Sustainability Report 2022

vår energi

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About Vår Energi

Vår Energi ASA is a Norway-based company headquartered in Sandnes, with offices in Hammerfest and Oslo. We are an oil and gas producing company operating four fields located in the Barents Sea, the Norwegian Sea and the North Sea. We have equity stakes in a total of 36 fields, producing a net total of 220 kboepd of oil and gas in 2022. All our operations are in Norway.

Vår Energi purchased goods and services for about NOK 16.3 billion and engaged around 800 tier-one suppliers in 2022. The suppliers are generally contracted for services such as engineering, equipment and drilling and well services, or leasing of rigs and marine services. Materials or equipment are mostly sent offshore to our assets or onshore projects either directly or through our supply bases in Stavanger and Hammerfest.

Key figures 2022

Employees
977

Feamle leaders
25%

Purchased goods and services
16.3
NOK billion

Direct suppliers engaged
800

GHG emissions
CO_2e
-7.8%
scope 1, operational control

CO_2 intensity
CO_2
9
kg/boe, scope 1, operational control

Total recordable injury frequency
3.2

Serious incident frequency
1.0

The crude oil and Natural Gas Liquids (NGL) that we produce is generally sold on a Free on Board (FOB) basis. Under our FOB contracts, purchasers provide the necessary shipping capacity to offtake the product in line with the relevant field or terminal's lifting programme. The natural gas is transported through the Norwegian pipeline grid and sold at exit points in the UK, Germany and France. Oil & NGL are sold under long term agreements, while gas is sold under a mix of short- and long-term contracts to wholesalers. Downstream entities are all third parties, located in the UK, Italy, Germany, France, Switzerland and Norway.

In December 2022, Vår Energi became a signatory to the UN Global Compact, further strengthening our commitment to meet fundamental responsibilities in four areas: human rights, labour, environment and anti-corruption.

The company was listed on the Oslo Stock Exchange with the ticker VAR in February 2022. There were no significant changes to the organisation's activities, value chain or business relationships in 2022.

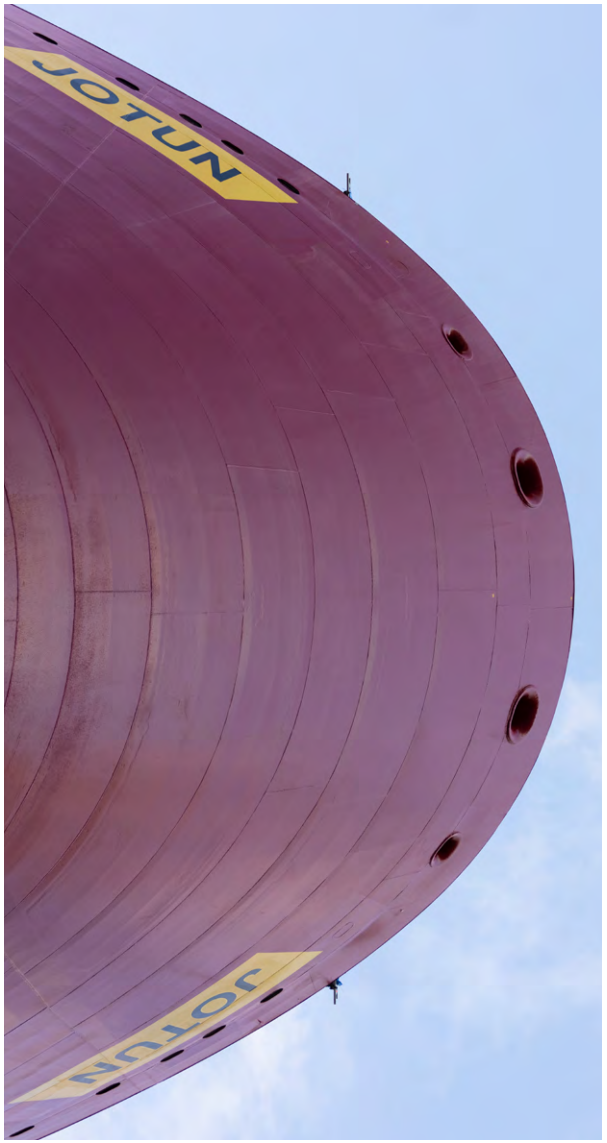
Reporting practices

Vår Energi has reported in accordance with the GRI Oil and Gas Sector Standard 2021 for the period from 1 January 2022 to 31 December 2022. The annual sustainability reporting period and the entities included are aligned with the financial reporting. The boundaries for sustainability reporting is focused on assets where Vår Energi has operational control. Unless specified the report does not include data from equity interest fields/projects, such as joint ventures, where we are not the operator.

This report has been reviewed by senior managers for relevant disciplines and business units, executive management team and the Safety and Sustainability Committee and has been approved by the executive management team and Board of Directors. This review includes the material topics.

PwC, as our independent auditors, has provided limited assurance on the GRI Content Index and selected key performance indicators (KPIs) marked by "☑" in this report.

There are no restatements of significant information from previous reporting periods. The criteria for determining significance is both quantitative and qualitative. A change of more than five per cent in a reported number may be considered significant if the change is likely to impact information users' decision-making. Minor changes and corrections are commented where applicable.



Letter from the CEO

Sustainability is at the core of all our activities and a prerequisite for everything we do. As one of the leading oil and gas companies in Norway and a major supplier of energy to Europe, we have the potential to contribute to sustainable development through our own activities and in our value chain. This is why we have made the commitment to deliver a better future, working towards:

- a stable and secure energy supply with lower greenhouse gas emissions
- responsible management of natural resources
- a solid flow of revenue for our owners and the broader Norwegian society – based on increased energy production for our customers in Europe.

Last February Vår Energi was listed on the Oslo Stock Exchange. However, there was a dark backdrop to the celebrations. Just a few days later, war came to Europe with Russia's invasion of Ukraine. The war has severe consequences - most of all for the people of Ukraine – but it also has a significant impact on energy security in Europe, underscoring the importance of stable and secure energy from the Norwegian oil and gas industry.

We are on track with our 50 per cent production growth to 350 kboepd by year-end 2025. This will be done while delivering on our sustainability and ESG targets, including our GHG emission reduction targets.

It is our ambition to be an ESG leader on the Norwegian continental shelf (NCS) through safe, healthy, secure, environmentally friendly, and sustainable operations throughout the value chain. This goes hand-in-hand with efficient operations, well executed projects and strong drilling and well operations. We will achieve this through extensive collaborations with highly skilled partners and suppliers and dialogue with trade unions and the authorities.

Safety will always be our first priority and we will never compromise on safe operations. I want Vår Energi to become the best, measured in safety, working environment, value creation and job satisfaction. I am very pleased to see that we have a good trend regarding operational safety. However, we are seeing too many incidents related to dropped objects. Turning this trend is a short-term priority.

Reducing our GHG emissions is another priority. Global GHG emissions must be sharply reduced over the coming decades to limit the global warming. This is especially challenging for us as an oil and gas producer. Our decarbonisation plan is based on three strategic beliefs:

1. A pathway to net zero emissions from production will be required
2. Oil and gas will continue to be a part of the energy mix long-term; with gas to increase its share of the NCS production
3. The NCS will continue to be attractive driven by cost competitiveness, low emissions, and regulators with a long-term perspective

Securing adequate energy supplies is a major challenge. I believe Vår Energi and the Norwegian oil and gas industry are well-positioned to meet this challenge. We already have low emissions from oil and gas production on the NCS, and a broad alignment to drive the reductions further down. We are part of that alignment and have a tangible and concrete plan to reduce emissions from our operations by 50 per cent by 2030.

This alignment also covers the transition to renewable energy sources, which will be the primary challenge for our industry in the coming years. The Norwegian offshore industry is cooperating through the KonKraft agreement both to reduce GHG emissions from the use of our products and to gradually create a new and forward-looking energy industry on the NCS. This includes offshore wind power, hydrogen, and carbon capture and storage projects. We see the ripple effects we create in terms of industrial development and employment as part of our license to operate.

The world needs energy, and I believe that Norway will remain the cleanest, most reliable and attractive place for oil and gas production for decades to come. But only those who manage to be smart and responsible will grow and improve. Vår Energi is both.

Torger Rød
CEO, Vår Energi ASA

Sustainability approach

Sustainability is an essential part of how we conduct our business and is integrated in the company strategy through the corporate governance system. Vår Energi supports the UN Sustainable Development Goals (SDGs) and use them as a framework for our sustainability approach; to create value for our stakeholders, while respecting the environment, people and the society.

Vår Energi continually identifies and assesses the actual and potential impacts on sustainable development from our business and activities, both as part of our day-to-day activities, and while engaging with relevant stakeholders and experts, as outlined in the following:

Given the importance of access to energy to support a sustainable development and the significant greenhouse gas (GHG) 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.

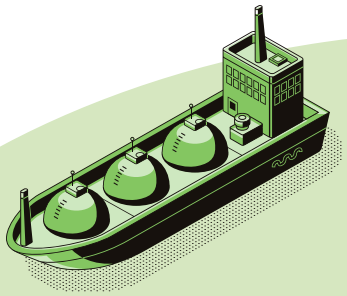
All our oil and gas operations are carried out offshore on the Norwegian continental shelf, with a potential for negative impacts related to **SDG 14 Life below water**. Vår Energi is committed to conserve biodiversity at all operational sites and continuously strives to minimise negative impacts.

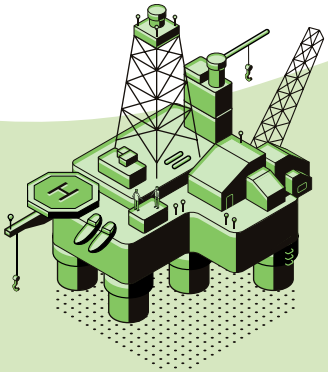
Several work-related hazards with the potential of injuries and illness are associated with activities in Vår Energi. To manage our impact **on SDG 3 Good health and well-being**, we work systematically to manage these risks and to conduct business in a manner that protects the health and safety of our employees and all others involved.

Vår Energi is a significant employer in the areas where we operate, with impacts on **SDGs 5 Gender Equality, 8 Decent work and economic growth** and **10 reduced inequalities**. Diversity, equality and inclusion are integral parts of creating successful teams and creating a high performing organisation.

Vår Energi believes that our activities should benefit the communities where we operate, contributing to **SDG 8 Decent work and economic growth**. This means engaging in creating local ripple effects in terms of industrial development and employment as well as supporting skills development and cultural activities.

Vår Energi manages vitally important natural resources and generates substantial revenues for our owners and the Norwegian society. Our activities may also have an impact on human rights issues through our entire value chain. Ultimately how we manage these responsibilities has a bearing on **SDG 16 Peace, justice and strong institutions**. Our Code of Ethics highlights the importance of fairness, transparency, honesty and integrity in how we conduct our business, relationships with authorities and corporate governance.





Material topics

To support our ambition of being an ESG leader, we have established a sustainability framework with strategic focus areas that cover our main impacts. These areas are further detailed in material topics where we set goals, targets and indicators to measure performance, as outlined in the figure below.

For the 2023 sustainability report, we have reviewed and prioritised our material topics based on:

- Actual and potential impact from our activities on UN SDGs
- Vår Energi's Sustainability Policy and other relevant policies/internal documents
- Risks identified in the enterprise risk management process
- Feedback from sustainability rating agencies
- Impacts and topics described in relevant reporting standards and requirements such as the GRI Oil and Gas Sector Standard, CDP, SASB Oil & Gas Exploration & Production Sustainability Accounting Standard, Greenhouse Gas Protocol and TCFD recommendations on climate-related financial disclosures.

Pathway to net zero

Responsible resource use

ENVIRONMENTAL

- GHG emissions
- Energy
- Climate change risk
- Air emissions (non-GHG)
- Biodiversity
- Waste
- Water and effluents

Safest operator

High performing organisation

Local value creation

SOCIAL

- Occupational health & safety
- Asset integrity
- Employment practices
- Diversity, equality and inclusion
- Training and education
- Procurement practices
- Community engagement
- Economic impacts

Responsibility, integrity and transparency

GOVERNANCE

- Corporate governance
- Responsible business conduct
- Compliance
- Stakeholder engagement

The following topics have been determined as material:

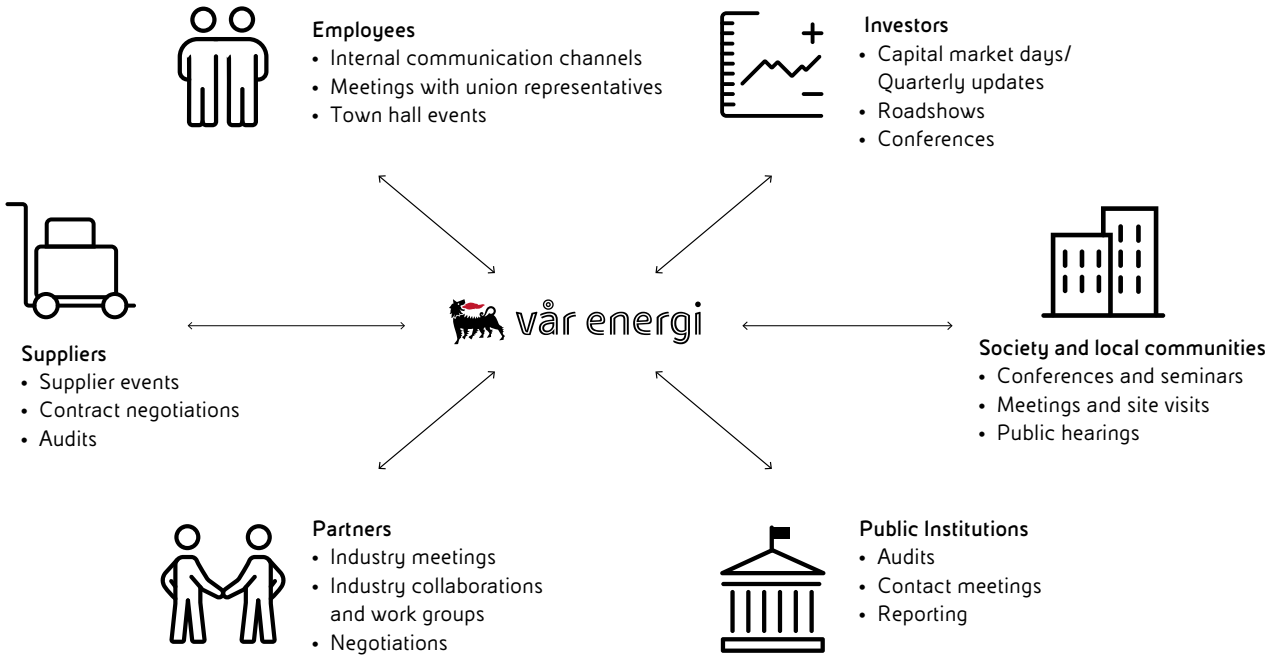
Topic 11.1	GHG emissions
Topic 11.2	Climate adaptation, resilience, and transition
Topic 11.3	Air emissions
Topic 11.4	Biodiversity
Topic 11.5	Waste
Topic 11.6	Water and effluents
Topic 11.8	Asset integrity and critical incident management
Topic 11.9	Occupational health and safety
Topic 11.10	Employment practices
Topic 11.11	Non-discrimination and equal opportunity
Topic 11.12	Forced labour and modern slavery
Topic 11.13	Freedom of association and collective bargaining
Topic 11.14	Economic impacts
Topic 11.15	Local communities
Topic 11.17	Rights of indigenous peoples
Topic 11.19	Anti-competitive behaviour
Topic 11.20	Anti-corruption
Topic 11.21	Payments to governments
Topic 11.22	Public policy

The previous sustainability report was based on the World Economic Forum's Measuring Stakeholder Capitalism report: Planet, People and Prosperity, and had a different structure and other names for the material topics. However, the overall report covered most of the same topics as this year's report.

Stakeholder engagement

We conduct our stakeholder activities with two main objectives: to ensure long-term and predictable conditions for our business activities and to create value and ripple effects for all stakeholders. Through stakeholder engagement and dialogue, we strive to ensure close alignment with local authorities, supplier networks and other relevant entities to mitigate risks and potential issues, make better decisions and conduct our activities in a manner that benefits as many as possible.

Stakeholders are prioritised based on the potential impact of our activities. A stakeholder management plan is developed as part of our work to identify and involve key stakeholders to mitigate issues related to projects and activities.



Vår Energi's main stakeholder groups and how we engage with them.

In Northern Norway, we have an additional focus on stimulating and retaining settlement and particular attention is paid to supporting the indigenous Sami people and culture groups in Finnmark. We want our communication to be proactive and ensure good working relationships. All our stakeholder interactions aim to be a dialogue, identifying mutual expectations and needs for collaboration, including our expectations for supply chain sustainability issues like human rights and sound business practices.

In 2022, we hosted workshops and industry-related seminars to ensure local industrial content and ripple effects from our activities. Suppliers are also engaged through industry forums such as the supplier network Arctic Energy Partners, which engages the industry clusters in Northern Norway.

We also maintained regular dialogue with trade unions and employee representatives in regular meetings and with regards to emerging topics, such as the security situation on the Norwegian continental shelf.

Environment

Pathway to net zero

(GRI 11.1, 11.2)

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 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.

Our main reduction goals are:

	2025	2030	2050
Operational control			
Scope 1[1]		50 % reduction Net zero	Near zero
Scope 2[2]	Net zero		
Scope 3 - maritime transport[3]	Net zero		
Partner operated, equity share			
Scope 1		40 % reduction[4] Net zero	Near zero

[1] Base year 2005, aligned with KonKraft and the base year for cuts in the EU emissions trading system (EU ETS)

[2] Location based emissions calculated using CO_2 factor from NVE

[3] Supply vessels, standby vessels and shuttle tankers

[4] This goal is currently not aligned with KonKraft, where the goal has been increased to 50%. The Vår Energi goal will be revised in 2023.

FACT BOX

GHG emission scopes

Scope 1: direct emissions from owned or controlled sources.

Scope 2: indirect emissions from the generation of purchased electricity, steam, heating and cooling.

Scope 3: all other indirect emissions that occur in a company's value chain.

FACT BOX

What is KonKraft?

KonKraft is a collaboration arena for Offshore Norway, the Federation of Norwegian Industries, the Norwegian Shipowners Association, the Norwegian Confederation of Trade Unions (LO), the United Federation of Trade Unions (Fellesforbundet) and the Norwegian Union of Industry and Energy Workers (Industri Energi). The arena serves as an agenda-setter for national strategies in the petroleum sector. It works to maintain the competitiveness of the Norwegian continental shelf, so that Norway remains an attractive area for investment by the Norwegian and international oil and gas industry – including suppliers and the maritime sector.

The main goals in the KonKraft strategy are:

- 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.

FACT BOX

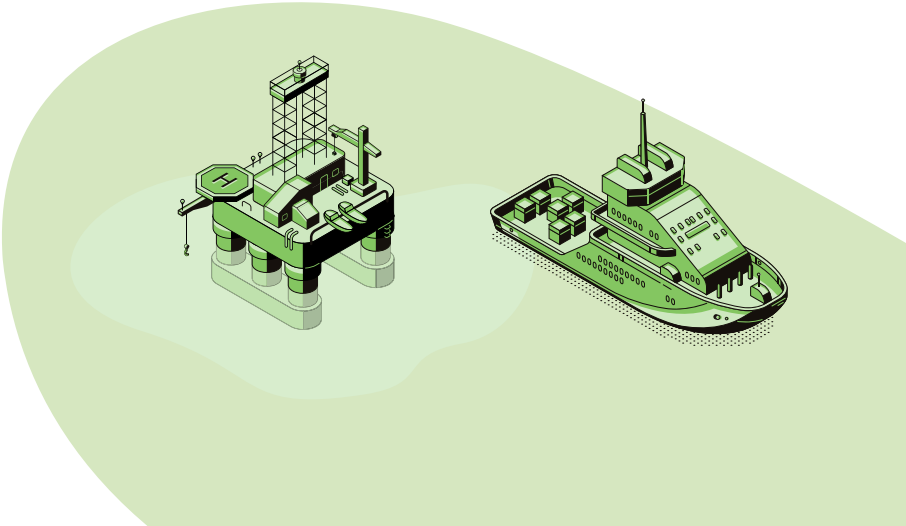
Offsetting our impacts

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 CO_2 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).

From 2021, we have started offsetting emissions from employee commuting, business travel and power for our office buildings, using the Trefadder solution Vår Energi - Trefadder

*This includes categories 4, 6 7 and 9



Direct (scope 1) emissions

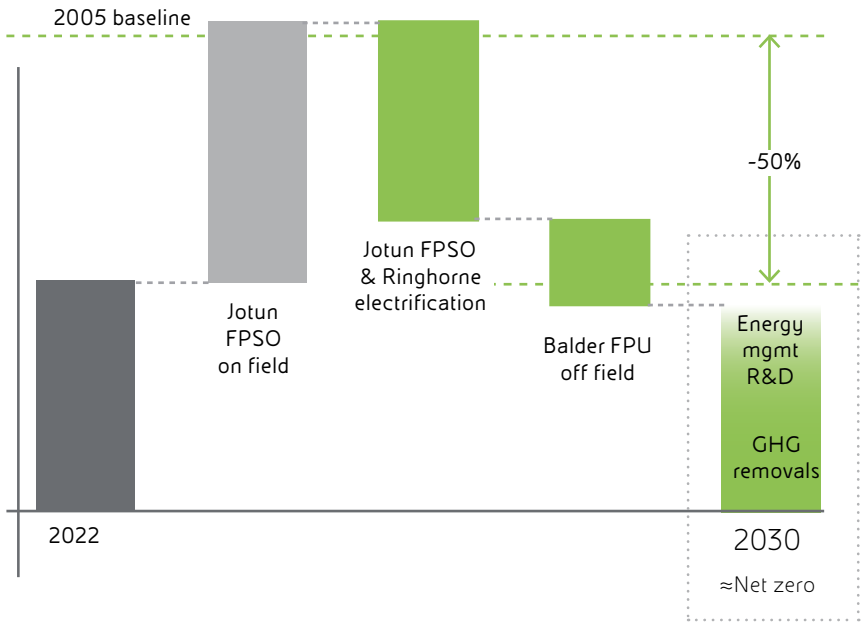
Our main goal is a 50 per cent reduction in our direct (scope 1) operational control emissions by 2030. With the base year set at 2005, this means a reduction from 350 000 to 175 000 tCO_2e per year. The main initiatives to reach this goal is illustrated in the figure to the right.

The main sources of GHG emissions from our operations are:

1. Combustion of diesel and natural gas for energy production (77%)
2. Combustion of natural gas during safety flaring (11%)
3. Release of natural gas through cold venting, diffuse emissions and loading and storage operations (12%)

In 2022, the CO_2 emissions intensity was 9 kg per boe. The intensity factor is based on Vår Energi equity share of scope 1 CO_2 emissions from operated assets, including drilling and exploration drilling, and equity share of gross production numbers (oil, gas, NGL) from operated assets. We see a large potential to reduce both GHG emissions and operational cost from these sources through energy management and electrification.

Our energy management system covers energy efficiency, flaring reductions and reduced cold venting and fugitive emissions. We adhere to the principles of ISO 50001 and the energy management system is an integral part of the management system. An energy management team and a steering committee, together with our operations teams, delivers systematic monitoring and analysis of our energy consumption and GHG emissions aligned with the targets in our decarbonisation plan.



Our pathway to reach the 2030 goal of 50 percent GHG emission reductions (scope 1, operational control).

The baseline set for 2005 comprises our drilling activities and assets in operation in 2005, and includes the following emission sources:

- combustion of diesel and natural gas for energy production,
- combustion of natural gas from safety flaring,
- release of natural gas from cold venting, loading & storage operations and diffuse emissions.

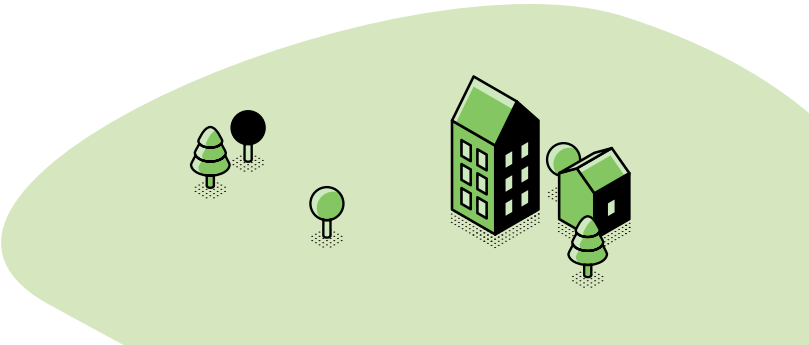
Energy efficiency and emissions reductions

Key targets for 2022 were to build and mature the opportunity portfolio for energy management for all assets, activities, business processes and projects. In total, scope 1 GHG emisssions have been reduced by 15 390 tons (8%) compared to 2021. The main energy efficiency and emissions reductions we have delivered in 2022 is shown in the table below.

