

C0. Introduction

C0.1

**(C0.1) Give a general description and introduction to your organization.**

Vår Energi is a leading independent upstream oil and gas company on the Norwegian Continental Shelf (NCS). We are committed to delivering a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record.

Our ambition is to be the safest operator on the NCS, the partner of choice, an ESG leader and a net-zero producer (Scope 1 and 2) by 2030.

Vår Energi has more than 950 employees and equity stakes in 36 fields producing net 246,000 boe per day in 2021. We have our headquarters outside Stavanger, Norway, with offices in Oslo and Hammerfest.

C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

**(C0.3) Select the countries/areas in which you operate.**

Norway

C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

C-OG0.7

**(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?**

Row 1

**Oil and gas value chain**

Upstream

**Other divisions**

C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	VAR

## C1. Governance

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### C1.1

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#### (C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

#### C1.1a

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##### (C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The climate challenge is recognized by Vår Energi and the Board chair, together with the Board of Directors have direct ownership of climate related objectives and expectations in the Vår Energi strategy. They have a leadership and supervisory role in all corporate social responsibility and sustainability matters, including climate-related issues, and review and guide the major plans of action when it comes to investment decisions for climate initiatives. All members of the Board are considered independent of the Executive management team. The climate strategy is incorporated in the business management system and anchored in the corporate Sustainability policy and plans. Production and CO2-emissions KPI's and project targets are included as part of the company's incentive structure.
Board-level committee	Health, Safety, Security and Environment («HSSE») and Corporate Social Responsibility («CSR») are of paramount importance to the Board of Directors of Vår Energi. The Board recognizes its responsibility for the safety of people and the environment and devotes appropriate time and resources to comply with all regulations and strives to adhere to the highest HSSE standards. Since the Board of Directors have direct ownership of climate related objectives and expectations in Vår Energi's climate strategy, they have established a Safety and Sustainability Committee that oversees Vår Energi's safety issues and sustainability scenarios, i.e. the policies, processes, projects and activities aimed at ensuring the Company's commitment to sustainable development through the value chain, including HSSE, CSR, decarbonization and climate change, biodiversity and efficient use of resources. Further the Committee monitors and reviews the company's HSSE risks, including climate risks and opportunities.
Board-level committee	Further, since the Board of Directors have direct ownership of climate related objectives and expectations in Vår Energi's climate strategy, they have established an Audit and Risk Committee that oversees Vår Energi's Financial business risks and opportunities. The Committee monitors and reviews the company's business risks, including climate risks and opportunities.
Chief Executive Officer (CEO)	Overall responsibility for managing climate changes issues is placed at group executive level where the CEO (Chief Executive Officer) has the ultimate responsibility for climate related issues. Climate is fully integrated in Vår Energi's steering and governance, and so the CEO has the responsibility and reports to the Chair of the Board of directors. The CEO follows up operations via business performance meetings where climate aspects such as target progress are included (e.g., reductions in CO2 emissions, and growth of renewable energy use). Members of the Executive Management (EM) hold operational responsibility for climate change actions, where the issue is integrated in both strategic planning and the business planning process. EM consists of vice-presidents (leaders) of all business areas. In effect, the entire company falls under the CEO. Via review meetings the CEO is updated and steers the organization on climate-related issues.

#### C1.1b

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**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Evaluation and quantification of the company’s climate related performance, risks and opportunities are integrated into the company’s annual strategy process. The Board of Directors has ownership to the climate related issues. Long term climate related ambitions and intermediate targets have been set and endorsed by the Board. These are subject to regular review. Initiatives to be addressed in the strategy period to achieve the ambitions and targets are agreed through the strategy process. The strategy and initiatives are anchored in the Executive Management Team and communicated throughout the company. Processes are set up to ensure climate related risks and opportunities are reviewed, and that guidance is given as to how climate related risk and opportunities are part of the company performance objectives. The Board reviews and provides guidance on the major plans for action and investment decisions for climate initiatives as it does for other major plans and decisions. The Board will also monitor and oversee progress against both short- and long-term ambitions and targets. Business plans and budgets are reviewed alongside budgets to set the correct strategic priorities for climate related issues. Our annual Sustainability report provides transparency on the company’s overall sustainability performance - including climate-related issues.

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	The composition of the Board of Directors is based on a set of criteria. One of the criteria that is not particular to one director is related to HSE and ESG. Representatives should have a good understanding of HSE and ESG and what it takes to deliver on it.	<Not Applicable>	<Not Applicable>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Financial Officer (CFO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Procurement Officer (CPO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Safety and Sustainability Committee)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly
Risk committee	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (VP Partner Operated Assets)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Energy Management Committee)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Executive management team members (CEO, CFO, COO (VP Operations), CSO (VP Safety & Sustainability), CPO (VP Contracts & Procurement), VP Partner Operated Assets) responsibilities:

- Commitment and accountability to support the Paris Agreement ambition
- Accountability to reduce emissions in line with national and international climate expectations

Monitoring through:

- Membership in the company Safety & Sustainability Committee
- Membership in the company Risk & Compliance Committee
- Member- and Sponsorship of the Energy Management Committee (COO and CSO)

The Environment and Sustainability Manager:

- Reports to the CSO and is a member of the Energy Management Committee and the Safety & Sustainability committee.
- Is the custodian of the company decarbonization plan - drives continuous improvements of the plan and keeps track of progress

The Energy Management Steering Committee:

- Providing leadership of the Energy Management team
- Identifies, evaluates and prepares energy efficiency and emission reduction project for implementation in the operated portfolio

The Safety & Sustainability Committee:

- Purpose is to ensure continuous improvement of Vår Energi safety and sustainability performance
- Align company safety and sustainability programs and plans with strategic agenda - including emission reductions
- Review and drive progress towards targets, including climate related targets

The Risk & Compliance Committee:

- Reviews and updates climate related risks and opportunities to facilitate sufficient handling

Employees:

- All employees are expected to be responsible citizens and contribute to both emission reduction initiatives as well as opportunity identification /creation.

### C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	CO2 intensity goal is part of incentive structure in Vår Energi through company specific KPIs.

### C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Efficiency target	Efficiency target (kg CO2/boe) is a company wide KPI and incentives are based on how well the company delivers on the key performing indicators.

## C2. Risks and opportunities

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### C2.1

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**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

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**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	5	The definition follows the time frame established by the International Energy Agency (IEA) in the World Energy Outlook. The short term view is aligned with our existing strategic outlook.
Medium-term	5	10	The medium-term view is relevant to investments and assets towards 2030, considering trends and risks including a shift in global politics and markets related to climate action. The medium-term is also highly relevant to us given our ambition to reach net zero emissions by 2030.
Long-term	10	20	The long-term view is also highly relevant due to the long lifetime of our assets, and our ambition to achieve near zero emissions by 2050.

### C2.1b

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**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

The evaluation of financial risks typically takes both the probability as well as the potential financial impact of the risk into consideration. With regards to potential financial impact, we define reduction in revenues/net cash flow after tax of around 5-10% (compared to the budgeted amount) to be substantive. This is however not an absolute definition and qualitative considerations will often also be made as part of the risk assessment process.

Our evaluation of climate risks and opportunities is based on the company's Enterprise Risk Management (ERM) process, reports and assessments from the Leadership Team. The results are an integrated part of our internal annual planning and budgeting process, and is also applied when reviewing the company strategy when evaluating performance objectives. Risks and opportunities that could have an influence on the company's strategic priorities or otherwise effect active strategic initiatives, would typically be considered substantive in the context of strategic impact.

### C2.2

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**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Upstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Vår Energi has implemented an Enterprise Risk Management process that is applied at all levels across the entire organization. The process is aligned with the principles in the "Enterprise risk Management – Integrating with Strategy and Performance" document published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The risk management process is described in detail in Vår Energi's Management System through governing documents and detailed guidelines. The process is intended to facilitate a structured and effective approach to identifying, assessing, mitigating, and monitoring risk. The company's risk matrix includes categorization of both probability and impact (impact category includes people safety, environment, cashflow, production volume, reputation, project schedule etc). It is the responsibility of all managers to have a conscious and structured overview of all risks and opportunities that are relevant within their respective area of responsibility. The Enterprise Risk Management reviews within the organization are facilitated by the Enterprise risk department, and material risks and/or opportunities identified in the reviews are typically elevated upwards within the organization as appropriate. Ultimately, the most material risks are included in the consolidated Enterprise risk overview. The Enterprise risk status is reviewed by the Risk & Compliance Committee on a quarterly basis and is also assessed by the Audit Committee. The Board of Directors review the consolidated risk status two times per year. The context for the risk assessment is primarily driven by the operational activity and associated support activities within Vår Energi and the existing plans and strategies of the company. However, external stakeholders such as the authorities, industry associations, NGOs as well as investors, the market situation, geo-political landscape etc. are also considered when the risk register is established and maintained. The risk and opportunity assessments are created and saved in relevant risk management tools. Part of the risk management process includes allocating relevant risks to the appropriate person responsible, and to establish mitigating actions to reduce/remove the risk (or to pursue opportunities). Our core business is to maximize value through safe and responsible exploration, development, and production of hydrocarbons, as a leading operator and partner of choice. We are committed to deliver a better future and producing oil and gas in an energy efficient and with low emissions is a key priority that is embedded in our sustainable development goals and strategy. At the same time, we also see that the energy system and the oil and gas industry are in transition, and mitigating climate change is a global endeavor requiring economic and social transformation as we move towards a carbon neutral world. In this context Vår Energi have processes in place that actively assess climate risk and opportunities and implement actions to mitigate risks and pursue opportunities that are identified. We have a clear pathway to zero emission by 2030 based on the implementation of defined initiatives. To ensure that our sustainability efforts are focused and in line with overall business strategies, we have established a Sustainability Policy to guide our sustainability work. The policy describes the overall direction of our sustainability efforts and goals and constitutes our framework for setting the sustainability objectives. The Board of Directors (BoD) approves the Sustainability Policy and the Vice President (VP) of Safety and Sustainability is responsible for the maintenance of the policy. We have also created a Safety & Sustainability Committee, which is a sub-committee of the BoD. The main purpose of the Sustainability Committee is to support the BoD in matters and decisions related to safety and sustainability. The Committee provides recommendations to the BoD on the processes, projects and activities aimed at ensuring our commitment to sustainable development along the value chain.

