work" authority is reinforced continually on NEO's assets, so that staff and contractors know that they are empowered and expected to stop the work should they believe there is a potential health, safety or environmental risk associated with any activity they are involved in. The board regularly monitors a range of safety performance metrics to ensure this priority is given sustained focus.

NEO is dedicated to fostering a positive and inclusive environment, focusing on helping staff achieve their fullest potential. The company has zero tolerance for any form of discrimination and is committed to providing equal opportunities for everyone, no matter their age, gender, ethnicity, or religion.

In 2023, NEO enhanced its work around diversity and inclusion and set up a committee dedicated to this, including relevant training and education. To align with the DE&I committee objectives, NEO extended its UN SDG targets to include Goal 10 Reduced Inequality. NEO now seeks to build an organisation that unitedly drives to achieve the social UN SDGs 3 (Good Health and Wellbeing), 5 (Gender





NEO Energy employee Jenny Johnston on the Golden Eagle platform.

Equality), 8 (Decent Work and Economic Growth) and 10 (Reduced Inequality). An ESG training program has been built around material ESG topics and the targeted UN SDGs to ensure ownership throughout the organization.

During the year, NEO restructured its organisation to enhance management efficiency, which resulted in a decrease in the number of women in management roles. However, the overall representation of women in the company remained consistent. The gender pay gap was reassessed in 2023, revealing a median and mean value favouring men.

NEO conducted an engagement survey in Q4 that achieved a participation rate of 80%. NEO is working to drive improvement in the areas that have been identified as having the most potential for positive change.

Governance

NEO is committed to acting fairly and ethically, preserving the trust and confidence of business partners and anyone else affected by its operations. The company's Anti-Corruption Policy sets out the ethical principles on a global basis in relation to bribery, corruption, and reporting. In 2023, NEO began setting up a plan to increase focus on ESG in supply chain contracts and tender offerings.

NEO adheres to several policies to ensure ethical and transparent reporting, based on leading international standards for responsible business conduct, including the UN Global Compact and the UN Guiding Principles on Business and Human Rights. The company's goal is to always make ethical, responsible, and profitable decisions when conducting business.

As part of NEO's focus on robust governance, all employees need to complete regular online cyber security training and, in 2024, NEO's newly written e-learning Code of Conduct training. The company also maintained its quarterly compliance review process through 2023. Additionally, NEO engaged Weston to carry out a regulatory compliance review on HSE. As a result, the project and asset PLANCs (permit Licenses, approval, notifications, and consents) are now electronically managed. Improvements have been made in incident tracking through incorporation into a single system demonstrating transparency in this area.

In 2023, through the establishment of a GDPR Governance Committee and introduction of a formal Data Protection Impact Assessment Procedure, NEO has continued to provide assurance that it persists in meeting its GDPR obligations when undertaking projects that may involve the processing of personal data, including the implementation of appropriate data protection and data security measures. The committee's establishment is formalised through the publication of its terms of reference as part of the Data Protection Impact Assessment procedure on the NEO Management System.

The company's Whistleblowing Policy provides employees with guidance as to how to raise any concerns and reassures staff that genuine concerns can be raised without fear of reprisals. NEO's management team encourages employees to report suspected wrongdoing as soon as possible, in the knowledge that concerns will be taken seriously and investigated as appropriate, and that confidentiality will be respected.

NEO Energy has a modern slavery statement and a zero-tolerance approach to modern slavery, ensuring that there is no modern slavery or human trafficking in any part of the company's business, including its supply chain.



Martin Linge platform.

HEADQUARTERS: Stavanger, Norway

WEBSITE: www.sval-energi.no

NUMBER OF EMPLOYEES (FTES): 144

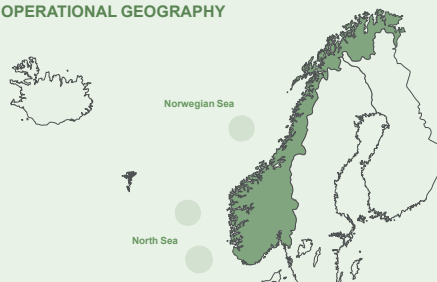
REVENUES (2023): USD 1,991 million

HV'S SHAREHOLDING: 99.6%

INVESTOR: Fund VII and NSOF

ESG CONTACT: Ingeborg Hagen

OPERATIONAL GEOGRAPHY



ESG REPORTING: Sustainability report, in line with GRI

CERTIFICATIONS: None

SDGs:



Company description

Sval Energi is an upstream oil and gas company operating on the Norwegian Continental Shelf (NCS). Since the company was formed in 2019, Sval has grown to become a significant energy company in Norway. At year-end 2023, Sval was operator of one producing field and partner in 14 other producing assets. Total volumes produced in 2023 were 24.2 million barrels of oil equivalents. The company also holds shares in several development projects, close to sixty exploration licenses and has an extensive exploration programme planned for the coming years.

Additionally, Sval holds a 50% ownership in the Metsäamminkangas (MLK) onshore wind farm in Finland. In 2023, Sval was awarded the Trudvang carbon storage license in the North Sea as operator. The award is an important step for the company towards safe and permanent storage of CO₂ under the seabed. Trudvang has the potential to store around 10 million tonnes of CO₂ every year for at least 25 years, equal to about 20% of Norway's annual CO₂ emissions.



Nikolai Lyngø
CEO

Key Reported ESG Figures for Sval Energi 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions - operational control						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	0	0	0	152 297	99 213
Energy indirect GHG emissions (GHG PCS Scope 2)	tCO ₂ e	1	12	11	16	22
Other indirect GHG emissions (GHG PCS Scope 3) ¹	tCO ₂ e	238 243 ¹	193 551 ¹	20	8 828	725 230
Other indirect GHG emissions (GHG PCS Scope 3), use of sold products only	tCO ₂ e				3 627 693	2 099 248
Greenhouse Gas Emissions - equity share						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e				259 124	208 105
Energy indirect GHG emissions (GHG PCS Scope 2)	tCO ₂ e				777	1 963
Other indirect GHG emissions (GHG PCS Scope 3), excluding use of sold products	tCO ₂ e				6 565	724 744
Other indirect GHG emissions (GHG PCS Scope 3), use of sold products only	tCO ₂ e				9 679 262	9 297 868
Carbon Intensity						
Weighted Average Carbon Intensity - operational control	tCO ₂ e/USDm				18.5	12.2
Carbon intensity per barrel of oil equivalent produced - operational control	Scope 1 kgCO ₂ e/boe				17.5	19.3
Carbon intensity per barrel of oil equivalent produced - equity share	Scope 1 kgCO ₂ e/boe				9.9	8.6
Revenue carbon intensity - Scope 1 & 2 - operational control	tCO ₂ e/USDm	0.0	0.0	0.0	83.7	49.8
Revenue carbon intensity - Scope 1, 2 & 3 - operational control	tCO ₂ e/USDm	306.5	432.5	0.1	2 031.7 ²	1 468.7
Production						
Oil and gas productions - operational control	boe				8 900 254	5 150 298
Oil and gas productions - equity share	boe				25 521 030	24 202 922
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	0	4	7	1 190	130
Non-Hazardous waste	tonnes	0	4	7	113	103
Hazardous waste	tonnes	0	0	0	1 077	27
Recycling ratio	weighted average %	70%	63%	67%	71%	95%
Unplanned spills (emissions to ground/sea/air)	#	0	0	0	1	1

SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#				0	0
Diversity and inclusion						
Share of women in workforce	%	30%	35%	34%	40%	36%
Share of women in senior management	%	33%	25%	20%	33%	33%
Share of women in board of directors	%				33%	33%
People						
Number of employees	#	7	45	59	172	144
Short term sick leave	%	0%	0%	1%	1%	0%
Long term sick leave	%	0%	0%	1%	2%	2%
Employee turnover ratio	%	20%	4%	8%	8%	6%
Did the company conduct an employee survey during the year	Yes/No					Yes
Employee survey response rate for companies who conducted an employee survey during the year	%					96%

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	100%	100%	100%	100%	100%
Does the companies have an established whistleblowing channel	Yes/No	Partly	Yes	Yes	Yes	Yes
Number of whistleblowing cases	#	0	0	0	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	0

¹ Sval Energi's Scope 3 encompasses ownership shares in diverse natural gas networks and infrastructure, which were divested in 2021. Additionally, it includes other Scope 3 categories.

² This number has been revised from the reported figure in the 2022 report.

PERFORMANCE COMMENTARY. The Scope 1 GHG emissions declined by 19% from 2022 to 2023. This is mainly attributable to the electrification of the Ivar Aasen field, increased share of production from low carbon-intensity fields, and multiple small and large measures implemented across the portfolio. Sval expanded its Scope 3 GHG emissions reporting to include additional categories, resulting in increased Scope 3 emissions. The company's emissions related to use of sold products under operational control declined due to lower production at Oda and the decommissioning of Vale in 2023. The company reported 1 minor spill of 0.3L of hydraulic fluid during the year.

Sval carried out a reorganisation process in Q1 2023. This included reducing the number of roles in the company, and some employees being assigned to new areas of responsibility.



Sval employee Ingvild Haaland at the company's offices in Stavanger.

ESG management approach

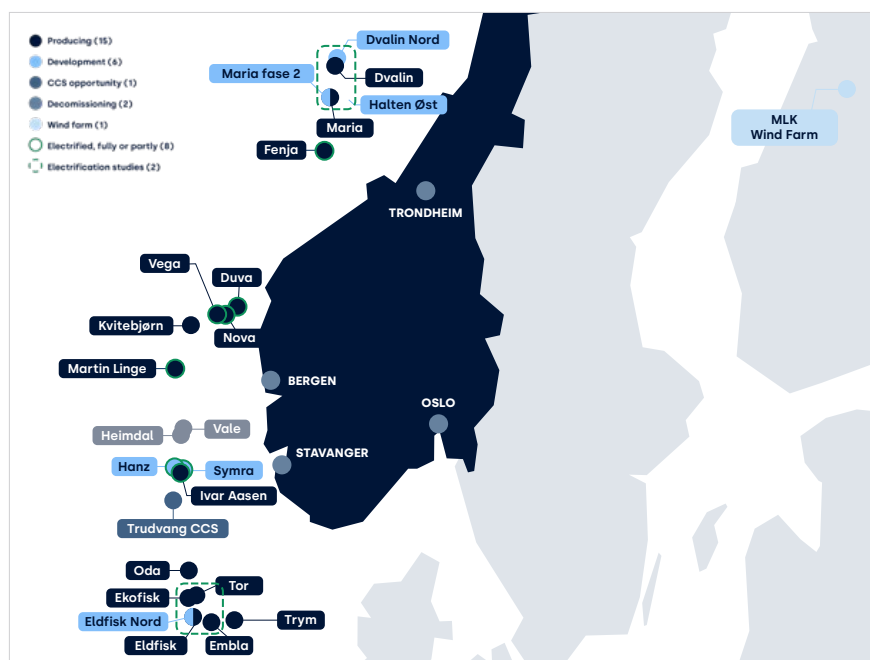
Sval believes that a focus on ESG will add value and help future-proof its business, and the company, therefore, integrates ESG assessments into its business activities and decisions. Sval supports the goals of the Paris Agreement and recognises the need for the oil and gas industry to reduce its carbon footprint. In addition, the historical agreement from COP 28 sends a strong signal about the need to transition to a clean energy system towards 2050. At the same time, there is a need for affordable and reliable energy to ensure a transition, and Sval expects that oil and gas will play an important role in the energy mix for years to come.

In 2023, Sval began to further develop the company's materiality assessment to be in line with EUs Corporate Sustainability Reporting Directive (CSRD). The assessments were performed with the involvement of internal stakeholders from, for example, HR and safety functions, along with subject matter experts on environmental topics. Insights were used to reaffirm the foundations of Sval's ESG approach.

Environment

Sval is focused on reducing the GHG emissions related to its oil and gas production and supports the ambitious joint industry target to reduce emissions by 50% by 2030. Sval's commitment to minimise the negative impact of its activities is captured in its ESG and HSE policies.

As Sval has grown the portfolio, the GHG profile of an asset has been evaluated as part of the investment decision. Electrification remains the most important measure to reduce emissions from the upstream activities, and nearly half of Sval's oil and gas portfolio is, or is planned to be, electrified. During 2023, power from shore to Ivar Aasen was fully operationalised, and at the end of the year, Sval's Fenja field – a tie-in to Njord – was granted approval for electrification in cooperation with the Draugen and Njord fields. Further work to decarbonise the production continues in all licenses with multiple near-term and long-term measures in the pipeline.



Overview of Sval Energi's portfolio of assets.

Sval works closely together with our license partners and in industry forums and workgroups to decarbonise the activities on the NCS. Sval also supports research and development projects such as SINTEF's Low Emission Centre, which develops new technology and concepts for offshore energy systems and integration with renewable power production technologies. The company's exploration strategy aims to minimise emissions, through near-field exploration to reuse existing infrastructure and favouring host facilities with low emissions.

In 2023, Sval established an Emission Reduction Forum to build competency, engage employees and share learnings and best practices. The forum has regular meetings involving personnel from technical disciplines, projects, and asset functions.

Sval supports the objectives expressed in the Convention on Biological Diversity and respects legally designated areas, protected areas, and areas of high sensitivity and high ecological value. Sval's most material environmental aspects, other than climate change, include discharges to sea, other emissions to air, waste, and discharges of hazardous substances, as well as how these aspects affect biodiversity. Sval aims to have as low an environmental impact as reasonably possible, using Best Available Technique (BAT) and Best Environmental Practices (BEP) methodologies.

The continuous work to reduce the environmental impact is described in the environmental management system based on the principles of ISO 14001. Sval's business management system is designed to ensure corporate governance and control HSE risk including environmental incidents, and objectives and targets are set to measure performance.

Social

Sval regards safety as its number one priority and has defined an HSE policy with clear targets and KPIs aiming for zero harm to people. In 2023, the company completed comprehensive improvements to its health and safety management system. Sval had no safety incidents in its own operations in 2023. The company has no permanent offshore workers, all employees are office staff. However, Sval systematically audits the HSE and emergency preparedness established by the operator of each asset the company holds an interest in.

In the reporting period, Sval conducted a tabletop exercise in cooperation with Equinor and Subsea 7 to prepare the emergency organisations on how to respond and cooperate in case of an incident during the Vale decommissioning activities. In addition, Sval hosted a full-scale emergency response exercise responding to a major accident at Oda together with Aker BP, the operator of the host facility, Ula.

Sval aims to create an inclusive work environment and foster a diverse workforce. Ending 2023, the company had 144 employees across the Stavanger and Oslo offices, of which 36% were women. Along another diversity axis, 19 different nationalities are now represented in Sval. The company continues to focus on gender equality and recruiting a workforce from diverse age groups and backgrounds. In 2023, Sval implemented a diversity and inclusion (D&I) tool which allows for better analysis and reporting of the company's strategic work on equality. With this as a basis, Sval has also rolled out D&I training for employees, recruiters, and leaders in Sval.

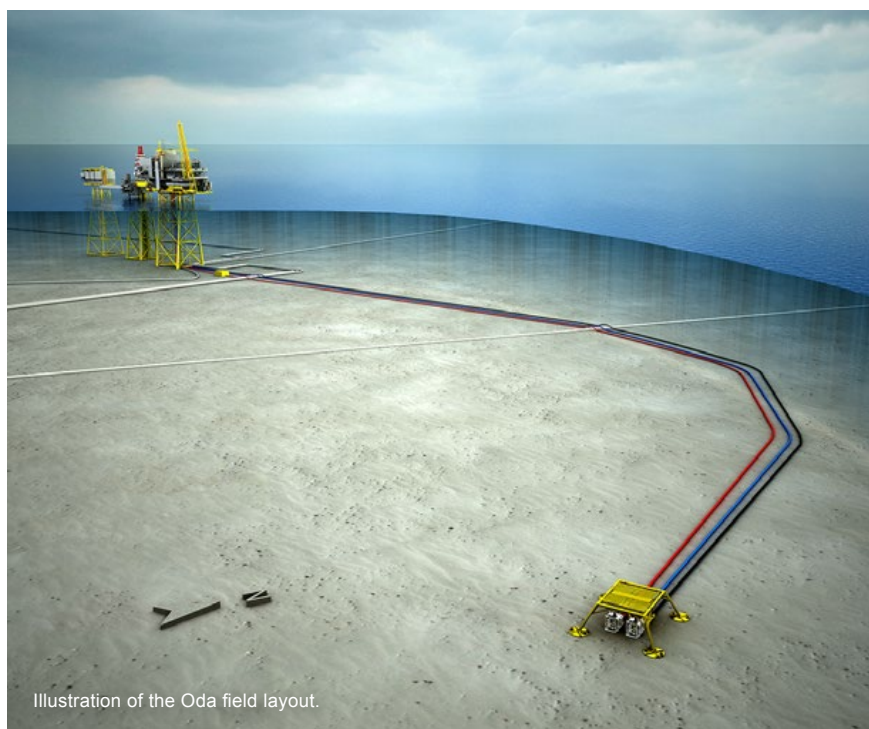
In 2023, Sval completed a comprehensive Working Environment Survey to identify and correct any challenges and enhance positive aspects of the work environment in Sval. 96% of the employees responded to the survey and the engagement remained high throughout the process of working on improvements. In addition to department workshops, Sval established a working group across the organisation to support a culture where people feel safe and valued. Sval has zero tolerance for harassment, and a letter of commitment describing how to work together to ensure a fully satisfying work environment has been signed by the employee representatives and the executive leadership team and will be followed up in 2024.

During 2023, Sval continued to mature its response to the Norwegian Transparency Act. This has included building awareness and competency for risk identification and establishing tools and processes to ensure the important topics of basic human rights, including workers' rights, are considered in day-to-day activities. Recently, Sval held a cross-discipline risk review that created engagement and helped raise awareness. Although Sval's geographical focus on the NCS reduces the inherent risk levels, we diligently address human rights and working conditions.

Sval has established a supplier code of conduct and has implemented the regulatory requirements of the Transparency Act into its established vendor due diligence system. Sval also publishes a stand-alone due diligence report for responsible business conduct.



From the Kviteseid platform.



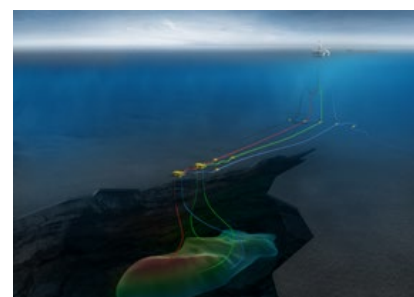
Governance

In 2023, Sval concluded a revision of its business management system to set up a solid foundation for the company's further development. This was done with involvement from the majority of the organisation and a process owner forum was established to ensure ownership all the way up through to the leadership team and CEO level. Sval has established a full suite of policies to embed high ethical standards to the employees' business conduct. All employees are mandated to complete training in these. There have been no reported cases of non-compliance in 2023.

Transparency is fundamental to Sval's governance approach. The company openly reports on its own impacts and contributions, based on acknowledged standards. Sval is committed to reporting with reference to the Global Reporting Initiative (GRI) and is set to publish its third annual sustainability report in 2024 with reference to this framework.

TCFD is another framework applied by Sval. The company takes climate risks and opportunities into account when developing strategies and financial plans. Several of the climate-related risks are viewed as material and are continuously monitored and managed, and this is also reflected in the company's overall enterprise risk management register.

Over the past year, Sval has consistently fortified its cyber security framework, reinforcing the company's commitment to safeguarding operational integrity and stakeholder trust. Recognising the dynamic nature of cyber threats, Sval has enhanced its information security management system, benchmarking against ISO 27001 to ensure robustness and resilience, as well as alignment with cyber regulations. The company continues its digital security training to raise awareness and knowledge around cyber security among its employees.



Top: Overview of the Martin Linge platform.
Middle: Overview of the Martin Linge platform.
Bottom: Illustration of the Fenja field layout.

WANT MORE INFORMATION?

Sval Energi publishes its own sustainability report.
Please see www.sval-energi.com





Offshore workers on the Goliat platform.

HEADQUARTERS: Sandnes, Norway

WEBSITE: www.varenergi.no

NUMBER OF EMPLOYEES (FTES): 1,055

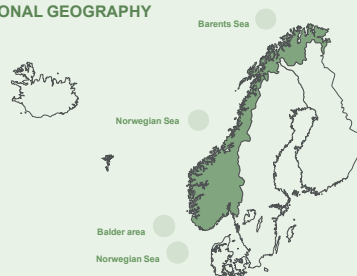
REVENUES (2023): USD 6,850 million

HV'S SHAREHOLDING: 13.2%

INVESTOR: Fund SpringPoint

ESG CONTACT: Ellen Waldeland Hoddell

OPERATIONAL GEOGRAPHY



ESG REPORTING: Integrated Annual report in accordance with GRI

CERTIFICATIONS: ISO 14001

SDGs:



Company description

With a history spanning over 50 years, Vår Energi is established as a leading independent company in the upstream oil and gas industry on the Norwegian Continental Shelf (NCS). The company's approach is grounded in responsible growth, leveraging a strong, diversified asset base, ongoing development activities, and a notable track record in exploration to secure future energy needs.

The firm employs over 1,300 individuals and holds interests in 47 producing fields, directly operating four of these across the Barents Sea, Norwegian Sea, North Sea, and the Balder Area. In 2023, Vår Energi produced 77.7 million barrels of oil equivalents. In June 2023, Vår Energi signed an agreement to acquire Neptune Norway with closing in February 2024, solidifying its position as one of the largest producers on the NCS.



Nick Walker
CEO

Key Reported ESG Figures for Vår Energi 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions - operational control						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	299 627	207 492	195 359	181 150	195 706
Energy indirect GHG emissions (GHG PCS Scope 2)	tCO ₂ e	13 709	3 381	4 714	4 671 ³	7 927
Other indirect GHG emissions (GHG PCS Scope 3), excluding use of sold products	tCO ₂ e	21 360	75 621	121 062	234 443	722 783
Other indirect GHG emissions (GHG PCS Scope 3), use of sold products only	tCO ₂ e	34 686 566 ⁷	10 092 095	9 304 083	8 169 903	7 390 010
Greenhouse Gas Emissions - equity share						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e					961 530
Energy indirect GHG emissions (GHG PCS Scope 2)	tCO ₂ e					
Other indirect GHG emissions (GHG PCS Scope 3), excluding use of sold products	tCO ₂ e					
Other indirect GHG emissions (GHG PCS Scope 3), use of sold products only	tCO ₂ e					
Carbon Intensity						
Weighted Average Carbon Intensity - operational control	tCO ₂ e/USDm				5.6	6.6
Carbon intensity per barrel of oil equivalent produced - operational control	Scope 1 kgCO ₂ e/boe	10.1	7.2	7.8	7.9 ¹	9.8 ¹
Carbon intensity per barrel of oil equivalent produced - equity share	Scope 1 kgCO ₂ e/boe	10.8	10.8	11.5	11.7	13.2
Revenue carbon intensity - Scope 1 & 2 - operational control	tCO ₂ e/USDm	61.8	74.2	34.4	18.9	29.7
Revenue carbon intensity - Scope 1, 2 & 3 - operational control	tCO ₂ e/USDm	66.1	100.7	54.3	874.1 ³	1 214.1
Production						
Oil and gas productions - operational control	boe	28 800 000	27 200 000	25 100 000	22 926 980	19 901 034
Oil and gas productions - equity share	boe	101 200 000	94 600 000	89 700 000	80 318 557	72 746 628
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	7 347	4 227	14 913	15 085	19 327
Non-Hazardous waste	tonnes	833	591	906 ²	1 460	1 308
Hazardous waste	tonnes	6 513	3 636	14 007 ²	13 625	18 019
Recycling ratio	weighted average %	6%	8%	4%	6% ³	5%
Unplanned spills (emissions to ground/sea/air)	#	12 ⁴	18 ⁴	3	1	3
SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI) ⁵	#	6	8	11	10	4
Diversity and inclusion						
Share of women in workforce ⁶	%	27%	26%	27%	26%	38%
Share of women in senior management ⁶	%	23%	25%	17%	25%	33%
Share of women in board of directors	%				50%	50%
People						
Number of employees ⁶	#	843	901	950	977	1 055
Short term sick leave ⁸	%			4%	3%	3%
Long term sick leave ⁸	%			4%	3%	3%
Employee turnover ratio	%	1%	2%	1%	4%	3%
Did the company conduct an employee survey during the year	Yes/No					Yes
Employee survey response rate for companies who conducted an employee survey during the year	%					76%
GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	80%	80%	96%	92%	100%
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of whistleblowing cases	#	1	3	4	9	6
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	1	2	2
Investigations or lawsuits in relation to ESG issues	#	0	3	1	1	2
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	0

For detailed information on the company's ESG performance, refer to Vår Energi's annual report, accessible on their website.

