

# Sustainability Report

Head Energy Group  
2022



**HEAD**  
**ENERGY**



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## **About this Document**

The report is prepared by Head Energy's Sustainability Group, led by Head Energy's Chief Sustainability Officer, Anne Line S. Olsen.

The carbon footprint referred to in the report has been developed in accordance with the GRI (Global Reporting Initiative).

Head Energy's sustainability goals and strategy are based on data from 2022 (base year). For health and safety, diversity and inclusion, the operational year 2023 is considered as the starting point (base year) for reporting.

All goals, action plans, and strategies are based on Head Energy's latest analyses at any given time.

Our work related to human rights (in relation to the Transparency Act), is also a part of our sustainability work and is therefore covered in this report.

Analyses, goals, and strategies will be continuously reviewed throughout 2023.

# | Sustainability impact

Sustainability is to Head Energy a great opportunity to make positive impact, generate positive results, build trust and to strengthen our competitive advantage:

*Sustainability will keep us one step ahead.*

## **Sustainability driving change**

Head Energy shall use sustainability actively to transform and modernize our company, set ourselves apart, and make Head Energy future-proof.

*one step ahead*



# CEO statement

Head Energy AS is committed to creating a sustainable future for all. We believe that sustainability is not only essential for our planet's health but also for our business's long-term success. As a leading engineering company, we recognize the significant role we can play in addressing global sustainability challenges and promoting positive change.

This sustainability report outlines our commitment to sustainability, our progress towards achieving our sustainability goals, and our plans for the future. We have developed this report based on the Global Reporting Initiative (GRI) Standards, which are widely recognized as the leading sustainability reporting framework. By following the GRI Standards, we ensure that our report is transparent, accurate, and consistent with international best practices.

This report is an opportunity for us to showcase our commitment to sustainability, share our achievements, and outline our plans for the future. We believe that by being transparent and accountable for our sustainability performance, we can build trust with our stakeholders, including our customers, employees, suppliers, and communities.

We are proud of the progress we have made towards sustainability, but we recognize that there is still much more to do. We are committed to continually reviewing and improving our practices to ensure that we are making a positive impact on the environment and society while achieving our business goals.

We invite our stakeholders to review this report and provide feedback on our sustainability performance. By working together, we can create a more sustainable future for all.

**Morten Leikvoll**  
CEO  
Head Energy Group



# Summary and Key Figures



**750**  
professionals  
employed



**0**  
major injuries  
from 1.000.070 hours  
produced in 2022



**10**  
locations



**15%**  
renewables &  
civil construction  
revenue growth in  
2022



**6**  
countries  
more than 20 nationalities



**3,2%**  
absence in 2022  
up from 2,4% in 2021

**28%**

women in group  
total



**17%**

women in executive  
management



**38%**

women at the board  
of directors



Head Energy is an independent Scandinavian engineering & consulting house providing a wide range of products to onshore and offshore industries. We work with reputed clients in Energy, Civil Construction & Infrastructure, and Industry.

We are employee owned, client focused and growth oriented.

<b>vision</b>	<b>one step ahead.</b> Our energy brings you one step ahead.	
<b>ambition</b>	Head Energy shall become a trusted Scandinavian engineering & consulting group.	<b>values</b> Responsible • Inclusive Innovative • Honest
<b>mission</b>	We solve demanding projects.	<b>commitment</b> Sustainable solutions. Positive impact.

<b>market drivers</b>	
Changing energy markets • Industrial digitalization • Obsolete infrastructure Urbanization and smart cities • Electrification	
<b>our business</b>	<b>our market segments</b>
Consulting • Engineering • Solutions	Civil Construction • Energy • Industry

# Transparency Act

Statement on Transparency Act Assessments, according to Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)

The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working condition.

## Description of the Company

Statement on Transparency Act Assessments, according to Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions.

The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in the production of goods and the provision of services, as well as ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working condition.

## Ownership

All shares in all units are held by employees.

## Accountability

The Board of Directors defines Head Energy's participation and accountability in terms of transparency and adherence to the Transparency Act. The HSEQ manager leads the company's Management group in handling local guidelines and procedures in compliance with Section 5(a) of the Transparency Act. If any issues are discovered that may have actual or potential consequences for fundamental human rights and decent working conditions, the procurement responsible, with the assistance of the HSEQ manager, will immediately engage in dialogue with the supplier, either through their procurement system or, if applicable, a corporate executive. This is done in compliance with Sections 4(c/d/e/f) Transparency Act. Head Energy is also certified according to ISO 45001 (health & safety), ISO 9001 (quality), ISO 14001 (environmental) and

## Due Diligence Assessment

The 2022 review stated that no specific negative human rights impacts had been discovered at Head Energy. It was concluded that further study of the supply chain was required in order to uncover possibly negative impacts on human rights. This effort is ongoing, and particular risk-reduction measures developed include incorporating criteria and assessment forms for suppliers that covers fundamental human rights and decent working conditions. These initiatives, in addition to our ongoing quality control efforts, are designed to raise awareness throughout the supply chain.

Furthermore, it was defined a need of further assessments to determine a realistic scope of the supply chain, specifically regarding how far down the supplier value chain it is realistic to conduct due diligence assessments.

## Internal assessment

The majority of Head Energy's deliveries are related to service provision (engineering services), where our employees primarily work under Nordic labour conditions and contracts (where fundamental human rights are well protected), our potential negative impacts on human rights are considered limited. Head Energy performs "pulse surveys", using Winningtemp, a Swedish AI and science-based employee engagement platform. Our working environment is considered very good. From the 3rd. quarter of 2023, our largest offices, Bergen, Stavanger, Oslo and Esbjerg, will all have new and modern offices, contributing to a good and safe working environment. There have been no cases of serious injuries or accidents in 2022.

## External assessment

Head Energy AS is the holding and management company of the Head Energy group. Head Energy defines requirements to the operations of its subsidiaries within Engineering, Technology, Services and Consulting, and provides services related to; administration, marketing, accounting, HSEQ, strategy, sales and so forth, for its subsidiaries to focus on its core operational processes. Adherence to our Ethical Framework applies to all personnel acting on behalf of Head Energy in all divisions and subsidiaries, including all employees, board members and subcontractors / suppliers.

In our General Terms and Conditions for purchase, our supplier commits itself to conduct its business activities in a fair, honest, responsible, ethical, and lawful manner and in strict adherence to all applicable laws and regulations governing the ethical and legal conduct of business organizations. Our Ethical Framework (CoC) is an integral part of our contracts.

Head Energy's Ethical framework is based on internationally recognized standards such as the Universal Declaration (UN) Guiding Principles on Business and Human Rights (UNGPR) the UN Global Compact, UN's conventions on children's rights, and ILO conventions. Additionally, it adheres to the OECD Guidelines for Multinational Enterprises.

The Ethical framework includes, among other things, requirements for:

- Ethical trade, Compliance with local laws in the operating country, Zero tolerance for corruption and bribery, Zero tolerance for child labour (in accordance with ILO conventions 138 and 182). It also includes requirements for worker safety, good health, working environment, and workers fundamental rights, including requirements for wages, benefits, working hours, rest periods, and more.

Head Energy adheres to and support the UN Sustainability Goals, hereunder a dedicated focus to continuous improvement on; clean energy solutions, gender equality, education, industry innovation, reduce inequalities, support sustainable management of water, sustainable cities and communities, responsible production, education and transparency.

For surveying both on ESG and Transparency Act, we use the software and support from CEMAsys Nordic AS. The aim is to confirm human right adherence in our supply chain. Our suppliers are divided in to three main sections,

- Services or consultancy.
- Delivery of goods (for the large part; pipes/ structural steel and so forth).
- Other suppliers.

The first section is quite organised, typically banks, institutions, insurance, auditor, or other service or consultancy provider. The second section, delivery of goods, is divided into purchases over and under 100' NOK, focusing on purchases over 100' NOK. "One-time" or "one-off" suppliers are being dedicated less focus than recurring suppliers. The third section is suppliers not covered by section 1 or 2.

As of June 2023, 95% of the relevant suppliers confirms adherence to work on fundamental human rights and decent working conditions. Either through confirmation of our terms and conditions, through confirmation based on our supplier's questionnaire (according to our vendor selection process), through the Transparency Act survey, or as part of our manually assessment. This covers approximately 90% of head Energy's procurement of goods in terms of value.

