

C0. Introduction

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C0.1

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**(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). The Company is founded on more than 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects centered around hubs, and a strong exploration track record. With more than 900 employees and equity stakes in 36 producing fields, Vår Energi produced net 220 kboepd of oil and gas in 2022.

Vår Energi supports the UN Sustainable Development Goals and use them as a framework for our sustainability approach; to create value for our stakeholders, while respecting the environment, people and the society. Given the importance of access to energy to support a sustainable development and the significant greenhouse gas emissions associated with our industry and our products, SDG 13: Climate Action and SDG 7: Affordable and Clean Energy are particularly relevant for Vår Energi as a pure play oil and gas producer. Ensuring access to energy for all while transitioning toward a low-carbon economy is a major challenge both for Vår Energi and for our society.

GHG emissions from the oil and gas industry make up a large share of the national emissions contributing to climate change and must be reduced in order for Norway to reach its goals and fulfil its international obligations. At the same time, adequate energy supplies must be secured. As an oil and gas producer we are working towards a stable and secure energy supply with lower GHG emissions per unit, while the world transitions to renewable energy sources. The transition to renewable energy will also lead to fundamental challenges for the society we are part of. Value creation from the offshore oil and gas industry is vital for industrial development and job creation, and to secure revenue for the Norwegian state. A successful transition requires jobs to follow. Preventing or mitigating negative impacts of the transition on workers and communities depending on the oil and gas industry demands a comprehensive strategy. For the Norwegian petroleum industry, KonKraft serves as an arena to develop and implement this strategy. Therefore, we support the KonKraft strategy as described in "The Energy Industry of Tomorrow on the Norwegian Continental Shelf – Climate Strategy Towards 2030 and 2050" and align Vår Energi's climate strategy and GHG emission reduction goals with the KonKraft strategy:

- The oil and gas industry in Norway will reduce its absolute gas emissions from its operations by 50 per cent in 2030 compared with 2005 and reduce them further to near zero in 2050.
- Together with ship and rig owners, the Norwegian oil and gas industry will be a driver in ensuring that vessel categories involved in offshore maritime activities contribute actively to achieving the goal, set in the Government's action plan for green shipping, of a 50 per cent cut in emissions from domestic maritime transport and fishing.
- In addition to cutting emissions from its own operations and associated offshore maritime activities, the Norwegian oil and gas industry will gradually create a new and forward-looking energy industry on the Norwegian continental shelf. This will include offshore wind power, hydrogen, and carbon capture and storage (CCS) projects which facilitate large emission reductions in Norway, Europe and the rest of the world. That lays the basis for further value creation and jobs in an industry with great expertise and technological innovativeness on the way towards a future zero-emission society.

In addition to the absolute reduction goals, Vår Energi has an ambitious net zero strategy to compensate for the remaining scope 1 and 2 and some scope 3 emissions while we continue the work to reduce absolute emissions to near zero by 2050. To achieve this, remaining GHG emissions will be balanced by permanently removing an equivalent volume of CO2 by using available carbon offsetting mechanisms in the voluntary carbon market. We have developed a carbon credit policy to ensure the purchased carbon credits will be consistent with the Core Carbon Principles High Quality Voluntary Carbon Credits Principles (icvcm.org).

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.**

**Reporting year**

**Start date**

January 1 2022

**End date**

December 31 2022

**Indicate if you are providing emissions data for past reporting years**

Yes

**Select the number of past reporting years you will be providing Scope 1 emissions data for**

2 years

**Select the number of past reporting years you will be providing Scope 2 emissions data for**

2 years

**Select the number of past reporting years you will be providing Scope 3 emissions data for**

2 years

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

C1.1

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

Yes

C1.1a

(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 or committee	Responsibilities for climate-related issues
Board Chair	The Board of Directors have a leadership and supervisory role in all sustainability matters. 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.
Board-level committee	The Safety and Sustainability Committee is a sub-committee to the Board of Directors that oversees and provides recommendations and advice to the Board of Directors on safety scenarios and sustainability issues in line with Vår Energi's policies, processes, projects and activities aimed at ensuring our commitment to sustainable development, including health, well-being and safety of people and communities, human rights, local development, climate change and the environment. The Committee also monitors and reviews the company's sustainability risks. The Committee meets as often as necessary to perform its duties, but normally at least two times a year. The Committee reports to the Board of Directors as deemed appropriate but at least once a year.
Board-level committee	The Audit and Risk Committee oversees, monitors and reviews Vår Energi's financial business risks and opportunities, including climate risks and opportunities.
Chief Executive Officer (CEO)	Overall responsibility for how the company manages its impacts on the economy, environment and people is placed at group executive level where the CEO has the ultimate responsibility. The corporate executives in Vår Energi's management group hold operational responsibility for managing sustainability impacts, where relevant issues are integrated in both strategic planning and the business planning process. These are subject to regular review by the Board of Directors.

## C1.1b

### (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	<ul style="list-style-type: none"> <li>Reviewing and guiding annual budgets</li> <li>Overseeing major capital expenditures</li> <li>Overseeing acquisitions, mergers, and divestitures</li> <li>Reviewing and guiding strategy</li> <li>Overseeing and guiding the development of a transition plan</li> <li>Monitoring the implementation of a transition plan</li> <li>Monitoring progress towards corporate targets</li> </ul>	<Not Applicable>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Our annual Sustainability report provides transparency on the company's overall sustainability performance - including climate-related issues.</p>

## 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.

#### Position or committee

Chief Executive Officer (CEO)

#### Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
- Managing climate-related acquisitions, mergers, and divestitures
- Developing a climate transition plan
- Implementing a climate transition plan
- Integrating climate-related issues into the strategy
- Setting climate-related corporate targets
- Monitoring progress against climate-related corporate targets
- Managing value chain engagement on climate-related issues
- Managing climate-related risks and opportunities

#### Coverage of responsibilities

<Not Applicable>

#### Reporting line

Reports to the board directly

#### Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

#### Please explain

Overall responsibility for how the company manages climate-related issues is placed at group executive level where the CEO has the ultimate responsibility. The corporate executives in Vår Energi's management group hold operational responsibility for managing climate-related issues, where relevant issues are integrated in both strategic planning and the business planning process. These are subject to regular review by the Board of Directors.

## 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 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**

Management group

**Type of incentive**

Monetary reward

**Incentive(s)**

Bonus - % of salary

**Performance indicator(s)**

Reduction in emissions intensity

**Incentive plan(s) this incentive is linked to**

Both Short-Term and Long-Term Incentive Plan

**Further details of incentive(s)**

Vår Energi has two main variable pay plans: the Annual variable pay (the "AVP") and the Long-term incentive (the "LTI"). The AVP plan is cash based with a qualifying period that follows the calendar year. Participation in the LTI plan is based on annual invitation. The LTI has limited distribution and is mainly a plan for Executive Management, business critical executives and key professionals. The Board determines the annual goal plan for the CEO, including business goals, individual goals, key performance indicators and weighting of the goals. The goal plan encompasses the Company's Balanced scorecard and the CEO's individual goals including leadership development goals and plan. The CEO determines the goal plan for other members of the Executive Management upon endorsement by the Remuneration Committee. CO2 intensity is one of the main KPI's in the goal plan.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

Reducing emissions intensity is an additional target to reducing absolute emissions and is connected to the Vår Energi strategic belief that oil and gas will continue to be a part of the energy mix long-term. GHG emissions from the oil and gas industry make up a large share of the national GHG emissions and must be reduced in order for Norway to reach its goals and fulfil its international obligations. At the same time, adequate energy supplies must be secured. As an oil and gas producer we are working towards a stable and secure energy supply with lower GHG emissions per unit.

**C2. Risks and opportunities**

**C2.1**

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

Yes

**C2.1a**

**(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 which correspond to our short-term strategy plan.
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 given our ambition to reach net zero emissions by 2030.
Long-term	10	20	The long-term view is highly relevant due to the long lifetime of our assets, and our ambition to achieve near zero emissions by 2050.

**C2.1b**

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

In terms of risk management, a substantial financial or strategic impact encompasses the risks arising from uncertainties and events that have the potential to disrupt or undermine the Company's strategic objectives, business plans, performance, competitive advantage, and overall value creation. Our risk assessment process examines both the likelihood of an event occurring and the potential severity of its consequences.

The management of climate-related risks falls under the scope of the Company's Enterprise Risk Management (ERM) process. All relevant climate-related risks with substantial financial or strategic implications are communicated to executive management and, when appropriate, to the Board of Directors.

To gauge the financial or strategic impact, we use a benchmark of approximately 5-10% reduction in revenues/net cash flow after tax (compared to the budgeted amount) as a substantive threshold. However, it's important to emphasize that this definition is not rigid and is subject to qualitative considerations that complement the risk assessment process.

## **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**

We have implemented a management system which serves as a framework to establish essential governing mechanisms that facilitate internal control and effective risk management throughout our business operations. This ensures that our organization is well-equipped to identify, assess, and mitigate risks, while also maintaining strong internal control measures to support our overall strategic and business objectives.

A common work process for risk and opportunity assessment has been established in the management system. The purpose of the risk assessment work process is to systematically identify, analyse, and evaluate risks that may affect our ability to achieve our objectives. The work process refers to a range of risk assessment techniques, defined by this process (ref. ISO31010:2019), to be used depending on the purpose and context of the activity or event being assessed.

The result of a risk and opportunity assessment is a vital part in the company's decision making and planning and prioritisation of our business. In general, it is the responsibility of line managers to manage risks and opportunities that are within their respective area of responsibility. Delegation of authority corresponding to defined risk levels are used to determine whether a risk will be communicated to Executive Management Team (EMT) through the Enterprise Risk Management (ERM) process. Vår Energi ERM work process is applied at all levels across the entire organisation. The work process is in line 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) and the international guideline for Risk Management ISO31000:2018. Comprehensive periodic Enterprise Risk reviews are done with the various business units and the Executive Management on a quarterly basis. The Board of Directors reviews the most significant enterprise risks on a half-yearly basis.

During the monthly business update the Executive Management Team reviews the progress of strategic initiatives, business performance and relevant enterprise risks. As appropriate the Executive Management Team will define actions relevant to enhancing performance or mitigate risks.

During the last year specific risk assessments have been undertaken to understand the strategic and business impact of climate-related risks, where the results have been used in both our long-term strategic plans and short-term business planning. A scenario analysis based on three separate IEA transition scenarios were conducted to understand climate-related risks and opportunities, but also the possible impact these scenarios may have on the valuation of our asset portfolio. Climate-related risks and opportunities are managed in an integrated way in the company's enterprise risk management system also covering other possible sources of risks and opportunities.