¹ This figure diverges from the value reported by Vår Energi. The company calculates this as the equity share of assets under operational control. In contrast, HitecVision considers 100% of the assets under operational control. ² Only onsite waste, for offsite waste please refer to the company's annual report or historical sustainability reports. ³ This number has been revised from the reported figure in 2022. ⁴ Definition of unplanned spills have changed from 2021 to significant unplanned spills, in alignment with the GRI Standards. Significant unplanned spills are defined as reportable spills to the Norwegian Petroleum Safety Authority (PSA) according to the management regulation §29. ⁵ Vår Energi does not report Lost Time Incidents (LTIs). Therefore, we have calculated this based on the number of reported serious incidents. ⁶ Adjusted definition from 2019. ⁷ Based on equity share. The calculation boundary was changed in 2022, with recalculation for 2021 and 2020 only. ⁸ Vår Energi's sick leave is not divided between short term sick leave and long term sick leave.

PERFORMANCE COMMENTARY. In 2023, the direct GHG emissions (Scope 1) increased by 8% compared to 2022. This is due to increased exploration drilling and high activity on Balder. Vår Energi expanded its Scope 3 reporting in 2023, most notably related to purchased goods and services (category 1) and capital goods (category 2), resulting in increased Scope 3 emissions. The increase in carbon intensity figures and waste volume is driven by the increased exploration and drilling activity. There were 3 chemical spills to sea, but none were reported as significant (>10L).

Vår Energi had a positive development in female representation in the workforce and senior management in 2023. 6 whistleblowing cases were reported during 2023, whereof 5 were closed per year-end. Further details are provided in the company's own comprehensive annual report.



Offshore workers on the Goliat platform.

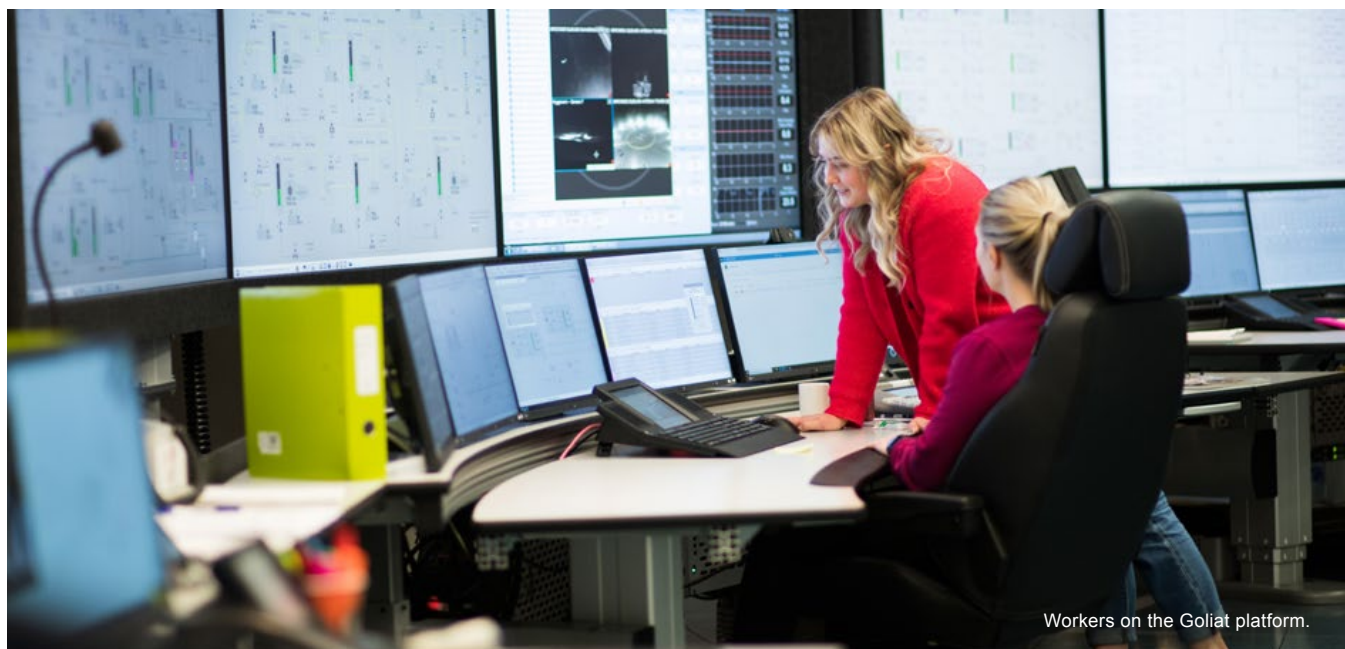
ESG management approach

Vår Energi places ESG at the core of its business operations, integrating it into the company's strategic framework through its corporate governance system. The Safety & Sustainability Committee is appointed a dedicated sub-committee of the board, overseeing safety, and sustainability matters. Vår Energi has adopted a Sustainability Policy, approved by the board, to guide the company's sustainability initiatives. The Sustainability Policy outlines the strategic direction for sustainability efforts. The responsibility for the implementation and ongoing relevance of this policy sits with the Senior Vice President (SVP) of Safety and Sustainability.

Vår Energi focuses on delivering a stable and secure energy supply with reduced greenhouse gas emissions, while also ensuring responsible natural resource management. The company aims to enhance economic returns for its owners and contribute to Norwegian society through increased energy production for Europe.

The company has received industry-leading ratings from external ESG rating agencies such as Sustainalytics and PositionGreen due to its management and disclosure of risks related to environmental, social, and governance issues.

Currently, the company is preparing for the Corporate Sustainability Reporting Directive (CSRD) and has completed its double materiality assessment to review its material topics. The process and methodology were guided by the requirements in the directive and incorporated industry best practices, internal expertise and engagement with relevant stakeholders from different stakeholder categories. The double materiality assessment will guide next years' sustainability reporting.



Environment

Vår Energi is committed to the Paris Agreement and the UN SDG 13 (Climate Action) and SDG 7 (Affordable and Clean Energy), supporting the transition to a low-carbon future. This dedication is integrated into the company's decarbonisation strategy. The challenge of ensuring energy access during the transition remains a significant challenge for both Vår Energi and society more broadly. Additionally, the company aligns with KonKraft's industry strategy, aiming to reduce Scope 1 emissions by 50% in 2030 compared to 2005 and achieve near-zero emissions by 2050, as outlined in "The Energy Industry of Tomorrow on the Norwegian Continental Shelf – Climate Strategy Towards 2030 and 2050". Vår Energi states that the main decarbonisation measure toward 2030 is electrification of offshore platforms, portfolio optimisation and energy management.

Electrifying offshore operations through renewable sources is considered a key part of Vår Energi's decarbonisation plan for 2030. Some projects are still in the concept stage, while others are expected to progress further into 2024. After electrification of the Goliat platform, Vår Energi is currently in an early phase project to electrify the Jotun FPSO and Ringhorne asstes.

To further reduce its Scope 1 and 2 emissions, Vår Energi has focused on energy efficiency during operations (energy management) and minimising cold venting and fugitive emissions. For long-term GHG reductions, the company is exploring low-emission technologies and carbon capture and storage (CCS) technology. The company participates in various R&D projects, including the Low Emission Centre dedicated to technology for petroleum activities on the NCS. Additionally, Vår Energi collaborates with the Norwegian CCS Research Centre (NCCS) to accelerate the deployment of carbon capture and storage technology. These endeavours are characterised by industry-led, science-based innovation, aimed at addressing significant barriers identified within demonstration and industry projects.

Vår Energi is committed to achieve its 2030 target of near-zero methane (CH₄) emissions from operated assets. The company is a signatory to the OGCI Aiming for Zero methane emissions initiative, a commitment to eliminate the methane footprint of the oil and gas industry by 2030. The methane emissions from operations on the NCS are very low, but in alignment with this initiative, Vår Energi is revising its decarbonisation plan to intensify efforts aimed at rapidly reducing methane emissions further.

Following the TCFD recommendations and framework, Vår Energi has carried out a climate risk and opportunity assessment. A summary of the primary risks and opportunities identified is available within the company's annual sustainability report.

Vår Energi's oil and gas operations take place offshore on the NCS and the company has identified a potential for adverse effects on marine habitats, biodiversity, and ecosystems. The company is dedicated to ecosystem conservation by continually assessing its interaction with nature and biodiversity and is working to minimise negative impacts through reductions in emissions to sea, land and air.

In 2023, Vår Energi continued its efforts in biodiversity management, outlining the company's approach to managing biodiversity and ecosystem services. The company's Sustainability Policy underscores its commitment to biodiversity conservation and is supported by the adoption of Biodiversity and Ecosystem Services Guidelines.

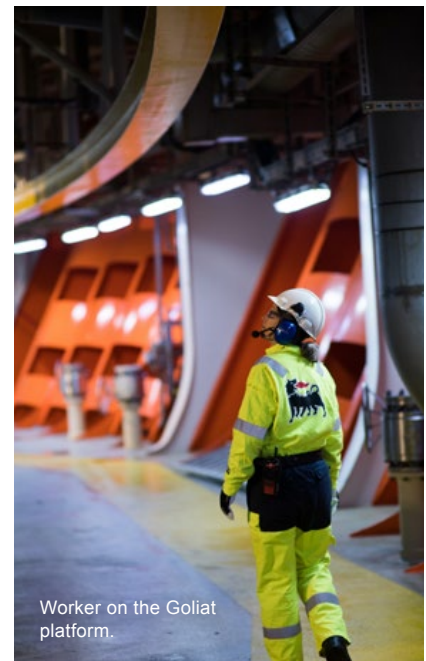
Vår Energi participated in several Norwegian Oil and Gas Association (NOROG) circular economy and collaborative initiatives throughout 2023, including AM/3D printing, virtual inventory, EqHub as a technical information library for equipment in accordance with standards, improvement projects, standardised supply chain behaviour, and the loop hub initiative. These collaborative efforts are aimed at reducing surplus materials, cutting costs, advocating for the reusability of materials and parts, decreasing industry-generated waste, and supporting the principles of a circular economy and reduced environmental impacts.

Social

Vår Energi's ambition is to be the safest operator on the NCS, therefore the health and safety of employees and contractors remain a top priority. As part of this ambition, the company has continued to carry out its Always Safe annual calendar in 2023, focusing on learning sessions and training, along with its Lifesaving Rules initiatives. These efforts are aimed at ensuring excellent performance and enhancing safety across the organisation.

Vår Energi's commitment to workplace health and safety is grounded in ISO 45001 certification. The company's safety management system is built upon the principles outlined in IOGP 510.

Vår Energi has zero tolerance for harassment and is committed to a working environment free of discrimination on the basis of gender, age, religion, political views, race, skin colour, nationality, ethnic origin, sexual preference, or living arrangements.



Worker on the Goliat platform.

To promote diversity and inclusion, Vår Energi has in 2023 added several measures. These actions involve a comprehensive revision of its recruitment process, introducing recruitment templates, in addition to leader awareness training. Unconscious bias training has been rolled out company-wide, encompassing employees, leaders, and contractors.

Additionally, Vår Energi has reviewed various positions with focus on achieving equitable pay based on factors such as position complexity, level of experience, and performance. The company has initiated a company-wide diversity and inclusion network and has integrated diversity and inclusion measures into its people development and talent review process. By the end of 2025, Vår Energi aims to reach 30% female employees, and a ratio of female managers that reflects the gender balance both onshore and offshore.

Governance

Vår Energi's Code of Ethics establishes the ethical principles and standards that both employees and business partners are obligated to follow. Anchored in the framework of the UN SDGs, this code serves as a compass for decision-making and actions that align with Vår Energi's core values of responsibility, legality, transparency, and the creation of long-term value creation.

Cyber security remains a top priority for Vår Energi, with a continued focus on awareness programs and the use of nano-learning to enhance knowledge. The company places a strong emphasis on competence building to safeguard sensitive information, prevent unauthorised access, and maintain efficient incident reporting. In support of these objectives, Vår Energi has introduced training courses dedicated to operational technology systems.

In 2023, Vår Energi participated in Offshore Norge's initiative to develop a common set of guidelines for the Norwegian Transparency Act. Under the framework of the Transparency Act, every joint venture partner is legally required to perform Human Rights due diligence. Operators, including Vår Energi, regularly update their joint venture partners about their work in human and labour rights and compliance with the Transparency Act.

When considering new tenders for goods and services, Vår Energi conducts integrity due diligence assessments of new and existing suppliers. The potential supplier must complete a comprehensive questionnaire to ensure that the supplier has sufficient technical and professional qualifications to safeguard human and labour rights in the contract when this is possible. In 2023, Vår Energi conducted due diligence assessments for human rights and worker rights for all suppliers and sub-suppliers to new contracts. In Vår Energi's tender processes, ESG criteria are evaluated and have the potential to be weighted up to 30% depending on their relevance within specific categories of goods and services.

WANT MORE INFORMATION?

Vår Energi publishes its own sustainability report. Please see www.varenergi.no



Infrastructure and services

Hav Energy page 111

OMP Capital page 115

Ocean Installer page 119

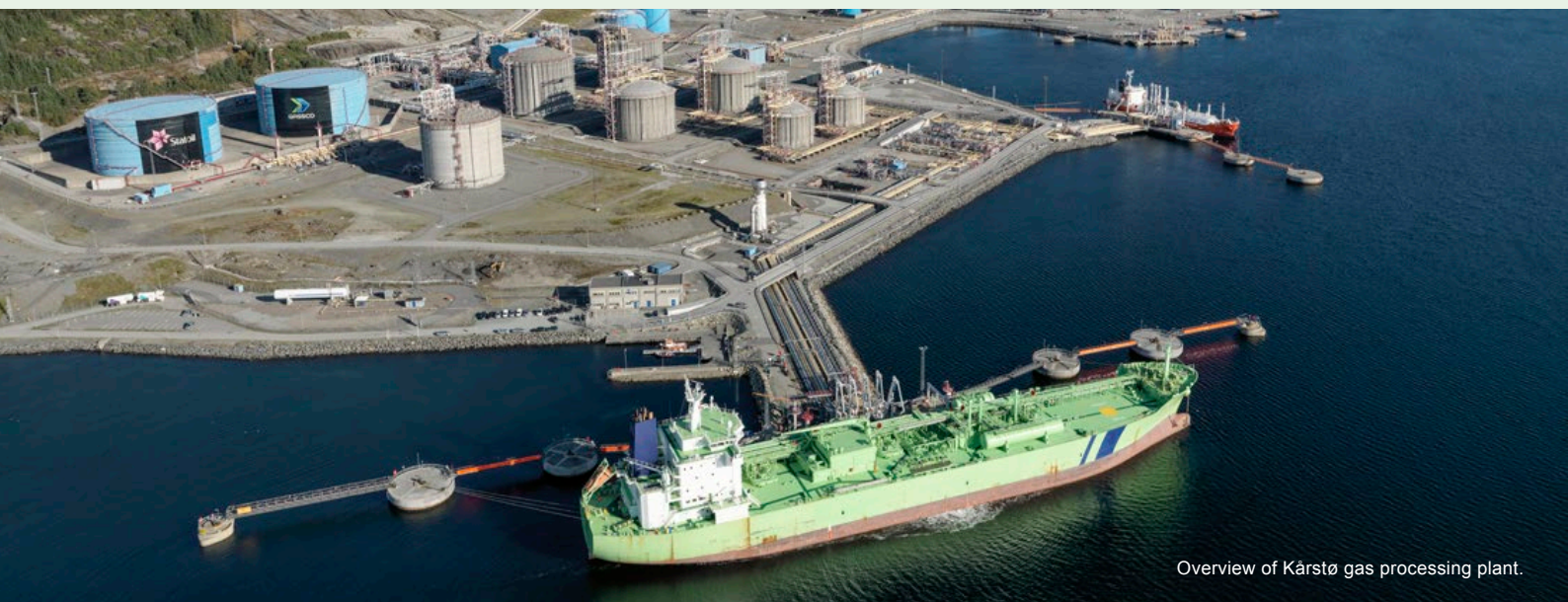
Energy Drilling page 123

Moreld page 127

Prosafe page 131

WellPartner page 135





Overview of Kårstø gas processing plant.

HEADQUARTERS: Stavanger, Norway

WEBSITE: www.havenergy.no

NUMBER OF EMPLOYEES (FTES): 9

REVENUES (2023): USD 381.4 million

HV'S SHAREHOLDING: 99.4%

INVESTOR: Fund VII

ESG CONTACT: Atle Gundersen

OPERATIONAL GEOGRAPHY



ESG REPORTING: None

CERTIFICATIONS: N/A

SDGs:



Company description

Hav Energy is an infrastructure company established by HitecVision. Hav Energy invests in and develops energy infrastructure, including regulated pipelines and terminals, production facilities, LNG vessels and carbon capture and storage. The company aims to become a leading energy infrastructure company and the preferred partner for European energy utility companies for their investments in the energy transition.

Hav Energy owns a share of the Norwegian gas transportation infrastructure, Gassled and Polarled, which forms the world's largest offshore pipeline system, supplying about 25% of all gas used in the EU. In addition, Hav Energy is a co-owner of a number of French SPVs which each will construct, own and operate liquified natural gas (LNG) vessels with Knutsen LNG.

The company will continue to develop its portfolio of energy assets through investments in infrastructure for natural gas and other energy carriers in the green transition. Hav Energy wants to contribute to decarbonising Europe's gas infrastructure. In the short-term perspective, decarbonisation of the gas itself is most relevant. In a long-term perspective, the infrastructure could be repurposed for transport of hydrogen or carbon.



Stian Konstad
CEO

Key Reported ESG Figures for Hav Energy 2023

(2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2022	2023
Greenhouse Gas Emissions (operational control)			
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	0	0
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	0	0
Other indirect GHG emissions (GHG PCS Scope 3) ¹	tCO ₂ e	152 707	148 313
Carbon Intensity			
Weighted Average Carbon Intensity	tCO ₂ e/USDm	0.0	0.0
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	0.0	0.0
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	301.2	388.9
Waste, unplanned spills and recycling ratio			
Total waste ²	tonnes	0	0
Non-Hazardous waste ²	tonnes	0	0
Hazardous waste ²	tonnes	0	0
Recycling ratio ²	weighted average %	0%	0%
Unplanned spills (emissions to ground/sea/air)	#	0	0

SOCIAL	2022	2023
Health and safety		
Lost time injuries (LTI)	#	0
Diversity and inclusion		
Share of women in workforce	%	14%
Share of women in senior management	%	50%
Share of women in board of directors	%	25%
People		
Number of employees	#	6
Short term sick leave	%	0%
Long term sick leave	%	0%
Employee turnover ratio	%	13%
Did the company conduct an employee survey during the year	Yes/No	No
Employee survey response rate for companies who conducted an employee survey during the year	%	

GOVERNANCE	2022	2023
Maturity in governance matters		
Does the company have an anti-corruption program in place	Yes/No	Yes
Percentage of employees that have completed anti-corruption training	%	100%
Does the companies have an established whistleblowing channel	Yes/No	Yes
Number of whistleblowing cases	#	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes
Breaches of ethical guidelines	#	0
Investigations or lawsuits in relation to ESG issues	#	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0

¹ Hav Energy's Scope 3 emissions include ownership shares in diverse natural gas networks and infrastructure. ² The company employs only a small number of office workers, and their waste is a such negligible.

PERFORMANCE COMMENTARY. Hav Energy has minimal direct emissions, and thus focuses on its indirect emissions, primarily those related to the gas infrastructure operations that the company is invested in through its 15.6% holding in Gassled (Scope 3, category 15). The Kårstø gas processing plant was put into operation in 1985, and is Gassled's biggest source of greenhouse gas emissions, as natural gas is used to fuel the operations at the plant. The total Scope 3 emissions are lower in 2023 compared to 2022. The increase in carbon intensity reflects the decrease in revenues following lower share of legacy bookings in 2023 and lower opex revenues due to lower electricity costs.

The company increased its workforce with three new hires in 2023, all male, and expanded its senior management team from two to three persons, driving the decrease in female representation in the workforce and senior management.



Delivery of LNG vessel Paris Knutsen in September 2023.



Inspection of the Statpipe tunnels.

ESG management approach

Hav Energy has established ESG procedures and policies in line with HitecVision's guidelines. ESG-related matters are followed up through regular reporting and meetings with the board and HitecVision. ESG is integrated in Hav Energy's overall strategy, which aims to take part in the energy transition by seeking industrial and financial exposure towards critical energy transition infrastructure solutions.

Environment

Hav Energy is an investor in infrastructure for natural gas, and therefore focuses on its Scope 3 emissions. Gassled is committed to reducing its Scope 3 emissions by 55% by 2030, from a 2005 baseline, engaging with the asset operators and other owners to decarbonise the operations.

An important project for Hav Energy in 2023 was the initiation of the Kårstø gas processing plant Reduced Emission and Membrane CO₂ Removal Project (KREm). The Kårstø gas terminal represents Norway's second largest emission point and over the past 20 years emissions have amounted to around 1 million tonnes of CO₂ equivalents per year. The preliminary figures show that KREm can result in a total reduction in emission of 300,000-500,000 tonnes per year. Total capital expenditures are estimated to be NOK 5-7 billion. KREm involves a combination of electrification, CO₂ removal plant (CRP) and other energy efficiency measures. Larger reductions will require larger investments, and the KREm project is intended to ensure significant emission reduction. Hav Energy emphasises that the demand for energy will continue to grow as part of the energy transition, and carbon capture storage will play an important role to reach the climate target.

Another business area for Hav Energy is transportation of LNG by vessels. The footprint of the LNG vessels that Hav Energy co-owns with Knutsen LNG will have emissions profiles which are significantly better than traditional LNG vessels. Replacing traditional LNG vessels with these newbuilds is therefore an energy efficient solution that will result in reduced emissions.

Hav Energy has also begun the process of assessing and adapting its investments to potential climate risk. The company commissioned its insurance broker Marsh to carry out an assessment of physical climate risk for each of the onshore sites and valve stations along the onshore part of the pipelines system (the stretch from landfall to receiving terminal), in two different temperature scenarios. Through the assessment, Marsh identified that none of the sites are currently subject to significant physical climate risk, but a long-term risk towards 2100 was identified at three of the receiving facilities in the EU: Dunkerque Terminal, Europipe Receiving Facilities in Dornum and Zeebrugge Terminal.

Social

Hav Energy is committed to maintaining high social standards and has a strong focus on safety and wellbeing. The company also strives to ensure a good work-life balance for the company's employees. Hav Energy recognises the importance of gender balance among employees, and the company has received a strong call to ensure such a balance from various stakeholders, including HitecVision. As there is a current predominance of men in the company's workforce, measures to ensure that future job advertisements are appealing to all potential applicants have been implemented.

Hav Energy acknowledges that human rights issues are relevant across the entire lifecycle of a ship, from design, finance and ordering, through building, operations and recycling. To strengthen the company's employees' understanding of the responsibility towards human rights, Hav Energy promotes awareness when entering new framework agreements or similar and as part of the annual review of Hav Energy's governing documents such as the Code of Conduct and IDD Policy. In selecting suppliers, Hav Energy prioritises reputable business partners who are committed to ethical standards and who maintain strong and robust business practices.

Governance

Hav Energy has fully implemented both the HitecVision Board Guidelines and the Compliance Program, as well as a Code of Conduct and a supplier code that set out clear rules and guidelines for both Hav Energy's employees and suppliers.

The company's Governing Principles and Code of Conduct form the foundation for its ESG governance. It guides directors and employees (including consultants) in complying with the legal and ethical requirements governing all business conduct. All employees are expected to conduct their actions in accordance with the Code and all applicable laws and regulations. Beyond that, employees are required to respect safety and environmental concerns and be sensitive to society at large. The Code provides procedures on how employees must report any breaches of the Code and follow up any reported misconduct.

The company recognises the importance of cyber security, and employees are regularly required to undergo training within this matter. Risk management is an integrated part of the company's business processes and decisions. Hav Energy is working to identify potential risks within the company, supply chain and among business partners. The company's suppliers and business partners are also challenged to assess their own operations, supply chains and business partners in terms of human rights and working conditions. Hav Energy applies a due diligence process to assess potential risks in its supply chain, in line with the requirements of the Norwegian Transparency Act.



Kollsnes gas processing plant.



PGNiG-chartered LNG carrier.