## Risk determination

### EU/EEA

In terms of risk assessing EU/EEA, it is assumed that raw materials and materials from countries within this area, are governed by national regulations that comply with the guidelines of the law. Therefore, it is assumed that human rights are safeguarded by adhering to the national rules, and no further investigation has been conducted.

### Non- EU/EEA

It has been identified some minor procurement from suppliers in Asia, typically online purchases of electronic parts from China (less than 0,01% of our purchases). For these purchases we have not been able to establish confirmation of adherence to either our ESG nor Transparency Act.

## Conclusion

No actual or potential negative consequences have been identified in the assessment conducted in June 2023. Neither within our company or at our suppliers/ subcontractors.

The assessment has identified some areas that should be monitored and re assessed in time:

- The majority of supplier to Head Energy are local service providers. These suppliers are considered "low risk", and we see no need for additional follow up in terms of the Transparency Act at this time.
- "One-time / one-off" purchases, where transparency and work on fundamental human rights and decent working conditions are not possible or are difficult to confirm, should be limited if possible.
- In terms of products, our large purchases are products mainly purchased from EU/EEA suppliers, hence they are also governed by EU legislation, that lower the potential risk in terms of Human right breach.
- Suppliers, often recognised as "large international corporations", that we have not been able to receive adequate response from in our survey, and that often only deliver according to their own terms and condition, have been manually processed and assessed. This kind of suppliers typically report their own findings and measures through their own websites, or they are approved in Joint Qualification Supplier database(s), also covering human rights. There have been no negative findings in these assessments.
- The survey uncovered that some suppliers do not have adequate systems or measures to secure fundamental human rights and decent working conditions. However, these suppliers are mainly local (and often small) suppliers, that are already governed by Norwegian law.

## Measures going forward

Head Energy has concluded on 3 measures going forward.

1. Increase the focus on the supply-chain of our suppliers, also within the EU/EEA, to further understand the whole value chain, and to determine a realistic extent of the supply chain, in other words, how far down the supplier value chain it is realistic to conduct due diligence assessments.
2. In situation where the supplier is not capable to establish confirmation of adherence to our ethical framework or other confirmation of adherence to fundamental human rights and decent working conditions, Head Energy will, whenever feasible, avoid purchase from this supplier, and seek to find alternative suppliers that confirm adherence.
3. Although, our suppliers confirm adherence of our Ethical framework (CoC), covering fundamental human rights and decent working conditions, through confirmation by a purchase order and through our terms and conditions, we will establish a separate CoC (ethical framework today) that will need to be signed. This measure will also create additional focus and on fundamental human rights and decent working conditions.

For additional information or inquiries regarding Human rights and transparency, please use the contact form on our webpage.

**Morten Leikvoll**  
CEO  
Head Energy Group



**Preben A. Onarheim**  
COO  
Head Energy Group



# Carbon Footprint

## Head Energy Carbon Emissions 2022

Climate change has emerged as one of the most significant global challenges of our time. The accumulation of greenhouse gases in the atmosphere, primarily carbon dioxide (CO2), has led to unprecedented shifts in weather patterns, rising temperatures, and a multitude of environmental consequences. Acknowledging the urgency to curb emissions, organizations worldwide are increasingly adopting carbon accounting as a vital tool to understand and manage their environmental impact. 2022 is Head Energy Group's base year for carbon accounting.

### Head Energy's Sustainability Commitment

Head Energy has long recognized its responsibility to reduce its environmental footprint and contribute to sustainable development. With a focus on providing comprehensive energy solutions, the company strives to deliver innovation while minimizing its impact on the planet. By embracing carbon accounting, Head Energy aims to gain a deeper understanding of its emissions profile, identify areas for improvement, and implement effective strategies to mitigate its impact on climate change.

### Carbon Accounting Methodology

To accurately assess and quantify its carbon footprint, Head Energy employed a robust carbon accounting methodology aligned with internationally recognized standards. The company collected data from various sources, including its operations, supply chain, and employee activities. By calculating emissions associated with business travels, commuting, and the purchase of steel, Head Energy obtained a comprehensive overview of its carbon footprint for the base year of 2022.

### Business Travels: Navigating Emissions

Business travels constitute a significant component of Head Energy's carbon footprint. As a global company, travel is an essential aspect of its operations, facilitating collaborations, client interactions, and project management. However, it also represents a source of carbon emissions. This report provides an in-depth analysis of the carbon emissions associated with Head Energy's business travels, exploring both short-haul and long-haul flights, ground transportation, and accommodation.

### Commuting: A Sustainable Workforce

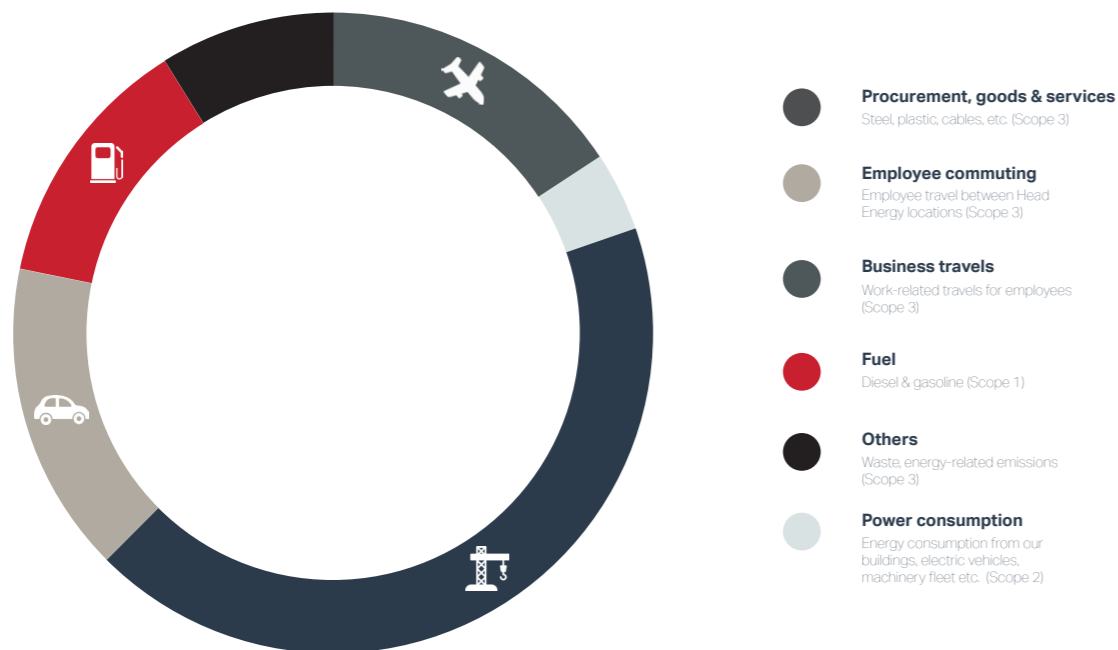
Another key driver of Head Energy's carbon footprint is employee commuting. With a diverse workforce dispersed across multiple locations, commuting emissions present both challenges and opportunities. By examining commuting patterns, alternative transportation options, and telecommuting practices, this report delves into Head Energy's efforts to reduce its carbon footprint related to employee commuting.

### Steel Purchases: Building Responsibly

The purchase of steel materials is an integral part of Head Energy's operations, particularly in EPCIC projects onshore and offshore. However, the production of steel is known to contribute to substantial carbon emissions. This report investigates Head Energy's steel procurement practices, analyzing the lifecycle emissions associated with the steel supply chain and exploring potential strategies to minimize its carbon impact.

### Conclusion

As Head Energy embraces a sustainable future, its commitment to carbon accounting demonstrates a proactive approach to tackling climate change. By meticulously examining its carbon footprint in 2022, with a specific focus on business travels, commuting, and the purchase of steel, Head Energy has taken a crucial step towards mitigating its impact on the environment. Armed with valuable insights from this report, Head Energy is better equipped to develop effective strategies, set emission reduction targets, and contribute to a more sustainable and resilient future for generations to come.