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**C2.2a**

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	Vår Energi's operational activity is concentrated on the Norwegian Continental Shelf (NCS). This means that the company's operations primarily are effected by the regulations that apply in this region. However, as Norway is a member of the European Economic Area (EEA), then industry wide legislation passed within the EU becomes relevant for Vår Energi.
Emerging regulation	Relevant, always included	Vår Energi's business and results of operations could be adversely affected by climate change and the adoption of new climate change laws, policies and regulations. Growing concerns about climate change and greenhouse gas emissions have led to the adoption of various regulations and policies and future global policy may be further influenced climate related action from both government and third-party organizations. The NCS exhibits low CO2 emissions relative to other regions within the global oil and gas sector, with an average of 7 kg CO2 per boe as compared to the global average which exceeds 18 kg per boe.
Technology	Relevant, always included	Technological development is a key enabler with regards to mitigating climate risks and pursuing climate opportunities and plays a key part in Vår Energi's long term target to reach net zero emissions by 2030. The NCS is a global leader in electrification, with 40% of the region targeted to be electrified by 2025. Other largescale NCS climate initiatives include a strong focus on carbon capture and storage and utilisation offshore wind as source of energy. Vår Energi aims to implement high-quality and sustainable solutions for both operations and suppliers, including the use of the best available technologies and methods to reduce emissions to air, discharges to sea and waste generation. Vår Energi's research and development (R&D) activities seek to provide advanced technical solutions supporting the Company's ambitions of reducing environmental impacts and improving production efficiency. In 2020, Vår Energi established a new R&D strategy focused on the contribution to emission reduction targets and to promote development of technology that supports future energy transition business development. The R&D strategy is defined to meet the Company's technology objectives in the following key areas: • Safety and environmental protection • Decarbonisation • Successful exploration • Operational excellence • Maximise recovery Ongoing initiatives/partnerships where advanced technology will be a key success factor include the Hywind Tampen engagement, to provide renewable energy to Snorre by use of floating wind, a joint power from shore project for the Balder/Grane area and the Barents Blue Ammonia study with Equinor and Horisont Energi, which is aiming to establish Europe's first large-scale production facility for blue ammonia
Legal	Relevant, always included	Vår Energi is monitoring the trends with regards to legal proceedings that could be relevant for our company and/or any of our identified climate risks. The legal department is represented by the General Counsel in the executive leadership team, and this ensures that material legal risks are subject to review and discussion at the executive level. An example of climate related legal risk is those that could materialize in conjunction with upgrading existing assets and/or new asset development projects. The main exposure related to climate risk in this context would be both during the sourcing and fabrication of physical components/parts (ensuring appropriate overview and control of the fabrication phase) as well as during the construction and commissioning phase where there could be risk of accidents with potential environmental impact (e.g. leakage or emission of substances that could be harmful to the environment). To mitigate such risks, Vår Energi has implemented a strict HSSE risk management framework that is also applied in upgrade/development projects as well as a rigorous due diligence process that must be followed before entering into agreements with contractors. In addition to the above, we ensure that the legal department is consulted as appropriate in relation to review and assessment of changes in regulations, adoption of new technology solutions, participation in R&D projects etc. The overall impact of the company's legal assessments, including those described above, are incorporated and reflected in the company's strategy, budget and planning processes.
Market	Relevant, always included	The market risks are related to changes in oil and gas demand and subsequently energy prices, in addition to regulations on CO2 pricing and potential governmental intervention. Vår Energi operates in the crude oil and natural gas market and fluctuations in hydrocarbon prices may therefore impact revenues, reserve estimates, profitability, and the rate of growth. Commodity price risks represent the Company's most important market risk. In addition to changes in demand, the market prices can be impacted by other external factors as we have seen during the Covid-19 pandemic and the crisis in Ukraine. Vår Energi is continuously assessing market trends with regards to financial impact and include sensitivity analysis (alternative price scenarios) in the process to evaluate the robustness of new hydrocarbon projects. Vår Energi uses commodity price hedging (for crude oil sales) to manage the price risk and secure cash flow from the sale of crude oil. In addition, Vår Energi also evaluate the market risk relative to changes in the climate and the impact these may have on our Strategy. For example, In February 2022, natural gas was included in the EU Taxonomy. Gas is argued to be in line with EU's climate and environmental objectives and will allow acceleration of the shift from more polluting activities, such as coal generation, towards a climate-neutral future.
Reputation	Relevant, always included	We realize that our activities may have both positive and negative effects on communities and the environment, and we are continuously assessing the reputational risks of the company in this context. From a general industry perspective, the climate related reputational risks associated with being in the oil and gas business could impact the individual company in the form of e.g. negative media coverage, reduced attractiveness as an employer, operator or business partner and/or increased cost of capital. The reputational risk in this context is dependent on how we respond to the climate related issues within our industry. Our aim is to create long-term value by responsible and sustainable resource management. This is reflected in our vision, committed to deliver a better future, and in our strategic beliefs that: 1) ESG and climate are global and national priorities, and that a pathway to net zero will be required, 2) oil and gas will continue to be a part of the long-term energy mix, with gas to increase its share of NCS production and 3) the NCS will continue to be an attractive region driven by cost competitiveness, low emissions, reliability and long-term oriented governments and regulators. We are a strong supporter of the Paris Agreement. We also believe that de-carbonisation of oil and gas production will make us more competitive in the future and build a resilient business model fit for long-term value creation. We therefore recently set new and more ambitious targets, seeking to minimise our impact by becoming a net zero producer (Scope 1 and 2) by 2030 through electrification, portfolio optimisation and energy management, supported by carbon offsets and R&D. Having set these ambitious targets, we are exposed to reputational risk in the event that we would not be successful in fully realizing our targets. At the same time, if the alternative would be to set less ambitious targets, that is a strategy that would increase the risk of our company not directing enough focus on developing the required competence and capability to be able to produce oil and gas in a sustainable manner in the future. Therefore, safety, reductions in GHG emissions, diversity and a positive local impact therefore all remain integral elements of our strategy for long-term value creation.
Acute physical	Relevant, always included	Extreme weather events such as storms and heavy rain represents acute physical risk factors that we consider to be climate related. For example, in case of more frequent extreme storms (including increased wave amplitudes), this may have an impact on our operations. There is however a high degree of uncertainty relating to the timing and degree of severity associated with the impact of climate change in this regard. Vår Energi's producing facilities are also designed to withstand extreme weather events. One of the most significant factors in the context of extreme weather is referred to as "wave-in-deck". This factor is controlled by the air gap between sea level and deck of the installation. In conjunction with the ongoing Jotun A vessel upgrade (part of Balder future development project), metocean data is being considered in context of design-analyses and risk-analyses. Further, when designing the Goliat FPSO currently located in the Barents Sea, high emphasis was put on the vessels ability to withstand the extreme weather conditions in the Barents region.
Chronic physical	Relevant, sometimes included	Increased volatility in weather, sea-level rise and wave height are considered chronic physical risk factors that are climate related. These are all elements that would potentially affect the working environment (conditions) on our producing offshore assets as well as the long-term integrity of the installations. Vår Energi are performing risk assessments on a regular basis regarding the working environment on offshore installations, including recommendations to improve. Also, climate related risks are assessed using industry standard approach and form input to infrastructure design for new facilities and typically working procedures for existing facilities. A relevant example here is again the ongoing Jotun FPSO vessel upgrade (part of Balder future development project), where metocean data is being considered in context of design and risk-analyses, and where the vessel forepeak has been reinforced to withstand future weather conditions.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**Company-specific description**

EU ETS prices increase to reach EU's 2030 climate goal. Uncertainty relating to the development in actual quota prices going forward, and also regarding timing of ramp-up of the total CO2 cost towards 2030. Vår Energi's operational activity is concentrated on the Norwegian Continental Shelf (NCS). This means that the company's operations primarily are affected by the regulations that apply in this region. However, as Norway is a member of the European Economic Area (EEA), industry wide legislation passed within the EU also becomes relevant for Vår Energi. On this basis, future changes in the climate related regulations such as increased taxes on CO2 and/or NOx emissions would likely impact Vår Energi's financial results through an increase in direct costs. The Norwegian authorities have already communicated that they intend to increase the CO2 tax/fees up to 2000 NOK/240 USD per tonne in 2030. In comparison, the 2021 CO2 cost for Vår Energi's Operated assets in 2021 was around 93 USD per tonne.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

1600000

**Potential financial impact figure – maximum (currency)**

25300000

**Explanation of financial impact figure**

The CO2 cost for Vår Energi's Operated assets in 2021 was around 93 USD per ton and the Scope 1 CO2 emissions (EU ETS) from operated assets was 172 k tons. The financial impact associated with this risk is calculated based on two different scenarios: In the first scenario our CO2 emissions remains at 2021 level also in 2030/2031. In the second scenario our CO2 emissions are reduced to around 60 k tons in 2030/31. With an assumed CO2 Tax of 240 USD per ton, the first scenario would result in a cost increase of around 25,3 MUSD in 2031 compared to 2021 cost of 16 MUSD. The second scenario would result in an overall cost decrease from the associated cost decrease from 16 MUSD in 2021 to 14,4 MUSD in 2031.

**Cost of response to risk**

100000

**Description of response and explanation of cost calculation**

We have established a carbon reduction plan towards 2030 which includes both short- and long-term measures to reduce emissions. Throughout 2022, we will continue to gather information and data needed to make the climate roadmap as complete and detailed as possible. In this process we will assess costs, feasibility, environmental and social impact, offsetting mechanisms, and more, to consider the consequences of delivering on the goals, and thus where we can strengthen our efforts. Delivering energy efficiency improvements, reduction in flaring, cold venting and fugitive emissions are all key components of our decarbonisation strategy and sustainability commitment, and this represents one of our key focus areas in the short term (see chapter 2.4 - climate opportunities for more details). We will also continue to finance and be a partner in low emission technology development and innovation projects and continuously evaluate the possibilities of implementing new low emission technologies on our operated assets. Being an active partner in research, development and innovation projects is an important part of our contribution to reducing the GHG emissions on the NCS. In addition to commitments to reduce emissions from our current assets, our decarbonisation strategy includes ambitions and commitments for future acquisitions, projects, and developments: • All new greenfield developments where we are an operator shall be electrified with power from shore or from offshore renewable energy sources. • New developments shall have a carbon intensity <2.0 kg CO2eq/boe. • All new acquisitions of operated assets should be electrified or considered for electrification with renewable energy sources by 2030. • All new developments and larger modification projects where we are an operator shall be assessed with respect to implementation of a «closed flare system». The estimated cost is referring to the analysis work (including running of sensitivity analysis) that is performed in relation to the economic evaluation of new projects and business improvement opportunities. The cost assumes 20% of a full-time position across the organization is dedicated to evaluation of the GHG tax impacts relating to new projects and other business opportunities. Assuming internal hourly rates of 1800 NOK/hour and applying an exchange rate of 8,60 NOK/USD, then the associated costs would be approximately 0,1 MUSD per year.

**Comment****Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Other, please specify (Decreased revenues due to reduced production capacity)
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**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**Company-specific description**

There is a risk that Norway implements regulations to reduce or stop exploration activities (for example, in the arctic ice edge) and/or reduce tax relief on exploration activity on the NCS. Exploration activity is a key enabler to maintain and growing the production of oil and gas from the NCS. Following the APA 2021 license award in January 2022, the Vår Energi portfolio totaled 148 licenses of which 41 are operated. The Company's reserve life index (RLI) at year-end 2021, calculated based on proved and probable reserves, was 12.5 years (11.8 years in 2020). One of the climate related risks identified by the company is that the Norwegian government would implement new regulations that would reduce access to new acreage and/or lead to new framework conditions relating to exploration activity. Should this risk materialize, it would

potentially result in inability to fully replace produced oil and gas reserves and continue to grow the company due to lack of new resources.