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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	<p>Vår Energi's oil and gas operations are focused on the Norwegian Continental Shelf (NCS). As such, the company's activities are primarily influenced by national statutes and regulations pertaining to climate change and biodiversity. Key statutes governing our oil and gas activities include The Norwegian Petroleum Act, Pollution Control Act, Product Control Act, and Greenhouse Gas Emission Trading Act.</p> <p>Moreover, given Norway's membership in the European Economic Area (EEA), industry-wide legislation enacted within the EU also becomes pertinent to Vår Energi's operations. This further underscores the need for the company to align with relevant EU regulations and standards in addition to national ones.</p> <p>Our business is mainly affected by emissions taxes and operational constraints imposed by these regulations.</p>
Emerging regulation	Relevant, always included	<p>Our business faces potentially significant impacts from emerging regulations. Understanding the direction and speed of new climate change-related regulations is crucial for us. Alongside the costs of our own emissions, carbon offsets, and operational constraints under current regulations, uncertainties regarding future regulations on the emissions resulting from the use of our oil and gas products exist.</p> <p>However, we also recognize that new regulations can accelerate the opportunities for developing Carbon Capture, Utilization, and Storage (CCUS) capabilities, particularly in relation to carbon storage.</p>
Technology	Relevant, always included	<p>Technological development serves as a crucial enabler in achieving our strategic objectives concerning emission reductions, encompassing both our own operations and third-party supply chain emissions. Research and Development (R&amp;D) play a significant role in fostering the necessary capabilities for a low carbon value chain, including Carbon Capture, Utilization, and Storage (CCUS) technologies. Our annual R&amp;D budget typically ranges between 8-10 MUSD, with a significant portion allocated to projects aligned with our Environmental, Social, and Governance (ESG) strategic initiatives.</p> <p>In Business Strategy Section C3.3 Investment in R&amp;D, we outline key areas of our R&amp;D focus and highlight our collaborations with major research partners to advance these endeavors.</p> <p>As part of our commitment to continuous improvement, we are currently revising our R&amp;D strategy in 2023. Input from climate-related risks and opportunities will be instrumental in shaping this strategy, guiding our R&amp;D efforts to address emerging challenges and seize potential opportunities in the pursuit of sustainable practices and environmental stewardship.</p>
Legal	Relevant, always included	<p>Vår Energi is closely monitoring international legal proceedings that could have implications for our company and any identified climate-related risks. Among these legal challenges are cases involving climate change liability, wherein certain lawsuits target oil and gas companies for their role in contributing to climate change through greenhouse gas emissions. Plaintiffs argue that these companies should be responsible for damages caused by climate change, such as rising sea levels, extreme weather events, and disruptions to ecosystems and communities.</p> <p>Additionally, there are other legal actions accusing oil and gas companies of misleading the public and investors regarding the risks and impacts of climate change and their own contributions to it. These allegations encompass downplaying the scientific evidence of climate change, promoting climate misinformation, and withholding information that could have influenced investment decisions. These misleading public claims have led to legal disputes and calls for accountability in the industry.</p> <p>Alongside these concerns, environmental contamination cases also pose challenges for oil and gas companies. Lawsuits have been filed in response to incidents like oil spills, and air pollution, seeking compensation for the harm inflicted upon the environment, wildlife, and nearby communities.</p> <p>Furthermore, governments at various levels have initiated legal actions against oil and gas companies for environmental violations, breaches of contracts, or failure to comply with regulations.</p>
Market	Relevant, always included	<p>As highlighted in the scenario analysis results, outlined in Business Strategy Section 3.2b, there exists significant uncertainty in predicting the transition towards renewable energy sources and global energy consumption over the next 25 years. Nevertheless, it is imperative for the company to take proactive measures in developing a low-emission and cost-effective oil and gas portfolio.</p> <p>Exploring options to decarbonisation of our products and embracing Carbon Capture, Utilisation, and Storage (CCUS) technologies present exciting prospects for the company, opening new market opportunities aligned with sustainability goals. By prioritising these initiatives, we aim to position ourselves as industry leaders in addressing climate challenges and building a resilient business model for the future.</p>
Reputation	Relevant, always included	<p>Reputation risk linked to climate change pertains to the potential harm to our brand, image, and public perception resulting from its perceived or actual impact on climate change and environmental concerns. As societal awareness about climate change intensifies, the oil and gas industry face growing scrutiny and reputation challenges.</p> <p>The industry's public perception, along with our company's brand, may adversely affect our talent attraction and retention efforts. Additionally, securing investments for future development projects could be impacted, as stakeholders increasingly prioritise sustainability and environmental responsibility. Addressing reputation risk through responsible and transparent practices is essential for maintaining trust, credibility, and long-term success in a changing business landscape.</p>
Acute physical	Relevant, always included	<p>Extreme weather events like storms and heavy rain are climate-related concerns that pose acute physical risks to our operations. These events may impose operational constraints, as certain activities depend on favorable weather conditions.</p> <p>To ensure the safety and effectiveness of our offshore installations, we design them to withstand extreme weather. One critical factor we consider is the "wave-in-deck" phenomenon, which is influenced by the air gap between sea level and the deck. Incorporating metocean data into our design and risk analyses helps us address these challenges proactively.</p> <p>The Goliat FPSO in the Barents Sea is designed with resilience against the region's harsh weather conditions to mitigating the impact of extreme weather events underscores our commitment to safety, asset integrity, and preparedness for climate-related risks. As part of the ongoing Jotun FPSO vessel upgrade for the Balder future development project, we are incorporating metocean data to enhance the FPSO's resilience and adaptability to future climate-related challenges.</p>
Chronic physical	Relevant, sometimes included	<p>In addition to the acute physical risks, such as sea-level rise, there are several other relevant factors influencing our chronic physical risk perspective:</p> <ol style="list-style-type: none"> <li>1. Shift in Climate Patterns: Climate change can lead to shifts in global energy usage patterns, affecting both the total energy demand and its distribution across different sectors. These changes may impact our business operations and require adjustments to our oil and gas production and distribution strategies.</li> <li>2. Supply Chain Disruptions: Climate-related impacts, such as extreme weather events, can disrupt transportation, logistics, and other elements of our supply chain. This could lead to delays in the delivery of critical materials and equipment, potentially affecting project timelines and operational efficiency.</li> <li>3. Biodiversity Loss: Climate change can cause habitat loss and biodiversity decline, which may have far-reaching consequences for ecosystems. This could result in operational constraints, as well as potential regulatory and reputation risks for our company.</li> </ol>

**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

<Not Applicable>

#### Company-specific description

As Vår Energi's operational activities are primarily concentrated on the Norwegian Continental Shelf (NCS), the company is chiefly influenced by regulations applicable in this region. However, being part of the European Economic Area (EEA), industry-wide legislation within the EU also becomes pertinent for Vår Energi.

The EU ETS prices are anticipated to rise to meet the EU's 2030 climate goal, creating uncertainty about future quota prices and the timing of the total CO2 cost ramp-up towards 2030. Potential future changes in climate-related regulations, such as increased taxes on CO2 and/or NOx emissions, could impact Vår Energi's financial results through higher direct costs. Norwegian authorities have communicated their intention to raise the CO2 tax/fees up to 200 USD per tonne in 2030. In comparison, the estimated CO2 cost for our operated assets in 2022 was approximately 157 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)

<Not Applicable>

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

12000000

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

35800000

#### Explanation of financial impact figure

In 2022, the estimated CO2 cost for Vår Energi's operated assets was around 157 USD per ton, with Scope 1 CO2 emissions (EU ETS) from operated assets amounting to 182 k tons.

To assess the financial impact associated with this risk, we analyze two scenarios. In the first scenario, CO2 emissions remain at the 2022 level even in 2030/2031. Considering an assumed CO2 tax of 200 USD per ton, this scenario would result in a cost increase of approximately 7.8 MUSD in 2031 compared to the estimated 2022 cost of 28 MUSD.

Conversely, the second scenario assumes a reduction in CO2 emissions to around 60 k tons in 2030/2031. Under the same CO2 tax assumption, this scenario would lead to a significant cost decrease, reducing the associated cost from 28 MUSD in 2022 to 12 MUSD in 2031.

These scenarios demonstrate the potential financial implications of different emission levels, highlighting the importance of proactively managing and reducing CO2 emissions to mitigate costs and enhance the company's financial resilience.

#### Cost of response to risk

500000000

#### Description of response and explanation of cost calculation

We have established a comprehensive carbon reduction plan for the period leading up to 2030, encompassing short- and long-term measures aimed at achieving a 50% reduction in our direct (scope 1) operational control emissions. This reduction target translates to lowering emissions from 350,000 to 175,000 tCO2e per year, using the base year of 2005 as a reference.

The primary sources of GHG emissions from our operations include the combustion of diesel and natural gas for energy production (77%), combustion of natural gas during safety flaring (11%), and the release of natural gas through cold venting, diffuse emissions, and loading and storage operations (12%).

To support our strategic objective of emissions reduction of own operations and mitigate associated risks, the Business Strategy Sections 3.3 outline several relevant mitigating actions related to "Supply Chain," "R&D Investment", and "Operations". These actions entail a combined cost estimate, within our long-term budget, ranging from 500 to 800 MUSD over the period until 2030.

#### 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**

<Not Applicable>

**Company-specific description**

There is a risk that Norway may implement regulations aimed at reducing or halting exploration activities, particularly in sensitive areas, and potentially reduce tax relief on exploration activities in the Norwegian Continental Shelf (NCS).

As of January 2023, Vår Energi's portfolio comprises 146 licenses, with 48 being operated, reflecting the company's commitment to exploration and growth. However, one of the climate-related risks identified by the company is the possibility of the Norwegian government introducing new regulations that restrict access to new acreage or impose different framework conditions for exploration activities.

Given that exploration activity is crucial for maintaining and growing oil and gas production from the NCS, such regulations could have significant implications for our business. Should this risk materialise, it could result in challenges in fully replacing produced oil and gas reserves and hinder the company's ability to continue growing due to limited access to 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)**

700000000

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

770000000

**Explanation of financial impact figure**

To assess the potential financial impact of this risk, we conducted a scenario analysis, assuming that the company's volume additions from new projects could be reduced by approximately 30% in the medium to long term if this risk materializes. Using the average production volumes from new projects between 2022 and 2025 as a reference, this reduction would lead to an average annual volume loss of around 11 MBOE (in the medium to long term).

Based on this scenario, we estimate that there would be an operating profit loss ranging from around 700 to 770 MUSD, depending on the price assumptions used to calculate the impact.

**Cost of response to risk**

500000000

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

The successful implementation of the mitigating actions outlined in 'Risk 1' will demonstrate Vår Energi's commitment to achieving our medium and long-term greenhouse gas emissions reduction targets and developing a low CO2 emission intensity asset portfolio. By executing these actions effectively, we can show our dedication to viable practices and potentially influence the Norwegian authorities to continue supporting oil and gas exploration in existing and new areas in the future.

We will maintain open communication, emphasizing our dedication to delivering a better future in line with our strategic beliefs:

1. Recognizing that ESG and climate are global and national priorities, acknowledging the necessity for a pathway to near zero emissions,
2. Understanding that oil and gas will remain part of the long-term energy mix, with an emphasis on increasing the share of gas in NCS production, and
3. Committing to ensuring that the NCS remains an appealing region, driven by factors such as cost competitiveness, low emissions, reliability, and the presence of long-term oriented governments and regulators.

The cost of implementing these mitigating actions is estimated to be the same as for 'Risk 1' (500-800 MUSD), reinforcing our proactive approach to managing climate-related risks while striving to achieve our sustainability goals. By pursuing these strategies and demonstrating our commitment to sustainable practices, we aim to foster a positive outlook on the future of oil and gas exploration in Norway while contributing to global efforts in addressing climate change.