# Main report: Head Energy AS 2022 Q1 - 2022 Q4

## Key Figures GHG Emissions

Category	Unit	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
<b>Scope 1</b>						
<b>Transportation</b>						
Diesel (NO)	tCO2e	-	-	-	1,6	<b>1,6</b>
Diesel	tCO2e	-	-	-	16,9	<b>16,9</b>
Diesel (SE)	tCO2e	-	-	-	1,2	<b>1,2</b>
Petrol	tCO2e	-	-	-	18,3	<b>18,3</b>
Transportation Total	tCO2e	-	-	-	38	<b>38</b>
Scope 1 emission	tCO2e	-	-	-	38	<b>38</b>
<b>Scope 2</b>						
<b>Electric vehicles</b>						
Electric car Nordic	tCO2e	-	-	-	0,1	<b>0,1</b>
Electric vehicles Total	tCO2e	-	-	-	0,1	<b>0,1</b>
<b>Electricity location-based</b>						
Electricity Norway	tCO2e	-	-	-	4,3	<b>4,3</b>
Electricity Sweden	tCO2e	-	-	-	-	<b>-</b>
Electricity Denmark 125	tCO2e	-	-	-	1,8	<b>1,8</b>
Electricity Germany	tCO2e	-	-	-	0,3	<b>0,3</b>
Electricity location-based Total	tCO2e	-	-	-	6,3	<b>6,3</b>
<b>Scope 2 emission</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,4</b>	<b>6,4</b>
<b>Scope 3</b>						
<b>Business travel</b>						
Mileage all. car (NO)	tCO2e	-	-	-	4,3	<b>4,3</b>
Air travel, continental	tCO2e	-	-	-	30,4	<b>30,4</b>
Mileage all. el car Nordic	tCO2e	-	-	-	0,1	<b>0,1</b>
Air travel, domestic	tCO2e	-	-	-	2,9	<b>2,9</b>
Taxi	tCO2e	-	-	-	1,3	<b>1,3</b>
Bus local (Nordic)	tCO2e	-	-	-	-	<b>-</b>
Ferry local	tCO2e	-	-	-	1,8	<b>1,8</b>
<b>Business travel Total</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,8</b>	<b>40,8</b>
<b>Employee commuting</b>						
Car, petrol (avg.)	tCO2e	-	-	-	19,7	<b>19,7</b>
Car, diesel (avg.)	tCO2e	-	-	-	19,8	<b>19,8</b>
Electric car Nordic	tCO2e	-	-	-	1,4	<b>1,4</b>
Bus local (Nordic)	tCO2e	-	-	-	0,5	<b>0,5</b>
Electric bike, Nordic	tCO2e	-	-	-	-	<b>-</b>
<b>Employee commuting Total</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,4</b>	<b>41,4</b>
<b>Fuel-and-energy-related activities</b>						
Petrol (WTT)	tCO2e	-	-	-	4,7	<b>4,7</b>
Electricity Germany (upstream)	tCO2e	-	-	-	0,1	<b>0,1</b>
Diesel (WTT)	tCO2e	-	-	-	4,4	<b>4,4</b>
Electricity Denmark (upstream)	tCO2e	-	-	-	0,4	<b>0,4</b>
Electricity Norway (upstream)	tCO2e	-	-	-	1,2	<b>1,2</b>
Electricity Sweden (upstream)	tCO2e	-	-	-	-	<b>-</b>
<b>Fuel-and-energy-related activities Total</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,8</b>	<b>10,8</b>
<b>Waste</b>						
Residual waste, incinerated	tCO2e	-	-	-	5,1	<b>5,1</b>
Plastic waste, recycled	tCO2e	-	-	-	-	<b>-</b>
Paper waste, recycled	tCO2e	-	-	-	0,2	<b>0,2</b>
Corrugated cardboard waste, recycled	tCO2e	-	-	-	-	<b>-</b>
Glass waste, recycled	tCO2e	-	-	-	-	<b>-</b>
Metal waste, recycled	tCO2e	-	-	-	-	<b>-</b>
Organic waste, recycled	tCO2e	-	-	-	0,1	<b>0,1</b>
Plaster waste, recycled	tCO2e	-	-	-	-	<b>-</b>
<b>Waste Total</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,5</b>	<b>5,5</b>

<b>Purchased goods and services</b>						
Steel, stainless	tCO2e	-	-	-	103,8	<b>103,8</b>
Plastic avg.	tCO2e	-	-	-	0,7	<b>0,7</b>
Steel, unalloyed	tCO2e	-	-	-	17,6	<b>17,6</b>
Cable, unspecified	tCO2e	-	-	-	2,9	<b>2,9</b>
Purchased goods and services Total	tCO2e	-	-	-	125	<b>125</b>
Scope 3 emission	tCO2e	-	-	-	223,5	<b>223,5</b>
<b>Total (Scope 1 + 2)</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,4</b>	<b>44,4</b>
<b>Total emissions (Scope 1 + 2 + 3)</b>	<b>tCO2e</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267,9</b>	<b>267,9</b>
<b>Percentage change</b>		<b>-</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	

## Annual Market-Based GHG Emissions

Category	Unit	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
Electricity Total (Scope 2) with Market-based calculations	tCO2e	-	-	-	179,6	<b>179,6</b>
Scope 2 Total with Market-based electricity calculations	tCO2e	-	-	-	179,7	<b>179,7</b>
Scope 1+2+3 Total with Market-based electricity calculations	tCO2e	-	-	-	441,2	<b>441,2</b>
<b>Percentage change</b>		<b>-%</b>	<b>-%</b>	<b>-%</b>	<b>100%</b>	

## Key Figures Energy

Category	Unit	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
<b>Scope 1</b>						
<b>Transportation</b>						
Diesel (NO)	MWh	-	-	-	8	<b>8</b>
Diesel	MWh	-	-	-	66,8	<b>66,8</b>
Diesel (SE)	MWh	-	-	-	6	<b>6</b>
Petrol	MWh	-	-	-	76	<b>76</b>
Transportation Total	MWh	-	-	-	156,7	<b>156,7</b>
Scope 1 total	MWh	-	-	-	156,7	<b>156,7</b>
<b>Scope 2</b>						
<b>Electricity</b>						
Electricity Norway	MWh	-	-	-	607,4	<b>607,4</b>
Electricity Sweden	MWh	-	-	-	0,5	<b>0,5</b>
Electricity Denmark 125	MWh	-	-	-	12,5	<b>12,5</b>
Electricity Germany	MWh	-	-	-	0,8	<b>0,8</b>
Electricity Total	MWh	-	-	-	621,2	<b>621,2</b>
<b>Electric vehicles</b>						
Electric car Nordic	MWh	-	-	-	3,7	<b>3,7</b>
<b>Electric vehicles Total</b>	<b>MWh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,7</b>	<b>3,7</b>
<b>Scope 2 total</b>	<b>MWh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>624,9</b>	<b>624,9</b>
<b>Total energy</b>	<b>MWh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>781,6</b>	<b>781,6</b>
	<b>GJ</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2813,6</b>	<b>2813,6</b>
<b>Scope 1 renewable energy</b>	<b>MWh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,5</b>	<b>3,5</b>
<b>Scope 1 renewable energy share</b>	<b>%</b>	<b>-%</b>	<b>-%</b>	<b>-%</b>	<b>2.2%</b>	<b>2.2%</b>
<b>Scope 2 renewable energy</b>	<b>MWh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>595,1</b>	<b>595,1</b>
<b>Scope 2 renewable energy share</b>	<b>%</b>	<b>-%</b>	<b>-%</b>	<b>-%</b>	<b>95.2%</b>	<b>95.2%</b>
<b>Total renewable energy</b>	<b>MWh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>598,6</b>	<b>598,6</b>
<b>Total renewable energy share</b>	<b>%</b>	<b>-%</b>	<b>-%</b>	<b>-%</b>	<b>76.6%</b>	<b>76.6%</b>
<b>Percentage change</b>		<b>-</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	