HEADQUARTERS: Oslo, Norway
WEBSITE: www.omp.no
NUMBER OF EMPLOYEES (FTES): 11
REVENUES (2023): USD 66.2 million
HV'S SHAREHOLDING: 68.7%
INVESTOR: Fund VI
ESG CONTACT: Espen Tørvold Guldbrandsen

OPERATIONAL GEOGRAPHY



ESG REPORTING: None

CERTIFICATIONS: OMP Capital AS is a licensed Alternative Investment Fund Manager (AIFM) by the Norwegian FSA (Finanstilsynet)

SDGs:



Company description

Established in 2013 by HitecVision, OMP Capital is a specialised finance and asset management firm within the energy and maritime sectors. The company provides custom financing solutions and manages assets within energy infrastructure and maritime transportation. The company focuses on deal structuring, financing and management of assets, providing long-term financing to its target markets.

As a licensed Alternative Investment Fund Manager (AIFM) by the Norwegian Financial Supervisory Authority, it operates alternative investment funds in Malta and Guernsey, adhering to regulatory standards across these jurisdictions.

In April 2024 HitecVision sold OMP Capital to Entrust Global, an alternative asset manager that through the OMP acquisition will expand its presence in the maritime and energy industry.



Ivar H. Myklebust
CEO

Key Reported ESG Figures for OMP Capital 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions (operational control)						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	0	0	0	0	0
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	0	0	0	0	0
Other indirect GHG emissions (GHG PCS Scope 3) ¹	tCO ₂ e	34	1	39 998	51 649	45 082
Carbon Intensity						
Weighted Average Carbon Intensity	tCO ₂ e/USDm				0.0	0.0
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	0.0	0.0	0.0	0.0	0.0
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	0.6	0.0	651.9	889.7	680.9
Waste, unplanned spills and recycling ratio						
Total waste	tonnes				0 ²	0 ²
Non-Hazardous waste	tonnes				0 ²	0 ²
Hazardous waste	tonnes				0 ²	0 ²
Recycling ratio	weighted average %				0% ²	0% ²
Unplanned spills (emissions to ground/sea/air)	#				0	0

SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#				0	0
Diversity and inclusion						
Share of women in workforce	%	9%	8%	10%	25%	27%
Share of women in senior management	%	0%	0%	0%	0%	0%
Share of women in board of directors	%				0%	0%
People						
Number of employees	#	11	12	10	12	11
Short term sick leave	%	1%	1%	1%	1%	2%
Long term sick leave	%	0%	0%	0%	0%	0%
Employee turnover ratio	%	8%	17%	9%	18%	17%
Did the company conduct an employee survey during the year	Yes/No					No
Employee survey response rate for companies who conducted an employee survey during the year	%					

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	100%	100%	100%	66%	100%
Does the companies have an established whistleblowing channel	Yes/No	No	No	No	No	No
Number of whistleblowing cases	#	0	0	0	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	No	No	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	0

¹ New scope 3 baseline established in 2021. ² The company employs only a small number of office workers, and their waste is a such negligible.

³ This number has been revised from the reported figure in the 2022 report.

PERFORMANCE COMMENTARY. OMP Capital's GHG emissions reflect limited own operations with marginal Scope 1 and 2 emissions. Hence, the focus is primarily on its Scope 3 emissions. The company has established processes to ensure that these are provided by the operators of assets financed by OMP (Scope 3, category 13), with comprehensive data available since 2021. The 2023 figures show a decrease of 13% from 2022, which is due to the sale of two vessels during 2023.

OMP has focused on improving the diversity of its team and continues to make progress in 2023. The percentage of employees that have completed anti-corruption training returned to 100% as new hires in 2022 completed the training program in 2023.



ESG management approach

OMP Capital is aiming to become a leading manager of sustainable capital. To achieve this, the company has invested in energy transition projects and updated its investment process to incorporate ESG factors. One example is financing of vessels that were previously used for seismic surveys and drilling in the oil and gas sector, which can now be repurposed for offshore wind projects.

OMP's ESG due diligence process considers various risks and opportunities. This approach extends to the assessment of physical assets, where the company evaluates sustainability risks using both internal and external data. In its financing of ships, OMP prioritises modern and efficient vessels. This approach results in reduced fuel consumption, shorter sailing times, and ultimately lower emissions. In addition, during the construction phase, OMP carefully assesses the shipowners' social and governance standards at the shipyard to ensure full compliance. Complementing these measures, the company also actively collects and monitors emission data from vessels and other physical assets under its control on a quarterly basis.

Environment

OMP Capital aims to play a strategic role in the energy transition by allocating financing to more sustainable energy solutions. For example, this includes an investment in a project that aids Poland in transitioning from coal and Russian gas to LNG as an energy source. This project involves the delivery of six LNG vessels to Orlen Group, a Polish energy company. In 2023, the construction of four of the ships were completed and delivered, while the remaining two are anticipated to be delivered in 2025. Orlen Group will utilise these ships under a long-term charter agreement with Knutsen LNG of Norway. This investment not only contributes to European energy security but also supports the transition to cleaner energy in Poland.

In total, OMP finances ten LNG ships. Apart from the deliveries to the Orlen group, one is currently operating under a contract with Enel, one to Engie, two to QatarEnergy, of which the latter three are under construction with expected delivery in 2025.



Grand Canyon offshore supply vessel.

In 2023, OMP intensified its focus on the 'end-of-life' aspect of its financed ships. Projects that can extend the lifespan of these vessels, under appropriate conditions, will aid in reducing material consumption and embedded emission. OMP considers a long-term strategy for the ships, which includes a perspective on their end-of-life usage. During the year, OMP also continued assessing the carbon intensity of its financed assets.

Social

OMP Capital emphasises the well-being of its employees, ensuring a secure work environment, opportunities for career advancement, and a commitment to equal treatment and inclusion. OMP's social agenda is further strengthened through initiatives such as flexibility in working location, social events, career development, training courses and recruitments aligned with strategic objectives like gender balance.

Governance

OMP operates within a finance regulatory environment, OMP Capital has implemented extensive compliance measures, including protocols for anti-corruption, anti-money laundering, transaction monitoring, and cyber security. To ensure adherence to these standards, every employee is required to complete training in anti-corruption and anti-money laundering, along with supplementary training tailored to their specific job functions. Additionally, OMP Capital has established strict guidelines for employee trading, conflict of interest policy and other measures to uphold ethical practices and compliance across all operations. In 2023, OMP implemented an upgraded version of its framework and procedures concerning anti-money laundering prevention and counter-terrorism financing.

Every quarter, the company reports and presents ESG matters to the Board. The company also conducts an annual TCFD assessment that factors of climate-related risks and opportunities impacting OMP and its assets. Furthermore, OMP conducts an annual business risk evaluation at both fund and fund manager levels, focusing on risk management for all significant exposures that OMP faces. This annual review incorporates ESG as one of four risk blocks, and its outcomes are discussed with the audit and risk committee and presented to the board, forming an integral part of the company's risk management framework.



Eni's Tango FLNG being towed by Ocean Installer's Normand Drott and Normand Prosper vessels.

HEADQUARTERS: Stavanger, Norway

WEBSITE: www.oceaninstaller.com

NUMBER OF EMPLOYEES (FTES): 238

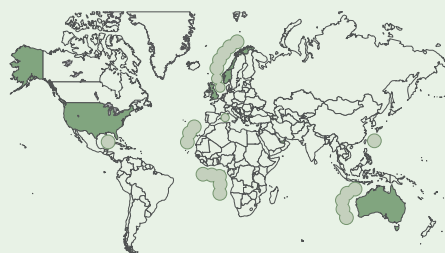
REVENUES (2023): USD 246.9 million

HV'S SHAREHOLDING: 100%

INVESTOR: Fund HVAS and Fund V (indirectly)

ESG CONTACT: Richard Stewart

OPERATIONAL GEOGRAPHY



ESG REPORTING: None

CERTIFICATIONS: ISO 9001, ISO 14001 and ISO 45001

SDGs:



Company description

Ocean Installer is a subsea installation and contracting company delivering services to the oil and gas industry and renewable markets. The company was founded in 2011 and has since grown to a marine construction company with a global presence, with more than 100 executed projects. After a demerger with Havfram Wind in 2022, Ocean Installer returned to its roots with a clear strategy for growth within marine construction across all relevant sectors in all main offshore energy markets.

Ocean Installer provides full EPCI (engineering, procurement, construction and installation) services. The company offers turnkey solutions in the areas of offshore field developments, subsea umbilicals, risers and flowlines (SURF), tow and mooring operations, decommissioning and inspection, repair and maintenance (IRM) and carbon capture and storage (CCS). In addition, Ocean Installer provides services to renewable offshore sectors such as tidal power, floating solar and offshore wind.

In 2023, the company secured its second-largest contract in its history from TotalEnergies EP Angola. The project is part of the operator's program to extend the life of the FPSO (floating production storage and offloading) to 2031.



Kevin Murphy
CEO

Key Reported ESG Figures for Ocean Installer 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions (operational control)						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	12 248	47 718	34 049	44 043	36 017
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	34	28	25	24	35
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	660	680	720	815	856
Carbon Intensity						
Weighted Average Carbon Intensity	tCO ₂ e/USDm				17.2	22.3
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	128.5	182.8	136.2	153.6	146.0
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	135.4	185.4	139.1	156.4	149.5
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	35	39	39	43	83
Non-Hazardous waste	tonnes		39	39	43	83
Hazardous waste	tonnes		0	0	0	0
Recycling ratio	weighted average %	83%	77%	65%	62%	63%
Unplanned spills (emissions to ground/sea/air)	#	0	1	0	0	0

SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#	0	0	0	0	0
Diversity and inclusion						
Share of women in workforce	%	27%	27%	27%	27%	30%
Share of women in senior management	%	29%	31%	30%	40%	40%
Share of women in board of directors	%				25%	25%
People						
Number of employees	#	198	252	266	230	238
Short term sick leave		1%	0%	0%	0%	0%
Long term sick leave		1%	0%	0%	1%	1%
Employee turnover ratio	%	2%	1%	5%	8%	8%
Did the company conduct an employee survey during the year	Yes/No					Yes
Employee survey response rate for companies who conducted an employee survey during the year	%					85%

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	75%	86%	88%	91%	92%
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of whistleblowing cases	#	0	0	0	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	0

PERFORMANCE COMMENTARY. Ocean Installer's ESG data is mainly tied to the number of vessel days used in offshore operations. Scope 1 emissions for Ocean Installer followed a similar trend to previous years from Q1 to Q3 2023. However, from Q4, there was a marked increase, notably from the record number of vessel days in November and December and, in turn, increasing vessel emissions. The increased activity is also driving the increase in waste volume.

The demerger from Havfram in 2022 led to a reduction in the number of employees in Ocean Installer, but since April 2023, no employees have left the company. The share of women in management is 40%, and all other metrics remain stable.

ESG management approach

Ocean Installer is committed to protecting the people and environment associated with its projects. The company has committed to 7 SDGs that are in line with its ESG approach. By mapping its focus areas, mission statement and values, Ocean Installer is demonstrating a clear strategy for addressing sustainability challenges and opportunities in the industry.

In 2023, ESG was further cemented as one of the strategic goals of the company, and current efforts are being made to define Ocean Installer's ESG strategy. This entail identifying more specific goals, targets and action plans with dedicated owners for implementation and follow up. By embedding these goals globally and incorporating them at project level, Ocean Installer is ensuring that ESG considerations are integrated into all aspects of its business activities. To strengthen this work, a Sustainability Manager was added to the team during 2023.

Ocean Installer is currently gearing up for the Corporate Sustainability Reporting Directive (CSRD) and has begun working on its double materiality assessment to identify and assess the material impacts, risks and opportunities related to ESG across its value chain.

Environment

Ocean Installer has an integrated environmental management system certified to ISO 14001. The management system sets out the requirements the company uses to enhance its environmental performance.

Ocean Installer has committed to reducing its carbon footprint by 50 percent for Scope 1 and 2 emissions by 2035 and aims to achieve carbon neutrality for Scope 1, 2, and 3 emissions by 2050, as outlined in its climate pledge. This pledge has been publicly announced on the company's website and communicated throughout the organisation. The company's primary strategy for achieving these goals involves reducing fuel consumption in vessel operations, which currently constitutes 98% of its total carbon emissions. This initiative is part of their low-carbon transition plan, which focuses on enhancing energy efficiency across all operations.

Ocean Installer operates as an asset-light company, primarily leasing rather than owning the vessels used in subsea installation services. With careful consideration taken during the vessel selection process, to ensure that only the best performing assets available in terms of operability and energy efficiency are selected for charter. This approach grants the company flexibility to quickly respond to changing market trends and client demands, particularly regarding decarbonisation. Collaborating with vessel owners to utilise biofuels and green technologies represents a practical approach for meeting emissions reduction targets. Ocean Installer has recently signed a long-term charter agreement for the North Sea Giant, which utilises a hybrid battery system allowing for reductions in the amount fuel burnt and carbon emitted relative to similar vessels. The company consistently tracks progress toward its environmental targets, adjusting its low carbon transition plan as needed.



Senior Engineer onboard the Normand Vision vessel.

Social

Workplace health and safety is a priority for Ocean Installer, managed according to ISO 45001 standards. The company seeks to provide employees with the best level of care and has engaged external experts to discuss mental health in the workplace and provide management with mental health first aid training. The company regularly reviews its performance against the annual HSEQ program's requirements, aiming for zero accidents and incidents. There are procedures in place to ensure that all staff have the resources, equipment, and training to conduct operations safely, sustainably, and efficiently.

The company has developed a supplier declaration with requirements to suppliers to ensure safe working conditions, ethical labour practices, and respectful and dignified treatment of workers. Ocean Installer has a zero-tolerance approach to slavery and human trafficking and has developed a dedicated policy on Slavery and Human Trafficking, outlining actions to assess its own operations and supply chain, and mitigate risks. All procurement and HR staff are required to complete training on modern slavery.

Ocean Installer believes that a diverse and inclusive workplace is key to sustainable performance over time. The goal is to increase the share of female employees to 35% from 30% in 2023. The company has formalised a non-discrimination taskforce, chaired by employees and supported by the HR department. Among the initiatives from this taskforce is an improvement to the recruitment process, focusing on more inclusive language and structured advertisements. Additionally, the company has initiated a Young Aspiring Leaders program, aimed specifically at developing a diverse group of young leaders and reinforcing its commitment to diversity in leadership roles.

Governance

Ocean Installer includes selected ESG parameters in the management team's performance review, salaries and bonuses, which is an example of how sustainability is a driver in Ocean Installer's core operations. Progress on ESG KPIs is presented to the directors at every board meeting. The company has implemented a comprehensive Code of Conduct that applies to all employees and business partners. The annual read-through of ethical guidelines helps ensure that employees understand the company's expectations and reinforce the importance of ethical behaviour.

Due diligence is performed on new suppliers to ensure they meet the company's ethical, environmental and social standards. Existing suppliers are regularly reviewed in a similar way. When external agencies are used to provide staff, these agencies are subject to the same procurement due diligence as any other supplier. A new software that balances the full overview of lifecycle and emissions effects in a comprehensive dashboard is currently in development to aid in the supplier selection process. In addition, the company is working on a tool to ensure that thorough and measurable supply chain due diligence is completed and allows for new and existing suppliers to be measured against a set scale of compliance towards Ocean Installers policies, procedures and practices.

Ocean Installer has taken measures in recent years to strengthen its cyber security programme, which includes yearly risk assessments and security reviews, as well as running tests to prevent phishing, data loss, hacking and virus outbreaks. In 2024, Ocean Installer will continue this work and implement training for all employees.



The Norman Vision installing a power cable at the Hywind Tampen offshore wind farm.



Workers on one of Energy Drilling's tender rigs

HEADQUARTERS: Singapore

WEBSITE: www.edrill.com

NUMBER OF EMPLOYEES (FTES): 246

REVENUES (2023): USD 101.7 million

HV'S SHAREHOLDING: 28.2%

INVESTOR: Fund VI

ESG CONTACT: Alexander Maroske



ESG REPORTING: The principles of the UNGC COP

ESG POLICIES: ESG Priority Statement, Governance Code

CERTIFICATIONS: None

SDGs:





Company description

Energy Drilling is an offshore drilling company. The company provides tender-assisted mobile offshore drilling rigs and drilling crews to the oil and gas industry. Typical customers are oil majors and independent oil and gas companies. The combination of quality drilling units, experienced and skilled employees, as well as trusted suppliers, allows Energy Drilling to provide its customers with safe and effective operations.

The company is registered in Singapore and operates in the Southeast Asia region. In 2023, Energy Drilling expanded its ownership by purchasing three tender rigs from Seadrill Ltd, bringing its total ownership to five rigs. The company maintains its operation of a fleet of six tender rigs, including one semi-submersible rig on bareboat charter. The fleet comprises four barge-type rigs for fixed platforms in shallow waters and two semi-submersible type rigs for SPARs and TLPs in deep waters.



Marcus Chew
CEO

Key Reported ESG Figures for Energy Drilling 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions (operational control)						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	19 625	14 389	20 754	32 188	71 926
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	23	21	11	13	17
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	565	62	63	293	337
Carbon Intensity						
Weighted Average Carbon Intensity	tCO ₂ e/USDm				45.0	87.3
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	655.4	1 244.6	992.3	805.1	707.5
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	684.5	1 250.0	995.3	812.5	710.8
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	424	126	200	697	1 280
Non-Hazardous waste	tonnes			200	570	1 046
Hazardous waste	tonnes			0	127	234
Recycling ratio	weighted average %	40%	40%	40%	40%	40%
Unplanned spills (emissions to ground/sea/air)	#	0	0	0	0	0

SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#	0	0	1	0	1
Diversity and inclusion						
Share of women in workforce	%	0%	8%	8%	9%	6%
Share of women in senior management	%	0%	0%	0%	0%	0%
Share of women in board of directors	%				0%	0%
People						
Number of employees	#	67	63	65	186	246
Short term sick leave		0%	0%	0%	0%	0%
Long term sick leave		0%	0%	0%	0%	0%
Employee turnover ratio	%	4%	15%	2%	10%	4%
Did the company conduct an employee survey during the year	Yes/No					No
Employee survey response rate for companies who conducted an employee survey during the year	%					

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	100%	100%	100%	100%	100%
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of whistleblowing cases	#	0	0	0	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	1	0	0	0	0

PERFORMANCE COMMENTARY. The increase in emissions reflects the significant growth and increased activities in Energy Drillings operations during 2023, doubling the fleet of operated tender rigs from three to six. This also drove the increased waste volume in 2023.

The increased activities also led to a significant increase in number of employees and the decrease in share of women reflects the challenge of recruiting qualified female personnel in the region Energy Drilling operates in.

ESG management approach

ESG is important for Energy Drilling's strategic positioning and is viewed as a critical competitive factor that can differentiate Energy Drilling in the offshore drilling industry. By focusing on ESG, the company not only adheres to regulatory requirements but also appeals to environmentally conscious stakeholders, including investors, customers, and the broader community.

ESG principles are integrated into Energy Drilling's core business strategy. The commitment to reducing environmental impact, maintaining high standards of business ethics, and ensuring employee well-being is embedded in the company's operational practices. The commitment is operationalised by setting goals and targets and incorporating ESG considerations into decision-making processes and regularly reporting. Energy Drilling has established a corporate statement committing to effectively manage and continuously improve ESG issues.

To implement its ESG strategy, Energy Drilling fosters collaboration across departments, engagement with stakeholders and the integration of ESG data into key performance metrics. These measures not only help meet current and future regulatory requirements and environmental goals but also positions Energy Drilling as a forward-thinking and responsible player in the industry.

Environment

Energy Drilling is committed to reduce environmental impacts and fostering sustainability in its operations. This includes adopting energy-efficient practices, assessing ESG-factors in procurement and minimising emissions where possible. The company aims to continue to innovate and adopt new technologies to reduce its environmental footprint further. This includes exploring the use of renewable energy, investing in more efficient drilling technologies, and promoting responsible resource utilisation.

Energy Drilling is committed to reducing greenhouse gas emissions by 20-30% by 2030 from a 2014 baseline. This will be done by enhancing operational efficiency and adopting low-emission technologies, including the use of advanced fuel additives that optimises fuel combustion, improves fuel economy, and reduces emissions in drilling operations.

The company has focused on reducing its environmental impact through initiatives such as energy-saving, recycling, and resource-sharing policies. Additionally, efforts to minimise air travel emissions demonstrate a commitment to environmental care as a core aspect of the company corporate strategy.

The offshore oil and gas industry relies on a wide range of chemicals to facilitate drilling and production. Environmental considerations are included in Energy Drilling's risk management process, particularly with regard to the selection and use of chemicals and the risk of spills to the local environment. The risk management process involves a series of steps, including hazard identification, risk assessment, risk mitigation, monitoring and evaluation. The hazard identification involves identifying potential chemicals that could cause harm to the environment. The risk assessment step involves quantifying the likelihood and consequences of harm, including the likelihood of spills and the potential impact on marine ecosystems. Once the risks have been identified, appropriate mitigation measures are implemented. These may include using less hazardous chemicals, implementing spill prevention measures, and developing response plans to minimise the impact of spills. The effectiveness of the risk management measures is subject to regular monitoring and evaluation.



Energy drilling crew on platform/rig.



Drilling rig, Edrill-1.

Social

Energy Drilling emphasises the importance of looking after the company's employees. This includes investing in employee training and development, succession planning, and providing equitable compensation and benefits. The company fosters diversity and inclusion, supports local communities, and engages in university graduate programs.

With the rapid increase of activity in the drilling and exploration sector comes a significant demand for skilled and experienced crewmembers. Investing in employee training and development, along with a strong focus on diversity and inclusion, positions the company as an employer of choice. This can lead to attracting top talent and fostering innovation. Energy Drilling's commitment to local communities and university graduate placements enhances its reputation and provides access to fresh perspectives and talent. Energy Drilling targets a 15% increase in training programs and a more diverse workforce by 2030, focusing on diversity, equity and inclusion.

In 2023, Energy Drilling implemented a Safety Culture Improvement Program. Due to its internationally oriented operations, Energy Drilling is subject to, and operates within, a range of legal jurisdictions. Each country has its own requirements for how many of the crewmembers should be from the country of operations. Therefore, rig crews are typically multi-national, multi-ethnic, and multi-denominational. As this can be a source of conflict within the crew, the program aims to raise awareness of diversity and foster a culture of mutual respect and wellbeing. After its implementation, the program has improved psychological safety and situational awareness, which are vital for operational success.

In response to an increased total recordable injury frequency in first half of 2023, Energy Drilling implemented an action plan including measures such as updates to the tool for total operations management for safety critical activities with procedures and adherence to daily safety checklists. This plan spans across all rigs and reflects the company's determination to maintain high safety standards. The company has made it a priority to recognise and reward excellence in safety and leadership. Individuals across the company have been acknowledged for setting high standards in safety and operational discipline, demonstrating Energy Drilling's commitment to celebrating its employees' achievements on a weekly and monthly basis.

Governance

Beyond complying with applicable laws and regulations, Energy Drilling enforces a strict Code of Conduct and implements best practices to govern its operations. The company maintains an integrated management system. At the top of the management system's hierarchy is the Code of Conduct and Governing Policies, included therein the different ESG policies, aligning operations with international standards such as ISO 45001, ISO 31000, and ISO 26000.

Energy Drilling's growth ambitions require an increased focus on the IDD process. Energy Drilling firmly adheres to high standards of corporate governance and ethical practices, reflecting the company's dedication to integrity and responsibility. Energy Drilling is implementing a rigorous IDD process for all new and unvetted suppliers, involving steps like ownership identification, sanction checks, and external screenings using recognised tools. The new routines and procedures will come into effect from 2024. This approach, documented for traceability and enhanced decision-making, helps mitigate risks such as corruption, fraud, and human rights issues. Energy Drilling also leverages external expertise for complex assessments and aligns the company practices with international standards, ensuring comprehensive risk management and supply chain integrity. This ongoing process underscores commitment to ethical procurement and accountable supply chain management.



Drilling rig Guo Hai Tai He (GHTH).



Rig workers.



Workers in Moreld Apply.