**Comment****Identifier**

Risk 3

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

Downstream

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

Market	Changing customer behavior
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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**

Climate-related market risks could potentially impact the company in the long term through decreased demand and prices for oil and gas. As society moves towards reducing emissions, the consumption of oil and gas products is expected to decline.

We refer to the transition scenarios analysis described in "Business Strategy", Section 3.2a and 3.2b, which highlights how the future energy trends presents both risks and



opportunities for us. Despite this uncertainty, Vår Energi's asset portfolio remains resilient, even under IEA APS scenario. We prioritise robustness by diligently focusing on lowering production costs, continuously improving our industry-leading emission intensity performance, and adhering to strict financial criteria for project development sanctioning. This approach strengthens our position to navigate potential market challenges and capitalise on emerging opportunities throughout the transition.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

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)**

480000000

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

960000000

**Explanation of financial impact figure**

To assess the potential financial impact of lower product prices in the long term, we conducted a calculation of projected revenues for the year 2030. Based on the assumption of total production volumes in 2030 being equivalent to those in 2022 (80 MBOE), we applied different oil price scenarios to estimate the potential impact on our revenues:

1. Base Case: Assuming a long-term oil price of \$70/bbl (similar to the price used in impairment testing), the projected revenue for 2030 is \$5600M.
2. IEA APS Scenario: Considering an oil price of approximately \$64/bbl, the projected revenue for 2030 would be \$5120M. This results in a negative impact on revenues of approximately -\$480M compared to the base case.
3. IEA STEPS Scenario: Assuming an oil price of approximately \$82/bbl, the projected revenue for 2030 would be \$6560M. This indicates a positive impact on revenues of approximately \$960M compared to the base case.

**Cost of response to risk**

2000000

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

To effectively address and manage this risk, we place significant emphasis on maintaining a strong focus on cost discipline, ensuring our resilience even in low-price scenarios.

Furthermore, we actively participate in relevant Research and Development initiatives, particularly in the area of low-carbon technologies like CCUS. Our commitment to exploring and investing in Carbon Storage capabilities allows us to seize potential opportunities in this field.

Costs associated with exploring carbon storage opportunities are considered as part of our R&D investments, as referenced in Business Strategy Section 3.3 Investments in R&D. Additional investments may be sanctioned to further develop these capabilities. The estimated cost of this risk mitigation for 2023 falls within the range of 2-4 MUSD.

**Comment**

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C2.4

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**(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

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**(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**

Vår Energi is fully committed to achieving GHG reductions in line with our short and medium-term emission reduction goals. One of the key strategies we are pursuing to reduce direct emissions is the electrification of assets with renewable power from shore or offshore renewable energy sources.

An exemplary demonstration of our dedication is the Balder electrification project launched in 2020, aimed at assessing the potential electrification of the Ringhorne Platform and Jotun FPSO. By electrifying these assets, we expect to make a substantial contribution to our GHG reduction targets, with a potential estimated reduction of up to 2,650,000 tons of CO2 over the life of the Balder field. Furthermore, our 10% ownership in the offshore wind project Hywind Tampen, through our shares in the Snorre

license, reinforces our commitment to renewable energy sources.

Looking ahead, we remain proactive in seeking electrification opportunities, both through power from shore and offshore renewable energy sources like offshore wind. An early development on this front is our exploration of floating offshore wind at Goliat. Presently, the Goliat platform is already electrified and receives power from shore through a 75 MW capacity power cable. The GoliatVind project aims to utilize this infrastructure for increased renewable power generation in Finnmark, aligning with our ongoing efforts to achieve GHG reductions and promote sustainable energy practices.

**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)**

30000000

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

The future electrification of Ringhorne WHP and Jotun FPSO holds significant promise in our pursuit of achieving GHG reduction targets. Depending on the extent of electrification, we estimate a potential reduction of up to approximately 150,000 tons of CO2 per year. Considering a future CO2 cost of 200 USD per ton, this translates into substantial savings of approximately 30 MUSD in reduced CO2 costs annually.

**Cost to realize opportunity**

20000000

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

The reduction of direct emissions through electrification of assets using renewable power from shore or offshore renewable energy sources aligns with our strategic goals. We have already established a dedicated project organisation to advance this electrification initiative.

Estimating the cost of analysing and maturing such an opportunity in the early phase can be complex. However, considering the costs incurred so far and budgeted costs under current project assumptions, we anticipate the total cost for maturing this opportunity up to the concept selection stage to 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**

We recognize the importance of our supply chain in achieving our emissions reduction targets. By assessing ESG matters throughout our supply chain, we aim to establish an innovative and sustainable network around our operations, promoting the transition to more sustainable business models.

By collaborating with our suppliers and setting requirements, we contribute to the Norwegian offshore maritime industry's target of reducing GHG emissions by 50% by 2030, as aligned with the government's plan for a greener maritime sector.

To further enhance energy efficiency and minimise GHG emissions, we engage with contractors, drilling rigs, and vessels, to adopt effective and purpose-driven energy management systems. In 2021, we introduced a new policy mandating sustainability evaluation during the tendering process and prioritising environmental and social performance, weighted up to 30% in tender evaluations where feasible. We have continually refined this policy and taken specific actions to ensure its effective implementation, updating relevant process requirements, instructions, and supporting documents to create a more sustainable future.

**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)**

260000

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

650000

**Explanation of financial impact figure**

Vår Energi currently has approximately 7 supply vessels on contract, and we often engage additional vessels during high activity periods, such as drilling operations. Out of the contracted vessels, 5 are dual-fuel vessels capable of running on both Marine Gasoil (MGO) and Liquefied Natural Gas (LNG). Compared to conventional supply vessels that run on MGO emitting around 5500 tons of CO2 per year, dual-fuel vessels typically have emissions up to 15% lower, approximately 4675 tons of CO2 per year. This translates to each dual-fuel vessel reducing CO2 emissions by around 825 tons annually.

Considering our estimated 2022 CO2 cost of 157 USD per ton for our operated assets, the annual financial impact or savings related to the CO2 emission reductions achieved through the 5 dual-fuel vessels is approximately 0.65 MUSD. If we successfully engage dual-fuel vessels for the remaining 2 regular supply vessels, the financial impact would increase to around 0.26 MUSD. As we anticipate quota prices to increase over time, the estimated financial impact will also rise accordingly. Our commitment to reducing emissions from our supply vessels aligns with our sustainability goals and supports the transition towards a more environmentally conscious future.

**Cost to realize opportunity**

112000

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

The cost associated with realising this opportunity primarily involves commercial negotiations associated with new contracts. Assuming that each new contract requires one full position for a month, the estimated cost of response would be approximately 0.1 MUSD. This cost is calculated based on 1/4 position, totalling 1650 hours at a rate of 1800 NOK per hour, with a currency conversion rate of 9.62 NOK/USD.

**Comment**

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**Identifier**

Opp3

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

Direct operations

**Opportunity type**

Resource efficiency

**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 achieved through increased energy efficiency play a vital role in our company's decarbonization plan. We prioritize energy management, portfolio optimization, and minimizing cold venting and fugitive emissions to align with our emission reduction goals.

To enhance energy efficiency, we have implemented flaring strategies across all assets, with a focus on reducing flaring during safety events. In 2022, we successfully re-bundled a compressor train on Goliat, leading to increased efficiency and lower temperature settings for heating needs. Additionally, we conduct annual campaigns to identify sources of methane emissions and explore opportunities for reduction efforts, maintaining a continuous focus on leak detection and repair (LDAR) to keep fugitive methane emissions at a low level.

**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)**

1900000

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

Our commitment to emission reduction is evident through dedicated studies and initiatives. At Balder, we achieved a 49% reduction in CO2 emissions, amounting to nearly 12,000 tons from 2021 to 2022. These remarkable results are attributed to the implementation of updated flaring strategies, modifications to compressor valves and flaring margins, and optimizing the LP compressor load.

Furthermore, at Goliat, our efforts focused on using electricity from shore and leveraging digital tools to identify improvement areas for power-consuming components. Through a re-bundle of a compressor train and modifications to the Nitrogen Generating Unit (NGU), we successfully put an end to cold venting from the LP flare. Consequently, we reduced Goliat's flaring emissions by almost 11,000 tCO2e in 2022 compared to the previous year, and we anticipate further reductions of around 12,000 tCO2e for 2023.

Considering the estimated 2022 CO2 cost of 157 USD per ton for our operated assets, the annual cost savings resulting from these CO2 emission reductions amounts to approximately 1.9 MUSD. Our continuous efforts to improve energy efficiency and minimise emissions demonstrate our dedication to sustainability and achieving our environmental goals.

**Cost to realize opportunity**

390000

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

We continually explore diverse energy efficiency initiatives across our organization, encompassing operational, organizational, and technical improvements. By pursuing these measures, we are taking significant strides towards optimizing energy consumption and reducing our carbon footprint.

Flaring strategies have already been successfully implemented on all our operated assets, and we remain dedicated to further operationalising and optimising these strategies. As the flaring strategy is an integral part of our comprehensive Energy Efficiency strategy, quantifying the specific cost of response can be challenging. However, based on a comprehensive assessment, we estimate that dedicating the equivalent of one full-time position is required to effectively operationalise this initiative. This estimation translates to an approximate annual cost of (1 position \* 1650 hours \* 1800 NOK/hour @ 9.62 NOK/USD) 0.4 MUSD.

**Comment**

**C3. Business Strategy**

**C3.1**

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

**Row 1**

**Climate transition plan**

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

**Publicly available climate transition plan**

<Not Applicable>

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

<Not Applicable>

**Description of feedback mechanism**

<Not Applicable>

**Frequency of feedback collection**

<Not Applicable>

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

<Not Applicable>

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

Our current business strategy defines company activities necessary to meet the “1.5°C world” scope 1 and 2 emissions reductions target for 2030. The business strategy also calls for mapping and analysis of climate-related business risks and opportunities associated with scope 3 emissions reduction in a “1.5°C world” scenario. Scope 3 emissions from categories 4, 6 and 7 have already been mapped, with reductions targets and plans developed.

**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 and quantitative	<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	IEA STEPS (previously IEA NPS)	Company-wide	<Not Applicable>	<p>Scenario 1 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. The scenario reflects current policy settings based on a sector-by-sector and country by country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world. The objectives of the STEPS scenario is to provide a benchmark to assess the potential achievements (and limitations) of recent developments in energy and climate policy.</p> <p>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.</p>
Transition scenarios	IEA APS	Company-wide	<Not Applicable>	<p>Scenario 2 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. This scenario assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time. The objectives of the APS scenario is to show how close current pledges get the world towards the target of limiting global warming to 1.5 °C, it highlights the “ambition gap” that needs to be closed to achieve the goals agreed at Paris in 2015. It also shows the gap between current targets and achieving universal energy access.</p> <p>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.</p>
Transition scenarios	IEA NZE 2050	Company-wide	<Not Applicable>	<p>Scenario 3 uses mainly data from IEA’s Net Zero Emissions by 2050 (NZE 2050). This scenario sets out a pathway for the global energy sector to achieve net zero CO2 emissions by 2050. It doesn’t rely on emissions reductions from outside the energy sector to achieve its goals. Universal access to electricity and clean cooking are achieved by 2030. The objectives of the NZE 2050 scenario is to show what is needed across the main sectors by various actors, and by when, for the world to achieve net zero energy related and industrial process CO2 emissions by 2050 while meeting other energy-related sustainable development goals such as universal energy access. The Net Zero Emissions by 2050 Scenario (NZE) is normative, in that it is designed to achieve specific outcomes – an emissions trajectory consistent with keeping the temperature rise in 2100 below 1.5 °C (with a 50% probability) - and shows a pathway to reach it.</p> <p>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.</p>

**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 is the main climate-related risks and opportunities considering the defined transition scenarios? How is it possible for the company to mitigate the risks and realise the opportunities from climate-related risks and opportunities?