**Time horizon**

Medium-term

**Likelihood**

Unlikely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

200000000

**Potential financial impact figure – maximum (currency)**

700000000

**Explanation of financial impact figure**

To estimate a financial impact of this risk, we have made the assumption that the company's volume additions from new projects could be reduced by around 30% in the medium/long term due to this risk materializing. Using the average production volumes from new projects in the 2022-2025 period as a benchmark, this would translate into an average annual volume loss of around 11 MBOE (in the long medium term). This would translate into an operating profit loss of between 200 MUSD to 700 MUSD depending on the price assumptions used to calculate the impact.

**Cost of response to risk**

700000

**Description of response and explanation of cost calculation**

Vår Energi is responding to risk risk by continuing to manage resources in a responsible and sustainable manner. Our ambition is to be the safest operator on the NCS, be leading on ESG performance and we aim to have net zero greenhouse gas emissions by 2030. We will continue to communicate that we are committed to deliver a better future in line with our strategic beliefs which state that: 1) ESG and climate are global and national priorities, and that a pathway to net zero will be required, 2) oil and gas will continue to be a part of the long-term energy mix, with gas to increase its share of NCS production and 3) the NCS will continue to be an attractive region driven by cost competitiveness, low emissions, reliability and long-term oriented governments and regulators. The estimated cost of responding to this risk includes an estimated 2 full time positions across the organization (including top management), working to promote and communicate the responses described above.

**Comment**

Assuming internal hourly rates of 1800 NOK/hour and applying an exchange rate of 8,60 NOK/USD, then the associated costs would be around 0,7 MUSD.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Technology	Substitution of existing products and services with lower emissions options
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

In context of the ongoing energy transition process, there is a scenario in which the price of renewable energy decreases and affects oil and gas demand and subsequently oil price. This represents one factor (technology development) which will have an impact on the demand for oil and gas in the future. Other factors that are relevant in this context includes changes in climate policies, changes in customer behavior and demographic changes. At the same time, we believe that oil and gas will continue to be a part of the long-term energy mix, with gas to increase its share of NCS production. Our aim is to create long-term value by responsible and sustainable resource management. We see a potential to reduce both our environmental footprint and our operational costs through enhanced energy management. Enhanced energy management is achieved through both changes in our own operations and through collaborative efforts with all our partners throughout the value chain.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1100000000

**Potential financial impact figure – maximum (currency)**

1500000000

**Explanation of financial impact figure**

To estimate the potential financial impact of lower product prices in the long term, we have made the following calculation of the potential impact on our revenues in the year 2040: - We assume total production volumes in 2040 equal to the 2021 production (89 MBOE) - Base case is determined using an oil price \$65/bbl (based on price assumption similar to that used in impairment testing) \* 89 MBOE= \$5800M - IEA SDS scenario: \$ ~53/bbl \* 89 MBOE = \$4700M vs base case \$5800M = -\$1100M (negative impact on revenues) - IEA STEPS scenario: \$~83/bbl \* 89 MOBE = \$7300M vs base case \$5800M = \$1500M (positive impact on revenues)

**Cost of response to risk**

350000

**Description of response and explanation of cost calculation**

Our main responses to address and manage this risk includes (but is not limited to) the following elements: - Continue to manage resources in a responsible and sustainable manner and to further develop and integrate sustainability /climate considerations in our strategy and decision-making processes - Maintaining a strong focus on cost discipline to be resilient also in low-price scenarios - Continue to participate in Research and Development initiatives focusing on energy efficiency and low carbon technology such as CCS and hydrogen. - Continue our active membership role in the Norwegian Oil and Gas Association (NOROG) in relation to providing formalized input to the authorities relating to potential impacts resulting from changes in legislation and requirements. The estimated cost of responding to this risk includes one full time position across the organization (including top management), communicating with the authorities, attending NOROG committee meetings etc. regarding the responses described above (0,35 MUSD). Costs related to for example R&D initiatives and investments related to energy efficiency/sustainability are considered to be base business costs and are therefore not included in the estimate.

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

Having set ambitious climate targets for our company, we are shifting our focus towards operationalising already developed plans for achieving GHG reductions in line with our goals. One way of achieving reduction of direct emissions is by electrification of assets with renewable power from shore or offshore renewable energy sources. Our strategy is that all future greenfield developments where Vår Energi is the operator shall be electrified with power from shore or from offshore renewable sources. We are also exploring opportunities for further electrification from renewable sources of our fields to reduce GHG emissions. In 2020, the Balder / Grane electrification project was initiated to assess the future electrification of Ringhorne WHP and Jotun FPSO. Electrification of these assets can contribute significantly to achieve our GHG reduction target. Depending on the level of electrification the estimated potential for reduction is up to 2 650 000 tons of CO2 over the life of the Balder field. We also have a 10% ownership in the offshore wind project Hywind Tampen via our shares in the Snorre licenses. We will continue to look for possibilities for electrification of assets both through power from shore and from offshore renewable energy sources, such as offshore wind.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

36000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

As already mentioned, the future electrification of Ringhorne WHP and Jotun FPSO can contribute significantly to achieve our GHG reduction target. Depending on the level of electrification the estimated potential for reduction is up to approximately 150 000 tons of CO2 per year. Assuming a future CO2 cost of 240 USD/ton, this translates into total reduced CO2 costs of approximately (150 Ktons \*240 USD) 36 MUSD.

**Cost to realize opportunity**

2000000

**Strategy to realize opportunity and explanation of cost calculation**

Reduction of direct emissions by electrification of assets with renewable power from shore or offshore renewable energy sources is already part of the Company's strategy, and the project organization dedicated to further maturing this electrification project has been established. It is complex to estimate the cost of analyzing and maturing such an opportunity in the early phase. However, based on costs already incurred and the budgeted costs under the current project assumptions, the total cost of maturing such an opportunity up to being ready for concept selection will be approximately 20 MUSD.

**Comment**

Investments associated with further concept definition and project execution are not included in this estimate.

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**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

As a major independent operator on the NCS, we interact with a wide range of suppliers in our operations. Assessing sustainability issues throughout our supply chain helps secure an innovative and sustainable supply chain around our operations, which in turn creates value for local communities and supports the shift towards more sustainable business models. Through both supplier collaboration and supply requirements, we contribute to the Norwegian offshore maritime industry's target of a 50% reduction in GHG emissions by 2030. This is in accordance with the Norwegian government's plan for a green maritime industry. As far as possible, we engage and set requirements to contractors, drilling rigs and vessels used in operations to have an effective and fit for purpose energy management system to secure optimized energy efficiency and minimized GHG emissions. In 2021, we implemented a new policy requiring that sustainability shall be evaluated during the tendering process and that environmental and social performance will be weighted up to 30% in tender evaluations where this is material and feasible. This policy has been further developed and specific actions have been taken to ensure that the policy is implemented. This is done by updating process requirements, instructions, and other supporting documents.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

400000

**Potential financial impact figure – maximum (currency)**

800000

**Explanation of financial impact figure**

Our operated fields Balder, Ringhorne East and Goliat, have approximately 6 regular supply vessels engaged in the daily operations. Additional supply vessels are typically engaged during high activity periods (for example during drilling operations). Currently, 3 of the contracted supply vessels are dual-fuel vessels that can run on both Marine Gasoil (MGO) and Liquefied Natural gas (LNG). In line with our sustainability policy, we collaborate with the marine industry to further reduce the emissions from our supply vessels. Conventional supply vessels that run on MGO typically emits around 5500 tons of CO2 per year, while dual-fuel supply vessel typically have emissions that are up to 25% lower (around 4100 tons of CO2 per year). This means that each dual-fuel vessel is reducing CO2 emissions by around 1400 tons per year. If we apply the average 2021 CO2 cost of 93 USD per ton for our operated assets, the annual financial impact (saving) related to the CO2 emission reductions associated with the 3 dual-fuel vessels amounts to approximately (1,4K tons \* 3 vessels \* 93 USD) 0,4 MUSD. If we are successful in engaging dual-fuel vessels for the remaining 3 regular supply vessels, the financial impact would increase to approximately (1,4K tons \* 6 vessels \* 93 USD) 0,8 MUSD. The estimated financial impact will increase over time as quota prices are expected to increase.

**Cost to realize opportunity**

85000

**Strategy to realize opportunity and explanation of cost calculation**

Our new policy which states that sustainability shall be evaluated during the tendering process and that environmental and social performance will be weighted up to 30% in the tender evaluations was implemented in 2021. The cost to realize this opportunity is mainly related to commercial negotiations associated with new contracts. If we assume that each new contract requires one full position over one month, then the cost of response would be around (1/4 position\* 1650 hours \* 1800 NOK/Hour @ 8,60 NOK/USD) 0,1 MUSD.

**Comment**

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

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**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

Direct emission reductions enabled by increased energy efficiency during operations (energy management), portfolio management, and reduced cold venting and fugitive emissions are important contributors to achieving the goals set out in our company's decarbonisation plan. As a part of our efforts to increase energy efficiency, flaring strategies have been implemented on all assets. Operationalising the flaring strategies and thus minimizing flaring during safety events will continue to be a priority during 2022, together with assessing and implementing other energy efficiency measures. In 2021 we also re-bundled one of our compressors yielding increased efficiency and lowered temperature settings for heating needs. On all our operated assets, we have annual campaigns to identify sources of methane emissions and assess the possibilities for reduction efforts. The continuous focus on leak detection and repair (LDAR) causes the fugitive methane emissions from our assets to be stable at a low level. All operated new developments and larger modification projects shall be assessed for implementation of technologies and systems that minimize methane emissions. At year end 2021 we had 37 energy efficiency initiatives/proposals actively being worked by different parts of the organisation. These suggested measures range from: • Operational improvements: the way we run our equipment and processes offshore and onshore • Organisational improvements: the way we focus on reaching the entire organisation and all business processes • Technical improvements: for our equipment offshore.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We conducted a separate flaring study for Balder in 2021, with good results for emission reductions and flared volumes. Our efforts on Balder has yielded a 49% reduction in CO2 emissions, equaling approximately 17 000 tons of CO2, from 2020 to 2021. The reduction is mainly due to implementation of updated flaring strategies and modification of inlet separator pressure. Our Goliat installation is powered by electricity from shore and we use our digital tools in combination with input from the organisation to identify improvement areas for all power-consuming components onboard. In 2021, we completed a re-bundle of one of the Goliat HP compressors and lowered temperatures for heat tracing in selected areas offshore. Our digital tools are also being used to establish the effects of our energy efficiency improvement initiatives. The effect was a reduction in flaring emissions from our Goliat installation of more than 1 000 tCO2eq, an 8% reduction compared to 2020. If we apply the average 2021 CO2 cost of 93 USD per ton for our operated assets, the associated annual cost saving related to these CO2 emission reductions amounts to approximately (18 K tons \* 93 USD) 1,7 MUSD.