HEADQUARTERS: Stavanger, Norway

WEBSITE: www.moreld.com

NUMBER OF EMPLOYEES (FTES): 717

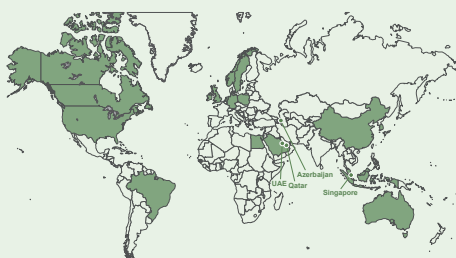
REVENUES (2023): USD 542.2 million

HV'S SHAREHOLDING: 100%

INVESTOR: Fund IV, V and VI

ESG CONTACT: Jan Erik Rugland

OPERATIONAL GEOGRAPHY



ESG REPORTING: Sustainability report, in line with GRI

CERTIFICATIONS: ISO 9001, ISO 14001, ISO 45001, ISO 3834-2, ISO 3438-2, ISO 27001, EN1090

SDGs:



Company description

Moreld was a multidisciplinary engineering group of multiple companies offering services across offshore energy and marine industries held by several of HitecVision's funds until December 2023. The companies held by Moreld have had strong positions on the Norwegian Continental Shelf, while at the same time expanding operations globally. The group has offered competitive end-to-end services across the entire energy sector value chain.

In December 2023, Apply, Global Maritime and Ross Offshore, including subsidiaries, were divested from the group and will continue to trade under the Moreld name and brand. During 2023 and first quarter of 2024, several exits including Origo Solutions, Karsten Moholt, Aquamarine, Flux, Aluminium Offshore, BTWN, Suretank and Prior Power, were also completed. The remaining companies within the former Moreld group are now owned by Remold Invest and are being held for sale.

This section reflects Moreld's approach up until HitecVision's divestment in December 2023, and reported figures as part of HitecVision's fund reporting. We expect that the Moreld companies will continue their robust ESG approach and ambitions under new ownerships.



Geir Austigard

CEO (until divestment in December 2023)

Key Reported ESG Figures for Moreld 2023

(2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2020	2021 ²	2022	2023
Greenhouse Gas Emissions (operational control)					
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	1 407	1 254	557	514
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	1 843	1 116	829	681
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	4 407	2 259	4 696	6 244
Carbon Intensity					
Weighted Average Carbon Intensity	tCO ₂ e/USDm			0.5	0.2
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	5.3	3.6	2.5 ¹	2.2
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	12.4	6.9	11.0 ¹	13.7
Waste, unplanned spills and recycling ratio					
Total waste	tonnes	2 605	2 758	1 017	765
Non-Hazardous waste	tonnes		2 749	965	726
Hazardous waste	tonnes		9	52	38
Recycling ratio	weighted average %	78%	94%	89%	84%
Unplanned spills (emissions to ground/sea/air)	#	3	0	1	0

SOCIAL		2020	2021 ²	2022	2023
Health and safety					
Lost time injuries (LTI)	#	9	8	7	6
Diversity and inclusion					
Share of women in workforce	%	16%	17%	18%	19%
Share of women in senior management	%	26%	25%	23% ¹	18%
Share of women in board of directors	%			40%	40%
People					
Number of employees	#	3 003	2 304	2 360 ¹	717 ⁴
Short term sick leave		2%	2%	2%	2%
Long term sick leave		3%	2%	2%	3%
Employee turnover ratio	%	8%	16% ³	10%	16%
Did the company conduct an employee survey during the year	Yes/No				No
Employee survey response rate for companies who conducted an employee survey during the year	%				

GOVERNANCE		2020	2021 ²	2022	2023
Maturity in governance matters					
Does the company have an anti-corruption program in place	Yes/No		Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	79%	87%	90%	93%
Does the companies have an established whistleblowing channel	Yes/No		Yes	Yes	Yes
Number of whistleblowing cases	#	1	2	1	0
Does the company have an assigned responsible for ESG issues	Yes/No		Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No		Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	2	2	0	0

¹ This number has been revised from the reported figure in the 2022 report. ² The 2021 numbers does not include companies that were divested during 2021, being DeepWell, Vryhof Group, Leirvik and Emtunga Solutions. ³ Employee turnover ratio increase in 2021 due to temporary downscaling in Agility Subsea Fabrication and Suretank.

⁴ The reduction in number of employees reflects the sale of Apply, Global Maritime and Ross Offshore in December 2023.

PERFORMANCE COMMENTARY. In 2023, Moreld achieved a 14% reduction in GHG emissions from own operations (Scope 1 and 2). All companies in the group reporting Scope 3 emissions in line with CSRD, driving the increase from 2022 to 2023. The waste volume decreased by 25%.

There was a total of 3 serious health and safety incidents, and 6 lost time injuries during the year. The reduction in number of employees reflects the sale of Apply, Global Maritime and Ross Offshore in December 2023. Senior management was included in this transaction and the share of women in senior management for 2023 reflects the aggregated percentage of females in senior management of the remaining companies in the group.

ESG management approach

Moreld has integrated ESG in their daily work and decision-making process. The group has been committed to measuring adverse impacts and improving the way the company operates in an environmentally sound manner, as well as ethically, responsibly, and profitably. In the assessment and selection of new and existing business, Moreld has accounted for environmental, social, and ethical issues, including climate issues. The group has aimed to be transparent regarding all issues covered by these principles.

The ESG policy outlined principles for operating in an environmentally and socially sound manner. Moreld's board of directors played an active role in defining the ESG policy and mapping the company's contribution to the UN's sustainable development goals (SDGs).

A key success factor for Moreld has been to develop and distribute ESG competencies across the group. An ESG network, with participants from all the different companies, had its second year of operation. This was a useful forum with quarterly meetings to discuss relevant ESG topics, including preparations for upcoming reporting requirements and regulations. The Moreld group has published a yearly sustainability report in accordance with GRI. During 2023, the group focused on and worked towards compliance with new reporting requirements such as the Norwegian Transparency Act and EU's Corporate Sustainability Reporting Directive (CSRD).

Environment

Moreld's climate goal was to become carbon neutral in its own operations (Scope 1 and 2) by 2030 and reduce Scope 3 emissions in line with national targets. Decarbonisation of both its own and partner companies' operations has been a key factor for achieving these goals.

Several of the group's companies has contributed to lower emissions by developing and innovating renewable energy solutions, as well as promoting energy efficiency across operations. For example, Moreld Apply was awarded a contract by Equinor for the FLX Futur Energy project. The company, in conjunction with Equinor, has developed a concept and technical solution for implementing a steam turbine system on Statfjord C since the summer of 2022. Waste heat from the gas turbine will be utilised to generate steam, which in turn will be used to produce electricity. The development of a LWBC (low weight bottom cycling) concept on Statfjord C power generation of up to 10-12 MW. This achievement, in turn, will result in a reduction of up to 100,000 tonnes of CO₂ emissions per year.

The companies also contribute to maintaining renewable energy solutions to reduce the environmental impact of its customers' operations. Moreld Global Maritime was awarded the operational management contract to support the maintenance works of Hywind Scotland floating wind farm. Hywind Scotland is situated off the coast of Peterhead, and has been operational since 2017. Equinor has identified the need for major maintenance on the turbines. The contract includes project management, engineering and supporting in the delivery of the offshore operations for the preparatory works, inter array cable and mooring disconnection and lay down. This contract marked the world's first for such an operation for a spar floating wind farm.

Social

Moreld has strived to offer equal opportunities to all employees, respect fundamental human rights, labour rights and union engagement, and provide employees with good, healthy, and safe working conditions. Furthermore, the group has worked to ensure that the operating entities contribute positively to the communities



Offshore installations.

in which they operate by developing businesses, encouraging innovation, and enhancing international competitiveness.

Ensuring all individuals have equal rights has been at the core of Moreld's work with gender equality. Being part of a traditionally male-dominated industry, it is important to be aware of the biases and obstacles that women might face in recruitment processes or when entering the workforce. The group worked actively to raise the share of women in its workforce and leadership positions. The group's 2023 targets of a 20% share of women in the total workforce and 28% in management positions were met, with 19% and 31% respectively.

Providing a healthy, safe and secure working environment has always been the number one priority in all activities. Further, Moreld's ambition was to be industry leading on safety and the group had a target of zero lost time injuries and serious incidents. As the companies are working in harsh offshore environments like the North Sea, this is a challenging endeavour that requires deep commitment from the entire organisation. During 2023, Moreld continued implementing measures to improve its safety performance, including regular information bulletins, management safety inspections and a hazard observation campaign rewarding employees for rigorous safety work.

Governance

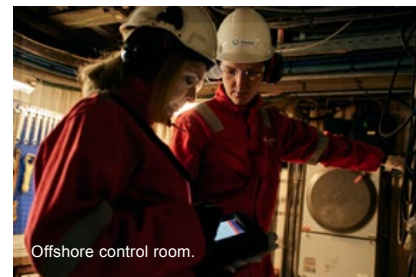
Moreld strived to professionalise the governance models of the industrial group through board-level governance work and aimed to follow Invest Europe's Corporate Governance Guidelines. The group has focused on high ethical standards being maintained by all employees and operating entities by acknowledging that a well-functioning governance system is a license to operate.

Moreld has been committed to operating at the highest standards of integrity. Behaviour and policies were guided by a Code of Conduct that describes the rules and ethical standards. New employees have been required to complete compliance trainings as part of the onboarding process. Moreld worked to constantly review and strengthen the quality of its governance guidelines, ESG reporting, whistleblowing procedures and supplier declarations.

The management recognised that whistleblowing is a positive contribution to overall corporate governance. All companies have a procedure in place that covers all employees and is publicly available on the corporate website. Insights from the whistleblowing channel have proven to be valuable for correction of and learning from deviations. During 2023, there were not reported any whistleblowing cases in the group.

The companies regularly perform supplier audits that include an audit of environmental, social and governance issues. This includes expectations towards suppliers and partners on social aspects such as human rights and health and safety, anti-bribery, anti-corruption, and environmental impacts. In 2023, this work has been aligned with the Norwegian Transparency Act. Many of the group's activities are carried out on the Norwegian Continental Shelf where the majority of suppliers are registered in joint qualification systems such as Magnet JQS or Achilles. To register in the qualification system, suppliers perform a detailed capability assessment that covers compliance with various ESG topics, including anti-corruption and HSE. Through the use of the qualification system, suppliers demonstrate their compliance with all applicable rules and regulations.

Moreld has also conducted its own in-depth supplier audits, particularly when onboarding new suppliers to ensure that they comply with the business principles. It is also expected that all suppliers and business contacts commit to Moreld's anti-bribery and anti-corruption policies and take all possible actions to mitigate the risk of corruption.



Offshore control room.



Prosafe crew handling cargo.

HEADQUARTERS: Stavanger, Norway

WEBSITE: www.prosafe.com

NUMBER OF EMPLOYEES (FTES): 255

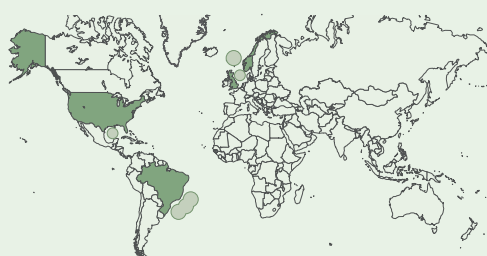
REVENUES (2023): USD 97.7 million

HV'S SHAREHOLDING: 13.8%

INVESTOR: Fund VI and VII

ESG CONTACT: Karine Cosemans

OPERATIONAL GEOGRAPHY



ESG REPORTING: Integrated Annual report in accordance with SASB and NSA Guidelines¹

CERTIFICATIONS: ISO9001, ISO14001, ISO45001 & ISO50001. ISM Code²

SDGs:



Company description

Prosafe is an owner and operator of semi-submersible offshore accommodation vessels used as temporary living quarters for offshore personnel in the oil and gas industry. The vessels have accommodation capacity of 159-500 people and offer welfare and catering facilities, storage, workshops, offices, medical services and lifesaving equipment.

The company owns seven vessels and operates in offshore environments globally. In 2023, Prosafe had operations offshore Brazil and in the US Gulf of Mexico. The demand for Prosafe's services is mainly related to maintenance and modification of installations on fields already in production, hook-up and commissioning of new fields, tie-backs to existing infrastructure, and decommissioning. Prosafe is listed on the Oslo Stock Exchange.



Terje Askvig
CEO

¹ Norwegian Shipowners' Association's guidelines for ESG reporting in Shipping and Offshore Industries (2021).
² Document of Compliance (Singapore MODU's & Bahamas Passenger Ship plus MLC).

Key Reported ESG Figures for Prosafe 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions (operational control)						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	133 332	53 744	100 678	23 993 ¹	41 431
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	156	11	7	19	16
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	3 193	1 785	1 964	91 542 ¹	54 080
Carbon Intensity						
Weighted Average Carbon Intensity	tCO ₂ e/USDm				2.9	6.7
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	591.5	948.1	713.1	120.7 ¹	424.2
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	605.7	979.5	727.0	581.0 ¹	977.8
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	2 309	1 034	3 044	4 499	2 463
Non-Hazardous waste	tonnes	2 064	903	2 857	4 253	2 250
Hazardous waste	tonnes	245	62	187	246	214
Recycling ratio	weighted average %	56%	9%	34%	28%	29%
Unplanned spills (emissions to ground/sea/air)	#	0	0	0	0	1

SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#	0	0	0	1	1
Diversity and inclusion						
Share of women in workforce	%	26%	27%	26%	15%	16%
Share of women in senior management ²	%	27%	30%	26%	0% ¹	0%
Share of women in board of directors	%				40%	40%
People						
Number of employees	#	150	99	103	182	255
Short term sick leave			1%	0%	1%	0%
Long term sick leave			1%	0%	0%	1%
Employee turnover ratio	%	19%	8%	11%	27%	16%
Did the company conduct an employee survey during the year	Yes/No					Yes
Employee survey response rate for companies who conducted an employee survey during the year	%					60%

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	78%	88%	46%	86%	82%
Does the companies have an established whistleblowing channel	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of whistleblowing cases	#	2	2	0	2	4
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	1

¹ This number has been revised from the reported figure in the 2022 report. ² Starting in 2022, the company adjusted its reporting to specifically include only females in the executive management team. The reported figure for the years 2018 to 2021 encompassed all female employees holding "manager" titles.

PERFORMANCE COMMENTARY. Scope 1 emissions increased due to mobilising for new contracts from the North Sea to Brazil and from Trinidad & Tobago to the US Gulf of Mexico. Total GHG emissions (Scope 1, 2, and 3) decreased by 17% in 2023 compared to 2022, driven by a 40% decline in operating days. The increased GHG intensity comes as a result of all operating vessels working in more onerous dynamic position mode, which causes increased fuel consumption in comparison to moored operations. The waste amount decreased in 2023, partially driven by the decrease in operating days. In 2023, Prosafe had one reportable discharge of 2.7m3 to the natural environment.

There were four whistleblowing cases in 2023, all relating to employee relations and of minor seriousness. All cases were transferred to the HR department and have been closed. In 2023, Prosafe encountered 1 cyber incident through a business email compromise and fraud incident. This isolated case has been a catalyst for further strengthening of the company's cybersecurity measures. Further details are provided in the company's own comprehensive annual report.

ESG management approach

The board and executive management regularly discuss ESG opportunities, risks and goals to ensure that they are integrated into the operations, culture, values, incentives and business practices of Prosafe.

Prosafe has several policies in place that provide an overarching framework for its approach to ESG topics, including Code of Conduct, Sustainability Policy, Anti-bribery and Anti-corruption Policy and Human Rights Policy. Prosafe is a signatory to the United Nations Global Compact (UNGC) and hence reports annually on the company's efforts and progression.

Prosafe publishes an annual Sustainability Report, available on its website, and the reporting practice is in line with SASB standards. The company views enhanced reporting requirements as an opportunity to improve its routines and performance, as well as addressing topics that otherwise would not be given the same attention. The company is subject to the Norwegian Transparency Act and looking forward, Prosafe will start further preparations for the Corporate Sustainability Reporting Directive (CSRD), which is expected to apply to the company from 2026.

Environment

Prosafe manages its environmental efforts according to the environment and energy standards ISO 14001 and ISO 50001. To reduce Prosafe's impact on the environment and increase energy efficiency, the company has identified three key focus areas including reducing GHG-emissions from its vessels, implementing energy efficiency measures and assessing fuels for the future to identify suitable options for the long term.

Prosafe has several ongoing efforts to reducing the company's fleet emissions. In 2023, the company continued to promote the ability for two of its dynamically positioned vessels to operate using two engines instead of three in normal operational weather conditions, providing fuel savings of up to 15% when in use and thereby reducing GHG emissions. Prosafe has applied this operational mode in the North Sea. Currently three of four active dynamically positioned vessels are operating in Brazil where operations in this mode is still to be accepted.

In addition to reducing its GHG emissions and energy use, Prosafe is also dedicated to managing other potential environmental impacts. The company has systems in place to handle responsible vessel recycling, waste management and recycling, water management, sewage discharge, use of chemicals, and avoiding spills. Moreover, the company is using low sulfur fuel (maximum 0.1 percent), exceeding the MARPOL requirement of 0.5%. Prosafe has set goals for each important area of impact and reports on its progress annually in its ESG report.

Social

Workplace health and safety is the main priority of Prosafe's social focus and is managed in accordance with its certification to ISO 45001. The objective is zero work-related illnesses or injuries. Special safety measures exist for employees exposed to hazards such as high noise environments, exposure to chemicals and other conditions that may be harmful to employees' health and wellbeing. Prosafe carries out regular occupational health assessments for this purpose. The company also provides training, conducts regular reviews, and monitors the situation to foster a culture of health and safety within the company.



Safe Zephyrus Vessel.

In 2023, Prosafe continued its low lost time injury incidents trend with one occurrence during the year. The company has a low absenteeism rate at 0.99%. Prosafe has adopted more flexible working arrangements, such as flexible hours and working from home twice a week for its onshore employees. In addition to the commitments to physical health and wellbeing, the company continually looks for new ways in which it can support the mental health and wellbeing of its staff, both onshore and offshore.

In 2023, Prosafe developed a Diversity, Equality and Inclusion Policy, which was approved by the board and will be implemented in 2024. The company seeks to ensure that all staff are treated fairly and without discrimination, and to build a diverse and inclusive workplace.

Prosafe requires that human rights are respected within its own operations and within those of its suppliers and partners. Prosafe has mapped its suppliers and business associates and started the due diligence process for several of these. The assessments are in proportion to the supplier's size, nature and context. In addition, the probability that violations of basic human rights and decent working conditions occur shall be assessed, as well as the severity in the event of violations and the potential for influence. In 2023, a comprehensive Human Rights Audit was conducted on the Safe Concordia vessel while it was in the shipyard in Curaçao.

The implementation of the Transparency Act has shed light on discrepancies in ESG focus across the globe as Prosafe operates in very diverse markets. Nevertheless, the implementation process has increased Prosafe's awareness of the company's actual and potential impact, and has also triggered monitoring measures for additional parameters such as parental leave, part-time work and equal pay.

Governance

The board has the ultimate responsibility for the governance of Prosafe's ESG impacts, risks and opportunities. Prosafe's Ethics Committee assists the board in its supervision of the company's ethical performance. The Committee reports at least annually and otherwise when needed to Prosafe's Audit Committee and Board.

Ethical business practices and expectations are set out in the company's Code of Conduct, with specific anti-bribery and anti-corruption requirements documented in a stand-alone policy. Training in anti-bribery and anti-corruption is mandatory for all employees, consultants and agency personnel. Prosafe fosters a culture of transparency by encouraging its employees to report any violations of its Code of Conduct or unethical conduct through established whistleblower channels. This guarantees that the company can take corrective action, learn from incidents and prevent its recurrence.

Prosafe has established emergency response plans to ensure adequate handling of any situations that are threatening to people, the environment and material assets. Regular emergency response training and exercises are carried out in cooperation with customers and third parties to ensure preparedness for a range of emergency scenarios. The plans also ensure that correct, relevant and timely information is provided to relevant stakeholders if and when required.

In 2023, Prosafe encountered one business e-mail compromise and fraud incident. There were no other incidents related to data loss, integrity compromise, or downtime in critical IT systems due to cyber-attacks. The isolated case has been a catalyst to further strengthen the company's cybersecurity measures. Actions taken include among others implementation of multifactor authentication with number matching, activating use of conditional access in the network infrastructure, enhanced security monitoring through and an updated mandatory cyber awareness program.

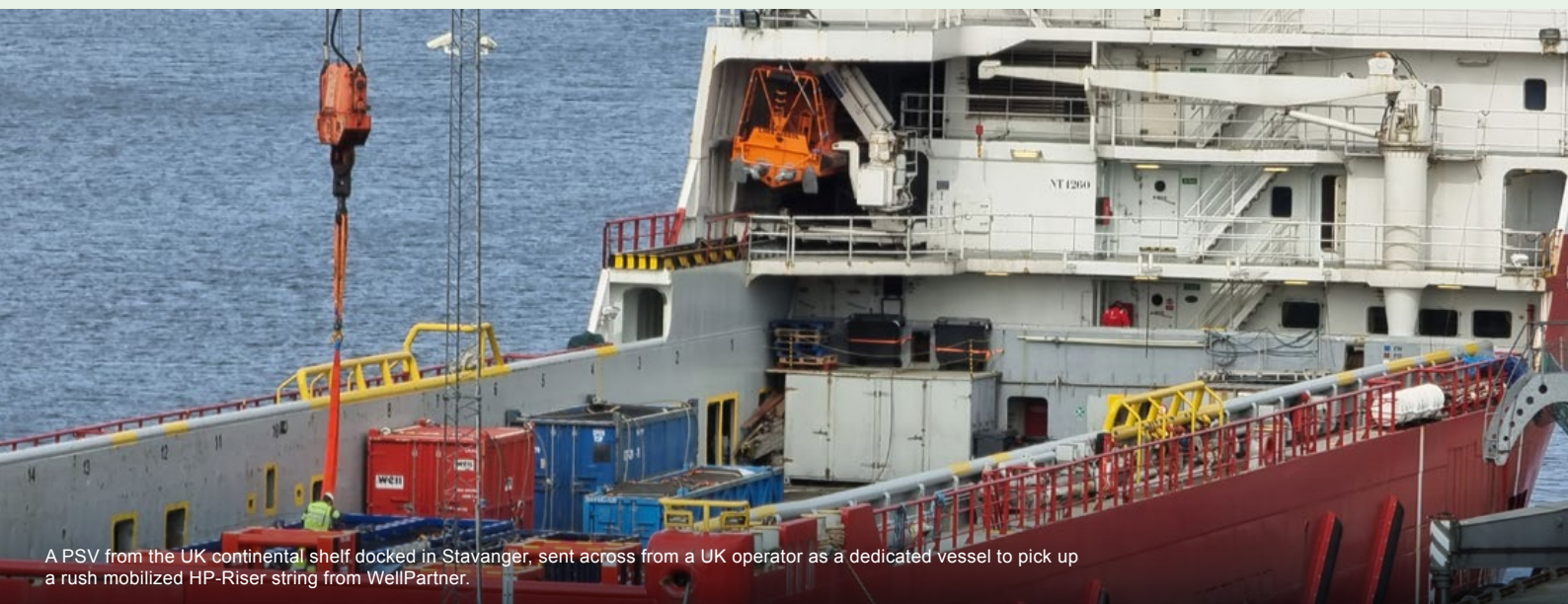


Coverall Brazil.

WANT MORE INFORMATION?

Prosafe publishes its own sustainability report. Please see www.prosafe.com





HEADQUARTERS: Stavanger, Norway

WEBSITE: www.wellpartner.no

NUMBER OF EMPLOYEES (FTES): 42

REVENUES (2023): USD 12.7 million

HV'S SHAREHOLDING: 79.9%

INVESTOR: Fund VII

ESG CONTACT: Ketil Myhre

OPERATIONAL GEOGRAPHY



ESG REPORTING: None

CERTIFICATIONS: ISO 9001:2015,
ISO 14001:2015, ISO 45001:2018

SDGs:



Company description

WellPartner, based in Norway and specialises in providing services and supplies to the oil and gas industry. The company offers a range of technical expertise, along with high-quality equipment and services, focusing on subsea, drilling, completion, and well intervention operations.

WellPartner's product range encompasses eight key areas including high-pressure riser systems, tension systems, WellSafe and umbilical deployment systems, casing landing assembly, a variety of rental products, services related to rig integration and interface, in addition to bespoke product development. Central to WellPartner's mission is facilitating solutions that reduce waste and emissions through efficiency and reuse of leased equipment. A significant portion of the company's income is generated from leasing specialised riser products for operational use.