## Key Figures Consumption

Category	Unit	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
<b>Scope 1</b>						
<b>Transportation</b>						
Diesel (NO)	liters	-	-	-	767	<b>767</b>
Diesel	liters	-	-	-	6262	<b>6262</b>
Diesel (SE)	liters	-	-	-	577	<b>577</b>
Petrol	liters	-	-	-	7840	<b>7840</b>
<b>Scope 2</b>						
<b>Electricity</b>						
Electricity Norway	kWh	-	-	-	607434,4	<b>607434,4</b>
Electricity Sweden	kWh	-	-	-	450	<b>450</b>
Electricity Denmark 125	kWh	-	-	-	12469	<b>12469</b>
Electricity Germany	kWh	-	-	-	800	<b>800</b>
<b>Electric vehicles</b>						
Electric car Nordic	kWh	-	-	-	3733	<b>3733</b>
<b>Scope 3</b>						
<b>Business travel</b>						
Mileage all. car (NO)	km	-	-	-	56727	<b>56727</b>
Air travel, continental	flight trip	-	-	-	338	<b>338</b>
Mileage all. el car Nordic	km	-	-	-	14566	<b>14566</b>
Air travel, domestic	flight trip	-	-	-	49	<b>49</b>
Taxi	km	-	-	-	6398,9	<b>6398,9</b>
Bus local (Nordic)	pkm	-	-	-	2965,8	<b>2965,8</b>
Ferry local	pkm	-	-	-	7359,8	<b>7359,8</b>
<b>Employee commuting</b>						
Car, petrol (avg.)	km	-	-	-	115377,2	<b>115377,2</b>
Car, diesel (avg.)	km	-	-	-	116179,6	<b>116179,6</b>
Electric car Nordic	km	-	-	-	281308,4	<b>281308,4</b>
Bus local (Nordic)	pkm	-	-	-	49059	<b>49059</b>
Electric bike, Nordic	km	-	-	-	4600	<b>4600</b>
<b>Fuel-and-energy-related activities</b>						
Petrol (WTT)	liters	-	-	-	7840	<b>7840</b>
Electricity Germany (upstream)	kWh	-	-	-	800	<b>800</b>
Diesel (WTT)	liters	-	-	-	7029	<b>7029</b>
Electricity Denmark (upstream)	kWh	-	-	-	14449	<b>14449</b>
Electricity Norway (upstream)	kWh	-	-	-	609187,4	<b>609187,4</b>
Electricity Sweden (upstream)	kWh	-	-	-	450	<b>450</b>
<b>Waste</b>						
Residual waste, incinerated	kg	-	-	-	10143	<b>10143</b>
Plastic waste, recycled	kg	-	-	-	1470,6	<b>1470,6</b>
Paper waste, recycled	kg	-	-	-	10571,6	<b>10571,6</b>
Corrugated cardboard waste, recycled	kg	-	-	-	5	<b>5</b>
Glass waste, recycled	kg	-	-	-	270,7	<b>270,7</b>
Metal waste, recycled	kg	-	-	-	257,6	<b>257,6</b>
Organic waste, recycled	kg	-	-	-	6762	<b>6762</b>
Plaster waste, recycled	kg	-	-	-	52	<b>52</b>
<b>Purchased goods and services</b>						
Steel, stainless	kg	-	-	-	24707,9	<b>24707,9</b>
Plastic avg.	kg	-	-	-	230	<b>230</b>
Steel, unalloyed	kg	-	-	-	9456,6	<b>9456,6</b>
Cable, unspecified	kg	-	-	-	500	<b>500</b>





## Word from the CSO

### Sustainability - Our Ambitions.

**Head Energy knows that sustainability is a competitive advantage and has therefore set a clear sustainable direction for the company until 2028. In the autumn of 2022, we established an interdisciplinary sustainability group that assessed the status in all divisions of the company and developed a guiding, overarching strategy, and plan for the company's sustainability efforts until 2028. The group has developed a sustainability strategy going forward to 2028 and will use ESG as a framework for further work.**

Our ambitions encompass:

1. Climate and environmental consciousness in all our service deliveries, daily operations, and procurement.
2. Our societal mission as a responsible, honest, and inclusive employer and societal actor.
3. Our compliance and implementation of the values and goals outlined in the strategy in our governance systems and decision-making processes.
4. Head Energy has worked on competence enhancement, data collection, analysis of our significant areas of influence, and the establishment of new reporting procedures

Diversity:

Diversity refers to variations and differences in competence, ethnicity, cultural background, marital status, gender, and age. Head Energy will strive to facilitate increased diversity in all divisions by 2028.

We believe that diversity in the workplace is essential for success. We know that diversity leads to better performance, increased innovation, and a more stable and inclusive work environment. Diversity is crucial for success. Head Energy will work and facilitate diversity in all divisions within the company.

Head Energy continuously works to ensure better gender balance in boards and leadership positions and has during 2023 set specific strategic goals to achieve this. We will also actively strive to attract the best talents regardless of gender, age, ethnicity, race, or orientation.

Recently, Head Energy expanded its executive management team and appointed its first female member. This is far from sufficient, and a natural long-term ambition is equal gender representation in the executive management. At the board level, a specific target has been set: each gender should have at least 40 percent representation on the Board of Directors at Head Energy AS from the general meeting in 2024. Currently, five out of eight board members are men (62.5 percent), so a change must be made at the next general meeting in May 2024. The sustainability group will work systematically to achieve the strategic goals set by the executive management and the board.

Head Energy provides advisory services, and our stakeholders are employees, customers, authorities, and partners. Through our advisory services, we aim to offer sustainable and competitive high-quality services to our customers.

A new sustainable strategy for the company will strengthen our commercial deliveries as well as our reputation as a preferred and responsible employer in the competition for qualified workforce. Our skilled employees are our most important assets, and a sustainable strategy will encompass the whole individual, the environment we live and work in, and our decision-making processes. We know that sustainability is a competitive advantage.

**Anne Line S. Olsen**  
Chief Sustainability Officer  
Head Energy Group

# Stakeholder & Materiality Analysis

## Stakeholder Analysis

Engaging with our stakeholders is crucial to gather insights on how Head Energy should prioritize its sustainability efforts. As a consulting and engineering firm, Head Energy has numerous stakeholders, and conducting a comprehensive stakeholder dialogue was not possible this year. Therefore, this year's stakeholder analysis was conducted based on continuous dialogue, as well as other data sources such as customer surveys, employee surveys, and interdisciplinary collaboration.

The assessment is based on stakeholders' influence, dependency, and potential impact on Head Energy's operations and reputation. This approach ensures that a diversity of perspectives is taken into consideration, enabling a comprehensive analysis of the most material sustainability challenges for our stakeholders. Furthermore, the analysis allows for continuous improvement in our sustainability performance, strengthening stakeholder relationships, and driving meaningful change towards a more sustainable future.

## Materiality Analysis & Matrix

Our materiality matrix is crafted by drawing upon various sources of information. This includes conducting a thorough stakeholder analysis, engaging in meaningful discussions within our sustainability group, maintaining open lines of communication with top management, and ensuring alignment with our long-term strategy.

We recognize the importance of credibility and responsibility in our sustainability reporting. Therefore, we consider both internally and externally material topics while continuously monitoring developments in the market and our organization, by encompasses a dual and dynamic definition of materiality, in addition to the standards set by the Global Reporting Initiative (GRI).

The materiality analysis helps us assess where we can contribute most positively to social development while supporting our long-term value creation. The materiality analysis was further developed by Head Energy's management, resulting in a materiality matrix divided into three levels. Level one consists of topics that require continuous monitoring, level two requires attention and follow-up, while level three represents the most material and core areas of Head Energy's sustainability work. Based on this, Head Energy focuses its efforts on areas where the company has the greatest potential to positively impact both the environment and the business operations. The report will provide further details on the topics at level three.