What	Tonnes GHG emissions saved	MWh energy saved	Asset	Details
Flaring reductions	11 714		Balder	Compressor valve changes, operational mode changes, flaring strategy
	840		Ringhorne	Wet gas compressor modifications
	504		Goliat	Nitrogen Unit modifications to stop cold venting operations. Cooling medium system modifications. Full effect is expected for 2023 with 10-12000 tonnes GHG reduced compared to 2022 emissions.
Increased energy efficiency		101 222	Goliat	Rebundle compressor
		0.8	Balder	Compressor operational mode changes
		4 400	Jotun	Modifications of water injection pumps
	758			Optimal scheduling and activity planning in exploration drilling, one week rigtime saved.

For 2023 we plan to:

- Update our flaring strategies for Goliat, Ringhorne and Balder
- Work to uphold the current low flaring levels seen for Balder FPU
- Implement new wet gas compressor at Ringhorne
- Enable increased uptime for current wet gas compressor
- Further work to reduce flaring from Goliat
- Furter work on identified energy efficiency measures and other emissions reductions to secure traction towards our 2030 and 2050 goals



Methane

Methane emissions reductions are part of Vår Energi's general decarbonisation plan. We conduct an annual campaign to identify sources of methane emissions and assess the opportunities for reduction efforts. 12 per cent of gross direct (Scope 1) GHG emissions came from methane in 2022.

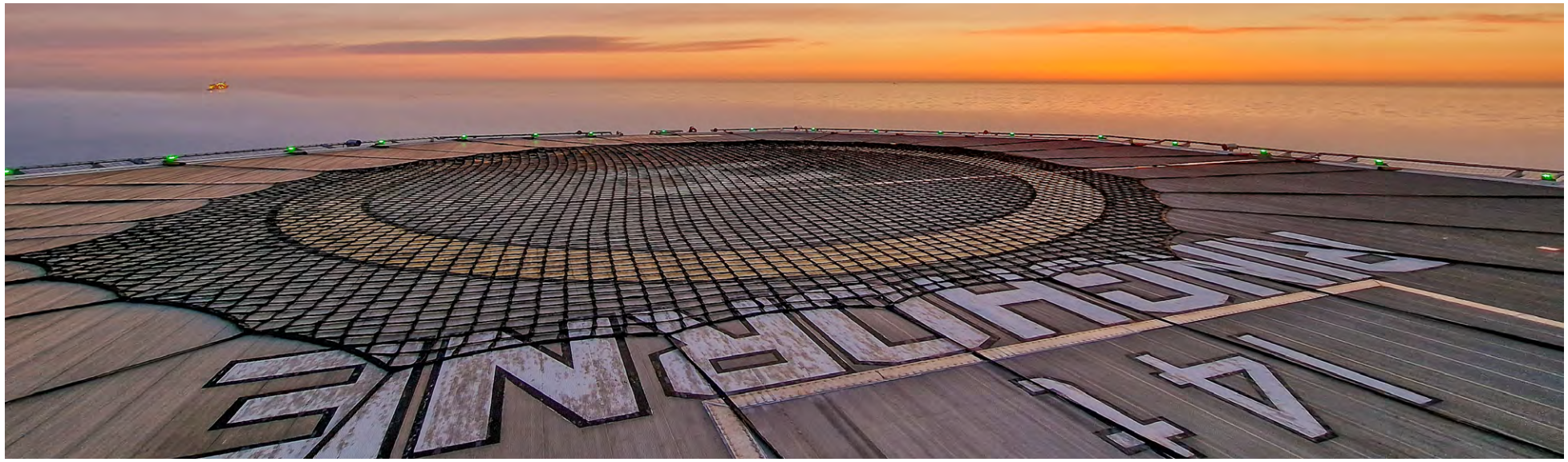
A continuous focus on leak detection and repairs means the fugitive methane emissions from our assets are stable at a low level. We follow Offshore Norway's guidance on estimating methane emissions.

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.

Energy consumption

ENERGY				☑ 2022	2021	2020
Energy consumption within the organisation	a.	Total fuel consumption from non-renewable sources.	GJ	1 991 312	2 159 722	2 016 317
	b.	Total fuel consumption from renewable sources.	GJ	0	0	0
	c.	The total:	GJ			
		i. electricity consumption		1 531 510	1 542 924	1 521 302
		ii. heating consumption		7 903	0	0
		iii. cooling consumption		409	0	0
		iv. steam consumption		0	0	0
	e.	Total energy consumption within the organization.	GJ	3 531 134	3 702 646	3 537 619
Energy intensity		Energy consumption/production	GJ/BOE*	0,15	0,14	0,13

*Gross production numbers (oil, gas, NGL) from Balder, Ringhorne, Marulk, Goliat in barrels of oil equivalents (BOE). All types of energy consumption within the organisation included.



Scope 1 (gross operated) GHG emissions

DIRECT (SCOPE 1) GHG EMISSIONS - Operational control	Field	Source	Unit	☑ 2022	2021	2020
Breakdown of gross direct (Scope 1) GHG emissions by operated asset and type of source:	Goliat	Stationary combustion	t CO_2e	21 429	29 702	32 267
		Process	t CO_2e	2 385	2 570	3 004
		Fugitive	t CO_2e	11 044	1 018	543
	Balder / Ringhorne, including Ringhorne East	Stationary combustion	t CO_2e	132 837	149 462	131 081
		Process	t CO_2e	2 594	3 057	2 890
		Fugitive	t CO_2e	6 472	6 756	7 337
	Jotun	Stationary combustion	t CO_2e	0	0	28 202
		Process	t CO_2e	0	0	226
		Fugitive	t CO_2e	0	0	1 942
	Marulk	Stationary combustion	t CO_2e	0	0	0
		Process	t CO_2e	0	0	0
		Fugitive	t CO_2e	0	0	0
	Rødhette exploration well	Stationary combustion	t CO_2e		2 787	0
		Process	t CO_2e	0	0	0
		Fugitive	t CO_2e		7	0
	Lupa exploration well	Stationary combustion	t CO_2e	2 784	0	0
		Process	t CO_2e	0	0	0
		Fugitive	t CO_2e	7	0	0
	Countach exploration well	Stationary combustion	t CO_2e	1 598	0	0
		Process	t CO_2e	0	0	0
		Fugitive	t CO_2e	0	0	0
Total GHG emissions			t CO_2e	181 150	195 359	207 492
Percentage of gross direct (Scope 1) GHG emissions from CH[4].			%	12 %	7 %	8 %

Gases included: CO_2, CH_4 (other gases not considered significant)

Standards and methodologies used:
Guidelines for reporting from offshore petroleum activities - Norwegian Environment Agency (in Norwegian)
044 - Recommended guidelines for discharge and emission reporting - Offshore Norway

Scope 1 GHG emissions, equity share partner-operated and operational control

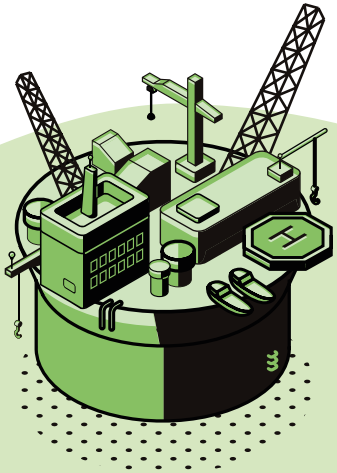
Asset	Vår Energi equity share	Unit	2022	2021	2020	Operator
Balder & Ringhorne	90,00 %	t CO_2e	127 713	143 348	127 177	Vår Energi
Brage	12,26 %	t CO_2e	22 792	22 802	25 624	OKEA
Ekofisk/Eldfisk	12,39 %	t CO_2e	99 348	114 776	112 771	ConocoPhillips
Goliat	65,00 %	t CO_2e	22 658	21 639	23 279	Vår Energi
Grane	28,32 %	t CO_2e	47 136	54 994	51 720	Equinor
Heidrun	5,18 %	t CO_2e	16 894	17 188	16 576	Equinor
Kristin	16,66 %	t CO_2e	53 673	50 464	56 081	Equinor
Norne	6,90 %	t CO_2e	23 014	20 780	23 145	Equinor
Sleipner	17,24 %	t CO_2e	113 604	119 285	136 646	Equinor
Snorre	18,55 %	t CO_2e	101 710	97 273	76 596	Equinor
Statfjord	21,37 %	t CO_2e	145 242	161 967	166 865	Equinor
Åsgard	22,06 %	t CO_2e	175 812	164 458	201 403	Equinor
Total GHG emissions		t CO_2e	949 595	988 971	1 017 885	

Emissions from partner operated assets year to date 31.12.22.
Assets with indirect emissions (subsea templates) are not included - emissions are accounted for on the host installation.
Detailed reporting for each asset is provided by the relevant operator indicated in the table.

Partner-operated assets

A large share of Vår Energi's direct (scope 1) GHG emissions comes from the equity share of emissions from partner-operated assets. All our partner-operated fields are covered by the KonKraft ambition to reduce total emissions from oil and gas production on the Norwegian continental shelf. It is our policy to contribute to achieving this by financially supporting and stimulating the implementation of cost-effective measures to reduce GHG emissions from our partner-operated assets.

To ensure adequate follow-up of the climate strategy, KonKraft prepares an annual status report which presents progress towards the goals through an analysis of the opportunity space across the operator companies, based on planned and potential emission reduction measures and innovative projects for new value chains. The status reports are available at Publications (konkraft.no)



Indirect (scope 2) emissions

Our indirect (scope 2) GHG emissions are calculated from the electricity to power the Goliat platform offshore, and electricity, heat and cooling used in our offices.

98.9 per cent of the electricity used in our offices is delivered with guarantees of origin from renewable hydropower. The power we utilise for our Goliat operations is purchased through Nord Pool, but delivered through the local Finnmark grid and thus produced locally in Finnmark, from hydropower.

Asset	Source	Unit		☑ 2022	2021	2020
Goliat	Purchased electricity	tCO_2e	Location based	4 638	4 642	3 332
			Market based	170 776	170 923	167 437
Office Buildings	Purchased electricity	tCO_2e	Location based	33	72	49
			Market based	347	2 655	2 442
Total		**tCO_2e**	**Location based**	**4 671**	**4 714**	**3 381**
			Market based	**171 123**	**173 579**	**169 879**

Location based factor: Climate declaration for physically delivered electricity
Market based factor: Electricity disclosure for power suppliers (in Norwegian)
District heating Hammerfest office estimated at 58,6% electricity and 41,4% ambient heat
Gases included: Information not available from sources.

Scope 3 emissions

The largest sources of emissions in our supply chain are related to products such as steel, chemicals and cement and use of maritime vessels both for transportation and to support our operations. However, as an oil and gas producer, the largest scope 3 emissions sources by far are related to processing and use of our products, which account for more than 90 per cent of the total emissions in our value chain. We are continually working to improve our scope 3 GHG accounting, and have also initiated several initiatives to reduce emissions from our highest impact categories:

Purchased goods

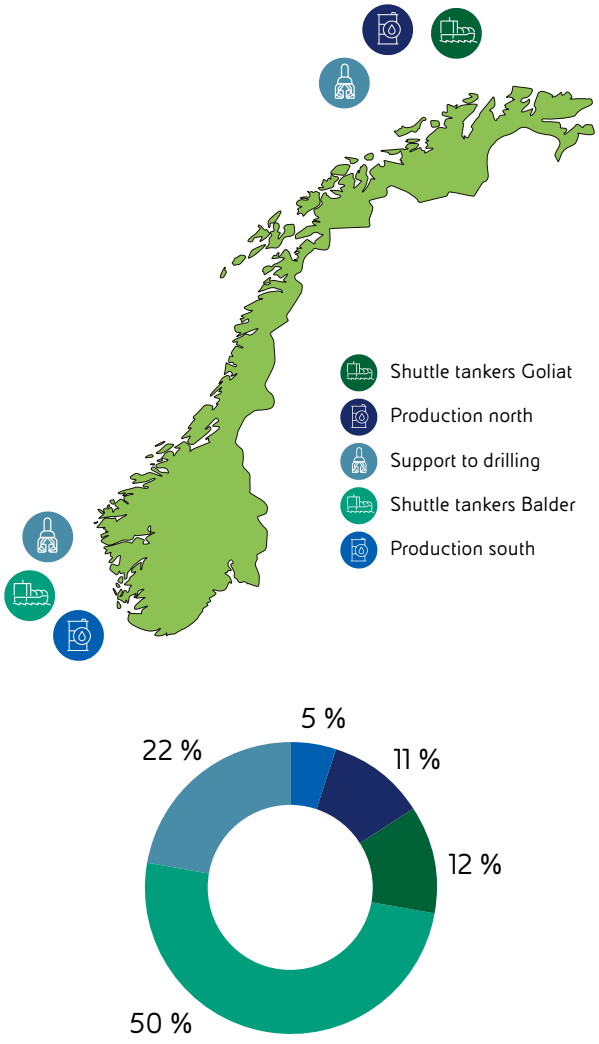
Vår Energi's purchasing policy says that sustainability can be weighted up to 30 per cent in tenders. We intend to use this as leverage to purchase products with lower GHG emissions, especially for high-impact products such as steel, chemicals and cement. However, low data quality and lack of uniform methodologies makes it difficult to compare emissions from different products. We are working closely with our relevant suppliers to improve data quality based on standardised methodologies.

Maritime vessels

Through our commitment to the KonKraft climate strategy, it is our ambition to be a driving force in cooperation with vessel and rig owners to reach 50 per cent emission reductions in offshore maritime sector by 2030.

Vår Energi has also committed to have net zero GHG emissions for selected categories of offshore maritime vessels (standby vessels, supply vessels and tankers) by 2025. We will maximise absolute reductions and use offsetting mechanisms to achieve net zero GHG emissions (residual emissions).

For 2022, the emissions have decreased for all vessel categories, with a total reduction of 7000 tons. Some of the reduction can be explained by more vessels running on LNG than previously, resulting in a 15per cent reduction in emissions from these vessels.



Share of emissions on vessel types and locations, based on 2021 data

For supply vessels, we continue to work on measures such as hull cleaning and testing, operational efficiency and using vessels with dual fuel and battery technology. We are also engaged in industry-wide and our own initiatives for GHG emission reductions with both new and known technology investments.

From 2023 and onwards, the shuttle tanker pool serving Vår Energi's oil fields consists of several dual fuel vessels running on MGO (marine gasoil) or LNG combined with battery power. This can reduce emissions by approximately 5 to 36 per cent, depending on the type of fuel used.

Vessel type	Unit	2022	2021
Standby	tCO_2e	4 545	4 744
Supply	tCO_2e	24 054	33 661
Tanker	tCO_2e	74 125	70 991
Total	**tCO_2e**	**102 724**	**109 396**

Use of sold products

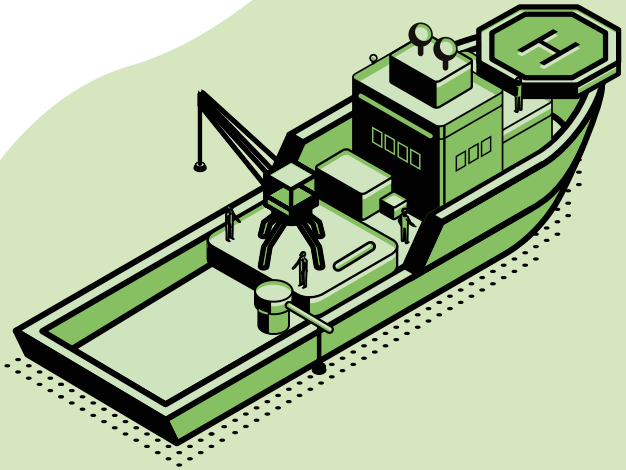
In addition to cutting emissions from our own operations, we support the KonKraft goal to reduce emissions from use of our products and gradually create a new and forward-looking energy industry on the Norwegian continental shelf, including offshore wind power, hydrogen, and carbon capture and storage (CCS) projects.

Vår Energi is involved in several R&D projects supporting this ambition, such as:

HYDROGENi: Centre owned by Sintef focusing on research and innovations needed to fulfil the 2030 and 2050 visions of the Norwegian hydrogen roadmap. The focus of the research is cost-efficient and scalable production, transport and storage, end use technologies and safety and material integrity.

NCCS: Centre owned by Sintef to enable fast-track CCS deployment through industry-driven science-based innovation, addressing the major barriers identified within demonstration and industry projects, aiming at becoming a world-leading CCS centre. The centre is researching on the entire CCS value chain. Vår Energi has a seat at the steering and technical committee.

LINCCS: Project owned by Aker Solutions aiming at linking large-scale, cost-effective permanent offshore CO_2 storage across the CCS value chain. The research project consists of four subprojects addressing low opex CO_2 capture offshore, carbon capture on ships, expanding storage capacity on the Norwegian continental shelf and connecting capture and storage cost effectively.



Scope 3 GHG emissions

		Unit	☑ 2022	2021	2020	Footnotes
Category 1	Purchased goods and services (steel)	tCO_2e	86 692	-	-	Calculated for steel only. Purchased steel is accounted for using a spend-based method as referred to in the GHG protocol. A boundary was set on 20 suppliers, accounting for 90% of our spend. One tier 1 supplier's GHG-data was extrapolated to other suppliers, and emission factor was based on an average from the same supplier ~1,8kgCO_2e/kg steel which coincide with the EU-production average - See www.norskstaal.no. Work is ongoing to improve reporting in this category and include more goods and services.
Category 2	Capital goods	tCO_2e	-	-	-	This year we were not able to separate capital goods from purchased goods and services, and capital goods is therefore included in category 1.
Category 3	Fuel and energy related activities	tCO_2e	29 095	15 944	15 044	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.
Category 4	Upstream transportation and distribution	tCO_2e	32 662	42 051	21 679	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. Emission factors are from DEFRA 2022, Fuels (TTW).
Category 5	Waste generated in operations	tCO_2e	2 341	1 401	144	Emissions from our onsite generated waste by waste disposal method, including both hazarous and non hazardous waste. Emission factors are derived from DEFRA Waste Disposal.
Category 6	Business travel	tCO_2e	891	639	420	Emissions from all business travels made by Vår Energi employees. Data is provided by our supplier Berg-Hansen.
Category 7	Employee commuting	tCO_2e	268	92	88	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. The increase in 2022 numbers is due to Rosenberg office being included, as well as employee activity from contractors. Moreover, people are back from home office after Covid-19 restrictions and there is more activity across all departments.
Category 9	Downstream transportation and distribution	tCO_2e	82 494	60 909	52 853	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.
Category 10	Processing of sold products	tCO_2e	-	-	-	This year we are not able to account for processing of sold products due to insufficient information about product life-cycle after sale.
Category 11	Use of sold product	tCO_2e	8 169 903	9 304 083	10 092 095	We report emissions based on gross numbers of production and not equity share as last years report. The reason for this change is to ensure consistency in scope 3 as a whole. 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.
Scope 3 - total tCO_2e		tCO_2e	8 404 346	9 425 120	10 182 323	

For emissions factors from DEFRA GWPs used are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period. For other emissions categories GWP factors are not known due to supplier specific emission factors without GWP factor clarifications.

Climate risk

Evaluation of climate risks and opportunities is based on the company's Enterprise Risk Management (ERM). The results are integrated in the internal annual planning and budgeting process and are also applied when reviewing the company strategy. Risks and opportunities that could have an impact on the company's strategic priorities or otherwise affect active strategic initiatives, would typically be considered substantive in the context of strategic impact.

In the risk assessment and strategy process, we consider the following time horizons: Short-term (0-5 years), medium-term (5-10 years) and long-term (10-20 years). The definition follows the time frame established by the International Energy Agency (IEA) in the World Energy Outlook.

The short-term view is aligned with our existing strategic outlook. Medium-term is relevant for 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 highly relevant for us given our ambition to reach net zero emissions by 2030. The long-term view is also highly relevant due to the long lifetime of our assets, and our ambition to achieve near zero emissions by 2050.

Vår Energi has conducted a climate risk and opportunity assessment based on the TCFD recommendations and framework. A summary of our main risks and opportunities can be found in Annex 1 and the complete

assessment is available in our CDP Report 2022 (Rated B by CDP). A further description of climate-related risks is also available in Note 33 Climate Risk in Vår Energi's Financial Statement 2022.

The methodology used to quantify the risks and opportunities is largely based on scenario analysis, applying different financial and qualitative assumptions. The evaluation of financial risks typically takes both the probability as well as the potential financial impact of the risk into consideration. With regards to potential financial impact, we define reductions in revenues/net cash flow after tax of around 5-10 per cent (compared to the budgeted amount) to be substantive. However, this is not an absolute definition and qualitative considerations will often also be made as part of the risk assessment process.

Vår Energi has conducted scenario analysis under the IEA scenarios of future energy trends to assess the impacts on our business and financial performance. The Global Energy and Climate (GEC) Model includes key input data for three modelled scenarios; Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS) and Net Zero Emissions by 2050 Scenario (NZE).

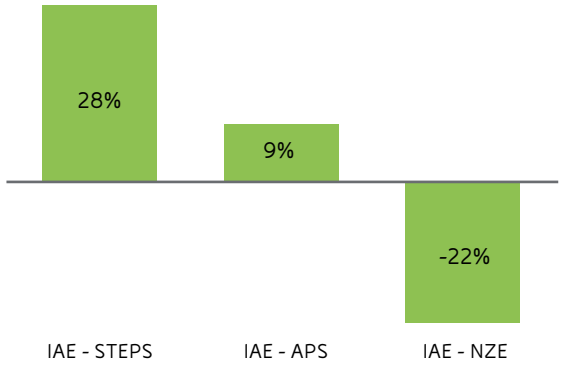
The figure to the right illustrates the changes in the net present value (NPV) of Vår Energi's portfolio under these scenarios.

Prices applied in the scenario assume a linear forecasted price development and do not take price fluctuations, changes in portfolio and costs into account. Further, the scenarios imply that no new oil and gas fields will be approved for development beyond already committed projects as of 2022. NGL prices are estimated to be 70 per cent of oil prices, and foreign exchange rates have been kept unchanged compared to base assumptions used for impairment purposes.

As illustrated in the figure, the NPV of Vår Energi's portfolio is 28 per cent higher under the IEA's STEPS scenario compared to the Company's latest planning and budget assumptions. Under the APS scenario, the NPV of the portfolio is 9 per cent higher than the Vår Energi base case.

FACT BOX

Change in NPV of Vår Energi portfolio under IEA scenarios



Notes

1) The NPV of Vår Energi portfolio under selected scenarioes is compared to the NPV of the portfolio valued at Vår Energi's latest economic assumptions. Same exchange rates and NGL prices are used for all scenarios.

2) IAE defines the prices for 2030 and 2050 in real 2021 terms. Vår Energi assumes a linear price developement between those years.

Oil and gas prices for each sceneario by the IEA:

Scenario price ranges Real terms (USD 2021)	Oil USD/bbl		Gas USD/mmbtu	
	2030	2050	2030	2050
Net Zero	35	24	4.6	3.8
Annonced Pledges	64	60	7.9	6.3
Stated Policies	82	95	8.5	9.2

The Net Zero Emissions by 2050 scenario models a collapse in commodity prices of crude oil and natural gas dependent on a significant reduction in demand. Between 2021 and 2050, the demand for oil is expected to decline by around 80 per cent, and natural gas to decline by more than 70 per cent. Thus, this scenario entails very ambitious policies and measures to reduce energy demand through behavioural change. As indicated in the above figure, the NPV of Vår Energi's portfolio is valued 22 per cent lower compared to the base assumptions under this scenario.

Physical climate risks such as more frequent extreme weather events and increased volatility in weather, sea-level rise and wave height are also included in our climate-related risk assessments. These are all elements that would potentially affect working conditions on our producing offshore assets as well as the long-term integrity of the installations.

Vår Energi's producing facilities are designed to withstand extreme weather events. One of the most significant factors in the context of extreme weather is referred to as "wave-in-deck". This factor is controlled by the air gap between sea level and deck of the installation. In conjunction with the ongoing Jotun A vessel upgrade, metocean data is being considered in the context of design-analyses and risk-analyses.

Also, climate-related risks are assessed using industry standard approaches and constitute input to infrastructure design for new facilities and typically working procedures for existing facilities. Again, a relevant example here is the ongoing Jotun FPSO vessel upgrade, where metocean data is being considered in the context of design and risk-analyses, and where the vessel forepeak has been reinforced to withstand future weather conditions.

Responsible resource management

(GRI 11.3, 11.4, 11.5, 11.6)

Our activities have both positive and negative impacts on the communities and environment around us. Our aim is to create long-term value by managing resources in a responsible and sustainable manner.

The Norwegian continental shelf contains precious life and natural resources. To ensure resources for generations to come, our activities are governed by several laws which define the environmental boundaries of our operations.