Eivind Håvarstein
CEO

Key Reported ESG Figures for WellPartner 2023

(2019, 2020, 2021 and 2022 figures displayed where available):

ENVIRONMENTAL	UNIT	2019	2020	2021	2022	2023
Greenhouse Gas Emissions (operational control)						
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1)	tCO ₂ e	2	2	3	6	5
Energy indirect GHG emissions (GHG PCS Scope 2), location-based	tCO ₂ e	33	33	44	49	57
Other indirect GHG emissions (GHG PCS Scope 3)	tCO ₂ e	17	17	19	25	33
Carbon Intensity						
Weighted Average Carbon Intensity	tCO ₂ e/USDm				0.1	0.1
Revenue carbon intensity - Scope 1 & 2	tCO ₂ e/USDm	2.4	2.4	3.2	2.8	4.9
Revenue carbon intensity - Scope 1, 2 & 3	tCO ₂ e/USDm	3.6	3.6	4.5	4.0	7.5
Waste, unplanned spills and recycling ratio						
Total waste	tonnes	20	20	20	31	24
Non-Hazardous waste	tonnes			17	28	19
Hazardous waste	tonnes			3	3	5
Recycling ratio	weighted average %	71%	71%	71%	80%	71%
Unplanned spills (emissions to ground/sea/air)	#	0	0	0	0	0

SOCIAL		2019	2020	2021	2022	2023
Health and safety						
Lost time injuries (LTI)	#	0	0	0	0	0
Diversity and inclusion						
Share of women in workforce	%	14%	16%	16%	7%	7%
Share of women in senior management	%	30%	30%	30%	14%	14%
Share of women in board of directors	%				0%	0%
People						
Number of employees	#	30	33	34	42	42
Short term sick leave		1%	0%	2%	3%	2%
Long term sick leave		1%	0%	6%	2%	1%
Employee turnover ratio	%	11%	10%	0%	11%	14%
Did the company conduct an employee survey during the year	Yes/No					Yes
Employee survey response rate for companies who conducted an employee survey during the year	%					95%

GOVERNANCE		2019	2020	2021	2022	2023
Maturity in governance matters						
Does the company have an anti-corruption program in place	Yes/No	Yes	Yes	Yes	Yes	Yes
Percentage of employees that have completed anti-corruption training	%	97%	97%	100%	100%	100%
Does the companies have an established whistleblowing channel	Yes/No	No	No	No	Yes	Yes
Number of whistleblowing cases	#	0	0	0	0	0
Does the company have an assigned responsible for ESG issues	Yes/No	Yes	Yes	Yes	Yes	Yes
Breaches of ethical guidelines	#	0	0	0	0	0
Investigations or lawsuits in relation to ESG issues	#	0	0	0	0	0
Does the company have an ICT/Cybersecurity Policy in place and/or an ICT risk management part of their quality system	Yes/No	Yes	Yes	Yes	Yes	Yes
Number of cyber attacks or similar incidents resulting in downtime of critical IT systems and/or loss of data, loss of integrity or other loss	#	0	0	0	0	0

PERFORMANCE COMMENTARY. In 2023, there was a slight decrease in Scope 1 emissions due to the replacement of a diesel truck with an electric one. The increase in Scope 2 emissions was primarily due to increased consumption of natural gas for heating the workshop, particularly during the cold periods of Q1 and Q4. Scope 3 emissions increased due to increased air travel activity, especially long-haul flights in Q3 and Q4.

There was a decrease in sick leave and no instances of work-related illnesses or injuries were reported in 2023. The number of FTEs remained unchanged in 2023. Although the employee turnover ratio was higher than usual, the company found replacements for all positions. The gender distribution within the total workforce and management remained unchanged.

ESG management approach

WellPartner has established a simple and effective approach to managing ESG issues. In 2023, WellPartner obtained ISO 14001 and 45001 certifications, highlighting the company's increasing professional standard within its ESG practices and monitoring. Considering the relatively small size of the organisation, this is a significant step towards elevating the company's ESG management approach. ESG is also on the agenda in all board meetings. Going forward, the company will work on establishing KPIs for improvements related to the ISO standards.

During 2023, the company continued to strengthen the ESG focus on its supplier code of conduct, in accordance with the Norwegian Transparency Act.

Environment

WellPartner is working to minimise its environmental footprint as effectively as possible. The company minimises potentially negative environmental impacts with an approach driven by three priorities which includes reducing GHG emissions across operations, efficient and sustainable waste management, and rental of large machinery as a service promoting a more circular economy.

WellPartner specialises in rental services and utilising used and refurbished equipment, including riser systems, contributing to a circular economy by minimising the need for new equipment production and associated emissions. Additionally, the company has enhanced its sustainable practices by acquiring several, previously unused, risers from oil companies in recent years. In 2023, WellPartner acquired its fourth riser system, significantly expanding its market share in Norway.

The company is also dedicating substantial effort to project planning, focusing on maximising the amount of work that can be done onshore prior to moving offshore. The company's products and equipment are also engineered for increased efficiency. This strategy is aimed at minimising the duration of operations on rigs, which are fuel and energy intensive. Given that a semi-submersible drilling rig in dynamic positioning mode can produce around 150 tonnes of tCO₂e per day, even a modest reduction in rig time can result in a notable decrease in emissions. The company is also continuously evaluating other initiatives to reduce emissions from operations, including a 2023 initiative to switch a company diesel truck with an electric one.

In recent years, the company has enhanced its waste management systems, achieving an improvement in sorting efficiency. The improvement in waste management includes the introduction of a new washing facility for heavy equipment, separating oil using a closed-loop system to reduce local pollution. Furthermore, WellPartner's adoption of EcoOnline, a software facilitating a data-driven approach, marks a transition from manual methods in the management and risk assessment of chemicals. This upgrade substantially improves the monitoring and safety of chemical usage. Going forward, WellPartner is assessing possibilities to phase out the use of more hazardous chemicals.



A WellPartner HP-Riser flange about to be made-up with special tooling on the drill floor of a NCS jack-up rig.



Wellsafe Enabler; for safer and more efficient drilling operations.



HP riser ready for launch offshore.

Social

For WellPartner, the health and safety of employees remains a top priority in every facet of operation. Through the implementation of an HSEQ reporting system to diligently track injury data, the company has maintained a record of zero recordable injuries since 2015.

In alignment with ISO 45001 standards, the company has initiated a new program and campaign focused on promoting employee health and wellbeing. This includes entering into a new agreement with a healthcare provider for its employees, along with providing health checks and ongoing health monitoring.

As a knowledge-driven company, WellPartner prioritises comprehensive training for its workforce. In response to increased activity, the company has recently onboarded new employees. WellPartner's employee training and development programs are designed to equip both new and existing employees with the essential skills and knowledge needed to perform at a high level while maintaining a strong focus on safety. This training includes external programs in technical and engineering disciplines, as well as on-the-job training, internal training on company products, and tailored workshops.

Governance

WellPartner establishes its expectations for business conduct through a set of governing documents, including Code of Conduct and dedicated policies for HSEQ, whistleblower protection, data protection, cyber security, and anti-corruption. In 2023, the policies were updated in accordance with the ISO requirements. A whistleblower channel is available for all employees to confidentially report any breaches of the Code, ensuring a robust process of follow-up without fear of repercussion for whistleblowers.

The implementation of the Norwegian Transparency Act has also prompted WellPartner to enhance its supplier code of conduct. This includes undertaking a supplier assessment, which includes various ESG criteria. Moreover, WellPartner focuses on transparency and requires documentation of supplier procedures and practices to ensure compliance with health, employee safety, and environmental standards.



Clean and safe work-shop facilities.

Financial information

Board of Director's report page 140

Financial statements page 145

Auditor's report page 159

Board of Director's report

HitecVision is a private equity investor specialised in energy and associated infrastructure in Europe. We act as advisors for our funds and investment companies with total assets under management of NOK 92 billion.

Since 2019, our work has been focused on investing in Europe's energy transition. During 2022, we raised NOK 12 billion as the initial capital raising for our New Energy Program dedicated to the energy transition. In the span of 18 months, we have established and invested in six new companies and still see many investment opportunities in Europe's new energy landscape.

Our clients are the investors in our private equity funds, which consist of a global investor base. This includes institutional investors, such as public and private pension funds, foundations, and university endowments. Our commitment is to deliver them robust returns from our funds.

2023 has been a good year, with distributions to investors in HitecVision's funds totalling NOK 20 billion through the first quarter of 2024. In total, funds managed by HitecVision have delivered NOK 61 billion in distributions since 2022. This return is a result of targeted and long-term investments in building up companies in the energy sector.

In addition to managing the funds, HitecVision itself has invested significant amounts and is among the largest investors in all its own funds. Consequently, the company has received its share of this year's distributions. This formed the basis for dividends totalling NOK 1,311 million paid out through 2023, with an additional NOK 300 million proposed to be approved and paid out in April 2024.

After several years of effort, we have now fortified our position as an investor in the energy transition. In 2022, we started the HitecVision New Energy Program, with NOK 12 billion in capital raised from Norwegian and foreign investors. We have recently made our sixth investment in the new program and will continue to raise capital for the program, dedicated to building companies that support the energy transition.

Our six newest companies are all positioned to deliver on the energy transition in the Nordics. We own these companies together with industrial partners who complement us. This way, we are building knowledge and experience within the new energy landscape in Europe. The energy transition will require significant investments over the next decades. With the help of our offices in the UK and Italy, we will continue to deliver on our strategy beyond the Nordics.

Sustainability and social responsibility

HitecVision shall conduct its business in a sustainable manner. This applies both to the company's own activities and the investments made by the funds we manage, as well as the activity in the underlying portfolio companies. From the fiscal year 2025, HitecVision will be required to report according to the new EU directive Corporate Sustainability Reporting Directive (CSRD). The group has started preparations in 2023 by conducting a double materiality analysis. For more information about this work, refer to previous sections of the HitecVision Integrated Sustainability report.

The group has developed and follows guidelines for responsible investments and also follows up on the fund's portfolio companies in this area. HitecVision is affiliated with the UN-supported initiative Principles for Responsible Investment (PRI), the leading international organisation promoting sustainable investment practices. ESG is central to our investment decisions, and we work with the funds' portfolio companies to follow up and improve their ESG efforts through board work, procedural requirements, reporting, and other ongoing work.

In terms of the environment, the focus is on climate and the green transition, while the traditional work to avoid other emissions to air and water continues as before. With increasing investments in the renewable sector, new areas such as nature and biological diversity are being added. HitecVision has introduced mandatory climate accounting for the companies in the underlying portfolio and works closely with the companies to reduce their adverse impacts. An example is Aneo's use of low-carbon concrete for the rehabilitation of the Håen hydro-power dam, which has the potential to reduce the carbon footprint by 36-47% compared to standard concretes. Another example is Cadre's work to ensure biological diversity in the rivers where they operate, for example, by building a salmon ladder at Boen Gård.

Among social matters, the focus continues on diversity and inclusion, both in HitecVision and in the portfolio companies. Good relations with local communities in connection with the companies' activities is another area that has received a lot of attention over the past year. An example is Vågrønn's participation in a working group between fisheries and off-shore wind that has formulated principles for coexistence. We have also worked to ensure that there are orderly conditions in the companies' supply chains, a work that has gained heightened attention with the new Norwegian Transparency Act that applies to most of our companies. HitecVision's statement according to the Transparency Act is available on our website, www.hitecvision.com.

Good governance has long been a core area for HitecVision. Guidelines and best practices for board work, along with anti-

corruption programs for companies working in particularly exposed areas, have been pillars in this work. In particular, the focus on integrity due diligence (IDD) has been further strengthened in 2023, with training on the topic for all portfolio companies.

HitecVision engages in local communities through the program «Det sko pigede bare mangla», a program that started in 2013 together with Kirkens Bymisjon when we established the very first Paahjul bicycle workshop in downtown Stavanger. Our commitment is characterised by a need to engage beyond the financial. Today, the program comprise several projects including i) Paahjul with five bicycle workshops where people with a background of substance abuse are offered work training, ii) Viking Gatelag together with Viking Football Club, where we are the main sponsor of the team and contribute with administrative tasks, iii) Ravens Ice Hockey Team, a Ukrainian youth team that came to Stavanger as refugees due to the war, iv) work training internally at HitecVision for Ukrainian women in cooperation with the Refugee Service in Stavanger Municipality, where the purpose is to provide knowledge about Norwegian working life, language and guidance in job searching and interview training, and v) «Gi en jul», where all employees engage to fulfil a disadvantaged family's Christmas wishes with Christmas food and gifts.

Key features of the Funds

HitecVision manages seven active funds, as well as some investment companies established for specific investments. These have a total of 15 investments in their portfolios, with ownership shares from 13% to 100%. The companies had a total of 3,563 employees at year-end and a combined turnover in 2023 of over NOK 140 billion.

HitecVision AS is the sponsor for its funds and co-owner in the underlying management system together with the company's management and employees. The company is also a direct and/or indirect investor in all the funds. HitecVision Advisory AS, a subsidiary of HitecVision AS, has its headquarters in Stavanger and branch offices in Oslo, London, and Milan, and is approved by the Financial Supervisory Authority of Norway as a manager of alternative investment funds (AIF).

Some of the most important events in the underlying business in the portfolio, including events in 2024 up to the signing of the report:

- In line with the company's strategy to invest and build businesses within the energy transition, several new investments and ventures have been made. There is high activity in the companies, and HitecVision New Energy Fund has had a positive value development through the period:

- The offshore wind company Vårgrønn, which we own together with Eni Plenitude, is growing and has produced electricity from its first project through its 20% ownership stake in the world's largest offshore wind farm under construction, Dogger Bank in the UK. Vårgrønn has further gained exclusivity to develop up to 1.9 GW of floating offshore wind in Scotland together with its partner Flotation Energy. In addition, Vårgrønn is working with partners to develop projects in Ireland, the Baltics, and Norway with the goal of having at least 5 GW of offshore wind in operation or sanctioned by 2030 in Northern Europe.

- Since the establishment of Aneo together with TrønderEnergi in 2022, the Nordic renewable energy group has established itself as a major player within energy production, electrification, and energy efficiency. The company currently produces 1.6 TWh annually on its own and manages 7 TWh. In 2023, Aneo made further acquisitions of two operational wind parks with an annual production of 285 GWh, as well as built the company's first solar park in Sweden.

- Hafslund Oslo Celsio, which we own together with Hafslund and Infranode, has continued to focus on growth within district heating, cooling, and other services. The company processes more than 360,000 tons of non-recyclable waste annually and produces 1.8 TWh of district heating. The carbon capture project at Klemetsrud in Oslo continues after a cost-reducing phase in 2023, with the goal of removing Oslo's largest emission point.

- Cadre was established together with Nordkraft early in 2023 as a major initiative within small-scale hydropower in Norway. Cadre contributes to the development of small-scale hydropower projects and businesses in a long-term perspective, in close cooperation with landowners and local communities. During the period, the company's portfolio has grown to include 21 power plants with an annual production of over 400 GWh.

- Skygard was established by HitecVision, Telenor, Hafslund, and Analysys Mason in 2023 as a company that will build secure and energy-efficient data centres. The company started construction of its first data centre in March 2024 and aims to build three data centres in the Oslo area, with a total capacity of 40 MW.

- Together with St1, HitecVision established 1Vision Biogas with the intention of building a fully integrated Nordic biomethane company. The first step in this plan is to acquire Biokraft, which is now 97% owned by 1Vision Biogas through the merger of Aneo and St1's shareholdings in the company, as well as the execution

of a subsequent mandatory offer. Biokraft builds, owns, and operates large-scale biomethane plants with an annual production capacity of 380 GWh. The company is well-positioned to deliver on the growth ambition of reaching 3 TWh by 2030.

- In the remaining portfolio, there have also been several key events. The work with realisations and distributions has continued from 2022 through 2023:

- Vår Energi has further strengthened its position on the Norwegian Continental Shelf, among others through the acquisition of Neptune Energy Norway, which was completed in January 2024. The company has delivered good results and stable and predictable dividends. The ownership in Vår Energi has been continued through the transfer of the funds' shares in Point Resources Holding to a newly established company, SpringPoint.

- Sval Energi has established itself among the top ten oil companies on the Norwegian continental shelf, and during the year, two new fields were put into production. In 2023, the company was awarded the operatorship of a CO₂ storage license in the North Sea with the potential to store nine million tons of CO₂ annually.

- NEO Energy has continued its focus on operations with good results. The company made further acquisitions of fields and resources on the UK Continental Shelf in 2023 and was awarded several new exploration licenses in connection with existing operations that enable resource-efficient growth.

- HitecVision continues the work of concluding the older funds' mandates within oil services and has during the period realised investments in Moreld and OMP Capital.

For further details on funds and portfolio companies, see www.hitecvision.com.

Organisation and environment

HitecVision is headquartered in Stavanger. At the beginning of 2024, the group had 65 employees spread across offices in Stavanger, Oslo, London, and Milan. The company's board consists of four men and two women.

The group has a robust and competent organisation, and the group's personnel policy focuses on continuous improvement of diversity and inclusion, competence development, and facilitating a good working environment. This includes preventing discrimination based on gender, ethnicity, national origin, religion, and belief. Efforts are being made to balance

the gender ratio within the various parts of the business in addition to maintaining a balanced age composition.

There have been no injuries or accidents in the company over the past year. The group had a wellness rate of 96.6% (sick leave of 3.4%) in 2023. The group has a good whistleblower scheme.

It is confirmed that the company has management liability insurance. The insurance covers liability for financial loss for claims made against insured parties during the insurance period as a result of a liable act or omission by insured parties in their capacity as CEO, board member, member of management, or similar governing body in the group. The insurance does not cover damage to persons or property. The main maturity date of the insurance agreement is April 1st and runs for 12 months.

The company's activities do not involve pollution or emissions that can be harmful to the external environment.

Declaration on the financial statements

In accordance with the Accounting Act §3-3, it is confirmed that the accounts are prepared under the assumption of continued operations.

Results and financial position, group

The consolidated accounts for the management company HitecVision show operating revenues for 2023 at NOK 1,095 million (NOK 1,213 million in 2022). For a more detailed specification of operating revenues, refer to note 2 to the financial statements. The profit before tax was NOK 751 million (NOK 862 million in 2022), and the profit for the year was NOK 742 million (NOK 854 million in 2022).

HitecVision's financial position is strong. The total balance as of 31.12.2023 was NOK 1,350 million, of which NOK 712 million was equity.

The group had NOK 166 million in bank deposits and NOK 250 million in interest-bearing debt at the end of the year. The group's balance sheet is solid, with an equity ratio of 53% after the proposed dividend.

Results and financial position, parent company

The company's operating revenues were NOK 778 million. The profit for the year was NOK 755 million.

The company's equity ratio was 43% after the proposed dividend, with a total balance of NOK 973 million, and equity of NOK 417 million.

Information on financial risk

The value of the company's shares and interests in private equity funds is directly affected by the value of the funds' investment portfolios. These are influenced by changes in financial market risk, primarily related to developments in energy prices, currency exchange rates, and changes in interest rates.

The company follows the development of key market parameters with the aim of realising added values for the funds' investors, including the company itself, at the most favourable possible times. The company focuses its investments in the energy sector, and market risk is somewhat reduced by diversification in the portfolios within the sector.

The company's exposure to credit risk and liquidity risk is considered to be satisfactorily addressed.

Shareholder relations

As of 31.12.2023, HitecVision had 192 registered shareholders. The company's shares are listed on the NOTC list (Norwegian Over The Counter market).

Market conditions and outlook

Through partially owned companies, the group has long-term advisory agreements with the funds, providing good predictability for the share of operating revenues that comes from advisory fees. The revenues from the group's investments will depend on realisations in the funds and will therefore vary from year to year.

The most important external factors for the group's business, the framework conditions that affect our ability to make investments, create value, and realise these, are the development in the energy sector and in the financial market, as well as investors' demand for private equity investments within the company's focus areas.

The development in the energy sector is central to most of the portfolio companies in the funds, while the development in the financial market affects transaction volume and prices in the market for private equity investments and the financing of these. The demand for private equity investments from fund investors is influenced, among other things, by the development in the energy sector and in the financial market, as well as by the return the funds deliver to investors over time.

The future prospects of the energy sector are continuously evolving. The Paris Agreement commits to net zero emissions by 2050, at the same time, authorities must maintain economic competitiveness and energy security. Overall, this is leading to significant market growth and investment opportunities

in Europe to increase renewable energy supply, electrify transport and industry, decarbonise hard-to-abate sectors, while simultaneously creating a more efficient and circular energy system based on reuse and recycling of materials.

While the long-term market trends provide a significant investment opportunity, energy remains a complex environment for making investments. Recent years have been characterised by volatile commodity prices, high degree of sector coupling, large and complex projects with a broad set of offtake structures, and new and innovative financing solutions. The geopolitical situation in Europe has further accelerated these characteristics, resulting in even more complexity, uncertainty, and volatility. The complexity in the energy sector also brings profitable opportunities, and overall, the prospects are considered positive for the company's investment activities.

Allocation of profits

The company achieved annual profits in 2023 of NOK 754,631,035.

The board proposes the following allocation:

Extraordinary dividend 20.11.2023	NOK	400,020,737
Ordinary dividend	NOK	300,062,971
Transferred to other equity	NOK	54,547,327
Total allocation	NOK	754,631,035

Stavanger, 4 April 2024

Leif Johan Sevland
Chairperson

Kristin H. Holth
Board member

Ole Henrik Bjørge
Board member

Adele Norman Pran
Board member

Knut Olav Rød
Board member

Ole Ertvaag
CEO and board member

Note: This translation from Norwegian has been prepared for information purposes only.

Financial statements

Income statement

HitecVision AS			Group		
2022	2023		Note	2023	2022
		OPERATING INCOME AND EXPENSES			
0	0	Sales revenue	2, 13	346 081 670	350 260 424
950 902 647	777 932 080	Other income	2, 6	49 224 557	429 516 549
0	0	Revenue from investments in associated companies	6	699 800 957	433 077 193
950 902 647	777 932 080	Total operating income		1 095 107 185	1 212 854 167
0	0	Purchase of services, etc.		6 998 906	6 353 143
2 289 473	3 628 818	Personnel expenses	3	262 480 908	269 303 463
0	0	Depreciation	4	3 412 368	3 484 355
35 646 074	4 349 955	Write-down of financial fixed assets	6	4 349 955	17 668 159
892 148	889 443	Other operating expenses	3	60 336 778	54 877 986
38 827 695	8 868 215	Total operating expenses		337 578 915	351 687 106
912 074 952	769 063 865	Operating profit		757 528 270	861 167 061
		FINANCIAL INCOME AND EXPENSES			
1 108 932	3 002 689	Interest income		8 391 709	2 310 198
1 280 366	257 556	Other financial income		257 556	1 659 839
3 903 404	15 415 627	Interest expenses		14 697 577	2 416 816
136 456	498 713	Other financial expenses		751 200	669 836
-1 650 562	-12 654 094	Net financial items		-6 799 512	883 386
910 424 390	756 409 770	NET PROFIT BEFORE TAX		750 728 757	862 050 447
1 257 497	1 778 736	Income taxes	10	8 965 737	8 423 476
909 166 893	754 631 035	NET PROFIT FOR THE YEAR		741 763 020	853 626 971
		Allocation of net profit			
94 836 590	0	Additional dividends	8		
911 000 284	400 020 737	Extraordinary dividends	8		
0	300 062 971	Ordinary dividends	8		
-96 669 981	54 547 327	Allocated to/from other equity	8		
909 166 893	754 631 035	Total allocation			

Balance sheet per 31.12

HitecVision AS				Group	
2022	2023		Note	2023	2022
		ASSETS			
		Non-current assets			
		Tangible fixed assets			
0	0	Fixtures and fittings, office equipment, etc.	4	8 421 627	10 670 593
0	0	Total tangible fixed assets		8 421 627	10 670 593
		Financial fixed assets			
26 250 000	26 250 000	Investments in subsidiaries	5	0	0
536 746 048	527 536 049	Investments in shares and limited partnerships	6, 15, 16	527 536 049	536 746 048
68 054 100	69 919 473	Investments in associated companies	6, 15, 16	290 674 234	274 409 473
2 999 982	2 999 982	Loan to shareholders	3	2 999 982	2 999 982
634 050 130	626 705 504	Total financial fixed assets		821 210 264	814 155 503
634 050 130	626 705 504	Total non-current assets		829 631 892	824 826 096
		Current assets			
		Debitors			
0	0	Accounts receivables		16 092 331	41 716 991
197 445 203	329 177 468	Other receivables		337 762 958	201 791 059
113 919	0	Accounts receivables group companies	9	0	0
197 559 122	329 177 468	Total debtors		353 855 289	243 508 050
444 957 290	17 380 709	Cash and cash equivalents	11	166 326 903	526 361 608
642 516 412	346 558 177	Total current assets		520 182 192	769 869 658
1 276 566 542	973 263 681	TOTAL ASSETS		1 349 814 084	1 594 695 754

Balance sheet per 31.12

HitecVision AS			Group		
2022	2023		Note	2023	2022
		EQUITY AND LIABILITIES			
		Equity			
		Paid-in capital			
332 687	332 687	Share capital	7, 8	332 687	332 687
332 687	332 687	Total paid-in capital		332 687	332 687
		Retained earnings			
362 006 161	416 553 488	Retained earnings	8	711 701 889	626 243 233
362 006 161	416 553 488	Total retained earnings		711 701 889	626 243 233
362 338 848	416 886 175	Total equity		712 034 575	626 575 920
		Liabilities			
		Provisions			
1 299 616	2 170 105	Deferred tax liabilities	10	1 696 709	691 899
1 299 616	2 170 105	Total provisions		1 696 709	691 899
		Other long term liabilities			
0	250 000 000	Debt to financial institutions	14	250 000 000	0
0	250 000 000	Total other long term liabilities		250 000 000	0
		Current liabilities			
0	0	Debt to financial institutions	14	0	0
66 163	169 335	Trade creditors		2 048 124	274 769
246 548	645 003	Tax payable	10	8 172 690	7 280 471
0	42	Value added tax, public fees, etc.		22 652 197	20 990 932
911 000 284	300 062 971	Dividends payable	8	300 062 971	911 000 284
1 615 083	3 330 050	Other liabilities		53 146 818	27 881 479
912 928 078	304 207 401	Total current liabilities		386 082 799	967 427 935
914 227 694	556 377 506	Total liabilities		637 779 509	968 119 834
1 276 566 542	973 263 681	TOTAL EQUITY AND LIABILITIES		1 349 814 084	1 594 695 754

Stavanger, 4 April 2024

Leif Johan Sevland
Chairperson

Kristin H. Holth
Board member

Ole Henrik Bjørge
Board member

Adele Norman Pran
Board member

Knut Olav Rød
Board member

Ole Ertvaag
CEO and board member

Note: This is a translation from Norwegian prepared for information purposes only.