**Cost to realize opportunity**

350000

**Strategy to realize opportunity and explanation of cost calculation**

Flaring strategies have already been implemented on all our operated assets, and the work to further operationalize the strategy is ongoing. As the flaring strategy is an integrated part of the overall Energy Efficiency strategy of the company, it is challenging to quantify the cost of response associated with this specific opportunity. Based on an overall assessment, it is reasonable to assume that an equivalent of one full time position is required to operationalize this initiative. This assumption translates into the annual cost of around (1 position\* 1650 hours \* 1800 NOK/Hour @ 8,60 NOK/USD) 0,3 MUSD.

**Comment**

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### C3. Business Strategy

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#### C3.1

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**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

**Row 1**

**Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

**Publicly available transition plan**

No

**Mechanism by which feedback is collected from shareholders on your transition plan**

We have a different feedback mechanism in place

**Description of feedback mechanism**

The transition plan is an integral part of Vår Energi's strategy and is approved by the Board of Directors.

**Frequency of feedback collection**

More frequently than annually

**Attach any relevant documents which detail your transition plan (optional)**

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

<Not Applicable>

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years	<Not Applicable>	<Not Applicable>

**C3.2a**

**(C3.2a) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Company-wide	1.5°C	Scenario 1 describes a world in which all climate commitments made by governments are met in full and on time, leading to a global warming in the likely range of 1.5 to 3 °C. This scenario uses mainly data from IEA's Announced Pledges Scenario (APS) and the Intergovernmental Panel on Climate Change's (IPCC) Regional Climate Projections (RCP) 4.5. In addition to the IPCC and IEA projections, the scenario incorporates local factors, as the operational environment can differ from global perspectives in some manners. For instance, Norway might implement measures aligned with IPCC-recommendations, while global politics and initiatives might still not be structured in accordance with a world which limits global warming to well below 2°C.
Transition scenarios Customized publicly available transition scenario	Company-wide	2.1°C - 3°C	Scenario 2 is based on the policies already implemented, leading to a global warming in the likely range of 2.0 to 3.5 °C. This scenario uses mainly data from IEA's Stated policies Scenario (STEPS) and IPCC's RCP 8.5. In addition to the IPCC and IEA projections, the scenario incorporates local factors, as the operational environment can differ from global perspectives in some manners. For instance, Norway might implement measures aligned with IPCC-recommendations, while global politics and initiatives might still not be structured in accordance with a world which limits global warming to well below 2°C.

**C3.2b**

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

What are the main climate related risks and opportunities in the short, medium and long term.

**Results of the climate-related scenario analysis with respect to the focal questions**

The results of the 2021 climate risk and opportunity assessment have been evaluated by executive management and representatives from the Board of Directors and formed the basis for strategic discussions on short, medium and long term. This risk assessment is integrated into the Enterprise Risk Management (ERM) process and the climate risks and opportunities are being evaluated together with other company risks. The results from these evaluations form a basis for decisions related to both strategy and financial planning. One of the key outputs of the assessment has been our commitment to support the climate roadmap proposed by the industry association Norwegian Oil and Gas, where we will support the goal of a 50% reduction in greenhouse gas emissions on the Norwegian Continental Shelf (NCS) by 2030, and work towards near zero emissions by 2050.

C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Vår Energi considers the decarbonisation of oil and gas production a prerequisite for ensuring a resilient business model and driving long-term value creation. The Company has announced operational targets to actively reduce and minimise its environmental impact, with a target of net zero emissions (Scope 1 and 2 emissions) by 2030. The work to reduce GHG emissions has intensified increasingly over the last years, and in 2021, our BoD approved an updated decarbonisation plan with new and sharpened emission reduction targets for scope 1, 2 and 3. For operated assets, we commit to have net zero scope 1 emissions by 2030 through a 50% absolute reduction (baseline year 2005) in direct emissions and compensation of the residual emissions using carbon offset mechanisms in the voluntary carbon market. Scope 1 emissions planned for offsetting are hard-to-abate emissions such as residual emissions from power generation, safety flaring and testing of safety critical equipment powered with diesel or fuel gas. We will work towards achieving the ambition of near zero emissions from our operated assets by 2050, which is in alignment with the joint industry target for the NCS. For partner operated assets, our ambition is to have net zero emissions (equity share) by 2030. This will be reached by a 40% reduction in direct emissions and compensation of the residual emissions using carbon offset mechanisms. In addition to commitments to reduce emissions from our current assets, our decarbonisation strategy includes ambitions and commitments for future acquisitions, projects and developments: • All new greenfield developments where we are an operator shall be electrified with power from shore or from offshore renewable energy sources • New developments shall have a carbon intensity <2.0 kg CO2eq / boe • All new acquisitions of operated assets should be electrified or considered for electrification with renewable energy sources by 2030. • All new developments and larger modification projects where we are an operator shall be assessed with respect to implementation of a closed flare system.
Supply chain and/or value chain	Yes	A large part of our GHG emissions occur on our supply chain. In 2021, we implemented a new policy requiring that sustainability, including GHG emissions and climate change risk, shall be evaluated during the tendering process and that environmental and social performance will be weighted up to 30% in tender evaluations where this is material and feasible. This policy has been further developed and specific actions have been taken to ensure that the policy is implemented. This is done by updating process requirements, instructions, and other supporting documents. 85% of all awarded contracts were evaluated with these criteria during 2021. In 2021, we also participated in NOROG circular economy and collaboration initiatives such as virtual inventory (a technical information library for equipment according to standards), improvement projects, standardized supply chain behaviour and loop hub initiative as part of a joint industry improvement arena to reduce cost and waste.
Investment in R&D	Yes	R&D plays a vital role in reaching our sustainability objectives and thus we continuously strive to increase R&D's contribution to these objectives. Our procedures for screening, selecting and authorising new R&D projects therefore have high weight on sustainability impact assessment criteria. These criteria include economic, environmental and societal factors. This approach ensures that all R&D project proposals are assessed and sanctioned based on their contribution to achieve our sustainability targets, as well as improving cost efficiency. By including sustainability criteria in our selection process, we ensure that we increase the number of projects in our portfolio contributing to achieving our GHG emission reduction targets.
Operations	Yes	Our main sources of scope 1 GHG emissions are combustion of diesel and natural gas offshore for energy production and combustion of natural gas during safety flaring. Our approach across operations is to achieve emissions reductions by electrification of assets with renewable power, increased energy efficiency, portfolio management and reduced cold venting and fugitive emissions. Long-term GHG emissions can be reduced through implementation of low emission technologies and carbon capture and storage (CCS) technology, developed through R&D activity in the next decades. As an example, we are exploring opportunities for further electrification from renewable sources of our operated fields to reduce GHG emissions. In 2020, the Balder / Grane electrification project was initiated to assess the future electrification of Ringhorne WHP and Jotun FPSO. Electrification of these assets can contribute significantly to achieve our GHG reduction target. Depending on the level of electrification the estimated potential for reduction is up to 2 650 000 tonnes of CO2 over the life of the Balder field.

C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	Climate change risk and opportunity impacts are integrated into our financial planning. Our Business Planning process builds in assumptions related to direct costs and revenues that may be impacted by these risks and opportunities. To provide an example case study, this process includes future price projections of carbon costs (e.g. Norway carbon tax and EUA quota prices), which enable the Company to determine the direct cost and/or potential savings from different asset profiles. By doing this, the Company is able to quantify the impact on metrics such as Free Cash Flow and EBITDA from climate-related investments, such as energy efficiency, electrification and other initiatives. The Company's Business Planning process covers a long-term time horizon, through to 2030 and onwards. The long-term horizon enables creation of scenarios which is beneficial in stress-testing of our portfolio and financials against low and high case assumptions (low/high carbon and product prices based on IEA scenarios). The results from the process enable the Company to communicate our commercial strength and resilience within a reasonable range of scenarios to the market.

C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

No, and we do not plan to in the next two years

C4. Targets and performance

C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

- Absolute target
- Intensity target

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**Base year**

2005

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

345000

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

345000

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

<Not Applicable>

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

<Not Applicable>

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

172500

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

195281

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

195281

**% of target achieved relative to base year [auto-calculated]**

86.7936231884058

**Target status in reporting year**

Underway

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

<Not Applicable>

**Please explain target coverage and identify any exclusions**

Vår Energi has committed to reduce GHG emissions with 50%, which is in alignment with the Paris Agreement and aligned with the joint reduction target for the Norwegian Continental Shelf (40-50% reduction).

**Plan for achieving target, and progress made to the end of the reporting year**

Vår Energi will achieve its 50% reduction target through implementation of its decarbonization strategy; electrification of offshore assets with power from shore (energy mix: 88% hydropower, 9% wind power, 1% other renewables) or from other renewable energy sources (e.g. offshore wind turbines), optimization of its portfolio through shut down of one asset prior to 2030, implementation of energy efficiency measures and thus emission reducing measures through active energy management on all assets,



reduce emissions caused by safety flaring through implementation of improved and optimized safety flaring strategies on all assets and reduce emissions from cold venting and emissions from processing equipment (fugitives) by leak detection and repair (LDAR) campaigns and replacement, modifications and upgrading of relevant equipment and solutions. The target includes all our operated assets. 17000 tons of CO2 emission was reduced in 2021 due to implementation of improved and optimized safety flaring strategies (routine flaring is forbidden on the Norwegian Continental Shelf). In 2020 a project was established to develop a concept for electrification of Jotun FPSO and Ringhorne WHP with power from shore. The project is approaching DG2 and will potentially reduce annual CO2 emissions with approx. 150000 tons/year. In 2022 a project was established to investigate the optimal timing for shut down of Balder FPSO (portfolio optimization). Decommissioning of the asset will reduce emissions with approx. 70000 tons/year.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

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## C4.1b

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**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**Intensity metric**

Other, please specify (kg CO2 per boe)

**Base year**

2019

**Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**

9.8

**Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

9.8

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**

<Not Applicable>

**% of total base year emissions in all selected Scopes covered by this intensity figure**

100

**Target year**

2025

**Targeted reduction from base year (%)**

23.5

**Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]**

7.497

**% change anticipated in absolute Scope 1+2 emissions**

**% change anticipated in absolute Scope 3 emissions**

**Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

8.7

**Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

8.7

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**% of target achieved relative to base year [auto-calculated]**

47.7637863656101

**Target status in reporting year**

Underway

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

&lt;Not Applicable&gt;

**Please explain target coverage and identify any exclusions**

Vår Energi has a company wide upstream CO2 emission intensity target of below 7.5 kg CO2/boe in 2025. The current global industry average is approx. 17 kg CO2/boe.