FACT BOX

Statutes and regulations that governs our work

The main statutes governing our activities are The Norwegian Petroleum Act, Pollution Control Act, Product Control Act, and Greenhouse Gas Emission Trading Act.

Futher to this, there are five main sets of petroleum activity regulations governing the environment in the Norwegian petroleum industry, and they contain risk- and performance-based requirements. The five sets of petroleum activity regulations fall within the jurisdiction of several regulatory authorities and must be viewed in context of each other.

For environmental purposes the Activity regulations chapters X to XIII regulates the following:

- Monitoring of the external environment
- Emissions and discharges to the external environment etc
- Waste etc

Other relevant regulations

The Pollution Act (in Norwegian) - Reach - Ospar

Through our HSSEQ Policy, we commit to safeguarding the environment in accordance with the principles of precaution, prevention, protection, and continuous improvement. Our environmental management system is an integral part of our management system and is certified according to ISO 14001.

We create environmental awareness in the organisation through training, participation in joint industry projects, and through involvement in industrial forums and committees. We set KPIs for environmental performance and monitor them continuously through monthly and quarterly reports and management meetings. We also cooperate with local communities, other operators, and national authorities to ensure that our operations are conducted in a safe and responsible manner.

From planning to decommissioning, we use considerable resources to understand which emissions and impacts can lead to impacts on the environment, and the associated risks. This effort includes mapping and monitoring the environment to assess its condition, research and development, and measures to reduce and prevent the release of substances that pose a risk to the environment.

All plans and applications for activities that may impact the environment are also required to undergo a public consultation process before final permission is given by the Norwegian authorities. This secures a transparent process where stakeholders can review the technical and professional basis for the activities.

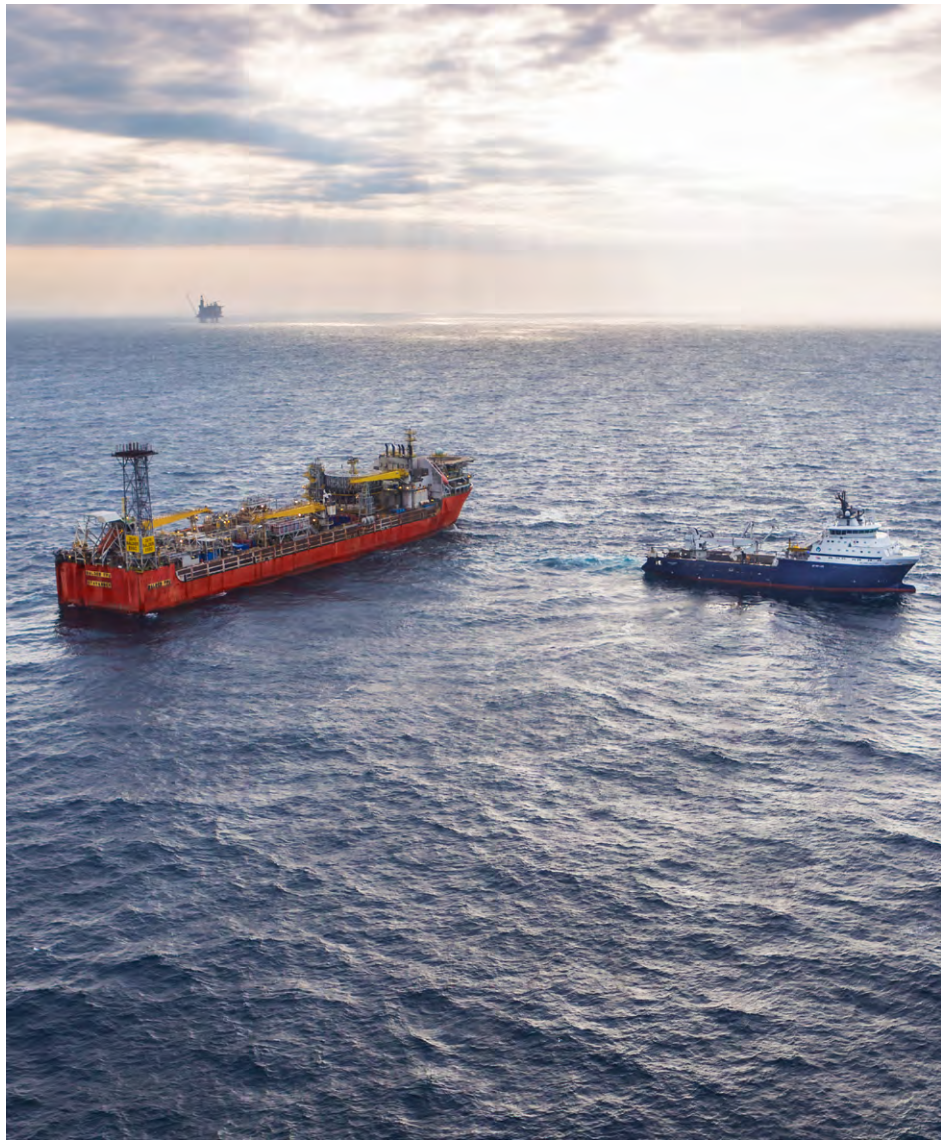
Air emissions

Power generation from turbines and engines, as well as flaring operations, leads to direct non-GHG emissions such as sulphur oxides (SOx) and nitrogen oxides (NOx). We have low SOx emissions from our operations as we use low-sulphur diesel and there is low sulphur content in our natural gas. More than 90 per cent of our NOx emissions is from the Balder FPU engines.

FACT BOX

NOx and SOx emissions can lead to acidification effects on water, soil and ecosystems in a local/regional geographic context, health effects if inhaled, and NOx can generate ground-level ozone. In addition, power generation and operational process activities, like loading and storage of crude oil, lead to emissions of non-methane volatile organic compounds (nmVOC). These emissions can generate ground-level ozone leading to effects on health and vegetation, and indirectly contribute to global warming as nmVOC is oxidised in air to CO_2 and ozone. None of our products have been assessed for improvement of health and safety impacts.

Through our commitment to energy management and reducing the emissions to air from our operations we commit to also reduce our non-GHG emissions such as SOx, NOx and nmVOC.



We signed up to the first industry-government NOx Agreement in 2008 and have recently renewed our continued commitment to the agreement for 2025-2027. We fully support the intent of the NOx Agreement and Norway's commitment to reducing the NOx -emissions through the Gothenburg Protocol.

We are a member of the Board of Directors for VOCIC – VOC Industry Cooperation, a forum for sharing investment in emission-reducing technologies and fulfilment of authority requirements related to emissions. Outside of the interactions with these industry cooperations, stakeholders have not been systematically engaged.

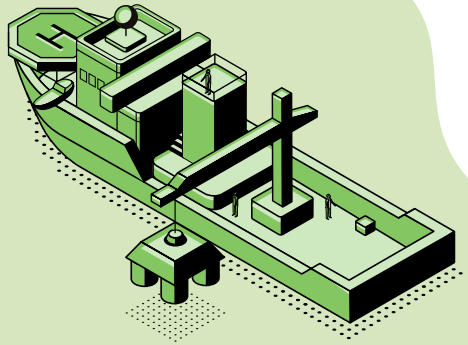
Emissions of acid gases and nmVOC (tonnes)

Indicators	☑ 2022	2021	2020
Sulphur oxides (SOx)	36	39	30
Nitrogen oxides (NOx)	1 683	1 785	1 369
Non-methane volatile organic compounds (nmVOC)	2 727	2 724	2 685

Non-ghg air emissions are calculated using a range of methodologies based on the technical nature of the equipment. This ranges from direct measurement, calculation based on site-specific data, published emission factors and estimation. We use estimation on many of our nmVOC emissions from minor sources, where we follow NOROG Recommended Guideline 044, Appendix B and OGI NoLeak/Leak. Standard factors follow the same guidelines. Site specific factors have been used for calculation of nmVOC from loading (VOCIC), storage and fugitives. Equipment specific factors, including factors specified in Forskrift om Særavgifter §3-19-9, are used for turbines and engines for calculation of NOx emissions.

The NOx and nmVOC emissions from our operations are within the limits set in our emissions permits. In 2022, we have reduced flaring from our operations, leading to a reduction in NOx emissions. We have also worked to increase uptime from the vapor recovery unit on Balder, leading to reduced nmVOC emissions from loading and storage in the latter half of 2022.

In 2020 two new shuttle tankers with Vapor Recovery Units were contracted for use at Goliat. One of these tankers is in operation from January 2023. We thus expect the nmVOC emissions from our operations to be reduced in 2023 compared to 2022.



Biodiversity

All our oil and gas operations are carried out offshore on the Norwegian continental shelf, with a potential for impacts on habitats, biodiversity and ecosystem services. Vår Energi is committed to life cycle conservation of biodiversity ecosystems and the services they provide at all its operational sites.

We continuously evaluate our interaction with ecosystem services while striving to minimise negative impacts by reducing emissions and discharges.

Through our Sustainability Policy we commit to conserve biodiversity and have adopted Biodiversity and Ecosystem Services Guidelines that define the company's guidelines for management of Biodiversity and Ecosystem Services (BES) .

The Biodiversity and Ecosystem Services Guidelines apply to all sites found to be exposed to biodiversity risks due to their geographical proximity to protected areas, sites of biodiversity importance, and/or species of global priority as defined by the IUCN Red List of Threatened Species.

We monitor and conduct site surveys of the local marine environment according to national environmental guidelines and cooperate with the other operators to develop methods and execute environmental monitoring of the water column and the seabed.

Every three years we execute a sediment monitoring and biodiversity campaign around our offshore assets. At our fixed assets we assess chemical contamination, heavy metals, types and numbers of species, as well as the species-diversity index. We review the results of these campaigns and use them in our risk assessments where appropriate.

None of our operated activities are assessed to have substantial negative impact on biodiversity and particularly valuable and vulnerable habitats and species as listed in The International Union for Conservation of Nature (IUCN) 'Red List of threatened Species' and national conservation lists. We are not involved in any habitat area protection activities nor in any remediation activities in such areas.

We are committed to developing ecosystem-based modelling techniques based on scientific studies relevant for strategic impact assessments, management plans and regulatory planning processes for environmentally sensitive and challenging areas by funding of the SYMBIOSES III project.

We have joined other operators on the Norwegian continental shelf and funded additional environmental mapping and monitoring programs to understand more of the environmental conditions in the sea, how the offshore industry may influence it, and techniques to measure impacts.

In recent years, such studies have included techniques for monitoring effects from produced water discharges on organisms in the water column and presence of methane in the water from subsea leakages.

Significant impacts

The Barents Sea

Oil and gas production: Goliat

The Goliat field is located within the 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. The size of the Goliat operational site when including subsea templates and pipelines is approximately 30 km^2. 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.

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 activites.

Exploration drilling in 2022: Lupa and Countach

The Lupa and Countach 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.

The permitted operational discharges from drilling of the wells are expected to influence a very limited area on the seabed close to the wellhead. At the end of the operation, the wells are plugged and abandoned. The wells are cut below the sediment surface and the wellhead removed to ensure there are no remaining obstacles for bottom-trawling fishing gear.

The wells were drilled while the rig was positioned by its thrusters only, and no moorings, reducing disturbances on the seabed. 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.

We have neither identified a reduction of species, nor an introduction of invasive species, pests and pathogens, or any changes in ecological processes outside the natural range of variation as a result of our exploration activities.

The Norwegian Sea

Gas and condensate production: Marulk

The Marulk field is a single template with wells producing condensate and gas located in the middle of the Norwegian Sea and far from any defined Particularly Valuable and Vulnerable Areas.

The local environmental site conditions have been surveyed several times and insignificant effects from previous drilling discharges on the local seabed have been identified. Some spots/individuals of corals and hard bottom sponges are found in this area, but soft mud and sand dominates. Extra effort has been devoted to survey of coral specimens to evaluate impacts.

The North Sea

Oil and gas production: Balder and Ringhorne

The Balder and Ringhorne East fields with the Balder FPU and Ringhorne wellhead platform are located within the management plan area North Sea-Skagerrak. No defined Particularly Valuable and Vulnerable Areas overlap with the location of the fields. The area is assessed to have low to moderate environmental value and moderate vulnerability for acute oil spills throughout the year.

There are two Ramsar areas (environmentally important wetlands) on the coast of Rogaland, which are important to protect from oil spills. Approximately 80 km south of Balder there is a Particularly Valuable and Vulnerable Spawning Area for North Sea mackerel. 120 km south is the similar Sandeel Area South. We assess that our normal production and drilling activities will not significantly impact these areas.

For the Balder area we have not identified a reduction of species, nor introduction of invasive species, pests and pathogens, nor changes in ecological processes outside the natural range of variation from our operations.

Drilling: Balder Future

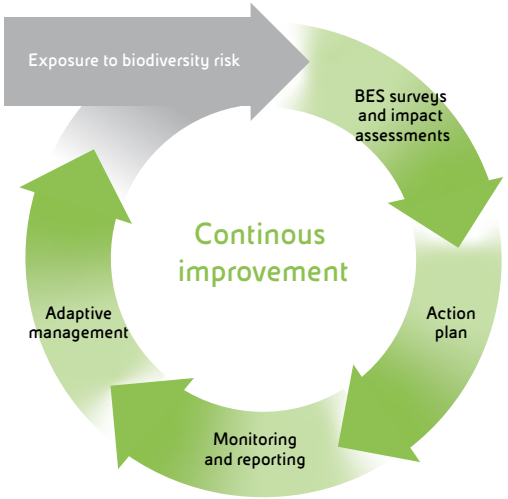
No major biodiversity concerns have been identified in the drilling operations for Balder Future wells and the Ringhorne wellhead platform. A seabed environmental baseline survey was performed to map the conditions prior to the drilling commenced in 2021. In 2022 the areas planned for seabed infrastructure for further tie into the Jotun FPSO were surveyed for fauna and seabed habitats. The results will be used to evaluate impact on the local environment and provides a basis for further monitoring of any unexpected impacts. The collected data from the survey will also be available to the Norwegian Environment Agency and the public in general.

FACT BOX

Biodiversity management in Vår Energi

Exposure to biodiversity risk is periodically assessed for all new or existing operations. The assessment is carried out evaluating the operational/environmantal context and mapping their geographical positioning with respect to the presence of protected areas, key biodiversity areas and threatened species based on the IUCN Red List Categories and Criteria.

If necessary, corrective measures are adopted to re-orient the action plan.



For all new operations or projects that have undergone significant changes, surveys and subsequent impact assessment (e.g. Habitat Mapping, biodiversity baselines and impact assessments) are carried out as part of Environmantal Impact Assessments (EIAs).

Based on the results of the surveys and impact assessments, specific Action Plans (BAPs) are defined and implemented to ensure the mitigation of impacts and effective management of the biodiversity risk exposure that has been identified.

Based on the periodic monitoring of BAP results and depending on the operational stage of the operations, we adapt our plans to ensure continuous improvement to avoid the net loss of biodiversity, or to obtain an increase (net positive impact) according to where we operate.

FACT BOX

Our engagement in SEATRACK – SEAPOP

In 2019, we committed to participate in the SEATRACK Phase II project, which is part of the SEAPOP program - a collaboration between Norwegian authorities, research institutions and the oil and gas industry.

The project enables improved mapping of seabird wintering areas and migration routes for large and important populations of seabirds in the North Atlantic waters. We intend to renew our support through financial support to the SEATRACK Phase III project.

We are a partner in the research project DREAM-MER Phase II to develop improved science-based modelling tools to more efficiently manage the environmental impact and risk of produced water discharges on marine organisms.

Photo: Atlantic puffin, photgraphed at Hornøya outside Vardø.
Photo credit: Rune Pedersen, Vår Energi

In 2022 we had no direct KPIs to measure biodiversity. However, our interrelated environmental KPI's hydrocarbon/chemical spills (page 45), oil in water content (page 45, direct GHG emissions (page 21) and air emissions (page 33) were used to evaluate our impact on biodiversity.

For 2023 we aim to further refine our commitment to biodiversity, including understanding external/internal framework (e.g. UN Biodiversity Conference (COP15) and establish biodiversity KPIs.

FACT BOX

Vår Energi and the Arctic Region

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.

Our position on the definition of the Arctic Region

The areas north of the Arctic Circle (66.3°N) are defined as the Arctic Region, and Vår Energi has exploration and production activities (Goliat FPSO) in the Barents Sea (71.3°N). However, the Marine Arctic can be divided into three main areas:

- Areas with permanent ice – marine areas covered with ice the whole year, including in September when the ice distribution is historically at its minimum
- Areas with seasonal ice – areas covered with ice during the historically maximum ice distribution in May, but no ice coverage during the summer period
- The marginal ice zone (MIZ) - the ice edge zone (i.e. where the ice edge meets the open ocean) which is drift ice/iceberg.

Based on this the Marine Arctic can be defined as the area with permanent ice coverage during its maximum distribution in May. The Goliat FPSO does not operate in the areas defined as the Marine Arctic and is located approximately 350 km south of the marginal ice zone/the ice edge zone. Thus, Vår Energi considers the Goliat field to be in a marine sub-arctic area.

10 per cent of our production came from the Barents Sea in 2022.

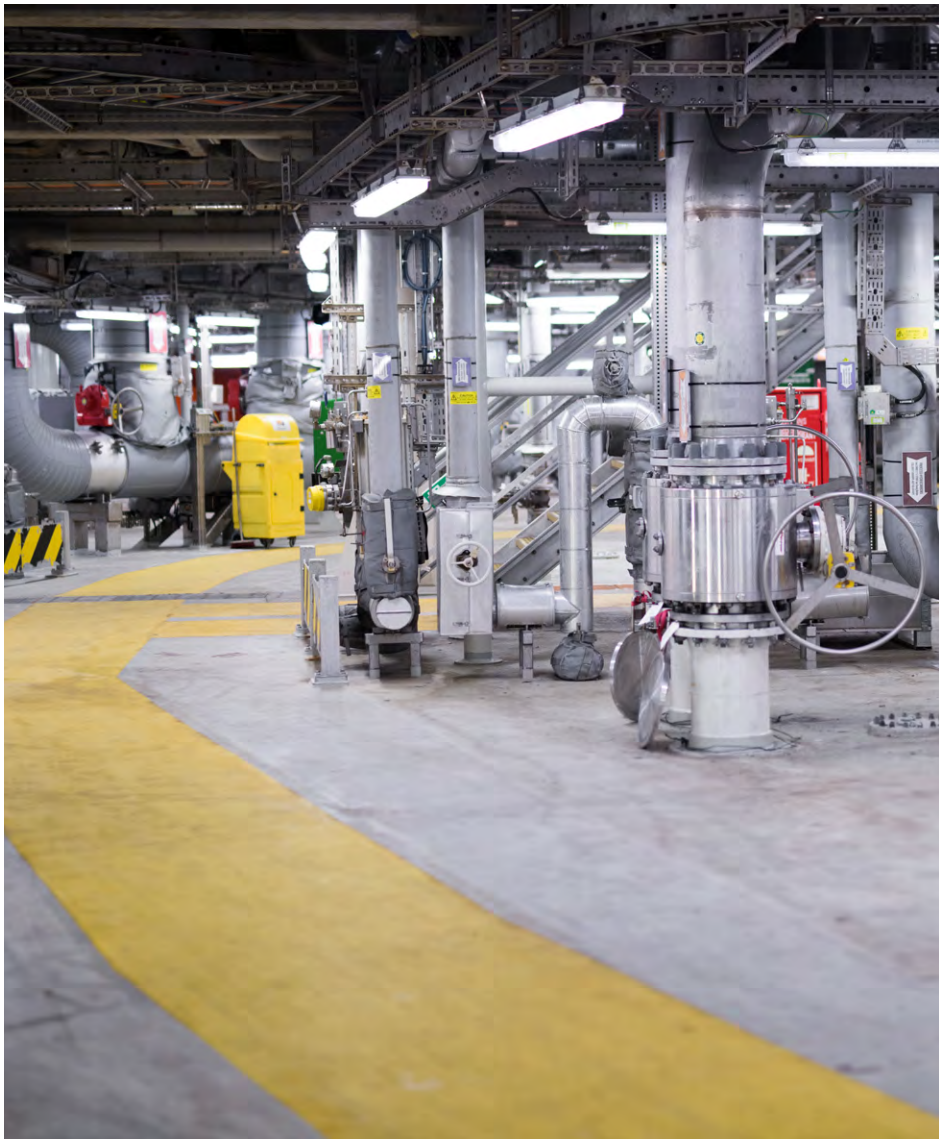
Waste

We generate waste from our living quarters, repair- and maintenance activities, drilling operations and the processing of oil and gas. Generally, waste streams may contaminate surface water, groundwater, seawater and soil with chemicals or heavy metals, and negatively impact plant and animal species in the marine environment, as well as human health if not handled correctly.

Waste management for our operations is governed by the Pollution Control Act and the Activities Regulations. Norway is also a signatory to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

We follow national waste regulations and industry standards for efficient waste management based on the waste management hierarchy of prevention, reuse, recycling, energy recovery and disposal to prevent or mitigate potential negative impacts.

Vår Energi also adheres to the Norwegian oil and gas industry practices on waste management 093 - Recommended guidelines for waste management in the offshore industry (offshorenorge.no)



Through permits, we can re-inject produced water and waste types such as oil and chemical containing waste and drainage water in the reservoir. We plan and carry out injection in such a way that there are no leaks to the sea, and continuously monitor the injection to detect leaks early and ensure total control of types and quantities.

Through our operations we sort and separate our waste streams into 31 different waste fractions before being transported to shore. Our main waste contractors are in charge of waste handling onshore ensuring that waste handling is in line with legislative obligations.

Our contractors report waste data directly into our environmental reporting system on a monthly basis. We also receive monthly reports from our waste contractor, which we follow up with our operations organisation should any lessons learned, deviations or low sorting ratios be encountered. We handle hazardous waste declarations to the Norwegian Environment Agency on their waste declaration website, and our contractor has full access to this system for our waste.

In 2022 we have taken the following actions to prevent actual and potential negative and positive impacts from our waste-generation offshore:

- Updated waste management plans for Goliat, Balder and Ringhorne.
- Conducted a project on how circular economy activities could be incorporated into our operations
- Examined waste-related non-conformities to improve our performance and capture lessons learned. Findings have been communicated back to our offshore operations regularly, and where relevant our operational procedures have been updated.

Waste-sorting degree

	Ambition	2022	2021	2020
Non-hazardous waste	>90%	78%	85%	90%
Hazardous waste	100%	100%	100%	100%

In 2022, we were not able to achieve our stretch ambition to sort more than 90 per cent of our non-hazardous waste offshore. In 2023, we will continue our efforts to understand how we can increase the sorting ratio to reach our goal, and to investigate opportunities to increase reuse and recycling of our waste materials sent onshore.

Waste generated

Composition	Unit	☑ 2022	2021	2020
Hazardous waste	**Tonnes**	**13 625**	**15 194**	**3 666**
Drilling waste	Tonnes	9 538	11 004	712
Scale and sludges	Tonnes	3 739	3 484	1941
Other	Tonnes	348	706	1013
Non-hazardous waste	**Tonnes**	**1 460**	**906**	**591**
Mixed metals	Tonnes	730	308	247
Mixed waste	Tonnes	174	101	56
Sorted combustible waste	Tonnes	175	150	121
Other	Tonnes	381	347	166
Total	**Tonnes**	**15 085**	**16 100**	**4 257**

The increase in total waste, and hazardous drilling waste, from 2020 to 2021/22 is due to increased drilling operations in the Balder area.

Waste diverted from disposal

	Unit	☑ 2022	2021	2020
Hazardous waste	Tonnes	685	53	16
• Reuse	Tonnes	642	27	1
• Recycling	Tonnes	42	26	15
Non-hazardous waste	Tonnes	861	540	327
• Reuse	Tonnes	1	12	0
• Recycling	Tonnes	860	528	327
Total	Tonnes	1 545	593	343

Waste directed to disposal

	Unit	☑ 2022	2021	2020
Hazardous waste	Tonnes	12 940	15 142	3 651
• Incineration w/energy recovery	Tonnes	864	7 329	1 555
• Landfilling	Tonnes	4 757	3 307	191
• Other disposal operations (treatment)	Tonnes	7 319	4 506	1 905
Non-hazardous waste	Tonnes	600	366	264
• Incineration w/energy recovery	Tonnes	419	345	228
• Landfilling	Tonnes	181	21	36
Total	Tonnes	13 540	15 507	3 914

The increase in hazardous waste reused and sent for treatment is mostly due to increased drilling operations in the Balder area. Used oil-based mud and contaminated cuttings are sent for treatment onshore and fluids are also reused. This also results in the decrease seen in tonnes of hazardous waste incinerated with energy recovered, and the increase in the residual waste from these operations sent to landfill.

Water and effluents

Water is a valuable and important resource in our operations. We use seawater for cooling in production and drilling operations, and to generate freshwater used for sanitation, cooking and drinking offshore. Fresh water that is supplied from shore comes from local Norwegian water works that are shared with other domestic users and industries.