What are the possible impacts on our asset portfolio under the transition scenarios?

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

The analysis of the defined transition scenarios yields results that are subject to significant uncertainty, as they involve predicting the regulatory landscape, the shift towards renewable energy sources, and global energy consumption over a span of 25 years into the future. Notably, the IEA NZE 2050 scenario forecasts a decrease in the price of our products, leading to a 22% reduction in the Net Present Value (NPV) of our existing asset portfolio compared to our base assumption. Conversely, the IEA STEPS scenario suggests that product prices will remain high, resulting in a 28% increase in the NPV of our current asset portfolio.

To maintain competitiveness across various transition scenarios, it is crucial to establish a portfolio that emphasizes minimal CO2 emissions, as well as low capital expenditure (CAPEX) and operating expenditure (OPEX). This strategic approach aligns with the Company’s commitment to reducing CO2 emissions, as well as its implementation of the hub-strategy.

The IEA NZE 2050 scenario presents market and regulatory risks that may have significant financial and strategic implications for our business. As the transition to renewable energy sources progresses, it is anticipated that product prices will decrease. Additionally, the government may impose limitations on accessing new acreage and result in increased operational costs.

However, there are potential market opportunities within the scenario as well. By focusing on reducing emissions associated with the use of sold products (scope 3, category 11), the company can explore the development of a low-carbon value chain (CCUS). Furthermore, forming joint ventures with hydrogen production facilities can provide possibilities for diversification of products.

According to the IEA STEPS scenario, the global demand for oil and gas is projected to experience a slight increase by 2050 compared to the levels observed in 2021. As a result, the market and regulatory risks associated with this scenario are considered relatively lower when compared to the other two scenarios.

The potential impact on the oil and gas industry’s reputation could influence investor sentiment and their willingness to invest in the sector. Nevertheless, this scenario also presents significant opportunities for your company to advance its hub-strategy further, leveraging the favorable position at the Norwegian Continental Shelf.

The IEA APS highlights significant regulatory risks that could have major financial and strategic implications for our business. Achieving the goals of the Paris Agreement will necessitate additional investments to reduce CO2 emissions, particularly beyond 2030. Furthermore, there could be a rise in taxes and offset costs associated with CO2 emissions.

In this scenario, the development of CCUS technology could become a prerequisite for the continuation of our operations. Embracing this opportunity would allow us to effectively manage and mitigate our scope 3 CO2 emissions.

**(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	<p>Both the IEA NZE 2050 and IEA APS scenarios highlight market risks associated with lower product prices due to a reduced demand for oil and gas, as stated in C2.3a Risk 3. To navigate these challenges, the company's hub-strategy and strategic focus on operational excellence remain crucial in achieving a low-emission and cost-effective asset portfolio.</p> <p>Furthermore, the development of Carbon Capture, Utilisation, and Storage (CCUS) technology may become indispensable for the continued operation of our assets. This technology not only offers a means to effectively manage and mitigate our scope 3 CO<sub>2</sub> emissions but also presents an opportunity for us to make significant progress in this area. A strategic decision has been made to pursue opportunities related to Carbon Storage capacity.</p>
Supply chain and/or value chain	Yes	<p>A significant portion of our overall emissions stems from our supply chain. To address this, in 2021, we introduced a new policy mandating the evaluation of sustainability, including greenhouse gas (GHG) emissions and climate change risk, during the tendering process. Furthermore, environmental and social performance will be given up to a 30% weighting in tender evaluations, where relevant and feasible.</p> <p>Since its implementation, this policy has undergone further development in 2022, and specific measures have been taken to ensure its effective implementation. These actions demonstrate our commitment to prioritising sustainability and reducing the environmental impact throughout our supply chain.</p>
Investment in R&D	Yes	<p>Vår Energi's research and development (R&amp;D) activities seek to provide advanced technical solutions to support Vår Energi's growth, operational excellence and ambition to be the safest operator with leading ESG performance. The R&amp;D strategy sets clear and coherent R&amp;D goals that echoes the company's commitment of always operating in line with the UN's 17 SDGs in all business activities.</p> <p>The R&amp;D strategy is defined to meet the Company's technology objectives in the following five key areas:</p> <ul style="list-style-type: none"> <li>• Safety and environmental protection</li> <li>• Decarbonisation</li> <li>• Successful exploration</li> <li>• Operational excellence</li> <li>• Maximise recovery</li> </ul> <p>Vår Energi collaborates in several large-scale national projects, run by Norwegian Research Institutes, and jointly funded by other operators and the Research Council of Norway:</p> <ul style="list-style-type: none"> <li>• Low Emission Centre, run by SINTEF, which develops concepts for offshore energy systems and integration with renewable power production technologies.</li> <li>• Norwegian CCS Research Centre (NCCS), run by SINTEF, which seeks to develop cost-efficient carbon capture and storage (CCS), required to meet global climate targets while maintaining security of energy supply.</li> <li>• DigiWells SFI: Digital Well Centre for Value Creation, Competitiveness and Minimum Environmental Footprint run by NORCE, which seeks to enable more efficient drilling with less emissions by developing new knowledge, methods and innovative solutions to improve the well delivery process through digitalisation, automation and autonomy.</li> <li>• HYDROGENi is a Norwegian Centre for Environment-friendly Energy Research (FME), run by SINTEF, which focuses on hydrogen and ammonia research and innovation: one of two Norwegian FMEs that were started in 2022, to put Norway on the map when it comes to hydrogen.</li> </ul> <p>In 2022, Vår Energi R&amp;D invested across the full value chain in a balanced portfolio of projects directly aligned with the business needs and strategy.</p>
Operations	Yes	<p>The assessment of risks and opportunities arising from changes in the regulatory framework, as highlighted in C2.3a Risk 2, has formed the foundation for our decarbonisation strategy. This strategy was approved by the Board of Directors in 2021.</p> <p>At the core of our business strategy is the development of low-emission operations. The Company has made a commitment to reduce emissions in alignment with the Norwegian oil and gas industry's (KonKraft) agreement. This agreement sets a target to reduce greenhouse gas (GHG) emissions from the industry by 50% in 2030 and achieve near-zero emissions by 2050.</p> <p>The most important emissions reduction initiatives are:</p> <ul style="list-style-type: none"> <li>• electrification of the Balder/Grane area in collaboration with Equinor</li> <li>• Balder FPU off field within 2030</li> <li>• Energy management on offshore installations</li> </ul> <p>Our emissions reduction plan for operated assets aims to account for a reduction of 175,000 tCO<sub>2</sub>-eq by 2030 compared to the baseline year of 2005.</p> <p>Within the framework of our hub-strategy and asset development requirements, specific measures have been defined, including maximum carbon intensity and mandatory use of electricity instead of gas turbines.</p> <p>To address 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 may employ carbon offsetting mechanisms.</p>

**(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	Revenues Direct costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	<p>Climate change risk and opportunity impacts are fully integrated into our financial planning processes. During our Business Planning process, we incorporate assumptions related to direct costs and revenues that may be influenced by these risks and opportunities. For instance, we consider future price projections of carbon costs, such as Norway's carbon tax and EUA quota prices, to determine the direct costs and potential savings associated with different asset profiles. This allows us to quantify the impact on key metrics like Free Cash Flow and EBITDA resulting from climate-related investments, including energy efficiency, electrification, and other initiatives.</p> <p>In addition, our Business Planning process extends over a long-term time horizon, spanning until 2030 and beyond. This longer-term perspective enables us to create various scenarios and stress-test our portfolio and financials against low and high-case assumptions, encompassing different carbon and product price scenarios based on IEA projections. In 2022, we conducted a Net Present Value (NPV) analysis using the IEA transition scenarios explained above, and we continually evaluate our base price assumptions in relation to the prices applied in these scenarios. The outcomes of this process enable us to communicate our commercial strength and resilience within a reasonable range of scenarios to the market, demonstrating our proactive approach in assessing and managing climate-related risks and opportunities.</p>

### C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

## 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

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

**Target reference number**

Abs 1

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

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

**Target ambition**

<Not Applicable>

**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)**

350000

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

<Not Applicable>

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Base year total 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)**

350000

**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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

<Not Applicable>



**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

<Not Applicable>

**Base year total 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]**

175000

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

181150

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

<Not Applicable>

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Total 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)**

181150

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

96.4857142857143

**Target status in reporting year**

Underway

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

Target covers all scope 1 CO2 and CH4 emissions from all operated assets.

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

Total scope 1 GHG emission reductions in 2022 amounted to 15 390 tons (8%) compared to 2021. However, overall progress against 2005 base year is lower than percentage above indicates, as a large part of the reductions are due to the Jotun FPSO asset being off field for refurbishment. Emissions will increase as Jotun FPSO comes on field. The major actions to reach the 2030 target after Jotun FPSO is on field again include electrification of the Jotun/Ringhorne assets, and the Balder FPU asset going off field.

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

<Not Applicable>

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

Int 1

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

No, and we do not anticipate setting one in the next two years

**Target ambition**

<Not Applicable>

**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 (Metric tons CO2 per barrel of oil equivalent (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, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Intensity figure in base year for total 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, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure**  
<Not Applicable>

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

**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, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)**  
<Not Applicable>

**Intensity figure in reporting year for total 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)**

**Does this target cover any land-related emissions?**  
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year [auto-calculated]**  
<Calculated field>

**Target status in reporting year**  
Please select

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

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

<Not Applicable>

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

<Not Applicable>

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## C4.2

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**(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)

Other climate-related 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?**

No, it's not part of an overarching initiative

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

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

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

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

<Not Applicable>

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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**

Intensity

**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)**

Other, please specify (%)

**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**

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

<Calculated field>

**Target status in reporting year**

Underway

**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**

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

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

<Not Applicable>

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 two 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).

**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, and we do not anticipate setting one in the next two 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 or guarantees of origin.