	Stakeholders	The stakeholders expectations to Head Energy AS	Dialogues with stakeholder groups	Importance to stakeholders and business impact
Primary stakeholders	Regulatory authorities	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Sustainability and environmental considerations</li> <li>Collaboration and reporting</li> <li>Health and safety</li> <li>Data security and privacy</li> </ul>	<ul style="list-style-type: none"> <li>Internet</li> <li>Lovdata</li> <li>Input from customers and suppliers</li> <li>Input from PWC, Skanska, Vias, etc.</li> <li>Miljørapporter, prosjekter, tender og endringer</li> </ul>	<p>Level 1: Require monitoring</p> <ol style="list-style-type: none"> <li>Internal and national regulations</li> <li>Market trends</li> <li>Climate changes</li> <li>Competitors</li> <li>Innovation and product development</li> </ol> <p>Level 2: Require attention and follow-up</p> <ol style="list-style-type: none"> <li>Resource and waste management</li> <li>Economic growth and performance</li> <li>Data security and performance</li> <li>Quality assurance</li> <li>Competence development</li> <li>Risk management</li> </ol> <p>Level 3: The core of our strategy</p> <ol style="list-style-type: none"> <li>Diversity and equality</li> <li>Employee welfare and safety</li> <li>Community engagement</li> <li>Ethical and responsible value chain</li> <li>Reducing climate impact</li> <li>Governance and organization</li> </ol>
	Community	<ul style="list-style-type: none"> <li>Creating job opportunities</li> <li>Sponsorship programs</li> <li>Aid projects - Maydan</li> <li>Protection of human rights</li> <li>Support for cultural events</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> </ul>	
	Customers	<ul style="list-style-type: none"> <li>Ethical and sustainable practices/value chain</li> <li>Good business ethics</li> <li>Expertise and knowledge</li> <li>Quality and reliability</li> <li>Customer service and competitive pricing</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Customers surveys</li> <li>Feedback</li> <li>Personally customer service</li> <li>Meetings and events</li> </ul>	
	Suppliers and subcontractors	<ul style="list-style-type: none"> <li>Responsible supply chain</li> <li>Reduction of climate and environmental footprint</li> <li>Business ethics</li> <li>Innovation and product development</li> <li>Product quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>Continuous and open dialogue</li> <li>Evaluation</li> <li>Tender processes</li> <li>Contract negotiations</li> <li>Project follow-up</li> </ul>	
	Employees	<ul style="list-style-type: none"> <li>Opportunities for learning and competence development</li> <li>Diversity, equality and inclusion</li> <li>Good work environment, work-life balance</li> <li>Employee benefits and rights</li> <li>Competitive salary</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Employees surveys</li> </ul>	
	Shareholders and investors	<ul style="list-style-type: none"> <li>Financial results</li> <li>Sustainability and social responsibility</li> <li>Robust business model</li> <li>management competence</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Management meetings</li> <li>Board meetings</li> </ul>	
Secondary stakeholders	Subsidiaries	<ul style="list-style-type: none"> <li>Robust business model</li> <li>Leadership and governance</li> <li>Communication and transparency</li> <li>Sustainability and social responsibility</li> <li>Reliable strategy</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Employees surveys</li> <li>Management meetings</li> </ul>	
	Competitors	<ul style="list-style-type: none"> <li>Good business ethics</li> <li>Collaboration and reporting</li> <li>Market behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Market analysis and benchmarking</li> <li>Industry associations and networks</li> <li>Dialogue in meetings with tenders</li> </ul>	
	Labor unions	<ul style="list-style-type: none"> <li>Rights</li> <li>Welfare</li> <li>Working conditions</li> <li>Salary</li> <li>Occupational safety</li> </ul>		
	Lenders/bank	<ul style="list-style-type: none"> <li>Risk management</li> <li>Communication and collaboration</li> <li>Transparent financial reporting</li> <li>Financial stability</li> <li>Reliable payment</li> </ul>		



Stakeholders

Relevant externalities

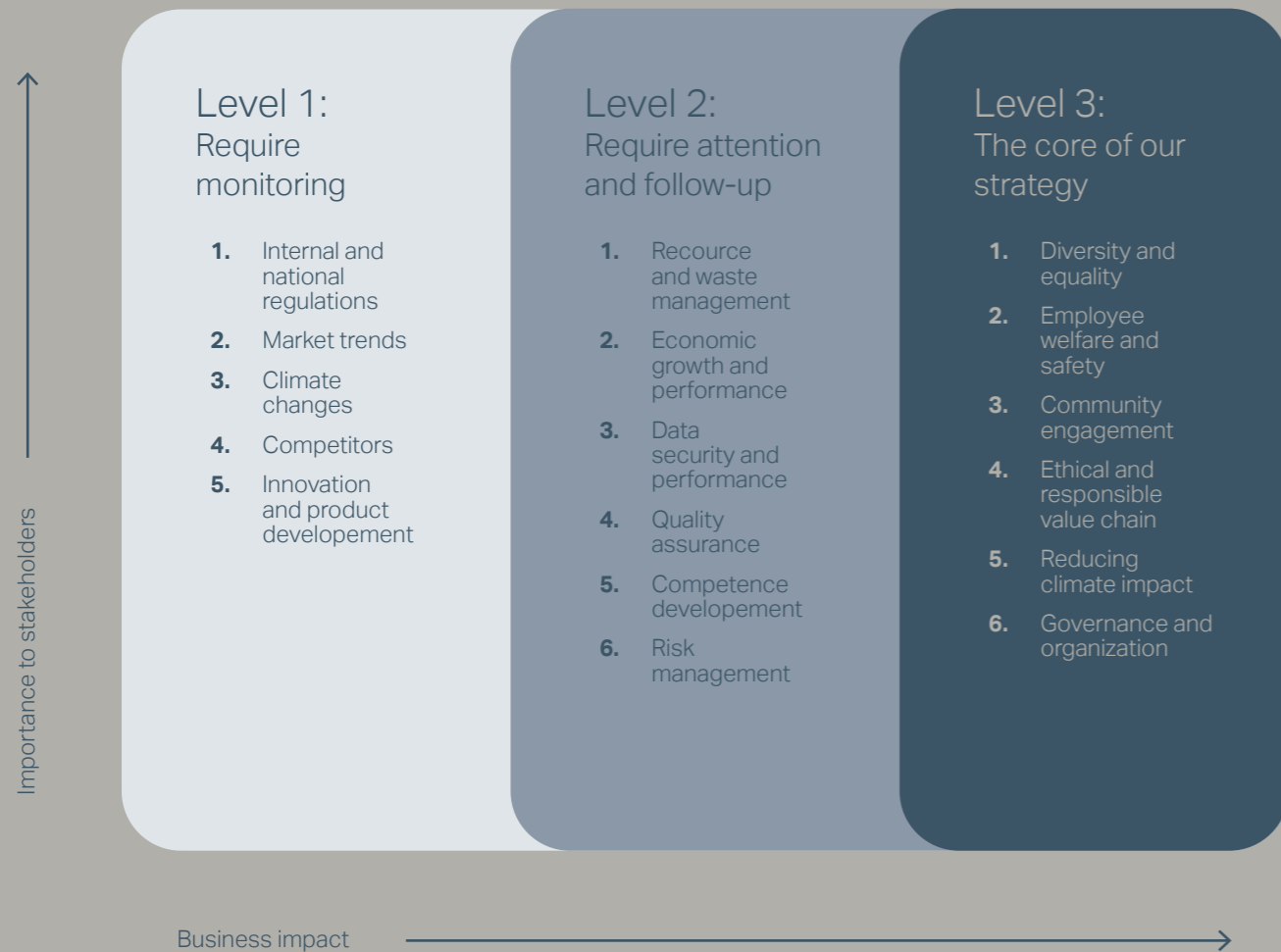
The stakeholders expectations to Head Energy AS