We ensure it is not from water-scarce areas by using WRI Aqueduct. Identification of water risk and water resource management is an integral part of our environmental management system, and based on identification, evaluation, and mitigation of impact on water resources. As of now we have no operations in areas with water stress.

FACT BOX

Environmental impact of our water discharges

Discharged cooling water and produced water may have a potential impact on the fauna in the water column in the direct vicinity of the discharge point. The potential impact depends on the content of the chemical components and the temperatures of the discharged water. Permitted discharges are monitored regularly to ensure minimal environmental impact and regulatory compliance. Risk assessments are conducted for our produced water discharges when needed and as required by law.

The water we produce and use in our operations is discharged from the installations or injected into water injection wells. The Goliat and Ringhorne operations inject 100 per cent of produced water into dedicated water injection wells. At Balder FPU the produced water is discharged or injected.

Water based mud can be discharged from our drilling operations if permitted due to low environmental impact.

We have clear ambitions and principles related to produced water. Currently these are:

Greenfield developments

- 100 per cent reinjection of produced water shall be the base case.
- Oil content in discharged produced water <10mg/L

Fields in operation

- Reinjection of produced water shall be as high as possible, or at least >55%
- Oil content in discharged produced water <30mg/L.

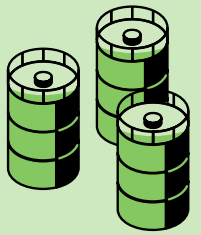
Beyond our water management principles, we adhere to national regulations and allowable discharges as per our discharge permits and limits, including a high focus on substitution of chemicals and other risk reducing measures.

We manage produced water discharges based on a holistic and risk-based approach, where the main objective is to minimize the environmental impact to as low as reasonably practicable. We support and participate in the industry efforts towards protecting the ocean environment and achieving zero discharge as described here (both in Norwegian): Marine environment and The zero emissions target.

We monitor our daily produced water discharges and their oil concentration and take actions if there are deviations from the norm. We learn from incidents and operating practices and seek to continuously improve in this area. We work to prevent spills to sea and evaluate the environmental footprint from our continuous operational discharges on a regular basis.

The priority substances of concerns for water discharges are oil content and a few selected chemicals in the produced water, and hypochlorite from our cooling seawater discharges. These were selected based on both current national regulations and our discharge permits concerning allowed oil in water content, black, red, Y3 and Y2 chemicals, as well as environmental risk modelling of our discharges (EIF – see fact box). National legislation and our discharge permits set the discharge limits for these priority substances of concern.

We regularly conduct calculations of environmental impact factor (EIF) for the discharged produced water. To identify the impacts of discharge of produced water on marine organisms and to develop and improve the methods used in quantification of effects, we regularly contribute to programs monitoring the effects of produced water discharge on the water column.



FACT BOX

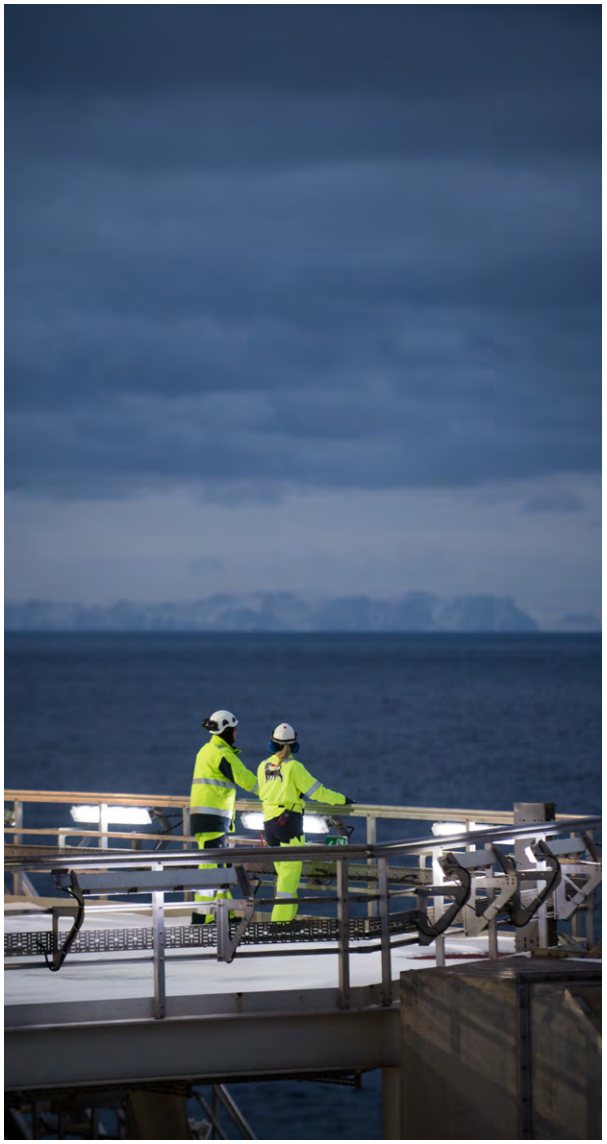
Environmental Impact Assessment of our Water Management

In 2021 and 2022, we performed EIF (Environmental Impact Factor – DREAM model) analysis of our Balder produced water discharges. Based on this, the main environmental risk is the discharge of biocide used in operations. The 2022 EIF assessment for Balder provided a time average EIF of 87 and computed max EIF at 286.

The industry consensus is that the operator continuously needs to evaluate measures to reduce the EIF if it is between 10-100. It is a government priority that installations with EIF >100 reduce their EIF. We are investigating opportunities for reduced environmental impact from our chemical usage and to find ways to reduce the oil content in our produced water discharges.

A total of 75 per cent of the produced water from our operated assets was reinjected in 2022, and all the produced water from Goliat and Ringhorne reinjected. In 2022, we discharged most of the produced water at Balder, due to lower water and oil production. While the total water volume discharged is down from 2021, the total volume of oil released is slightly higher due to the higher average oil in water concentration.

The annual average of oil content in discharged produced water was 15,3 mg/l. We had one incident of non-compliance with discharge limits, where the average oil in water content from Balder for the month of September exceeded the limit of 30 mg/l. This was due to challenges encountered during start-up of production following the annual maintenance shut-down period. Lessons learned have been captured and several measures are under evaluation for the 2023 maintenance shut-down period to prevent reoccurrence.



Spills

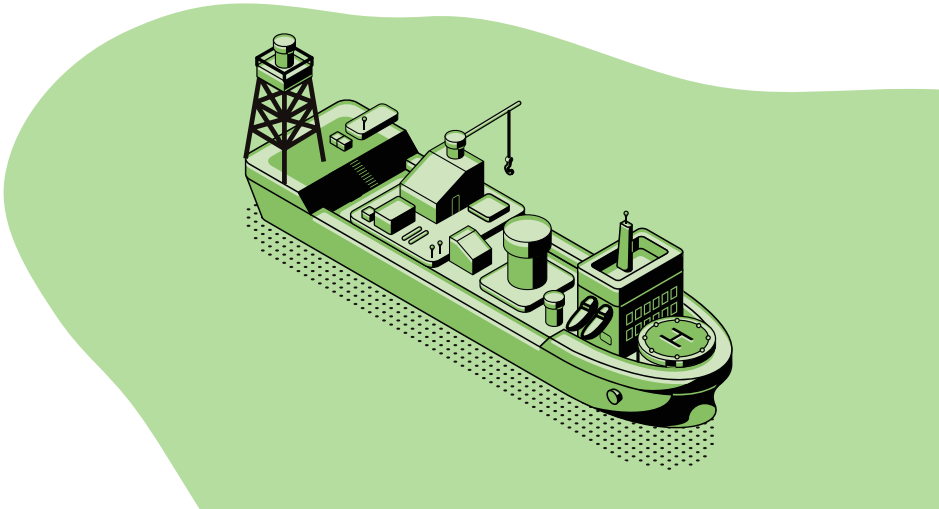
	Ambition	2022	2021	2020
Hydrocarbon spills to sea >10L	0	2	0	1
Chemical spills to sea	0	2	8	4
Oil content in produced water (Balder)	30 mg/L	15.3	12.2	14,8

Water use

	Indicator	Unit	☑ 2022	2021	2020
Water withdrawal	Third-party water withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids)	Megaliters	58	71	37
	Seawater withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	Megaliters	1 266	2 165	2 713
	Produced water withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	Megaliters	6 618	7 496	7 190
	Total water withdrawal	Megaliters	7 942	9 731	9 940
Water discharge	Discharge to seawater	Megaliters	1 672	1 818	2 186
	Total water discharge	Megaliters	1 672	1 818	2 186
Water consumption[1]	**Total water consumption**	**Megaliters**	**6 270**	**7 913**	**7 754**

[1] Difference between water withdrawal and water discharge

Standard and methodologies used:
044 - Recommended guidelines for discharge and emission reporting



Social

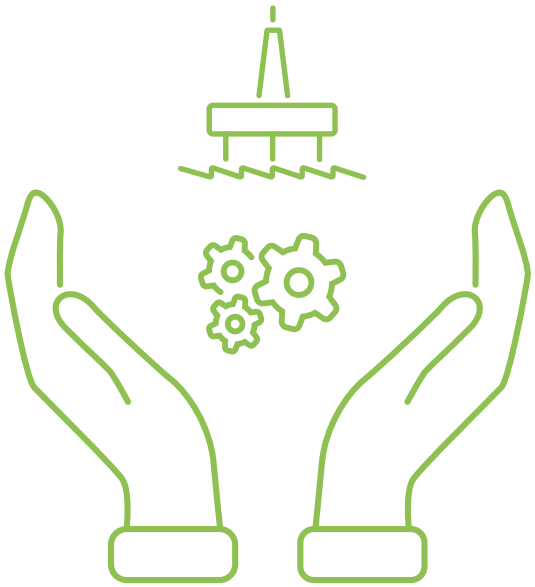
Safest operator

(GRI 11.8, 11.9)

Safeguarding the people working for us, the environment and our assets is our top priority and commitment through our HSSEQ Policy. Safety is a value integrated in our culture and in our business plans, and we cooperate with other operators to strengthen our safety culture and achieve zero major accidents and avoid injuries and undesirable incidents in our daily work.

This is dependent on a well-designed site with intact physical integrity of structure and equipment. These physical elements make up the basis for creating a working environment that protects all workers from physical and mental harm.

The working environment in an operating business is defined by how we organize, plan, and carry out the work. In total all these elements interact to protect personnel from being exposed to hazards that could cause acute injuries and long-term work-related illnesses. However, as much as healthy and safe work conditions impact the safety level, it also impacts productivity and engagement among the workforce in a positive way. In turn, this leads to changes and improvements as enablers to drive both safety results and financial results for the company.



Design and inherent safety
Health and safety requirements and good technical solutions are implemented in design.

Maintain and improve
- Physical integrity and function of structures and equipment
- Development of new technology

Safe operation - leadership, culture and organisation
- Use of management system
- Ensure right capacity and competence
- Health and safety training at all levels
- Manage risk and change
- Active workforce participation
- Learn from incidents

FACT BOX

The "Always Safe Annual Wheel" is a collaboration by Equinor, Aker BP, Vår Energi and ConocoPhillips. The purpose of the initiative is to strengthen the industry's safety culture and work together towards zero major accidents and avoid injuries and undesirable incidents in our daily work.

The Always Safe learning packages contribute to our zero-harm vision by strengthening safety culture and increasing correct safety behavior. New learning packages are made available at the beginning of every quarter.

The learning packages are designed to be used as a team exercise, enabling leaders to engage their teams in safety issues and commit to local actions. The process contributes to identifying and resolving safety issues by collecting feedback from the teams and reporting it back to the relevant functions.

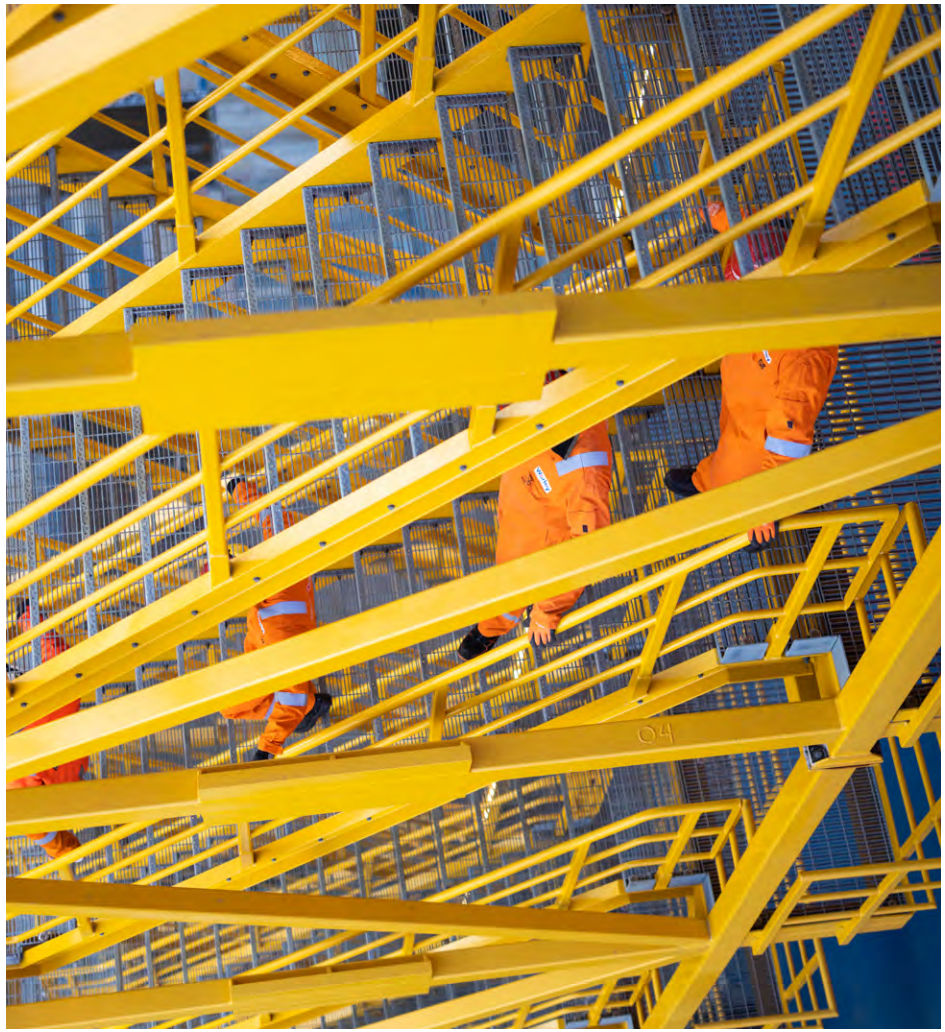
The learning packages are available for all operators and suppliers on the Always Safe web page.

Asset integrity and critical incident management

Asset integrity and critical incident management in Vår Energi deal with the prevention, risk mitigation and control of major accidents* throughout the life cycle of an asset.

We operate in compliance with HSE regulations stipulated by the Petroleum Safety Authority Norway, and e.g NORSOK Standards S-001 Technical Safety, Z-008 Risk Based Maintenance and Consequence Classification and Z-013 Risk and Emergency Preparedness Assessment. The HSE Regulations are laid down pursuant to the Petroleum Act.

To prevent and mitigate the risk of major accidents and to establish, monitor and maintain barriers, Vår Energi applies an effective system for management of process safety, asset integrity and barriers integrated in the business management system. To manage critical incidents and reduce potential consequences for people, environment, assets, and reputation, we have a robust and efficient emergency preparedness and response system.



*A major accident is defined by the Petroleum Safety Authority Norway as an acute incident that immediately or subsequently entails multiple serious personal injuries and/or loss of human lives, serious harm to the environment and/or loss of major financial assets. Major accidents related to our operations include loss of control or containment of hydrocarbons, well blowout, explosions, fires, unplanned plant disruption and shutdown.

Our emergency response organisation (ERO), on- and offshore, is dimensioned to handle critical incidents/emergencies and hazardous incidents with a risk-based approach in pursuance of relevant statutes (the Petroleum Act, Pollution Control Act and Working Environment Act), HSE Regulations (Framework-, Management-, Facilities- and Activities Regulations), standards (NORSOK Z-013, ISO 22300, ISO 3100, ISO 15544) and industry best practices.

Engagement with stakeholders such as the Petroleum Safety Authority Norway and license partners takes place through regular meetings and on demand.

Process safety management

Process safety management entails proactive identification, assessment, prevention, and mitigation of risks that may cause a major accident or other incidents. Through the life cycle of an asset, we primarily manage and reduce such risks by implementing safe and robust technical, organisational, and operational solutions.

Our Process Safety Management System describes the managerial processes for

- process safety
- hazard and risk identification and assessment
- risk management
- verifications and accident management

Asset integrity management

Asset integrity is the ability of the asset to perform its required functions effectively and efficiently to achieve the business targets, whilst protecting the safety of people the environment and the company's reputation for the entire lifecycle.

A significant objective of our asset integrity management is to prevent and mitigate major accident risks by adopting robust management and technical standards, such as best practices in the design, operation, maintenance, and disposal of assets. This is done by ensuring that the business processes, systems, tools, competence, and resources needed to ensure design-, operational-, and technical integrity throughout the lifecycle of an asset are in place.

Activities to monitor the asset integrity performance are scheduled in an annual cycle, including

- annual integrity review
- quarterly integrity program/performance standard review
- management review of asset integrity
- development and maintenance of asset integrity strategy
- asset integrity assurance review
- quarterly integrity programme reporting,
- annual barrier verification
- preparation of annual integrity program plan

Barrier management

Our Barrier Management Framework is based on regulatory requirements and the Petroleum Safety Authority Norway's Barrier Memorandum (2017), and is embedded in our business management system and implemented in our daily work processes through the Operations Framework.

The Operations Framework include Risk Management, Facility and Well Integrity Management, Asset Integrity Management, Maintenance Management and HSSE Management. Our work processes for Barrier Management consist of multiple activities such as

- identifying and tagging barriers, establishing clear and measurable performance requirements for barrier elements
- establishing assurance activities to ensure continued barrier functionality (e.g. maintenance and function testing or competence assurance)
- risk evaluation and implementation of compensating measures for barriers that are out of service, degraded or non-functional (impairment handling), monitoring of barrier status to ensure that the status is known at all times
- barrier performance verification to evaluate barrier performance and management of change

Significant spills

We recorded a significant spill to sea in January 2022. 16.1 m3 of crude oil and 24.76 m3 of hydrocarbon gas was discharged to sea from a water depth of 130 metres at the subsea C site on the Balder field, located in PL001 on the Utsira High in the central part of the North Sea, approximately 160 km west of Haugesund on the southwestern coast of Norway. The spill was caused by a failed clamp connection at the flow-base, causing the flowline to disconnect from the flow base resulting in release of hydrocarbons.

Due to the season and that no oil reached the coastal zone/habitats, the environmental impact on seabirds, sea mammals, fish and other marine and coastal habitats was assessed to be very low.

Process safety events*

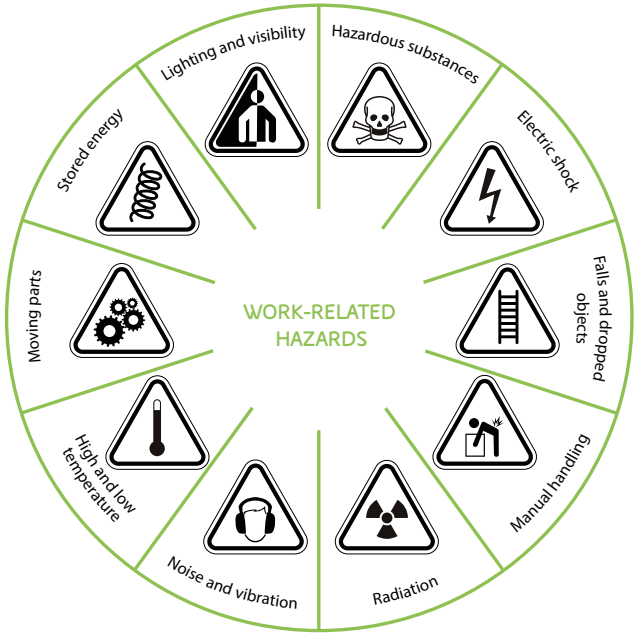
Three Tier 1 and zero Tier 2 process safety events were recorded in 2022. All were related to business activity production and two were Loss of Primary Containment (LOPC) of diesel and hydraulic fluid while the third is related to the oil spill described above. None of the events had major accident potential or caused significant harm to people, environment, or assets. The incidents have been investigated according to company requirements.

*Process Safety Indicators (PSI), as described in API Recommended Practice 754 and defined in IOGP RP 456 Process safety are retrospective and outcome-based indicators recorded in Vår Energi in accordance with the four-tier approach in the process safety indicator pyramid from API RP 754.

Occupational Health and Safety

Several work-related hazards with potential for high-consequence work-related injuries and illness are associated with activities in Vår Energi. The work-related hazards shown in the figure below are based on incident statistics from the global petroleum industry and provide an overview of the high-consequence hazards related to our operations.

The Energy Wheel



A comprehensive occupational health and safety management system ensures that Vår Energi identifies, understands, mitigates, and manages occupational health and safety risks throughout its offshore and onshore activities. The management system is based on regulatory requirements, mainly Petroleum Act[4] and Working Environment Act[5] including applicable regulations. In addition, the system follows international, national, and industry-specific standards. All employees and contractors[6] working under Vår Energi's control, are covered by and shall comply with our Occupational health and safety management system.

Risk assessments

Our work process for risk management shall ensure that Vår Energi has a system for establishing, reviewing, and monitoring an occupational health and safety risk picture. This includes a process to identify and assess risks associated with all activities, and to identify, implement, follow up and monitor adequate actions to manage the risk appropriately, and to consult the relevant levels in the company.

Vår Energi has a comprehensive tendering process and contract follow-up requirements to ensure that contracted parties, sub-contractors and business partners demonstrate the same degree of systems and processes to ensure workers occupational health and safety.

The extent and content of the risk management activities will depend on the phases and the complexity of the hazards and risks at each individual plant, project, or organisation. We have routines for systematic identification of significant hazards, and competent personnel are involved in defining the scope of the risk management activities and choosing the adequate methodologies for risk assessments, evaluations, and analyses.

When a hazard or potential risk is identified it triggers the risk management process for further assessment, evaluation, and risk treatment measures when necessary. Vår Energi strives to use the most advanced technologies and apply the most recent technical standards in occupational health and safety matters. We also invest in research and development of technology in products and processes to safeguard health and safety.

Vår Energi aims to keep hazards as low as reasonably practicable (ALARP) to avoid occupational injuries or illnesses, strains, accidents, and human errors. Choosing the best available techniques (BAT) is the prioritised principle for minimizing risks. We assess selections of concepts, technical solutions, and model for organisational changes with respect to occupational health and safety risks and human errors.

Health and safety training

To succeed in our safety work, our personnel need a high level of risk awareness, and good knowledge about both risk factors and protective measures. All employees, their supervisors, and the line management are given sufficient and appropriate information and instructions about the nature of the working environment and safety risks, and possible preventive measures. Results of risk assessments are made known to relevant personnel and line management. Written operational instructions are prepared for high-risk work tasks.

Worker participation

We have a Safety Delegate Service in accordance with the Working Environment Act that safeguards the interests of workers in matters related to occupational health and safety. The safety delegates ensure that the working environment is properly maintained, and that work is performed in a manner that secures the health, safety, and welfare of all personnel working for us.

We have active Working Environment Committees (WEC) where the employer, employees, and the occupational health service are represented. The committees participate in planning of our health and safety work, review all reports related to occupational health and safety inspections and measurements, and closely monitor the development of the working environment. Quarterly Safety & Sustainability Committee meetings where both management and coordinating main Safety delegate are present have been conducted in 2022. The purpose of these meetings is to ensure that the committee is informed about occupational health and safety status and risks, and to ensure continuous occupational health and safety performance improvement.

Our regular risk meetings ensure communication regarding risk and hazard information. New risks are reviewed, existing risks are followed up and the status of other indicators that may have implications for the aggregated risk picture are presented and discussed. Rep-

resentatives from the offshore organizations, onshore technical disciplines, management, work force representatives and health and safety professionals attend these regular meetings.

Vår Energi has established and participates in different arenas to engage with stakeholders. Positive and negative impacts on occupational health and safety are addressed and discussed in contractor working environment committee (CWEC) and cooperation meetings with HSE and occupational health service personnel. Such discussions also take place in licence meetings with partners.

Promotion of worker health

Norway has a public health care system that covers all inhabitants and foreign workers residing in Norway. The public system is supplemented by health care services provided by private clinics with or without reimbursement arrangements for patients. Vår Energi employees are covered by a health insurance plan allowing quick access to examination and/or certain kinds of treatment offered by private clinics, for both occupational and non-occupational medical conditions.