**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**

Compensation for scope 2 emissions from office buildings started from 2021. Emissions from purchased electricity used on offshore assets (Goliat FPSO) will start 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, and we do not anticipate setting one in the next two 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 in up- and downstream transportation (ERR Vessels, PS Vessels, tankers) 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**

Emissions from selected vessels (standby and supply vessels, tankers) for up- and downstream 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

(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	1	150000
To be implemented*	8	21000
Implementation commenced*	2	1344
Implemented*	2	12472
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Other, please specify	Other, please specify (Flaring reductions)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

11714

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)

644000

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

50000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Initiative category & Initiative type

Other, please specify	Other, please specify (Drilling optimization - planning)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

758

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)

122000

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

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Operational planning optimization saving drilling rig time

## 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 is subject to emission allowances according to the EU Emission Trading System (EU ETS) and the specific offshore CO <sub>2</sub> -tax in Norway. These are both drivers for emission reduction initiatives. Norwegian regulations require that Vår Energi has an Energy Management System that is aligned with the ISO 5001 Energy Management standard, which significantly drives continuous improvement and emission reductions. The requirement of no production flaring and requirement of implementing a safety flaring strategy secures reduced emissions during flaring events due to safety reasons. The discharge permits for our activities have fixed allowances for methane emissions in tons/year.
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	Vår Energi has a company wide internal price on carbon emissions.
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	CO <sub>2</sub> 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.
Employee engagement	Vår Energi's Energy management processes and tools are set up to actively engage employees across our operations and support functions. Many of our emissions reduction and energy efficiency improvement opportunities initiatives are suggested by our employees, and Vår Energi has set up various channels and tools where employees can engage in this work.
Financial optimization calculations	Vår Energi has a company wide internal price on carbon emissions and effects of CO <sub>2</sub> and methane emissions are included in financial optimization calculations.
Internal finance mechanisms	Vår Energi has a company wide internal price on carbon emissions and the cost of CO <sub>2</sub> and methane emissions and/or savings from emissions reduction projects are included in budgets and other internal finance mechanisms.

## C4.5

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

No

## C-OG4.6

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

Reduction of methane emissions is an integrated part of Vår Energi's climate strategy and energy efficiency improvement/energy management initiatives towards 2030. We work on reducing methane emissions through maintaining and actively seeking to increasing uptime of implemented emissions reduction technology, use of new technology for vessels collecting our crude production and 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 processes, and assess to replace or upgrade as needed based upon criticality. 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).

In 2022 Vår Energi became a signatory to the OGCI Aiming for Zero Methane Emissions Initiative which aims to reach near zero methane emissions from operated oil and gas assets by 2030. In line with this, we are revising our decarbonisation plan to reinforce our effort to further reduce methane emissions at a faster pace and will develop a separate reduction plan for methane emissions.

12 per cent of gross direct (Scope 1) GHG emissions came from methane in 2022. The major sources to methane emissions from Vår Energi's assets is cold-venting (non-combustion) of natural gas for safety purposes, loading and storage of crude oil from our FPSO's and vessels offloading our production, 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 is regulated on volume allowed flaring and cold venting, and on total annual methane emissions from our assets.

Vår Energi has participated together with other operators and regulators in different projects and industry groups to develop understanding of methane emission sources from offshore assets and methane emissions quantification methodology; like the Low Emissions Senter and Offshore Norge groups. 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 methane emissions from offshore assets.

## 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

**(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.**

The protocol that is followed for methane leak detection and repair are the Offshore Norge **044 - Recommended guidelines for discharge and emission reporting and** Industry template – OGI "Leak/no-leak" method for quantification of small leaks and fugitive emissions. 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

**(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.**

Flaring is only allowed during safety events (i.e. safety flaring) on the Norwegian Continental Shelf, and flaring permits to regulate volume flared and cold vented are in place.

Vår Energi has maintained a high effort on flaring reductions from our offshore assets for several years, with significant reductions achieved the last years. Our CO<sub>2</sub> emissions from flaring has reduced with around 36 000 tonnes i 2022 compared to CO<sub>2</sub> emissions from flaring in 2020, this equated to a 65 % reduction. The amount of gas flared during safety events are minimalized through implementation of asset specific flaring strategies, which is aligned with Norwegian regulations and guidelines. Equipment modifications and adjusting operating practises offshore have also contributed to the flaring reductions seen the past years. Vår Energi also continuously work to reduce any cold-venting/cold-flaring which is a source to methane emissions and have in 2022 implemented measures that will yield a reduction in cold flaring in 2023.

Asset specific KPI's for volumes safety flared has been implemented, and performance according to this is 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

### C5.1

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

No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

Row 1

**Has there been a structural change?**

No

**Name of organization(s) acquired, divested from, or merged with**

<Not Applicable>

**Details of structural change(s), including completion dates**

<Not Applicable>

### C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

**(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)**

350000

**Comment**

Emissions included are from our operated assets, production drilling and well operations and exploration drilling. Base year is 2005 in alignment with the KonKraft climate strategy for the Norwegian oil and gas industry, and the Norwegian Government's 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**

January 1 2021

**Base year end**

December 31 2021

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

42000

**Comment**

This category includes emissions from service vessels and helicopters associated with Vår Energi's operations but where the company does not have operational control of the vessel itself. Emissions are calculated based on actual fuel use by the vehicles whilst they are engaged in services for Vår Energi.

**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

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

71000

Comment

Emissions are calculated based on fuel use during transport of crude oil from assets under operational control. Fuel use is estimated based on average fuel consumption per day and days spent loading, in transit, discharging and during the return transport leg.

**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.**

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

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

The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

Other, please specify (Offshore Norge 044 - Recommended guidelines for discharge and emission reporting, GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions)

**C6. Emissions data**

---

**C6.1**

---

**(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)**

181150

**Start date**

January 1 2022

**End date**

December 31 2022

**Comment**

AR5 factors are used for converting methane emissions to CO2 equivalents. CO2 and methane are included as CO2e.

**Past year 1**

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

195359

**Start date**

January 1 2021

**End date**

December 31 2021

**Comment**

AR5 factors are used for converting methane emissions to CO2 equivalents. CO2 and methane are included as CO2e.

**Past year 2**

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

207492

**Start date**

January 1 2020

**End date**

December 31 2020

**Comment**

AR5 factors are used for converting methane emissions to CO2 equivalents. CO2 and methane are included as CO2e.

**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. For 2022 reporting the NVE has provided the 2021 average emission factor for use of electricity in Norway as 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).

**C6.3**

---

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

**Reporting year**

**Scope 2, location-based**

4671

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

171123

**Start date**

January 1 2022

**End date**

December 31 2022

**Comment**

**Past year 1**

**Scope 2, location-based**

4714

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

173579

**Start date**

January 1 2021

**End date**

December 31 2021

**Comment**

**Past year 2**

**Scope 2, location-based**

3381

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

169879

**Start date**

January 1 2020

**End date**

December 31 2020

**Comment**

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

**C6.4a**

---



**(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source of excluded emissions**

Other purchased goods and services than steel.

**Scope(s) or Scope 3 category(ies)**

Scope 3: Purchased goods and services

**Relevance of Scope 1 emissions from this source**

<Not Applicable>

**Relevance of location-based Scope 2 emissions from this source**

<Not Applicable>

**Relevance of market-based Scope 2 emissions from this source**

<Not Applicable>

**Relevance of Scope 3 emissions from this source**

Emissions are relevant but not yet calculated

**Date of completion of acquisition or merger**

<Not Applicable>

**Estimated percentage of total Scope 1+2 emissions this excluded source represents**

<Not Applicable>

**Estimated percentage of total Scope 3 emissions this excluded source represents**

1

**Explain why this source is excluded**

Only partially calculated due to lack of data/poor data quality.

**Explain how you estimated the percentage of emissions this excluded source represents**

We have calculated emissions from purchase of steel, which is our largest source of emissions in this category. This amounts to less than 1% of the total scope 3 emissions. The emissions from the remaining, not-calculated goods and services are assumed to constitute emissions in a similar range.

---

**Source of excluded emissions**

Processing of sold products

**Scope(s) or Scope 3 category(ies)**

Scope 3: Processing of sold products

**Relevance of Scope 1 emissions from this source**

<Not Applicable>

**Relevance of location-based Scope 2 emissions from this source**

<Not Applicable>

**Relevance of market-based Scope 2 emissions from this source**

<Not Applicable>

**Relevance of Scope 3 emissions from this source**

Emissions are relevant but not yet calculated

**Date of completion of acquisition or merger**

<Not Applicable>

**Estimated percentage of total Scope 1+2 emissions this excluded source represents**

<Not Applicable>

**Estimated percentage of total Scope 3 emissions this excluded source represents**

0

**Explain why this source is excluded**

Due to insufficient information about product life-cycle after sale, we have not calculated emissions from processing of sold products separately.

**Explain how you estimated the percentage of emissions this excluded source represents**

Emissions from combustion of all sold volumes are included in Category 11: Use of sold products

---

## 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, calculated

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

86692

### Emissions calculation methodology

Spend-based method

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

0

### Please explain

Calculated for steel only.

## 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 year we were not able to separate capital goods from purchased goods and services, and capital goods is therefore included in category 1.

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

### Evaluation status

Relevant, calculated

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

29085

### Emissions calculation methodology

Fuel-based method

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

0

### Please explain

Data is based on our scope 1 & 2 consumption data of fuel and electricity. This year we updated our calculations to include T&D-losses in grid for Goliat and office-buildings. Emission factors are derived from DEFRA WTT and NVE.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

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

36662

### Emissions calculation methodology

Fuel-based method

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

100

### Please explain

Includes emissions from service vessels and helicopters associated with Vår Energi's operations but where the company does not have operational control of the vessel itself. Emissions are calculated based on actual fuel use by the vehicles whilst they are engaged in services for Vår Energi. Emission factors are from DEFRA 2022, Fuels (TTW).

## Waste generated in operations

### Evaluation status

Relevant, calculated

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

2341

### 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 our onsite generated waste by waste disposal method, including both hazardous and non hazardous waste. Emission factors are derived from DEFRA Waste Disposal.

## Business travel

### Evaluation status

Relevant, calculated

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

891

### 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 made by Vår Energi employees.

## Employee commuting

### Evaluation status

Relevant, calculated

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

268

### Emissions calculation methodology

Average data method

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

0

### Please explain

Emissions from employee commuting have been calculated in combination with SSB emission factors for vehicles from 2020 and internal data based on employee commuting patterns.

## 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

Not applicable for Vår Energi.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

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

82494

### Emissions calculation methodology

Fuel-based method

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

100

### Please explain

Emissions are calculated based on fuel use during transport of crude oil from assets under operational control. Fuel use is estimated based on average fuel consumption per day and days spent loading, in transit, discharging and during the return transport leg. Emission factor is from DEFRA for Marine Gas Oil.

## 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

Emissions from combustion of all sold volumes are included in Category 11: Use of sold products

## Use of sold products

### Evaluation status

Relevant, calculated

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

### Emissions calculation methodology

Methodology for direct use phase emissions, please specify (Greenhouse gases and products that contain or form greenhouse gases that are emitted during use)

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

0

### Please explain

For the calculation a direct-use phase method was applied, where we take a conservative approach and assume all sold products are used for energy through combustion. Emission factors are derived from IPCC.

## 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

Emissions from combustion of all sold volumes are included in Category 11: Use 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

Not applicable for Vår Energi.

## 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

Not applicable for Vår Energi.

## 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

Not applicable for Vår Energi.

**Other (upstream)**

**Evaluation status**

Not evaluated

**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**

Not applicable for Vår Energi.

**Other (downstream)**

**Evaluation status**

Not evaluated

**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**

Not applicable for Vår Energi.

C6.5a

---

**(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.**

**Past year 1**

**Start date**

January 1 2021

**End date**

December 31 2021

**Scope 3: Purchased goods and services (metric tons CO2e)**

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

15944

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

42051

**Scope 3: Waste generated in operations (metric tons CO2e)**

1401

**Scope 3: Business travel (metric tons CO2e)**

639

**Scope 3: Employee commuting (metric tons CO2e)**

92

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

60909

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**

9304083

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

**Scope 3: Investments (metric tons CO2e)**

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

Changes in methodologies and activities included means numbers in some categories are not comparable with other reported years.