**Plan for achieving target, and progress made to the end of the reporting year**

Vår Energi will achieve its emission intensity reduction target through implementation of its decarbonization strategy as described in C4.1a. In addition to commitments to reduce direct emissions our decarbonisation strategy includes ambitions and commitments for future acquisitions, projects and developments that will secure a reduced emission intensity in the future; - We have an ambition of all new greenfield developments where we are an operator shall be electrified with power from shore or from offshore renewable energy sources. -All new acquisitions of operated assets should be electrified or considered for electrification with renewable energy sources by 2030.

**List the emissions reduction initiatives which contributed most to achieving this target**

&lt;Not Applicable&gt;

**C4.2****(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Target(s) to reduce methane emissions

Net-zero target(s)

**C4.2a****(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.****Target reference number**

Low 1

**Year target was set**

2020

**Target coverage**

Site/facility

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2020

**Consumption or production of selected energy carrier in base year (MWh)**

0

**% share of low-carbon or renewable energy in base year**

0

**Target year**

2030

**% share of low-carbon or renewable energy in target year**

80

**% share of low-carbon or renewable energy in reporting year**

0

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Yes, this target will support Vår Energi Abs 1 and Int 1 targets.

**Is this target part of an overarching initiative?**

Other, please specify (Electrification of offshore assets with renewable power (98% renewable power in the grid) from shore to support Norway's commitments to the Paris Agreement.)

**Please explain target coverage and identify any exclusions**

Vår Energi will achieve its 50% reduction target through implementation of its decarbonization strategy; electrification of offshore assets with power from shore (energy mix: 88% hydropower, 9% wind power, 1% other renewables) or directly from other renewable energy sources (e.g. offshore wind turbines). This is a target for the Jotun FPSO offshore asset.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2020 a project was established to develop a concept for electrification of Jotun FPSO and Ringhorne WHP with power from shore. The project is approaching DG2 and CO2 emission reduction for Jotun FPSO is approximately 120 000 ton/year.

**List the actions which contributed most to achieving this target**

<Not Applicable>

---

**Target reference number**

Low 2

**Year target was set**

2020

**Target coverage**

Site/facility

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2020

**Consumption or production of selected energy carrier in base year (MWh)**

0

**% share of low-carbon or renewable energy in base year**

0

**Target year**

2030

**% share of low-carbon or renewable energy in target year**

100

**% share of low-carbon or renewable energy in reporting year**

0

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Yes, this target will support Vår Energi Abs 1 and Int 1 targets.

**Is this target part of an overarching initiative?**

Other, please specify (Electrification of offshore assets with renewable power (98% renewable power in the grid) from shore to support Norway's commitments to the Paris Agreement.)

**Please explain target coverage and identify any exclusions**

Vår Energi will achieve its 50% reduction target through implementation of its decarbonization strategy; electrification of offshore assets with power from shore (energy mix: 88% hydropower, 9% wind power, 1% other renewables) or directly from other renewable energy sources (e.g. offshore wind turbines). This is a target for the Ringhorne WHP offshore asset.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2020 a project was established to develop a concept for electrification of Jotun FPSO and Ringhorne WHP with power from shore. The project is approaching DG2 and CO2 emission reduction for Ringhorne WHP is approximately 30 000 tons/year.

**List the actions which contributed most to achieving this target**

<Not Applicable>

---

C4.2b

**(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

**Target reference number**

Oth 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Methane reduction target	Other, please specify (Percentage of methane emissions )
--------------------------	--

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2019

**Figure or percentage in base year**

636

**Target year**

2030

**Figure or percentage in target year**

572

**Figure or percentage in reporting year**

494

**% of target achieved relative to base year [auto-calculated]**

221.875

**Target status in reporting year**

Achieved

**Is this target part of an emissions target?**

Yes, this target supports Vår Energi Abs 1 target.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

Target covers all our offshore assets, including drilling rigs performing production drilling operations, and methane emissions from safety flaring, and cold venting and fugitive emissions from processing equipment. The company is evaluating to sign to the Oil and Gas Climate Initiative (OGCI) and commit to the methane OGCI net zero methane emission target.

**Plan for achieving target, and progress made to the end of the reporting year**

<Not Applicable>

**List the actions which contributed most to achieving this target**

Annual leak detection and repair (LDAR) campaigns using optical gas imaging (OGI) on our assets.

---

C4.2c

---

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

Int1

**Target year for achieving net zero**

2030

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Please explain target coverage and identify any exclusions**

Vår Energi has committed to have net zero Scope 1 GHG emissions (operational control) from 2030. Net zero will be achieved by using carbon offsetting mechanisms (nature based or technology based) for hard-to-abate emissions.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

Residual emissions after implementing operational measures will be compensated from 2030/2031.

**Planned actions to mitigate emissions beyond your value chain (optional)**

---

**Target reference number**

NZ2

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Not applicable

**Target year for achieving net zero**

2021

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Please explain target coverage and identify any exclusions**

Vår Energi has committed to have net zero Scope 2 GHG emissions from 2025. Offshore electrified assets net zero in 2025, and office buildings in 2021. Net zero will be achieved by using carbon offsetting mechanisms (nature based or technology based).

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

Scope 2 emissions from office buildings will be compensated for within Q2 2022. Emissions from purchased electricity used on offshore assets (Goliat FPSO) from 2025.

**Planned actions to mitigate emissions beyond your value chain (optional)**

---

**Target reference number**

NZ3

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Not applicable

**Target year for achieving net zero**

2025

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Please explain target coverage and identify any exclusions**

Vår Energi has committed to have net zero Scope 3 GHG emissions for selected categories; Business travels, Employee commuting and for selected vessels in Upstream (ERR Vessels, PS Vessels) transportation and distribution from 2025. Net zero will be achieved by using carbon offsetting mechanisms (nature based or technology based).

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

Scope 3 emissions from business travels and employee commuting will be compensated for within Q2 2022. Emissions from selected vessels in Upstream transportation and distribution will be compensated from 2025. Assessment of possible measures to reduce absolute GHG emissions from offshore marine vessels are ongoing.

**Planned actions to mitigate emissions beyond your value chain (optional)**

---

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

### C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	43	0
To be implemented*	2	150000
Implementation commenced*	0	0
Implemented*	2	17000
Not to be implemented	0	0

### C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

#### Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

#### Estimated annual CO2e savings (metric tonnes CO2e)

17000

#### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

#### Voluntary/Mandatory

Voluntary

#### Annual monetary savings (unit currency – as specified in C0.4)

2000000

#### Investment required (unit currency – as specified in C0.4)

0

#### Payback period

No payback

#### Estimated lifetime of the initiative

1-2 years

#### Comment

Implementation of updated and improved flaring strategies on Balder FPSO caused significant reduction in safety flaring volumes during 2021.

### C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Vår Energi are subject to emission allowances according to the EU Emission Trading System (EU ETS) and the specific offshore CO2-tax in Norway. This are both drivers for emission reduction initiatives. Norwegian regulations require that Vår Energi has a Energy Management System that is aligned with the ISO 5001 Energy Management standard, which significantly drives continuous improvement and emission reductions. The requirement of non- operational flaring and requirement of implementing a safety flaring strategy secures reduced emissions during flaring events due to safety reasons.
Dedicated budget for energy efficiency	Vår Energi has a company wide budget in place to support continuous improvement and operationalizing of energy management and identification, assessment and implementation of energy efficiency initiatives.
Dedicated budget for low-carbon product R&D	Vår Energi's internal R&D expenditures was 9.6 million USD in 2021, and will be increased in 2022. Approximately 38% of our R&D spendings in 2021 were related to activities connected to Scope 1 and Scope 3 emissions. Going forward, projects aiming at the reduction of GHG emissions and contributing to safer operations will be given high priority, in line with our strategy of becoming the safest operator on the NCS and leading on ESG performance.
Internal price on carbon	
Other (Vår Energi Decarbonisation Plan)	Vår Energi developed its first decarbonisation plan in 2019, and has updated and improved it annually since. The plan is approved by the BoD, and sets the targets for emission reductions and gives an overall description of our "roadmap" towards net zero in 2030 and beyond. The decarbonisation plan is a significant driver for emission reductions.
Internal incentives/recognition programs	CO2 intensity goal is a company KPI, and the climate performance is linked to bonus payment for employees.
Partnering with governments on technology development	Vår Energi is a part of the KonKraft initiative. This is an industry led voluntary initiative in partnership with government to drive emission reductions in order to reach future anticipated regulatory requirements in Norway.

## C4.5

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

## C4.5a

### (C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

#### Level of aggregation

Product or service

#### Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

#### Type of product(s) or service(s)

Other	Other, please specify (Natural gas)
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#### Description of product(s) or service(s)

Vår Energi 's share of natural gas in the total production is approx. 35%. Natural Gas replaced coal when sold to UK or continental Europe. Natural Gas has a carbon intensity that is significantly lower than coal.

#### Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

#### Methodology used to calculate avoided emissions

<Not Applicable>

#### Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

#### Functional unit used

<Not Applicable>

#### Reference product/service or baseline scenario used

<Not Applicable>

#### Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

#### Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

#### Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

#### Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

## C-OG4.6

### (C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

The major sources to methane emissions from Vår Energi's assets is cold-venting (non-combustion) of natural gas, loading and storage of crude oil on FPSO's and fugitive emissions from different sources in the offshore processing facilities. A minor part of the methane emissions comes from combustion of natural gas in the flare due to safety reasons (safety flaring). Routine/production flaring is not allowed on the Norwegian Continental Shelf.

Safety flaring is reduced as far as possible through implementation of asset specific flaring strategies, in alignment with Norwegian requirements and guidelines.

Vår Energi has participated together with other operators and regulators in different projects to develop understanding of methane emission sources from offshore assets and methane emissions quantification methodology . As a result of the projects, the emission quantification methodologies used for regulatory reporting of offshore methane emissions have been updated. The updated methodology have increased the precision in our methane quantification and resulted in significant reductions in the reported methane emissions from offshore assets.

Reduction of methane emissions is an integrated part of Vår Energi's climate strategy and energy efficiency improvement/energy management initiatives towards 2030. We will reduce methane emissions through frequently executing leak detection and repair campaigns. Annual LDAR campaigns using optical gas imaging (OGI) technology are presently executed on all our offshore assets. We have identified high methane emitting equipment and assess to replace or upgrade as when reasonable. We will also seek to reduce potential cold-venting and fugitive emissions of methane in new projects and developments by applying best available technology (BAT).

## C-OG4.7

**(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?**

Yes

#### C-OG4.7a

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**(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.**

Annual LDAR campaigns using optical gas imaging (OGI) technology are presently executed on all our offshore assets. In addition, leak detection is carried out using a variety of technical and operational solutions, including e.g. pressure monitoring in pressurized systems, stationary gas detection and regular inspection routines.