We cooperate with an occupational health service approved by the Norwegian Labour Inspection Authority to help monitor the working environment, propose improvements, and provide the professional competency needed to prevent unsafe conditions and work-related illness and injuries. In the event of possible occupational symptoms or illness, the employee has access to a specialist in occupational medicine. Employees can find contact information for the occupational health service in the employee handbook.

Vår Energi promotes a healthy workplace. Offshore and onshore locations offer, e.g., healthy food, indoor exercise facilities and company-sponsored outdoor leisure activities and cabin rentals.

Vår Energi is a member of the Norwegian Tripartite Committee for the Prevention of Alcohol and Drug Problems in the Workplace (AKAN). AKAN's main objective is prevention of and assistance in issues related to alcohol, drug, and gambling problems among employees.

Reporting of incidents, work related injuries and ill health

Vår Energi has work processes, procedures, and clear expectations to ensure that identified unsafe conditions, near-misses and accidents are reported according to requirements in the Working Environment Act. The law also explicitly states that employees and contractors who file such reports are protected against retaliation.

Health and safety incidents, including accidents, near-misses, and unsafe conditions, are registered, and followed up to investigate why the incident occurred and to identify measures to prevent recurrence. In the total statistics of Serious Incident Frequency (SIF) we also include incidents with potential for personal injury. This gives us the opportunities to take precautionary actions to eliminate hazards and minimize risks.

Work related illness and exposure incidents

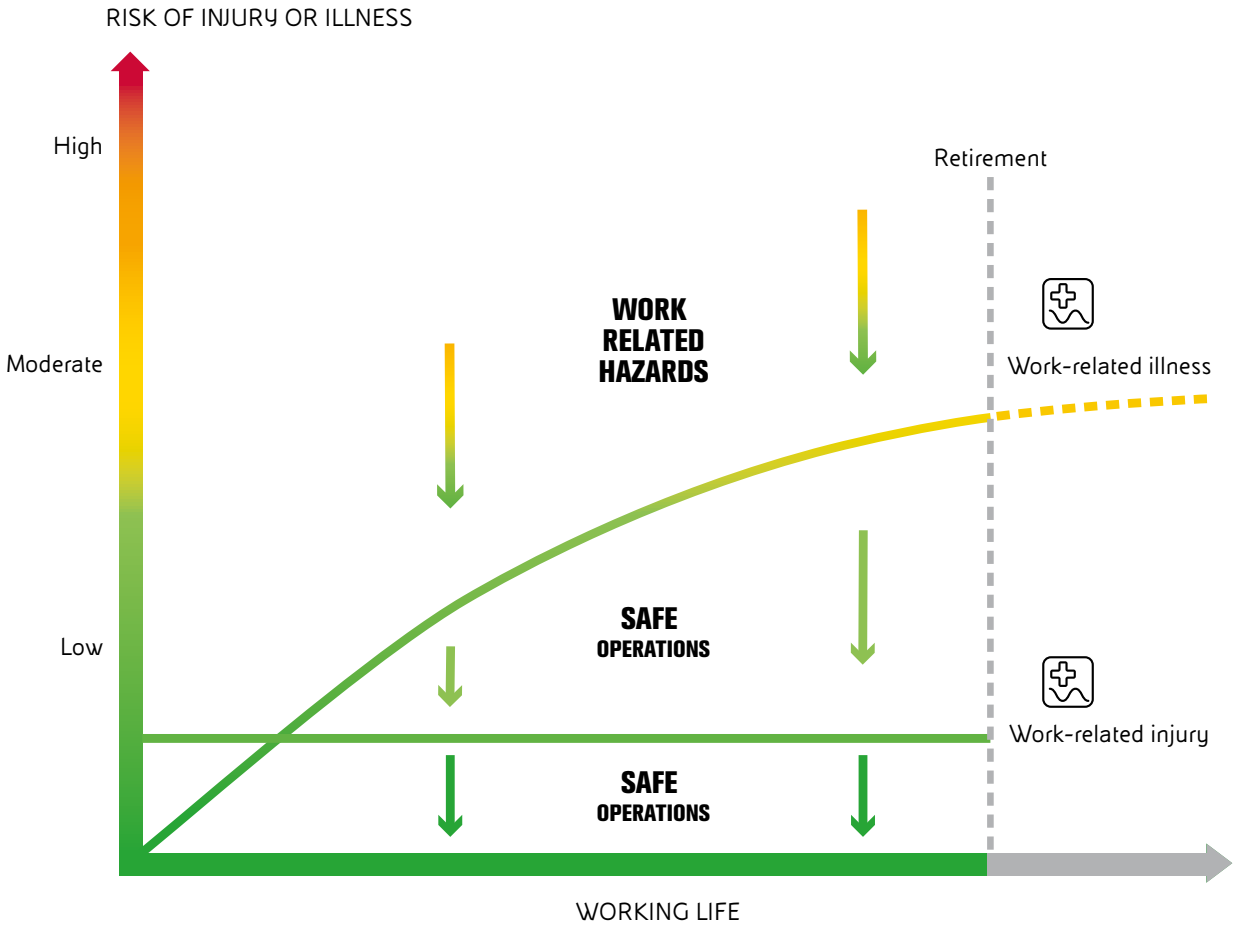
The main types of hazards that can cause work-related illness (WRI) in Vår Energi are noise and vibration, hazardous chemicals, ergonomics, and psychosocial issues. WRIs may occur as either acute, recurring, or chronic health problems. We have reasons to believe that work-related illness is under-reported.

This is because:

1. Work-related illness often has a long latency period and complex casual relationships. The work-related factor may then be underestimated or even forgotten when the diagnosis is established.
2. If the worker is diagnosed with work-related illness outside of the company's occupational health service, other professional health care workers are not required to report this to the company.
3. If the work-related illness is diagnosed after the employment period ends or upon retirement, it is unlikely that such information will be shared with the company.

However, statistics* reveal that work related illness represent a 7-8 times greater burden to individuals and society compared to work related injuries in Norway. To prevent work related illness from developing/occurring it is imperative to prevent health hazardous exposure (Exposure Incidents) in the workplace and thereby reduce the risk for work related illness in a long-term perspective. Note that risk of work-related injury will end by retirement while risk of developing a work-related illness will accumulate and persist throughout lifetime.

* Costs of work related illnesses and injuries - SINTEF (in Norwegian)



The figure shows how risk of work-related injury will end by retirement while risk of developing a work-related illness will accumulate and persist throughout lifetime. (The risk levels are meant as illustrations and does not reflect actual levels in Vår Energi)

Vår Energi has therefore introduced reporting and classification of exposure incidents. Exposure incidents will be reported if a worker is exposed beyond the "safe" level in combinations with insufficient or lacking control measures.

Exposure incidents are classified based on the inherent property of the exposure factors (the ability to create consequences) and classified into four severity levels:

1. Potential for reversible, non-fatal WRI
2. Potential for irreversible, non-life altering, non-fatal WRI
3. Potential for irreversible, life altering, non-fatal WRI
4. Potential for life shortening/life threatening WRI

When introducing exposure incident registration and classification, under-reporting was expected. This is due to lack of knowledge and awareness among workers and supervisors. Increasing numbers of reported incidents indicate that the organisation has realised the importance of focusing on such events. This, in turn, may lead to prevention of incidents. The trend we currently see could be interpreted as a reflection of a real decrease of incidents. However, we still see the need for increased awareness to be able to conclude that our reports reflect reality.

Work related injury	☑ 2022	2021	2020
Employees:			
Number of fatalities as a result of work-related injury	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of recordable work-related injuries	1	0	1
Rate of recordable work-related injuries	0,7	0	0,7
Main types of work-related injury	Soft tissue injury (hand)	Soft tissue injury (hand)	Chemical injury (lung, skin, eye)
Number of hours worked	1 518 859	1 518 305	1 521 587
Workers who are not employees:			
Number of fatalities as a result of work-related injury	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of recordable work-related injuries	3	5	9
Rate of recordable work-related injuries	1,7	2	5,2
Main types of work-related injury	Chemical inhalation	Soft tissue (hand)	Soft tissue (hand)
Number of hours worked[1]	1 765 807	2 450 892	1 720 774

Work-related ill health	2022	2021	2020
Employees			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	1	1	0
Main types of work-related ill health	Muscle-skeletal disorder	Muscle-skeletal disorder	Data not available
Workers who are not employees:			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Main types of work-related ill health	Data not available	Data not available	Data not available

Company reporting	☑ 2022	2021	2020
Worked Hours[2]	10 123 795	8 930 351	4 824 173
Serious Incidents (SI)[3]	10	12	8
Serious Incidents Frequency (SIF)	1,0	1,3	1,7
Total Recordable Injury (TRI)[4]	32	29	17
Total Recordable Injury Frequency (TRIF)	3,2	3,2	3,5
Dropped Objects (DO)[5]	31	18	7
Dropped Objects Frequency (DOF)	3,1	2,0	1,5
Work Related Illness[6]	2	1	0
Exposure Incidents[7]	6	14*	16*
Number of personnel involved in Exposure Incidents	21	36	176

All frequencies are per 1 000 000 exposed hours.

[1] Includes manhours for:
a) Workers that are not employees but work at Company site where the contractor provides personnel and tools for the execution of the work under supervision, instruction, and management system of the Company.
b) Workers who perform work defined as petroleum activities on the Company's assets under contractor management system at contractor site, e.g., drilling rigs, floatel at the Company's request.
c) Onshore service agreement personnel not included.

[2] Includes manhours for:
a) Workers that are not employees but work at Company site where the contractor provides personnel and tools for the execution of the work under supervision, instruction, and management system of the Company.
b) Workers who perform work defined as petroleum activities on the Company's assets under contractor management system at contractor site, e.g., drilling rigs, floatel at the Company's request.
c) Complex and/or large contracts where contractor as a main rule performs all work under their own management system at Contractor site, e.g., EPCI activities (Engineering, Procurement, Construction, Installation).

[3] Serious Incidents: Accidents, near misses and unsafe conditions, excluding Exposure Incidents, WRI, loss of production, security and reputation. Incidents related to personnel injury is defined as Serious Incident if the following has occurred or has the potential to occur under slightly changed circumstances:
- Head injuries involving concussion, loss of consciousness or other serious consequences.
- Loss of consciousness due to other causes.
- Skeletal injuries and tendon injuries, with the exception of rupture or fracture of fingers or toes where the adjoining bones are not out of position (not dislocated fracture).
- Injury to internal organs.
- Full or partial amputation of body parts, with the exception of nails, or the tips of fingers or toes without simultaneous loss of bone substance.
- Poisoning or chemical exposure with danger of permanent health injury.
- Burns, frostbite or corrosive injury involving the full dermis (third degree) or partial dermal injuries (second degree) of the face, hands, feet or in the abdomen, as well as all partial dermal injuries affecting more than five per cent of the body.
- General hypothermia (second degree or higher).
- Permanent damage or delayed consequences of injury leading to defined medical disability, cf. the Directorate of Labour and Welfare's disability tables.
- Eye injuries leading to full or partial loss of sight.
- Ear injuries leading to full or partial loss of hearing.
- Injury with extensive loss of muscle mass or skin.

[4] TRI: Number of personal injuries except first aid, including fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional. Lost time injuries defined as incidents resulting in fatalities, serious injuries and lost workday cases, but excluding restricted workday cases, medical treatment cases and first aid cases.

[5] Number of dropped objects above 40 joules. The potential kinetic energy of a dropped object is calculated using the following formula: m x h x 9.8(m/s2) = (Joules), where m=mass (kg), H= height (m).

[6] WRI: Acute, recurring or chronic health problems (e.g. hearing loss, asthma, allergies, skin diseases, musculoskeletal disorders, stress/burnouts, cancers) caused by - or aggravated by - work conditions such as for example noisy environments, hazardous chemicals, radiation, cold climate, ergonomic hazards, confined spaces etc.

[7] Exposure Incidents: Number of severity level 3 (irreversible non-fatal) and 4 (life threatening) health hazardous exposure (actual exposure to work-place hazard such as noise, hazardous compounds, radiation, cold climate, physical workload, if adequate control measures have not been implemented).

* Due to updates of cases in the reporting tool, the numbers of exposure incidents have been changed for 2020 (from 17 to 16) and 2021 (from 13 to 14) compared to last year's report.

High performing organisation

(GRI 11.10, 11.11)

Vår Energi is run by people. We aim to maintain, attract, and further develop a diverse and professional workforce. We believe in driving change and development through a mindset of setting direction, engaging for action & empowering for solutions, focusing on totality and fostering effective cooperation.

In 2022, aiming for a significant step forward in building a high-performing organisation, we have successfully completed a large reorganisation project to enhance flexibility and cooperation across business units, and make the organisation fit for future opportunities and growth.

In 2023, we aim to utilise the momentum of our new organisation to drive improvement projects, including workforce planning, performance & career planning, and learning & development modules across the company.

Employee involvement and engagement

Through our policy for employee participation, we have a duty to involve employees and make use of the collective knowledge and experience to ensure that issues are thoroughly examined before making decisions which concern health, safety, environment and other matters concerning the working situation.

We strive for transparency in all information flows from leaders to employees and have many platforms for sharing information, both digital and through regular Town Halls. Trade unions and employee representatives will always be involved prior to implementing significant operational changes that will affect employees. The notice period for changes depends on business needs and other characteristics of the change.

During the reorganisation in 2022, we invited, involved and included employees through significant participation in work groups, inclusion of trade union representatives in the workstreams and providing processes for raising questions and issues.

A survey was conducted in 2022, providing insights on organisational strengths and improvement areas regarding organisational design, employee development, culture, and core business processes, providing valuable input for the reorganisation project.

Some of the improvement areas from the survey that we are adressing in the reorganisation are:

- More efficient processes and decision-making
- Better use of the potential for collaboration and information sharing across functions/departments
- Further strengthen single "Vår Energi" culture after several mergers and integrations

A new survey will be conducted in 2023, and the resulting action plan with improvement areas will be implemented.

Collective bargaining agreements

Vår Energi have collective bargaining agreements with four different unions. The agreements cover all permanent employees except some management positions regarding working conditions and terms of employment. The agreements cover 85 per cent of all permanent employees. The remaining 15 per cent hold individual contracts, but these are also based on the same bargaining agreements. Notice period and provisions for consultation and negotiation are specified in the collective agreements.

Compensation and benefits

Vår Energi actions shall be consistent with the salary policy's basic principles, to ensure that the salary policy is perceived as being predictable and as fair as possible. We practice a gender-neutral pay system for all our employees.

All salaries are remunerated based on the individual position's responsibilities, level of problem solving and competence requirements, as well as the individual's level of competence.

Employees at all Vår Energi's locations of operation (Norway) are offered a multitude of employee benefits, both financial and recreational, including:

- Life insurance
- Personnel insurance (including health care, disability and invalidity coverage)
- Travel insurance
- Cell phones
- HjemJobbHjem – discount on public transport
- Employee loans (house and car)
- Share saving plan – stock ownership
- Bonus program based on company targets and KPIs. The bonus will vary from year to year, and at a maximum of 25% of base salary.
- 5 additional vacation days per year for permanent employees
- Flexible days off

*G is the basic amount in the National Insurance Scheme.

According to Vår Energi's pension plan, monthly contributions are paid on behalf of all employees as follows (1G* was 111 477 NOK in 2022):

- 7% of salary (pensionable base) between 0 and 7,1G
- 25.1% of salary (pensionable base) between 7,1 and 12G (7% + 18.1%).
- For employees with an annual salary over 12G, an amount equal to 15% of the difference between their actual salary and 12G is paid out through salary.

Parental leave

Vår Energi employees are entitled to parental leave in accordance with Norwegian legislation; a total of 49 weeks with full pay, or 59 weeks with 80 per cent pay. We pay the full salary during parental leave. During this period, employees are still covered by Vår Energi's insurance plans.

A total of 48 employees were entitled to and took parental leave in 2022 - 21 women and 27 men. Women's leave averaged 21 weeks, while men's leave averaged 10.5 weeks. 50 people returned to work after parental leave in 2022, 27 women and 23 men. 49 people remained after 12 months, 27 women (100% retention rate) and 22 men (96% retention rate), by the end of the reporting period (31 December 2022).

Training and education

In 2022, we started the implementation of our new integrated solution for performance development, including a dialogue plan, feedback structure, career aspiration plan and talent development programme. This process covers all permanent employees and forms a solid foundation for further development of Vår Energi employees.

Through our training policy, we are obliged to provide relevant training programs and ensure employees have time to perform mandatory training. Each employee is expected to take ownership of their own development, and all employees are obliged to participate in and complete all mandatory training initiatives.

The company has several mandatory training sessions for all employees, and all business units are responsible for planning the skills acquisition needed to equip their employees and leaders to develop and meet strategic targets. Throughout 2022, we have offered training and education in various forms, including e-learning, on-site classroom exercises, "on-the-job" training and workshops.

All employees are expected to prepare for an annual development conversation. For senior employees, we offer a transition assistance program which provides personal pension advice.

In 2022, we implemented our graduate program, aiming to attract a diverse group of talents. We also offer summer internships for young talents. These programs will be further developed and tailored during 2023.

Inclusion and diversity

We consider plurality and diversity as sources of enrichment and resources for the development of humanity. We respect and value the exclusive contribution of each individual to our company, committing ourselves to create an inclusive work environment that respects every individual's dignity and recognizes the power of differences.

We have zero tolerance to harassment and are committed through the Code of Ethics to a working environment free of discrimination based on gender, age, religion, political views, race, skin colour, nationality, ethnic origin, sexual preference or living arrangements. There are no reported incidents of discrimination during the reporting period.

During 2022 we have worked to promote gender diversity both in new hires and female leadership and have managed to maintain or raise the level of female leaders across all leader levels in the onshore organisation. Executive level has increased from 31 to 40 per cent female leaders, while the second level leader group has increased from 20 to 33 per cent female leaders. .

Diversity & inclusion will continue to be on the agenda during 2023. We have already started, and will continue working on the following:

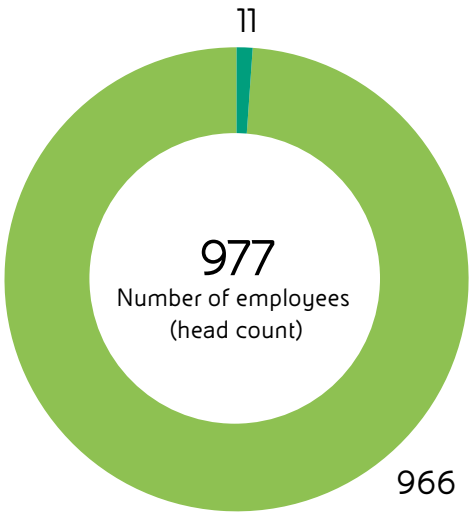
- An agreement established with a female and non-binary student network, Hypatia at NTNU, aiming to strengthen collaboration and promote female role models in different industries.
- Working for a balanced and diverse workforce through further development and promotion of summer internship and graduate programs.
- Yearly unconscious bias training for all employees in our organisation.
- New performance development structure with succession planning, aiming to promote both female and young talent.
- Awareness through increased transparency as result of the implementation of new analytics tool that includes diversity metrics, visible to all leaders.
- Recruitment campaigns and job advertisements aiming to attract female talent across all disciplines in our organisation.

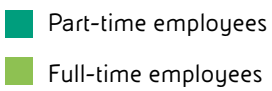
All initiatives are directly related to and will be evaluated against the strategic targets for 2025, where we aim to have an organisation with:

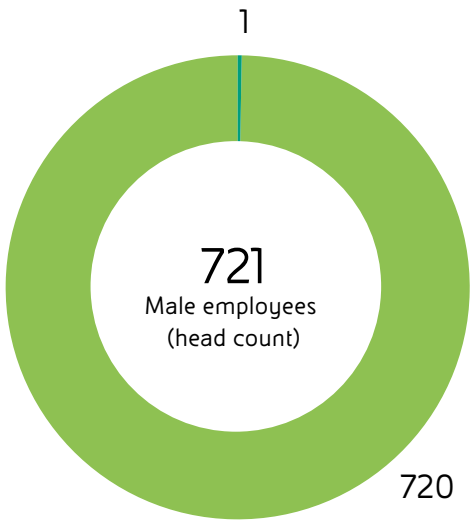
- 30 % female employees in the company
- A ratio of female leaders reflecting the gender balance onshore and offshore
- Average age in company <47,2 years

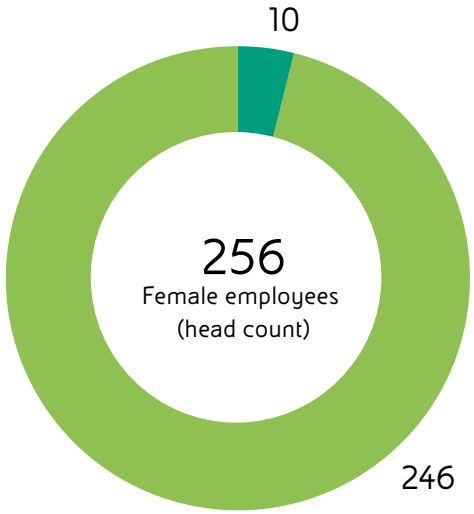
Employees

By year end 2022 Vår Energi had in total 977 employees distributed as follows:









99 per cent of all permanent employees worked in full time positions. Six students and apprentices held temporary positions. These are not included in the number of employees.

There were no employees holding involuntarily part time positions and no non-guaranteed hours employees in Vår Energi in 2022.

FACT BOX

Workers who are not employees

Workers who are not employees are defined as:

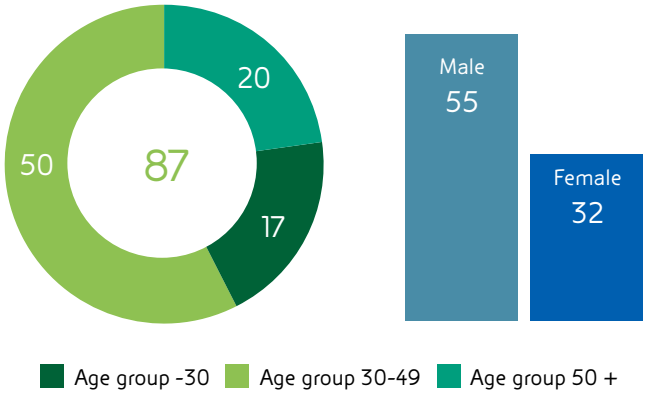
- Contract workers or independent contractors generally hired for specific projects or services on a shorter-term basis in all parts of our company.
- Service agreements that outline the service that is to be provided and does not include any specifications on which personnel will execute the service. This includes offshore service personnel, management consultant services, canteen services, office security services etc.

For 2022, this included 270 contract workers and 1321* service agreement personnel, giving a total head count of 1591. There are no significant fluctuations in the number compared to previous years.

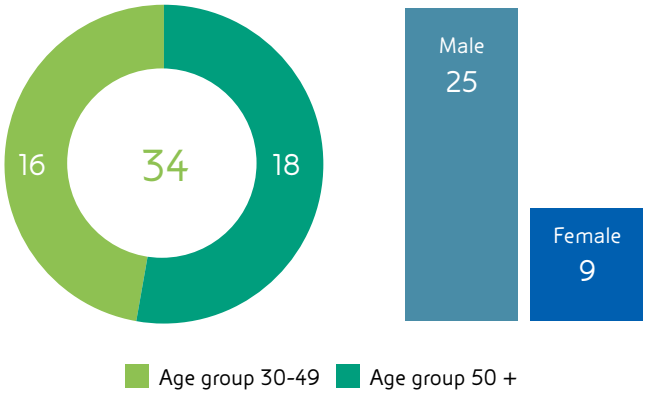
*Number of people given access to Vår Energi office facilities and/or systems during 2022 to perform work, regardless of hours worked.