**Past year 2**

**Start date**

January 1 2020

**End date**

December 31 2020

**Scope 3: Purchased goods and services (metric tons CO2e)**

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**  
15044

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**  
21679

**Scope 3: Waste generated in operations (metric tons CO2e)**  
144

**Scope 3: Business travel (metric tons CO2e)**  
420

**Scope 3: Employee commuting (metric tons CO2e)**  
88

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**  
52853

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**  
10092095

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

**Scope 3: Investments (metric tons CO2e)**

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

Changes in methodologies and activities included means numbers in some categories are not comparable with other reported years.

**C6.7**

**(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**

8

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

185821

**Metric denominator**

barrel of oil equivalent (BOE)

**Metric denominator: Unit total**

23278088

**Scope 2 figure used**

Location-based

**% change from previous year**

**Direction of change**

<Not Applicable>

**Reason(s) for change**

Please select

**Please explain**

CO2e reported as gross operated combined scope 1 and 2 emissions, production volumes gross operated

---

**Intensity figure**

9

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

135296

**Metric denominator**

barrel of oil equivalent (BOE)

**Metric denominator: Unit total**

14850356

**Scope 2 figure used**

Please select

**% change from previous year****Direction of change**

&lt;Not Applicable&gt;

**Reason(s) for change**

Please select

**Please explain**

CO2e including scope 1 emissions only, operated equity base. Production provided as BOE operated, equity base.

---

**Intensity figure**

9

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

138344

**Metric denominator**

barrel of oil equivalent (BOE)

**Metric denominator: Unit total**

14850356

**Scope 2 figure used**

Location-based

**% change from previous year****Direction of change**

&lt;Not Applicable&gt;

**Reason(s) for change**

Please select

**Please explain**

Scope 1 and scope 2 CO2 operated, equity based. Production operated, equity based.

---

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

949595

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

5754735413

**Scope 2 figure used**

Please select

**% change from previous year****Direction of change**

&lt;Not Applicable&gt;

**Reason(s) for change**

Please select

**Please explain**

Scope 1 CO2e equity based operated and partner operated assets.

---

C-OG6.12

---

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

**Unit of hydrocarbon category (denominator)**

Thousand barrels of crude oil/ condensate  
 Thousand barrels of natural gas liquids  
 Million cubic feet of natural gas

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

9

**% change from previous year**

5

**Direction of change**

Increased

**Reason for change**

Lower production in 2022 vs 2021 from our operated assets

**Comment**

**C-OG6.13**

**(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**

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

0.03

**Details of methodology**

Total operated tonnes methane, equity based / total hydrocarbon tonnes operated production, equity based.  
 Conversion from boe hydrocarbon production via Sm3 to tonnes for methane comparison uses factors provided by the Norwegian Petroleum Directorate <https://www.npd.no/en/about-us/use-of-content/conversion-table/> .  
 Estimated total operated, equity based methane emitted expressed as % of total hydrocarbon production operated, equity based = 0.03 %

**C7. Emissions breakdowns**

**C7.1**

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

Yes

**C7.1a**

**(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	157869	IPCC Fifth Assessment Report (AR5 – 100 year) <i>157868,559 tonnes CO2</i>
CH4	23281	IPCC Fifth Assessment Report (AR5 – 100 year) <i>831.469 tonnes CH4</i>

**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**

Combustion (excluding flaring)

**Value chain**

Upstream

**Product**

Unable to disaggregate

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



138319

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

11

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

138613

**Comment**

Gross Scope 1 methane emissions (metric tons CH4) = 10.5 is rounded up to 11.

---

**Emissions category**

Flaring

**Value chain**

Upstream

**Product**

Unable to disaggregate

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

19550

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

17

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

20035

**Comment**

Vår Energi 2022 Sustainability report reports these emissions under the category of Stationary Combustion.

---

**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)**

720

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

15172

**Comment**

Vår Energi 2022 Sustainability report reports these emissions under the category of Fugitive emissions and Process emissions. Process emissions reported in the Vår Energi 2022 Sustainability report includes emissions from loading and storage. The CDP guidance classification for C-OG7.1b has been used for reporting Venting emissions here.

---

**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)**

84

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

2351

**Comment**

Vår Energi 2022 Sustainability report reports these emissions under the category of Fugitive emissions, and combined with venting emissions. The CDP guidance classification for C-OG7.1b has been used for reporting Fugitives emissions here.

---

## C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
Norway	181150

---

### 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	176761
Exploration	4389

### 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	141903	59	2
Goliat	34858	71	22
Lupa exploration well	2791		
Countach exploration well	1598		

### 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	171782
Exploration	4389
Loading and storage of oil	4979

### 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)	181150	<Not Applicable>	
Oil and gas production activities (midstream)	0	<Not Applicable>	
Oil and gas production activities (downstream)	0	<Not Applicable>	
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/area/region.**

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Norway	4671	171123

## C7.6

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

- By business division
- By facility
- By activity

## 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	4671	171123
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	4638	170776
Exploration	0	0
Office buildings and activities, combined onshore support for all facilities listed above	33	347

## C7.6c

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

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Office buildings and activities, combined support for Operations and Development and Exploration	33	347
Operation and Development	4638	170776

## C7.7

**(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

Not relevant as we do not have any subsidiaries

## 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)	4671	171123	Number includes scope 2 emissions from Goliat offshore facility and onshore buildings.
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?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	43	Decreased	1	Location based factor used. Energy reduction for the Goliat operations mainly due to compressor rebundle.
Other emissions reduction activities	13816	Decreased	7	Sum of emissions reduction measures with flaring reductions and increased energy efficiency onboard all offshore assets: - Compressor valve changes, operational mode changes, flaring strategy - Wet gas compressor modifications - Nitrogen Unit modifications to stop cold venting operations. Full effect is expected for 2023 with 10-12000 tonnes GHG reduced compared to 2022 emissions. - Cooling medium system modifications. - Optimal scheduling and activity planning in exploration drilling, one week rigtime saved.
Divestment	0	No change		
Acquisitions	0	No change		
Mergers	0	No change		
Change in output	0	No change		
Change in methodology	0	No change		
Change in boundary	0	No change		
Change in physical operating conditions	0	No change		
Unidentified	0	No change		
Other	1574	Decreased	1	Reduced emissions from loading operations due to new technology on ships.

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## 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	No

### 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	553143	553143
Consumption of purchased or acquired electricity	<Not Applicable>	427729	0	427729
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>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	427729	553143	980871

**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**

**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 biomass**

**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**

**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**

**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**

**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**

151841

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

151841

**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 non-renewable fuels (e.g. non-renewable hydrogen)**

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

401301

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

401301

**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**

Diesel (low sulfur) used as fuel in engines and dual-fuel turbines.

**Total fuel**

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

553142

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

553142

**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**

C8.2e

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**(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.**

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

Norway

**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**

Large hydropower (>25 MW)

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

421669

**Tracking instrument used**

Contract

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

Norway

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

Yes

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

2013

**Comment**

2013 is based upon completion of the Hyggevatn transformer station supplying electricity to the Goliat field.

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**C8.2g**

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**(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.**

**Country/area**

Norway

**Consumption of purchased electricity (MWh)**

427729

**Consumption of self-generated electricity (MWh)**

0

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

<Not Applicable>

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

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

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

427729

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**C9. Additional metrics**

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**C9.1**

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

Waste

**Metric value**

13625

**Metric numerator**

Tons

**Metric denominator (intensity metric only)****% change from previous year**

10

**Direction of change**

Decreased

**Please explain**

The metric value refers to hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average in tons. The hazardous waste generated in 2022 were 10,33% less than generated in 2021.

**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	46	
Natural gas liquids, million barrels	6	
Oil sands, million barrels (includes bitumen and synthetic crude)	0	
Natural gas, billion cubic feet	163	27 115 boe (1000)

**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/areas, 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	1070		1070	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	77			3P reserves not disclosed. Includes 2P reserves of NGL of 55 mmboe.
Natural gas	23			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 development types as assets located inside the Arctic Circle - north of the 66 degrees north latitude. The number provided includes assets in the Norwegian Sea that does not have Arctic conditions (in terms of light, icing, icebergs, tundra etc).

**Development type**

Deepwater

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

60

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

37

**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 (%)**

30

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

39

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

41

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

**Net total resource base (%)**

**Comment**

C-OG9.5a/C-CO9.5a

(C-OG9.5a/C-CO9.5a) Break down, by fossil fuel expansion activity, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

	CAPEX in the reporting year for this expansion activity (unit currency as selected in C0.4)	CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year	CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years	Explain your CAPEX calculations, including any assumptions
Exploration of new oil fields	33	62	28	
Exploration of new natural gas fields	20	38	11	
Expansion of existing oil fields	501	62	42	
Expansion of existing natural gas fields	313	38	19	
Development of new coal mines	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Expansion of existing coal mines	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

(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 2022, 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 (unit currency as selected in C0.4) (optional)	Average % of total R&D investment planned over the next 5 years	Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Carbon capture, utilization, and storage (CCUS)	Applied research and development	5	5000000	1	The NCCS research center is looking at technology development of CCS through the entire value chain and in this way will help us developing our CCS activity within our company. CCS technology can be an enabler for decarbonising our products. The project will end in 2024.
Carbon capture, utilization, and storage (CCUS)	Pilot demonstration	2	5000000	1	The LINCCS project is looking at the acceleration of CCS deployment via : power hub development, CCS on board ships, re-use of existing infrastructure for carbone storage and sub sea technology needs for CO* injection and storage. The project will end in 2025
Hydrogen	Basic academic/theoretical research	0		2	Vår Energi participation in this project is about following the technology development across the Hydrogen value chain which can impact the CCS activities as well as Gas production and gas processing activities. The project was initiated in 2022 but first invoice came in 2023. The project will end in 2031
Other, please specify (Low Emission)	Applied research and development	3	2500000	3	The Low Emission research Center is addressing technology needs and development for decarbonisation of the offshore industry and is therefore important for Vår Energi decarbonisation's plan. The project will end in 2026
Alternative liquid fuels	Applied research and development	0	3000000	2	This project named AMAZE, with Bergen Engines is looking at alternative fuels (ammonia) as a power supply to ship engines. The project will end in 2024.