Dialogues with stakeholder groups

	Stakeholders	Relevant externalities	The stakeholders expectations to Head Energy AS	Dialogues with stakeholder groups
Primary stakeholders	<b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>Requirements/restrictions</li> <li>Reporting</li> <li>National legislation</li> <li>International legislation</li> <li>Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Sustainability and environmental considerations</li> <li>Collaboration and reporting</li> <li>Health and safety</li> <li>Data security and privacy</li> </ul>	<ul style="list-style-type: none"> <li>Internet</li> <li>Laws and regulations (e.g. "Lovdata")</li> <li>Input from customers and suppliers</li> <li>Input from PWC, Simployer, Virke, etc.</li> <li>Monthly report, forecasts, trends and changes</li> </ul>
	<b>Community</b>	<ul style="list-style-type: none"> <li>Landlords and neighbors</li> <li>Charity</li> <li>Community involvement</li> <li>Students</li> <li>Local sports organizations and events</li> </ul>	<ul style="list-style-type: none"> <li>Creating job opportunities</li> <li>Sponsorship programs</li> <li>Aid projects - Haydom</li> <li>Protection of human rights</li> <li>Support for cultural events</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Events</li> <li>Sponsorship</li> <li>Apprentice program</li> <li>Partnership meetings (Seaman Church)</li> </ul>
	<b>Customers</b>	<ul style="list-style-type: none"> <li>General requirements</li> <li>Deals/contracts</li> <li>Project-based contracts</li> <li>Long-term contracts</li> <li>Special requirements from large customers</li> </ul>	<ul style="list-style-type: none"> <li>Ethical and sustainable practices/value chain</li> <li>Good business ethics</li> <li>Expertise and knowledge</li> <li>Quality and reliability</li> <li>Customer service and competitive pricing</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Customers surveys</li> <li>Feedback</li> <li>Personally customer service</li> <li>Meetings and events</li> </ul>
	<b>Suppliers and subcontractors</b>	<ul style="list-style-type: none"> <li>Responsible supply chain</li> <li>Services</li> <li>Products</li> <li>EU-member companies</li> <li>Protection of human rights</li> </ul>	<ul style="list-style-type: none"> <li>Responsible supply chain</li> <li>Reduction of climate and environmental footprint</li> <li>Business ethics</li> <li>Innovation and product development</li> <li>Product quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>Continuous and open dialogue</li> <li>Evaluation</li> <li>Tender processes</li> <li>Contract negotiations</li> <li>Project follow-up</li> </ul>
	<b>Employees</b>	<ul style="list-style-type: none"> <li>Competence</li> <li>Work environment</li> <li>Diversity</li> <li>Safety</li> <li>Equality</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities for learning and competence development</li> <li>Diversity, equality and inclusion</li> <li>Good work environment, work-life balance</li> <li>Employee benefits and rights</li> <li>Competitive salary</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Employees surveys</li> <li>Regular meetings</li> <li>Trough Safety delegates and Work Environment Group (WEG)</li> <li>Social group (employee) and corporate sports teams/engagement</li> </ul>
	<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Owners</li> <li>Investors</li> <li>The Board</li> </ul>	<ul style="list-style-type: none"> <li>Financial results</li> <li>Sustainability and social responsibility</li> <li>Robust business model</li> <li>management competence</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Management meetings</li> <li>Board meetings</li> <li>General meetings</li> <li>Monthly reports</li> </ul>
	<b>Subsidiaries</b>	<ul style="list-style-type: none"> <li>Consulting, Solve, UP, Infra , Branncon, Introcon, Multiconrol</li> <li>Denmark Consulting, Dangrid</li> <li>HE Sweden</li> <li>HE Germany</li> <li>Eiendom</li> </ul>	<ul style="list-style-type: none"> <li>Robust business model</li> <li>Leadership and govoenance</li> <li>Communication and transparency</li> <li>Sustainability and social responsibility</li> <li>Holistic Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Continuous dialogue</li> <li>Employees surveys</li> <li>Management meetings</li> <li>Weekly meetings</li> </ul>
Secondary stakeholders	<b>Competitors</b>	<ul style="list-style-type: none"> <li>Main competitors</li> <li>Peripheral competitors</li> <li>Industry associatons</li> <li>Project collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Good business ethics</li> <li>Collaboration and reporting</li> <li>Market behavior</li> </ul>	<ul style="list-style-type: none"> <li>Market analysis and benchmarking</li> <li>Industry associations and networks</li> <li>Dialogue in meetings with tenders</li> <li>Trade shows / fairs</li> </ul>
	<b>Labor unions</b>	<ul style="list-style-type: none"> <li>NITO</li> <li>Fellesforbundet</li> <li>TEKNA</li> <li>Industri Energi</li> </ul>	<ul style="list-style-type: none"> <li>Rights</li> <li>Welfare</li> <li>Working conditions</li> <li>Salary</li> <li>Occupational safety</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue through employees that are members (no formal agreements with trade unions at present)</li> <li>Meetings with unions</li> <li>Work Environment Group (WEG)</li> </ul>
	<b>Bank / insurance</b>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Incurance limitations</li> <li>Recuirement</li> </ul>	<ul style="list-style-type: none"> <li>Risk management</li> <li>Communication and collaboration</li> <li>Transparent financial reporting</li> <li>Financial stability</li> <li>Reliable payment</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Annual reports</li> <li>Monthly reports</li> <li>Audits</li> </ul>

	Material topics	Relevant sustainability goals	Measurement parameter/KPI	Actions
Governance	Credibility and Governance		<ul style="list-style-type: none"> <li>No tax planning</li> <li>Gender balance and diversity on Head Energy's Board of Directors</li> <li>General focus on business development within renewables, civil construction &amp; infrastructure, IT &amp; digitalization. Secure diversity on the Board of Directors, in the Executive Management, and in subsidiaries' management groups</li> <li>Facilitate a broad ownership model in Head Energy AS.</li> </ul>	<ul style="list-style-type: none"> <li>Continue full transparency in financial reporting</li> <li>Head Energy shareholders (subsidiaries included) shall secure, through nomination of new board members, that goals for gender balance are met.</li> <li>All new major investments and/or launches shall not be within the oil &amp; gas industry. 50% or more of Head Energy Group's revenue shall come from renewables and civil construction &amp; infrastructure by 2030</li> <li>Continued effort to recruit employee shareholders. Minimum 100 shareholders by end 2028.</li> <li>3 of 8 board seats in Head Energy AS shall be reserved for board members chosen among Head Energy's employees</li> </ul>
	Ethical and responsible value chain		<ul style="list-style-type: none"> <li>Clear policies for selecting climate and sustainability conscious suppliers</li> <li>Protection of human rights at all levels</li> <li>Efficient resource utilization and waste management</li> </ul>	<ul style="list-style-type: none"> <li>Commission Sustainable Supplier Questionnaire and CE-MAsys tools in supplier qualifications.</li> <li>Due diligence report</li> <li>Environmentally friendly procurement and consumption</li> </ul>
	Diversity and equality		<ul style="list-style-type: none"> <li>Secure diversity in the recruitment process for all positions throughout the Head Energy Group</li> <li>Promote equality in terms of salary and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>The next member of Head Energy's Executive Management shall be a woman</li> <li>Establish gender-neutral pay matrix</li> </ul>
Social	Employee welfare and safety		<ul style="list-style-type: none"> <li>Zero major injures and serious incidents</li> <li>Absence (sick-leave) below 2,5% annually</li> <li>Employee well-being score shall be above 8,5 in pulse surveys (Winningtemp - scale 1-10)</li> <li>Employee well-being score should be above 5,0 in employee surveys (Third-party survey - scale 1-6)</li> </ul>	<ul style="list-style-type: none"> <li>Continually improvement in terms of health &amp; safety.</li> <li>Focus on good physical working conditions and a positive working environment</li> <li>Sponsor local sports and activities for youth and promote healthy activities for employees</li> </ul>
	Aid project/community engagement		<ul style="list-style-type: none"> <li>Launch Social Responsibility programme and Social Responsibility Council by end of 2024</li> <li>Head Energy shall support and fund installation of clean energy solutions in development countries</li> <li>Head Energy shall support and fund quality education for youth in Scandinavia and development countries</li> </ul>	<ul style="list-style-type: none"> <li>Appoint Social Responsibility Counsel in understanding with CSO</li> <li>Support Prima Primary School in Malawi</li> <li>Support Dagfinn Berg and development projects in Tanzania</li> <li>Sponsor and support local initiatives for inclusion of youth from low income families.</li> <li>Set annual budgets for social responsibility projects</li> </ul>
Environmental	Reducing climate impact		<ul style="list-style-type: none"> <li>Reduce scope 1-3 emissions in line with the 1,5°C ambition</li> <li>Minimum 10% reduction in carbon emissions from business travels, commuting, and energy consumption at Head Energy's locations in 2024 vs 2022.</li> <li>Promote sustainable solutions in all our civil engineering &amp; infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>Reduce meetings and events that require travelling by plane</li> <li>Promote sustainable commuting to all Head Energy locations</li> <li>Commit to a validated goal for reducing emissions by end 2024</li> <li>Take active measures in our projects to secure sustainable materials and sustainability conscious sub-contractors and suppliers.</li> </ul>

# Importance to stakeholders and business impact



# UN Sustainability Goals

**Head Energy Group acknowledges that due to our fossil-fuels background, we are part of the problem and must step up our efforts and heighten our ambitions in making meaningful climate and sustainability impact.**

We also view sustainability as a great opportunity to make a positive impact, to generate positive results, to build trust and to strengthen our competitive advantage.