☑ New employee hires and employee turnover

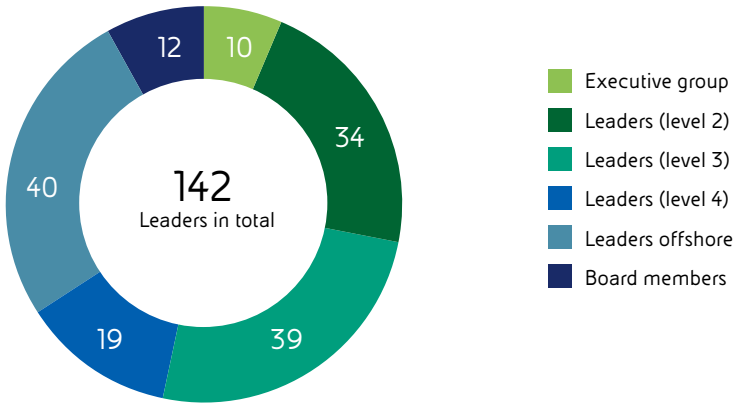
Total new hires



Total turnover

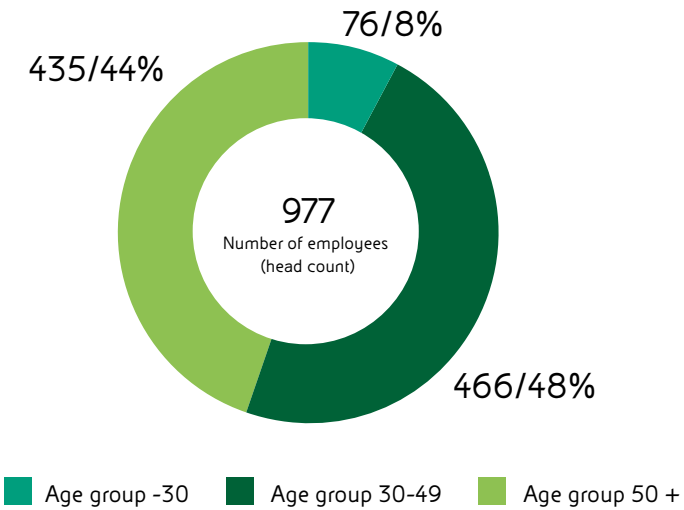


☑ Diversity of governance bodies and employees by gender



	Female	%	Male	%	Total
Leaders in total	35	25	107	75	142
Executive group	3	30	6	60	10
Leaders (level 2)	12	35	22	65	34
Leaders (level 3)	9	23	30	77	39
Leaders (level 4)	5	26	14	74	19
Leaders offshore	6	15	34	85	40
Employees (excluded leaders)	221	27	614	73	835
Board members	6	50	6	50	12

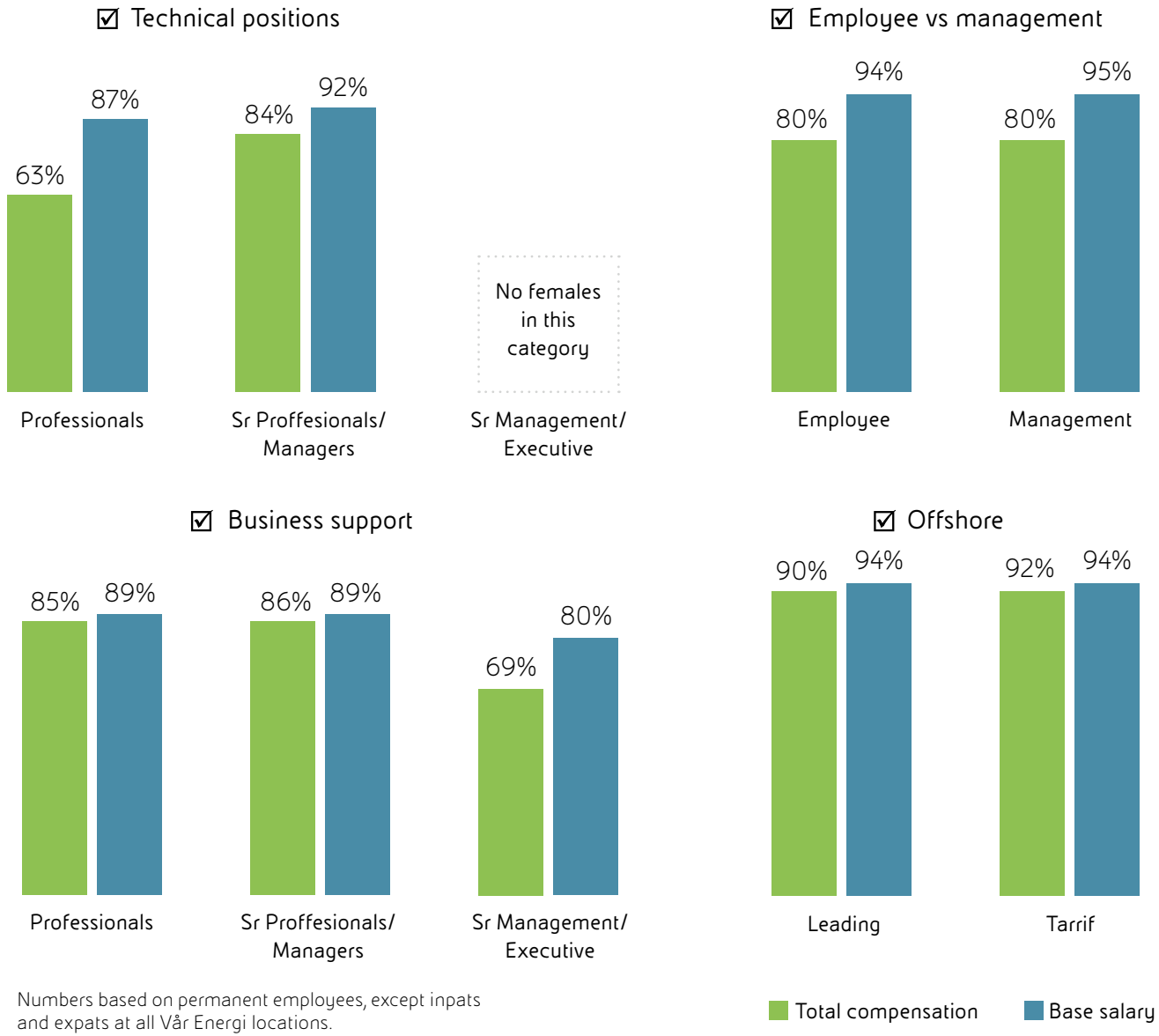
☑ Diversity of employees by age



	30-	%	30-49	%	50+	%
Executive group			2	20	8	80
Leaders (level 2)			15	44	19	56
Leaders (level 3)			27	69	12	31
Leaders (level 4)			14	74	5	26
Leaders offshore			13	33	27	67
Employees (excluded leaders)	76	9	395	47	364	44

Diversity of Board of Directors by age, see Annual report, page 44.

Ratio of basic salary and remuneration of women to men



Numbers based on permanent employees, except inpats and expats at all Vår Energi locations.

FACT BOX

Annual total compensation ratio

The total compensation ratio between the highest paid individual in our company and the median was 8,7 in 2022. The ratio of the percentage increase was 12,8.

The salary of the organisations highest paid individual increased by 29 per cent from 2021 to 2022. The median percentage increase in annual total compensation for all employees was 2,25 per cent in the same period. The ratio of the percentage increase is hereby 12,8.

The higher than normal increase in payment for the highest paid individual in 2022 is due to various factors, including the company's listing on the stock exchange and introduction of a long-term investment plan which affected the total compensation.

The guidelines for remuneration of the executive management (99,1% voted for the policy in the Annual General Meeting) is available on the Vår Energi website.

Next steps

During 2023 we aim to drive several strategic projects:

- Implement and optimize workforce planning by providing tools and capabilities to increase flexibility and enable development of know-how and expertise across the company.

- Action-based approach to work for increased diversity gathered in a diversity taskforce working on initiatives such as including diversity aspects in recruitment and selection process, leadership opportunities, learning and development opportunities, succession planning and talent management.

- Establish strategic priorities and performance management measures to bring our overall strategy down to concrete action points, targets and KPI's. This is important to ensure that we all follow the same direction and understand each other's roles and responsibilities.

- Establish and implement strategy and platform for learning and development, aiming to establish a common integrated learning platform across all departments in the company.

- Evaluate and adjust leadership criteria to fit strategic priorities going forward and implement leader development and training programs across all leader levels during 2023.

Local value creation

(GRI 11.14, 11.15)

We depend on our relationship with the local communities where we operate, and the more mutually beneficial that relationship is, the better results we get. Therefore, we actively engage in the communities where we have industrial activity to create local and regional ripple effects such as increased industrial activity, job creation and competence development in the communities around our operations.

Whenever we are planning the development of a new field or other major development projects, we analyse the potential impacts of our activities and who would be affected. Based on a stakeholder mapping process, a stakeholder management plan is developed as part of our work to identify and mitigate key issues related to projects and activities. It is our goal to also include ripple effect studies in the development phase of all our projects over a certain size.

All our operations are located in Norway, which we consider as one local region. Our senior management group comprises nine corporate executives, where eight (89%) are Norwegian citizens. One of the keys to achieving industrial ripple effects is our own local presence and our contracts and procurement strategy, adapted to the regions' industrial structure. We choose local suppliers wherever feasible.

FACT BOX

Direct economic value generated and distributed (EVG&D)

	MUSD
Direct economic value generated	
Total income	9 828
Net profit	936
Economic value distributed	
Operating cost excluding wages and bene	3 254
Employee wages and benefits	175
Payments to providers of capital	
Dividends paid	775
Interest payments	161
Payments to government and community investments	
Taxes to government	2 726
Community investments	2
Total	7 092
Economic value retained	
Direct economic value generated	9 828
Economic value distributed	7 092
Economic value retained	**2 736**

The Economic Value Generated and Distributed (EVG&D) provides a basic indication of how Vår Energi has created wealth for stakeholders. The economic value retained is calculated as the direct economic value generated less economic value distributed. The direct economic value generated, or revenues, is calculated as net sales plus revenues from financial investments and sale of assets. In 2022, Vår Energi's total income merely reflect sales of crude oil, gas and NGL sales.

Economic value distributed includes operating costs, employee wages and benefits, payments to providers of capital and to government, plus community investments. Operating costs comprise of total operating expenses reported in our 2022 financial statements less total salary expenses, as this is reported separately in the EVG&D calculation.

Employee wages and benefits include total salary expenses, pension cost and other personnel expenses. Social security tax is excluded from the component and included in taxes to government. Payments to providers of capital include dividends to shareholders plus interest payments made to providers of loan. Payments to government relates to income taxes and area fees paid by Vår Energi in 2022, including social security tax. Community investments refers to actual expenditures on social investment projects.

Vår Energi has calculated the Economic Value Retained (EVR) in 2022 to 2 736 MUSD. The percentage value distributed is 72,2 per cent of the economic value generated, whereas the economic value retained equals 27, 8 per cent.

All figures extracted from annual report 2022

We evaluate our direct and indirect social and economic impacts through annual ripple effect analyses. In 2021 we commissioned the independent research organisation Kunnskapsparken Bodø (KPB) to annually map the societal ripple effects of our activity in Norway, with basis in the operatorship of the four fields, Balder, Marulk, Ringhorne and Goliat. Forecast for 2022 indicated a spend of NOK 16.000 million and more than 10.000 employments created. 98 per cent of our payments for goods and services go to suppliers based in Norway, our local area of operations, in line with our stated goal to create local value around our operations.

Facilitating and increasing Norwegian and local deliveries is an area in which we have focused a lot of attention. It is also a topic of great interest to some of our most important local and national stakeholders. Ensuring local ripple effects, especially in the northern region of Norway, is not only of upmost importance to us and our stakeholders but is also reflected in the Norwegian Governments ambitions towards 2025.

We regard the positive economic impacts and employment effects that our activities have on Norwegian society as a central part of our license to operate in Norway. Our activities have significant positive effects on the local communities around our operations, not only through our direct economic impacts, but also through the value created throughout our supply chain. Potential negative effects on local communities such as impacts on biodiversity and the health and safety of employees and contractors is a constant focus area for us, and we continuously strive to minimize these potential negative impacts. No such effects have been registered in the reporting period.

Local engagement

Engagement with local communities is an important foundation for supporting our activities. Through stakeholder engagement and dialogue, we strive to ensure close alignment with local authorities, supplier networks and other relevant entities. We participate in relevant networks and venues for dialogue and information sharing, for example our membership and engagement in Arctic Energy Partners.

Arctic Energy Partners is a network for the supplier industry in northern Norway. The network has cooperation agreements with companies operating or developing operations in the northern part of the Norwegian Sea and the Barents Sea.

Because we strive to have a meaningful and sustainable impact, we have social investment projects in all local communities in which we have industrial operations. Vår Energi's local engagement program focuses on:

- Performing independent research and development activities.
- Using local suppliers as far as possible, and facilitating opportunities for national suppliers establishing local presence, as well as industrial collaborations locally, especially in Northern Norway.
- Investing in projects and collaborations within primary, secondary and higher education, to increase awareness and competency, and thus securing future recruitment and industrial development.
- Supporting cultural and sport projects to increase communities' attractiveness for existing and potential new residents.

Governance

Responsible business conduct

(GRI 2.23 – 2.28, 11.11, 11.12, 11,13, 11.17, 11.19, 11.20, 11.21, 11.22)

The Vår Energi Code of Ethics sets out the rules and standards that apply for all Vår Energi's activities and business relationships. Using the UN Sustainable Development Goals as a framework, it constitutes a guide in decision-making and action-taking that are consistent with our culture of responsibility, legality, transparency and long-term value creation for all our stakeholders.

Through the Code we are committed to respect and support all internationally recognized human rights and seeks to avoid complicity in human rights violations, in line with the Norwegian Human Rights Act, the Norwegian Transparency Act, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

The commitments include applying the precautionary principle related to health and safety and the environment and carrying out due diligence on human rights and worker rights as described in the OECD Due Diligence Guidance for Responsible Business.

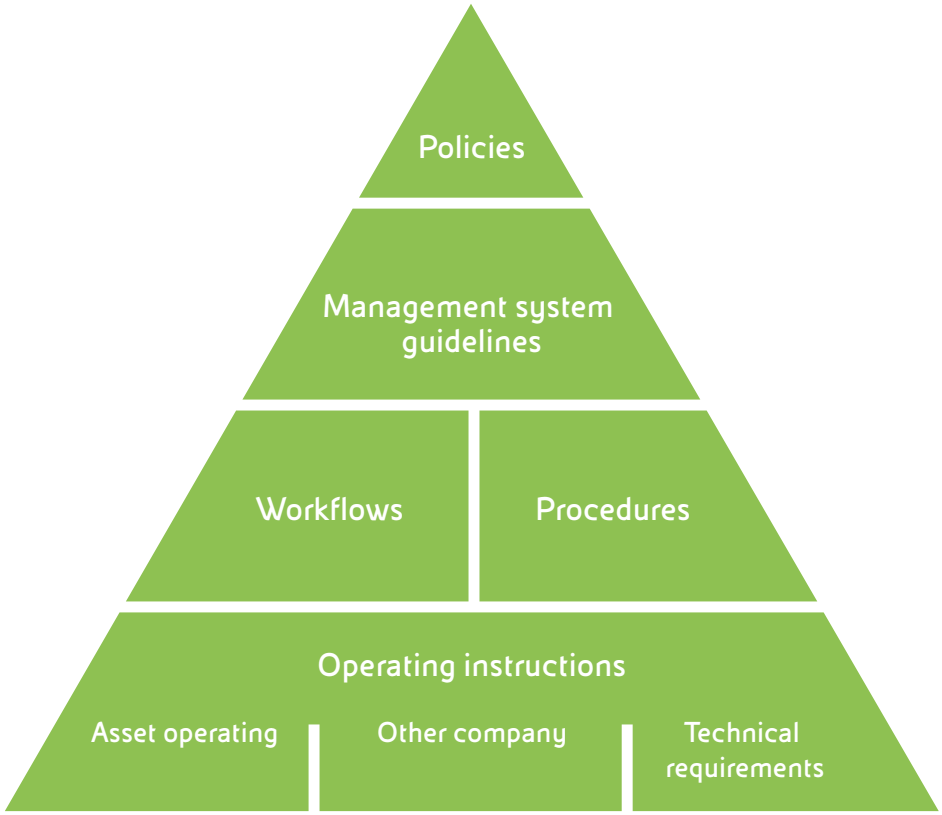
The Code of Ethics is approved by the board of Directors, which is the most senior level in the company and communicated to all Vår Energi's employees upon hiring. It is disseminated when updates or changes occur. It is a requirement in all supplier agreements to follow the principles set out

in the Code of Ethics. Except for a couple of inherited contracts, it has also been communicated to and referenced in agreements with all buyers.

Embedding policy commitments

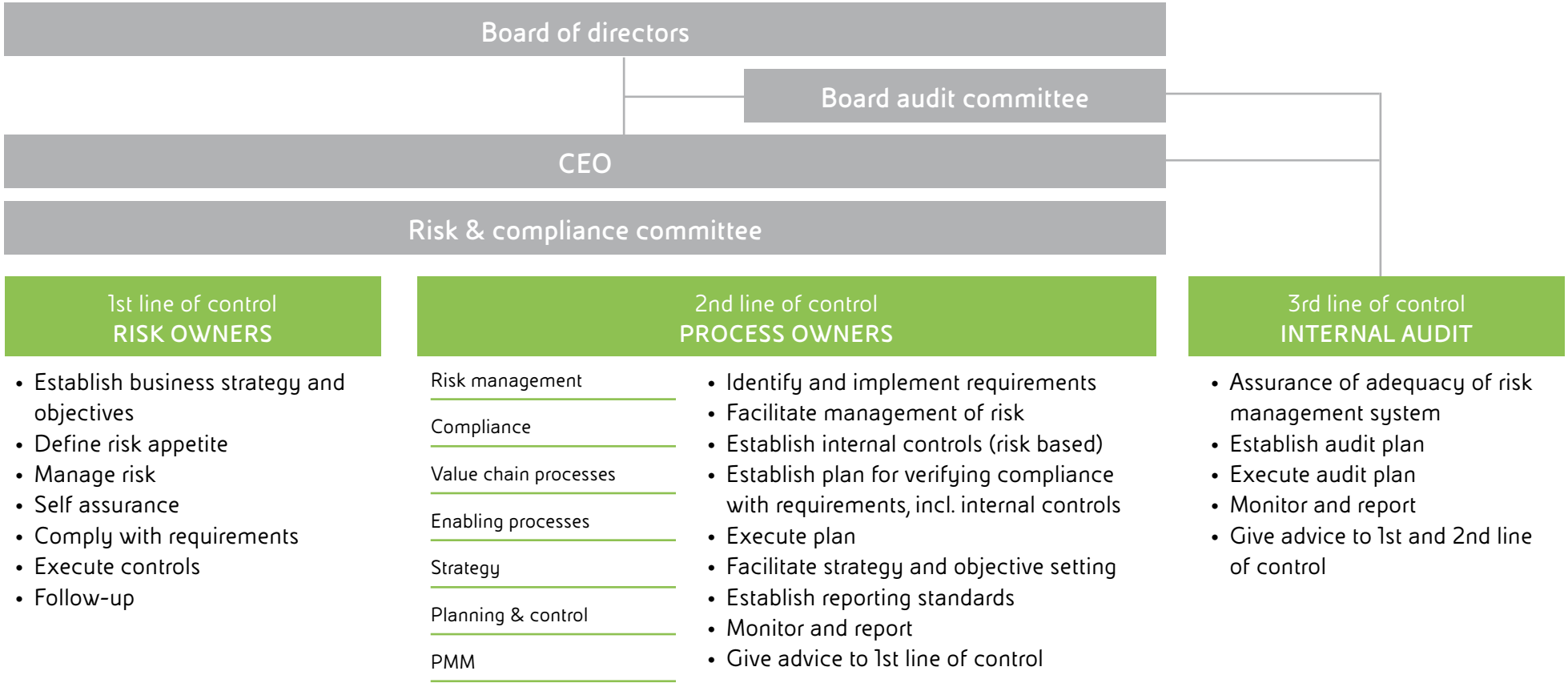
The Governing Documentation hierarchy, ref. figure on the right, constitute the core of Vår Energi's Management System (VEMS). The Vår Energi Code of Ethics is found at the top of the pyramid together with other company policies. Together they define the principles and general rules of conduct on which all activities must be based. Amendments to documents on this level are approved by the Board of Directors.

On the next level the Management System Guidelines (MSGs) constitute the framework aimed at ensuring appropriate management of the process itself and its related risks, and compliance with laws, regulations or company governance rules. MSGs are split into two types, Compliance & Governance MSGs, approved by the CEO, and Process MSGs, approved by Process Owners, which are either Executive Vice Presidents or Senior Vice Presidents. Workflows, Procedures and Operating Instructions break into operative terms, where necessary.



Vår Energi's governing documentation hierarchy.

Our governance principles are organised in the three lines of control model, as shown in the figure below. The first line of control is the responsibility of the risk owners (in many cases the departmental managers) and the second line of control is the responsibility of the process managers. The Internal Audit department is responsible for independent third line of control activities.



All our tender processes include the obligation to vendors to acknowledge our documents, as part of our standard:

- Vår Energi Code of Ethics
- Vår Energi Sustainability Policy
- Vår Energi Compliance Declaration Form

These are all available at Suppliers - Vår Energi - securing safe operations and high quality.

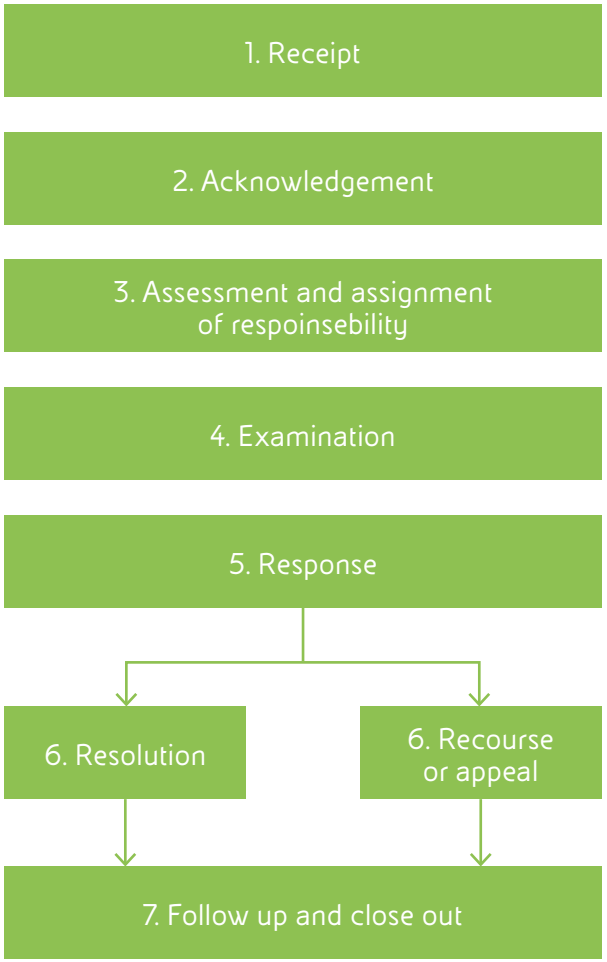
Training courses have been held as deemed necessary, for instance after changes in processes or guidelines. As an example, there has recently been a change both in the process for performing due diligence and in the database used for that purpose, so several training sessions have been held regarding due diligence, particularly for those initiating and performing them.

Processes to remediate negative impacts

All our activities are carried out under Norwegian jurisdiction, with well-established state-based judicial and non-judicial grievance mechanisms. However, if applicable, the procedures for handling grievances and concerns submitted by complainants to Vår Energi is described in the MSG Responsible and sustainable enterprise.

The grievance mechanism process is in line with the internationally recognized principles of effectiveness as described in the UN Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework", 2011 and describes a set of activities to be carried out when Vår Energi receives concerns or grievances in relation to its activities.

Any grievances received shall be reviewed and handled by the Sustainability function according to the process outlined in the figure below.



Once the proposed resolution has been approved, the Sustainability function will notify and discuss the resolution with the complainant. If an agreement cannot be reached one may involve third parties to resolve the grievance/concern. This involvement may consist of, but not be limited to:

- Referring the matter to a review committee composed of representatives from Vår Energi and from the local community in equal measure.
- Referring the matter to an independent third party who assesses the complaint and proposes an impartial resolution that the parties will decide whether to accept or reject.

The Sustainability function is responsible for monitoring the grievance mechanism's degree of effectiveness by analysing, at least once a year, the following performance indicators:

- Participation: number of concerns and grievances received
- Resolution: Percentage of grievances resolved
- Occurrences: number of grievances by category (subject, geographical area, etc.) and trends

No grievances have been received in 2022.

It is embedded in the principles of the grievance mechanism that that the stakeholders concerned be consulted right from the beginning in defining the mechanism and, subsequently, the review of its effectiveness.

Mechanisms for seeking advice and raising concerns

Vår Energi has a reporting process for whistle-blowing cases in accordance with the requirements of the Norwegian Working Environment Act (WEA). This process is available for both internal and external stakeholders via Vår Energi home page , and was prepared in cooperation with the work force representatives.

Vår Energi uses the externally provided and web-based tool WhistleB for managing whistle-blowing cases. Grievances can also be reported here. WhistleB ensures anonymity unless the user decides to disclose their identity. The communication channel is encrypted, password protected and complies with the ISO 27001 IT security standard.

Whistleblowing cases are handled by the Whistleblowing committee (WBC) consisting of three senior employees. Only the WBC has access to reports from WhistleB. Concerns and grievances can also be raised to the relevant manager, the Legal & Compliance department or the Senior Vice President Internal Audit who is also the chairman of the WBC. It is also a requirement that the employer or the safety representative shall be notified as soon as one becomes aware of harassment or discrimination in the workplace.

If there are any questions or concerns, we encourage our employees to contact either their manager or the Compliance function, who is our 'go to' in case of doubts on the interpretation of the Code of Ethics.