### 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.

74

### 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)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

#### 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\_Goliat\_AER\_2022\_Verification\_Report\_approved.pdf

Vår\_Energi\_BalderRinghorne\_AER\_2022\_Verification\_Report\_approved.pdf

Vår\_Energi\_Marulk\_AER\_2022\_Verification\_Report\_approved.pdf

**Page/ section reference**

**Relevant standard**

European Union Emissions Trading System (EU ETS)

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

100

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**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vår\_Energi\_Sustainability\_report\_2022.pdf

**Page/ section reference**

Page 111

**Relevant standard**

ISAE3000

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

100

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**C10.1b**

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(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vår Energi Sustainability report 2022.pdf

**Page/ section reference**

Page 111

**Relevant standard**

ISAE3000

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

100

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**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vår Energi Sustainability report 2022.pdf

**Page/ section reference**

Page 111

**Relevant standard**

ISAE3000

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

100

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## C10.1c

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(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

**Scope 3 category**

Scope 3: Purchased goods and services

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

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Downstream transportation and distribution

Scope 3: Use of sold products

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Vår Energi Sustainability report 2022.pdf

**Page/section reference**

Page 111

**Relevant standard**

ISAE3000

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

100

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## C10.2

**(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?**

Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Other, please specify (EU ETS verification)	<ol style="list-style-type: none"> <li>1) Commission implementing Regulation (EU) No. 2018/2067 on verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC as updated by Commission Implementing Regulation (EU) No.2020/2084</li> <li>2) EN ISO 14065 - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition.</li> <li>3) EN ISO 14064-3:2019 Specification with guidance for the validation and verification of GHG assertions</li> <li>4) IAF MD 6:2014 International Accreditation Forum (IAF) Mandatory Document for the Application of ISO 14065:2013 (Issue 2, March 2014)</li> <li>5) Guidance developed by European Commission Services on verification and accreditation in relation to the ALCR and FAR</li> <li>6) EA-6/03 European Co-operation for Accreditation Guidance For the Recognition of Verifiers under EU ETS Directive</li> </ol>	<p>DNV has verified Vår Energi's CO2 emissions data as part of the independent third-party verification required by law under EU ETS. Norwegian authorities have approved both the discharge reports and the verification by DNV, conducting their own review of submitted data in addition.</p> <p>Vår_Energi_Goliat_AER_2022_Verification_Report_approved.pdf  Vår_Energi_BalderRinghorne_AER_2022_Verification_Report_approved.pdf  Vår_Energi_Marulk_AER_2022_Verification_Report_approved.pdf</p>
C6. Emissions data	Other, please specify (EU ETS verification)	<ol style="list-style-type: none"> <li>1) Commission implementing Regulation (EU) No. 2018/2067 on verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC as updated by Commission Implementing Regulation (EU) No.2020/2084</li> <li>2) EN ISO 14065 - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition.</li> <li>3) EN ISO 14064-3:2019 Specification with guidance for the validation and verification of GHG assertions</li> <li>4) IAF MD 6:2014 International Accreditation Forum (IAF) Mandatory Document for the Application of ISO 14065:2013 (Issue 2, March 2014)</li> <li>5) Guidance developed by European Commission Services on verification and accreditation in relation to the ALCR and FAR</li> <li>6) EA-6/03 European Co-operation for Accreditation Guidance For the Recognition of Verifiers under EU ETS Directive</li> </ol>	<p>DNV has verified Vår Energis CO2 emissions data as part of the independent third-party verification required by law under EU ETS. Norwegian authorities have approved both the discharge reports and the verification by DNV, conducting their own review of submitted data in addition.</p> <p>Vår_Energi_Goliat_AER_2022_Verification_Report_approved.pdf  Vår_Energi_BalderRinghorne_AER_2022_Verification_Report_approved.pdf  Vår_Energi_Marulk_AER_2022_Verification_Report_approved.pdf</p>
C7. Emissions breakdown	Other, please specify (EU ETS verification)	<ol style="list-style-type: none"> <li>1) Commission implementing Regulation (EU) No. 2018/2067 on verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC as updated by Commission Implementing Regulation (EU) No.2020/2084</li> <li>2) EN ISO 14065 - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition.</li> <li>3) EN ISO 14064-3:2019 Specification with guidance for the validation and verification of GHG assertions</li> <li>4) IAF MD 6:2014 International Accreditation Forum (IAF) Mandatory Document for the Application of ISO 14065:2013 (Issue 2, March 2014)</li> <li>5) Guidance developed by European Commission Services on verification and accreditation in relation to the ALCR and FAR</li> <li>6) EA-6/03 European Co-operation for Accreditation Guidance For the Recognition of Verifiers under EU ETS Directive</li> </ol>	<p>DNV has verified Vår Energis CO2 emissions data as part of the independent third-party verification required by law under EU ETS. Norwegian authorities have approved both the discharge reports and the verification by DNV, conducting their own review of submitted data in addition.</p> <p>Vår_Energi_Goliat_AER_2022_Verification_Report_approved.pdf  Vår_Energi_BalderRinghorne_AER_2022_Verification_Report_approved.pdf  Vår_Energi_Marulk_AER_2022_Verification_Report_approved.pdf</p>

## C11. Carbon pricing

### C11.1

**(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

**(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**

100

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

0

**Period start date**

January 1 2022

**Period end date**

December 31 2022

**Allowances allocated**

32782

**Allowances purchased**

120704

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

153486

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

0

**Details of ownership**

Facilities we own and operate

**Comment**

Production drilling activities are covered by the EU ETS. As such the number above includes emissions from our production drilling activities by facilities (drilling rigs) we hire from rig owners and rig owners operate as principal enterprise.

C11.1c

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

**Norway carbon tax**

**Period start date**

January 1 2022

**Period end date**

December 31 2022

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

100

**Total cost of tax paid**

8417727

**Comment**

CO2 tax is paid for volume natural gas burned, natural gas unburned (i.e cold vented in flare systems) and for diesel usage.

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 costs 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 canceled any project-based carbon credits within the reporting year?

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.**

**Type of internal carbon price**

Shadow price

**How the price is determined**

Other, please specify (In line with Norwegian government statement of increasing total Co2 cost (Co2 tax + Co2 quota in EU ETS) to NOK 2000 pr ton in 2030 (real term))

**Objective(s) for implementing this internal carbon price**

Change internal behavior  
Drive energy efficiency  
Drive low-carbon investment  
Identify and seize low-carbon opportunities  
Navigate GHG regulations  
Stakeholder expectations  
Reduce supply chain emissions

**Scope(s) covered**

Scope 1  
Scope 2

**Pricing approach used – spatial variance**

Uniform

**Pricing approach used – temporal variance**

Evolutionary

**Indicate how you expect the price to change over time**

The carbon price is not a fixed number, but a price projection rising annually, 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 (170 usd/ton) to 240 usd/ton in 2030 (real terms 2022). This is in line with Norwegian government statement of increasing the total Co2 cost to nok 2000 pr ton in 2030.

**Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)**

170

**Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)**

240

**Business decision-making processes this internal carbon price is applied to**

Other, please specify (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 out portfolio robust. )

**Mandatory enforcement of this internal carbon price within these business decision-making processes**

Yes, for all decision-making processes

**Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan**

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 GHG emissions data at least annually from suppliers

**% of suppliers by number**

8

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

30

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

50

**Rationale for the coverage of your engagement**

---



Dialogue with 17 of our main suppliers to map our Scope 3 emissions from the work they provide to us

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

Suppliers with the highest impact to environmental emissions must report emissions over the work provided to VE, measures being taken to limit and/or reduce those, and how to measure them according to Greenhouse Gas protocol.

**Comment**

This began with a letter sent in May 2022, and followed by another letter in November 2022; in both of them, our suppliers provided information over their emissions when working for our company, how are they working to reduce or mitigate them, and what can we together do to improve it. This joint effort between both company and suppliers is bringing several initiatives in order to optimize our emissions and raising importance this subject as a way to further strength the work together.

---

**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Invest jointly with suppliers in R&D of relevant low-carbon technologies

**% 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**

Circular economy projects to reduce transport of goods and warehouse stock level

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

Reduce stock level in 20%, and implement 3D printing in remote warehouses to reduce goods transport frequency by 25%. Evaluation of these initiatives from statistics of our road transport supplier.

**Comment**

Circular economy and collaboration initiatives such as AM/3D printing, 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 (within NOROG companies)

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**Type of engagement**

Other, please specify (Optimization of logistic platform)

**Details of engagement**

Other, please specify (Energy efficiency)

**% of suppliers by number**

1

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

1

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

1

**Rationale for the coverage of your engagement**

Reorganizing and optimizing the circulation of road transport in one of our logistic platforms/warehouse

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

Minimize unnecessary emissions from road vehicles due to lost time on loading and unloading activities. The identified reduction of CO2 emissions by the reduced driving distances in our logistic base was 30% of the previous 23ton CO2 per year.

**Comment**

Norwegian Logistic Project (NLP) aims at reducing inefficiencies on warehouses and logistic platforms, optimizing it to the needs and making these easily adjustable to any change of requirements. The above identified reduction of CO2 emissions by the reduced driving distances in our logistic bases was just one of the steps of this project, and all reductions of emissions count, small or large, to make this a successful work. Even if the provided example is a small save, it is being used as an example of quick actions we can have with immediate emissions reductions.

---

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Climate change performance is featured in supplier awards scheme

**% of suppliers by number**

1

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

1

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

1

**Rationale for the coverage of your engagement**

New contracts include KPIs over reduction of environmental emissions, or actions which lead to reduction of emissions associated with the performance of supplier's work or service.

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

Contract award and contract's remuneration along its duration is linked to environmental emissions performance and optimizations, through use of performance KPIs from supplier, periodically assessed.

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**Comment**

Examples: catering contract awarded in 2022 requires supplier to use mostly food and products from local sources. After six months of use, it was reported that 79% of the meat we use in catering offshore comes from Norwegian suppliers. The use of local producers reduces transport requirements and overall environmental emissions, besides creating positive effects in local society.

---

**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Invest jointly with suppliers in R&D of relevant low-carbon technologies

**% of suppliers by number**

1

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

3

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

5

**Rationale for the coverage of your engagement**

Cooperate with industry development over low-carbon technologies for marine vessels at offshore Oil&Gas service, namely vessel onboard carbon-capture and storage (CCS) technology.

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

Reduce CO2 emissions from marine vessels - targeted at 70% reduction by 2050 (IMO's target) by developing technology that can be used at most of marine vessels and contribute to reductions above 50% from today's level.

**Comment**

Vessel onboard carbon-capture and storage (CCS) technology, a project co-funded by Vår Energi which aims to demonstrate application and develop feasibility of installing a CO2 carbon capture unit on a vessel. This technology aims at removing up to 80% of CO2 at exhaust of marine propulsion engines of the vessel, and is identified as one of the key actions to achieve marine emissions reduction by 2050. Project is led by marine motors supplier Wärtsilä and consists of both a land-based CCS installation in Norway and development and practical marine pilot project with a vessel under permanent service to Vår Energi.

---

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

**% of suppliers by number**

1

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

4

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

5

**Rationale for the coverage of your engagement**

GHG emission reduction incentive scheme on drilling rig. The increased efficiency of the drilling rig (reduction of fuel consumption) is subsidized, and the savings are mostly invested on technological development in the rig which shall result in reduction of environmental emissions.

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

Subsidized efficiency in the drilling rig is measured by fuel savings, and the benefit is converted into technical and operational development that reduces GHG emissions. Fuel reduction and lower scope 3 emissions are permanently monitored for evaluation. In the first year of this initiative agreement, it is found a 5,6% reduction in fuel consumption which equates to a total of ~730 m3 reduction in fuel consumption over a 365 day period. This reflects in reduction of emissions by -1964 Ton CO2 and -32 Ton NOx in one year.

**Comment**

Has been running in 2022 and shall be further developed in 2023.