Cash flow statement

HitecVision AS			Group		
2022	2023			2023	2022
			CASH FLOW FROM OPERATING ACTIVITIES		
945 823 916	759 851 479		Cash flow from operations *)	50 729 197	442 628 785
0	0	+/-	Change in debtors	25 624 659	-25 910 950
-6 822	103 172	+/-	Change in creditors	1 773 355	-2 520 056
-152 604 931	-129 618 803	+/-	Change in accruals	-69 916 165	-62 772 075
793 212 162	630 335 849	A =	Net cash flow from operating activities	8 211 046	351 425 703
			CASH FLOW FROM INVESTING ACTIVITIES		
0	0	+/-	Increase (-) / decrease (+) of tangible non current assets	-1 163 523	-6 212 214
-3 458 792	-4 636 650	+/-	Increase (-) / decrease (+) from associated companies	686 307 473	442 959 502
-74 608 248	7 631 321	+/-	Increase (-) / decrease (+) from other investments	7 631 321	-74 608 248
-78 067 040	2 994 671	B =	Net cash flow from investing activities	692 775 271	362 139 040
			CASH FLOW FROM FINANCING ACTIVITIES		
-99 840 044	250 000 000	+/-	Change in debt (long term and short term)	250 000 000	-99 840 044
-28 218 856	113 919	+/-	Change in receivables/debt to group companies	0	0
-142 254 885	-1 311 021 021	-	Dividends	-1 311 021 021	-142 254 885
-270 313 785	-1 060 907 102	C =	Net cash flow from financing activities	-1 061 021 021	-242 094 929
444 831 337	-427 576 582		Net change in cash and cash equivalents	-360 034 703	471 469 815
125 954	444 957 290	+	Cash and cash equivalents at 01.01	526 361 608	54 891 795
444 957 290	17 380 709	=	Cash and cash equivalents at 31.12	166 326 903	526 361 608
		*)	CASH FLOW FROM OPERATIONS		
909 166 893	754 631 035		Profit for the year	741 763 020	853 626 971
0	0	+	Depreciation	3 412 368	3 484 355
35 646 074	4 349 955	+/-	Write-downs of financial fixed assets	4 349 955	17 668 159
0	0	+/-	Revenues from investments in associated companies	-699 800 957	-433 077 193
1 010 949	870 489	+/-	Change in deferred tax asset/liability	1 004 810	926 493
945 823 916	759 851 479	=	Cash flow from operations	50 729 197	442 628 785

Notes to the financial statements for 2023

NOTE 1 Accounting principles

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP). All values in tables are in NOK 1,000.

Investments in subsidiaries

Subsidiaries are consolidated to the extent that the investment is of material importance for the assessment of the group's position and net profit. In the parent company accounts, investments in subsidiaries are valued at cost.

HitecVision Advisory AS and HitecVision Advisory UK Ltd are consolidated in the financial statements for the group.

Other investments

Investments in shares and limited partnerships are classified as financial fixed assets and are valued using the cost method in the parent company's financial statements. If the fair value of an investment is deemed to be below book value on a permanent basis, the book value is impaired to fair value. In the group financial statements, associated companies are valued using the equity method.

Use of estimates

The preparation of accounts in accordance with NGAAP requires the management to use reasonable estimates and assumptions. The estimates and assumptions also have an impact on the value of assets and liabilities as well as information included in the notes to the financial statement. The actual figures may differ from these estimates.

Assessment and classification principles

The group's ordinary business is advisory and investment activities, and the income of these activities is therefore included in the company's ordinary operating income.

Other receivables

Other receivables have been valued at cost written down for any proven or expected losses.

Assets

Fixtures and fittings, office machinery, etc. are included in the balance sheet at historical cost and net of any write-downs and depreciation. Assets are depreciated according to the straight-line method based on estimated useful life.

Replacements and renewals that significantly increase the lifetime of the asset are treated as additions. Repair and maintenance costs are expensed.

Gains and losses arising from disposal of fixtures and fittings, office machinery, etc. are classified as ordinary operating revenues and operating expenses.

Currency

Assets and liabilities nominated in foreign currency are converted using exchange rate on balance-sheet date. Currency gains and losses are classified as financial items.

Tax

The income tax expense is related to net profit before tax and consists of taxes payable and changes in deferred tax. Deferred tax liabilities/tax assets has been calculated on all temporary differences between the tax-related value and the consolidated carrying amounts of assets and liabilities. Tax on net profit will therefore include full income tax regardless of when its due.

Related parties

Two parties can be classified as related parties if either of the parties can influence the other party's decisions. Related party transactions are carried out on market terms.

Bank deposits, cash, etc.

Bank deposits, cash, etc. includes cash, bank deposits and other means of payment with maturity dates shorter than three months from acquisition.

Pensions

Defined contribution plans are accrued according to the matching principle.

Revenues

The group's ordinary business is advisory and investment activities, and the income of these activities is therefore included in the company's ordinary operating income. Income is recognised when it is earned, according to the earned income principle.

Expenses

As a general rule, expenses are recognised in the same period as the associated income. When there is no clear relationship between expenditure and income, the distribution is determined using discretionary criteria. Costs related to the Group's investment activities are classified as operating expenses.

NOTE 2 Operating income

The group's ordinary activities are advisory and investment activities. Sales revenues and other income therefore relate to advisory fees and distributions from companies under management.

NOTE 3 Salary costs, number of employees, allowances, loans to employees, etc.**Salary cost**

Parent company			Group	
2022	2023		2023	2022
2 000	3 181	Salary	212 030	217 987
289	448	Employer's national insurance contribution	29 962	30 258
0	0	Employer's national insurance contribution "Finance tax"	8 371	9 700
0	0	Pension costs	4 403	4 027
0	0	Other benefits	7 714	7 331
2 289	3 629	Total	262 481	269 303
0	0	Average number of employees	64	60

There are 57 persons covered by the defined contribution scheme as of 31.12.23 in the group and none in the parent company.

Benefits to senior executives	Base salary, board fee	Other benefits
CEO	12 167	337
Board	3 181	0

Benefits to the CEO have been paid from HitecVision Advisory AS and consist in 2023 of ordinary salary.

The CEO does not have any share-based remuneration or defined benefit pension plans in the company.

Loans and collateral to senior executives

A loan of NOK 2,999,982 without interest and installments has been granted to the CEO. The loan is due upon termination of employment.

Auditor's fee

Expensed fees to Deloitte AS and cooperating companies for auditing and audit-related services are broken down as follows excluding VAT:

Parent company			Group	
2022	2023		2023	2022
123	154	Statutory audit	328	244
9	304	Audit-related services	386	245

NOTE 4 Tangible fixed assets

Group	
	Fixtures and fittings, office equipment, etc.
Acquisition cost 01.01.23	49 955
Additions during the financial year	1 163
Disposals during the financial year	0
Acquisition cost 31.12.23	51 118
Acc. depreciation 31.12.23	42 670
Acc. impairment 31.12.23	27
Book value as of 31.12.23	8 422
Depreciation for the year	3 412
Useful life	3-5 years
Depreciation schedule	Straight-line method

NOTE 5 Subsidiaries

Subsidiaries	Date of acquisition	Consolidated	Business office	Book value	Ownership percentage
HitecVision Advisory AS	22.12.2005	Yes	Stavanger	26 250	100,0%

Subsidiaries	Equity according to the latest financial statement	Net profit according to the latest financial statement
HitecVision Advisory AS	92 311	13 558

NOTE 6 Other financial investments**Parent company**

Other financial investments	Date of acquisition	Consolidated	Business office	Book value	Ownership percentage
HV Capital IV AS	22.12.2005	No	Stavanger	9 883	50.0%
HV Capital AS	18.10.2007	No	Stavanger	23 836	50.0%
HV Capital VI AS	09.08.2011	No	Stavanger	4 252	8.2%
HV Capital VII AS	04.07.2013	No	Stavanger	21 079	25.0%
HV Capital NSOF AS	16.09.2019	No	Stavanger	6 887	25.0%
HV Capital HVAS AS	12.08.2008	No	Stavanger	129	40.0%
HV Capital NEF AS	30.03.2021	No	Stavanger	2 603	25.0%
HV Capital NEF 2 AS	05.03.2022	No	Stavanger	1 250	25.0%
Total				69 919	

Associated companies	Equity according to the latest financial statement	Net profit according to the latest financial statement
HV Capital IV AS	18 977	-59
HV Capital AS	246 771	531 841
HV Capital VI AS	167 487	219 071
HV Capital VII AS	422 810	1 773 381
HV Capital NSOF AS	58 751	68 358
HV Capital HVAS AS	323	-9 908
HV Capital NEF AS	31 533	18 001
HV Capital NEF 2 AS	14 980	-12

Associated companies are valued using the cost method in the accounts for the parent company and equity method in the group financial statements.

Investments in shares and limited partnerships	Ownership percentage	Cost price	Book value
HitecVision Private Equity IV LP	2,5%	12 330	9 616
HitecVision Asset Solutions LP	2,8%	61 657	46 703
HitecVision VII LP	2,6%	307 117	307 117
HitecVision NSOF LP	1,5%	72 268	72 268
HitecVision New Energy Fund IS	1,1%	62 297	62 297
HitecVision SpringPoint LP	0,4%	29 534	29 534
Total investments in shares and limited partnerships		545 204	527 536

NOTE 6 Other financial investments cont.**Group**

Associated companies	Date of acquisition	Consolidated	Business office	Ownership percentage
HV Capital IV AS	22.12.2005	No	Stavanger	50.0%
HV Capital AS	18.10.2007	No	Stavanger	50.0%
HV Capital VI AS	09.08.2011	No	Stavanger	8.2%
HV Capital VII AS	04.07.2013	No	Stavanger	25.0%
HV Capital NSOF AS	16.09.2019	No	Stavanger	25.0%
HV Capital HVAS AS	12.08.2008	No	Stavanger	40.0%
HV Capital NEF AS	30.03.2021	No	Stavanger	25.0%
HV Capital NEF 2 AS	05.03.2022	No	Stavanger	25.0%

Companies accounted for using the equity method	HV Capital IV AS	HV Capital AS	HV Capital VI AS	HV Capital VII AS	HV Capital HVAS AS	HV Capital NSOF AS	HV NEF AS	HV Capital NEF 2 AS	Sum
Opening balance 01.01.23	13 971	139 324	15 459	84 816	1 321	12 110	7 397	11	274 409
Establishment	0	0	0	0	0	0	0	0	0
Capital increase	601	0	0	0	2 900	0	0	3 743	7 244
Share of profit for the year	-516	253 794	16 403	438 600	-3 955	17 574	6 890	-3	728 788
Currency differences	444	3 636	525	3 289	-4	426	209	0	8 526
Transfer to/from the company (dividend)	0	-275 615	-18 736	-415 526	0	-18 170	0	0	-728 047
Other changes during the year	0	0	0	0	0	0	-241	-5	-247
Closing balance 31.12.23	14 500	121 141	13 651	111 180	263	11 940	14 254	3 745	290 674
Profit share for the year:									
Share of profit for the year	-516	253 794	16 403	438 600	-3 955	17 574	6 890	3	728 794
Elimination share of dividend from HitecVision	0	-28 987	0	0	0	0	0	0	-28 987
Recognised profit share	-516	224 807	16 403	438 600	-3 955	17 574	6 890	3	699 801

Associated companies are accounted for using the equity method.
All associated companies were acquired at incorporation.

Investments in shares and limited partnerships	Ownership percentage	Cost price	Book value
HitecVision Private Equity IV LP	2.5%	12 330	9 616
HitecVision Asset Solutions LP	2.8%	61 657	46 703
HitecVision VII LP	2.6%	307 117	307 117
HitecVision NSOF LP	1.5%	72 268	72 268
HitecVision New Energy Fund IS	1.1%	62 297	62 297
HitecVision SpringPoint LP	0.4%	29 534	29 534
Total investments in shares and limited partnerships		545 204	527 536

NOTE 7 Share capital and shareholder information

The share capital of the company as of 31.12.23 consists of:

	Number of shares	Nominal value of shares	Book value
Ordinary shares	18 967 318	18 967 318	332 687
Total	18 967 318	18 967 318	332 687

All shares are in the same share class, where each share gives equal voting rights.

Shareholders

The largest shareholders of the company as of 31.12.23 were:

Other financial investments	Number of shares	Ownership percentage
Eføy Kapital AS	6 245 584	32.93%
Watrium AS	5 678 731	29.94%
HV Capital AS	1 570 704	8.28%
C 3 Holding Norway AS	1 518 426	8.01%
Pactum Vekst AS	1 060 398	5.59%
Skagen Vekst Verdipapirfond	715 277	3.77%
Jon Grude Gjedefo	257 773	1.36%
Gladstad Capital AS	231 544	1.22%
Surfside Holding AS	212 109	1.12%
Total owners with ownership interest > 1%	17 490 546	92.21%
Total other owners	1 476 772	7.79%
Total number of shares	18 967 318	100.00%

Shares owned by members of the Board of Directors and the CEO:

CEO and board member Ole Ertvaag has indirect ownership interests in the company through HV Capital AS and Eføy Kapital AS.

NOTE 8 Equity**Parent company**

	Share capital	Retained earnings	Total
Equity 01.01.23	333	362 006	362 339
This year's change in equity:			
Profit for the year		754 631	754 631
Extraordinary dividend		-400 021	-400 021
Ordinary dividend		-300 063	-300 063
Equity 31.12.23	333	416 553	416 886

Group

Equity 01.01.23		626 576	
This year's change in equity:			
Profit for the year		741 763	
Currency differences		14 792	
Extraordinary dividend*		-383 458	
Ordinary dividend*		-287 639	
Equity 31.12.23		712 035	

* Net of dividends to own shares owned indirectly through the associated company HV Capital AS

NOTE 9 Intercompany balance with related parties

	Group receivables		Group payables	
	2023	2022	2023	2022
Related parties	0	114	0	0
Total	0	114	0	0

NOTE 10 Tax expense

Parent company			Group	
2022	2023		2023	2022
		Tax basis		
910 424	756 410	Profit before tax	750 729	862 050
-904 708	-749 521	Permanent differences	-713 463	-829 172
-4 595	-3 957	Change in temporary differences	-4 494	-4 257
0	0	Group contributions received with tax effect	0	0
1 121	2 932	Tax result for the year	32 772	28 621
		The income tax expense for the year is as follows:		
247	645	Tax payable	8 173	7 389
0	263	Over/underprovision previous years	263	7
0	0	Effect from different tax rates	-164	101
1 011	870	Change in deferred tax	693	927
1 257	1 779	Income tax expense	8 966	8 423
		Tax payable		
247	645	Tax payable on net profit before tax	8 173	7 389
0	0	Prepaid tax	0	-108
247	645	Tax payable	8 173	7 280
		Overview of temporary differences:		
-16	-11	Fixed assets	-1 905	-2 447
5 923	9 875	3% of recognised dividend not received	9 875	5 923
5 907	9 864	Total temporary differences	7 971	3 476
1 300	2 170	Net deferred tax assets (-) deferred tax liabilities (+)	1 697	692

NOTE 11 Bank deposits

Bank deposits in the company accounts include restricted tax deduction funds of NOK 2,383 and NOK 9,484,980 in the group accounts.

NOTE 12 Currency risk

The parent company has currency risk through its investments in foreign companies.

NOTE 13 Related party transactions

The item sales revenues in the consolidated accounts include transactions between related parties in the form of recharges of fees for advisory of HitecVision funds.

All these transactions are on market terms.

NOTE 14 Debt to financial institutions

	2023	2022
Long-term debt to financial institutions	250 000	0
Short-term debt to financial institutions	0	0

According to the loan agreement between the company and financial institution, the company must at all times ensure that the loan does not exceed 20% of fair value of the company's assets.

HitecVision AS's shares in HitecVision Advisory AS are pledged as security for deductions in accordance with the credit agreement between the company and its financial institutions. The book value of the shares in HitecVision Advisory AS is NOK 26,250,000 as of 31.12.2023.

NOTE 15 Commitments to the HitecVision funds, directly and indirectly through associated companies

HitecVision has commitments to the HitecVision funds both directly and indirectly through associated companies.

The calculation of HitecVision's commitments in the funds has not been audited.

	Commitments (USD)	Recallable amount (USD)	Contribution (USD)	Outstanding commitment (USD)	Outstanding commitment (NOK)
Fund investments	138 253	18 833	142 227	14 859	151 150

NOTE 16 Fair value of investments in the HitecVision funds, directly and indirectly through associated companies

Fair value of HitecVision's investments in the HitecVision funds includes both investments held directly and investments held indirectly through associated companies. Fair value is based on the most recent reported Net Asset Value (NAV) and is based on external valuations audited

by the funds' auditor (PWC). The figures do not include realised investments. The calculation of HitecVision's share of the funds NAV has not been audited.

	Fair value (USD)	Fair value (NOK)
Fund investments	308 719	3 140 412

Auditor's report



Deloitte AS
Strandsvingen 14 A
NO-4032 Stavanger
Norway

+47 51 81 56 00
www.deloitte.no

To the General Meeting of HitecVision AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of HitecVision AS, which comprise:

- The financial statements of the parent company HitecVision AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of HitecVision AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Deloitte AS and Deloitte Advokatfirma AS are the Norwegian affiliates of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte Norway conducts business through two legally separate and independent limited liability companies: Deloitte AS, providing audit, consulting, financial advisory and risk management services, and Deloitte Advokatfirma AS, providing tax and legal services.

Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282



Independent auditor's report
HitecVision AS

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Independent auditor's report
HitecVision AS

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 4 April 2024
Deloitte AS

Ommund Skailand
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Appendix

A. GRI Index page 163

B. SASB Index page 166

C. Principal adverse impacts statement page 167

D. Ethical Guidelines page 173

E. Responsible Investment Policy page 177

F. Supplier Expectations Statement page 178

G. Terms and abbreviations page 179

H. References page 180

Assurance statement page 181

A. GRI Index

Statement of use: HitecVision has reported in accordance with the GRI Standards for the period 01.01.2023–31.12.2023.
GRI 1 used: GRI 1: Foundation 2021

GRI 2
2021
▼

GRI DISCLOSURE		LOCATION	REQUIREMENTS	REASON	EXPLANATION
General disclosures					
2-1	Organizational details	https://hitecvision.com/			
2-2	Entities included in the organization's sustainability reporting	HitecVision and its portfolio companies			
2-3	Reporting period, frequency and contact point	1 January to 31 December 2023, annual grethe.meisingset@hitecvision.com			
2-4	Restatements of information	A few figures have been restated compared to the reported data in 2022. For details on these restated figures, please see footnotes on pages 36 and 37.			
2-5	External assurance	Page 181			
2-6	Activities, value chain and other business relationships	Pages 4, 15-16, 59-151 https://hitecvision.com/about-us/			
2-7	Employees	Pages 18, 28-31			
2-8	Workers who are not employees		GRI 2-8	Information unavailable/incomplete	This info is currently not reported, though will be considered for future disclosures.
2-9	Governance structure and composition	Page 16			
2-10	Nomination and selection of the highest governance body	Pages 140-144			
2-11	Chair of the highest governance body	Pages 140-144			
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 14-18			
2-13	Delegation of responsibility for managing impacts	Pages 14-18			
2-14	Role of the highest governance body in sustainability reporting	Pages 14-18			
2-15	Conflicts of interest	Pages 173-175			
2-16	Communication of critical concerns	Page 34. We are committed to developing and maintaining accessible and effective grievance mechanism for internal and external stakeholders, including communities affected by our investments.			
2-17	Collective knowledge of the highest governance body	As of 2020, the Board of Directors of HitecVision AS has had ESG as a separate item on the agenda in all board meetings, where sustainability has been fundamental. From 2023, a separate section on ESG is included in the quarterly report to the board.			
2-18	Evaluation of the performance of the highest governance body	Our Chairperson conducts an annual evaluation through individual discussions with all board members. No report has been prepared.			
2-19	Remuneration policies	Page 30 and https://hitecvision.com/wp-content/uploads/2022/12/Remuneration-Policies.pdf			
2-20	Process to determine remuneration	Page 30 and https://hitecvision.com/wp-content/uploads/2022/12/Remuneration-Policies.pdf			
2-21	Annual total compensation ratio		GRI 2-21	Information unavailable/incomplete	This info is currently not reported, though will be considered for future disclosures.
2-22	Statement on sustainable development strategy	Pages 4-5			
2-23	Policy commitments	Page 17			
2-24	Embedding policy commitments	Pages 17, 19			
2-25	Processes to remediate negative impacts	HitecVision believes that it does not cause any negative impacts directly. For remediation of negative impacts indirectly contributed to through the portfolio companies, please see pages 11-38.			
2-26	Mechanisms for seeking advice and raising concerns	Pages 31-34			
2-27	Compliance with laws and regulations	No known instances of non-compliance in 2023.			
2-28	Membership associations	Page 10			
2-29	Approach to stakeholder engagement	Page 12			
2-30	Collective bargaining agreements	None. HitecVision is a small organisation and believes that its employees have working conditions and terms of employment that are in line with or better than the general market.			

OMISSION

GRI DISCLOSURE

LOCATION

REQUIRE-
MENTS

REASON

EXPLANATION

■ Material topics

GRI 3 2021	3-1	Process to determine material topics	Pages 23-24			
	3-2	List of material topics	Pages 23-24			

■ Corruption and bribery (Anti-corruption)

GRI 3 2021	3-3	Management of material topics	Pages 32-37			
GRI 205: Anti- corruption 2016	205-1	Operations assessed for risks related to corruption	Page 34			
	205-2	Communication and training about anti-corruption policies and procedures	Page 34			
	205-3	Confirmed incidents of corruption and actions taken	Pages 34, 36-37			

■ Climate change mitigation and adaptation and Energy use and production (Emissions)

GRI 3 2021	3-3	Management of material topics	Pages 25-26			
GRI 205: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Pages 26, 36-37			
	305-2	Energy indirect (Scope 2) GHG emissions	Pages 26, 36-37			
	305-3	Other indirect (Scope 3) GHG emissions	Pages 26, 36-37			
	305-4	GHG emissions intensity	Pages 26, 36-37			
	305-5	Reduction of GHG Emissions	Pages 26, 36-37			
	305-7	Nitrogen Oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions			Not applicable	No emissions to air are considered relevant for HitecVision apart from greenhouse gas emissions.
	306-3	Waste generated	Page 37			

■ Impacts and dependencies on biodiversity and ecosystems (Biodiversity)

	3-3	Management of material topics	Our approach for identifying this topic as material is described on pages 23-24. Further information on our intentions around reporting on this topic is provided on page 27.			
--	-----	-------------------------------	---	--	--	--

■ Working conditions and Health and safety (Occupational health and safety)

GRI 3 2021	3-3	Management of material topics	Pages 28-29			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Pages 28-29, 36-37			
	403-5	Worker training on occupational health and safety	Page 28-29, 36-37			
	403-8	Workers covered by an occupational health and safety management system	Page 28-29, 36-37			
	403-9	Work-related injuries	There were no instances of work-related injuries in 2023.			