#### C-OG4.8

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**(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.**

There is no routine flaring (combusted natural gas in flare) at Vår Energi assets. Flaring is only allowed during safety events (i.e. safety flaring) on the Norwegian Continental Shelf. The amount of gas flared during safety events are minimized through implementation of asset specific flaring strategies, which is aligned with Norwegian regulations and guidelines. Vår Energi also continuously work to reduce any cold-venting/cold-flaring which is a source to methane emissions.

Asset specific KPI's for volumes safety flared has been implemented, and performance according to this are continuously monitored by a digitalized performance dashboard and reviewed monthly by senior management. Flaring reduction initiatives (safety flaring and cold-flaring) is followed up and assessed for implementation through our energy management system. As a part of the company's climate strategy all new developments/assets shall be assessed for closed flare technology.

### C5. Emissions methodology

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#### C5.1

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**(C5.1) Is this your first year of reporting emissions data to CDP?**

Yes

#### C5.2

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**(C5.2) Provide your base year and base year emissions.**

##### Scope 1

**Base year start**

January 1 2005

**Base year end**

December 31 2005

**Base year emissions (metric tons CO2e)**

345000

**Comment**

Emissions included are from our operated assets, production drilling and well operations and exploration drilling. Base year is 2005 in alignment with the White Paper 13, Climate Plan for 2021-2030 (Meld St. 13 Klimaplan for 2021-2030).

##### Scope 2 (location-based)

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

3440

**Comment**

Scope 2 emissions include purchased electricity to power Goliat FPSO and onshore office buildings in Stavanger, Oslo and Hammerfest.



**Scope 2 (market-based)**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

171539

**Comment**

Scope 2 emissions include purchased electricity to power offshore asset Goliat FPSO and onshore office buildings in Stavanger, Oslo and Hammerfest.

**Scope 3 category 1: Purchased goods and services**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 2: Capital goods**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 5: Waste generated in operations**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 6: Business travel**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 7: Employee commuting**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 8: Upstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 10: Processing of sold products**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 11: Use of sold products**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 12: End of life treatment of sold products**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 13: Downstream leased assets**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 14: Franchises**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 15: Investments**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3: Other (upstream)**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3: Other (downstream)**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

---

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**  
European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations  
IEA CO2 Emissions from Fuel Combustion  
IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011  
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)  
The Greenhouse Gas Protocol: Scope 2 Guidance  
Other, please specify (GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions)

## C6. Emissions data

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### C6.1

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

195281

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

### C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

Location-based Scope 2 emissions are calculated using emissions factors (kg CO2/MWh) given by the Norwegian Water Resources and Energy Directorate (NVE) for the mix available on the local/regional grid. In 2021 the average emission factor for use of electricity in Norway was 11 g CO2e/kWh. Hydro-, wind and other renewable sources comprised 98% of the total power consumption in Norway in 2021. Market-based Scope 2 emissions are calculated using emission factors given by the Norwegian Water Resources and Energy Directorate (NVE) and AIB residual mixes 2020.

### C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

3440

**Scope 2, market-based (if applicable)**

171539

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

### C6.4

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**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

### C6.5

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

This Scope 3 category is currently being evaluated by the company and data availability and collection assessed.

**Capital goods**

**Evaluation status**

Relevant, not yet calculated

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

This Scope 3 category is currently being evaluated by the company and data availability and collection assessed.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

15944

**Emissions calculation methodology**

Fuel-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

This Scope 3 category has been calculated for 2021. Continuous improvement of the data collection and reporting process is ongoing. WTT (wheel-to-tank) emissions from all diesel used for on our operated assets. Emission factors used from DEFRA (Department for Environment Food & Rural Affairs, UK).

**Upstream transportation and distribution**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

42066

**Emissions calculation methodology**

Fuel-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

This Scope 3 category has been calculated for 2021. Included emissions are from offshore marine vessels (PSV, ERRV) supporting our activities, and helicopter traffic. Continuous improvement of the data collection and reporting process is ongoing.

**Waste generated in operations**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

1413

**Emissions calculation methodology**

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Emissions from waste generated on our offshore assets. Emission factors used from DEFRA (Department for Environment Food & Rural Affairs, UK).

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

639

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Emissions from all business travels (airplane) made by Vår Energi employees. Emissions are calculated for domestic, European and intercontinental flights using emission factors (kg CO2/km flown).

## Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

92

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Based on average vehicle type, average commuting length and average percentage of employees driving to work. Assumed 50% at the office during the reporting year due to long periods with home office due to COVID-19. Emission factors used from Statistics Norway (SSB).

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No upstream leased assets.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

60908

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Emissions from oil tankers. Emission factors used from DEFRA (Department for Environment Food & Rural Affairs, UK).

## Processing of sold products

### Evaluation status

Relevant, not yet calculated

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This Scope 3 category is currently being evaluated by the company and data availability and collection assessed.

## Use of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

8947852

### Emissions calculation methodology

Other, please specify (Emissions from the use of all oil, NGL and gas sold from assets operated by Vår Energi. Emission factors used from IEA and IPCC. )

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Emissions from the use of all oil, NGL and gas sold from assets operated by Vår Energi. Emission factors used from IEA and IPCC. This emission category is the major part of our Scope 3 emissions, however Vår Energi is an upstream company and has no control of sold products.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No end of life treatment of sold products.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No downstream leased assets.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No franchises.

## Investments

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No investments that generate emissions.

**Other (upstream)**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Scope 3 emissions are allocated to all the other categories in C6.5.

**Other (downstream)**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Scope 3 emissions are allocated to all the other categories in C6.5.

C6.7

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**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

C6.10

---

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

32.7

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

198721

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

6073

**Scope 2 figure used**

Location-based

**% change from previous year**

0

**Direction of change**

Please select

**Reason for change**

Intensity figure is 32.7 tons CO2e/ mill. USD, thus metric denominator is Vår Energi total revenue in mill. USD and metric numerator is tons CO2e. Vår Energi has not disclosed data in CDP for 2020, hence % change from last year is not applicable.

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C-OG6.12

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(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

**Unit of hydrocarbon category (denominator)**

Other, please specify (boe sold/marketed)

**Metric tons CO2e from hydrocarbon category per unit specified**

8.7

**% change from previous year**

0

**Direction of change**

No change

**Reason for change**

Vår Energi has not disclosed data in CDP for 2020, hence % change from last year is not applicable.

**Comment**

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## C-OG6.13

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(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

**Oil and gas business division**

Upstream

**Estimated total methane emitted expressed as % of natural gas production or throughput at given division**

0.12

**Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division**

0.015

**Comment**

Estimated total methane emitted expressed as % of total hydrocarbon production is based on tonnes/tonnes, and the unit for the percentage emission related to natural gas production is Sm<sup>3</sup>/Sm<sup>3</sup>. Total gross Scope 1 methane emissions are used as nominator. The denominators used is gross production of natural gas (Sm<sup>3</sup>) and gross production (crude oil, natural gas and NGL) of hydrocarbons (tonnes) .

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## C7. Emissions breakdowns

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### C7.1

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(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

### C7.1a

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(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	182129	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	13152	IPCC Fifth Assessment Report (AR5 – 100 year)

## C-OG7.1b

---

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

**Emissions category**

Flaring

**Value chain**

Upstream

**Product**

Unable to disaggregate

**Gross Scope 1 CO2 emissions (metric tons CO2)**

31744

**Gross Scope 1 methane emissions (metric tons CH4)**

2.05

---



**Total gross Scope 1 emissions (metric tons CO2e)**

31801.4

**Comment**

Combustion of natural gas during safety flaring.

---

**Emissions category**

Combustion (excluding flaring)

**Value chain**

Upstream

**Product**

Unable to disaggregate

**Gross Scope 1 CO2 emissions (metric tons CO2)**

150385

**Gross Scope 1 methane emissions (metric tons CH4)**

13.15

**Total gross Scope 1 emissions (metric tons CO2e)**

150754.2

**Comment**

Combustion of diesel and fuel gas.

---

**Emissions category**

Fugitives

**Value chain**

Upstream

**Product**

Unable to disaggregate

**Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**Gross Scope 1 methane emissions (metric tons CH4)**

94

**Total gross Scope 1 emissions (metric tons CO2e)**

2632

**Comment**

---

**Emissions category**

Venting

**Value chain**

Upstream

**Product**

Unable to disaggregate

**Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**Gross Scope 1 methane emissions (metric tons CH4)**

184

**Total gross Scope 1 emissions (metric tons CO2e)**

5152

**Comment**

---

**Emissions category**

Other (please specify) (Loading and storage of crude oil)

**Value chain**

Upstream

**Product**

Oil

**Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**Gross Scope 1 methane emissions (metric tons CH4)**

176.5

**Total gross Scope 1 emissions (metric tons CO2e)**

4942

**Comment**

---

## C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Norway	195281

## C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

- By business division
- By facility
- By activity

### C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Operation and Development	186405
Exploration	8876

### C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Balder and Ringhorne	152511	59	2
Goliat	33894	71	22
Exploration	8876	71	22

### C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Operations and Development	180778
Exploration	8876
Loading and storage of oil	5627

## C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	195281	<Not Applicable>	Operations and exploration
Oil and gas production activities (midstream)	0	<Not Applicable>	Vår Energi does not have any midstream activity
Oil and gas production activities (downstream)	0	<Not Applicable>	Vår Energi does not have any downstream activity
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Norway	3440	171539

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

By facility

### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Operation and Development	3440	171539
Exploration	0	0

### C7.6b

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Balder and Ringhorne	0	0
Goliat	3440	171539
Exploration	0	0

## C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

**(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	3440	171539	
Oil and gas production activities (midstream)	0	0	
Oil and gas production activities (downstream)	0	0	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

This is our first year of reporting, so we cannot compare to last year

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

**C8.2****(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

**C8.2a****(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	702273	702273
Consumption of purchased or acquired electricity	<Not Applicable>	422033	0	422033
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	422033	702273	1124306

**C8.2b****(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c****(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.****Sustainable biomass****Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self- cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Comment**

**Other biomass**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Coal**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Oil****Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment****Gas****Heating value**

LHV

**Total fuel MWh consumed by the organization**

274254

**MWh fuel consumed for self-generation of electricity**

171903

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Combustion of fuel gas.

**Other non-renewable fuels (e.g. non-renewable hydrogen)****Heating value**

LHV

**Total fuel MWh consumed by the organization**

428019

**MWh fuel consumed for self-generation of electricity**

428019

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Combustion of diesel.

**Total fuel****Heating value**

LHV

**Total fuel MWh consumed by the organization**

702273

**MWh fuel consumed for self-generation of electricity**

599923

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self- cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Comment****C8.2d****(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	599923	599923	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C8.2e****(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.****Sourcing method**

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier) from a grid that is 95% or more low-carbon and where there is no mechanism for specifically allocating low-carbon electricity

**Energy carrier**

Electricity

**Low-carbon technology type**

Renewable energy mix, please specify (In 2021 98% of the electricity in the grid in Norway comes from renewable sources (hydropower 88%, wind power 9%, other 1%) according to Norwegian Water Resources and Energy Directorate (NVE).)