---

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Other, please specify (Directly work with suppliers over energy efficiency and emission reduction mechanisms)

**% of suppliers by number**

5

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

5

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

5

**Rationale for the coverage of your engagement**

Vår Energi Energy Management team 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 can do together to improve energy efficiency.

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

In 2022, we had several meetings and 7 of those suppliers came with suggested actions for energy efficiency and emissions reduction. These are registered in our management and improvement system, and a few of them were set as improvement projects, with practical outcome of energy and emissions after the investment in its implementation.

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**Comment**

Example of one project: from September to December 2022, remote monitoring of two offshore water injection pumps and use of artificial intelligence to evaluate the pumps performance and consumption against the optimal achievable conditions. Based on this, diagnose the needed adjustments to reduce their power consumption, and therefore reduce its emissions - concluded as a 520 Ton CO2 reduction per year after modification of pumps. This is now in the list of modifications to be implemented offshore for 2024.

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**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms

**% of suppliers by number**

10

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

15

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

15

**Rationale for the coverage of your engagement**

Here we present a list of initiatives that were started in 2022, but will only reflect on results from 2023, and therefore are presented as new initiatives we are taking to further reduce the impact of our activities and of the suppliers working for us within our business.

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

Initiatives that involve direct work with suppliers for motivating and including them in our commitments, while learning from them at the same time, with the aim of reducing environmental emissions impact:

- i) Diagnose and optimization study from Boston Consulting Group over all warehouse bases and logistics (helicopter, marine and road transport). See note over this in 'comment' box below;
- ii) Setting up improvement agenda with all strategic suppliers over yearly environmental emissions reduction targets;
- iii) Expand the periodic dialogue with suppliers over scope 3 emissions to 50% of all existing suppliers;
- iv) Reinforce the environmental emissions requirements for all agreements, especially strategic and critical contracts, in a way that is linked with our own emissions reduction commitments.

**Comment**

The optimization study mentioned in i) in the above box is comprising of a thorough analysis to all logistic bases and main logistic transport solutions used in our business, and is done in conjunction with other oil&gas operators to look for possible synergies on sharing/using logistic solutions. Preliminary estimates point to a possible saving of 21% in our emissions related with logistic transport and warehouses/bases when fully optimized. Final numbers are not known, in any case it is a large and relevant effort done to cut emissions where we can by looking into all possible solutions.

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**C12.1b**

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**(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, and also together with the oil and gas industry in Norway through the VOCIC (Volatile Organic Compounds Industry Cooperation) work. The new shuttle tankers have the possibility to operate on LNG in combination with LVOIC (Liquified Volatile organic compound) captured from the cargo loading. One vessel has already been delivered and operational January 2023 for the Goliat operations, and the second vessel is expected delivered during Q3 2023. In addition to significantly reducing the nmVOC (non-methane volatile organic compounds) emissions from offshore loading of crude, the technology is also lowering methane emissions as methane is captured and used as fuel onboard the vessels.

**Type of engagement & Details of engagement**

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
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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 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 Energi 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 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 Gassco operated gas transport systems but is a major user of the system. We are participating in various shipper forums organized by Gassco to discuss changes to the transportation network that could facilitate reduced GHG 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 GHG emissions will be reduced. This as a result of a cooperation between the infrastructure owners and the shippers. Vår Energi is also co-funding feasibility studies coordinated by Gassco related to the transport of Hydrogen and CO2 (i.e. Captured carbon).

**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**

Climate-related disclosure through a non-public platform

**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.

We require our suppliers to comply with Magnet JQS registration, including the report of their main climate-related impact, namely its §"5.4 Environmental risk management", and environmental statistics for the previous five years in §"9.2 Statistics"

**% 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**

95

**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**

Sustainability is evaluated during the tendering process up to 30% of total evaluation weight, where this is material and feasible. Specifically for any new agreement with a supplier, it is performed an assessment of the greenhouse gases (GHG) emissions potential for that work. This is part of the Sustainability evaluation criteria assessment done between Supply Chain and Sustainability departments and prioritizes the suppliers and works that are GHG intensive, such as transportation and logistics operations, or high-emissions goods production such as steel, cement and chemicals.

For all identified cases, supplier is required to present details of their efforts to limit and further reduce GHG emissions by

- i) providing answers to relevant questions, such as 'Tenderer to present most updated CO2equiv./unit emissions from your activity'
- ii) Report yearly improvements against contracted KPIs such as 'Reduction in % of Co2e emissions/year'

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

80

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

90

**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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**C12.3**

**(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**

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

**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)**

Policy - Sustainability.pdf

**Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan**

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 is a member of, or 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 (Offshore Norge)

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

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

Our position is consistent with Offshore Norge's position on climate:

- We 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.

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

**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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**Trade association**

Other, please specify (International Association of Oil & Gas Producers)

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

Consistent

**Has your organization attempted to influence their position in the reporting year?**

No, we did not attempt to influence their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

Our position is consistent with the IOGP position, as outlined in the IOGP position paper on climate change:

The International Association of Oil & Gas Producers (IOGP) welcomes the Paris Agreement and supports the international community's commitment to address the global challenge of climate change. We believe that the oil & gas industry is part of the solution to this challenge, which should be addressed while meeting society's future energy needs. The long-term objective of any climate change policy should be to reduce the risk of serious impacts on society and ecosystems, while recognising the importance of availability, reliability and affordability of energy to society, which is essential to human prosperity and well-being. As per the International Energy Agency's (IEA) 2019 Sustainable Development Scenario, oil and gas demand will remain strong across the globe for decades to come. It is forecast to supply 47% of the world's energy demand in 2040. This requires investment in existing and future fields.

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

**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**

Var-Energi-Annual-report-2022.pdf

**Page/Section reference**

Page 11, 37-39, 50, 114-116

**Content elements**

Governance  
Strategy  
Risks & opportunities

**Comment**

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

Vår Energi Sustainability report 2022.pdf

**Page/Section reference**

Page 15-29

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

**C12.5**

**(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	UN Global Compact Other, please specify (OGCI Aiming for Zero Methane Emissions Initiative)	Signatory to both

**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	SDG

**C15.3**

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

**Impacts on biodiversity**

**Indicate whether your organization undertakes this type of assessment**

Yes

**Value chain stage(s) covered**

Direct operations

**Portfolio activity**

<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**

Other, please specify

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**

Vår Energi has developed and updates annually an biodiversity assessment capturing and evaluating the significant impacts of activities, products, and services on biodiversity from our direct operations in Norway. The associated outcomes are that the extent of areas impacts are local at the facilities subsurface, and that environmental monitoring of the seabed at Balder and Ringhorne indicate insignificant impacts at 250 m distance from well sites and outwards. The environmental monitoring at Goliat indicate insignificant impacts (not detectable) on the local seabed conditions.

The assessment covers the following elements:

- if the area is covered by a Norwegian national management plan issued by the authorities and relevant content for biodiversity,
- if the area is located in or near SVOs (particular valuable or vulnerable areas) as defined by the Norwegian authorities,
- if the operations are located near or in marine protection areas, fish spawning areas, seabird colonies, marine mammals, marine habitats, Ramsar sites, seabed fauna diversity and contaminants, and results of water column monitoring conducted.

The assessment also covers and describes the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

- Construction or use of manufacturing plants, mines, and transport infrastructure;
- Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
- Introduction of invasive species, pests, and pathogens;
- Reduction of species;
- Habitat conversion;
- Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).
- Significant direct and indirect positive and negative impacts with reference to species affected, extent of areas impacted, duration of impacts and reversibility or irreversibility of the impacts.

**Dependencies on biodiversity**

**Indicate whether your organization undertakes this type of assessment**

No, but we plan to within the next two years

**Value chain stage(s) covered**

<Not Applicable>

**Portfolio activity**

<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**

<Not Applicable>

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**

<Not Applicable>

**C15.4**

**(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?**

Yes

**C15.4a**



**(C15.4a) Provide details of your organization’s activities in the reporting year located in or near to biodiversity -sensitive areas.**

**Classification of biodiversity -sensitive area**

Other biodiversity sensitive area, please specify (The Barents Sea)

**Country/area**

Norway

**Name of the biodiversity-sensitive area**

The Goliat field is located within the Norwegian management plan area for the Barents Sea-Lofoten, and the Particularly Valuable and Vulnerable Areas Tromsøflaket and Coastal Areas are overlapping with the Goliat field location.

**Proximity**

Overlap

**Briefly describe your organization’s activities in the reporting year located in or near to the selected area**

Oil and gas production: Goliat

The size of the Goliat operational site when including subsea templates and pipelines is approximately 30 km2.

Exploration drilling: Lupa and Countach

The Lupa and Countach exploration wells are located northeast of Goliat.

**Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity**

Yes, but mitigation measures have been implemented

**Mitigation measures implemented within the selected area**

Site selection

Project design

Scheduling

Physical controls

Operational controls

Abatement controls

Other, please specify (High focus on spills prevention and implemented strong spill response capabilities.)

**Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented**

Development of the oil and gas industry in the Barents Sea is closely regulated by the Norwegian authorities through the Management Plans for Norwegian Sea Areas (White Paper 20, 2019-2020). Vår Energi adheres to the Norwegian Act on the Management of Nature Diversity which states that nature, with its biological, landscape and geological diversity and ecological processes, shall be preserved through sustainable use and protection so that it provides the basis for human activities, culture, health and well-being, now and in the future.

Oil and gas production: Goliat:

The marine area has high environmental value (i.e. area with larger accumulations of marine species during the year or specific periods of the year) and high vulnerability to acute oil spills. Equally important are the three Ramsar areas (valuable wetlands) close to the coast in Finnmark, where important sea bird nesting areas are located and are highly vulnerable to oil pollution. Hence, the focus on reducing risks for accidental oil spills to sea.

Vår Energi has over several years actively contributed to the oil spill prevention response in the Norwegian North, and continue to support this important work. The Goliat installation does not discharge produced water to sea, it has a 100 % reinjection rate. This is significantly reducing pollution and is a strong mitigation measure implemented to reduce negative impact on biodiversity. The environmental conditions on the seabed around the Goliat templates have been monitored for more than ten years. No significant impact on the seabed has been identified from drilling operations. We have neither identified a reduction of species, nor introduction of invasive species, pests and pathogens, nor changes in ecological processes outside the natural range of variation as a result of our operations activities.

Exploration drilling in 2022 - Lupa and Countach:

The exploration wells are located northeast of Goliat. This marine area has high environmental value. A location-specific environmental risk and oil spill emergency preparedness analysis was performed before the operation to assess the potential environmental impacts from a significant oil spill. The environmental risks were identified to be acceptable. We also investigated the environmental resources in the well areas with location-specific seabed surveys. At the end of the operation, the wells are plugged and abandoned. The local seabed conditions a few dozen metres from the drilling locations were influenced by discharges of drill cuttings and water-based drilling mud. These discharges are governed by the discharge permit issued by the national regulator, and the license terms also include allowed timings of drilling activities in the area. We have neither identified a reduction of species, nor any changes in ecological processes outside the natural range of variation as a result of our exploration activities.

**C15.5**

**(C15.5) 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	Law & policy

**C15.6**

**(C15.6) 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.)

C15.7

(C15.7) 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	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Biodiversity strategy	Pages 34-38 Vår Energi Sustainability report 2022.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