OMISSION

GRI DISCLOSURE			LOCATION	REQUIREMENTS	REASON	EXPLANATION
Knowledge building and skill development (Training and education)						
GRI 3 2021	3-3	Management of material topics	Page 29			
GRI 405: Diversity and Equal Opportunity 2016	401-1	New employees hires and employee turnover	Pages 30, 36-37			
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 29			
	404-3	Percentage of employees receiving regular performance and career development reviews	100%. All employees receive regular performance and career development reviews.			

Equal treatment and opportunities (Diversity and equal opportunity)						
GRI 3 2021	3-3	Management of material topics	Pages 30-31			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 30-31	405-1 (a) ii, iii and (b) ii, iii	Information unavailable/incomplete	This information is currently not reported, though will be considered for future disclosures.
	405-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		405-2 (a) and (b)	Information unavailable/incomplete	This information is currently not reported, though will be considered for future disclosures.
GRI 406 Non-discrimination 2016	406-1	Incident of discrimination and corrective actions taken	There were no instances of discrimination reported in 2023.			

Protection of whistle-blowers and Data protection and cyber security (Customer privacy)						
GRI 3 2021	3-3	Management of material topics	Pages 31-35			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning this issue in 2023.			
Company-specific indicator		Protection of whistle-blowers	Pages 34, 36-37. As for previous years, there were no ethical breaches or whistleblowing cases being addressed by management or the board in 2023.			
		Number of cyber security attacks	Page 36-37			

B. SASB Index

ASSET MANAGEMENT & CUSTODY ACTIVITIES Sustainability Accounting Standard (Version 2021-12)

TOPIC	ACCOUNTING METRIC	DISCLOSURE	UNIT OF MEASURE	CODE
Transparent Information & Fair Advice for Customers	1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.	0%	Quantitative Number, Percentage (%)	FN-AC-270a.1
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning Customers.	EUR 0	Reporting currency	FN-AC-270a.2
	Description of approach to informing customers about products and services.	n/a	n/a	FN-AC-270a.3
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	(1) 33% women (2) n/a (3) 26% women (4) 59% women As at 31 December 2023. The company does not register the ethnic background of its employees.	Percentage (%)	FN-AC-330a.1
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening.	(1) EUR 8.3 billion (2) EUR 2.1 billion (3) EUR 8.3 billion As at 31 December 2023.	Reporting currency	FN-AC-410a.1
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies.	Pages 9-20	n/a	FN-AC-410a.2
	Description of proxy voting and investee engagement policies and procedures.	n/a	n/a	FN-AC-410a.3
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	EUR 0	Reporting currency	FN-AC-510a.1
	Description of whistleblower policies and procedures.	Page 34	n/a	FN-AC-510a.2

ACCOUNTING METRIC	DISCLOSURE	UNIT OF MEASURE	CODE
(1) Total registered and (2) total unregistered assets under management (AUM)	(1) EUR 8.3 billion (2) EUR 0 As at 31 December 2023	Reporting currency	FN-AC-000.A
Total assets under custody and supervision	EUR 5.0 billion	Reporting currency	FN-AC-000.B

C. Principal adverse impacts statement

SFDR Annex 1, Table 1, statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: HitecVision Advisory AS

Summary: HitecVision Advisory AS (HitecVision) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of HitecVision. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

This statement provides an overview of the policies on the identification and prioritisation of principal adverse sustainability impacts and a description of the principal adverse impacts and actions taken to reduce such impacts. Among the most important principal adverse impacts of our investment decisions are environmental impacts, including greenhouse gas emissions and other emissions to the air and the sea; workplace health and safety; and diversity and inclusion. HitecVision has a continuous focus on these and other sustainability factors, monitoring for adverse impacts, and identifying potential for contributing to reducing negative impacts through our investments. Translations of this summary are included at the end of this table.

Description of the principal adverse impacts on sustainability factors

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES MANDATORY INDICATORS

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
GREENHOUSE GAS EMISSIONS					
1. GHG Emissions	Scope 1 GHG emissions	220,082	301,180	The decrease in Scope 1 emissions in 2023 is attributable to reduced direct emissions from our oil and gas-producing companies, mainly driven by the electrification of the Ivar Aasen field held by Sval Energi and our reduced ownership in Vår Energi.	HitecVision works closely with its portfolio companies on an ongoing basis to reduce their Scope 1 emissions, including creating emission reduction plans. As energy use and thus emissions are in many cases closely correlated with the activity level of a business, and we generally expect our companies to grow, we focus on relative emissions rather than absolute emissions for most of the companies with high emissions. This entails identifying and implementing suitable carbon intensity KPIs.
	Scope 2 GHG emissions	2,110	2,013	The increase in Scope 2 emissions in 2023 is mainly related to Celsius, which was only included in the three last quarters of 2022, causing the figure to increase in 2023 when the full four quarters were included.	HitecVision works closely with its portfolio companies on an ongoing basis to reduce their Scope 2 emissions, including creating emission reduction plans. As energy use and thus emissions are in many cases closely correlated with the activity level of a business, and we generally expect our companies to grow, we focus on relative emissions rather than absolute emissions for most of the companies with high emissions. This entails identifying and implementing suitable carbon intensity KPIs.
	Scope 3 GHG emissions	2,552,022	178,600	The significant increase in Scope 3 emissions is a consequence of the inclusion of additional Scope 3 categories in the reporting, most notably, the use of sold products by our oil and gas-producing companies, which represent 80% of the total Scope 3 emissions in 2023.	HitecVision is encouraging its portfolio companies on an ongoing basis to analyse and report their Scope 3 emissions, as a basis for creating emission reduction plans.
	Total GHG emissions	2,774,213	481,793		

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

MANDATORY INDICATORS

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
2. Carbon Footprint	Carbon footprint	129.1	15.8	The significant increase in carbon footprint is a consequence of the inclusion of additional Scope 3 categories in the reporting, most notably, the use of sold products by our oil and gas-producing companies.	In addition to working with each portfolio company to reduce their emissions as described above, HitecVision's strategy is that all new investments shall be in companies that contribute to the energy transition. In general, these companies have lower carbon footprints than other parts of the energy industry. This strategy will contribute to reducing the carbon footprint of our portfolio over time.
3. GHG intensity of investee companies	GHG intensity of investee companies.	742.9	129.6	The significant increase in GHG intensity is a consequence of the inclusion of additional Scope 3 categories in the reporting, most notably, the use of sold products by our oil and gas-producing companies, alongside a decrease in total revenues generated by the companies as energy prices returned to a more normalised level after record-high prices in 2022.	In addition to working with each portfolio company to reduce their emissions as described above, HitecVision's strategy is that all new investments shall be in companies that contribute to the energy transition. In general, these companies have lower carbon footprints than other parts of the energy industry. This strategy will contribute to reducing the GHG intensity of our portfolio over time.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector.	63%	80%	The reduced exposure to companies active in the fossil fuel sector is a result from two new companies being added to the portfolio in 2023 positioned for the energy transition, as well as a reduced ownership in Vår Energi.	In the past, investments in the fossil fuel sector was HitecVision's speciality. Our new strategy since 2021 is that all new investments shall be in companies that contribute to the energy transition. Over time this will reduce the exposure to companies active in the fossil fuel sector.
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	90%	94%*	<p>The share of non-renewable energy consumption and production decreased driven by a 45% increase in renewable energy production from the portfolio companies invested in by our New Energy Program combined with reduced production volume in our oil and gas-producing companies of 20%.</p> <p><i>* This number has been revised from the reported figure in the 2022 report.</i></p>	We encourage our portfolio companies to use certified renewable energy as far as possible. As most of our portfolio companies have their main activities in Norway, the share of non-renewable energy consumption is relatively low. Our new strategy since 2021 is that all new investments shall be in companies that contribute to the energy transition. Over time this will reduce the share of non-renewable energy consumption and production.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector.	Electricity: 5.5 Mining and Quarrying: 0.2	Electricity: 4.1 Mining and Quarrying: 0.1	<p>The increase in energy consumption intensity reflects a decrease in total revenues generated by the companies as energy prices returned to a more normalised level after record-high prices in 2022.</p> <p>For electricity, the development is further driven by Celsio, which has a high energy consumption to create district heating. Celsio was only included in the three last quarters of 2022, causing the figure to increase in 2023 when the full four quarters were included.</p>	HitecVision encourages all portfolio companies to find ways to reduce their energy consumption, and regularly discuss this issue with the companies. An increasing proportion of companies have introduced energy management systems in accordance with the ISO 50001 standard.

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

MANDATORY INDICATORS

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
BIODIVERSITY					
7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	7%	3%	The increase in activities negatively affecting biodiversity-sensitive areas is related to Cadre, a new portfolio company in 2023.	Two of our portfolio companies have operations in biodiversity-sensitive areas, while other companies have operations near such areas. In all cases we aim to ensure that the activities do not have negative effects of any significance in those areas. This is done through a focus on Environmental Impact Assessments before activities are commenced, and monitoring of activities thereafter.
WATER					
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	1.5	1.6	The decrease in emissions to water is related to a general reduction across several portfolio companies operating offshore.	The bulk of emissions to water generated by our portfolio companies is generated as a result of offshore oil and gas production activities, where certain emissions to the sea are allowed by regulators. We expect all portfolio companies to keep their emissions to water in line with or better than applicable regulations and, where relevant, their licenses from relevant regulatory authorities.
WASTE					
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average.	36.6	25.1	The increase in hazardous waste is mainly related to Celsio, which generates substantial amounts of hazardous waste in the form of residual ash from its municipal waste incineration plants. Celsio was only included in the three last quarters of 2022, causing the figure to increase in 2023 when the full four quarters were included.	The bulk of hazardous waste generated by our portfolio companies is generated as a result of oil and gas drilling activities, where certain types of drilling waste are classified as hazardous. Other companies produce small amounts of hazardous waste as part of their operations. We expect all portfolio companies to dispose of hazardous waste in line with applicable regulations and, where relevant, their licenses from relevant regulatory authorities.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
SOCIAL AND EMPLOYEE MATTERS					
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	0%	0%	No change.	HitecVision focuses on strong corporate governance at its portfolio companies, and these issues are among the ESG issues we regularly follow up with each company.

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

MANDATORY INDICATORS

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	25%	40%	In 2022 and early in 2023, some of our portfolio companies had not yet formalised its processes and compliance mechanisms. Since the metric is calculated as an average across the four quarters, the figure for 2022 was relatively high and was reduced in 2023.	We believe that all portfolio companies have good compliance mechanisms in place. We intend to continue working with the companies to ensure that all companies have formalised processes and compliance mechanisms in place.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies.	22%*	31%*	The decrease in unadjusted paygap is related to reduced gaps in several of our portfolio companies, including OMP Capital, Moreld and Energy Drilling. * The figures exclude Vår Energi, as we do not have sufficient data from Vår Energi to include in the calculations.	HitecVision's Diversity, Equity and Inclusion Policy states that: "Our employees shall receive equal pay for work of equal value, regardless of gender, race, religion or belief, age, marital or civil status, pregnancy, sexual orientation or disability." We require all portfolio companies to establish similar policies, and work with them to ensure that these are implemented and acted on.
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.	31%	31%	No change.	HitecVision usually has the right to appoint a certain number of directors to its portfolio companies, and we have a target that at least 40% of these shall be female. While we do not control who is appointed by other shareholders in the investee companies, we try to influence those shareholders in order to gain a balanced board in each portfolio company. The Norwegian Government has recently adopted new rules mandating 40% gender balance in the boards of Norwegian companies meeting certain size criteria. This will further help improve the board gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	No change.	HitecVision has no exposure to weapons manufacturers of any kind, and does not intend to invest in such companies.

EMISSIONS

15. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.	21%	38%	In 2022, some of our new portfolio companies had not yet established carbon emission reduction initiatives at investment. Since the metric is calculated as an average across the four quarters, the figure for 2022 was, therefore, relatively high and has been gradually reduced in 2023.	We ask all our portfolio companies to develop plans for reducing their carbon emissions, in absolute terms or, where the companies are in a strong growth phase, in intensity terms. We encourage the companies to ensure that their plans and initiatives are aligned with the Paris Agreement, for example by joining the Science Based Targets initiative. In order to help drive this work, HitecVision has joined the Net Zero Asset Managers Initiative.
---	--	-----	-----	--	--

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES MANDATORY INDICATORS

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
SOCIAL AND EMPLOYEE MATTERS					
16. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	4.1*	3.4*	<p>The increase in the rate of accidents in 2023 is driven by an increase in lost time injuries among sub-contracts in Celsio. Several new HSEQ measures have been introduced to mitigate new incidents.</p> <p><i>* The figures exclude Vår Energi, as we don't have sufficient data from Vår Energi to include in the calculations.</i></p>	<p>As an investor primarily in industrial companies for several decades, HitecVision has long had a strong focus on health and safety matters in its portfolio companies, and this is one of the issues we regularly discuss with each company.</p> <p>We expect each company to monitor its performance, and to have programs to reduce accident risk and the level of accidents.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

HitecVision has formalised several ESG policy instruments and procedures to support our ESG management and impact approach, including with respect to principal adverse impacts on sustainability factors. These include:

- Ethical Guidelines
- Responsible Investment Policy
- ESG Integration Procedure
- Energy Transition Strategy
- Diversity, Equity and Inclusion Policy
- Supplier Expectations Statement

The Ethical Guidelines and the Responsible Investment Policy are reviewed annually by the Board of Directors of HitecVision, while the other policy documents are adopted by management. The responsibility for the implementation of HitecVision's policies on principal adverse impacts primarily lies with the investment professionals, overseen and aided by the Head of Sustainability.

HitecVision has selected the following additional indicators:

- Investments in companies without carbon emission reduction initiatives

We ask all of our portfolio companies to develop plans for reducing their carbon emissions, in absolute terms or, where the companies are in a strong growth phase, in intensity terms. These plans should be aligned with the Paris Agreement. In order to help drive this work, HitecVision has joined the Net Zero Asset Managers Initiative. Most companies have developed and are implementing comprehensive emission reduction plans or free-standing initiatives. We will encourage the companies to ensure that their plans and initiatives are aligned with the Paris Agreement, for example by joining the Science Based Targets initiative.

- Rate of accidents

As an investor primarily in industrial companies for several decades, HitecVision has long had a strong focus on health and safety matters in its portfolio companies, and this is one of the issues we regularly discuss with each company. We expect each company to monitor its performance, and to have programs to reduce accident risk and the level of accidents.

The information in the periodic disclosure has been compiled using data received from our portfolio companies, and the accuracy of the calculations depends on the quality of the data received. HitecVision's ESG approach is described in detail in HitecVision's annual Integrated Sustainability Report, available at HitecVision's website.

Engagement policies

As investments by HitecVision funds generally target controlling stakes, HitecVision has not adopted any specific shareholder engagement policy applicable to investments in securities traded on regulated markets.

Engagement with portfolio companies is an integral part of HitecVision's objective of ensuring that its portfolio companies operate in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything they do. Through its regular engagement with portfolio companies, HitecVision will seek to work with the portfolio companies in addressing and reducing principal adverse impacts as further described above.

References to international standards

HitecVision is a signatory to the UN Principles for Responsible Investment, the Net Zero Asset Managers Initiative, and Norsif, the Norwegian forum for sustainable investment. In its reporting, HitecVision applies internationally recognised reporting frameworks including the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) disclosures. Greenhouse gas emissions are calculated using the GHG Protocol. While HitecVision applies these guidelines and standards in its investment activities, the standards and guidelines alone does not entail that HitecVision's investments are aligned with the Paris Agreement. HitecVision is aware of a number of forward-looking climate scenarios, but does not use any as a basis for its investment decisions.

Translations of the Summary

Norsk

HitecVision Advisory AS (HitecVision) vurderer de viktigste negative konsekvensene av sine investeringsbeslutninger på bærekraftsfaktorer. Denne erklæringen er den konsoliderte erklæringen om de viktigste negative virkningene på bærekraftsfaktorer i HitecVision. Denne uttalelsen om prinsipielle skadevirkninger på bærekraftsfaktorer dekker referanseperioden fra 1. januar 2023 til 31. desember 2023.

Denne erklæringen gir en oversikt over retningslinjene for identifisering og prioritering av de viktigste negative konsekvensene for bærekraft og en beskrivelse av de viktigste skadevirkningene og tiltakene som er truffet for å redusere slike konsekvenser. Blant de viktigste negative konsekvensene av våre investeringsbeslutninger er miljøpåvirkning, inkludert klimagassutslipp og andre utslipp til luft og sjø, helse og sikkerhet på arbeidsplassen, og mangfold og inkludering. HitecVision har kontinuerlig fokus på disse og andre bærekraftsfaktorer, overvåker for skadevirkninger og identifiserer potensiale for å bidra til å redusere negative konsekvenser av våre investeringer.

D. Ethical Guidelines

1.0 Introduction

- 1.1** HitecVision Advisory AS (the “**Company**”) is authorized as AIF manager pursuant to section 2-2 of the Alternative Investment Fund Manager Act (the “**AIFM Act**”).
-
- 1.2** The Company is subject to supervision by the Financial Supervisory Authority of Norway.
-
- 1.3** Under the AIFM Act, the board of directors and the senior management have a particular responsibility to ensure that the business activities are performed in accordance with applicable laws. Consequently, the board of directors and the CEO have established and revised internal procedures, hereunder the ethical guidelines, to ensure proper management and control of the Company.
-
- 1.4** The following important factors of the AIFM Act are reflected in the ethical guidelines;
- to perform the business activities in compliance with sound business practice;
 - to avoid conflicts of interest and if unavoidable, the interest of the relevant Fund shall take precedence over the Company's own interest; and
 - the Duty of Confidentiality.
-
- 1.5** The ethical guidelines also set out the Company's overarching rules and principles for its relationship with its supply chain and business partners.
-
- 1.6** The ethical guidelines are supplemented by the following procedures;
- Procedure for use of ICT Services
 - Business Hospitality Procedure
 - Procedure for Personal Transactions and businesses
 - Whistleblowing procedure
 - Data protection procedure
 - Insider dealing regulations procedure
 - Policy Statement on Political Activities in the USA
-
- 1.7** The general rules and procedures described in these ethical guidelines and the supplementing procedures are to be considered as instructions for all employees of HitecVision.
-
- 1.8** The guidelines also apply to the members of the board of directors, temporary staff and contracted staff of HitecVision.
-
- 1.9 DEFINITIONS**
- “**Compliance Officer**” means Director Compliance or such other person appointed from time to time.
- The “**Funds**” means any fund managed or advised by HitecVision from time to time.
- “**HitecVision**” or the “**Company**” means HitecVision Advisory AS and to the extent relevant HitecVision AS and the HV Capital entities incorporated in connection with fundraising.

2.0 The five principles

- 2.1** We have five principles to ensure that we perform the business activities in compliance with sound business practice, avoid conflict of interest and protect confidential information.
-
- 2.2** The five principles are:
1. We behave and comply with laws
 2. We respect our colleagues
 3. We protect our assets and confidential information
 4. We never make illegal payments
 5. We avoid conflicts of interest
-
- 2.3** Should you ever be in doubt whether a decision upholds the principles, consult your manager or the Compliance Officer.
-
- 2.4 PRINCIPLE 1:
WE BEHAVE AND COMPLY WITH LAWS**
- 2.4.1** Employees of the Company shall demonstrate absolute integrity and professionalism in their work for the Company. They are expected to act honestly and objectively in all parts of the Company's operations and all business activities.
- 2.4.2** Employees are obliged to comply with the laws and regulations applicable to the Company at any given time and perform their work in compliance with sound business practice and the Company's core values set out in these ethical guidelines.
- 2.4.3** Employees shall also comply with the prevailing internal procedures adopted by the Company, hereunder HitecVision's Responsible Investment Policy', enclosed as [Appendix 1](#) as well as the ethical guidelines laid down by the Norwegian Venture Capital Association, as amended from time to time.
-
- 2.5 PRINCIPLE 2:
WE RESPECT OUR COLLEAGUES**
- 2.5.1** Our goal is to recruit, develop and retain the best people, and we want a creative, diverse and inclusive working environment.
- 2.5.2** We want our employees to perform to their full potential and to be recognised and rewarded fairly for their performance. To help each employee to achieve and perform to his/her full potential, colleagues may give honest feedback in a constructive and respectful way. Management also welcomes and encourages input from the Company's employees.
- 2.5.3** We want to ensure that the workplace is safe and free from harassment, discrimination and bullying. We will never tolerate any form of abuse or harassment of our colleagues or business partners.
- 2.5.4** We will treat everyone with courtesy and respect, regardless of race, gender, national or social origin, disability, sexual orientation, religious belief or political opinions, or other status.

2.5.5 We recruit, select, train, promote and reward our employees on merit, and irrespective of their race, gender, national or social origin, age, disability, sexual orientation, religious belief or political opinions. All employee-related decisions will be based on qualifications, demonstrated skills, achievements or other professional criteria.

2.5.6 You should never:

- Behave in a way that could reasonably be considered offensive, intimidating, discriminatory or insulting. Avoid abusive language or inappropriate jokes, such as jokes of a racial or sexual nature, in the workplace.
- Engage in any form of harassment. Harassment does not have to take place at work or involve a colleague to violate our Code.
- Humiliate, ridicule or injure another person.
- Directly or indirectly discriminate an employee on the basis of race, gender, age, national or social origin, disability, sexual orientation, religious belief or political opinions.
- Turn a blind eye to harassment or discrimination in the workplace. Voicing concerns or reporting incidents to management will never result in retaliation.

2.6 PRINCIPLE 3: WE PROTECT OUR ASSETS AND CONFIDENTIAL INFORMATION

2.6.1 We always take care to protect our business assets and information of a confidential nature. Such assets and information may include property, time, intellectual property, inside information, personal data, business opportunities, investor lists, Company assets and Company equipment. We also respect the intellectual property and trade secrets of others.

2.6.2 We have a duty of confidentiality with respect to any matter concerning inside information, the Company, investors, Funds and portfolio companies. We are obliged to sign HitecVision's declaration of confidentiality, which is enclosed as [Appendix 2](#). The declaration of confidentiality shall be signed at commencement of the employment and on an annual basis.

2.6.3 We also safeguard access to, and the appropriate use of, the Company's ICT- resources. All information stored, processed, sent or received on HitecVision's systems is the property of the Company. The company therefore reserves the right to access all such information except where limited by law or agreement.

We are all responsible for making sure our resources are not misused or wasted. Examples of misuse are thefts of supplies, equipment, documents, cash or other property.

2.6.4 In particular, you should ensure that you:

- Take reasonable care when using Company property at all times, making sure that it is not damaged or lost.
- Report lost or stolen property or equipment without delay.
- Utilise computer and communication systems, including voicemail service, e-mail and internet in accordance with the Procedure for the use of ICT Services.
- Protect Company information and never disclose confidential or Company information to non-employees or to other employees unless required for the purpose of the performance of the work. This obligation applies not only during your employment, but also after termination of your employment with the Company.
- Process personal data in accordance with the data protection procedure.
- Ensure that no unauthorized persons are granted admittance to the Company's restricted office areas unless preapproved by Compliance.
- Act in accordance with the insider dealing regulations procedure
- Handle inside information or other confidential information with due care so that such information does not come into the possession of unauthorised persons or is misused.
- Discuss inside information or other confidential information in a proper manner even within the Company's restricted offices areas.
- Do not discuss inside information or other confidential information in the canteen, reception area or other public places such as airports or restaurants.

2.6.5 The Compliance Officer is responsible for ensuring that inside information and other sensitive information is handled with due care in accordance with applicable regulations from time to time, including but not limited to ensuring that lists of persons with access to inside information are drawn up etc.

2.6.6 In the event of confidential information being leaked, the Compliance Officer shall be notified and shall initiate an internal investigation.

2.6.7 The purpose of such an investigation is to identify if the leak originated from the Company and the source of the leak. Depending on the outcome of the investigation the CEO shall consider if the procedure should be amended. The CEO shall inform the board of directors of the outcome of such investigations.