The whistleblowing function was presented to all employees in a town hall meeting in 2022, and two reminders were posted on the company's Workplace to ensure that everyone working for Vår Energi are aware of how to and encouraged to raise concerns they may have.

Human rights due diligence assessments

When considering new tenders for goods and services, we conduct due diligence assessments of new and existing suppliers, both under the Transparency Act and as part of our regular compliance work. In 2022, we have performed a total of 286 due diligence assessments. We have initiated a review of the risk and due diligence assessment processes, specifically with the aim to get a better understanding of the risks associated with the entire supply chain.

Various tools are used to identify and prioritize potential negative social impacts at key decision making milestones. Our due diligence tool identifies a broad range of crimes including human rights violations, genocide, war crimes, hate crimes, Geneva Convention violations, unlawful imprisonment, extrajudicial executions, torture, ethnic cleansing, crimes against humanity, political persecution, and political prisoners.

Where the due diligence assessment shows a particularly high risk of human rights violations, qualification requirements are used to ensure that the supplier has sufficient technical and professional qualifications to safeguard human rights in the contract when this is possible.

Operators on the Norwegian continental shelf has a collaborative approach to responsible business conduct and has developed a human rights assessment service to perform and share worksite human rights audits of suppliers in the energy sector.

We began using the service in 2022 and completed two human rights audits – one on-site assessment and one extended desktop assessment. In 2023, our objective is to increase the number of audits, and improve our process of identifying suppliers in our supply chain for human rights audits.

New suppliers that were screened using social criteria	Percentage of new suppliers that were screened using social criteria.	42%	Since 01.07.2022 all new suppliers were screened using social criteria.
Negative social impacts in the supply chain and actions taken	Number of suppliers assessed for social impacts.	113	This number comes mostly from second half of 2022 - it will be about double in 2023.
	Number of suppliers identified as having significant actual and potential negative social impacts.	0	No significant negative social impacts identified
	Significant actual and potential negative social impacts identified in the supply chain.	0	No significant negative social impacts identified in the supply chain
	Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	0	
	Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	0	
Operations and suppliers at significant risk for incidents of forced or compulsory labour	Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour	0	No significant risk identified.
	Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour.	0	

Governance of sustainability impacts

The Board of Directors have a leadership and supervisory role in all sustainability matters. They have also established a Safety and Sustainability Committee (the Committee), 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.

During 2022, the Board of directors have had information sessions on GHG emissions and our decarbonisation strategy, health and safety, local communities, workforce diversity and responsible business conduct as part of the IPO, and a session on insider risk, insider information duties and appropriate management of inside information. The Board also attended an online training program by Oslo Stock Exchange to comply with stock exchange requirements for board members.

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 sustainabiltity 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.

Compliance with laws and regulations

An order was received from the Petroleum Safety Authority Norway (PSA) to establish a system to ensure overview of the integrity of the flexible risers on Goliat, including associated safety equipment. The system was established during the autumn of 2022.

With regards to reactions from the PSA we are here only including orders, or stronger responses if we should get any, ref. list of PSA reactions on their website . Any reactions below "orders" are not considered to be significant instances of non-compliance.

Apart from this there were no significant instances of non-compliance with laws and regulations and no fines were paid during the reporting period.

Rights of indigenous people

Protecting the rights of indigenous peoples is a part of the internationally recognized fundamental principles of human rights. As operator of the Goliat field in the Barents Sea, we promote the sustainable development, rights and expectations of the indigenous Sami people who depend on areas in the Finnmark area for their livelihood, culture and traditions. This is incorporated into our processes and the way we do business.

We have no operations in or near areas of indigenous people* and operate in accordance with Norwegian legislation, hence we consider the risk of infringing on indigenous peoples' rights to be low. We have not been involved in processes of seeking free, prior and informed consent (FPIC) from indigenous peoples. There have been no incidents violating the rights of indigenous people during the reporting period.

Anti-competitive behaviour

We believe in business freedom and free competition in a fair and ethical manner. Violation of antitrust legislation could expose the company to significant economic losses. Vår Energi Code of Ethics addresses the obligation to comply with competition laws and protect competition in the market. We are committed to comply with applicable competition laws and do not tolerate collusive practices with competitors and do not abuse our market power. Vår Energi is committed to full and fair cooperation with Antitrust Authorities.

The Antitrust management system guideline contains further details regarding our commitment to comply with competition laws. The principles and values in Vår Energi's Antitrust Compliance Program serve to guide the company's behaviour in the markets in which it operates and in its relations with competitors, customers, suppliers and consumers.

All Vår Energi personnel must have knowledge of the content and the principles of the Antitrust management system guideline and ensure full compliance with it. To acquire adequate awareness of antitrust issues, all Vår Energi Personnel are required to participate in training events and targeted refresher courses.

There have been no legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of antitrust and monopoly legislation in which Vår Energi has been identified as a participant.

*Indigenous land defined as the STN area (in Norwegian). Definition of "near" (5 km) from SASB Oil and Gas Sustainability Reporting Standard

Anti-corruption

Violation of anti-corruption laws can incur considerable legal consequences and seriously damage a company's reputation and is linked with several negative impacts for the society in general. While the impact of corruption could be high, Vår Energi only operates on the Norwegian continental shelf, which reduces the risk of corruption considerably. The likelihood of a corruption risk materializing is thus considered low and with the mitigating measures in place the risk of corruption is not considered to be significant.

Risk assessment is carried out at least annually for all defined compliance areas, including anti-corruption. The risk assessment is done using the same format as for enterprise risk assessments and is performed in a workshop with the General Counsel, the VP Compliance and the Compliance Officer. The corruption risk for the company is evaluated, including risk factors and mitigating measures to reduce risk of corruption. No significant risks were identified through this, neither for corruption, nor any of our other compliance areas.

One of the mitigating measures in place is the due diligence process of all new business partners. They are checked using a dedicated IT tool where the companies, their directors, senior managers and ultimate beneficial owners are all checked for sanctions, political exposure and any adverse media for instance related to corruption, fraud, human rights violations. Financial due diligence is also included. Stakeholder feedback on actions and their effects can be obtained through the general stakeholder dialogue. There is no separate stakeholder dialogue mechanism regarding anti-corruption specifically.

In 2022, a few potential business partners were assessed as high risk due to their financial performance, triggering mitigating measures. Two business partners were assessed as high risk due to other issues. We started a dialogue with those two companies and received insurances in writing that the issues were not applicable for the contracts in question.

The Petroleum Act provides the overall principles applicable for operations on the Norwegian Continental Shelf and the legal framework for the licensing system, whereby petroleum activities such as exploration and production cannot be carried out unless a license has been awarded. One of the conditions for the award of a production license is that the licensees in each license enter into an agreement for petroleum activities. Such standard agreement stipulated by the Ministry of Petroleum and Energy consists of certain special provisions which set out e.g. the voting rules in the license, the standard Joint Operating Agreement and a standard accounting agreement and is subject to confidentiality provisions. The standard joint operating agreement however is publicly available on the website of the Ministry of Petroleum and Energy.

Anti-corruption disclosures	Region/ category	Number	%
Total number and percentage of governance body members that the organization's anticorruption policies and procedures have been communicated to, broken down by region.	Norway	7	100%
	Italy	5	100%
Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category.	Managers	142	100%
	Other employees and contractors	976	88%
Total number and percentage of business partners that the organization's anticorruption policies and procedures have been communicated to.*	Suppliers - Norway	179	100%
	Suppliers - Europe	16	100%
	Suppliers - USA	2	100%
Total number and percentage of governance body members that have received training on anti-corruption.	Norway	7	100%
	Italy	5	100%
Total number and percentage of employees that have received training on anticorruption.	Managers	136	96%
	Other employees and contractors	1143	91%
Total number and nature of confirmed incidents of corruption.		0	
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.		0	
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.		0	
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.		0	

*Code of Ethics and Compliance declaration included in all new agreements and options and new Code of Ethics was communicated to all companies we have framework agreements with. Number and percentage reflect this for 2022.

Tax

Our businesses give us the opportunity to make significant contributions to the tax revenue of country of operations, supporting their economic and social development. Vår Energi is aware of the importance that these revenue flows represent to societal well-being, and as such adopts conduct in keeping with the principles of transparency, honesty, accuracy and good faith provided for by the company's Code of Ethics.

An overview of the Norwegian petroleum taxation can be found at Vår Energi - Reports & Presentations (varenergi.no)

The tax strategy is approved by the Board of Directors. The primary goal of the tax strategy is compliance with tax law in a manner consistent not only with the letter, but also with the spirit of such laws.

Vår Energi intends to minimise its tax risk, and to this end provides for specific checks which aim to ensure the accuracy and punctuality of the payment of taxes, within the framework of a transparent and accurate compliance strategy which also aims to prevent any disputes. To this end, Vår Energi encourages preventive dialogue with the tax authorities, in compliance with the normative tools provided for this purpose. Vår Energi does not operate using methods such as to facilitate tax evasion by parties acting on its behalf.

Governance

The CFO is responsible for the Tax Control Framework and performing an annual review of the same. The results of this and the main topics characteristic of the effective application of the Tax Strategy are contained within the annual report sent to the Audit Committee (which reports the results to the Board of Directors) .

The company tax department works in close contact with the business areas to ensure that potential tax risks are identified and suitably managed. The tax impacts of extraordinary transactions (such as M&A) are analysed and approved by the appropriate organisational positions.

Control framework

Vår Energi has developed a Tax Control Framework within its internal control system with the goal of ensuring, with reasonably certainty, that its business is managed in accordance with the principles and ends laid out in these guidelines, reducing the risk of material violations to a remote level.

The adoption of the Tax Control Framework occurs through a structured process consisting of three phases:

- Tax Risk Assessment.
- Identifying and assessing the controls to prevent these risks.
- Reporting.

The Tax Management System Guidelines set out the standards and methodologies for the design, implementation and long-term maintenance of the Tax Control Framework.

External assurance for tax disclosures is provided by the Company's independent auditor PwC, ref. Auditor's report in the Annual report available on www.varenergi.no

Risk assessment

The Tax Risk Assessment consists of the entirety of the activities which aim to identify and assess the actions or events whose occurrence or absence could partially or fully compromise the goal of minimising tax risk. Identification and assessment of the tax risk is performed at an "inherent" level, therefore not considering the existence and operational effectiveness of specific monitoring techniques which aim to eliminate the risk itself or to reduce it to an acceptable level (known as the residual risk).

The head of the tax department, with the support of the department responsible for the financial reporting, defines the scope of the companies and processes and submits it to the CFO of Vår Energi for approval.

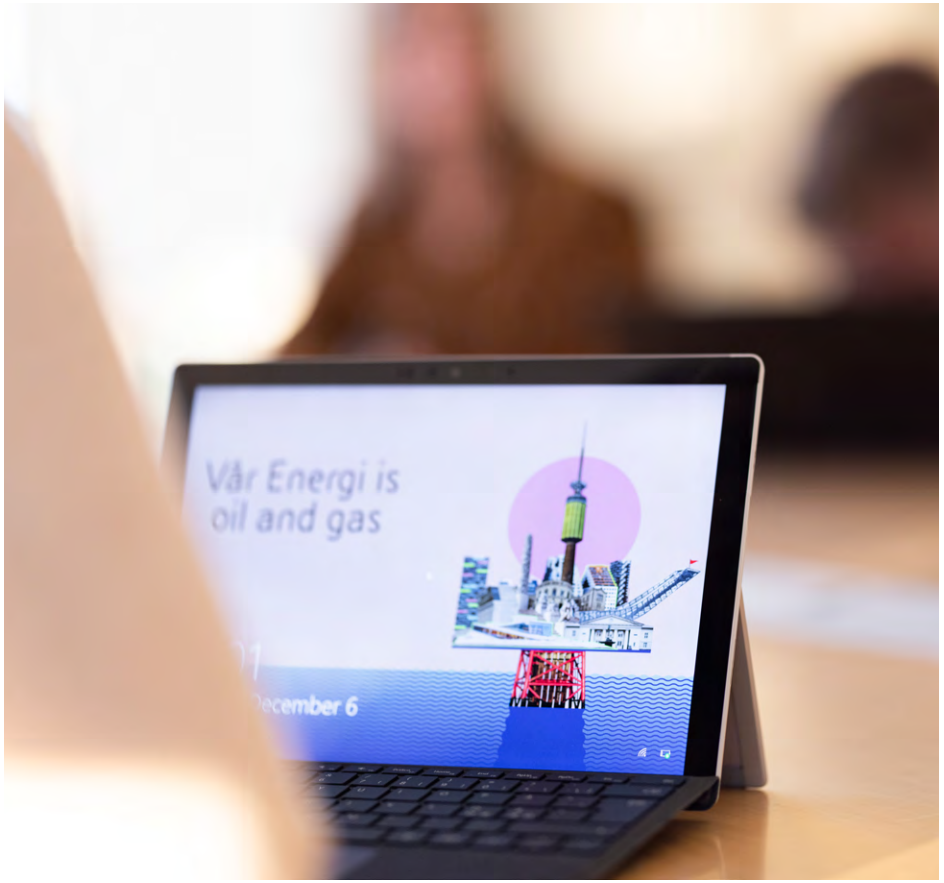
Monitoring

Monitoring consists of the regular assessment of the appropriateness and operational effectiveness of the checks and is performed using Line or Independent monitoring depending on the corporate party to whom the responsibility for its performance is assigned.

Line monitoring is assigned to the management of the operational structures affected by the tax risks and is performed using the same methodologies and operational tools specified for the financial reporting control system.

The independent monitoring is assigned to the Internal Audit department within the scope of the independent monitoring plan defined on an annual basis for the purposes of the financial reporting control system.

There is no separate process to collect views and concerns from stakeholders on tax related matters. Concerns about Vår Energi's business conduct, including tax practices, can be raised through regular mechanisms for raising concerns, or through the whistleblowing mechanism.



Public Policy

Vår Energi engages with public authorities and other stakeholders in relation to the development of various policy initiatives that impacts our industry. We promote our views on issues of importance either through direct interaction with public authorities or through various industry associations.

Some of the important topics for Vår Energi will be the continued stability of the fiscal framework and access to exploration areas. It is also important for us to convey our strong belief in the future of our industry.

Vår Energi engages directly with public authorities such as the Ministry of Petroleum and Energy, the Norwegian Petroleum Directorate, the Petroleum Safety Authority Norway and the Norwegian Environment Agency (NEA).

These interactions, which can take place in the business line, in projects or on corporate level, include separate, annual contact meetings with top management from each of the government bodies. The content of these meetings is made public through the respective public in public case registers.

We also engage directly with elected political representatives in the Norwegian Parliament, including members of the Energy and Environment Committee as well as local politicians in matters which affects our activities and operations. A range of topics, from framework conditions, access to exploration acreage to social impact and educational collaboration at local level were included in the dialogue.

Vår Energi reviews and responds to public issues related to framework conditions, regulations or other significant industry issues though our membership Offshore Norway which is an employer and industry organization for companies with activities related to the Norwegian continental shelf. Stakeholder dialogue regarding fiscal and regulatory framework of the industry is mainly conducted through Offshore Norway. We contribute with our participation in relevant committees, as well as supporting the collective effort through our own stakeholder management channels.

Vår Energi is represented on the board of Offshore Norway as well as in various committees and discipline groups. Offshore Norway's views on relevant policy issues are publicly available at their website.

Data on public affairs and lobbying is gathered through our digital stakeholder management tool by our communication department. This unit covers all consolidated activities where approximately one full-time equivalent (FTE) was dedicated to public affairs and public policy development in 2022. Stakeholder feedback has not been used systematically to assess the effectiveness of our public policy management.

According to our Code of Conduct, Vår Energi may not make financial contributions to political parties. No such contributions took place in 2022.

Content index

GRI content index

STATEMENT OF USE			Vår Energi has reported in accordance with the GRI Standards for the period January 1 2022 - December 31 2022.				
GRI 1 used			GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)			GRI 11: Oil and Gas Sector 2021				
				Omission			
Gri standard/ Other source	**GRI §**	**Description**	**Location**	**Requirement(s) Omitted**	**Reason**	**Explanation**	**GRI sector standard ref. no.**
		GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organizational details	3				
	2-2	Entities included in the organization's sustainability reporting	5				
	2-3	Reporting period, frequency and contact point	5, Back page				
	2-4	Restatements of information	5				
	2-5	External assurance	5				
	2-6	Activities, value chain and other business relationships	3, 4				
	2-7	Employees	64				
	2-8	Workers who are not employees	64				
	2-9	Governance structure and composition	Annual report, 63-65				
	2-10	Nomination and selection of the highest governance body	Annual report, 62-63				
	2-11	Chair of the highest governance body	Annual report, 63				
	2-12	Role of the highest governance body in overseeing the management of impacts	81				
	2-13	Delegation of responsibility for managing impacts	81				
	2-14	Role of the highest governance body in sustainability reporting	5				
	2-15	Conflicts of interest	Annual report, 64				
	2-16	Communication of critical concerns	77-78				
	2-17	Collective knowledge of the highest governance body	81				
	2-18	Evaluation of the performance of the highest governance body	Annual report, 64				
	2-19	Remuneration policies	67				

Gri standard/ Other source	GRI §	Description	Location	Omission			
				Requirement(s) Omitted	Reason	Explanation	GRI sector standard ref. no.
		GENERAL DISCLOSURES					
	2-20	Process to determine remuneration	67				
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	67				
	2-22	Statement on sustainable development strategy	6				
	2-23	Policy commitments	74				
	2-24	Embedding policy commitments	75 - 77				
	2-25	Processes to remediate negative impacts	77 - 78				
	2-26	Mechanisms for seeking advice and raising concerns	78				
	2-27	Compliance with laws and regulations	81				
	2-28	Membership associations	87				
	2-29	Approach to stakeholder engagement	12, 13				
	2-30	Collective bargaining agreements	60				
		MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	9, 10				
	3-2	List of material topics	11				
		11.1 GHG emissions					
GRI 3: Material Topics 2021			15, 17, 18				11.1.1
GRI 302: Energy 2016	302-1	Energy consumption within the organization	20				11.1.2
	302-2	Energy consumption outside the organization			Not applicable	No energy consumption outside the organisation	11.1.3
	302-3	Energy intensity	20				11.1.4
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	21, 22				11.1.5
	305-2	Energy indirect (Scope 2) GHG emissions	23				11.1.6
	305-3	Other indirect (Scope 3) GHG emissions	26	Base year, bio-genic emissions	Not applicable	Base year not set. No biogenic emissions	11.1.7
	305-4	GHG emissions intensity	17				11.1.8

Gri standard/ Other source	GRI §	Description	Location	Omission			
				Requirement(s) Omitted	Reason	Explanation	GRI sector standard ref. no.
		MATERIAL TOPICS					
GRI 3: Material Topics 2021		**11.2 Cilmate adaption, resilisence, and transition**					
	3-3	Management of material topics	15, 27				11.2.1
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change.	28-29, Annex 1				11.2.2
GRI 305 Emissions 2016	305-5	Reduction of GHG emissions	18				11.2.3
Additional sector disclosures		Approach to public policy development and lobbying on climate change.	87				11.2.4
		Member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying on climate change	87				11.2.4
GRI 3: Material Topics 2021		**11.3 Air emissions**					
	3-3	Management of material topics	30, 32				11.3.1
GRI 305 Emissions 2016	305-7	NOx, SOx and other significant air emissions	33				11.3.2
GRI 416 Customer Health & Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	32				11.3.3
GRI 3: Material Topics 2021		**11.4 Biodiversity**					
	3-3	Management of material topics	15, 34, 36				11.4.1
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35-36				11.4.2
	304-2	Significant impacts of activities, products and services on biodiversity	35-36				11.4.3
	304-3	Habitats protected or restored	34				11.4.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	34				11.4.5

Gri standard/ Other source	GRI §	Description	Location	Omission			GRI sector standard ref. no.
				Requirement(s) Omitted	Reason	Explanation	
		MATERIAL TOPICS					
GRI 3: Material Topics 2021		**11.5 Waste**					
	3-3	Management of material topics	15, 39				11.5.1
GRI 306: Waste 2020		306-1 Waste generation and significant waste-related impacts	40				11.5.2
		306-2 Management of significant waste-related impacts	40				11.5.3
		306-3 Waste generated	40				11.5.4
		306-4 Waste diverted from disposal	41				11.5.5
		306-5 Waste directed to disposal	41	Other recovery operations and Incineration without energy recovery	Not applicable	Not significant	11.5.6
GRI 3: Material Topics 2021		**11.6 Water and effluents**					
	3-3	Management of material topics	15, 42-43				11.6.1
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	43-44				11.6.2
	303-2	Management of water discharge-related impacts	43-44				11.6.3
	303-3	Water withdrawal	45				11.6.4
	303-4	Water discharge	45				11.6.5
	303-5	Water consumption	45	Change in water storage	Not applicable	Not significant	11.6.6
GRI 3: Material Topics 2021		**11.8 Asset integrity and critical incident manangement**					
	3-3	Management of material topics	47, 49-51				11.8.1
GRI 306 Effluents and waste 2016	306-3	Sifgnificant spills	51				11.8.2
Additional sector disclosures		Process safety events	51				11.8.3

Gri standard/ Other source	GRI §	Description	Location	Omission			
				Requirement(s) Omitted	Reason	Explanation	GRI sector standard ref. no.
		MATERIAL TOPICS					
		11.9 Occupational health and safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	47, 52				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	52				11.9.2
	403-2	Hazard identification, risk assessment, and incident investigation	52-53				11.9.3
	403-3	Occupational health services	54				11.9.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	53				11.9.5
	403-5	Worker training on occupational health and safety	53				11.9.6
	403-6	Promotion of worker health	54				11.9.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52				11.9.8
	403-8	Workers covered by an occupational health and safety management system	52	Number of employees and and workers	Information unavailable/ incomplete	100 per cent of employees and contractors wokring under Vår Energi's control are covered. Number of workers not available. Data only available for worked hours, not head count. Measures to obtain numbers will be taken.	11.9.9
	403-9	Work-related injuries	57				11.9.10
	403-10	Work-related ill health	57				11.9.11
Company reporting		"Serious Incidents (SI) Serious Incidents Frequency (SIF) Total Recordable Injury (TRI) Total Recordable Injury Frequency (TRIF) Dropped Objects (DO) Dropped Objects Frequency (DOF) Work Related Illness Exposure Incidents Number of personnel involved in Exposure Incidents"	58				

Gri standard/ Other source	GRI §	Description	Location	Omission			
				Requirement(s) Omitted	Reason	Explanation	GRI sector standard ref. no.
		MATERIAL TOPICS					
GRI 3: Material Topics 2021		**11.10 Employment practices**					
	3-3	Management of material topics	9, 59, 68				11.10.1
GRI 401: Employment 2016	401-1	New emplooyee hires and employee turnover	65				11.10.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61				11.10.3
	401-3	Parental leave	61				11.10.4
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	60				11.10.5
		11.10 Employment practices					
GRI 404: Traning and Education 2016	404-1	Average hours of training per year per employee			Information unavailable/ incomplete	Subject specific training is delegated to business unit leaders and will vary for all employees depending on the needs in each position, hence we do not have this number on aggregate level.	11.10.6
	404-2	Programs for upgrading employee skills and transition assistance programs	62				11.10.7
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	80				11.10.8
	414-2	Negative social impacts in the supply chain and actions taken	80				11.10.9
GRI 3: Material Topics 2021		**11.11 Non-discrimination and equal opportunity**					
	3-3	Management of material topics	63				11.11.1
GRI 202 Market Presence 2016	202.2	Proportion of senior managers hired from the local community	69				11.11.2
GRI 401: Employment 2016	401-3	Parental leave	61				11.11.3
GRI 404: Traning and Education 2016	404-1	Average hours of training per year per employee			Information unavailable/ incomplete	See 11.10.6	11.11.4

Gri standard/ Other source	GRI §	Description	Location	Omission			
				Requirement(s) Omitted	Reason	Explanation	GRI sector standard ref. no.
		MATERIAL TOPICS					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	65				11.11.5
	405-2	Ratio of basic salary and remuneration	67				11.11.6
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	63				11.11.7
		11.12 Forced labour and modern slavery					
GRI 3: Material Topics 2021	3-3	Management of material topics	74-75				11.12.1
"GRI 409: Forced or Compulsory Labor 2016"	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	80				11.12.2
"GRI 414: Supplier Social Assessment 2016"	411-1	New suppliers that were screened using social criteria	80				11.12.3
		11.13 Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 74-75				11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	79, 80				11.13.2
		11.14 Economic impacts					
GRI 3: Material Topics 2021	3-3	Management of material topics	69				11.14.1
"GRI 201: Economic Performance 2016"	201-1	Direct economic value generated and distributed	70				11.14.2
"GRI 202: Market Presence 2016"	202-2	Proportion of senior management hired from the local community	69				11.14.3
"GRI 203: Indirect Economic Impacts 2016"	203-1	Infrastructure investments and services supported	72				11.14.4
	203-2	Significant indirect economic impacts	71				11.14.5
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	71				11.14.6

Gri standard/ Other source	GRI §	Description	Location	Omission			
				Requirement(s) Omitted	Reason	Explanation	GRI sector standard ref. no.
		MATERIAL TOPICS					
		11.15 Local communities					
GRI 3: Material Topics 2021	3-3	Management of material topics	69, 72				11.15.1
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	71				11.15.2
	413-2	Operations with significant actual and potential negative impacts on local communities	71				11.15.3
Additional sector disclosures		Number and type of grievances from local communities identified	78				11.15.4
		Rights of indigenous peoples					
GRI 3: Material Topics 2021	3-3	Management of material topics	74-75, 81				11.17.1
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	81				11.17.2
Additional sector disclosures		Locations of operations where indigenous peoples are present or affected by activities of the organization.	81				11.17.3
		Involvement in a process of seeking free, prior and informed consent (FPIC) from indigenous peoples for any of the organization's activities	81				11.17.4
		11.19 Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3	Management of material topics	82				11.19.1
GRI 206 Anti-competitive behaviour 206	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	82				11.19.2
		11.20 Anti-corruption					
GRI 3: Material Topics 2021	3-3	Management of material topics	83				11.20.1
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	83				11.20.2
	205-2	Communication and training about anti-corruption policies and procedures	84				11.20.3
	205-3	Confirmed incidents of corruption and actions taken	84				11.20.4

Gri standard/ Other source	GRI §	Description	Location	Omission			GRI sector standard ref. no.
				Require-ment(s) Omitted	Reason	Explanation	
		MATERIAL TOPICS					
Additional sector disclosures		Approach to contract transparency	84				11.20.5
		Beneficial owners			Information unavailable/ incomplete	Measures will be taken to provide information in future reports.	11.20.6
		11.21 Payments to governments					
GRI 3: Material Topics 2021	3-3	Management of material topics	69, 85				11.21.1
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	70				11.21.2
	201-4	Financial assistance received from government			Not applicable	No financial assistance received from government	11.21.3
GRI 207 Tax 2019	207-1	Approach to tax	85				11.21.4
	207-2	Tax governance, control, and risk management	85				11.21.5
	207-3	Stakeholder engagement and management of concerns related to tax	86				11.21.6
	207-4	County-by-country reporting	Annual report, financial statements				11.21.7
GRI 3: Material Topics 2021		**Public policy**					
	3-3	Management of material topics	87				11.22.1
GRI 415: Public Policy 2016	415-1	Political contributions	87				11.22.2

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL		
Topic		Explanation
GRI 11 Oil and Gas Sector 2021		
11.7	Closure and rehabilitation	Closure of oil and gas assets on the Norwgian Continental Shelf is regulated by Norwegian law both concerning social and environmental impact, hence we do not consider this a material topic.
11.16	Land and resource rights	Our oil and gas activities are located offshore, with some impact on fisheries, but llittle or no impact on land use. These impacts are well regulated by the Norwegian legislation we operate within, hence we do not consider this a material topic.
11.18	Conflict and security	Vår Energi does not operate in areas of conflict and does not engage security personnel to manage conflicts

Annexes

Annex 1 Climate risks and opportunities

Below follows a summary of key climate-related risks with potential to have substantial financial or strategic impact, responded in our 2022 CDP report. Future, possible financial impacts are described further, with updated estimations based on 2022 figures

Please refer to note 33 in the annual financial statement for a specification of the estimated financial impact of various identified risks regarding the 2022 financial statements.