Our sustainability work aligns with the United Nations Sustainable Development Goals (SDGs), which integrate environmental, economic, and social development (ESG). In our strategic efforts, we have chosen to prioritize nine of the UN's sustainable development goals. These SDGs serve as a framework to guide the company's sustainability efforts and maximize the positive impact on society and the environment.

By focusing on these goals, we aim to address key areas that contribute to a sustainable future. Head Energy is committed to actively working towards these goals, integrating them into our operations, and collaborating with stakeholders to make a positive difference. Through our sustainable strategy, we strive to create value not only for our business but also for society and the environment.

The prioritization has been based on where Head Energy has the greatest potential to influence society towards a more sustainable direction. The selection is justified by the stakeholder and materiality analysis conducted prior to the sustainability report. This chapter summarizes the activities and results related to our material sustainability topics, specific measures, and goals for further work at Head Energy.

## Our sustainability approach



### Head Energy Group is dedicated to promote the following selection of the UN Sustainability Goals:

- |  |                                      |  |   |
|--|--------------------------------------|--|---|
|  | <b>Good Health and Well-being</b>    |  | <b>Decent Work &amp; Economic Growth</b>      |
|  | <b>Quality Education</b>             |  | <b>Sustainable Cities &amp; Communities</b>   |
|  | <b>Gender Equality</b>               |  | <b>Responsible Consumption and Production</b> |
|  | <b>Clean Water &amp; Sanitation</b>  |  | <b>Climate Action</b>                         |
|  | <b>Affordable &amp; Clean Energy</b> |  |   |



# Our Sustainability Goals

**Extracting the findings from the stakeholder- and materiality analysis and aligning with the UN Sustainability Goals and the 1,5°C ambition, Head Energy Group has embraced the following sustainability goals:**

## environmental

### 1. Reducing Climate Impact



- I. Minimum 10% reduction in carbon emissions from business travels, commuting, and energy consumption at Head Energy's locations in 2024 vs 2022.
- II. Commit to a validated goal for reducing emissions by end 2024.
- III. Sustainable solutions in all our civil engineering & infrastructure projects.

## social

### 2. Diversity & Equality



- I. Secure diversity in the recruitment process for all positions throughout the Head Energy Group
- II. Promote equality in terms of salary and benefits.

### 3. Employee Welfare & Safety



- I. Zero major injures and serious incidents.
- II. Absence (sick leave) below 2,5% annually.
- III. Employee well-being score shall be above 8,5 in pulse surveys (Winningtemp - scale 1-10)
- IV. Employee well-being score should be above 5,0 in employee surveys (Third-party survey - scale 1-6)
- V. Secure and follow up employee welfare and safety within the group at all levels.

### 4. Aid & Social Responsibility



- I. Launch Social Responsibility program and Social Responsibility Counsel by end of 2024.
- II. Support and fund installation of clean energy solutions in developing countries.
- III. Support and fund quality education for youth in Scandinavia and in developing countries.
- IV. Continue and/or establish community engagement and sponsorships in all our office locations.
- V. Facilitate for educational fundings and/ or programs for employees to secure growth and professional development.

# governance

## 5. Credibility & Governance



- I. No evasive tax planning.
- II. Gender balance and diversity on Head Energy's Board of Directors.
- III. Secure diversity on the Board of Directors, in the Executive Management, and in subsidiaries' management groups.
- IV. General focus on business development within renewables, civil construction & infrastructure, IT & digitalization.
- V. Facilitate a broad ownership model in Head Energy AS.

## 6. Ethical & Responsible Value Chain



- I. Clear policies for selecting climate and sustainability conscious suppliers.
- II. Protection of human rights at all levels.
- III. Efficient resource utilization and waste management.



# Sustainability Strategy

## 1. Reducing Climate Impact



- I. Minimum 10% reduction in carbon emissions from business travels, commuting, and energy consumption at Head Energy's locations in 2024 vs 2022.
- II. Commit to a validated goal for reducing emissions by end 2024.
- III. Sustainable solutions in all our civil engineering & infrastructure projects.

## how:

### Set a course. Set a goal.

With 2022 being the base year for our reporting on emissions, this is where we start off with the work to reduce our footprint and doing our part in the common ambition to reach the 1,5°C goal.

The take-out from our first climate emissions main report is that transportation, business travel, employee commuting, and energy consumption at our locations are the low-threshold categories to start with. In 2023 and 2024, Head Energy Group will reduce non-essential travels by plane for commercial and internal meetings and promote sustainable transportation for commuting to and from our offices.

New headquarters in Bergen will be BREEAM-Excellent certified, meaning better energy efficiency from one of our two largest hubs in Norway.

Setting a course is fairly easy. Setting a clear goal, in line with the 1,5°C ambition, for a company that expects continuous growth over the next 5 years, is harder. With that in mind, we will seek advise to set and validate a new, long-term goal for reducing scope 1-3 emissions. This work will begin in H2 2023, and we will conclude before year-end 2024.

### Sustainable Design

Through our civil engineering units, we partake everyday in projects that will affect how people live, travel, work, and shop in the future. Both as an ambitious actor and a trusted supplier and partner, we aim to set ourselves apart and be known as a climate conscious company, with solutions and services that not only is for the benefit of our clients, but also the environment and future generations.

### Actions:

- Reduce meetings and events that require travelling by plane.
- Promote sustainable commuting to all Head Energy locations.
- Commit to a validated goal for reducing emissions by end 2024.
- Take active measures in our projects to secure sustainable materials and sustainability conscious sub-contractors and suppliers.





## 2. Diversity & Equality

- I. Secure diversity in the recruitment process for all positions throughout the Head Energy Group
- II. Promote equality in terms of salary and benefits.

## how:

### Focus on Diversity

Head Energy has had mostly male employees on all levels, including executive management and the Board of Directors, since the launch in 2010. This is mainly due to engineering professions being male dominated, and how the company has grown largely by investing in new start-ups and entrepreneurs, and the general demography in oil & gas and civil engineering in the 2010s.

The world, however, is rapidly changing. Today, gender balance in engineering and technology educations is moving towards more equal representation. Considering this development has come even further in financial & management related educations, the workforce of tomorrow will be more diverse than in the 2010s.

Head Energy also recognizes how a more diverse and gender balanced workforce will strengthen our capabilities in making good and sustainable strategic decisions and make us more attractive as an employer.

To be seen as an attractive employer for a diverse pool of resources, we must present equal opportunities and benefits, regardless of gender and background.

We must also secure that we have a gender representation on management levels that reflect the society in general and our candidates.

### Actions:

- The next member of Head Energy's Executive Management shall be a woman.
- Establish gender-neutral pay matrix.





### 3. Employee Welfare & Safety

- I. Zero major injuries and serious incidents.
- II. Absence (sick leave) below 2,5% annually.
- III. Employee well-being score shall be above 8,5 in pulse surveys (Winningtemp - scale 1-10)
- IV. Employee well-being score should be above 5,0 in employee surveys (Third-party survey - scale 1-6)
- V. Secure and follow up employee welfare and safety within the group at all levels.

## how:

### A preferred holistic employer

Our focus on health & safety has always been at the highest level. Being an aspiring and rapidly growing engineering company, we know that a flawless HSE record is a prerequisite.

We are proud of our HSE record and continuously work to improve our procedures and adapt to more complex and challenging projects. Head Energy Group is ISO-certified according to ISO-standard 45001 Health & Safety Management.

Head Energy has also defined health beyond avoiding injuries and good working conditions. To us, health includes the mental aspect, and we regard good mental health and happy and motivated employees as a great asset.

We have over 10 years of experience with extensive employee surveys, both internally and among our consultants, and we have good procedures in place for follow-up and actions. We also have in place proven systems for reporting.