For more guidance, please consult:

- Insider dealing regulations procedure
- Data protection procedure
- Procedure for the use of ICT Services.

2.7 PRINCIPLE 4: WE NEVER MAKE ILLEGAL PAYMENTS

- 2.7.1 Illegal payments comprise all types of payments that are illegal under applicable laws. The term 'illegal payments' should be taken to mean not only corruption, but also embezzlement, fraud and other economic crimes. Illegal payments will typically lead to the enrichment of a person or several persons at the expense of the Company, the Funds, or the Funds' portfolio companies. In making an illegal payment you will most likely be acting against the best interest of your company. Such payments are strictly forbidden and will in most cases lead to the immediate termination of your employment.
- 2.7.2 Corruption is a threat to fair competition, and it undermines legitimate business activities. Any violation within our organisation will be a threat to our reputation and credibility in the market. Corruption is wrong and unacceptable, and no business advantage for our Company will ever justify paying a bribe.
- 2.7.3 The definition of corruption may differ from one jurisdiction to another, however, the main concept is the same: giving an improper advantage to a person in the public or the private sector in the conduct of their duties is not permitted. We shall comply with the Norwegian anti-corruption provisions, the UK Bribery Act (UKBA) and the US Foreign Corrupt Practices Act (FCPA). Under Norwegian legislation, it is prohibited to, for themselves or others, require, receive, or accept an offer of an improper advantage (passive corruption), or to give or offer someone an improper advantage (active corruption), in relation to performance under employment or other position in Norway or abroad. The term 'improper advantage' is vague and it is required to exercise proper caution when accepting or offering something of value.
- 2.7.4 For this reason, you are prohibited from:
- Giving or offering an improper advantage in connection with a person's position, office or assignment in either the public or private sector.
 - Offering, promising or giving a financial or other kinds of advantage to another person with the intention to (i) induce a person to perform improperly a relevant function or activity, or (ii) in order to reward a person for the improper performance of such a function or activity.
 - Offering to pay, actually pay or authorising the payment of money or anything of value to a foreign official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business.
 - Offering or giving an improper advantage to a third party in exchange for this person trying to influence the conduct of someone else (trading in influence).

2.7.5 The Company not only prohibits active bribery, but also the acceptance or receipt of an improper advantage in connection with your position in our Company. Never accept a kickback, "private commission" or money from any of our business partners.

2.7.6 It is not only the transfer of money that constitutes bribery; also gifts, services, offering preferential terms for a product or a service, and travel and accommodation may in certain cases expose the Company to a compliance risk.

2.7.7 It is also strictly forbidden to make any unauthorised transfer of money or anything of value from the Company to yourself, to any of your close relatives or to any person acting on your behalf. Embezzling or stealing Company assets or funds will never be accepted.

For more guidance, please consult:

- Business Hospitality Procedure

2.8 PRINCIPLE 5: WE AVOID CONFLICTS OF INTEREST

2.8.1 The Company's business shall at all times be conducted in a manner that minimises the risk of any conflict of interest. Where a conflict of interest is unavoidable, HitecVision has a particular duty to ensure that the interests of the relevant Funds / the Fund's investors take precedence over the Company's own interests, and to ensure that one or more individual Funds / investors are not unfairly favoured at the expense of other Funds / investors.

2.8.2 Should the Company have a special interest outside the normal course of business, information about such interest shall be conveyed to the relevant body (Board of Directors or investor committee) within the Fund in question. This also applies where HitecVision and/or employees have personal interests in relation to transactions or investments subject to HitecVision's advice.

2.8.3 Should there be any potential for raising doubts about the objectivity or integrity of an employee due to a potential conflict of interest (including but not limited to circumstances related to the Funds, The Funds' portfolio companies, inside information etc), the employee shall raise the matter with the Compliance Officer as soon as the employee becomes aware of the (potential) conflict of interest. The person concerned shall immediately resign from further work on the matter in question if the Compliance Officer deems that there is a risk of conflict of interest.

For more guidance, please consult:

- Policy Statement on Political Activities in USA
- Procedure for Personal Transactions and Businesses
- Business Hospitality Procedure

3.0 Miscellaneous

3.1 RESPECT FOR HUMAN RIGHTS AND DECENT WORKING CONDITIONS

- 3.1.1 The Company respects internationally recognized human rights, including the International Bill of Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. This includes respecting the right to freedom from forced labour, right to equality and freedom of discrimination, freedom of thought, conscience and religion, freedom of opinion and expression, and right to adequate living standards.
- 3.1.2 Human rights and decent working conditions shall at all times be respected within the Company's own operations. HitecVision shall avoid causing or contributing to adverse impacts on human rights and decent working conditions, avoid infringing on the rights of others, and implement suitable measures to cease, prevent or mitigate adverse impacts which HitecVision has caused or contributed to within its own operations.
- 3.1.3 In case of doubt as to whether an incident or circumstance may lead to adverse impacts on human rights or decent working conditions, the Compliance Officer shall be consulted.

3.2 SUPPLIERS AND BUSINESS PARTNERS

- 3.2.1 In accordance with internationally recognised principles for responsible business conduct, HitecVision shall seek to avoid causing or contributing to, directly or indirectly, adverse impacts on fundamental human rights and decent working conditions through its supply chain or its business partners.
- 3.2.2 The Company shall seek to ensure its supply chain and its business partners respect fundamental human rights and decent working conditions and conduct their business operations in accordance with internationally recognised principles for responsible business conduct.
- 3.2.3 The Company shall identify and assess actual and potential adverse impacts to fundamental human rights or decent working conditions in its supply chain and with its business partners in accordance with the Transparency Act.
- 3.2.4 In case of doubt as to whether the Company causes or contributes to adverse impacts on human rights or decent working conditions through its supply chain or its business partners, the Compliance Officer shall be consulted.

3.3 PUBLICITY AND CONTACT WITH MEDIA

All media contact is to be coordinated by the CEO or by a person with delegated authority to give statements on behalf of the Company.

You are not allowed to give statements to the press or in the social media about the Company, the Funds, the Funds' investors and portfolio companies without prior approval.

Enquiries from the media should always be responded to by stating "no comment" and it should be referred to the CEO.

Private use of social media should not be of such a nature that it may result in breach of confidentiality, or damage to HitecVision's reputation.

3.4 ANNUAL REVISION

- 3.4.1 These ethical guidelines shall be reviewed and if necessary revised at least once every year.
- 3.4.2 Should requirements stipulated by law or regulation necessitate an amendment of the ethical guidelines, such amendment shall be implemented immediately.

3.5 WHISTLEBLOWING

Please consult the Whistleblowing Procedure.

3.6 SANCTIONS

Any breach of the provisions in these ethical guidelines may have severe consequences for HitecVision and for the individual employee. Violation by an employee may involve (without limitations) warnings or in more serious events, dismissal, liability to pay compensation and criminal liability, including imprisonment.

E. Responsible Investment Policy

HitecVision Responsible Investment Policy

Introduction

HitecVision is a leading private equity investor in the European energy industry. HitecVision's objective is to create value by developing and building strong portfolio companies and on this basis generate superior returns for its investors.

HitecVision believes that a strong focus on environmental, social and governance factors and issues is critical to its long-term success as a private equity investor. HitecVision is a signatory of the UN- supported "Principles for Responsible Investment".

We are convinced that in this respect, the interests of our investors are aligned with those of our portfolio companies, their employees, customers and the communities in which they operate.

On this basis HitecVision has adopted this responsible investment policy that forms an integral part of its investment process and its active owner practices.

Overall principles

In the assessment and selection of potential investments, HitecVision integrates consideration of environmental, social and ethical issues, including climate issues.

HitecVision seeks to ensure that its portfolio companies operate in an environmentally sound manner, as well as ethically, responsibly and profitably in everything they do.

HitecVision aims to be transparent regarding all issues covered by these principles, and will seek to ensure similar transparency from the portfolio companies.

Environmental

HitecVision works to ensure that its portfolio companies operate in an environmentally responsible manner and aim to follow best industry practice.

HitecVision seeks to invest in companies that are part of the solution to the climate challenge.

Social

HitecVision seeks to ensure that its portfolio companies offer equal opportunities to all employees, respect fundamental human rights, labour rights and union engagement, and provide their employees with good, healthy and safe working conditions.

Furthermore, HitecVision seeks to ensure that its portfolio companies contribute positively to the communities in which they operate by developing businesses, encouraging innovation and enhancing international competitiveness.

Governance

HitecVision strives to professionalise the governance models of its portfolio companies through its board work, and aims to follow Invest Europe's Corporate Governance Guidelines.

HitecVision seeks to ensure that its portfolio companies comply with all applicable laws, rules and regulations in the markets in which they operate, including environmental, labour, anti-corruption and anti-money laundering laws, rules and regulations.

HitecVision seeks to contribute to high ethical standards being maintained by its portfolio companies.

F. Supplier expectations statement

HITECVISION

Statement of Expectations of Suppliers

HitecVision is a leading private equity investor in the European energy industry. HitecVision's objective is to create value by developing and building strong and sustainable portfolio companies and on this basis generate superior returns for its investors.

We believe that a strong focus on environmental, social and governance factors and issues is critical to our long-term success as a private equity investor. HitecVision is a signatory of the UN-supported "Principles for Responsible Investment".

As part of our ESG focus, we expect our suppliers and other business relations to also address these issues in an appropriate manner. Meeting our expectations in this area is a prerequisite for a positive supplier evaluation and will be critical for maintaining good business relations with HitecVision in the long term.

We expect suppliers to HitecVision to have in place an active ESG policy and to back it with appropriate resources to ensure that the policy is followed and developed, and that it produces the desired real-world outcomes. We expect our suppliers to be transparent, and report to us, the public and relevant stakeholders on their ESG related efforts and outcomes. Further expectations are provided below.

Expectations on environmental issues

- We expect our suppliers to address the total environmental footprint of their activities. In particular, we expect our suppliers to have a climate policy, and to have an active programme to reduce their own greenhouse gas emissions and those of their value chain relations.

Expectations on social issues

- We expect our suppliers to have a policy on diversity and inclusion, and an active programme to ensure that their staff at all levels reflect the community in which they operate.
- We expect our suppliers to offer equal opportunities to all employees, respect fundamental human rights, labour rights and union engagement, and provide their employees with good, healthy and safe working conditions.
- We expect our suppliers to contribute positively to the communities in which they operate.

Expectations on governance issues

- We expect our suppliers to adhere to high business standards, be honest and transparent in dealing with other stakeholders and the larger society, and to comply fully with all laws, rules and regulations applicable to them.
- We expect our suppliers to have corporate governance systems and procedures in place that are in line with recommended best practice for their particular industry. This includes an appropriate focus on confidentiality, data protection and cybersecurity.

We also expect our suppliers to engage with their own suppliers with similar expectations.

HV231031-v3

G. Terms and abbreviations

Some terms and abbreviations used in this report:

AIFM	Alternative Investment Fund Manager
AIF	Alternative Investment Fund
APS	Announced Pledges Scenario
Article 6	Article 6 covers funds which do not integrate any kind of sustainability into the investment process
Article 8	Article 8 pertains to funds promoting environmental and social objectives.
Article 9	Article 9 outlines the disclosure requirements for funds with distinct sustainability objectives
BECC / BECCS (bio-CCS)	Bioenergy with Carbon Capture/ Bioenergy with Carbon Capture & Storage
boe	Barrels of oil equivalent
CCS / CCUS	Carbon Capture (Utilisation) and Storage
CCU	Carbon Capture and utilisation
CDM	Clean Development Mechanism
COP28	The 28th Conference of the Parties
CSRD	Corporate Sustainability Reporting Directive
E&P	Exploration and production
EJ	Exajoules
EPD	Environmental Product Declaration.
ESG	Environment, social and governance
ESRS	European Sustainability Reporting Standards
ETO	Energy Transition Outlook
EV	Electric vehicle
FEED	Front-End Engineering & Design
FTE	Full-time employee
GHG	Greenhouse gases, primarily Carbon Dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Chlorofluorocarbons (CFCs) and Hydrofluorocarbons (incl. HCFCs and HFCs)
GRI	Global Reporting Initiative
Gt	Gigatonne.
GW/GWh	Gigawatt / gigawatt hours
HR	Human Resources
HSE / HSSE / HSEQ	Health, Safety, Security, Environment, Quality – terms used by different companies in the industry, with broadly the same meaning
ICT	Information and Communications Technology
IDD	Integrity due diligence
IEA	International Energy Agency
IMO	The International Maritime Organization
IRA	Inflation Reduction Act.
IROs	Impacts, risks and opportunities
ISCC	The International Sustainability and Carbon Certification
ISO 14001 -	International standard for environmental management systems
ISO 14040-14044 -	International standards specifying principles/frameworks and requirements/guidelines for conducting a life cycle analysis
ISO 27001	International standard for managing information security.
ISO 45001	International standard for occupational health and safety management systems. A new standard that replaces OHSAS 18001
ISO 50001	International standard for energy management systems
ISO 9001	International standard for quality management systems

IT / ICT	Information Technology/ Information and Communications Technology
KPI	Key Performance Indicator
LNG	Liquefied Natural Gas
LTI	Lost time injury – workplace injury causing an individual to be unfit for work with more than 24 hours absence, death or permanent disability
MARPOL	The International Convention for the Prevention of Pollution from Ships
Mtoe	Million tonnes of oil equivalent
MW / MWt	Megawatt / megawatt hours
NCS	Norwegian Continental Shelf
NOAA	The National Oceanic and Atmospheric Administration
NZAM	Net Zero Asset Managers initiative
NZE / NZE2050	Net Zero Emissions by 2050 Scenario
NZIA	Net Zero Industry Act
OECD	Organisation for Economic Cooperation and Development, with 37 member states
OGCI	Oil and Gas Climate Initiative
OPEC	Organization of the Petroleum Exporting Countries
PAI	Principal Adverse Impact
PRI UN	Principles for Responsible Investment
PtL	Power-to-liquid
PV	Photovoltaics
R&D	Research and development
RED III	Renewable Energy Directive
REPowerEU	An EU plan aimed at reducing Europe's dependence on fossil-fuel and accelerating the transition to green energy
RTS	Regulatory Technical Standards
SAFs	Sustainable aviation fuels
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal – the UN's 17 Sustainable Development Goals define the global 2030 Agenda for Sustainable Development
SFDR	Sustainable Finance Disclosure Regulation
Solar PV	Solar photovoltaic
STEPS	Stated Policies Scenario
SURF	Subsea Structures, Umbilicals, Risers, Flowlines
TCFD	The Taskforce on Climate-related Financial Disclosures
TLP	Tension-Leg Platform
TNFD	The Taskforce on Nature-related Financial Disclosures
TWh	Terawatt hours
UCO	Used cooking oil
UKCS UK	Continental Shelf
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
UNGPs	United Nations Guiding Principles on Business and Human Rights
WECCS	Waste-to-energy with carbon capture and storage
WtE	Waste-to-energy
WOO	World Oil Outlook

H. References

Sources used in the “Market commentary” section.

BloombergNEF. (2022). Europe's Path to Clean Energy: A \$5.3 Trillion Investment Opportunity. Available at: <https://about.bnef.com/blog/europes-path-to-clean-energy-a-5-3-trillion-investment-opportunity/>

BloombergNEF. (2023). *New Energy Outlook: Europe* [online] Available at: https://assets.bhub.io/professional/sites/24/2275621_BNEFNewEnergyOutlookEurope_ExecSum.pdf

Bluegreen Alliance.org. (2024.). *BlueGreen Alliance | 9 Million Jobs from Climate Action: The Inflation Reduction Act*. [online] Available at: <https://www.bluegreenalliance.org/site/9-million-good-jobs-from-climate-action-the-inflation-reduction-act/>

BNEF (2024). *Energy Transition Investment Trends 2024 Tracking global investment in the low-carbon transition Abridged version*. Available at: <https://assets.bhub.io/professional/sites/24/Energy-Transition-Investment-Trends-2024.pdf>

Campbell, M. (2024). Looking back at a year of European power: 2023 in review | Wood Mackenzie. [www.woodmac.com](https://www.woodmac.com/news/opinion/looking-back-at-a-year-of-european-power-2023-in-review/). Available at: <https://www.woodmac.com/news/opinion/looking-back-at-a-year-of-european-power-2023-in-review/>

European Commission (2024). The Net-Zero Industry Act. [online] single-market-economy. [ec.europa.eu](https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act_en). Available at: https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act_en

Fastcompany (2024). Available at: <https://www.fastcompany.com/90938486/inflation-reduction-act-bidens-land-mark-climate-bill>

H. Wille, J., Niemeier, D., Peterseim, J., Paulina Wen, A., Schäfer, F. and Dilchert, D. (2023). *From feedstock to flight How to unlock the potential of SAF*. Available at: <https://www.strategyand.pwc.com/de/en/industries/aerospace-defense/sustainable-aviation-fuel/strategyand-sustainable-aviation-fuel.pdf>

H. Wille, J., Niemeier, D., Peterseim, J., Paulina Wen, A., Schäfer, F. and Dilchert, D. (2023). *From feedstock to flight How to unlock the potential of SAF*. Available at: <https://www.strategyand.pwc.com/de/en/industries/aerospace-defense/sustainable-aviation-fuel/strategyand-sustainable-aviation-fuel.pdf>

Hajlasz, M., Helmcke, S., Liebach, F., Schleyer, T. and Somers, K. (2023). Waste not: Unlocking the potential of waste heat recovery. McKinsey. Available at: <https://www.mckinsey.com/capabilities/sustainability/our-insights/waste-not-unlocking-the-potential-of-waste-heat-recovery>
https://brandcentral.dnv.com/original/gallery/10651/files/original/93654b54-7650-435a-8266-3890f2dde045.pdf?utm_campaign=MA_AUTO_DL_23Q3_Martime-Forecast_download&utm_medium=e-mail&utm_source=Eloqua

IEA (2022). Is the European Union on track to meet its REPowerEU goals? – Analysis. IEA. Available at: <https://www.iea.org/reports/is-the-european-union-on-track-to-meet-its-repowereu-goals>

IEA (2023). *Overview and key findings – World Energy Investment 2023 – Analysis*. IEA. Available at: <https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings>

IEA. (2023). Bioenergy – Analysis. Available at: <https://www.iea.org/reports/bioenergy-2#dash-board>

IEA. (2024). *Energy Efficiency - Energy System*. Available at: <https://www.iea.org/energy-system/energy-efficiency-and-demand/energy-efficiency#tracking>

IEA. (2024). RePowerEU Plan : Joint European action on renewable energy and energy efficiency – Policies. Available at: <https://www.iea.org/policies/15691-repowereu-plan-joint-european-action-on-renewable-energy-and-energy-efficiency>

IEA. (2024). *World Energy Outlook 2023 – Analysis*. Available at: <https://www.iea.org/reports/world-energy-outlook-2023/executive-summary>

IMO (2023). 2023 IMO Strategy on Reduction of GHG Emissions from Ships. [imo.org](https://www.imo.org/en/OurWork/Environment/Pages/2023-IMO-Strategy-on-Reduction-of-GHG-Emissions-from-Ships.aspx). Available at: <https://www.imo.org/en/OurWork/Environment/Pages/2023-IMO-Strategy-on-Reduction-of-GHG-Emissions-from-Ships.aspx>

Irvine, M. ed., (2024). *ENERGY TRANSITION OUTLOOK 2023*. DNV.

LEVINA, E., GERRITS, B. and BLANCHARD, M. (2023). *CCS IN EUROPE REGIONAL OVERVIEW*. Available at: https://www.globalccsinstitute.com/wp-content/uploads/2023/12/CCS-in-Europe-Report_updated-15-12-23.pdf

Miljødirektoratet (2023). Et 2035-bidrag som sikrer omstilling nasjonalt. Available at: [Et 2035-bidrag som sikrer omstilling nasjonalt](https://www.miljodirektoratet.no/et-2035-bidrag-som-sikrer-omstilling-nasjonalt)

NOAA (2023) *State of the Climate: Global Climate Report for 2023*.

Norges Rederiforbund. (2023). IMO adopts historical agreement on net zero emissions target for 2050. Available at: [https://www.rederi.no/articles/imo-adopts-historical-agreement-on-net-zero-emissions-target-for-2050/#:~:text=The%20International%20Maritime%20Organization%20\(IMO](https://www.rederi.no/articles/imo-adopts-historical-agreement-on-net-zero-emissions-target-for-2050/#:~:text=The%20International%20Maritime%20Organization%20(IMO)

Ovrum, E., Longva, T., Leisner, M., Böhmer, C., Sophie Sagbakken Ness, A., Gundersen Skåre, O., Endresen, Ø. and S. Eide, M. (2024). *MARITIME FORECAST TO 2050, A deep dive into shipping's decarbonization journey*.

Strategy& (2024). *Value in motion*. Strategy +business. Available at: <https://strategy-business.pwc.com/mobility-ecosystem-value-in-motion/p/1>

SupplyChainBrain (2023). *Global EV Sales Broke Records in November* | SupplyChainBrain. Available at: <https://www.supplychain-brain.com/articles/38664-global-ev-sales-broke-records-in-november>

TOUSSAINT, K. (2023). *\$278 billion and 170,600 jobs: How Biden's landmark climate bill changed the economy*.

Assurance statement



To the Management of HitecVision

Deloitte AS
Knud Holms gate 8
NO-4005 Stavanger
Norway

Tel: +47 51 81 56 00
www.deloitte.no

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON HITECVISION SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Management of **HitecVision AS** on selected Environmental, Social and Governance ("ESG") information (the "Selected Information") within the Sustainability Report for the reporting period ended 31 December 2023.

Our limited assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work

HitecVision AS has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)", issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Sustainability Report for the year ended 31 December 2023 is as follows:

Selected Information	Applicable Criteria
GRI Index 2023	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative (globalreporting.org).

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements. Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Management responsibilities

The Management are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria, publicly in advance of, or at the same time as, the publication of the Selected Information.

Deloitte AS and Deloitte Advokatfirma AS are the Norwegian affiliates of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte Norway conducts business through two legally separate and independent limited liability companies; Deloitte AS, providing audit, consulting, financial advisory and risk management services, and Deloitte Advokatfirma AS, providing tax and legal services.

Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Permeo Dokumentnøkkel: USKYQ-OZBXN-3E850-252KO-EEXLE-1GZUO



side 2

- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Management.
-

Our independence and quality management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a

Penneo Dokumentnøkkel: USKYQ-OZBXN-3E850-252KD-EEEXLE-1GZUO



side 3

limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Bergen, 3. Mai 2024
Deloitte AS

Jill Osa-Svanberg
State Authorised Public Accountant

Penneo Dokumentnøkkel: USKYQ-OZBXN-3E850-252KD-EEYLE-1GZUO

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Osa-Svanberg, Jill

Statsautorisert revisor

On behalf of: Deloitte AS

Serial number: no_bankid:9578-5993-4-2556897

IP: 77.16.xxx.xxx

2024-05-03 12:50:12 UTC



Penneo document key: USKYQ-OZBXN-3EB50-252KD-EELE-1G2LIO

This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

Design: [Kd32](#) **fasett** **Photo/credit:** Aneo (front page), Anne Lise Norheim / HitecVision (Page 10, 11, 15, 17, 20, 22, 28, 32), Anne Lise Norheim / Vår Energi (page 91, 104, 106, 107, 108), Leo Iannelli / HitecVision (page 14), Pål Berge / HitecVision (page 5, 27, 34, 35), Kirkens Bymisjon (page 38), Viking Gatelag (page 38), Ravens (page 39), Unsplash (page 41, 42, 45, 49 and 57), Dogger Bank Windfarm Ltd. (page 60, 73, 76, 77, 78), Aneo (page 61, 63, 65, 66), Hafslund Oslo Celsio (page 67, 69, 70, 71, 72), Vårgrønn (page 75), Vette Rasmussen Lehland / Cadre (Page 79, 81, 82), Espen Solli / Skygard (page 83, 85, 86), Skygard (Page 84), Biokraft (page 87, 88, 89 and 90), NEO Energy (page 92, 94, 95, 96), Equinor (page 98, 102, 103), Sval Energi (page 100, 103), Markus Johansson / Equinor (page 111), Helge Hansen / Equinor (page 114), Knutsen Group (113), Hav Energy (113), Knutsen LNG France (page 115), Orlen (page 117), Ocean Installer (page 110, 119, 121, 122), Energy Drilling (page 123, 125, 126), dstyleimages (page 131, 133), Prosafe (page 133), WellPartner (Page 165, 137, 138).