Risk	Risk type	Description	Time horizon	Likelihood	Magnitude of impact
1. Increased indirect (operating) costs	Transitional	EU ETS prices increase to reach EU's 2030 climate goal. Uncertainty relating to the development in actual quota prices going forward, and regarding timing of ramp-up of the total CO_2 cost towards 2030. Vår Energi's operational activity is concentrated on the Norwegian Continental Shelf (NCS). This means that the company's operations primarily are affected by the regulations that apply in this region. However, as Norway is a member of the European Economic Area (EEA), industry wide legislation passed within the EU also becomes relevant for Vår Energi. On this basis, future changes in the climate related regulations such as increased taxes on CO_2 and/or NOx emissions would impact Vår Energi's financial results through an increase in direct costs. The Norwegian authorities have already communicated that they intend to increase the CO_2 tax/fees up to 2000 NOK/200 USD per tonne in 2030. In comparison, the 2022 CO_2 cost for Vår Energi's Operated assets in 2022 was around 93 USD per tonne.	Short-term	Likely	Medium-low
2. Decreased revenues due to reduced production capacity	Transitional	There is a risk that Norway implements regulations to reduce or stop exploration activities (for example, in the arctic ice edge) and/or reduce tax relief on exploration activity on the NCS. Exploration activity is a key enabler to maintain and growing the production of oil and gas from the NCS. Following the APA 2022 license award in January 2023, the Vår Energi portfolio totalled 148 licenses of which 41 are operated. The Company's reserve life index (RLI) at year-end 2022, calculated based on proved and probable reserves, was 12.5 years (12.5 years in 2021). One of the climate related risks identified by the company is that the Norwegian government would implement new regulations that would reduce access to new acreage and/or lead to new framework conditions relating to exploration activity. Should this risk materialize, it would potentially result in inability to fully replace produced oil, gas reserves, and continue to grow the company due to lack of new resources.	Medium-term	Unlikely	Medium
3. Decreased revenues due to reduced demand for products and services	Transitional	In context of the ongoing energy transition process, there is a scenario in which the price of renewable energy decreases and affects oil and gas demand and subsequently oil price. This represents one factor (technology development) which will have an impact on the demand for oil and gas in the future. Other factors that are relevant in this context includes changes in climate policies, changes in customer behaviour and demographic changes. At the same time, we believe that oil and gas will continue to be a part of the long-term energy mix, with gas to increase its share of NCS production. Our aim is to create long-term value by responsible and sustainable resource management. We see a potential to reduce both our environmental footprint and our operational costs through enhanced energy management. Enhanced energy management is achieved through both changes in our own operations and through collaborative efforts with all our partners throughout the value chain.	Long-term	Likely	Medium-high

Explanations of calculation of the financial impact figure and related costs of response, including the strategy to realize the response, for the above-mentioned climate-related risks follow below.

Risk #1 - Increased indirect (operating) costs
The CO_2 cost for Vår Energi's Operated assets in 2022 was around 93 USD per ton and the Scope 1 CO_2 emissions (EU ETS) from operated assets was 181 k tons. The financial impact associated with this risk is calculated based on two different scenarios: In the first scenario our CO_2 emissions remains at 2022 level also in 2030/2031. In the second scenario our CO_2 emissions are reduced to around 60 k tons in 2030/31. With an assumed CO_2 Tax of 200 USD per ton, the first scenario would result in a cost increase of around 25,3 MUSD in 2031 compared to 2022 cost of 16 MUSD. The second scenario would result in an overall cost decrease from the associated cost decrease from 16 MUSD in 2022 to 14,4 MUSD in 2031. We have established a carbon reduction plan towards 2030 which includes both short- and long-term measures to reduce emissions. Throughout 2022, we will continue to gather information and data needed to make the climate roadmap as complete and detailed as possible. In this process we will assess costs, feasibility, environmental and social impact, offsetting mechanisms, and more, to consider the consequences of delivering on the goals, and thus where we can strengthen our efforts. Delivering energy efficiency improvements, reduction in flaring, cold venting and fugitive emissions are all key components of our decarbonisation strategy and sustainability commitment, and this represents one of our key focus areas in the short term.

Risk #2 - Decreased revenues due to reduced production capacity
To estimate a financial impact of this risk, we have assumed that the company's volume additions from new projects could be reduced by around 30% in the medium/long term due to this risk materializing. Using the average production volumes from new projects in the 2022-2025 period as a benchmark, this would translate into an average annual volume loss of around 11 MBOE (in the long/medium term). This would translate into an operating profit loss of between 200 MUSD to 700 MUSD depending on the price assumptions used to calculate the impact.

Vår Energi is responding to risk by continuing to manage resources in a responsible and sustainable manner. Our ambition is to be the safest operator on the NCS, be leading on ESG performance and we aim to have 50% absolute reductions and net zero scope 1 and 2 greenhouse gas emissions by 2030. We will continue to communicate that we are committed to deliver a better future in line with our strategic beliefs which state that:

1) ESG and climate are global and national priorities, and that a pathway to net zero will be required,
2) oil and gas will continue to be a part of the long-term energy mix, with gas to increase its share of NCS production and
3) the NCS will continue to be an attractive region driven by cost competitiveness, low emissions, reliability and long-term oriented governments and regulators.

Risk #3 - Decreased revenues due to reduced demand for products and services

To estimate the potential financial impact of lower product prices in the long term, we have made the following calculation of the potential impact on our revenues in the year 2030:

- We assume total production volumes in 2030 equal to the 2022 production (80 MBOE)
- Base case is determined using an oil price $70/bbl (based on price assumption similar to that used in impairment testing) * 80 MBOE = $5600M
- IEA APS scenario: $ ~64/bbl * 80 MBOE = $5120M vs base case $5600M = -$480M (negative impact on revenues)
- IEA STEPS scenario: $~82/bbl * 80 MOBE = $6560M vs base case $5600M = $960M (positive impact on revenues)

Our main responses to address and manage this risk includes (but is not limited to) the following elements:

- Continue to manage resources in a responsible and sustainable manner and to further develop and integrate sustainability / climate considerations in our strategy and decision-making processes
- Maintaining a strong focus on cost discipline to be resilient also in low-price scenarios
  - Continue to participate in Research and Development initiatives focusing on energy efficiency and low carbon technology such as CCS and hydrogen
- Continue our active membership role in the Norwegian Oil and Gas Association (NOROG) in relation to providing formalized input to the authorities relating to potential impacts resulting from changes in legislation and requirements.

Climate-related opportunities

Below follows a summary of key climate-related opportunities with potential to have substantive financial or strategic impact, responded in our 2022 CDP report.

Opportunity type	Opportunity driver	Primary potential financial impact	Description	Time horizon	Likelihood	Magnitude of impact
1. Energy source	Use of lower-emission sources of energy	Reduced operating costs	Having set ambitious climate targets for our company, we are shifting our focus towards operationalising already developed plans for achieving GHG reductions in line with our goals. One way of achieving reduction of direct emissions is by electrification of assets with renewable power from shore or offshore renewable energy sources. Our strategy is that all future greenfield developments where Vår Energi is the operator shall be electrified with power from shore or from offshore renewable sources. We are also exploring opportunities for further electrification from renewable sources of our fields to reduce GHG emissions. In 2020, the Balder electrification project was initiated to assess the future electrification of Ringhorne WHP and Jotun FPSO. Electrification of these assets can contribute significantly to achieve our GHG reduction target. Depending on the level of electrification the estimated potential for reduction is up to 2 650 000 tons of CO_2 over the life of the Balder field. We also have a 10% ownership in the offshore wind project Hywind Tampen via our shares in the Snorre licenses. We will continue to look for possibilities for electrification of assets both through power from shore and from offshore renewable energy sources, such as offshore wind.	Medium-term	Very likely	Medium-low
2. Energy source	Use of lower-emission sources of energy	Transitional	As a major independent operator on the NCS, we interact with a wide range of suppliers in our operations. Assessing sustainability issues throughout our supply chain helps secure an innovative and sustainable supply chain around our operations, which in turn creates value for local communities and supports the shift towards more sustainable business models. Through both supplier collaboration and supply requirements, we contribute to the Norwegian offshore maritime industry's target of a 50% reduction in GHG emissions by 2030. This is in accordance with the Norwegian government's plan for a green maritime industry. As far as possible, we engage and set requirements to contractors, drilling rigs and vessels used in operations to have an effective and fit for purpose energy management system to secure optimized energy efficiency and minimized GHG emissions. In 2021, we implemented a new policy requiring that sustainability shall be evaluated during the tendering process and that environmental and social performance will be weighted up to 30% in tender evaluations where this is material and feasible. This policy has been further developed and specific actions have been taken to ensure that the policy is implemented. This is done by updating process requirements, instructions, and other supporting documents.	Short-term	Likely	Low

Opportunity type	Opportunity driver	Primary potential financial impact	Description	Time horizon	Likelihood	Magnitude of impact
3. Resource efficiency	Use of more efficient production and distribution processes	Reduced direct costs	Direct emission reductions enabled by increased energy efficiency during operations (energy management), portfolio management, and reduced cold venting and fugitive emissions are important contributors to achieving the goals set out in our company's decarbonisation plan. As a part of our efforts to increase energy efficiency, flaring strategies have been implemented on all assets. Operationalising the flaring strategies and thus minimizing flaring during safety events will continue to be a priority during 2023, together with assessing and implementing other energy efficiency measures. In 2021 we also re-bundled one of our compressors yielding increased efficiency and lowered temperature settings for heating needs. On all our operated assets, we have annual campaigns to identify sources of methane emissions and assess the possibilities for reduction efforts. The continuous focus on leak detection and repair (LDAR) causes the fugitive methane emissions from our assets to be stable at a low level. All operated new developments and larger modification projects shall be assessed for implementation of technologies and systems that minimize methane emissions. At year end 2022 we had 37 energy efficiency initiatives/proposals actively being worked by different parts of the organisation. These suggested measures range from: • Operational improvements: the way we run our equipment and processes offshore and onshore • Organisational improvements: the way we focus on reaching the entire organisation and all business processes • Technical improvements: for our equipment offshore.	Short-term	Virtually certain	Low

Below follows explanations of calculation of the financial impact figure and related costs of response, including the strategy to realize the response, for the above-mentioned climate-related opportunities.

Opportunity #1 - Use of lower-emission sources of energy

The future electrification of Ringhorne WHP and Jotun FPSO can contribute significantly to achieve our GHG reduction target. Depending on the level of electrification the estimated potential for reduction is up to approximately 150 000 tons of CO_2 per year. Assuming a future CO_2 cost of 200 USD/ton, this translates into total reduced CO2 costs of approximately (150 Ktons * 200 USD) 30 MUSD.

Reduction of direct emissions by electrification of assets with renewable power from shore or offshore renewable energy sources is already part of the Company's strategy, and the project organization is dedicated to further maturing this electrification project has been established.

Opportunity #2 - Use of lower-emission sources of energy

Our operated fields Balder, Ringhorne East and Goliat, have approximately 6 regular supply vessels engaged in the daily operations. Additional supply vessels are typically engaged during high activity periods (for example during drilling operations). Currently, 3 of the contracted supply vessels are dual-fuel vessels that can run on both Marine Gasoil (MGO) and Liquefied Natural gas (LNG). In line with our sustainability policy, we collaborate with the marine industry to further reduce the emissions from our supply vessels. Conventional supply vessels that run on MGO typically emits around 5500 tons of CO_2 per year, while dual-fuel supply vessel typically have emissions that are up to 25% lower (around 4100 tons of CO_2 per year). This means that each dual-fuel vessel is reducing CO_2 emissions by around 1400 tons per year. If we apply the average 2022 CO_2 cost of 93 USD per ton for our operated assets, the annual financial impact (saving) related to the CO_2 emission reductions associated with the 3 dual-fuel vessels amount to approximately (1,4K tons * 3 vessels * 93 USD) 0,4 MUSD. If we are successful in engaging dual-fuel vessels for the remaining 3 regular supply vessels, the financial impact would increase to approximately (1,4K tons * 6 vessels * 93 USD) 0,8 MUSD. The estimated financial impact will increase over time as quota prices are expected to increase.

Our new policy which states that sustainability shall be evaluated during the tendering process and that environmental and social performance will be weighted up to 30% in the tender evaluations was implemented in 2021.

Opportunity #3 - Use of more efficient production and distribution processes

We have conducted a separate flaring study for Balder, with good results for emission reductions and flared volumes. Our efforts on Balder has yielded a 49% reduction in CO_2 emissions, equalling approximately 17 000 tons of CO_2, from 2020 to 2021. The reduction is mainly due to implementation of updated flaring strategies and modification of inlet separator pressure. Our Goliat installation is powered by electricity from shore, and we use our digital tools in combination with input from the organisation to identify improvement areas for all power-consuming components onboard. In 2021, we completed a re-bundle of one of the Goliat HP compressors and lowered temperatures for heat tracing in selected areas offshore. Our digital tools are also being used to establish the effects of our energy efficiency improvement initiatives. The effect was a reduction in flaring emissions from our Goliat installation of more than 1 000 tCO_2eq, an 8% reduction compared to 2020. If we apply the average 2022 CO_2 cost of 93 USD per ton for our operated assets, the associated annual cost saving related to these CO_2 emission reductions amounts to approximately (18 K tons * 93 USD) 1,7 MUSD.

For a full assessment of climate-related risks and opportunities, we refer to our CDP Report 2022 which can be located at www.varenergi.no/publications.

Annex 2 – SASB

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Category	Disclosure	Code
GHG emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	181 150 metric tons CO_2-e 12 % methane 100 % covered under emissions-limiting regulations	EM-EP-110a.1
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Quantitative	Flared hydrocarbons: 20 035 metric tons CO_2-e Other combustion: 138 613 metric tons CO_2-e Process emissions: 4 979 metric tons CO_2-e Other vented emissions: 0 metric tons CO_2-e Fugitive emissions: 17 523 metric tons CO_2-e	EM-EP-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	See "Pathway to net zero", page 15	EM-EP-110a.3
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Quantitative	NOx: 1683 metric tons SOx: 36 metric tons nmVOCs: 2727 metric tons	EM-EP-120a.1
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Total fresh water withdrawn: 58 thousand cubic meters Total fresh water consumed: 54 thousand cubic meters Percentage from regions with high or extremely high water stress: 0%	EM-EP-140a.1
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Quantitative	Produced water generated: 6 618 thousand cubic meters Percentage discharged: 25 % Percentage injected: 75% Percentage recycled: 0 % Hydrocarbon content in discharged water: 15,3 mg/l	EM-EP-140a.2
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Quantitative	Not applicable	EM-EP-140a.3
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Quantitative	Not applicable	EM-EP-140a.4

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Category	Unit of measure	Code
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	See "Biodiversity" page 34	EM-EP-160a.1
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Quantitative	Number and aggregate volume of hydrocarbon spills: 2 spills, 16 m^3 crude oil and 25 m^3 hydrocarbon gas Volume in Arctic: 0 Volume impacting shorelines with ESI rankings 8-10: 0 Volume recovered: 0	EM-EP-160a.2
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	0 %	EM-EP-160a.3
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	0 %	EM-EP-210a.1
	Percentage of (1) proved and (2) probable reserves in or near indigenous land[1]	Quantitative	0%	EM-EP-210a.2
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	See "Responsible business conduct", page 74	EM-EP-210a.3
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	See "Local value creation", page 69	EM-EP-320a.1
	Number and duration of non-technical delays	Quantitative	0	EM-EP-210b.2
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees[2]	Quantitative	TRIF: 3,2 Fatality rate: 0 NMFR: 1,7 Average hours of training: Data not available	EM-EP-320a.1
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and Analysis	See "Occupational health and safety" page 52	EM-EP-320a.2

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Category	Unit of measure	Code
Reserves Valuation & Capital Expenditures	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Quantitative	Data not available	EM-EP-420a.1
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Quantitative	Data not available	EM-EP-420a.2
	Amount invested in renewable energy, revenue generated by renewable energy sales	Quantitative	0	EM-EP-420a.3
	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Discussion and Analysis	See "Climate risk" page 27	EM-EP-420a.4
Business Ethics & Transparency	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	0 %	EM-EP-510a.1
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	See "Anti corruption", page 83	EM-EP-510a.2
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	See "Public policy", page 87	EM-EP-530a.1
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Quantitative	See "Process safety events", page 51	EM-EP-540a.1
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	See "Asset integrity and critical incident management", page 49	EM-EP-540a.2

Activity Metrics

Activity metric	Category	Unit of measure	Code
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Quantitative	Oil: 123,7 kboepd Natural gas: 81,7 kboepd NGL: 14,7 kboepd	EM-EP-000.A
Number of offshore sites	Quantitative	4 operated producing fields	EM-EP-000.B
Number of terrestrial sites	Quantitative	No terrestrial E&P activities	EM-EP-000.C

[1] Indigenous land defined as the STN area, the geographical area of activity of the Sami Parliament subsidy schemes for business development. https://www.ssb.no/en/befolkning/folketall/statistikk/samiske-forhold

[2] Vår Energi reports incidents for all personnel who are included in working hours registred by the Company. The numbers therefore also include incidents among personnel whose workplace is not controlled by the organization.

Annex 3 – Principle adverse impacts (PAI)

Category	Indicator	Metric	
Emissions	GHG emissions	Scope 1 GHG emissions	181 150 tCO_2e
		Scope 2 GHG emissions	Location based: 4671 tCO_2e Market based: 171 123 tCO_2e
		Scope 3 GHG emissions	See page 26
		Total GHG emissions	
	Carbon footprint		EV = market cap (shares outstanding + share price) + D - cash = 357,112 MUSD Note: shares + share price per 31.12.22. BV of debt (current + non-current)
	GHG intensity of investee companies		R = 9.828 MUSD
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	100 %
	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	100 %
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Total energy consumption: 981 GWh
Biodiversity	Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0

Category	Indicator	Metric	
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	See "water indicators" page 45. The produced water from Balder contains some of the priority substances as defined by the Directive 200/60/EC (Benzo(a) pyrene, Benzo(k)fluoranthene, Benzo(b)fluoranthene and Cadmium). The environmental risks are evaluated in our EIF assessments and considered to be low.
Waste	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	13 625 tonnes of hazardous waste generated.
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Relevant policies are in place, see "Responsible business conduct", page 74 UN Global Compact participant
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companie	Employees: 6% Management: 5% See page 67
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	50 %
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0

Annex 4 - Transparency Act report

The Norwegian Transparency Act shall promote enterprises' respect for fundamental human rights and decent working conditions and ensure that the general public has access to information about how enterprises address adverse impacts on human rights and working conditions.

The overview below indicates where to find the relevant information to cover the reporting requirements according to Section 5 of the Act in this Sustainability

Requirement	Page
A general description of the enterprise's structure, area of operations.	3-4
Guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.	74-78
Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence.	79-80
Information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	77-78 79-80

Annex 5 - Auditor's report

To the Board of Directors of Vår Energi ASA

Independent statement regarding Vår Energi ASA's sustainability reporting

We have examined whether Vår Energi ASA's (Vår Energi) has prepared a GRI Index for 2022 and measurement and reporting of selected key performance indicators for sustainability (sustainability reporting) for the period 1 January to 31 December 2022. Our assurance engagement was conducted to obtain limited assurance.

- Vår Energi's GRI index for 2022 is an overview of which sustainability topics Vår Energi considers material to its business and which key performance indicators Vår Energi uses to measure and report its sustainability performance, together with a reference to where material sustainability information is reported. Vår Energi's GRI Index for 2022 is available and included in Vår Energi's Sustainability report for the period ending 31 December 2022. We have examined whether Vår Energi has developed a GRI Index for 2022 and whether mandatory disclosures are presented according to the Standards published by the Global Reporting Initiative (www.globalreporting.org/standards) (Criteria).
- Key performance indicators for sustainability are indicators of sustainability that Vår Energi measures and controls. The indicators are available and included in tables in Vår Energi's Sustainability report for 2022. Key performance indicators that have been subject to our procedures are marked with a separate symbol " " (KPIs). Vår Energi has defined KPIs and explained how they are measured under each material topic in the Sustainability report for 2022 or in the GRI Index (Criteria).

Management's responsibility

Management is responsible for Vår Energi's sustainability reporting and for ensuring that it is prepared in accordance with Criteria as described above. The responsibility includes designing, implementing and maintaining an internal control that ensures the development and reporting of the GRI Index and KPIs.

Our independence and quality control

We are independent of the company in accordance with the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on Vår Energi's sustainability reporting based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with the Standard on Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information". A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

management's use of the Criteria as the basis for the preparation of the sustainability reporting, assessing the risks of material misstatement of the sustainability reporting whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the sustainability reporting. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the Criteria used are appropriate, as well as an assessment of the overall presentation of the sustainability reporting. Our procedures also include meetings with representatives from Vår Energi who are responsible for the material sustainability topics covered by the sustainability reporting; review of internal control and routines for reporting KPIs; obtaining and reviewing relevant information that supports the preparation of KPIs; assessment of completeness and accuracy of KPIs and controlling the calculation of KPIs based on an assessment of the risk of error.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the sustainability reporting has been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that

- Vår Energi's GRI Index for 2022 is not, in all material respects, developed and presented in accordance with the requirements of the Standards published by The Global Reporting Initiative; and
- Vår Energi's KPIs are not, in all material aspects, developed, measured and reported in accordance with the definitions and explanations provided under each material topic in the Sustainability report for 2022 or in the GRI Index.

Stavanger, 29 March 2023
PricewaterhouseCoopers AS

Per Arvid Gimre
State Authorized Public Accountant

vår energi

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Sandnes 30 March 2023
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