**Country/area of low-carbon energy consumption**

Norway

**Tracking instrument used**

Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

422033

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Norway

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2015

**Comment**

Offshore asset Goliat FPSO is powered with electricity from shore. 2015 is the year the Goliat FPSO was connected to power from shore (commissioning year)

**C8.2g**

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

**Country/area**

Norway

**Consumption of electricity (MWh)**

422033

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

422033

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

**C9. Additional metrics**

**C9.1**

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**C-OG9.2a**

**(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).**

	In-year net production	Comment
Crude oil and condensate, million barrels	50	
Natural gas liquids, million barrels	8	
Oil sands, million barrels (includes bitumen and synthetic crude)	0	
Natural gas, billion cubic feet	168	

**C-OG9.2b**

**(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.**

Vår Energi's estimates of reserves and contingent resources have been prepared in accordance with the Petroleum Resources Management System (PRMS). This classification system is consistent with Oslo Stock Exchange's requirements for the disclosure of hydrocarbon reserves and contingent resources.

**C-OG9.2c**

**(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.**

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1	1133		1133	3P reserves not disclosed.

**C-OG9.2d**

**(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.**

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids	78		78	3P reserves not disclosed.
Natural gas	22		22	3P reserves not disclosed.
Oil sands (includes bitumen and synthetic crude)	0	0	0	

**C-OG9.2e**



(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

**Development type**

Arctic

**In-year net production (%)**

10

**Net proved reserves (1P) (%)**

24

**Net proved + probable reserves (2P) (%)**

22

**Net proved + probable + possible reserves (3P) (%)**

**Net total resource base (%)**

**Comment**

CDP defines Arctic as above 66 deg. The number provided includes assets in the Norwegian Sea that does not have Arctic conditions (light, icing, icebergs, tundra etc).

**Development type**

Deepwater

**In-year net production (%)**

62

**Net proved reserves (1P) (%)**

39

**Net proved + probable reserves (2P) (%)**

37

**Net proved + probable + possible reserves (3P) (%)**

**Net total resource base (%)**

**Comment**

**Development type**

Shallow-water

**In-year net production (%)**

28

**Net proved reserves (1P) (%)**

37

**Net proved + probable reserves (2P) (%)**

40

**Net proved + probable + possible reserves (3P) (%)**

**Net total resource base (%)**

**Comment**

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	Vår Energi ASA has stepped up low carbon research and development in 2021, and entered into new R&D collaboration projects.

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Carbon capture and storage/utilisation	Basic academic/theoretical research	≤20%		NCCS Research Centre run by SINTEF. The JIP NCCS project hosts a consortium of 6 international oil and gas companies, 10 CCS technology vendors and 10 technology users in the private and public domain. The vision for the Centre is: 1) be instrumental for the Petroleum Industry in Norway in the endeavor to reduce CO2 emissions by sequestration, Capture and Storage of CO2; 2) enable fast-track CCS deployment through industry-driven science-based innovation. 12 tasks are included in the research approach: 1. CO2 value chain and legal aspects; 2. solvent technology - environmental issues; 3. Low emission H2 production; 4. conditioning through liquefaction; 5. gas turbines; 6. CO2 capture process integration; 7. CO2 transport; 8. fiscal metering and thermodynamics; 9. structural derisking; 10. CO2 storage site containment; 11. reservoir management and EOR; 12. cost-efficient monitoring technology.
Carbon capture and storage/utilisation	Applied research and development	≤20%		CarbonLinks (LINCCS) - Linking large scale, cost effective, permanent offshore storage across the value chain. LINCCS is an ambitious undertaking with broad industrial support that will curtail carbon emissions by over 100 million tonnes per year, generate over NOK 8 billion/year, employment for over 1,000 people and an export potential estimated at around NOK 5 billion per year by 2030. LINCCS collects influential industrial actors working on the Norwegian Continental Shelf (NCS) with the knowledge, financial and operational capacity to fast-track commercially viable climate solutions, sharing the purpose to lead the green transition and accelerate the deployment of CCS.
Other, please specify (Low Emission)	Basic academic/theoretical research	≤20%		Research Centre for a Low-Emission Petroleum Industry on the Norwegian Continental Shelf, run by SINTEF. The approach is to apply a full system perspective of the carbon cycling; including Energy systems & Management, Heat and Power production, Reduce need for offshore energy. Vision: Joint effort to move towards Zero Emission Oil and Gas Production and thereby improve competitiveness of Norwegian oil & gas industry. LowEmission objectives: 1. Spearhead technology development to help Reduce offshore CO2emissions by 40% within 2030 and to move towards zero emissions in 2050. 2. Develop solutions for co-optimizing power supply and demand in the offshore energy system. 3. Reduce cost of LowEmissionO&G technologies by 5-50%. 4. Develop a digital energy management tool for planning energy use of fields and the CO2 footprint of operational choices over the life of the field including short-and long-term uncertainty. 5. Provide 10-15 innovative solutions for offshore emission reductions, - of which 3 moving towards implementation by 2024.
Smart systems	Full/commercial-scale demonstration	≤20%		BASS, a joint industry project run by Shearwater, in collaboration with Vår Energi, Equinor, Lundin and the Research Council of Norway, is developing Broadband Acoustic Seismic Source (BASS), a new marine vibrator system that will reduce the source environmental footprint, bring superior acquisition efficiency, and enable novel geophysical processing techniques.

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

9.5

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Vår\_Energi\_Marulk\_AER\_2021\_Verification\_Report\_TRW(Approved).pdf

Vår\_Energi\_Balder\_Ringhorne\_AER\_2021\_Verification\_Report\_approved.pdf

Vår\_Energi\_Goliat\_AER\_2021\_Verification\_Report\_approved.pdf

**Page/ section reference**

All pages.

**Relevant standard**

European Union Emissions Trading System (EU ETS)

**Proportion of reported emissions verified (%)**

100

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## C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

### C11.1a

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**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

Norway carbon tax

### C11.1b

---

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

**EU ETS**

**% of Scope 1 emissions covered by the ETS**

88

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2021

**Period end date**

December 31 2021

**Allowances allocated**

171993

**Allowances purchased**

171993

**Verified Scope 1 emissions in metric tons CO2e**

171993

**Verified Scope 2 emissions in metric tons CO2e**

0

**Details of ownership**

Facilities we own and operate

**Comment**

CO2 emissions from own operated assets, drilling rigs used for production drilling and floatels are included in the EU-ETS. Emissions from exploration drilling are not subject to EU-ETS.

C11.1c

---

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

**Norway carbon tax**

**Period start date**

January 1 2021

**Period end date**

December 31 2021

**% of total Scope 1 emissions covered by tax**

93

**Total cost of tax paid**

8107272

**Comment**

Cost in USD. Volumes of diesel and fuel gas, and volumes of burned natural gas in flare (safety flaring) are subject to the Norwegian CO2-tax. In addition volumes of vented natural gas from defined/selected sources are subject to the tax. The tax is statutory in the "Act on tax on CO2 emissions in petroleum activities on the continental shelf".

C11.1d

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(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our strategy is that we plan for EU ETS allowance and Norwegian carbon tax costs, and thus set appropriate budgets for carbon costs within our business planning, and further to secure through internal processes and procedures that we comply with the schemes in which we participate. We recognize emission trading schemes as a cost-efficient way to cut greenhouse gas emissions. GHG emissions numbers applied to purchase EU ETS allowances are subject to third party verification.

C11.2

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(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

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(C11.3) Does your organization use an internal price on carbon?

Yes

## C11.3a

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### (C11.3a) Provide details of how your organization uses an internal price on carbon.

#### Objective for implementing an internal carbon price

Navigate GHG regulations  
Stakeholder expectations  
Change internal behavior  
Drive energy efficiency  
Drive low-carbon investment  
Stress test investments  
Identify and seize low-carbon opportunities  
Supplier engagement

#### GHG Scope

Scope 1  
Scope 2

#### Application

The carbon price is used in all aspects of planning current and future field developments and operations and to assess the sensitivity of decisions made and keep our portfolio robust.

#### Actual price(s) used (Currency /metric ton)

#### Variance of price(s) used

The carbon price is not a fixed number, but a price projection rising annually to 2050, based on the expected future cost of EU ETS quota prices and the Norwegian CO2 tax. The price is assumed to rise from the current level (95 usd/ton in 2021) to 240 usd/ton in 2030 and 260 usd/ton in 2050 (real terms). The price fluctuates based on foreign exchange and the EU-ETS cost.

#### Type of internal carbon price

Shadow price

#### Impact & implication

The internal carbon price is incorporated into Vår Energi's economic planning models to support investment decisions, forecast future operation costs and evaluate the commercial feasibility of GHG emissions reduction initiatives.

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## C12. Engagement

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### C12.1

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#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers  
Yes, our customers/clients  
Yes, other partners in the value chain

### C12.1a

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#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

#### Type of engagement

Information collection (understanding supplier behavior)

#### Details of engagement

Collect climate change and carbon information at least annually from suppliers

#### % of suppliers by number

10

#### % total procurement spend (direct and indirect)

30

#### % of supplier-related Scope 3 emissions as reported in C6.5

70

#### Rationale for the coverage of your engagement

85% of awarded contracts in 2021 were evaluated based on sustainability criteria (including GHG emissions). Engagement with suppliers with highest GHG emissions to reach net zero targets in 2025 for helicopters, land transport and offshore support vessels. To further understand the GHG emissions for the high impact deliveries, suppliers delivering chemicals, steel products are also assessed.

#### Impact of engagement, including measures of success

Target is to get better quality data on scope 3 GHG emissions, to help set a GHG emissions baseline and reduction targets.

#### Comment

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#### Type of engagement

Engagement & incentivization (changing supplier behavior)

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**Details of engagement**

Run an engagement campaign to educate suppliers about climate change

**% of suppliers by number**

80

**% total procurement spend (direct and indirect)**

90

**% of supplier-related Scope 3 emissions as reported in C6.5**

90

**Rationale for the coverage of your engagement**

Sustainability, including GHG emissions, is part of tendering and minimum requirements from 2021. Senior management meetings with the strategic suppliers have been conducted with high focus on sustainability and need to deliver on our GHG emission targets. In the Vår Energi 2022 Supplier Day with over 200 suppliers being invited, one main topic was new ways of working and sustainability improvements. A strategic partnership tender for subsea production systems (SPS) and subsea umbilicals, risers and flowlines systems (SURF) was issued in 2021 with high focus on GHG emissions and standardization.

**Impact of engagement, including measures of success**

Half yearly senior management meetings where the sustainability and GHG emissions improvement agenda will be reviewed.

**Comment**

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**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Climate change performance is featured in supplier awards scheme

**% of suppliers by number**

80

**% total procurement spend (direct and indirect)**

90

**% of supplier-related Scope 3 emissions as reported in C6.5**

90

**Rationale for the coverage of your engagement**

All tenders include minimum requirements on sustainability topics. GHG emissions are part of the tender evaluation criteria when selecting future suppliers. Fuel consumption is a key evaluation criteria when awarding marine vessel contracts.