In 2023 we will take a step further and launch our new program for balance & mastery, high-performance coaching, and leadership development. The program is named Going First and is developed in cooperation with high-performance coach Angie Ford.

We have high ambitions for the Going First program and believe it will be a great asset to our employees and make Head Energy an even more attractive employer.

### Active Employees

We believe that the correlation between physical activity, mental health and high-performance is important to address for us as an employer. Head Energy today plays an active role in stimulating physical activity for our employees by facilitating gym-classes and access to gym facilities, encourage common participation in running events and other activities, as well as cultural and diversity focused events.

We support and sponsor sports and events in our communities and sponsor sports and activities for youth to support future generations.

### Actions:

- Continually improvement in terms of health & safety.
- Sponsor local sports and activities for youth and promote healthy activities for employees.
- Focus on good physical working conditions and a positive working environment.
- Launch and implement the Going First development project.





#### 4. Aid & Social Responsibility

- I. Launch Social Responsibility program and Social Responsibility Counsel by end of 2024.
- II. Support and fund installation of clean energy solutions in development countries.
- III. Support and fund quality education for youth in Scandinavia and in development countries.
- IV. Continue and/or establish community engagement and sponsorships in all our office locations.
- V. Facilitate for educational fundings and/ or programs for employees to secure growth and professional development.

## how:

### The Bigger Picture

With success and economic growth over time comes the ability to extend our involvement beyond our core business and our core stakeholders. Based on our financial results and the shareholders beliefs, Head Energy has an ambition the make a difference for people and communities both at home and abroad.

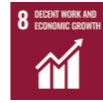
In 2022 Head Energy increased our effort to support development projects in Tanzania and Malawi and we are proud to share that we have funded projects within clean and accessible drinking water, solar anergy, and quality education.

Our ambition is to increase our involvement in development projects where we can quantify and rate the results directly. This, however, demands that we from 2023 and 2024 create a program and a strategy that aligns with our long-term ambitions for aid and development work. This must also apply for all our locations and communities to create solid backing throughout the Head Energy Group.

### Actions:

- Appoint Social Responsibility Counsel
- Support Prima Primary School in Malawi
- Sponsor and support local initiatives for inclusion of youth from low-income families.
- Establish a plan and a policy for our community projects/ sponsorships also in Oslo, Sweden, and Denmark within end of 2024.
- Establish a policy for educational fundings for employees in the group.
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## 5. Credibility & Governance

- I. No evasive tax planning.
- II. Gender balance and diversity on Head Energy's Board of Directors.
- III. Secure diversity on the Board of Directors, in the Executive Management, and in subsidiaries' management groups.
- IV. General focus on business development within renewables, civil construction & infrastructure, IT & digitalization.
- V. Facilitate a broad ownership model in Head Energy AS.

## how:

### Transparency and Sharing

Credibility is a currency and for Head Energy it is a core priority to build and earn the trust of our employees, clients, and stakeholders in general. We are transparent and honest in our reporting, both internally and externally.

We have a clear and inclusive model for profit sharing among shareholders, but also consider our social responsibility to include a positive footprint at and around our locations. Head Energy shall do no evasive tax planning and follow local laws and regulations.

We believe that gender balance and diversity must be anchored in our corporate governance. It shall be the responsibility of our shareholders to secure gender representation and diversity on the Board of Directors and in Executive Management positions and subsidiaries management groups.

### Towards a renewable future

Head Energy is dedicated to integrating the Scandinavian engineering know-how with sustainable solutions for energy production and transportation. In 2022, our revenue from renewables and civil construction grew 15% from 2021.

Our long-term goal is that renewables, civil construction, and industry shall make up more than 50% of our total revenue. This is a bold and difficult ambition. This is why, going forward, all new major investments and acquisitions shall be outside the oil & gas industry.

### Actions:

- Continue full transparency in financial reporting.
- Head Energy shareholders (subsidiaries included) shall secure, through nomination of new board members, that goals for gender balance are met.
- All new major investments and/or launches shall not be within the oil & gas industry. 50% or more of Head Energy Group's revenue shall come from renewables and civil construction & infrastructure by 2030.
- Continued effort to recruit employee shareholders. Minimum 100 shareholders by end 2028.
- 3 of 8 board seats in Head Energy AS shall be reserved for board members chosen among Head Energy's employees.





## 6. Ethical & Responsible Value Chain

- I. Clear policies for selecting climate and sustainability conscious suppliers.
- II. Protection of human rights at all levels.
- III. Efficient resource utilization and waste management.

## how:

### Leading the way

Head Energy must secure that our suppliers and partners share our beliefs and our dedication to sustainability. An ethical and responsible value chain will be an absolute demand from our clients, and it will be absolutely necessary to maintain a good reputation.

Head Energy shall work continuously to secure and maintain a that all legal and contractual demands are met.

### Actions:

- Commission Sustainable Supplier Questionnaire and CEMAsys tools in supplier qualifications.
- Due diligence report.
- Environmentally friendly procurement and consumption.







## Our new commitments

During Head Energy's September 2022 gathering (Fellessamling) at Sola, I proclaimed that Head Energy had successfully completed the typical start-up phase. I also promised to step up Head Energy's Sustainability effort moving into the so-called growth and maturity phases. I am now proud to note that we are delivering on the promise: In 2023, Head Energy has appointed the first Chief Sustainability Officer and the first female member of the executive management team, created the first comprehensive Sustainability Strategy, published the first Sustainability Report, and completed Head Energy's first in-depth Climate Emissions Calculation.

This is a good start - going forward, we will polish our strategy, further advance our gender and diversity records, issue new and more detailed Sustainability Reports and build a library of reliable emissions data to be used actively to reduce our emissions footprint. In addition, we shall lift our ESG-targets and work hard to offset or reduce our own and our clients' emissions.

Before year-end 2023, we will merge the Sustainability Strategy into the overall strategy for the Head Energy Group to ensure full commitment. We have already started executing our revised strategy and are working hard to reach our ESG-targets and meet our ambitions and we are actively looking for opportunities to invest in business opportunities, new or existing that sell products, solutions or services that are directly based on ESG, as business development is one of our key strengths. In short, we are using Sustainability actively, as a springboard, to transform and modernize Head Energy, to set ourselves apart and make Head Energy ready for the future.

Sustainability is to Head Energy a great opportunity to make positive impact, to generate positive results, to build trust and to strengthen our competitive advantage: Sustainability will keep us one step ahead. If we fail, or our Sustainability efforts are inadequate, we risk losing our momentum. ESG is high on the agenda of public authorities, politicians, consumers, employees, banks, and investors.

The collective current set-in motion by such stakeholders is changing the surroundings facing suppliers or service providers, and represent to Head Energy a great opportunity, more than a danger. The future business landscape will call for diversity, gender-balance, corporate responsibility as well as technological innovations and sustainable solutions, business models and value chains. The future consumers and clients will prefer suppliers with a clear ESG-commitment and a measurable ESG-record. This will drive corporations to focus on not only financial returns, but also on social responsibility and transparent business governance. Those companies who succeed with their sustainability efforts, will build trust, and to Head Energy trust is a competitive advantage.

Companies with Sustainability credibility will win more business as future tenders will require verifiable Sustainability records and certificates. A company who implements new technology successfully, will deliver better products and services and improve its bottom line. The ESG-winners will attract more and better personnel and a company with gender balance and diverse role models will recruit from a bigger and better resource pool. Those with Sustainable business models will get access to cheaper funding and higher valuation as investors will apply lower their risk premiums. The same companies will build more robust and risk-proof business models and may better withstand climate-related hazards, changing and unforeseen consumer demands and various digital challenges. Going forward, audits will focus not only on annual financial accounts, QA and HSE, but also on ESG-issues, and companies with good records and the right certificates will benefit in several ways.

Head Energy is serious about sustainability – our vision is that our energy shall keep customers and employees one step ahead. To be true to this, we have now made firm, new commitments to (i) make positive impact and (ii) apply sustainable solutions as we believe that this will allow us to reach our ambition of becoming a trusted Scandinavian engineering & consulting group.

**Nils E. Haukeland**  
Executive Chairperson  
Head Energy AS / Head Energy Group