**Impact of engagement, including measures of success**

GHG emissions to be evaluated in 100% of evaluations where applicable.

**Comment**

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**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Collaborate with suppliers on innovative business models to source renewable energy

**% of suppliers by number**

5

**% total procurement spend (direct and indirect)**

10

**% of supplier-related Scope 3 emissions as reported in C6.5**

10

**Rationale for the coverage of your engagement**

Vår Energi Energy Management (EMS) implemented a strategy of challenging the most relevant contractors/vendors over energy consumption and emissions reduction to come up with initiatives, proposals or ideas on how to improve. This may be achieved by adopting new technologies, upgrade existing equipment, or improve operational practices. Given that the contractors are closer to the technological development in their field, we ask them to come up with practical suggestions on what we do to improve energy efficiency.

**Impact of engagement, including measures of success**

In most cases contractors have suggested possible actions through these discussions. Relevant actions are registered as improvement suggestions in our management system that are in evaluation/implementation. Ongoing actions and their progress is checked quarterly, presented to the EMS steering committee, and annually quantified to the EMS annual report and summarized to the annual sustainability report. Both the number of improvement initiatives collected and the actual savings/reductions achieved by its implementation are being used as measures of success.

**Comment**

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**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Other, please specify (Standardised supply chain behaviour)

**% of suppliers by number**

5

**% total procurement spend (direct and indirect)**

10

**% of supplier-related Scope 3 emissions as reported in C6.5**

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**Rationale for the coverage of your engagement**

In 2021, we participated in NOROG circular economy and collaboration initiatives such as virtual inventory, EqHub (a technical information library for equipment according to standards), improvement projects, standardized supply chain behaviour and loop hub initiative as part of a joint industry improvement arena. These initiatives aim to reduce surplus materials, reduce cost, promote re-use of materials and parts, reduce waste generated in the industry and promote circular economy in general.

**Impact of engagement, including measures of success**

SPS/SURF – implemented standardised behaviour in new strategic agreements. Standardising equipment to the extent possible. Eqhub is expected to deliver 10-15% reduction in buying new materials already in inventory. Virtual inventory: purchased materials from other operators preventing potential offshore production downtime by 3 months.

**Comment****C12.1b****(C12.1b) Give details of your climate-related engagement strategy with your customers.****Type of engagement & Details of engagement**

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
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**% of customers by number**

50

**% of customer - related Scope 3 emissions as reported in C6.5**

100

**Please explain the rationale for selecting this group of customers and scope of engagement**

Our main buyer of oil is the one to coordinate the logistics for all our offshore loaded crude oil. In this way we cover 100% of the activity.

**Impact of engagement, including measures of success**

Vår Energi has been working with its main buyer of crude oil to find ways to lower the carbon footprint related to shipping. Together we have agreed to change to shuttle tankers having the possibility to operate on LNG in combination with VOC (Volatile organic compound) captured from the cargo loading. Two vessels will be delivered Autumn 2022.

**Type of engagement & Details of engagement**

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy
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**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

100

**Please explain the rationale for selecting this group of customers and scope of engagement**

Focusing on buyers taking gas on a long term basis, and we have covered 100% of these customers.

**Impact of engagement, including measures of success**

We are also actively exploring the possibility to convert gas to ammonia for our projects in the Barents Sea, and in this respect we are in dialogue with potential offtakers. We have as part of contract discussions and other meeting taken the opportunity to explain our sustainability policy and our targets set, as well as understanding the plans of the buyer related to carbon reduction as well as energy transition. Amongst the alternatives some buyers are considering is to convert gas to blue hydrogen with carbon capture, which could represent a future opportunity for Vår and other Norwegian gas producers.

**C12.1d****(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

We are actively working with other partners such as Gassco (the operator for the integrated system for transporting gas from the Norwegian continental shelf to other European countries) to find ways to reduce carbon footprint in the gas value chain. Vår Energi does not hold an ownership share in the Gassled (Gassco operated gas transport systems) but is a major user of the system. We are actively participating in various shipper forums organized by Gassco to discuss changes to the transportation network that could facilitate reduced Co2 emissions. Changing the product mix at Kårstø processing plant by not splitting out all butane products, but rather sell it as butane mix is one example where carbon emissions will be reduced. This as a result of a cooperation between the infrastructure owners and the shippers.

**C12.2****(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, climate-related requirements are included in our supplier contracts

**C12.2a**

**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

**Climate-related requirement**

Complying with regulatory requirements

**Description of this climate related requirement**

We participate in Magnet JQS (Vendor joint qualification system used in the Norwegian/Danish Oil Industry), to source, screen, qualify and monitor both existing and potential suppliers. The capability assessment in Magnet JQS is based on requirements in ISO 9001, 14001, 45001, UN Guiding Principles on Business and Human Rights, and the expectations defined in IOGP (International Association of Oil & Gas Producers) 510 Operating Management System Framework.

**% suppliers by procurement spend that have to comply with this climate-related requirement**

92

**% suppliers by procurement spend in compliance with this climate-related requirement**

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

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**Climate-related requirement**

Implementation of emissions reduction initiatives

**Description of this climate related requirement**

In 2021, we implemented a new policy requiring that sustainability shall be evaluated during the tendering process and that environmental (including GHG emissions) and social performance will be weighted up to 30% in tender evaluations where this is material and feasible. This policy has been further developed and specific actions have been taken to ensure that the policy is implemented. This is done by updating process requirements, instructions, and other supporting documents. All key, high and medium spend suppliers were evaluated on relevant sustainability criteria. In 2021, 85% of all awarded contracts were evaluated with these criteria. During the year we revised the standard tender evaluation template to include detailed evaluation of 8 different sustainability elements, including GHG emissions and energy use for better granularity.

**% suppliers by procurement spend that have to comply with this climate-related requirement**

70

**% suppliers by procurement spend in compliance with this climate-related requirement**

60

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier scorecard or rating

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

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**Climate-related requirement**

Implementation of emissions reduction initiatives

**Description of this climate related requirement**

We have a contract requirement that contractors have a sustainability policy with stated GHG emission and waste reduction requirements.

**% suppliers by procurement spend that have to comply with this climate-related requirement**

70

**% suppliers by procurement spend in compliance with this climate-related requirement**

60

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment  
Supplier scorecard or rating

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

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**C12.3**

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**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage indirectly through trade associations

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

Sustainability policy.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

All external communication is handled or endorsed by the Communications Department to ensure that our communication is consistent and aligned with the company strategy as well as our climate strategy. Vår Energi's climate strategy is communicated through all internal channels to ensure that the entire organisation is working towards the same climate goals according to strategy. The strategy is cascaded down the lines by embedding climate actions and reduction initiatives in the respective departments.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**C12.3b**

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**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Other, please specify (The Norwegian Oil and Gas Association)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

Norwegian Oil and Gas support the UN intergovernmental panel on climate change, and want an ambitious international climate treaty. All reputable forecasts nevertheless show that oil and gas will be key energy sources for the foreseeable future. That reflects growing energy demand and the fact that renewable sources alone cannot meet these requirements. We believe that ensuring the lowest possible emissions from the fossil energy which the world needs should be a high-priority climate measure. What is Norwegian Oil and Gas doing to reduce greenhouse gas and emissions? Norwegian Oil and Gas have launched a joint industry project to enhance energy efficiency. The oil and gas companies are collaborating with each other here to exchange experience, transfer knowledge and find good ways to implement energy efficiency measures. Encouraging more demonstration and pilot projects for emission-reducing technology is also an aim. We are working actively with the environmental authorities to secure even better data on methane emissions and to identify possible reductions. Methane is a powerful greenhouse gas, and reducing its emissions could provide first aid for the climate. How does Norwegian Oil and Gas see the Industry's future from a climate perspective? An important step will be to put CO2 prices in place – preferably globally, but at least nationally and regionally – which make the most polluting fossil energy sources less profitable. Consumption can thereby be transferred to forms of energy which release less greenhouse gases. Exploring for, finding and delivering natural gas from Norway to the markets is important for ensuring stable energy supplies in addition to the share met by renewables. Emissions from oil and gas production on the Norwegian continental shelf (NCS) are 50 per cent below the world average. Reducing gas deliveries from Norway would not be beneficial for the climate. Natural gas is the solution for combating growth in coal consumption and achieving emission reductions. It is also the perfect partner for renewables, since these sources will jointly reduce coal emissions and provide stable energy supplies. The NCS will continue to have the world's lowest CO2 emissions per unit produced. We want to export the technology which makes this possible to other countries.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports, incorporating the TCFD recommendations

**Status**

Complete

**Attach the document**

Vår-Energi-Sustainability-report-2021-web (3).pdf

**Page/Section reference**

Climate, pages 20-25 Energy, pages 27-30 Sustainable supply chain, pages 61-63 Research & development, pages 64-66 Climate risks and opportunities, pages 67-73

**Content elements**

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

**Comment**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

Vår-Energi\_-\_Annual-report-2021 (1).pdf

**Page/Section reference**

Strategic beliefs, page 12 Clearly defined ESG agenda, page 15 Sustainability, page 34 Climate risk, page 50

**Content elements**

- Strategy
- Risks & opportunities

**Comment**

**C15. Biodiversity**

**C15.1**

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	In Vår Energi the Board of Directors (BoD) approves our policies. We are committed, through our Sustainability Policy and HSSEQ Policy, to protect the environment and to the conservation of biodiversity. The company has a Safety & Sustainability Committee, which is a sub-committee of the BoD. The main purpose of the committee is to support the BoD in matters and decisions related to sustainability, incl. biodiversity and environmental protection related issues. The committee consists of directors selected by the BoD and the CEO, with the Company CSO (VP Safety & Sustainability) functioning as the secretary. The company has clearly stated that it is the CEO that has the overall responsibility for protection of the environment and the conservation of biodiversity. Further executive management responsibilities for biodiversity-related issues are stated through our management system guidelines for HSSEQ and our specific management guideline for "Biodiversity and ecosystems". The company has also adopted our largest shareholder's "no go commitment" for UNESCO Natural World Heritage Sites.	<Not Applicable>

**C15.2**

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples	SDG

### C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only	<Not Applicable>

### C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Other, please specify (Seabed environmental baseline survey was performed to map the conditions/biodiversity status prior to drilling. Investigation of the presence of sea pens/OSPAR habitats in the area of an exploration well.)

### C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (Every 3rd. year we execute a sediment monitoring and biodiversity campaign around our offshore assets. Chemical contamination, heavy metals, type of and numbers of species and diversity index is monitored at fixed stations and evaluated.)

### C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Other, please specify (General description of how the company operate with respect to environmental protection and biodiversity)	See pages 31-36 in attached report. Vår-Energi-Sustainability-report-2021-web (3).pdf

### C16. Signoff

#### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

#### C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

### Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms