



Sustainability report 2021

Next generation oil and gas operator

Vår Energi at a glance

We are a Norwegian-based company, as per 31 December 2021 owned by Eni International BV (ENI) (69.85%) and Point Resources Holding AS (a company administered by HitecVision) (30.15%). In 2022, we became a listed company on the Oslo stock exchange with the ticker VAR. Our headquarter is located in Sandnes, and we also have offices in Hammerfest and Oslo. We operate four fields on the Norwegian Continental Shelf (NCS), located in the Barents Sea, the Norwegian Sea and the North Sea. With more than 900 employees and equity stakes in 36 producing fields, Vår Energi produced net 246 kboepd of oil and gas in 2021.

We aim to create long-term value for our stakeholders and for the communities around us through managing resources in a responsible and sustainable manner. Our ambition is to be the safest operator on the NCS and leading on ESG performance. We aim to have net zero greenhouse gas emissions by 2030. Safety, reductions in GHG emissions, diversity and a positive local impact are all integral elements of our strategy for long-term value creation.

Planet



8.7

kg CO₂ / boe for operated assets

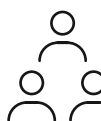
195 281

tCO₂eq Scope 1 GHG emissions

49%

reduction in flaring on Balder

People



2.1 bn.

value creation (USD)

3.2

TRIF

1.3

SIF

Prosperity



246

kboepd production

90%

spending on local suppliers

9.6 mill.

R&D spending (USD)



Vår Energi has received a score of 30.1 on Sustainalytics, putting us in the 9th percentile of all oil and gas producers scored.



We support the UN sustainable development goals.



This report is in accordance with Global Reporting Initiative's reporting framework.



We report climate risks and opportunities in accordance with the Taskforce on Climate-related Financial Disclosures recommendations



This report is in accordance with World Economic Forum's measuring stakeholder capitalism report.

Contents

Vår Energi at a glance	2	Planet	17	Vår Energi's reporting relative to the GRI Standards guidelines	74
Letter from the CEO	4	Climate	20		
		Energy	27		
		Environmental protection	31	Appendix	93
Becoming an ESG leader	7	People	37		
		Health and safety	40		
		People, training and diversity	45		
Material sustainability topics	12	Local value creation	48		
Stakeholder dialogue	14	Prosperity	52		
		Business integrity	55		
		Sustainable supply chain	61		
		Research and development (R&D)	64		
		Climate risks and oppoirtunities	67		

Letter from the CEO

The geopolitical events currently unfolding in Europe are a stark reminder of the fundamental role of energy in meeting the primary needs of people and societies, and for securing international stability and prosperity.

Vår Energi's role as a safe and reliable supplier of oil and gas to Europe is evident in a time where we see energy shortages and unstable supply. Like everyone else, we are deeply concerned by the recent developments and give our heartfelt support to the Ukrainian people and all of those affected by the crisis. We face a new reality when it comes to energy availability, impacting individuals, communities, and countries across the world. Energy security is on the very top of the agenda in nation after nation, and we stand ready to do our part in reducing uncertainty through stable operations and increased production over time.

Amid this, we must not lose sight of one of the basic principles on which our business rests. Sustainability is essential to how we, as a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS), conduct our operations and create value over time. Protecting nature and the environment while meeting the global energy requirements is a challenge that can only be solved through

collaboration between nations, businesses, organizations, political bodies, and civil society.

Safety first

In these changing times one principle stays the same. The health and safety of our employees, contractors, and partners are, and always will be, our top priority. Our ambition is to be the safest operator on the NCS. This is a strategic priority integrated in our culture and long-term plans for growth and value creation for all our stakeholders.

I am very pleased that we in 2021 maintained our strong safety record with no actual serious injuries despite high levels of activity both offshore and onshore. We also maintained efficient management of the Covid-19 pandemic through well-established procedures, industry collaboration, and the use of digital solutions and home office when required.



Becoming a net zero producer

We realise that our activities may have both positive and negative effects on communities and the environment. Our aim is to create long-term value by responsible and sustainable resource management. This is reflected in our vision, committed to deliver a better future, and in our strategic beliefs that: 1) ESG and climate are global and national priorities, and that a pathway to net zero will be required, 2) oil and gas will continue to be a part of the long-term energy mix, with gas to increase its share of NCS production and 3) the NCS will continue to be an attractive region driven by cost competitiveness, low emissions, reliability and long-term oriented governments and regulators.

We are a strong supporter of the Paris Agreement. We also believe that decarbonisation of oil and gas production will make us more competitive in the future and build a resilient business model fit for long-term value creation. We therefore recently set new and more ambitious targets, seeking to minimise our impact by becoming a net zero producer (Scope 1 and 2) by 2030 through electrification, portfolio optimisation and energy management, supported by carbon offsets and R&D.

Strong local commitment

An important part of our commitment to deliver a better future is creating positive economic and social impact on the communities and regions in which we operate. We seek to contribute to the development of strong local value chains, increased economic activity and competence building by selecting local suppliers wherever feasible, and we support cultural, recreational, and educational initiatives. We aim to further deepen our strong local partnerships as part of our plan for long-term value creation through sustainable high-value growth.

Realising our full potential

On 16 February 2022, we listed on the Oslo Stock Exchange (OSE) following a successful initial public offering (IPO) of shares by our two main owners, Eni SpA and HitecVision. This means increased requirements to transparency and compliance which we will fulfil. It provides us wider set of stakeholders, including the more than 19 000 new shareholders, many of whom are also employees. The IPO was a natural next step in realising our full potential and a confirmation of the significant value we have generated for our owners, employees and the society since the creation of Vår Energi in 2018.

In January 2022 we received an indicative ESG assessment from Sustainalytics which places us among the top 10% of Oil & Gas Exploration and Production companies assessed, ranking number 14 out of 155 companies. The assessment is a confirmation of Vår Energi's leading position on the NCS which is founded on a unique 50-year track record, scale, operational excellence and strong partnerships. I am confident that this provides a great starting point for continued sustainable growth and improvements.

Stay safe!



Torger Rød
CEO, Vår Energi ASA

Our ambitions and targets

Our ambition is to be the safest operator on the NCS and leading on ESG performance. We aim to have net zero greenhouse gas emissions by 2030 (scope 1 and 2). Safety, climate, diversity and a positive impact on local communities are all integral elements of our strategy for long-term value creation our stakeholders and for the communities around us.



2021

Net zero emissions from office buildings², business travels³ and employee commuting³

¹ Scope 1

² Scope 2

³ Scope 3



2025

Net zero emissions from offshore assets² and marine traffic³



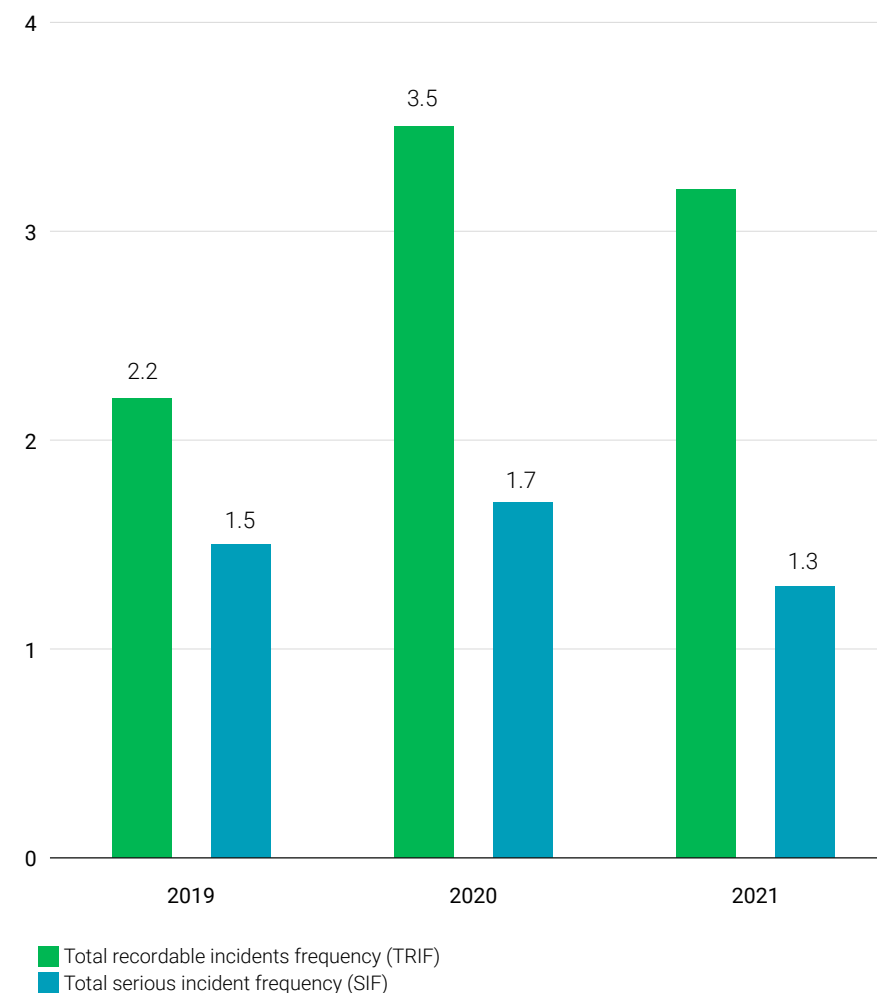
2030

50% absolute reductions from operated assets and net zero emissions¹ from operated assets and equity share of partner operated assets



2050

Near zero emissions from operated assets



Becoming an ESG leader

Vår Energi shall manage our resources responsibly, creating long-term value for our stakeholders and for the communities around us. Our corporate strategy reflects our sustainability ambitions as a major player on the NCS. One of our main strategic priorities is to be the safest operator with leading ESG performance.



Safety will always be our number one priority. We have strict health and safety policies, aimed at keeping our people safe and have several strategic initiatives, both internal and collaborative, aimed at improving our health and safety performance. Read more about our work on health and safety in the dedicated chapter below.

We believe that becoming leading on ESG performance requires a broad sustainability focus, with environmental, social and governance factors of equal importance. We continuously strive to improve our efforts within all these areas. For example, we have recently announced our goal to be net zero by 2030 (scope 1 and 2 emissions), one of the most ambitious decarbonisation strategies on the NCS. To clearly communicate our sustainability efforts to stakeholders and to push ourselves towards achieving better results, our ambition is to become best-in-class on ESG reporting.

To ensure that our sustainability efforts are focused and in line with overall business strategies, we have established a Sustainability Policy to guide our sustainability work. The policy describes the overall direction of our sustainability efforts and goals and constitutes our framework for setting the sustainability objectives. The Board of Directors (BoD) approves the Sustainability Policy and the Vice President (VP) of Safety and Sustainability is responsible for the maintenance of the policy.

We have also created a Sustainability Committee, which is a sub-committee of the BoD. The main purpose of the Sustainability Committee is to support the BoD in matters and decisions related to Sustainability. The Committee provides recommendations to the BoD on the processes, projects and activities aimed at ensuring our commitment to sustainable development along the value chain.

Our impact on the UN SDGs

The 2030 Agenda for Sustainable Development of the United Nations, identifies 17 Sustainable Development Goals (SDG) aimed at helping the world create a better and more sustainable future for all nations. We fully support the UN SDGs and understand the crucial role that businesses have in achieving these goals.

Energy plays a fundamental role in meeting the primary needs of society, in national security and in protecting the environment. As an oil and gas producer, we understand that our activities lead to negative impacts on the environment. However, we also know that throughout our value chain we have significant positive impacts across the ESG spectrum. Our goal is to minimize our negative impacts while maximizing the positive impacts of our activities, helping society achieve the UN SDG's. We have decided to focus our efforts within the areas where we believe we can have the greatest impact towards the achievement of the UN SDGs as described here.

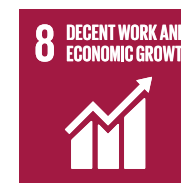


SDG 5: Gender equality

We work to achieve gender equality throughout our value chain

One of the pillars of our strategy is creating a high performing organisation. A diverse workforce with equal opportunities is a key element in our efforts to strengthen our people and organisation, and to achieve good business results.

Our target is to achieve 40% gender diversity across the organisation by 2025. To help us achieve this target, we have created a gender balance task force which is focused on identifying our biggest diversity challenges. The task force has delivered an action plan with specific measures within areas such as communication, measuring and reporting, company core processes and inclusive leadership culture. The action plan and reporting system has been endorsed by the management team.



SDG 8: Decent work and economic growth

We focus on safety and local value creation

The health and safety of our employees and contractors will always be our number one priority. Therefore, the main goal in all our business activities is to be the safest operator on the NCS.

We work to ensure that all our operations and activities are performed safely. This is ingrained in our culture, as well as in our business plans. In close cooperation with employee representatives, we support and fund multiple initiatives aimed at creating a better and safer working environment.

Creating local value such as development and opportunities for local businesses is one of our main business objectives. We want to contribute to increased settlement and competence development in all areas around our operations.



SDG 9: Industry, innovation and infrastructure

We collaborate for innovation and efficiency

We invest in research and technology development, both independently and in cooperation with industry partners to expand our ownership and increase activities on the NCS in a profitable and sustainable manner. These activities both increase production efficiency and help us develop more sustainable solutions.

Vår Energi's research and development (R&D) portfolio is vital to develop new solutions. In 2021, we invested USD 9.6 million in R&D projects on the NCS, where we are currently supporting around 37 projects. The R&D budget for 2022 is set to increase for the second year in a row to USD 14.6 million.

We also collaborate with multiple research institutions to reach a common goal of developing sustainable solutions for operations on the NCS.



SDG 10: Reduced inequalities

We work against discrimination throughout our value chain

One of our main strategic priorities is to build a high performing organisation with world class operating capabilities. An integral part of this is to ensure non-discrimination, equality and development.

We aim to be a workplace with equal opportunities between genders and we have included regulations to prevent gender discrimination related to salary, career promotion and recruiting in our Code of Ethics and procedures.

Vår Energi has employees with 33 different nationalities and we actively promote equality and non-discrimination. We aim to ensure equal opportunities and rights, and prevent discrimination due to ethnicity, national origin, descent, skin colour, sexual orientation, language, religion or faith.



SDG 13: Climate action

We prioritise climate

We consider the protection of the environment a part of our license to operate and continuously work to ensure that our operations have minimal impact on the environment. This is reflected both in our values and in our business plans.

As part of this, we are determined to reduce GHG emissions from our operations and have set ambitious reduction targets, aiming to be net zero by 2030 (scope 1 and 2 emissions).

We know that our efforts to reduce GHG emissions cannot stop in 2030. Therefore, we also aim to have near zero emissions by 2050.



SDG 14: Life below water

We protect biodiversity around our operations

All our E&P activities are carried out offshore on the NCS. We consider the protection of the environment and the conservation of biodiversity in ecosystems as a fundamental component of sustainable development.

We have a goal of zero discharges of environmentally hazardous substances. To secure the protection of environmental resources in areas where we operate, we execute environmental impact assessments and monitoring campaigns. We also contribute to several industry collaborations and R&D projects to continuously improve performance on biodiversity and environmental protection.

Vår Energi has a Biodiversity and Ecosystem Services Guideline and has adopted the “No Go Commitment” for UNESCO Natural World Heritage Sites.



SDG 16: Peace, justice and strong organisations

We work transparently and aim to be leading on ESG

We carry out our business and corporate activities in a transparent, honest and fair way, in good faith, and in full compliance with competition protection rules.

We consider transparency and clear targets and ambitions to be a vital part of our stakeholder engagement. As a part of our ambition to become leading on ESG, we aim to be best-in-class on ESG reporting. We believe that this is the best way to clearly communicate our sustainability efforts to our stakeholders.

Data security is a vital part in securing the integrity of our assets and several measures are put in place to maintain the integrity and security of our information.



SDG 17: Partnership for the goals

We cooperate with other players on the NCS to create value for society

One of our stated ambitions is to deliver value together with our partners. We collaborate with our partners to optimize operations, maximize value and develop future solutions for the NCS.

We are a partner in the Barents Blue project, where we cooperate with Equinor and Horisont Energi to produce blue ammonia, where the CO₂ from the production will be re-injected under the seabed. Vår Energi is also a partner in several decarbonisation collaborations, including Hywind Tampen – an 88MW floating offshore wind farm planned to decarbonize the Snorre and Gullfaks fields in the North Sea. Once finished, this will be the world’s largest floating offshore windfarm.

We contribute to several joint industry R&D projects where we collaborate with our partners to find the solutions to create a more sustainable future.

Material sustainability topics

To ensure that our sustainability efforts are in line with what is expected by our main stakeholders, we biennially review and update our material sustainability focus areas.

Material sustainability topics

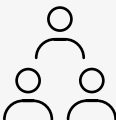
We use a systematic process for defining material sustainability focus areas, in line with recommendations from GRI and the EU’s non-financial reporting directive (NFRD). Positive and negative impacts from our activities and business relationships, needs and expectations from main stakeholder groups, relevant megatrends and reporting standards/frameworks informs the analysis that forms the basis for our materiality assessment. The identified material topics are reflected in this report and are also used as a baseline for determining KPIs and targets within the organisation, which the Management Group and Board of Director reviews and approves.

The material topics are divided into three main categories as defined by the World Economic Forum’s Measuring Stakeholder Capitalism report: Planet, People and Prosperity. The principles of governance have been incorporated throughout the report, and is also covered in the annual report. Using the process described above, the following material sustainability topics have been identified, as shown to the right.

Vår Energi’s material sustainability topics



Planet	17
Climate	20
Energy	27
Environmental protection	31



People	37
Health and safety	40
People, training and diversity	45
Local value creation	48



Prosperity	52
Business integrity	55
Sustainable supply chain	61
Research and development (R&D)	64
Climate risks and opportunities	67



Stakeholder dialogue

We conduct our stakeholder activities with two main objectives: to ensure long-term and predictable conditions for business activities and to create value and ripple effects for all stakeholders.

Our stakeholder management should ensure transparency and disclosures related to performance, progress, and governance, as well as ambitions. We want our communication to be proactive and ensure good working relationships with employees, trade unions, investors, communities where we operate, non-governmental organisations, authorities, contractors and suppliers.

COVID-19 continued to restrict travel and social contact in 2021, which shaped our stakeholder dialogue further in a digital direction. Conferences and face-to-face meetings were periodically replaced with digital meetings, video speeches and direct digital communication.

Stakeholder dialogue related to the Norwegian election in September 2021 in terms of fiscal and regulatory framework of the industry, and the temporary changes to the industry’s fiscal framework due to COVID-19 effects, mainly took place through the collaborative efforts of the industry organisation Norwegian Oil and Gas (NOROG). We contributed with our participation in relevant committees, as well as supporting the collective effort through our own stakeholder management channels.

The stakeholder dialogue will continue to be important in 2022 and NOROG and IOGP will continue to be important channels for our industry in mitigating reputational and regulatory risk. 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, on the NCS as well as globally, and our continued position as an important industry player in Norway and in the global energy market.

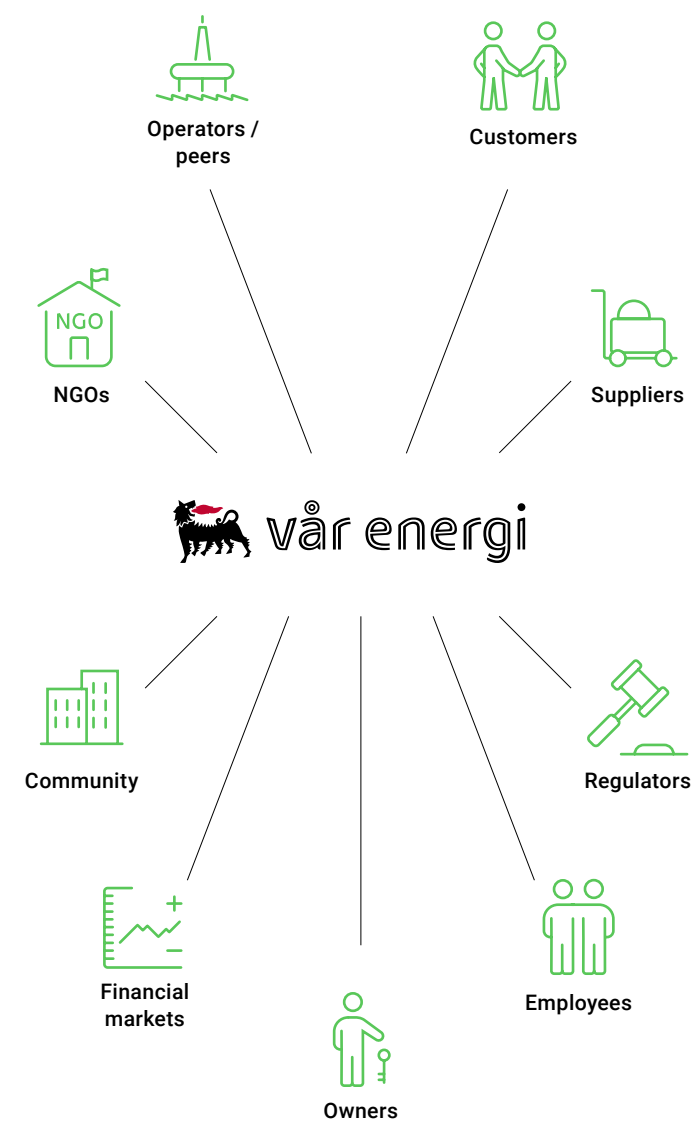
Stakeholder management in Vår Energi

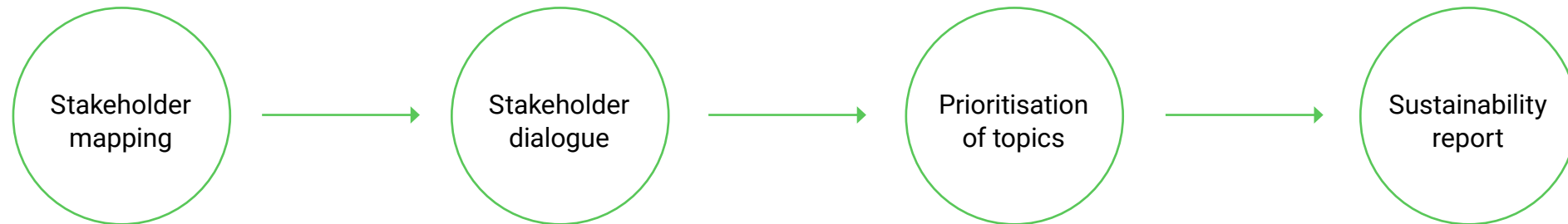
Our stakeholders are individuals, organisations and authorities who are impacted by our activities, such as shareholders, energy consumers, unions, regulators, current or future employees or one of the many companies that sell their goods and services to Vår Energi. We want to engage with our stakeholders and listen to their expectations and needs, to take steps to mitigate issues, as well as continuously make better decisions and conduct our activities in a way that is beneficial for as many as possible.

Stakeholders are prioritised based on the anticipated potential impact of our activities. When planning the development of a new field, we analyse the potential impacts and who would be affected. 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. It is our goal to include ripple effect studies in the development phase of all projects over a certain size.

Examples of stakeholder activities

In 2021 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 where we actively participate, such as Petro Arctic, which engages the industry clusters in northern Norway.





We collaborate with educational institutions on all levels, from primary schools to universities, as well as student organisations. We handed out scholarships to engineering students and engaged middle school pupils in activity days at our head office to show them what we do in our industry, and why they should choose maths and science as they continue their education. The objective of our initiatives towards educational institutions is to contribute to ensuring adequate recruitment of the competence we need in our industry as well as for technological research.

Key stakeholders such as media and politicians were able to visit the Rosenberg Worley site where Jotun FPSO is currently undergoing a refurbishment, to convey the scale and importance of our developments and operations.

We also maintained regular dialogue with central unions to ensure cooperation and involvement, as well as with regulators and local and national authorities.

Digital Stakeholder Management

In a time of transition, we depend on maintaining and strengthening our social licence to operate. To be better able to demonstrate how we are managing our stakeholder relationships and social risk, we implemented a system for digital stakeholder management in 2021. This will enable a data-based and robust approach to stakeholder management and improve the way we prioritise our resources, our messages, and ultimately our results.

Our objectives were:

- Identify key stakeholders
- Understand key stakeholders' needs and expectations from Vår Energi
- Data driven insights
- Efficiency – spending our resources on the right stakeholders
- Management oversight and organisational robustness on important stakeholder relationships

The system roll-out will continue in 2022, to better enable us to fulfil our stakeholders' expectations to achieve mutually beneficial cooperation and partnerships.

Planet

We work to ensure that our operations have a minimal impact on the both the climate and the environment.



Planet

8.7

kg CO₂ / boe for operated assets

195 281

tCO₂eq Scope 1 GHG emissions

49%

reduction in flaring on Balder

Through our HSSEQ Policy we commit to safeguard 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 14 001. All employees in Vår Energi are committed to safeguard the environment, and we create environmental awareness in the organisation through training, participation in joint industry projects and R&D, and through involvement in industrial forums and committees. We set KPI's 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 our operations are conducted in a safe and responsible manner. During 2021, we updated our climate ambitions, pushing the timeframe for achieving net zero forward to 2030.

Our main ambitions and targets related to Planet

- 50% reduction in Scope 1 GHG emissions from operated assets in 2030
- 40% reduction in equity share Scope 1 GHG emissions from partner operated assets in 2030
- Net zero Scope 1 GHG emissions from operated and partner operated (equity share) assets in 2030
- Net zero Scope 2 GHG emissions from operated assets in 2025 (office buildings in 2021, offshore electrified assets in 2025)
- Net zero equity share Scope 2 GHG emissions from partner operated assets in 2030
- Net zero Scope 3 GHG emissions from business travels and employee commuting from 2021, up- and downstream (tankers) transportation and distribution from 2025.
- All new greenfield developments shall be electrified with power from shore or from renewable offshore power production
- All new acquisitions of operated assets should be electrified or considered for electrification with renewable energy within 2030.
- Zero discharge of environmentally hazardous substances





Risks

Main ESG risks related to Planet

	Description	Mitigation
Climate risks¹	Transitional and physical risks occurring from climate change and attributed market changes	Climate roadmap with net zero emissions by 2030, and integration of climate risk into enterprise risk management system
Oil / chemical spills	Spills from own operations damaging the environment and company reputation	Processes for prevention of spills and emergency response, including close collaboration with regulators
Biodiversity disturbance	Loss / disturbance of biodiversity from operations	Biodiversity impact assessments in all Plans for development and operation (PDO)

¹ See own climate risks and opportunities chapter

Opportunities

Main ESG opportunities related to Planet

	Description
Energy and climate efficiency	Reductions in energy use, and change to renewable energy source with focus on minimizing other GHG emission sources
Low carbon solutions (Ammonia, Hydrogen, CCS, etc.)	Develop new low carbon solutions to minimize the impact of consumption of oil and gas and create new revenue streams.
Scope 3 emissions	Reduction in scope 3 emissions through various initiatives such as: Increasing gas share of portfolio, ESG requirements for suppliers, etc.



Main material GRI topics covered in this chapter
GRI 305 - Emissions

Our operations emit greenhouse gases (GHG) which contributes to climate change. Decarbonisation of our activities is therefore a key topic, and we see it as a part of our license to operate and an investment in future growth towards a low carbon society.

Our main sources of scope 1 GHG emissions are combustion of diesel and natural gas offshore for energy production and combustion of natural gas during safety flaring. Our main scope 2 emissions are indirect emissions from the generation of purchased electricity and our main scope 3 emissions are indirect emissions from our supply chain and use of our products.

Policy and action

In 2021, our BoD approved an updated decarbonisation plan with new and sharpened emission reduction targets for scope 1, 2 and 3.

For our operated assets, we commit to have net zero scope 1 emissions by 2030 through a 50%⁴ absolute reduction in direct emissions and compensation of the residual emissions using carbon offset mechanisms in the voluntary carbon market. scope 1 emissions planned for offsetting are hard-to-abate emissions such as residual

emissions from power generation, safety flaring and testing of safety critical equipment powered with diesel or fuel gas. We will work towards achieving the ambition of near zero emissions from our operated assets by 2050, which is in alignment with the joint industry target for the NCS.

For partner operated assets, our ambition is to have net zero emissions (equity share) by 2030. This will be reached by a 40% reduction in direct emissions and compensation of the residual emissions using carbon offset mechanisms.

Direct emission reductions will be achieved by electrification of assets with renewable power from shore or offshore renewable energy sources, increased energy efficiency during operations (energy management), portfolio management, and reduced cold venting and fugitive emissions. Long-term GHG emissions can be reduced through implementation of low emission technologies and carbon capture and



2021

Net zero emissions from office buildings², business travels³ and employee commuting³



2025

Net zero emissions from offshore assets² and marine traffic³



2030

50% absolute reductions from operated assets and net zero emissions¹ from operated assets and equity share of partner operated assets



2050

Near zero emissions from operated assets

¹ Scope 1
² Scope 2
³ Scope 3
⁴ Baseline year is 2005 (Ref. KonKraft 2020 report)

storage (CCS) technology, developed through R&D activity in the next decades.

As part of our decarbonisation plan, we have an ambition to significantly reduce direct methane (CH₄) emissions from our operated assets by 2030. The main methane emission sources are cold venting of natural gas and fugitive emissions from the processing equipment.

Scope 2 emissions shall be net zero by 2025. Office buildings will be offset to net zero emissions for 2021. Offshore assets will be offset to net zero by 2025.

Scope 3 emissions categories #4 and #9 up- and downstream transportation and distribution will be net zero by 2025. Categories #6 Business travels and #7 Employee commuting will be net zero by 2021.

We have established a cross functional working group that during 2022 will develop our strategy to reduce emissions from and achieve net zero scope 3 emissions from the selected vessel categories.

In addition to commitments to reduce emissions from our current assets, our decarbonisation strategy includes ambitions and commitments for future acquisitions, projects and developments:

- All new greenfield developments where we are an operator shall be electrified with power from shore or from offshore renewable energy sources

For partner operated assets, our ambition is to have net zero emissions (equity share) by 2030. This shall be reached by a 40% reduction in direct emissions and compensation of the residual emissions using carbon offset mechanisms.

- New developments shall have a carbon intensity <2.0 kg CO₂eq / boe
- All new acquisitions of operated assets should be electrified or considered for electrification with renewable energy sources by 2030.
- All new developments and larger modification projects where we are an operator shall be assessed with respect to implementation of a «closed flare system»

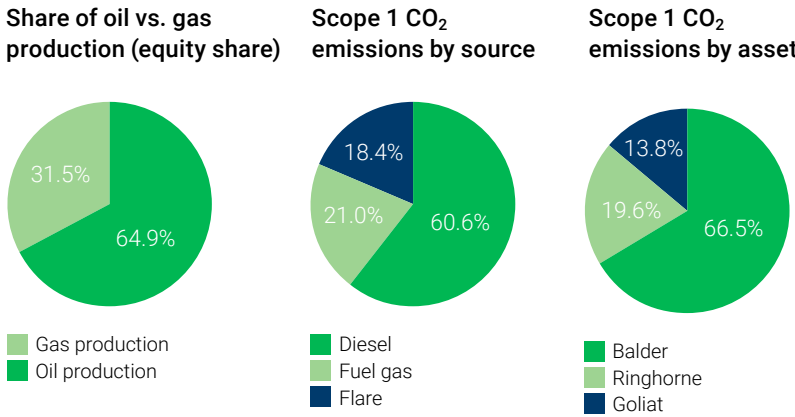
To achieve a 40 to 50% reduction in GHG emissions in the quota sector (EU-ETS) on the NCS in total, we see collaboration between oil and gas companies as crucial. Several emission reducing measures require significant investments which need to be approved by the involved license owners. Collaboration and alignment are very important for us especially with regards to our significant portfolio of partner operated assets.

Evaluation of results

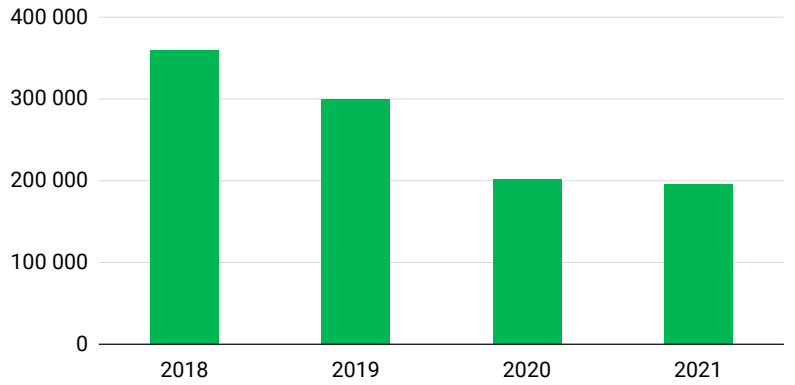
Despite a reduction in total scope 1 GHG emissions in 2021, the CO₂ intensity from operated assets increased from 7.0 to 8.7 kgCO₂ / boe due to a larger reduction in operated production compared to reduction in emissions. The CO₂ intensity from partner operated assets also increased to 12.1 kgCO₂ / boe in 2021.

The calculated scope 3 emissions include all categories, except categories 1, 2 and 10 which were excluded from the calculation due to a lack of data. During 2022, we will take actions to obtain data for all

Direct emission reductions will be achieved by electrification of assets with renewable power from shore or offshore renewable energy sources, increased energy efficiency during operations (energy management), portfolio management, and reduced cold venting and fugitive emissions. Long-term GHG emissions can be reduced through implementation of low emission technologies and carbon capture and storage (CCS) technology, developed through R&D activity in the next decades.



Direct scope 1 GHG emissions (tCO₂eq)¹



¹ Numbers changed from 2020 sustainability report, due to inclusion of fugitive methane emissions and changing of GWP for methane emissions in line with recommendations in IPCC AR6.

scope 3 emission categories. Use of sold product continues to be our largest source of scope 3 emissions, contributing to more than 99%.

GHG Emissions Operated Assets

GHG emissions from our operated decreased slightly in 2021, with a reduction of approximately 6 600tCO₂eq. This accounts to a reduction of approximately 7%. The reduction was mainly caused by reduced emissions from safety flaring and a full year of Jotun FPSO off-field. Despite a reduction in total scope 1 GHG emissions in 2021, the CO₂ intensity from operated assets increased from 8.5 to 8.7 kgCO₂ / boe due to lower production.

GHG Emissions Partner Operated Assets

The GHG emissions from our partner operated assets was reduced by 3% in 2021, with our equity share of emissions at around 839 000 tCO₂. The calculation of emissions from partner operated assets (POA) includes all emissions covered by EU ETS from direct emission producing assets. Assets that only have indirect emissions (e.g., subsea templates) are not included, as there is no common allocation method on the NCS and there is therefore a risk of double counting.

Next steps

Having set ambitious climate targets for our company, we will shift our focus towards operationalising already developed plans for achieving GHG reductions in line with our goals.

Electrification of assets

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 exploring opportunities for further electrification from renewable sources of our fields to reduce GHG emissions. In 2020, the Balder / Grane electrification project was initiated to assess the future electrification of Ringhorne WHP and Jotun FPSO. Electrification of these assets can contribute significantly to achieve our GHG reduction target. Depending on the level of electrification the estimated potential for reduction is up to 2 650 000 tonnes of CO₂ over the life of the Balder field.

We 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.

Energy efficiency

As a part of our efforts to increase energy efficiency, flaring strategies have been implemented on all assets. Operationalising the flaring strategies and thus minimizing flaring during safety events will continue to be a priority during 2022, together with assessing and implementing other energy efficiency measures. In 2021 we also re-bundled one of our compressors yielding increased efficiency and lowered temperature settings for heating needs.

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.

Read more about or work with energy management in the energy chapter.

Portfolio management

We are continuously assessing our portfolio to identify opportunities to reduce GHG emissions. It is also our ambition that all new acquisitions of operated assets should be electrified or considered for electrification with renewable energy sources by 2030.

Cold venting and fugitive emissions

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.

Research, development, and innovation

We shall finance and be a partner in low emission technology development and innovation projects and continuously evaluate the possibilities of implementing new low emission technologies on our operated assets. Being an active partner in research, development and innovation projects is an important part of our contribution to reducing the GHG emissions on the NCS. Read more about our R&D spending and efforts in the research and development chapter.

Partner operated assets (POA)

Implementation of comprehensive emission reducing measures in our partner operated assets is a prerequisite to reach the agreed overall emission reduction target set for the NCS by 2030.

To drive down our equity share scope 1 emissions we shall financially support and stimulate implementation of cost-effective measures to reduce GHG emissions from our partner operated assets. In 2021, we undertook a thorough screening of our portfolio to identify business opportunities and risks related to the decarbonisation of our POA's. Several opportunities were identified and will be further matured and evaluated for sanctioning with our partners during 2022. Most of the opportunities identified involves electrification of assets with power from shore.

Carbon offsets

We see carbon offsets as a necessary supplement to operational measures to achieve net zero emissions from our operations. Emissions that we are unable to eliminate through operational measures due to technical or economic feasibility, will be offset through mechanisms in the voluntary carbon market.

Our scope 2 emissions from office buildings, and our scope 3 emissions from business travels and employee commuting in 2021 will be offset through investment in carbon removal projects.

Offshore maritime activity

We acknowledge the Norwegian Government's action plan for a green maritime industry, which targets a 50% reduction in GHG emissions from maritime activity by 2030, and we are working on a strategy to ensure that our offshore maritime activities reach the emission reduction targets.



Ambitions

- 50% reduction in Scope 1 GHG emissions from operated assets in 2030
- Net zero Scope 1 GHG emissions from operated and partner operated (equity share) assets in 2030
- Near zero emissions from operated assets by 2050
- All new greenfield developments shall be electrified with power from shore or from renewable offshore power production

Contributions

- Scope 1 GHG emissions: 195 281 tCO₂eq¹
- Upstream CO₂ intensity Operated Assets: 8.7 tCO₂ / boe¹
- Scope 1 GHG emissions reduction: 6 578 tCO₂eq¹

Next steps

- Mapping of portfolio and implement climate roadmap towards 2030
- Reduction targets will be revised in cycle with KonKraft / NOROG targets every 3 or 5 years.

¹ Operational control

Climate indicators

Indicators	Boundary	Unit	2021	2020	2019
Scope 1 GHG emissions	Operational Control	Tonnes CO ₂ eq	195 281	201 860 ²	299 627 ²
Scope 1 CO ₂ emissions (EU ETS)	Operational Control	Tonnes CO ₂	171 993	190 936	283 591
Scope 1 CO ₂ emissions (EU ETS)	Equity Basis	Tonnes CO ₂	979 453	1 023 979	1 097 086
Scope 2 GHG emissions (location based)	Operational Control	Tonnes CO ₂ eq	3 440	3 388 ¹	2 832 ¹
Scope 2 GHG emissions (market based)	Operational Control	Tonnes CO ₂ eq	171 539	169 338 ¹	141 228 ¹
Scope 3 GHG emissions from sold products	Equity Basis	Tonnes CO ₂ eq	33 421 944	36 844 705	34 686 566

¹ Numbers changed from 2020 sustainability report due to change in emission factors for scope 2 emissions
² Numbers changed from 2020 sustainability report due to inclusion of fugitive methane emissions and changing of GWP for methane emissions in line with recommendations in IPCC AR6.
³ Number changed from 2020 Sustainability report. Marulk production is now excluded due to uncertainties in emission allocation for subsea tiebacks.

About the GHG reporting: The GHG reporting is consolidated and presented in accordance with the requirements of The GHG Protocol Corporate Accounting and Reporting Standard. The GHG emissions (Scope 1) is based on the EU ETS reporting and uses measured emissions factors and emission factors from "Nasjonale Standardfaktorer – Miljødirektoratet". The Scope 1 emissions therefore also include production drilling activities covered by EU ETS. Methane emission factors are from IPCC. The scope 2 electricity emissions use emission factors based on NVE's "klimadeklarasjon for fysisk levert strøm 2020" (location based), NVE's "varedeklarasjon for fysisk levert strøm 2020" (market based) and AIB's "residual mix 2020". Scope 2 district heating uses emission factors based on the district heating mix in the Hammerfest and Stavanger areas and emission factors from "Nasjonale Standardfaktorer – Miljødirektoratet". For scope 3 calculations, see own table below.

Indicators	Boundary	Unit	2021	2020	2019
CO ₂ emission intensity Operated Assets	Operational Control	Kg CO ₂ per boe	8.7	8.5 ³	9.8
CO ₂ emission intensity Partner Operated Assets	Equity Basis	Kg CO ₂ per boe	12.1	11.2	10.6
GHG emission intensity Operated Assets	Operational Control	Kg CO ₂ eq per boe	9.4	9.0 ³	10.4
CH ₄ emissions	Operational Control	Kg	493 045	391 534 ²	574 791 ²
Hydrocarbons flared	Operational Control	Tonnes	7 834	13 501	17 153

Scope 3 category		Emissions (tCO ₂ eq) ¹	About the calculation
1	Purchased goods and services	Data not available, actions will be done to improve reporting	
2	Capital goods	Data not available, actions will be done to improve reporting	
3	Fuel and energy activities ²	15 944	WTT (wheel-to-tank) emissions from all diesel used for on our operated assets.
4	Upstream transportation and distribution ²	42 066 ⁵	Emissions from all supply vessels, helicopters and other vessels supporting Vår Energi's operations
5	Waste generated in operations ²	1 413	Emissions from our onsite generated waste by waste disposal method.
6	Business travels	639	Emissions from all business travels made by Vår Energi employees
7	Employee commuting ³	92	Based on average vehicle type, average commuting length and average percentage of employees driving to work. Assumed 50% at the office during the reporting year due to long periods with home office.

Scope 3 category		Emissions (tCO ₂ eq) ¹	About the calculation
8	Upstream leased assets	0	
9	Downstream transportation and distribution ²	60 908 ⁵	Emissions from all tankers
10	Processing of sold product	Data not available, actions will be done to improve reporting	
11	Use of sold product ⁴	8 947 852 ⁶	Emissions from the use of all oil, NGL and gas sold from assets operated by Vår Energi
12	End-of-life treatment of sold products	0	
13	Downstream leased assets	0	
14	Franchises	0	
15	Investments	Not applicable, reported under scope 1 equity share	
Total scope 3 emissions		9 068 914	

¹ Operational control

² Emission factors from DEFRA

³ Emission factors and average vehicle information from SSB

⁴ Based on factors from IEA and IPCC.

⁵ Definition changed from 2020 sustainability report due to increased scope 3 reporting accuracy

⁶ System definition for Scope 3 - 11- Use of sold product, has been changed from equity share to operational control to keep consistency between scope 1, 2 and 3, as recommended by the GHG protocol. Scope 3 - 11 - Use of sold products using equity share is for 2021 reporting included in table "climate indicators".



Images: Horisont Energi

Vår Energi cooperates for production of carbon neutral ammonia in Hammerfest

Vår Energi has partnered with Equinor and Horisont Energi to explore the possibilities for producing blue ammonia from natural gas, with CO₂ capture and storage, in Hammerfest.

The project could become an important step in achieving our ambitious climate goals and transition in more carbon neutral direction. Furthermore, as resource owner, we are committed to effective resource management and value creation in the region, says Bjørn Thore Ribesen, VP Field Development and Projects in Vår Energi.

Vår Energi is the operator of the Goliat and Alke licenses in the Barents Sea. Goliat is mainly an oil field, but natural gas produced with the oil is currently being reinjected into the reservoir due to lack of gas export system. Total recoverable gas resources in Alke and Goliat fields amount to about 25 billion standard cubic meters.

Vår Energi has explored various alternatives for producing gas resources from these licenses. The potential for an ammonia plant has been included in our studies over the past year. This agreement strengthens our ambitions for a gas evacuation solution in the region, Ribesen says.

The Barents Blue Project

The cooperation agreement builds on Horisont Energi’s concept The Barents Blue Project. The project may entail Alke and Goliat gas resources being brought onshore in Hammerfest via pipeline. There, natural gas will be converted into carbon neutral blue ammonia by capturing and depositing CO₂ in reservoirs under the seabed in the Barents Sea.

In addition to possessing valuable gas resources, Vår Energi also has solid experience and expertise related to the Barents Sea subsurface. This will be essential for developing good solutions for CO₂ storage in the future, Ribesen points out.

Through the cooperation agreement the partnership aims to mature a technical and commercial solution. This will form the basis for further studies and a potential investment decision.

Ammonia is used on a large industrial scale in areas such as chemical industry and production of artificial fertilizers. Carbon neutral ammonia could potentially become a key energy carrier within maritime transportation in the future.

Active involvement with local communities is part of the key to success of this project, as local industrial infrastructure and competence will be needed in the development phase of the project. We also depend on the involvement and cooperation of local communities and politicians with regards to placement and permits. The project is thus further contributing to local ripple effects in terms of employment and municipal income through taxes and increased indirect activities.

Planet



Energy

Main material GRI topics covered in this chapter

GRI 302 – Energy

Energy is a fundamental component of all our operations, from off-shore platforms on the NCS to our administrative efforts onshore, as well as in our supply chain. GHG emissions from energy use (fuel) makes up 82% of our direct CO₂ emissions, underlining the importance of the topic. 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 from all our partners throughout the value chain.

Policy and action

According to our Energy Management Principles we seek to achieve our GHG reduction targets through enhanced energy management, amongst other initiatives. Annual targets have been set by and for top management, assets, and the broader organisation with corresponding responsibilities to achieve these targets. We consider it a responsibility of all individuals who take part in our activities to ensure that we comply with the energy management principles and deliver on our annual energy management targets.

The Energy Management System adheres to the principles of ISO 50001 and is integrated into our Management System. An energy management team and an energy management steering committee have been established to ensure systematic monitoring and analysis

of our energy consumption. We prioritise opportunities for continual improvement and make action plans towards realizing our energy and emission reduction targets.

Evaluation of results

During 2021, we rolled out our improved and digitalized energy management tool to our operated assets. The tool monitors the energy streams and system performance in addition to monitoring costs and emissions. The energy management system has proven to be efficient at improving energy efficiency in our operations. KPIs are set for GHG emissions, amount of flaring and utilisation of the power system for our operated assets Goliat, Balder and Ringhorne.

A formalized process for identifying, maturing, and implementing energy efficient initiatives was established in 2020 and has been further operationalized in 2021. The process is tailor made for both operational and technical initiatives. During 2021, 43 emission reduction or energy efficiency initiatives were identified across our operations and functions. Updated flaring strategies for all our assets have been in active use offshore during 2021 and have provided increased focus on ways to reduce the duration of safety flaring events, and volume flared where possible. In 2021, we cut approximately 20 000 tonnes of CO₂ equivalents through our energy management initiatives.

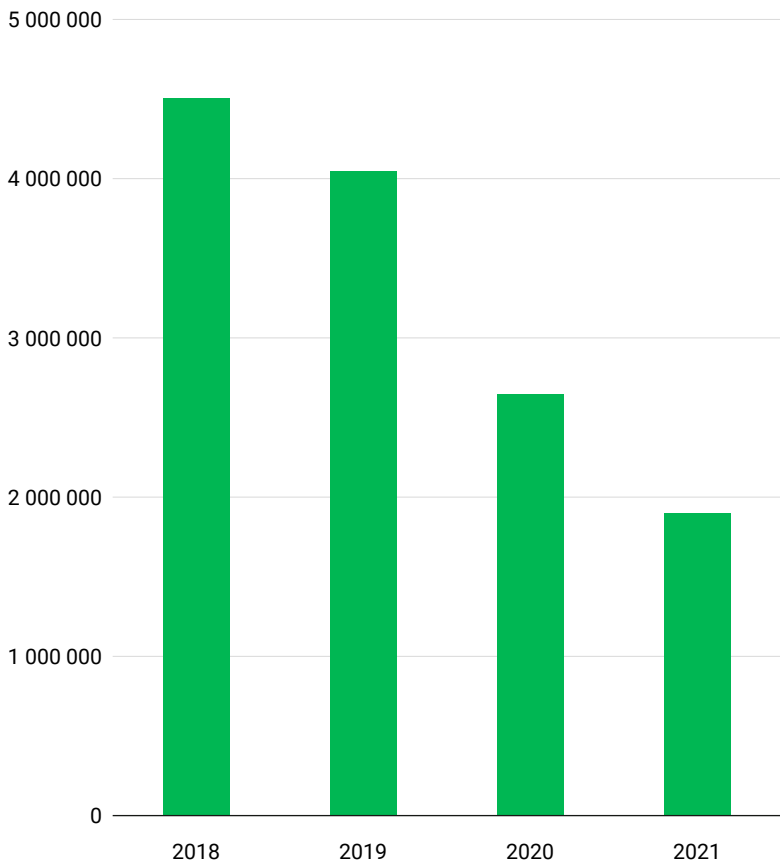
We have also conducted a separate flaring study for Balder in 2021, with good results for emission reductions and flared volumes. Our efforts on Balder has yielded a 49% reduction in CO₂ emissions, equalling approximately 17 000 tonnes of CO₂, from 2020 to 2021. The reduction is mainly due to implementation of updated flaring strategies and modification of inlet separator pressure.

We see a positive trend for all our operated assets over the last years where the total hydrocarbon flaring has been reduced. Our efforts on Balder coupled with full year of Jotun FPSO off field (2Q 2020) has yielded a 43% reduction in energy consumption from safety flaring from 2020 to 2021. When Jotun FPSO re-enters the field in 2023, we expect emissions and fuel consumption from flaring to increase.

At year end 2021 we had 37 energy efficiency initiatives/proposals actively being worked on 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.

Total fuel consumption from non-renewable resources (GJ)



We work to further strengthen the operationalisation of energy efficiency and our energy management systems in 2022.

Our Goliat installation is powered by electricity from shore and we use our digital tools in combination with input from the organisation to identify improvement areas for all power-consuming components onboard. In 2021, we completed a re-bundle of one of the Goliat HP compressors and lowered temperatures for heat tracing in selected areas offshore. Our digital tools are also being used to establish the effects of our energy efficiency improvement initiatives. The effect was a reduction in flaring emissions from our Goliat installation of more than 1 000 tCO₂eq, an 8% reduction since last year.

In 2021 we have also strengthened the integration of energy management into our contracting and procurement processes, drilling operations and partner operated assets.

Our total energy consumption was reduced by approximately 730 000 GJ in 2021, compared to 2020. Total fuel consumption from non-renewable resources was reduced by more than 28% during 2021. Increased use of power from shore on the Goliat platform resulted in a slight increase in electricity consumption in 2021. The Norwegian energy mix consists mainly of hydropower.

Next steps

The foundation for enhanced energy management was successfully established at Goliat during 2020, with clear annual goals set for 2021. In 2021 these goals were delivered upon, and the process extended to our operations on Balder and Ringhorne. We continue our work to further improve the energy management system by identifying improvement areas. We will also continue our efforts to operationalise the system by implementing measures aimed at reducing GHG emissions and enhancing energy efficiency. Monitoring and documentation of the emission reduction and energy efficiency improvements will be further advanced.

The digitalized system is continuously being improved by the energy management team and has during 2021 been scaled to the North Sea assets to ensure that all assets adopt a more data-driven and digitalized approach to energy management.

In 2022 we will continue to further strengthen the operationalisation of energy management and facilitate emission reduction opportunities across all our assets and business processes, in line with the stated goals in our decarbonisation strategy.

Ambitions

- Meet the KPIs set for our operated assets
- Strengthen and operationalise energy management as a system actively used within Vår Energi and secure adequate capacity & resources to operate energy management system.
- Align with Decarbonisation Plan and Sustainability measures.
- Structure, further build and actively mature opportunity portfolio for energy management for all assets, activities, business processes and projects.

Contributions

- Implemented a full-scale digitalized EMS on all operated assets
- Implemented improved flaring strategies and reduced flaring compared to 2020 performance
- Implemented energy saving measures for heat tracing and compressor rebundle
- KPIs operationalized and met
- Established a visualized dashboard to continuously monitor energy efficiency, power use and generation

Next steps

- Further operationalize the energy management system to deliver increased energy efficiency and emission reducing measures

Energy indicators

Indicators ¹		Unit	2021	2020	2019
Fuel consumption from non-renewable sources	Fuel gas	GJ	617 812	922 107	2 134 881
	Diesel	GJ	919 713	1 094 209	1 107 931
	Flare	GJ	361 593	633 713	802 196
	Total fuel consumption from non-renewable sources	GJ	1 899 118	2 650 029	4 045 008
Electricity consumption	Goliat - power from shore	GJ	1 519 320	1 499 437	1 238 249
	Buildings	GJ	14 229	15 214	24 308
	Total electricity consumption	GJ	1 533 549	1 514 651	1 262 558

¹ Operational control
² Includes energy consumption from up- and downstream transportation. Energy conversion factors based on DEFRA.

Indicators ¹		Unit	2021	2020	2019
District heating consumption	Hammerfest	GJ	5 350	3 682	4 415
	Stavanger	GJ	4 025	2 969	0
	Total district heating consumption	GJ	9 375	6 650	4 415
Energy consumption	Total energy consumption	GJ	3 442 042	4 171 331	5 311 980
	Energy intensity	GJ / boe	0.166	0.154	0.184
	Energy consumption outside of the organisation, in joules or multiples.	GJ	1 384 932 ²	1 001 862 ²	332 018 ²



Planet

Environmental protection

Main material GRI topics covered in this chapter

- 303 – Water and effluents
- 304 – Biodiversity
- 306 – Waste

We put great emphasis on protecting the environment and biodiversity around our operations and consider it a fundamental component of sustainable development. Protecting nature and ecosystems is therefore extremely important to us, our stakeholders and society.

In our operations we use marine water for pressure support in our reservoirs. We generate and discharge produced water and other oil and chemical containing water to the marine environment after purification. Waste is generated throughout our value chain, and reduction, treatment and disposal of waste are important to protect the environment.

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.

Policy and action

Our Sustainability Policy describes our commitment to conservation of biodiversity and we have adopted a Biodiversity and Ecosystem Services Guideline and the “No Go Commitment” for UNESCO Natural World Heritage Sites. Our CEO has the overall responsibility for protection of the environment and the conservation of biodiversity. We execute environmental impact assessments, monitoring campaigns and R&D projects to secure protection of environmental resources in areas where we operate. All plans for activities that may impact the environment are required to undergo a public hearing process before final permission is given by the Norwegian authorities. This secures a transparent process where stakeholders can review the professional basis for the activities. None of our activities are assessed to have substantial negative impact on biodiversity and special 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 promote a transparent and continuous dialogue with stakeholders, conservation NGOs, and national and international scientific institutions and participate in several industry collaborations and R&D projects to continuously improve performance on topics related to biodiversity and environmental protection. We have joined other operators on the NCS and funded additional environmental mapping and monitoring programs in 2021 to make us understand more of the environmental conditions in the sea, how the offshore industry may influence on it, and techniques for how to measure impacts.

Waste

Our objective is to avoid generation of waste wherever possible. To facilitate environmentally sound waste management, we follow strategic waste principles based on the waste management hierarchy: prevention, minimisation, reuse, recycling, energy recovery and disposal. Waste management targets for the individual installations are annually revised and implemented through the Vår Energi Safety and Sustainability Program.

Environmental protection in drilling operations

Prior to drilling operations, an environmental risk and emergency analysis is performed to assess the potential environmental impacts from a significant accidental oil spill. No major risks were identified in any of the four drilling campaigns preformed during 2021.

King-Prince exploration well

From adjacent well locations it had been reported presence of sea pens on the seabed and a survey for the species was initiated at the King Prince well location. If present in sufficient density, the species can create an OSPAR habitat. The OSPAR Convention (Oslo-Paris Convention) is the legislative instrument regulating the European cooperation on environmental protection according to the OSPAR's North East Atlantic Environment Strategy. The survey of the area identified the species in a variable density and distribution, and the seabed visual mapping increased the knowledge about the presence of sea pens in this part of the North Sea. No aggregations which could be defined as OSPAR habitats were identified.

Balder area drilling campaign

No major concerns were identified. A seabed environmental baseline survey was performed to map the conditions prior to the drilling. Later the survey will be repeated and the possible impacts on the seabed from the operations will be monitored.

Goliat field

Three production wells and one water injection well were drilled in 2021. No vulnerable or valuable fauna was observed. The seabed environmental conditions have been monitored for more than ten years at the Goliat drilling templates. No significant influence on the seabed has been identified. Two of the production wells were drilled as a sidetracks to existing producing wells. This technique reduces emissions to air and sea compared to a totally new well. The water injector will increase produced water injection capacity and by this reduce the discharge of water to sea.

Rødhetten: exploration well

An exploration well was drilled in the Barents Sea. Prior to the drilling, an environmental baseline survey was performed to document local seabed conditions. No vulnerable or valuable fauna was observed. The study was also used to prepare a professional oil spill preparedness system in case of such an event. The drilling was performed without accidental spill to the sea.

During 2021, Vår Energi started a project assessing how to integrate circular economy perspectives in project planning and how to detect impacts on financial and non-financial value creation in the design and implementation phase of our projects. Waste generation and management of waste in Vår Energi's value chain will be a natural part of all projects going forward. The transition to a circular economy involves reviewing the company's approach to design, production and consumption patterns.

Water

Identification of water risk and water resource management is an integral part of our environmental management system, and is based on identification, evaluation, and mitigation of impact on water resources. On one of our offshore installations, we use reverse osmosis to produce fresh water from marine water and on two of them we bunker freshwater from shore. We have no operations in areas with water stress.

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 have established produced water principles for the company and asset specific targets for percentage of reinjection, and a high focus on replacing production chemicals with more environmentally friendly alternatives. In addition, we regularly execute calculations of environmental impact factor (EIF) for the discharged produced water. Produced water and other oil containing water discharged to sea never contain oil concentration exceeding 30 mg/L as an average over one calendar month.

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 on the NCS.

Non-GHG emissions

We are committed to reducing our non-GHG emissions through our adherence to the NO_x-agreement 2018-2025. The NO_x agreement forms the framework for the work in the Norwegian NO_x Fund. Emission targets and reductions of nmVOC from loading and storage operations are regulated through our emissions permits. We are a member of and are represented in the Board of Directors for VOCIC – VOC Industry Cooperation, where investment in emission reducing technologies and fulfilment of authority requirements related to emissions are shared.

We have contributed to the development of a robust and effective oil spill contingency solution in the Barents Sea and on the NCS in general.

Particularly valuable and vulnerable areas

Vår Energi operates within or near identified particularly valuable and vulnerable areas (SVOs) on the NCS. SVOs are areas identified to be important for safeguarding and strengthening of biodiversity and biological production. When executing oil and gas activities within or near an SVO, Vår Energi takes particular care to protect the environmental resources in such areas.

The Goliat field is located within the management plan area Barentshavet-Lofoten, and the SVOs Tromsøflaket and Coastal Areas overlap the Goliat field location. The marine area has high



environmental value (i.e. an area with larger accumulations of marine species during the year or specific periods of the year) and high vulnerability to acute oil spills throughout much of the year. There are no UNESCO natural world heritage sites in the region. There are three Ramsar (wetland site designated to be of international importance under the Ramsar Convention) areas close to the coast in Finnmark.

The Balder and Ringhorne fields are located within the management plan area Nordsjøen-Skagerrak. No SVOs overlap with the location of the fields. However, approx. 80 km south of Balder there is an SVO Spawning Area for North Sea Mackerel and 120 km south is SVO Sandeel Area South. The marine area where the Balder and Ringhorne fields are located is assessed to have low to moderate environmental value and moderate vulnerability for acute oil spills throughout the year. There are no UNESCO natural world heritage sites in the region. There are two Ramsar areas on the coast of Rogaland.

Evaluation of results

Acid gases and nmVOC

Energy production in the oil and gas industry inherently leads to non-GHG emissions such as sulphur oxides (SO_x), nitrogen oxides (NO_x) and non-methane volatile organic compounds (nmVOC).

We utilize VOC recovery solutions to minimize nmVOC emissions from activities related to loading and storage of oil. In addition, we have developed and implemented the first online monitoring system of VOC

emissions from loading of oil on the NCS. In the last 2 years, we have been able to reduce our emissions of nmVOC substantially from 2 658 tonnes in 2019 to 505 tonnes in 2021, a reduction of more than 80%.

Both SO_x and NO_x emissions increased slightly during 2021, due to increased activity on Balder X. Measures will be taken to limit the emission of these substances from our operations during 2022. For all new developments and larger modification projects, we use low-NO_x technologies as part of the total environmental evaluation criteria. This will help us reduce our NO_x emissions in the long term.

Water withdrawal and discharge

We have no operations in areas with water stress. Our operations do not use any freshwater but requires the use of seawater for injection and pressure support. We do not discharge to freshwater resources through our operations but have discharge of produced water to sea. For more information about our water consumption, see the appendix.

Spills to sea

In 2021 we had three significant spills to sea, which is one more than we experienced in 2020. All the three spills were chemicals discharged to sea and the total volume of the spills was 427L. Two of the significant spills were in connection with drilling rig operations at the Balder field. The discharges were assessed to have little impact on the environment. Vår Energi has a zero-discharge goal and efforts will be made to reach this.

R&D projects on environmental protection

We have shown a commitment to develop 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 through financing of the SYMBIOSES III project.

Since 2019, we have participated in the SEATRACK Phase II project, which is a part of the SEAPOPOP program. SEAPOPOP is a collaboration between Norwegian authorities, research institutions and the oil and gas industry. The project research enables improved mapping of seabird wintering areas and migration routes for large and important populations of seabirds in the North Atlantic waters.

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

Waste

During 2021, our onsite generation of both hazardous and non-hazardous waste increased by around 10 300 and 300 tonnes respectively. This increase led to an increase in total onsite waste generated from around 4 300 tonnes in 2020 to approximately 14 900 tonnes in 2021. The increase in hazardous waste was due to increased drilling activity in 2021

Next steps

Continued efforts will be made towards the goal of zero discharges of oil / chemicals to the sea, through various initiatives and continuous monitoring. We base our Safety and Sustainability work on principles for continual improvement, and always endeavour to achieve better results.

We are determined to utilize the full potential of circular economy to realize our sustainability vision and commitments. During 2021, our R&D department initiated a process to map opportunities of value creation in our supply chain. Potential opportunities include maintaining the value of products, closing products cycles, and minimizing waste. The initiative engaged the whole company structure to define the strategic pathway and aims to create synergies with ongoing initiatives, like operational excellence and net zero emission targets. Next steps in the process includes enhancing long-term partnerships with suppliers and contractors and promoting collaboration with peers on the NCS.

Online monitoring of VOC emissions is used, which could lead to reduced emissions during loading. We will also continue its work on reducing our SO_x and NO_x emissions through existing programs and low-NO_x technologies will continue to be an evaluation criterion for all new developments and larger modification projects.



Ambitions

- Minimise negative impacts of operations to the environment and climate
- Zero-discharge of environmental hazardous substances
- “No-Go Commitment” for UNESCO Natural World Heritage Sites

Contributions

- 14 thousand tonnes of onsite hazardous waste generated
- 906 tonnes of onsite non-hazardous waste generated

Next steps

- Strengthen efforts to achieve goal of zero discharges of oil / chemicals to the sea
- Utilize opportunities in circular economy to minimize waste and reduce costs

Emissions of acid gases and nmVOC

Indicators	Boundary	Unit	2021	2020	2019
Sulphur oxides (SO _x)	Operational Control	Tonnes	39.08	29.55	30.20
Nitrogen oxides (NO _x)	Operational Control	Tonnes	1 786	1 369	1 815
Non-methane volatile organic compounds (nmVOC)	Operational Control	Tonnes	505	634	2 568

About the results: Standard factors for combustion of diesel and natural gas ([NOROG Recommended Guideline 044](#)) are used for calculation of SOx and nmVOC emissions. Site specific factors have been used for calculation of nmVOC from loading (VOCIC), storage and fugitives. Equipment specific factors are used for turbines and engines for calculation of NOx emissions.



People

Vår Energi is run by people. The safety of our employees and contractors will always be our number one priority.





2.1 bn.

value creation (USD)

3.2

TRIF

1.3

SIF

Our ambition is to be the safest operator on the NCS, and we promote a good working environment and HSE culture at the core of all our operations. Diversity and non-discrimination are key elements in building a robust organisation and we work actively to promote this. We also strive to use local suppliers wherever material and feasible to create value for the communities around our operations.

Our main ambitions and targets related to People

- Safest operator on the NCS
- 40% gender diversity in the entire organisation
- Engage local communities to create value





Risks

Main ESG risks related to People

	Description	Mitigation
Failure to attract talent	O&G industry becoming viewed as unattractive by current and / or future workforce	Culture-building, continuous improvement
Loss of competence	An ageing workforce fails to forward their competencies to new recruitments	Processes to ensure competency-development and retainment
Negatively affecting employees and suppliers social rights	Lack of focus on human rights, diversity, etc.	Assessments of social sustainability throughout the value chain, and focus on diversity and inclusion internally

Opportunities

Main ESG opportunities related to People

	Description
Become the most attractive employer on the NCS	Culture-building projects to help Vår Energi remain a good place to work and become leading on ESG to attract more sustainability-focused people
Leading on social sustainability in own operations and in the supply chain	Take a leading position on social sustainability including diversity and human rights, local value creation both in own operations and in the supply chain

People



Health and safety

Main material GRI topics covered in this chapter

403 – Occupational health and safety

A prerequisite for our operations is that we do it without causing harm to people or the environment. We use both leading and lagging indicators to monitor our performance and to achieve transparency in our ways of working. We strive to learn from experience, to continuously improve and prevent incidents from happening. Promoting a good working environment and sustaining a healthy culture is at the core of our operations and is integrated into our management system. We believe this is crucial to obtain good safety results.

Policy and action

Health, safety and security management is a company responsibility. It is integral to our policies and operationalised in our management system. This enables sound working conditions for employees and contractors and compliance with internal and external requirements.

Our management system is founded on principles set out in IOGP 510 covering relevant elements from NS-EN ISO 9001, NS-EN ISO 14001, NS-EN ISO 26000, NS-EN 27001, NS-EN ISO 31000 and NS-ISO 45001. With regular intervals we perform gap analyses to verify compliance to mentioned ISO standards, as well as NS-EN ISO 50001 and NS-EN ISO 14001. We have NS-ISO 14001 and NS-ISO 45001 certification.

The “Norwegian model” is the foundation of our management system, regulated by the Norwegian Working Environment Act and other Norwegian laws and regulations. This model is characterised by active employee involvement through Working Environment Committees, safety delegates and employee representatives. Maintaining a robust, safe, and transparent working environment is the responsibility of everyone working for us.

Our management system covers everyone in our company across all our sites and is owned by our CEO.

It is our policy to conduct business in a manner that protects the health and safety of our employees, all others involved and the public:¹

We achieve this by developing and maintaining our management processes, and continuously working to reduce risks associated with our activities. Our main emphasis is on hazard identification, risk assessment, follow-up, and mitigation of undesired situations, learning and proactive management of our activities.

A further description of our occupational health and safety management system and worker participation, consultation, and communication on occupational health and safety is disclosed in the Appendix as part of the compliance with GRI 403.

Evaluation of 2021 health and safety results

2021 has been a year with significant increase in activities, particularly through our Balder Future development project and drilling operations. In 2021, some of our key performance indicators developed positively, however the number of incidents have increased. One incident is one too many.

Serious Incident Frequency

Our key performance indicator Serious Incidents Frequency (SIF²) has developed positively in 2021 vs. 2020, however we experienced an increase in the total number of serious incidents and recordable injuries, especially in Q4.

¹ From our HSSEQ Policy
² SIF: Serious incident and near-misses per million worked hours. Includes actual and potential consequence. Includes near misses.

- 1. We conduct our activities in conformity with international agreements and standards, with laws, with regulations and with the national policies of the countries where we operate, that deal with the safeguard of health and safety of workers and of the environment.
- 2. We deal with health, safety and environmental safeguard in an integrated way, in accordance with principles of precaution, prevention, protection and continuous improvement, investing all levels of the company with responsibility.
- 3. We use the best available techniques and technical regulations in health, safety and environmental matters.
- 4. We plan, manage, and dispose of our tangible assets, guaranteeing the safeguard of health and safety, minimising environmental impacts and optimising the use of energetic and natural resources.
- 5. We invest in research and in technological innovation, in order to realise products and processes with the finest characteristics of environmental compatibility and for the safeguard of health and safety. We also promote partnerships with the aim of developing new technologies.
- 6. We consider the safeguard of health a fundamental requisite and promote the psycho-physical well-being of our people.
- 7. We communicate to our stakeholders, in a transparent manner, the objectives and results that have been achieved, dealing with health, safety and environmental topics. We also promote the conditions that can establish a long-term cooperation, with the aim of achieving shared objectives of sustainable development.

For 2021 the SIF ended at 1.3 versus 1.7 in 2020. Although somewhat higher than the target at 0.8 we see a positive development. Most of the SIF incidents were classified as serious due to their potential rather than actual consequence. The majority of the incidents were related to dropped objects in development project and drilling activities.

The number of counting incidents increased from 8 in 2020 to 12 in 2021. We are working hard to turn the trend and using the Life Saving Rules, the Always Safe Annual Wheel will be our main initiatives for improvement. Dropped objects caused too many of the near misses and will be a continued prioritized improvement area.

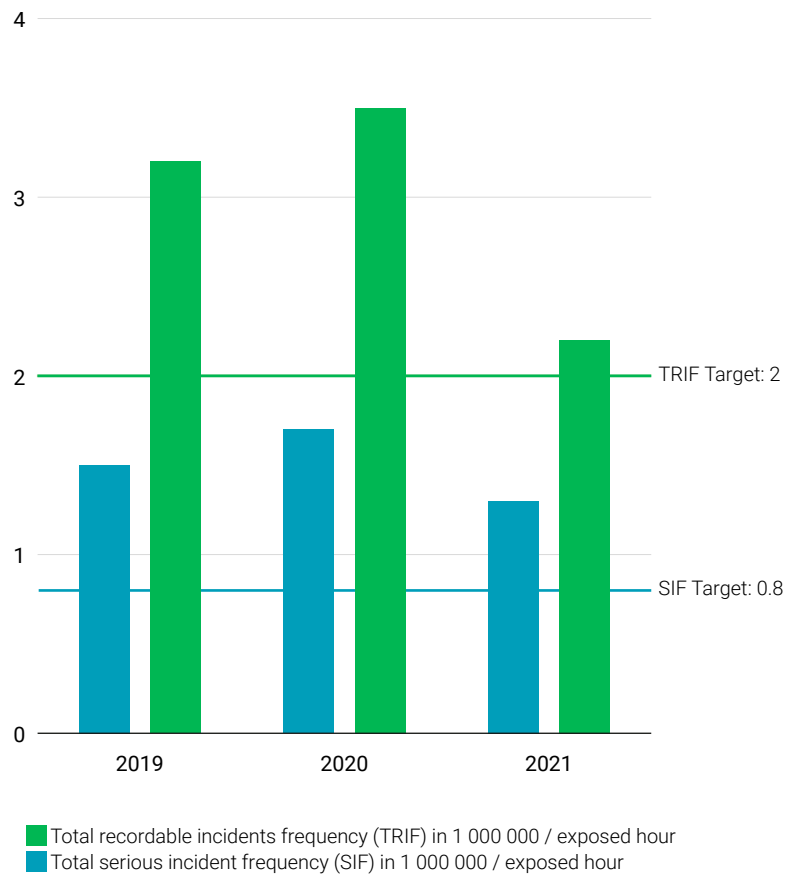
All incidents have been investigated according to our internal or our contractor’s management system and measures have been implemented to correct errors and ensure that learnings are shared and lead to continuous improvement.

Personnel health and safety

The TRIF¹ at year-end 2021 was 3.2 versus 3.5 in 2020. We saw an increase from 17 to 29 injuries, wherein 24 of these occurred in contractor project development activities. Several initiatives are being worked with the contractors to turn the trend.

In 2021, we improved our system and process for registration and follow up of health hazardous exposure incidents. Also, incidents with a potential for exposure are to be registered to increase learning from incidents. It is our goal to increase the awareness of exposure incidents at all levels of the organisation. In particular, we see an increased awareness in relation to carcinogenic² components. Our next step is to improve the reporting of ergonomic and noise exposure incidents.

We have actively worked on findings from the 2020 psychosocial working environment survey at a company level and in all departments. A new survey will be carried out in 2022.



¹ TRIF: Personal injuries requiring medical treatment per million worked hours
² Having the potential to cause cancer

Process Safety

One gas leak was recorded in 2021. Oil and gas leaks are classified by the severity of the leak rate¹. This event did not have major accident² potential and did not cause harm to people or assets. Four process safety events were classified as Tier 1³. All four incidents were related to the same type of equipment and medium (diesel) and significant efforts have been made to improve the integrity of this equipment. Incidents have been investigated and root cause failure analysis have been executed.

Summary

To further strengthen the safety focus in our culture, we will, together with our contractors, tirelessly continue to build on and use the measures we truly believe in, such as the Always Safe Annual Wheel, the Life Saving Rules and our internal TIR tool (Take Time, Involve, Report). At the same time, we hold a continuous focus on major accident potential and weak signals through MARI, our major accident risk indicator system.

2021 Key Achievements within Occupational Health and Safety Management System

In 2021, we have continued to develop and implement our management system, aiming to harmonise and standardise several key processes. Amongst others, we have:

- Developed a new common digital Work Permit System for use on all offshore installations, aiming to further facilitate safe work practice and safety culture. [The Life-Saving Rules](#) - a set of rules from IOGP to provide workers in the industry with the actions they can take to protect themselves and their colleagues from fatalities - and relevant HSE alerts are integral parts of the system, enabling safety focus in all parts of planning for an executing work task.
- Significantly increased our use of the Always Safe Annual Wheel – a collaboration initiative between the largest operators on the NCS to improve safety competence and awareness - across assets and office locations, and set expectations of the same towards our key contractors.
- Developed and implemented a digital Chemical Portal to apply for chemicals, administrate applications, execute risk assessments and storage safety data sheets and risk assessment, to better control and manage chemical risk offshore.
- Improved and implemented our system for registration and follow up of health hazardous exposure incidents to increase awareness of such risks, see further details below.

- Executed security risk assessments and updated plans for offshore assets.
- Been recertified against ISO 14001 and 45001, documenting that our management system processes within Environmental Management and Occupational Health & Safety Management meet a high-quality standard.
- Improved internal controls in our management system for full transparency, and to enable a company overview and more effective follow-up.
- Revamped our non-conformance processes, further ensuring that risks are handled.

Through another year with the COVID-19 pandemic, we have also gained valuable experience in handling a long-term volatile situation and have updated strategic plans, instructions, and training/exercises to handle the pandemic in the best possible way. We established a proactive Covid-19 taskforce at the outbreak that is still handling the different challenges that have arisen during the pandemic situation. We have constantly assessed possible impacts and our ability to prevent and mitigate those impacts.

¹ Number of leakages with rate above 0.1 kg/second
² Major accident: An unplanned event causing: four or more fatalities or injury/ illness cases with significant life-shortening effects and/or major impact on the environment including population of species, ecosystems, and sensitive areas and/or damage to material assets and/or production shut down, leading to major economic consequences for Vår Energi
³ A tier 1 process safety event is defined as an unplanned or uncontrolled release of any material/substance from a primary containment, exceeding thresholds or consequences as defined by IOGP Report 456 and API RP 754.

Next steps – Our Safety and Sustainability Program 2022-2025

Our Safety and Sustainability (S&S) Program sets the overarching S&S strategic initiatives, focus areas, activity plan and KPIs/targets, to control risk and improve HSSEQ performance in our company. The program is updated annually. The program also includes a 4-year outlook on key areas. Our key focus areas for 2022 includes

- Implement a new work permit system
- Strengthen the use of our safety tools
- General high focus on updating, implementing and compliance with key work processes - risk-based decisions
- Promote learning from HSE incidents - internal and external
- Increase our security competence
- HSSEQ training for all managers
- Audit and verification program
- Focus on HSE in design and engineering
- Ensure aligned follow-up of internal controls through standardized 2nd line monitoring plans
- Execute survey of the psychosocial working environment

We have established KPIs to help us monitor and measure our progress. In our 2022 program we increased the focus on and number of our leading/proactive KPIs



Ambitions

- Carry out our activities without causing harm to people or the environment

Contributions

- SIF: 1.3
- TRIF: 3.2
- DOF: 2.0
- Exposure incident: 13
- WRI: 1

Next steps

- Systematic work to realize Vår Energi Safety & Sustainability vision through execution of the annual Safety & Sustainability program and plan which includes the Alwaysssafe.no initiative.

Health and safety indicators

Indicators	Boundary	Unit	2021	2020	2019
Worked hours	Vår Energi Group ¹	Hours	8 930 351	4 824 173	4 026 406
Serious Incidents (SI)	Vår Energi Group	Number	12	8	6
Serious Incident Frequency (SIF)	Vår Energi Group	1 000 000 / exposed hour	1.3	1.7	1.5
Total Recordable Incidents (TRI)	Vår Energi Group	Number	29	17	9
Total Recordable Incidents Frequency (TRIF)	Vår Energi Group	1 000 000 / exposed hour	3.2	3.5	2.2
Employee TRIF ²	Vår Energi Group	1 000 000 / exposed hour	0	0.6	0.6
Contractor TRIF ³	Vår Energi Group	1 000 000 / exposed hour	4.1	5.1	3.5
Dropped Object (DO)	Vår Energi Group	Number	18	7	4
Dropped Object Frequency (DOF)	Vår Energi Group	1 000 000 / exposed hour	2.0	1.5	1.0
Work Related Illness (WRI)	Vår Energi employees	Number	1	0	4

Indicators	Boundary	Unit	2021	2020	2019
Health Hazardous Exposure (Exposure Incident)	Operational Control ⁴	Number	13	17	16
PSE Tier 1 Incidents	Operational Control	Number	4	0	
PSE Tier 2 Incidents	Operational Control	Number	-	-	

About the results: SIF = serious incidents, including accidents, near misses and unsafe conditions but not serious Health Hazardous exposure cases. TRIF = All personal injuries except first aid. DO = actual or potential severity level 3-5. Exposure Incident= includes severity level 3 (irreversible non-fatal) and (4 life threatening).

¹ Vår Energi group includes in broad terms all hours and incidents from

- Vår Energi sites incl. IOGP Mode 1 contractors
- Contractors categorized as IOGP Mode 2, such as EPCI contractors and key EPCI subcontractors (as defined per project), hired drilling rigs and supply vessels.
- Seismic vessel activity is excluded.

² As per GRI – see Appendix

³ As per GRI – see Appendix

⁴ All hours and incidents from Vår Energi sites



People

People, training and diversity

Main material GRI topics covered in this chapter

401 – Employment	404 – Training and education
402 – Labor / management relations	405 – Diversity and equal opportunity
	406 – Non-discrimination

We firmly believe that our employees are our most valuable asset. Therefore, people, training and diversity are key factors in executing our overall business and sustainability strategy. Ensuring personal development, a diverse organisation and equal opportunities are key priorities for us in Vår Energi. Training and development are important to ensure that all employees comply with our standards for topics like health, safety, anti-corruption, privacy and data security. Our focus with regards to diversity is directed towards building a high performing organisation based on equality and development. We aim to deliver sustainable growth opportunities in a safe and reliable way and all employees and contract workers are dedicated to reach this goal.

We work continuously to attract, engage, develop and retain a diverse workforce of professional individuals in a collaborative and transparent working environment. Training and development involve all employees and is a key facet in developing the organisation to meet our growth targets as well as tackling the challenges stemming from climate change.

Policy and action

One of the Norwegian O&G industry’s greatest strengths has always been its great diversity when it comes to culture and nationality. This has fuelled innovation and growth for more than 50 years on the NCS. Embracing diversity, inclusion and non-discrimination is an essential part of our values; In Vår Energi we have the will to win and believe that a good gender balance is key to obtaining good business results by

enabling better decisions and enhancing our ability to attract, develop and retain good people. We have a long-term goal of 40% gender diversity in the entire organisation. By 2025 our target is to reach:

- 40% female employees onshore
- 15% female employees offshore, and
- A ratio of female leaders reflecting the gender balance onshore and offshore

We aim to be a workplace with equal opportunities between genders and our guidelines prevent gender discrimination related to salary, career promotion and recruiting in our Code of Ethics and procedures. For more information about our work with gender equality and non-discrimination, please see [appendix 99](#).

We believe that professional training and development are important means of advancing the growth, motivation and retention of our employees. Each employee has a mandatory training program that is monitored and followed up. Training offered to employees involves a combination of a comprehensive e-learning program, on-the-job training, classroom trainings, external courses, as well as a training programme tailored to each employee’s own position or additional roles.

Supplementary development initiatives to upskill the competencies of the employee are discussed and set in the individual development conversation. We also have a program for education assistance in place, offering employees support to initiate or complete higher education degrees. In addition, training is available through the Eni Corporate University in Milan.

A leadership development program has been established based on our values and leadership principles. This program ensures that all leaders in the organisation will receive adequate training to perform their role in the best possible way, in line with our values. It also promotes a uniform development of our culture.

To develop our organisation, we strive to have internal movements. Knowledge transfer is important in offboarding and cross-boarding processes, and a program to facilitate this has been established.

We offer a comprehensive benefit program to all full-time, part-time, and temporary employees, with the exception of summer students.

We have no defined minimum notice period for informing employees regarding significant operational changes as this is highly regulated in the Norwegian market. In cases where employees are subjected to significant operational changes, information and effects of these changes are performed in cooperation with relevant parties.

Evaluation of results

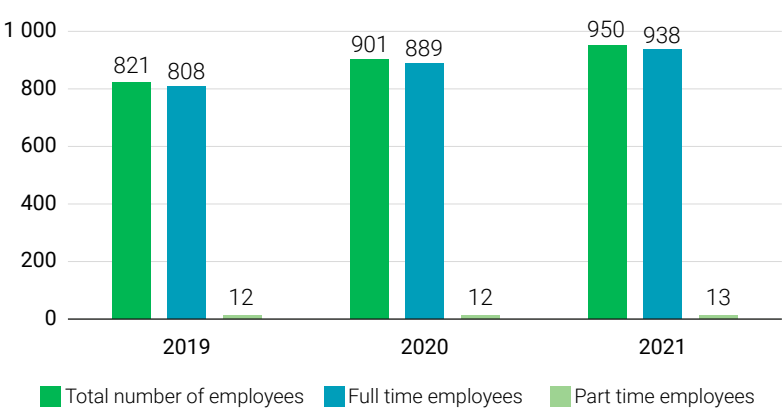
At year-end 2021, we had a total of 950 employees. We also had 266 temporary contract workers. The majority of employees (514) works at our headquarters at Forus in the Stavanger region. An additional 31 employees are located in the Oslo office, while 58 employees are located in the Hammerfest office. We have a total of 347 employees working offshore.

Several initiatives have been established to help reach our gender diversity target of 40% by 2025. In September 2020 the management team established a gender balance task force to help us reach our gender diversity targets by 2025. The team is diverse in terms of age, function, roles and location and includes two employee representatives. The task force is focused on identifying our biggest diversity challenges by prioritizing the correct focus areas and making

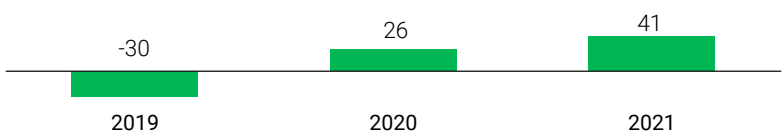
sure that we learn from others who are doing well with regards to diversity. The task force has delivered an action plan with concrete measures within areas such as communication, training, measuring and reporting, company core processes and inclusive leadership culture.

We have employees with 33 different nationalities and we actively promote gender equality and non-discrimination. Our aim is to ensure equal opportunities and rights. We work to prevent discrimination due to ethnicity, national origin, descent, skin colour, sexual orientation, language, religion or faith.

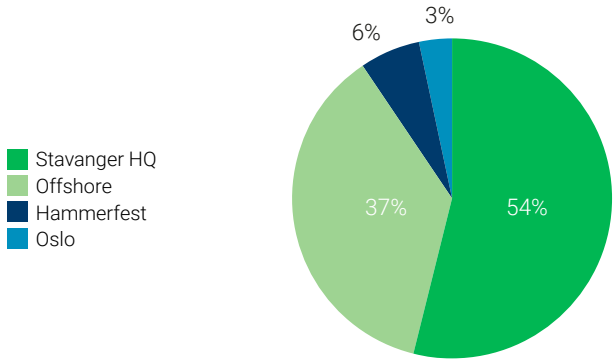
Employees by employee type



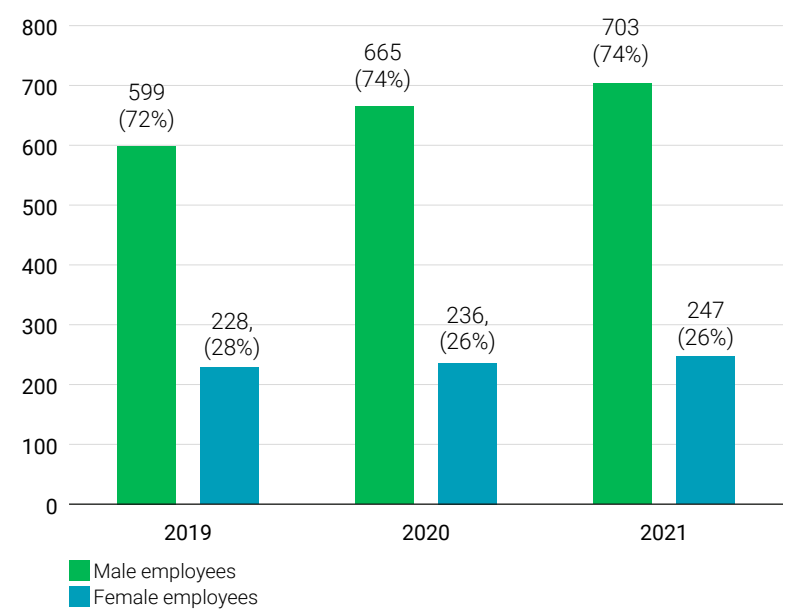
Turnover



Employee locations



Employees by gender



Our offshore organisation has a comprehensive training program. All mandatory training is sorted by regulatory requirements and company requirements. With a total of 600 training requirements, 88% of regulatory requirements and 83% of company requirements were completed in 2021. We have initiated movements of personnel from Barents Sea to North Sea assets, and vice versa. This has caused new competence requirements for personnel, hence impacting the completed training score. In addition, the covid-19 situation has led to personnel not being available to complete classroom training and simulator training. This also impacted the completed training score. The training is executed based on different training methods such as class-room training, e-learning, simulator training, on the job training and competence assurance verification.

Next steps

Vår Energi is a result of several mergers and acquisitions, and it was necessary to consolidate systems to gather complete data on relevant metrics to disclose. Especially with regards to regulatory training, we have increased our efforts to secure required training for all employees, and the focus going forward is to offer a variety of learning for further development.

In 2021, we dedicated several resources to start the implementation of HR Suite that will give us an integrated overview of our people and processes. The implementation project will continue into 2023.

During 2022, we will launch and digitalize our performance management and the learning management module for development learning.



Ambitions

- All employees should conduct mandatory training
- 40% gender diversity overall, 40% female employees onshore and 15% female employees offshore
- A ratio of female leaders reflecting the gender balance onshore and offshore.

Contributions

- Total number of employees: 950
- 26% gender diversity
- 85% completion rate on offshore training programme
- 33 nationalities

Next steps

- Implement measures to achieve diversity targets
- Develop KPIs for monitoring gender balance and external reporting
- SHE Index reporting
- New HR Suite
- Create new e-learning courses

People



Local value creation

Main material GRI topics covered in this chapter

- 203 – Indirect economic impacts
- 411 – Rights of indigenous peoples
- 413 – Local communities

“I want to create value and activity, for our company, for our shareholders and for the local communities around our operations”

– Torger Rød, CEO

Our vision is clear. We are committed to deliver a better future - for our stakeholders and society at large. Therefore, we actively engage in the communities where we have industrial activity. We aim to create local and regional ripple effects such as increased industrial activity, job creation and competence development in the communities around our operations. We choose local suppliers wherever feasible to facilitate local employment and industrial development. In addition, we support several cultural and educational initiatives. We depend on our relationship with the local communities where we operate. The more mutually beneficial that relationship is, the better results we get.

Policy and action

A key success factor in achieving industrial ripple effects is our own, local presence, and contracts and procurement strategy, adapted to the regions’ industrial structure. We evaluate our direct and indirect

social and economic impacts through annual ripple effect analyses. In 2021 this was done by the independent research centre KPB.

Whenever we are planning the development of a new field or other major development project, we analyse the potential impacts of our activities and who would be affected. With basis in 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.

In our development process, we include representatives from entities such as unions, work councils and local community representatives. The process also includes representatives from vulnerable groups and indigenous peoples where applicable. We have also established mechanisms for grievances, for anyone negatively affected by our planned or ongoing activities.

Engagement with civil society is an important foundation for supporting for 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 through our membership and engagement in Petro Arctic.

Petro Arctic 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, the Barents Sea and north-west Russia. In collaboration with its member companies and their main suppliers, Petro Arctic is tasked with facilitating the largest possible ripple effects from these activities in northern Norway.

Indigenous peoples

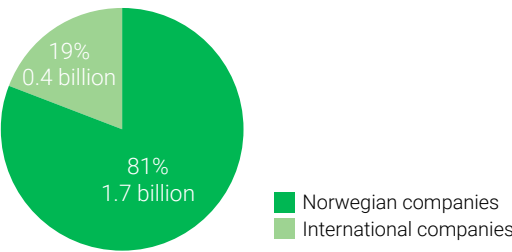
Protecting the rights of indigenous peoples is a part of the internationally recognized fundamental principles of human rights. As operator of the Goliat field in the Barents Sea, we promote the sustainable development, rights and expectations of the indigenous Sami people who depend on the areas in which we operate for their livelihood, culture and traditions. This is incorporated into our processes and the way we do business. We also operate in accordance with Norwegian legislation and consider the risk of infringing on indigenous peoples’ rights to be low. There have been no incidents violating the rights of indigenous people during the reporting period.

Evaluation of results

In 2021 we commissioned the independent research organisation KPB to map the societal ripple effects of our activity in Norway, with basis in the operatorship of the four fields, Balder, Marulk, Ringhorne and Goliat.

The latest analyses of ripple effects of our operated fields showed generated deliveries of approximately USD 2.1 billion. USD 1.7 billion of these deliveries were from Norwegian companies, 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.

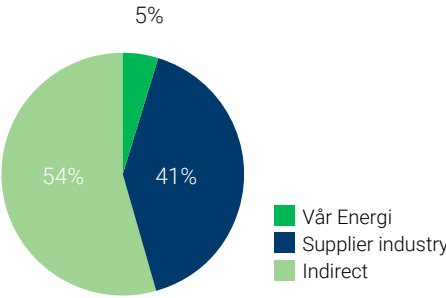
Ripple effects – Location of Vår Energi deliveries



Our activities had a total employment effect of 11 542 man-years in 2020, of which 568 were our own employees. 4 710 man-years came directly from the supplier industry and 6 264 were indirect man-years. 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.

Employment effect (man-years)



Local engagement

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 projects to increase communities’ attractiveness for existing and potential new residents.

In 2021, we supported in total 26 organisations, projects, and collaborations.

The COVID-19 pandemic yet again forced many of our CSR-projects and organisations to cancel their activities. We have, however, set aside contractual obligations for activities in these projects and maintained full financial contribution throughout 2021.

CSR sp	Unit	2021	2020	2019
Projects supported	Number	26	20	20
Projects supported	USD million	0.59	0.63	0.34

Examples of projects receiving support from Vår Energi in 2021

Church City Mission, Stavanger

The Church City Mission is an inclusive, non-profit organisation, which works across Norway, among people who are facing various life challenges. Their vision is that all people shall experience respect, justice and care.

Street magazine Asphalt, County of Rogaland

The Street Magazine Asphalt provides work and an income to people struggling with drugs and/or alcohol related issues.

The Science Factory, Sandnes

The Science Factory is a museum and science centre located in Sandnes, focusing on mathematics, astronomy, physics, art and technology – directed towards youngsters.

Sirma IL, Finnmark

Sirma IL is a Sami athletics club with a variety of activities. Their members take part in local, regional and national competitions in the Barents region. The club promotes not only athletics but also Sami culture and language. The club is highly appreciated by the

Sami Parliament, and they are the only club purely for Sami people.

Newton Room, Hammerfest

The Energy House and Newton Centre in Hammerfest is a permanent science exhibition. The Newton room is dedicated to motivating school children to study science subjects and has been in operation since 2010. The Newton project is a cooperation between Hammerfest Energi, Vår Energi and Hammerfest municipality.

Ungt Entreprenørskap Finnmark and Rogaland

Junior Achievement Norway (Ungt Entreprenørskap Norge) inspires young people to innovate and create value. Aiming to bridge the gap between schools and businesses by creating meeting places and build networks; locally, nationally, and internationally.

Next steps

The next ripple effect analysis is scheduled for first half of 2022 and will encompass all our operated assets.

We will continue to actively collaborate with regional and local networks and organisations, such as Petro Arctic and Pro Barents, aiming to further develop the northern Norwegian regional supplier base and industrial cluster. We will continue to support projects within sport, culture and competence in our core areas Troms and Finnmark and Rogaland. We will also expand our scope to include charitable organisations which support vulnerable people more directly



Ambitions

- Contribute to industrial activity, job creation and competence development in the communities where we operate

Contributions

- USD 0.59 mill supported to 26 different CSR projects
- Total employment effect of 11 500 man-years from our activities
- Established KPIs for measuring year on year local value creation

Next steps

- Continue to monitor year on year local value creation and ripple effects, including potential negative impacts of our activities

Prosperity

We conduct our operations in a transparent, honest and fair way, in compliance with laws and regulations, internal rules, ethical integrity and fairness.



Prosperity

246

kboepd production

We interact with a wide range of local and global suppliers. By assessing sustainability in our supply chain, we can create value for the local communities and supports the shift towards more sustainable business models. To create further value for society, we cooperate with others to develop and employ new technological solutions aimed at reducing the carbon footprint of our industry.

90%

spending on local suppliers

9.6 mill.

R&D spending (USD)

Our main ambitions and targets related to Prosperity

- Reduce emissions through R&D
- Sustainability to be considered in all tenders where material and feasible
- Zero incidents that pose threat to security of Vår Energi or our employees





Risk

Main ESG risks related to Prosperity

	Description	Mitigation
Risk of data security breach	Third parties stealing confidential information, or interrupting operations	Well-tested data security measures to protect all vital information in company possession
Legal consequences of climate change	Increased volume of climate litigations globally	Vår Energi operates within permits, making this highly unlikely in the short term
Company perceived to have high ESG risk by owners and financial markets	IPO increases stakeholder expectations	Transparent ESG reporting according to recognized international standards

Opportunity

Main ESG opportunities related to Prosperity

	Description
Transparency and traceability	More transparent reporting and communication on ESG, helping reduce ESG risks and positively affecting license to operate
Research and development activities	Development of green technologies, positively affecting license to operate
Become leading on having a sustainable supply chain	Improving ESG performance in the supply chain could reduce scope 3 emissions and positively affect license to operate

Prosperity

Business integrity

Main material GRI topics covered in this chapter

- 205 – Anti-corruption
- 206 – Anti-competitive behavior
- 407 – Forced labor and collective bargaining

Compliance with laws and regulations, internal rules and ethical integrity and fairness, is a constant commitment and duty for all our people and shall characterize the conduct of both our employees and our company. Our business and corporate activities shall be carried out in a transparent, honest, and fair way, in good faith, and in full compliance with anti-corruption and competition protection rules. We prohibit bribery, corruption and facilitation payments, as defined in our Code of Ethics, without exception. Integrity is one of our core values and to be an open, honest, fair and accountable company is important to us. We have respect for people, profit and the environment and act in line with requirements and expectations and focus on quality and sustainability in everything we do. This is reflected in our compliance work, which relates to a broad aspect of areas: anti-corruption, antitrust, privacy, related parties' transactions, market abuse, financial control, tax, health, safety, and environment.

A good relationship between owner/management and the employee organisations and their elected representatives is essential for the working life in Norway and in Vår Energi. Collective bargaining is an important element in this as we believe it helps to make the relationship smoother. A strong bond between us and our employees is essential in establishing a high performing organisation. We are a strong opponent of forced labour and/or child labour and clearly state this in our code of ethics.

The topic of data security is focused on how to protect our assets. Up to date barriers including physical barriers, systems and personnel training are key facets of how we prioritize data security measures. Several measures are put in place to maintain the integrity and security of our information; risk assessments, access control, built in security,

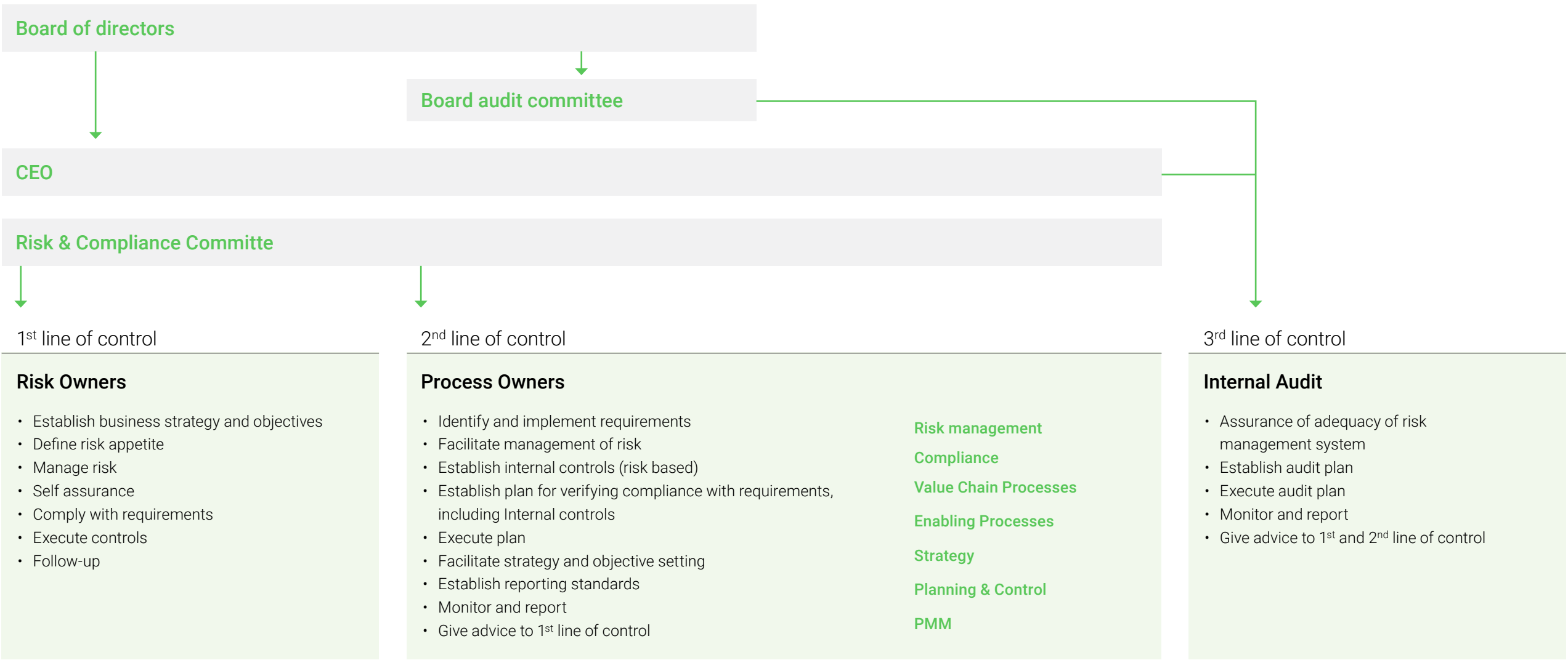
maintain quality of data, personnel training, rigorous backups, control mechanisms and internal audits.

Policy and action

Our Code of Ethics sets out the rules and standards that the company and our employees must follow. The Code of Ethics is the cornerstone of our compliance program and is brought to the attention of every person or body having business relations with Vår Energi.

Our governance principles are organised in the three lines of control model, see figure on next page. The 1st line of control is the responsibility of the Risk Owners (in many cases the departmental managers) and the Process Managers are responsible for the 2nd line of control. The Internal Audit department is responsible for independent 3rd line of control activities.

3 lines of control model



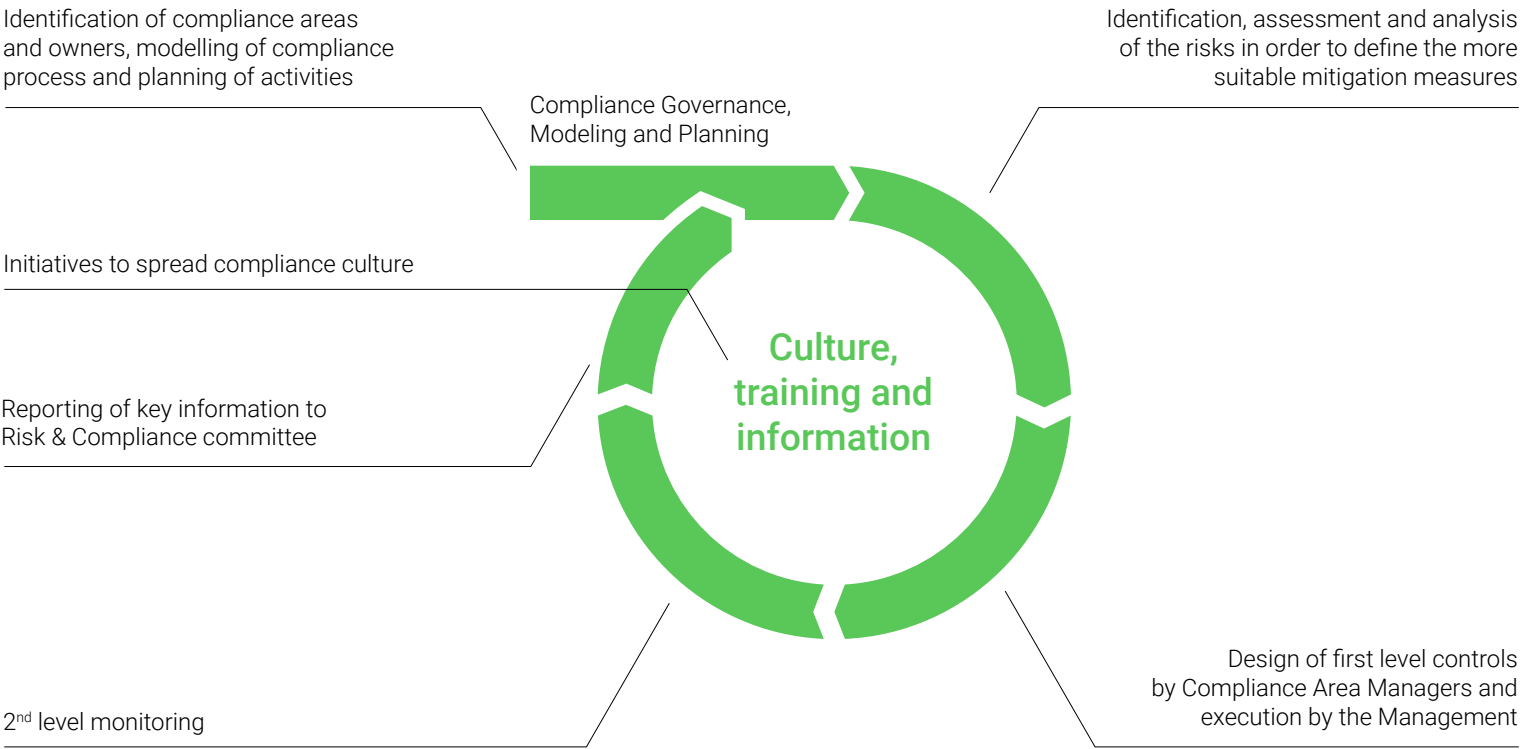
For the compliance process, we are mainly following the Compliance Management System Guideline (MSG), last updated in 2020. Work in 2021 related to MSGs was focused on improving sections of the Anti-corruption MSG such as the sections/annexes concerning Gifts & Hospitality and Anti-Corruption Due Diligence and related processes. We consider these internal regulations important in our work to combat corruption.

The compliance process has the objective to promote:

- Compliance with mandatory rules (laws and regulations) and of self-regulation applicable to Vår Energi according to a risk-based approach
- Development and dissemination of a company culture founded on ethical values, correctness of conduct and respect for regulations, e.g. through specific training and awareness actions.

The following is a graphic representation of the sub-processes that comprise the compliance process. These sub-processes are facilitated by a Compliance Officer and is a part of the 2nd line of control in the company.

The Risk & Compliance committee, consisting of the CEO and senior management, reviews enterprise risks and compliance work and approves changes to the compliance areas. The MSG has pre-defined compliance areas applicable for Vår Energi, and appropriate Compliance Area Managers are assigned. Risk assessments of each compliance area are performed at least annually, more often if there are large changes to the compliance area or it is deemed necessary. The risk assessments are used to define appropriate controls, monitoring and/or training to be part of the compliance program for the following year.



Our Security function regularly provides top management, as well as the rest of organisation, with evaluations of the current international, national and Vår Energi specific security threat situation. The main risk elements that have been identified were related to cyber security, insiders and industrial espionage, especially from state intelligence organisations. A Security Risk analysis is performed based on the threat assessment and Security plans for all our assets are implemented through a cross-functional cooperation which includes the involvement of Management, safety delegates and relevant professional functions.

When Processing Personal Data, we comply with the requirements and obligations imposed by the Personal Data Act / General Data Protection Regulation (GDPR), and the Personal Data Act's appurtenant regulations. The Data Privacy and Protection Procedure provides specific guidelines on how to protect private information. Basic information leaflets and a dedicated intranet site provide further information relevant for employees and contractors. This site includes the GDPR Data Processing Matrix and relevant forms to exercise rights included in the GDPR regulation. Several processes were developed for our work related to GDPR in Vår Energi Management System (VEMS), to be published in early 2022. Especially the process around developing Data Protection Impact Assessments (DPIA) has been improved in 2021, with templates established both for pre-DPIA and DPIA. Several DPIAs were also performed for systems considered to be high risk related to GDPR.

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

interacting with us have an important role to play by raising concerns of any suspected or potential breaches of the law or of company policies. The whistleblower channel is open to all parties and is provided by a third party, WhistleB. The service has been set up to protect the rights of the parties involved and ensure confidentiality both for those reporting from inside the company and external parties.

Norway is a country with a low level of corruption, ranked number 4 on Transparency International Corruption Perception Index for 2021. Norwegian law is also among the strictest with regards to corruption, and there is no culture for giving extravagant gifts and hospitality in the industry. There are thus no large industry or national initiatives to reduce corruption now that we are a member of or aware of.

Evaluation of results

In 2021, great efforts have been spent improving existing processes and establishing processes where this has not been in place in VEMS. In addition to the mentioned GDPR processes, a process was made for the Anti-corruption Due Diligence annex in VEMS to streamline the process and to ensure that Anti-corruption Due Diligence are handled in a consistent and standardized fashion throughout all levels of the organisation. A third-party database called Compliance catalyst is used to check relevant companies with regards to sanctions, political exposure, conflict of interest as well as financial exposure. The same tool is also used to check potential new permanent and temporary hires. Training has been provided in the new due diligence process for senior management and the most relevant departments. Updated and existing rules for gifts & hospitality were presented in December 2021 to all our employees and contractors in a Town hall meeting.

Risk assessments of all Compliance areas are performed at least annually. The risk assessments performed in 2021 concluded with no high risks related to compliance. Although the consequences involved could be high for a case of corruption for instance, we consider the probability of it happening to be so low that it is thus not considered a significant risk.

In 2021, we conducted internal audits and various assessments. Biennial process controls, general computer controls and entity level controls were completed to ensure that we were compliant with regards to financial reporting and statutory accounts among others. Process Level Controls are specific controls that are integrated and carried out within the framework of business operating processes aimed at preventing, identifying, and correcting significant errors and/or fraud for the purposes of our financial reporting. The General Computer Controls are internal controls for ICT systems and processes. The Entity Level Controls are more cross-section controls that to a higher degree permeate the organisation. Controls were added to the latter for the new Compliance areas Safety and Environment, and the other controls have also been reviewed and updated if required. New GDPR controls from end of 2020 were also included in the biannual controls, and results of all are reported together twice a year in the Compliance report that is presented and/or sent to the Risk & Compliance committee, the Audit Committee, and the Board of Directors.

The 2021 reviews identified some issues with segregation of duties (SOD) in SAP. The main reason was the merging of two SAP systems and many changes in work processes without considering SOD conflicts. High priority has been given to solve these issues and a project has been initiated to resolve them in the first half of 2022. Besides that, no significant gaps were identified, but parts of the planned activities

have been delayed due to Covid-19. Health & Working Environment have had travel restrictions offshore and have not been able to do risk-based health surveillance as this is not possible to perform whilst keeping distance. Some courses have also been cancelled or postponed so the KPI for course participation have not been met in all instances. Covid-19 also created a global shortage on certain computer components and the availability of new laptops. This caused a delay in the deployment of Windows 10 and a common PC platform and security service portfolio. The deployment was finalized in Q1 2021, and we were on one common platform in Q2 2021. After that most ICT controls were aligned, with a few exceptions on legacy domains. Legacy domains are still being used by some and thus there must remain controls here.

A multi-function workgroup was established to further operationalize our Internal Control and Risk Management System. Based on risk, the group developed a process for identifying and describing controls in our VEMS processes. Training was provided to all Process Owners and Process Responsible to help them identify and describe risk and controls in their processes. The identified controls have been implemented in VEMS on activity level. This gives management an overview of our control activities in a systematic manner which can further be used to ensure compliance and optimize internal control. The optimisation will start in 2022.

We received four whistleblowing cases in 2021 and all were evaluated by the Whistleblowing Committee in accordance with the requirements of the Working Environment Act and internal procedures. Appropriate disciplinary reactions were introduced for two cases. All received whistleblowing cases were closed at year end.

A Compliance statement survey was developed to verify that everyone

has read the Code of ethics and to map out any potential conflicts of interest. However, this was not sent out in the autumn of 2021 as planned. Due to GDPR issues we intend to use our new HR system SAP SuccessFactors but even though the main modules were implemented in December 2021, whereas the module to be used to send out the Compliance statement will be implemented in 2022.

The majority of our suppliers and subcontractors are based in Northern Europe, where we do not consider the violation of workers' rights to exercise freedom of association or collective bargaining to be a significant risk. The remaining suppliers are in other regions of Europe, but there are some subcontractors outside of Europe. Read more about our work with our suppliers in the Sustainable Supply Chain chapter.

It is important for us to have a good relationship with the employee organisations and their elected representatives. We have a duty to involve our employees and make use of their collective knowledge and experience and to give them a chance to influence their own working situation. The trade unions' contribution in this connection is essential. Most of our employees are members of trade unions. We have main agreements with four trade unions. One representative in each of the two largest unions works full time for the unions. Other representatives are also allowed to carry out union work in their ordinary working hours, and their internal meetings can be arranged during working hours. The unions are represented in all of our permanent committees, e.g. Work Counsel, Working Environment Committee and also all ad hoc working committees set up for specific issues. Several departments have a daily dialogue with the unions and their representatives.

During 2021, we have conducted several activities to strengthen data security awareness and knowledge in the organisation. Security

awareness and competency building is essential to ensure protection of sensitive information, prevent unauthorized access and intervention, and incident reporting. We launched a Digital Security nano-learning program in 2020 to strengthen awareness and competencies amongst employees. This program continued in 2021 and will continue in 2022. Information security has been strengthened through guidelines for classification of information, including mechanisms to enforce the guidelines through Microsoft DLP&AIP (Data loss prevention and Azure Information protection).

Due to COVID-19, the majority of our onshore employees has worked from home for most of 2020, 2021 and into 2022. There has been high focus on providing user guidance and awareness related to the increased Cyber Security threats during this period.

At the end of 2021, work was started to update both our MSG Inside information and other required guidelines and our VEMS process for Inside information to be ready for a potential Initial Public Offering (IPO) in early 2022. In addition, a project was initiated to make a webinar regarding Inside information, which will be a mandatory training for all employees and contractors before we are listed. The Board of Directors and senior management will also have to complete a webinar from the Oslo Stock Exchange prior to the IPO and there are plans to have separate training sessions with all in-patriates and managers.

Next steps

2022 starts off where 2021 ended, with completing the updates of guidelines and Inside information processes to be ready for the IPO. Due to our recent listing on the Oslo stock exchange, a review of our

compliance work will be needed to ensure we are in compliance with all new regulations affecting us and that we are reporting in the manner expected by the market. A project regarding safeguarding our sensitive information, and particularly those with potential to become inside information in certain circumstances, was initiated in late 2021. This will continue in 2022, with a particular focus on systems shared with Eni.

We must also ensure that adequate training is provided so that everyone knows what to do and who to contact if they may have inside information and will roll out our newly developed Inside information training in January 2022. Following this, we will consider compliance efforts and training in other topics viewed to be important in order to uphold our security and compliance ambitions of zero incidents of corruption. At the end of 2021, a survey on Security culture and awareness was carried out. This will provide valuable information and input to targeted training and awareness campaigns.

The project to further operationalize our Internal Control and Risk Management System will continue in 2022, focusing on optimizing our internal controls and ensure compliance. We will also continue to issue a compliance report twice a year based on results of the compliance program. In addition, we intend to issue the Compliance statement survey developed in 2021 as soon as we can do this in compliance with the GDPR requirements.

The new Transparency Act - Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions - will enter into force on July 1, 2022. Prior to this, we will ensure that we are ready for the new regulations through a multi-function collaboration project. The project will identify what we already have in place and identify gaps.



Ambitions

- Compliance with laws and regulations, internal rules, and ethical integrity and fairness
- Full compliance with data security and privacy regulations and policies
- Zero incidents that pose threat to security of employees or Vår Energi

Contributions

- 0 confirmed incidents of corruption
- 95% of all employees has completed compliance training
- 0 cyber-attacks or similar incidents resulting in downtime or loss of any kind

Next steps

- Continue to improve and develop processes and training related to compliance
- Optimise internal controls
- Continue to strengthen digital security competencies and routines throughout the organisation
- 2021-22 Digital Security nano-learning program



Prosperity

Sustainable supply chain

Main material GRI topics covered in this chapter

- 204 – Procurement practices
- 409 – Forced or compulsory labor
- 414 – Supplier social assessment

As a major independent operator on the NCS, we interact with a wide range of suppliers throughout 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. In our inventory, procurement, contract and vendor management processes, we emphasise our contribution to local value creation and endeavour to source local suppliers where feasible. Our suppliers also have a crucial role in developing the industry through cooperation and innovation.

Policy and action

We work continuously to identify and mitigate risks in our supply chain, and work with our suppliers to identify and utilise opportunities. We require all main suppliers to have a sustainability policy with a stated ambition or plan for reducing their negative environmental and social impact. It is also a requirement for key suppliers to track key KPIs specified in the contract.

Our suppliers are mainly contracted for high-tech equipment, engineering services, drilling and well services and leasing of rigs and marine services. Most of our suppliers are in Norway or Europe, where we see

a relatively low risk for human rights violations. However, to safeguard human rights, we have implemented a requirement that all suppliers should perform work consistent with the United Nations Guiding Principles on Business and Human Rights. All suppliers awarded a new contract are required to ensure that all sub-contractors, where a potential higher human rights risk exists, should follow the same principles.

We participate in Magnet JQS (Vendor joint qualification system used in the Norwegian/Danish Oil Industry), to source, screen, qualify and monitor both existing and potential suppliers. The capability assessment in Magnet JQS is based on requirements in ISO 9001, 14001,

45001, UN Guiding Principles on Business and Human Rights, and the expectations defined in IOGP (International Association of Oil & Gas Producers) 510 Operating Management System Framework.

Pre-screening all suppliers on HSEQ/sustainability aspects awarded an IOGP Contract Mode 1 & 2 contract is done through Magnet JQS in addition to customized requests and verified through audits. The ambition is to have all (IOGP 510 Contract Mode 1 and 2) suppliers audited on HSEQ and sustainability topics.

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.

It is our policy to demonstrate a willingness to involve local residents. This includes both our employees and hired personnel. This requirement is part of all supplier contracts we award.

Evaluation of results

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.

All key, high and medium spend suppliers were evaluated on relevant Safety and Sustainability, Human Rights, Due Diligence to ensure no conflict of interest and anti-corruption issues. In 2021, 85% of all awarded contracts were evaluated with these criteria.

In 2021, we revised the standard tender evaluation template to include detailed evaluation of 8 different sustainability elements for better granularity.

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

A total of 231 Magnet JQS audits were executed in 2021, of which 67 are Vår Energi suppliers.

For all suppliers holding a IOGP Contract Mode 1 & 2 contract, a yearly supplier performance evaluation is conducted, to ensure that we have insight in their performance on control and safety, when providing service to Vår Energi. These evaluations are executed at a minimum yearly. In addition, quarterly compliance spot checks have been executed to ensure sustainability targets are met.

Next steps

We will continue efforts to develop a more sustainable supply chain to create value for both society and our stakeholders. New supply chain policies will ensure a healthy and sustainable supply chain in the years to come.

To ensure that our suppliers holding IOGP Contract Modes 1 & 2 live up to the expectations we set through our policies and requirements, the contract follow-up plan requires HSE & sustainability KPIs to be reported annually at minimum.

As part of safeguarding requirements of human rights, we joined the NOROG Human Rights Risk Assessment service. The service gives us access to qualified auditors, which can perform in depth supplier



human rights assessments. In addition, the service gives us access to audits performed by other members of the service. We plan to use the qualified auditor team to conduct human rights risk assessments on selected higher risk suppliers. High risks might be due to a significant amount of work being performed by subcontractors or that the work is performed in countries with a higher risk of human rights violations.

In addition to sustainability requirements already implemented during the contract evaluations, all new tenders will be evaluated on policies and disclosures on topics such as diversity, energy efficiency and management, climate action, local value creation, business integrity, climate risks & opportunities and circular economy. To further improve HSE/sustainability performance, a strategic supplier collaboration and partnership model will be developed and implemented. We will also strengthen the contract follow-up to ensure that our suppliers are compliant with policies and disclosure as provided during tender evaluations.

KPIs to operationalize the policies and targets set out above will be implemented during 2022.



Ambitions

- Active role in the NOROG Supply Chain Management (SCM) collaboration initiatives
- All HSEQ risked (IOGP 510 Contract Mode 1 and 2 suppliers audited on sustainability aspects.
- Continue to reduce storage numbers to reduce carbon footprint
- Explore use of additive manufacturing within SCM

Contributions

- 231 Magnet JQS audits in 2021
- 85% of awarded contracts were evaluated with sustainability criteria
- 90% of all suppliers were locally based
- Reduced carbon footprint due to 20% reduced storage locations

Next steps

- Improve/expand and implement policy requirements with KPIs on sustainable supply chain
- Target 200 Magnet JQS audits yearly
- Expand the use of NOROG HuRi application, to perform in depth Human Right assessments
- Continue to perform compliance checks on sustainability for key suppliers

Prosperity



Research and development (R&D)

Through our Research and Development process, we are able to improve our value creation in the short-, medium- and long-term by developing innovative technological solutions. The oil and gas industry has a long history of developing technological solutions in order to produce, refine and manufacture innovative products for society. Through R&D, we can create solutions which delivers value not only to us, but to society at large.

Climate change is an issue affecting everyone on our planet. Technological advances will undoubtedly play a massive role in mitigating the effects of climate change, either through new solutions or through effectivization of existing solutions. In this respect, R&D allows us to develop the solutions to help solve the climate challenge, as well as addressing the sustainability challenges for us as a company. Our sizeable R&D portfolio demonstrates our intent to reduce our environmental impact, creating benefits for socio-economic development.

Policy and action

R&D plays a vital role in reaching our sustainability objectives and thus we continuously strive to increase R&D's contribution to these objectives. Our procedures for screening, selecting and authorising new R&D projects therefore have high weight on sustainability impact assessment criteria. These criteria include economic, environmental and societal factors. This approach ensures that all R&D project proposals

are assessed and sanctioned based on their contribution to helping us achieve our sustainability targets, as well as improving cost efficiency. By including ESG-criteria in our selection process, we ensure that we increase the number of projects in our portfolio contributing to achieving our GHG emission reduction targets. All R&D projects are in line with our strategy and are anchored in the Technical and Safety & Sustainability departments.

Norwegian CCS Research Centre

We support the Norwegian CCS Research Centre (NCCS), which is run by the independent research organisation SINTEF. We believe that the achievement of the world's energy and climate targets cannot be met cost-effectively without CCS, while maintaining security of energy supply. Some of NCCS's activities:

- Research activities to support achieving CO₂ storage in the North Sea
- Contributes to the government's ambition to realise a full-scale CCS chain by 2022.
- Exploits the potential of the European Carbon Dioxide Capture and Storage Laboratory Infrastructure (ECCSEL)
- Cooperates with Vår Energi in evaluation of techniques for removal of CO₂ in Natural Gas for export.

LowEmission Research Centre

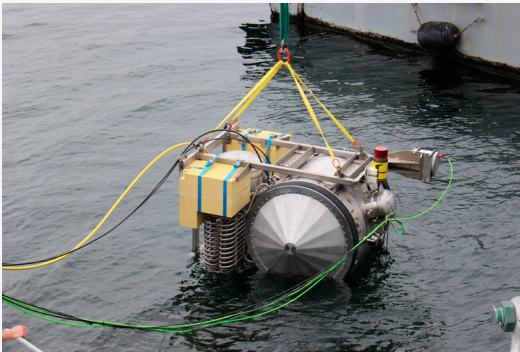
The LowEmission research centre endeavours to develop new technologies and concepts for offshore energy systems and integration with renewable power production technologies. This will accelerate development and implementation of low-emission offshore technologies on the NCS and help the Norwegian government reach its GHG reduction targets.

Evaluation of results

In 2021, our R&D portfolio included 37 projects, mainly administered in the form of Joint Industry Projects (JIPs) or consortia, but also as bilateral R&D contracts.

BASS project

We have entered a joint industry project to develop a more environmentally friendly method for seismic data collection, the BASS project. The goal of the project is to develop a new low-impact acoustic source. The project also seeks to produce a higher technological accuracy and improved seismic data quality for locating, quantifying and monitoring hydrocarbon resources, which will lead to improved recovery and value creation. Replacing the traditional technology would revolutionize the seismic survey process and strengthen our sustainability performance.



Low Carbon Hub

We entered a JIP with the overall ambition to demonstrate Norway’s potential to transform today’s fossil-based export of energy, targeting future net-zero emission requirements and carbon neutral energy systems while stimulating value-creation from Norwegian energy resources. The objective of the JIP is to present a portfolio of viable low-carbon value chains / projects and to strengthen competence, activity and employment in Norway. By stimulating value creation from low-carbon value chains, the project will increase activity in several industries, including supplier, energy, maritime, process and heavy industry. In addition, the goal is to establish a common low-carbon strategic framework which individual projects may benefit from when designing business models for how to close the cost gap compared to current value chains. Norwegian policy and decision-makers will also be able to use this project as a strategic recommendation on realizing low-carbon value chains.

Distribution of R&D projects	Unit	2021	2020	2019
Maximise Recovery	USD million	0.7	0.9	1.5
Operational Excellence	USD million	4.8	3.4	5.2
Safety and Environmental Protection	USD million	1.6	1.4	1.7
Successful Exploration	USD million	2.4	1.7	0.9
Grand Total	USD million	9.6	7.4	9.3

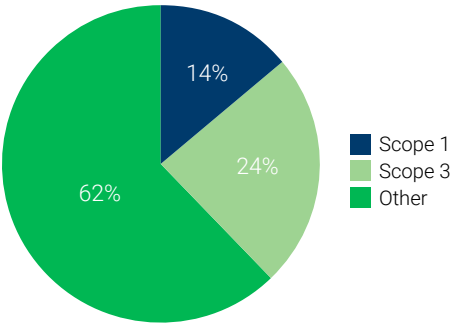
When reporting on amount of capital expenditures on “green” or “sustainable” projects, Vår Energi differentiates on whether, and to what degree, the projects contribute to reducing Scope 1, 2 or 3 emissions (see pie chart below).

Our decarbonisation strategy has a high focus on R&D’s contribution to reaching our sustainability targets through the development of technology that supports our future business strategy in the energy transition.

Additional focus within safety and sustainability are enhancement of risk management, emergency preparedness systems and development of advanced technologies that can meet the challenges and needs ahead.

Operational excellence is fundamental in our strategy and includes optimisation,

Distribution of R&D spending per scope



improvement and continual development to increase the operational performance of our industrial processes, techniques and tools through the entire oil and gas value chain. Upstream research efforts will prioritise technologies offering low carbon-intensity, increased efficiency, reduced cost and time to market.

The R&D activity related to exploration is focused on increased data understanding with the overall objective of reducing time, cost and uncertainties in near-field exploration to increase value of existing hubs, and to areas with an interest in high-risk and high-reward prospects.

Circular economy is a part of our strategy, aiming to eliminate waste and stimulate continual reuse and recycling of resources. Producer responsibility and planning for circularity in product and service deliveries are integrated focus areas in ITT (Invitation To Tender) campaigns. We will use R&D projects as a tool to develop technology purpose-fit for our business development within the CE framework. This will be achieved by researching innovative solutions and identifying new processes and concepts aimed at reusing and recycling waste.

Next steps

Our current R&D project portfolio for 2022 has a budget of 14.6 USD million. A total of 22 new projects are endorsed for 2022. Going forward, projects aiming at the reduction of our GHG emissions and contributing to safer operations will be given high priority, in line with our strategy of becoming the safest operator on the NCS and leading on ESG performance. In addition, projects that can close identified technological challenges and have high business impact will be prioritized.



Ambitions

- Support company in reaching ESG ambitions
- Contribute to closing technological gaps and challenges with projects of possible high business impact

Contributions

- New projects endorsed in 2021: 16
- Project investments 2021: USD 9.6 million

Next steps

- Vår Energi R&D budget for 2022: 14.6 USD million
- Update R&D strategy in line with company strategy
- Optimize R&D portfolio based on company strategic priorities
- Allocate 30% of annual R&D budget to ESG projects

Prosperity



Climate risks and opportunities

We acknowledge and adhere to the recommendations set forth by the Task Force on Climate Related Financial Disclosures (TCFD) and take climate risks and opportunities into account when developing strategies and financial plans.

Global efforts are needed to reduce the effects of climate change and to keep global warming to well below 2 degrees as stated in the 2015 Paris Agreement and businesses play a key role in the achievement of these goals. One of our key strategic postulates states that ESG and climate are global and national priorities, and that a pathway to net zero will be required. This means that the effects of climate change are impacting all parts of our value chain.

Climate risk can be defined as the combination of transitional risk and physical risk. Transitional risks comprise of market, reputational and policy risks, whereas physical risks arise through changes in weather patterns, temperature increases and other physical effects of climate change. The topic of climate risks and opportunities addresses the financial impacts of climate change, and how measures have been implemented to ensure long-term value creation for our stakeholders and for the communities around us.

The effects of climate change are already impacting several parts of our value chain, and is also likely to have further impacts, as various political, market and physical developments in response to, or as a consequence of, climate change are expected to take place in the short-, medium- and long-term.

Policy and action

We have conducted a climate risk and opportunity assessment based on the TCFD recommendations. The TCFD framework proposes 11 recommendations for what businesses should disclose, in order to highlight financial threats to shareholders, banks, and other relevant stakeholders. The recommendations advocate for the use of scenarios in the identification and quantification of risks and opportunities, where, at a minimum, one of the scenarios are compatible with a 2-degree scenario. The impact of the transitional and physical risks on our value chain will differ in the various scenarios, and responsible

management should consider all possible outcomes when developing their long-term strategies. Our Board of Directors has the overall responsibility and ownership of climate related objectives.

The Board has a structured evaluation of climate risks and opportunities on an annual basis. The evaluation is based on the Enterprise Risk Management (ERM) process, reports and assessments from the Leadership Team. However, climate risks and opportunities may also be considered and evaluated on a case-by-case basis. The results are also used when reviewing strategy, annual budgets and business plans, and when evaluating performance objectives.

The Leadership Team has:

- Commitment and accountability to support the Paris Agreement and the UN Sustainable Development Goals.
- Accountability to reduce emissions in line with targets set for the NCS by the Norwegian Oil and Gas Association (NOROG) and the Norwegian Authorities.

The Leadership Team's responsibilities are supported by Safety and Sustainability, and Enterprise Risk Management functions in assessing and managing risks and opportunities. The Leadership Teams have a structured evaluation of climate risks on an annual basis, which is incorporated in strategy planning through workshops to address risks and implement mitigating efforts.

Climate risk assessment

In the risk assessment and strategy process, we consider the following short-, medium-, and long-term 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 to investments and assets towards 2030, considering trends and risks including a shift in global politics and markets related to climate action. The medium term is highly relevant to 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. The methodology used to quantify the risks and opportunities is largely based on scenario analysis, applying different financial and qualitative assumptions.

Risks and opportunities have been identified through scenario development, where we use two scenarios for short-, medium- and long-term assessment.

- Scenario 1 describes a world in which all climate commitments made by governments are met in full and on time, leading to a global warming in the likely range of 1.5 to 3 °C. This scenario uses mainly data from IEA's Announced Pledges Scenario (APS) and the Intergovernmental Panel on Climate Change's (IPCC) Regional Climate Projections (RCP) 4.5.
- Scenario 2 is based on the policies already implemented, leading to a global warming in the likely range of 2.0 to 3.5 °C. This scenario uses mainly data from IEA's Stated policies Scenario (STEPS) and IPCC's RCP 8.5.

In addition to the IPCC and IEA projections, both scenarios incorporate local factors, as the operational environment can differ from global perspectives in some manners. For instance, Norway might implement measures aligned with IPCC-recommendations, while global politics and initiatives might still not be structured in accordance with a world which limits global warming to well below 2°C (one example of this is the unique Norwegian CO₂ Tax regime).

The results of the 2021 climate risk and opportunity assessment have been evaluated by executive management and representatives from the Board of Directors and formed the basis for strategic discussions on short-, medium and long-term. This risk assessment is integrated into the Enterprise Risk Management (ERM) process and the climate risks and opportunities are being evaluated together with other company risks. The results from these evaluations form a basis for decisions related to both strategy and financial planning.

One of the key outputs of the assessment has been our commitment to support the climate roadmap proposed by the industry association Norwegian Oil and Gas, where we will support the goal of a 50% reduction in greenhouse gas emissions on the Norwegian Continental Shelf (NCS) by 2030, and work towards near zero emissions by 2050.

Some of the highest risks within the next ten years are market and reputational risks. Below follows a more detailed description of both market risks and reputational risks, which may affect Vår Energi and mitigation efforts to reduce these risks.

#	Risk	Risk type	Description	Risk level	Level of influence	Time horizon
A	Increased pricing on GHG emissions	Regulatory	EU ETS prices increase to reach EU's 2030 climate goal. Uncertainty relating to the development in actual quota prices going forward, and also regarding timing of ramp-up of the total CO ₂ cost towards 2030.	Low-Medium	Low	Short / medium term
B	Governmental intervention	Regulatory	Norway implements regulations to reduce or stop exploration activities (e.g. the arctic ice edge) And/or reduce tax relief on exploration activity on the NCS.	Medium-Low	Medium	Short/long term
C	Reduced oil demand due to technological advancement	Technology	Price of renewable energy decreases and affects oil and gas demand and subsequently oil price	Medium-High	Low	Medium / long term
D	Halt in carbon capture and storage development	Technology	Poorly coordinated efforts and lack of investments	Medium-High	Low	Long term
E	Increased scrutiny from financial sector on oil and gas industry globally	Market	Investors exclude oil and gas from investment portfolio.Banks increase price of credit for oil and gas companies	Medium-High	Medium	Short / Medium term

#	Risk	Risk type	Description	Risk level	Level of influence	Time horizon
F	Decreased public support for oil and gas	Reputational	Increased polarization in public debate Political parties with climate focus gain increased public support. Could result in Vår Energi losing employees, fail to attract talents due to the industry in general being viewed as unattractive and unsustainable	High	Low	Short- / medium-term
G	Acute extreme weather	Physical	Extreme weather events such as storms and heavy rain affecting own production and supply chain logistics	Low	Medium	Long term
H	Chronic impacts of climate change	Physical	Increased volatility in weather, sea-level rise and wave height affecting own production and supply chain logistics	Low	Medium	Long term
I	Increased costs in the supply chain	Market	Increased costs in the supply chain due to increased competition, new regulations, increased energy prices and increased costs related to raw materials (e.g. steel and cement)	High	Medium-Low	Short/ Long term

Market risks

The market risks are related to changes in oil and gas demand and subsequently energy prices, in addition to regulations on CO₂ pricing and potential governmental intervention. The Covid-19 pandemic contributed to driving energy prices down during parts of 2020. However, prices then increased substantially towards the end of 2020 and into 2021. The current crisis in Ukraine leads to uncertainty in the short term with volatility in pricing. However, the current long-term perspective of oil and gas demand and pricing remains positive with limited risk of reduction due to the crisis.

In the IEA’s STEPS scenario, based on policies announced in October 2021, oil demand levels off at 104 mb/d in the mid-2030s and then drops very slightly through to 2050. Gas demand in the STEPS scenario increases by around 15% by 2030. Between 2030 and 2050, gas demand steadily increases, eventually reaching 5100 bcm by 2050, a 30% increase from today’s levels.

In the APS, where all climate commitments are fulfilled in full and on time, global oil demand sees a demand peak at around 95 mb/d soon after 2025 before falling gradually by around 1 mb/d per year to 2050. Gas demand in the APS steadily increases before reaching peak demand around 2025. Between 2030 and 2050, demand slowly decreases to a global demand of 3830 bcm in 2050.

The commitments made during COP 26, is not included in APS and STEPS. The additional climate commitments made by the member countries will potentially affect future oil and gas demand and prices, however this is currently not modelled in the IEA scenarios. The commitments made during COP 26 represent an additional emission cut of around 5Gt CO₂ by 2050.

In the IEA’s Net Zero Emissions by 2050 scenario (NZE), where the world’s energy production is climate-neutral by 2050, oil demand experiences a significant decrease in both emerging and developed markets towards both 2030 and 2050. Gas demand in emerging markets experiences a slight increase while developed markets sees a significant decrease, resulting in a global decrease in demand by 2030. Towards 2050 however, both markets experience a decrease in gas demand.

In both STEPS and APS scenarios, new fields are needed to meet oil demand levels. In the NZE scenario, no new field developments are needed but investments increasing the lifetime or production capacity in existing production reservoirs are still needed.

Reputational risks

The reputational risks affect several of our stakeholders, including employees, financial markets, NGOs and regulators. It may lead to

reduced attractiveness for us as an employer, operator, or business partner, and may also increase our cost of capital. The current public debate regarding climate change and the future of oil and gas is polarised and the outcome is still unclear.

Mitigation efforts

We believe that several of the risks may be mitigated by reducing our GHG emissions. To mitigate several of these risks and to help the global community reach its climate goals, we have an ambition to reach net zero emissions by 2030. Shorter-term action plans for how this is to be achieved is under development.

Direct emission reductions will be achieved by electrification of assets with renewable power from shore or offshore renewable energy sources, increased energy efficiency during operations (energy management), portfolio management, and reduced cold venting and fugitive emissions. Long-term GHG emissions can be reduced through implementation of low emission technologies and carbon capture and storage (CCS) technology, developed through R&D activity in the next decades. Remaining emissions can be compensated using offsetting mechanisms.

Climate opportunity assessment

Through the scenario development and assessment process, Vår Energi has defined six main opportunities arising from a changing market and technological development. These opportunities also represent ways of mitigating the identified risks and continue growth. The opportunities have not been quantified, as they will vary significantly on case-by-case basis. However, all six opportunities represent significant financial opportunities based on our existing competence, experience and structure.

#	Risk	Risk type	Description	Time horizon
A	Carbon capture and Storage	• New markets. • Green products & services. • Resilience.	CCS becomes a commercial technology and Vår Energi is significantly represented in the value chain.	• Revenue from new markets and services. • Positive reputational effects and license to operate.
B	Sustainable supply chain	• Energy and resource efficiency • Resilience.	Actively evaluate sustainability in tenders and contract evaluations and strengthen collaborative efforts with suppliers to identify and utilize potential opportunities for innovation.	• Optimized cost. • Positive reputational effects and license to operate.
C	Energy and climate efficient operations	• Energy and resource efficiency • Resilience.	Energy efficiency measurements and renewable energy (including electrification) implemented in own operations.	• Reduced costs. • Positive reputational effects and license to operate.
D	Blue Hydrogen/ Blue ammonia	• New markets. • Green products & services. • Resilience.	Should the EU include blue hydrogen / “green fuels” in its taxonomy as qualified energy source, then this could represent an alternative market for natural gas. Sale of gas to climate friendly alternatives, such as blue ammonia, thereby reducing scope 3 emissions	• Revenue from new markets and services. • Positive reputational effects and license to operate.
E	Circular economy	• New markets. • Resilience	Utilize circular economy opportunities to incur local value creation and reputational benefits in addition to potential new value streams	• Revenue from new markets and services. • Positive reputational effects and license to operate.
F	Offsetting mechanisms	• New markets. • Resilience	Offsetting mechanisms reducing scope 3 emissions and positively affecting license to operate	• Positive reputational effects and license to operate.

Opportunity management

The climate risk and opportunity assessment was conducted in accordance with the Vår Energi Management System (VEMS) Enterprise Risk Management (ERM) framework. The process was led by the Safety and Sustainability department in cooperation with the Finance and ERM functions. The Leadership Team and representatives from the Board of Directors were directly involved in the process as well as the evaluation of results.

The process was initiated by developing two climate scenarios, which was used as the risk context to identify material risks and opportunities. These risks and opportunities were then prioritised by using the risk framework of the VEMS ERM, which has detailed categorisation for consequence and likelihood. The prioritisation was performed in workshops with relevant internal stakeholders.

During 2021, we have continued to increase the level of detail and quality of risk quantification for each of the risks and opportunities identified.

Metrics and targets

We use the following key metrics and targets to measure and manage climate related risks and opportunities:

Indicators	Boundary	Unit	2021	2020	2019
Gas share of total production	Equity Basis	Per cent	35.1	39.6	39.5
Scope 1 GHG emissions	Operational Control	Tonnes CO ₂ eq	195 281	201 860 ¹	299 627 ¹
Scope 1 CO ₂ emissions (EU ETS)	Operational Control	Tonnes CO ₂	171 993	190 936	283 591
Scope 1 CO ₂ emissions (EU ETS)	Equity Basis	Tonnes CO ₂	979 453	1 023 979	1 097 086
Scope 2 GHG emissions (location based)	Operational Control	Tonnes CO ₂ eq	3 440	3 388 ²	2 832 ²
Scope 2 GHG emissions (market based)	Operational Control	Tonnes CO ₂ eq	171 539	169 338 ²	141 228 ²
Total scope 3 GHG emissions	Equity Basis	Tonnes CO ₂ eq	33 543 005	36 919 567	34 707 346
CO ₂ emission intensity Operated Assets	Operational Control	Kg CO ₂ per boe	8.7	8.5 ³	9.8
CO ₂ emission intensity Partner Operated Assets	Equity Basis	Kg CO ₂ per boe	12.1	11.2	10.6
GHG emission intensity Operated Assets	Operational Control	Kg CO ₂ eq per boe	9.4	9.0 ³	10.4

Indicators	Boundary	Unit	2021	2020	2019
CO ₂ costs operated assets (EU ETS, CO ₂ tax, NOX)	Operational Control	USD million	16.7	13.0	16.7
R&D expenditures	Operational Control	USD million	9.6	7.4	9.3
R&D expenditures directed at reducing Scope 1 emissions	Operational Control	Per cent	14	22	36
R&D expenditures directed at reducing Scope 3 emissions	Operational Control	Per cent	24	7	6
Other R&D expenditures, including expenditures directed at environmental protection and biodiversity	Operational Control	Per cent	62	71	58

¹ Numbers changed from 2020 sustainability report due to inclusion of fugitive methane emissions and changing of GWP for methane emissions in line with recommendations in IPCC AR6.
² Numbers changed from 2020 sustainability report due to change in emission factors for scope 2 emissions
³ Number changed from 2020 Sustainability report. Marulk production is now excluded due to uncertainties in emission allocation for subsea tiebacks.

The table above discloses information relevant for addressing the various climate risks and opportunities identified. GHG emissions constitutes the largest risk source, which is why we have implemented a target of achieving net zero emissions by 2030. Our three main sources for GHG-related costs are carbon tax, emission quotas and NOx tax. CO₂ tax is the largest source of expenses, constituting around 45% of CO₂-related expenses. We also have R&D expenditures directed at reducing both Scope 1 and 3 emissions. Further details on results and targets can be found in the respective chapters. The NOROG Scope 1 reduction target is based on a 2005 baseline.

Next steps

During 2022, we will continue to assess climate risks and opportunities, and further embed these risks into the ERM process. This will strengthen our ability to be more resilient towards future risks and to utilise any opportunities. Furthermore, we will work to increase the quality and confidence in the qualification of risks and opportunities and will also submit our first CDP report in 2022.

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. The process is meant to assist in addressing identified risks and opportunities, and how we can implement measures to reduce risks and leverage opportunities.



Vår Energi's reporting relative to the GRI Standards guidelines

Global Reporting Initiative (GRI) is an independent international standards organisation which has developed the world's most widely used framework for sustainability reporting. The GRI guidelines consist of reporting principles, aspects and indicators that organisations can use to disclose information related to economic, environmental and social performance.

This report has been prepared in accordance with the GRI Standards: Core option.

The following pages show Vår Energi's reporting relative to the GRI Standards guidelines.

GRI index

GRI §	Likely material topics	Materiality assessment	Chapter	Description
11.1	GHG emissions	Material	Climate / Energy efficiency	
11.2	Climate adaption, resilience, and transition	Material	Climate / Annual report	
11.3	Air emissions	Material	Biodiversity and environmental protection	
11.4	Biodiversity	Material	Biodiversity and environmental protection	
11.5	Waste	Material	Biodiversity and environmental protection	
11.6	Water and effluents	Material	Biodiversity and environmental protection	
11.7	Closure and rehabilitation	Material	People, training and diversity	
11.8	Asset integrity and critical incident management	Material	Biodiversity and environmental protection	
11.9	Occupational health and safety	Material	Health and safety	
11.10	Employment practices	Material	People, training and diversity	
11.11	Non-discrimination and equal opportunity	Material	People, training and diversity	

GRI §	Likely material topics	Materiality assessment	Chapter	Description
11.12	Forced labor and modern slavery	Material	Sustainable supply chain	
11.13	Freedom of association and collective bargaining	Material	Business integrity	
11.14	Economic impacts	Material	Local value creation / Introductory chapters	
11.15	Local communities	Material	Local value creation	
11.16	Land and resource rights	Material	Biodiversity and environmental protection	
11.17	Rights of indigenous peoples	Material	Local value creation	
11.18	Conflict and security	Not material	-	Vår Energi operates mainly in the Norwegian market where there is a low risk of conflict and need for excessive security measures
11.19	Anti-competitive behavior	Material	Business integrity	
11.20	Anti-corruption	Material	Business integrity	
11.21	Payments to governments	Not material	-	Not applicable
11.22	Public policy	Material	Introductory chapters	

General disclosures

Sector standard ref #	GRI §	Description	Source (page no.)
Organisational profile			
	102-1	Name of the organisation	Vår Energi at a glance (2)
	102-2	Activities, brands, products, and services	Annual report
	102-3	Location of headquarters	Vår Energi at a glance (2)
	102-4	Location of operations	Vår Energi at a glance (2)
	102-5	Ownership and legal form	Vår Energi at a glance (2)
	102-6	Markets served	Annual report
	102-8	Information on employees and other workers	Appendix (110)
	102-9	Supply chain	Sustainable supply chain (61–63)
	102-10	Significant changes to the organisation and its supply chain	Letter from CEO (4) Sustainable supply chain (61–63)
	102-11	Precautionary Principle or approach	Vår Energi uses a precautionary approach
	102-12	External initiatives	Becoming an ESG leader (7–11) Local value creation (48–51) R&D (64–66)

Sector standard ref #	GRI §	Description	Source (page no.)
	102-13	Membership of associations	Annual report, R&D (64–66), Local Value Creation (48–51)
Strategy			
	102-14	Statement from senior decision-maker	Letter from CEO (4)
Ethics and integrity			
	102-16	Values, principles, standards, and norms of behaviour	Business integrity (55–66)
Governance			
	102-18	Governance structure	Annual report
Stakeholder engagement			
	102-40	List of stakeholder groups	Appendix (95)
	102-41	Collective bargaining agreements	Annual report
	102-42	Identifying and selecting stakeholders	Stakeholder engagement (14–16)
	102-43	Approach to stakeholder engagement	Stakeholder engagement (14–16)
	102-44	Key topics and concerns raised	Stakeholder engagement (14–16)

Sector standard ref #	GRI §	Description	Source (page no.)
Reporting practice			
	102-45	Entities included in the consolidated financial state-ments	Annual report
	102-46	Defining report content and topic Boundaries	Material sustainability topics (12–13)
	102-47	List of material topics	Material sustainability topics (12–13)
	102-48	Restatements of information	Some 2020 and 2019 figures have been updated due to increased data quality; this is clearly marked in the text
	102-49	Changes in reporting	NA
	102-50	Reporting period	01.01.2021 – 31.12.2021
	102-51	Date of most recent report	Sustainability report 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Communication Manager Andreas Wulff, andreas.wulff@varenergi.no
	102-54	Claims of reporting in accordance with the GRI Standards	GRI Index (74)
	102-55	GRI content index	GRI Index (75–89)

Material topics - Planet

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
Planet – Climate						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	20			
	103-2	The management approach and its components	20–21			
	103-3	Evaluation of the management approach	21–23			
GRI 305 – Emissions						
11.1.5	305-1	Direct emissions (Scope 1)	24			
11.1.6	305-2	Energy indirect emissions (Scope 2)	24			
11.1.7	305-3	Other indirect emissions (Scope 3)	24			
11.1.8	305-4	GHG emission intensity	24			
11.2.3	305-5	Reduction of GHG emissions	23			
Planet – Energy						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	27			
	103-2	The management approach and its components	27			
	103-3	Evaluation of the management approach	27–29			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
GRI 305 – Energy						
11.1.2	302-1	Energy consumption within the organisation	30			
11.1.3	302-2	Energy consumption outside of the organisation	30			
11.1.4	302-3	Energy intensity	30			
NA	302-4	Reduction of energy consumption	28			

Planet – Environmental protection

GRI 103 – Management approach

	103-1	Explanation of the material topic and its boundary	31			
	103-2	The management approach and its components	31–34			
	103-3	Evaluation of the management approach	34–35			

GRI 303 – Water and effluents

11.6.2	303-1	Interactions with water as a shared resource	32–33			
11.6.3	303-2	Management of water discharge-related impacts	32–33			
11.6.4	303-3	Water withdrawal	106–107			
11.6.5	303-4	Water discharge	106–107			
11.6.6	303-5	Water consumption	106–107			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
GRI 304 – Biodiversity						
11.4.2	304 - 1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33–34			
11.4.3	304 - 2	Significant impacts of activities, products, and services on biodiversity	31–34			
11.4.4	304 - 3	Habitats protected or restored	31			
11.4.5	304 - 4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	31			
GRI G4 Sector Disclosures – Oil and Gas						
	OG-4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	33–34			
GRI 305 – Emissions						
11.3.1	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	36	Yes, POP, HAP and PM are not reported	Not applicable	Not considered material
GRI 306 – Waste (2020)						
11.5.2	306-1	Waste generation and significant waste-related impacts	31–32			
11.5.3	306-2	Management of significant waste-related impacts	31–32			
11.5.4	306-3	Waste generated	104–105			
11.5.5	306-4	Waste diverted from disposal	104–105			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
11.5.6	306-5	Waste directed to disposal	104–105			
GRI 306 – Effluents and waste (2016)						
11.8.2	306-3	Significant spills	104			
GRI 416 – Customer health and safety						
11.3.3	416-1	Assessment of health and safety impacts of products and service categories		Yes, not applicable	Not applicable	Not considered material

Material topics - People

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
People – Health and safety						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	40			
	103-2	The management approach and its components	40			
	103-3	Evaluation of the management approach	40–43			
GRI 403 – Occupational Health and Safety						
11.9.2	403-1	Occupational health and safety management system	40			
11.9.3	403-2	Hazard identification, risk assessment, and incident investigation	96			
11.9.4	403-3	Occupational health services	96			
11.9.5	403-4	Worker participation, consultation, and communication on occupational health and safety	96–97			
11.9.6	403-5	Worker training on occupational health and safety	97			
11.9.7	403-6	Promotion of worker health	97			
11.9.8	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	97–98			
11.9.9	403-8	Workers covered by an occupational health and safety management system	40			
11.9.10	403-9	Work-related injuries	108			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
11.9.11	403-10	Work-related ill health	109	Yes, data not available for workers who are not employees	Information unavailable	During 2022, actions to close this omission will be evaluated

People – People, training and diversity

GRI 103 – Management approach

	103-1	Explanation of the material topic and its boundary	45			
	103-2	The management approach and its components	45–46			
	103-3	Evaluation of the management approach	46–47			

GRI 102 – General Disclosures

	102-8	Information on employees and other workers	110			
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GRI 202 – Market presence

11.11.2 / 11.14.3	202-2	Proportion of senior management hired from the local community		Yes, not applicable	Not applicable	Not considered material
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GRI 401 – Employment

11.10.2	401-1	New employee hires and employee turnover	110–111			
11.10.3	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46			
11.10.4 /11.11.3	401-3	Parental leave	111			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
GRI 402 – Labor/management relations						
11.7.2 / 11.10.5	402-1	Minimum notice periods regarding operational changes	46			
GRI 404 – Training and education						
11.10.6 /11.11.7	404-1	Average hours of training per year per employee	112	Yes, employee category not available	Information unavailable	During 2022, actions to close this omission will be evaluated
11.7.3 / 11.10.7	404-2	Programs for upgrading employee skills and transition assistance programs	45			
GRI 405 – Diversity and Equal Opportunity						
11.11.4	405-1	Diversity of governance bodies and employees	112			
11.11.5	405-2	Ratio of basic salary and remuneration	99–100			
GRI 406 – Non-discrimination						
11.11.6	406-1	Incidents of discrimination and corrective actions taken	112			
People – Local value creation						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	48			
	103-2	The management approach and its components	48			
	103-3	Evaluation of the management approach	49–51			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
Vår Energi own indicator						
	VE-2	CSR projects supported	50			
GRI 203 – Indirect economic impacts						
11.14.5	203-2	Significant indirect economic impacts	49			
411 – Rights of indigenous peoples						
11.17.2	411-1	Incidents of violations involving rights of indigenous peoples	48			
GRI 413 – Local communities						
11.5.2	413-1	Operations with local community engagement, impact assessments, and development programs	50			
11.5.3	413-2	Operations with significant actual and potential negative impacts on local communities	49			

Material topics - Prosperity

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
Prosperity – Business integrity						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	55			
	103-2	The management approach and its components	55–58			
	103-3	Evaluation of the management approach	58–60			
GRI 205 – Anti-corruption						
11.20.2	205-1	Operations assessed for risks related to corruption	113, 58			
11.20.3	205-2	Communication and training about anti-corruption policies and procedures	113	Yes, employee category not available	Information unavailable	During 2022, actions to close this omission will be evaluated
11.20.4	205-3	Confirmed incidents of corruption and actions taken	113			
GRI 206 – Anti-competitive behavior						
11.19.2	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	113			
GRI 407 – Freedom of association and collective bargaining						
11.13.2	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	59			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
Prosperity – Sustainable supply chain						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	61			
	103-2	The management approach and its components	61			
	103-3	Evaluation of the management approach	62–63			
GRI 204 – Procurement practices						
11.14.6	204-1	Proportion of spending on local suppliers	114			
GRI 409 – Forced or compulsory labor						
11.12.2	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	114			
GRI 414 - Supplier social assessment						
11.10.8 / 11.12.3	414-1	New suppliers that were screened using social criteria	114			
11.10.9	414-2	Negative social impacts in the supply chain and actions taken	114			
Vår Energi own indicator						
	VE-4	Number of EPIM JQS audits	63			

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
Prosperity – Research and development						
GRI 103 – Management approach						
	103-1	Explanation of the material topic and its boundary	64			
	103-2	The management approach and its components	64			
	103-3	Evaluation of the management approach	64–66			
Vår Energi own indicator						
	VE-5	Percentage used on Scope 1, 2 and 3 projects	65			
	VE-6	Distribution and total annual R&D spending	65			
Prosperity – Climate risks and opportunities						
11.2.1	201-2	Financial implications and other risks and opportunities due to climate change	67–73			

Other GRI indicators

Sector standard ref #	Topic / § no.	Description	Source (page no.)	Omission	Reason for omission	Explanation for omission
GRI 201 – Economic performance						
11.14.2	201-1	Direct economic value generated and distributed	115–116			
GRI 203 – Indirect economic impacts						
11.14.4	203-1	Infrastructure investments and services supported	115–116			
GRI 415 – Public policy						
11.22.2	415-1	Political contributions	115–116			



World Economic Forum indicators

Theme	Indicator	Source (page no.)	Omission	Reason for omission	Explanation for omission
Governance					
Governing purpose	Setting purpose	7–11			
Quality of governing body	Governance body composition	7–11 , Annual report			
Stakeholder engagement	Material issues impacting stakeholders	12–13			
Ethical behavior	Anti-corruption	113 , 58			
Ethical behavior	Protected ethics advice and reporting mechanisms	58			
Risk and opportunity oversight	Integrating risk and opportunity into business operations	67–73			
Planet					
Climate change	GHG emissions	24			
Climate change	TCFD implementation	67–73			
Nature loss	Land use and ecological sensitivity	33–34			
Freshwater availability	Water consumption and withdrawal in water-stressed areas	107			

Theme	Indicator	Source (page no.)	Omission	Reason for omission	Explanation for omission
People					
Dignity and equality	Diversity and inclusion	112			
Dignity and equality	Pay equality	99–100			
Dignity and equality	Wage level	112	Yes, 1. Not applicable, no minimum wage in Norway	Not applicable	Not applicable
Dignity and equality	Risk of incidents of child, forced or compulsory labor	114			
Health and well-being	Health and safety	108, 97			
Skills for the future	Training provided	112	Employee category not available, expenditure not available	Information unavailable	During 2022, actions to close this omission will be evaluated
Prosperity					
Employment and wealth generation	Absolute number and rate of employment	110–111			
Employment and wealth generation	Economic contribution	115–116			
Employment and wealth generation	Financial investment contribution	115–116			
Innovation of better products and services	Total R&D expenses	65			
Community and social vitality	Total tax paid	Annual report			

TCFD index

Indicator	Source (page number)
Governance	
a. Describe the board’s oversight of climate-related risks and opportunities	67–68
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	67–68
Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	68
b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning	67–68
c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	68

Indicator	Source (page number)
Risk management	
a. Describe the organisation’s processes for identifying and assessing climate-related risks	68
b. Describe the organisation’s processes for managing climate-related risks.	70
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	73
Risk management	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	72
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	72
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	72



Appendix

Definitions

Operational control	Accounts for 100 percent of the activity from operations over which Vår Energi has control.
Equity basis	Accounts for activity from operations according to Vår Energi’s share of equity in the operation.
Scope 1 emissions	Direct GHG emissions which occur from sources that are owned or controlled by the company
Scope 2 emissions	GHG emissions from the generation of purchased electricity consumed by the company
Scope 3 emissions	GHG emissions which occur as a consequence of the company’s activities but occur from sources not owned or controlled by the company.

Stakeholder groups

Stakeholder group	Their interests and concerns	Communication
 Customers	• Climate and environment • Price and quality • Certification • Waste • Transparency	• Marketing, PR and social media • Surveys • Meetings and discussions • Quarterly and annual reports
 Current and future employees, including unions and employee representatives	• Climate and environment • Working environment • Values and ambitions • Spills • Local value creation • Personal development • Health and safety	• Meetings and discussions • PR and social media • Marketing • Conferences and events • Surveys
 Regulators	• Climate and environment • Innovation and R&D • Transparency • Collaboration • Local value creation	• Meetings and discussions • Cluster collaboration • Quarterly and annual reports
 Community	• Climate and environment • Local value creation • Waste • Innovation and R&D	• Marketing, PR and social media • Meetings and discussions • Quarterly and annual reports • Conferences and events • Non-profit activities

Stakeholder group	Their interests and concerns	Communication
 Owners	• Climate and environment • Long-term strategy • Innovation and R&D • Risks and opportunities • Transparency • Growth	• Meetings and discussions • Quarterly and annual reports • Conferences and events • Marketing, PR and social media
 Suppliers	• Climate and environment • Innovation and R&D • Predictability • Price and quality • Qualification • Opportunities in renewables	• Meetings and discussions • Cluster collaborations • Joint industry initiatives
 NGOs	• Climate and environment • Spills • Innovation and R&D • Collaboration • Opportunities in renewables	• Meetings and discussions • Marketing, PR and social media • Cluster collaborations • Quarterly and annual reports
 Financial markets	• Climate and environment • Innovation and R&D • Waste • Health and safety • Collaboration	• Meetings and discussions • Joint industry initiatives • Cluster collaborations • Conferences and events

Health and safety

The following detailed descriptions of Vår Energi's occupational health and safety management system are disclosed as part of the compliance with GRI 403 and WEF.

Hazard identification, risk assessment and incident investigation

We work systematically to manage risks. Our work processes ensure that risk identification and assessment are carried out in accordance with regulations, requirements, and standards, and that a basis for mitigation of risks and execution of risk assessments are established.

The extent and content of the risk management activities will depend on the phase (e.g. planning, engineering, construction, commissioning and operation) and the complexity of the hazards and risks at each individual plant, project or organisation.

Routines for systematic identification of significant hazards are implemented. Competent personnel within different professional areas are involved in defining the scope of the risk management activities and for choosing the adequate methodologies for conducting risk assessments, evaluations, and analyses.

Identified non-conformities from the requirements will undergo corrective actions or be subjected to an application for an internal deviation permit with, if allowed, compensatory measures according to process and regulatory requirements, or a dispensation from the authorities if this is required.

When a hazard or potential risk is identified it triggers the risk management process for further assessment, evaluation, and implementation of risk treatment measures when necessary. All employees and contractors have the authority to speak up and stop unsafe activities. Reporting of work-related hazards is normally done through observation cards, which are registered electronically into the system or by a physical observation card.

HSE incidents, including accidents, near-misses and unsafe conditions, are registered and followed up in Synergi to investigate why the incident occurred and to identify measures to prevent reoccurrence. The level of investigation is dependent on loss/loss potential, learning potential and recurrence.

Hazards are aimed to be kept as low as reasonably practicable (ALARP) to avoid occupational injuries, strains, accidents or illnesses and human errors. Choosing the best available techniques (BAT) is the prioritised principle for minimising risks.

Selection of concepts, technical solutions and models for organisational changes are assessed with respect to risk level. Development of new technology with the objective to reduce negative consequences for people, environment, or assets, is encouraged.

Occupational health services

We have a collaboration with a Labour Inspectorate approved occupational health service, to help monitoring the working environment, propose improvements, and provide professional competency within

preventive work and any relevant issues. The occupational health service provider has a free and independent position with regards to working environment issues and assist employer, employees, and the working environment committee and workforce representative to create healthy and safe working environment conditions. Their activities are integrated in our yearly activity plan. Employees can find contact information to the occupational health service in the employee handbook.

Worker participation, consultation, and communication on occupational health and safety

Quarterly Safety & Sustainability Committee meetings
Quarterly Safety & Sustainability Committee meetings where both management and coordinating main Safety delegate are present have been conducted in 2021. The purpose of these meetings is to ensure that the committee is informed about HSE status and risk and to ensure the company's continuous HSE performance improvement.

Working Environment Committees
We have an active Working Environment Committee (WEC) structure where employer, employees and the occupational health service are represented.

The committees participate in planning of our health and safety work, reviews all reports related to health and safety inspections and measurements, and closely monitor the development of the working environment.

Safety Delegate Service

We have a Safety Delegate Service in accordance with the Working Environment Act, that safeguard the interests of employees in matters related to 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.

Risk meetings

Regular risk meetings ensure communication regarding risk and hazard information. New risks are reviewed, existing risks are followed up and status of other indicators that may have implications for the aggregated risk picture is presented and discussed. Representatives from the offshore organisations, onshore technical disciplines, management, work force representatives and Safety & Sustainability professionals attend these regular meetings.

Worker training on occupational health and safety

To succeed in our safety work our personnel need a high level of risk awareness, and good knowledge about the risk factors and protective measures.

We provide information and training for employees exposed to health and safety risk. All employees, their supervisors and the line management are given sufficient and suitable 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 the line management. Written operational instructions are prepared for high-risk work tasks.

Risk management training has been conducted for selected target groups involved in risk management processes. Computer-based safety introduction training is required for all new employees, contractors, and visitors before going offshore to our offshore installations. Permit to work and Safe Job analysis course are required as well.

Promotion of worker health

Vår Energi operates on the NCS and thereby under Norwegian jurisdictions. The health system in Norway is under governmental regulation and management. The health and well-being of inhabitants, foreign workers and visitors are always ensured by the public health care system.

A health insurance scheme is available for all local employees of Vår Energi.

We have a welfare club with the objective to promote and organize sports and social activities for employees and their immediate families. This contributes to building a strong team spirit, increasing the sense of belonging to Vår Energi across the organisation and encouraging physical and cultural activities. The club promotes activities that include all our personnel.

To prevent and handle alcohol, drug and gambling problems in the workplace, we support and follow the guidelines of AKAN (the Norwegian Tripartite Committee for the Prevention of Alcohol and Drug Problems in the Workplace). AKAN's main objective is to contribute to the prevention and solving of alcohol, drug and gambling problems and to provide help and assistance for employees who have already developed a substance problem.

Prevention and mitigation of occupational health impacts directly linked to workplace

Health and Working Environment

We work systematically to identify, map, and manage occupational health and working environment risks.

We continually execute mapping of occupational health risks offshore with the goal of providing an overview of physical, chemical, biological, ergonomic, and organisational conditions, to be able to implement relevant and targeted risk-reducing measures. The overall goal is to use prioritised technical improvements to contribute to reduced working environment risks for employees and maintain safe and secure operations on all installations

All employees exposed to occupational health risks, determined by risk assessments of the working environment, are included in the company health surveillance programme. This programme has for 2021 been set on hold due to COVID-19 to keep a safe distance during the pandemic situation.

Emergency preparedness and response

We have a robust emergency preparedness and response organisation to handle and reduce consequences of identified risk emergency scenarios both onshore and offshore.

In the event of an incident at one of the facilities, it is our responsibility to respond with full commitment and necessary resources to minimise personnel and public injury, environmental impact, property damage, financial loss, and loss of reputation. Through training and exercises of defined scenarios, the emergency response team gets the opportunity

to test, improve and develop our abilities to handle incidents using risk-reducing principles. In addition to learning from training and exercises, learning from incidents is vital for improvement and is done in a systematic manner and tracked through the Synergi system.

Work related injury/illness

To prevent disease from developing/occurring, emphasis is put on identifying the risk for workplace health hazardous exposures which could potentially cause work related illness (WRI), rather than the illness/injury itself. A potential for WRI could arise if a worker is exposed to a workplace hazard beyond a defined “safe” level, in combination with inadequate or lacking control measures, or as a result of the combination of the two. We are working systematically to prevent such exposure incidents, through processes described above.

Nevertheless, if an exposure incident or a personnel injury occurs, we register the incidents as accident, in our reporting tool Synergi. This is important, to ensure follow up to prevent recurrence, knowledge sharing and learning from all incidents.

Diversity and inclusion statement

This statement is to ensure compliance with Aktivitets and Redegjørelsesplikten.

We work towards equality, gender balance and diversity. Vår Energi is against all forms of discrimination.

Vår Energi firmly believes that its employees are its most valuable asset, people, diversity and inclusion are key factors in executing the overall business and sustainability strategy.

In Vår Energi we respect the dignity of each person and provide equal opportunities without any discrimination. Recruitment and promotion processes shall be based on best candidate principle regardless of race, colour, gender, religion, nationality, political preferences, sexual orientation, social status, age, or any other personal condition not relevant to the work requirements. Vår Energi supports and promotes mobility and development, which represents relevant opportunities for professional and personal growth, and encourages cross-cultural interactions.

Equality status

Vår Energi strives to have equal opportunities and treatment of all employees. We use the HAY methodology – a method to map job roles based on know-how, problem solving and accountability - to ensure equality in compensation. All positions in Vår Energi must be evaluated using the Hay methodology. Job evaluation serves as the foundation for effective Human Resources Management that supports the business strategy. When a local employee starts working for Vår Energi, he/she will be paid a salary according to the job size considering factors like the know-how, level of problem solving, and accountability required in the job, competence and seniority level.

Gender distribution at different job levels			Women’s share of men’s wages is stated as a percentage					Payments in kind
	Female	Male	Total annual salary	Annual salary	Variable pay	Bonus	Overtime compensation	Total taxable benefit
Total	247	703	1 356 202 946					128 253 203
Executive Management ¹	2	10	40 930 160					
Management	11	35	121 056 596	82%	70%	73%	36%	
Employees	234	658	1 194 216 190	90%	86%	80%	37%	

¹ Executive Management is excluded from this analysis due to limited calculation basis

	Gender balance ³	Temporary employees	Parental leave, Average number of weeks	Part time ¹	Involuntary part-time work ²
Female	240	2	18.9	6	8
Male	669	5	8.8	1	6

Equal compensation for women and men in Vår Energi shall be the goal given that they cover positions at the same level, and have the same level of education, experience, and historical performance in the job. In our analysis of salary difference between men and women we found that the position level for positions covered by men is significantly higher than the average level for women.

Vår Energi is a result of the merger between Eni Norge AS and Point Resources AS in 2018, as well as the acquisition of ExxonMobil’s non-operated fields in 2019, the internal salary structure have inherited some discrepancies.

Our equality and non-discrimination work

Vår Energi acknowledges that diversity and inclusion is an integral part of creating successful teams, and we work daily to ensure equal opportunities for all employees.

Vår Energi has a concrete gender ratio target. The company has created initiatives and in September 2020 the management team established a gender balance Task Force to help the company reach our gender diversity targets by 2025. The Task Force was renamed to Diversity & Inclusion task force in 2021 to broaden the work and not limit the work and initiatives to gender balance focus. The team is diverse in terms of age, function, roles, and location and includes two employee representatives. The Task Force is focused on identifying the company’s biggest diversity challenges by prioritizing the correct focus areas and making sure that the company learns from others who are doing well with regards to diversity. The Task Force has delivered an action plan with concrete measures within areas such as communication, training, measuring, and reporting, company core processes and inclusive leadership culture.

Vår Energi has employees with 33 different nationalities and the company actively promotes gender equality. The company aims to ensure equal opportunities and rights, and prevent discrimination due to ethnicity, national origin, descent, skin colour, sexual orientation, language, religion or faith.

Principles, procedures, and our commitment

- The gender balance & diversity work within Vår Energi is established in the procedure Diversity Inclusion Program
- The recruitment process has been updated to specify focus on gender balance both in the selection of candidates but also that the interview panel should “be gender balanced”.
- A procedure for preventing and handling bullying and harassment, including sexual harassment, was made in in 2017. The procedure was reviewed and updated in 2021. In 2019 we prepared and implemented a procedure for whistleblowing and a whistleblowing system (Whistle B) was implemented the same year. Whistle B facilitates for anonymous whistleblowing.
- Gender balance and non-discrimination is included in our policies and a part of the Vår Energi internal leadership training program

The Equality and non-discrimination work in Vår Energi

We work towards ensuring equality and non-discrimination

The Diversity & Inclusion work within Vår Energi is led by a Task Force under the guidance of the CEO and Leadership team. The Task Force consists of a cross-functional team, with varied experiences, geographic locations, gender, and age. Members also include representatives from the Unions and Spire Young Professional network. The diverse background of the Task Force members ensures involvement across the organisation. Such involvement is valuable in elaborating and implementing initiatives with a broader organisational impact. At the start of 2022, the ownership of the Diversity & Inclusion work was handed over to the P&O function and the responsibility to follow up actions towards business targets for diversity shall remain within the business line.

¹ These are not part-time positions, but employees who have applied to work reduced hours for limited period of time
² Employees for health reasons work reduced (want and should be available to work more)
³ Excluding inpat

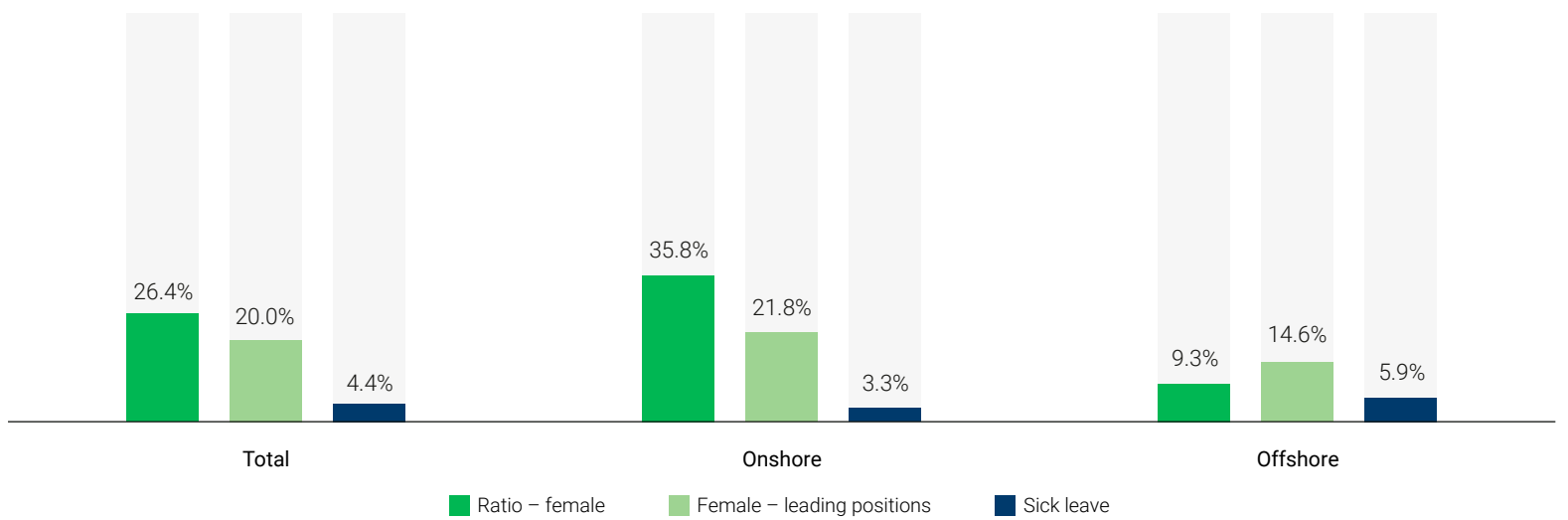
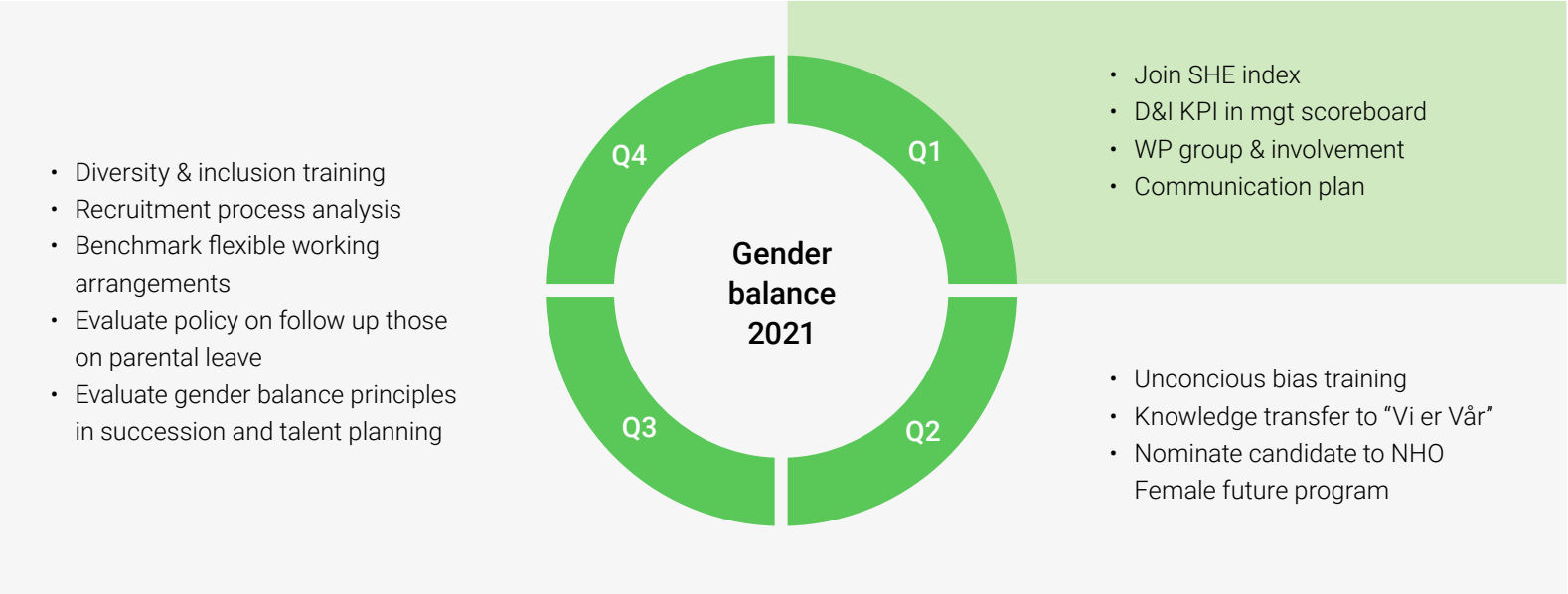
Examples of how the equality work is structured in Vår Energi

- The work of the Task Force is structured around bi-weekly meetings and workshops in sub-groups between meetings.
- The Task Force have regular status meetings with all the unions in Vår Energi
- The Task Force is charged with the mandate to develop an action plan for achieving the gender balance & diversity targets of the company
- The Task Force is charged with the mandate to work together with the Leadership Team in the roll-out of concrete actions towards improving Gender Balance & Diversity within the company
- The development of the Gender Balance & Diversity shall be a continuous process and shall be reviewed frequently to ensure it reflects business needs for the coming year and industry best practices. To ensure this an annual wheel with the areas/actions for the year has been implemented. To illustrate the 2021 annual wheel is shown below.

Identifying the risks of discrimination and threats to ensure equality

To identify the risks of discrimination or possible threats to our work towards providing equal opportunities without any discrimination the company has analysed the distribution of women and men in the company. The company set targets of female ratio both onshore and offshore. The target is to have 40% female ratio by 2025 in Vår Energi. The KPI reporting is done quarterly and presented to the Management Team.

We have different tools to help indicate the risks and potential threats. Vår Energi has established what was first a Gender balance mailbox, which is now re-branded as a Diversity & inclusion mailbox. Employees report specific cases they want to attention to, or they highlight topics and areas of improvement for Vår Energi. There are examples of



inquiries the Task Force has received, and they are implemented as a part of the action list approved by the Management Team. An additional indicator is the employee survey that was conducted in 2020. This follow up have been done by the departments and line managers.

Examples of how we identify the risk of discrimination and threats to the principle of equality

To receive feedback from employees or ensure reporting we have these systems implemented:

- Diversity & Inclusion Mailbox: Employees can anonymously submit ideas, thoughts and questions regarding Vår Energi’s work on Diversity & Inclusion through a mailbox.
- Whistle B: Whistleblowing provides an opportunity for everybody to report suspicions of misconduct such as discrimination or harassment.
- Network and experience transfer with other Oil & Gas companies
- Employee Survey 2020 – questions and feedback regarding any observation of self-experienced harassment in the workplace.

Initiatives in 2021

Throughout 2021, the Task Force’s work is focused primarily on working with leaders of the business line to ensure the implementation of the initiatives from the action plan within key areas such as (but not limited to) communication, HR processes, inclusive leadership, corporate culture and policies. In the work of identifying risks of discrimination and implement initiatives to reduce or limit the risks, the Task Force has cooperated with other companies from the Oil & Gas industry. Through knowledge sharing and experience transfer Vår Energi have actioned several initiatives in 2021 and have plans for 2022.

To communicate to the organisation and mark the shift from a gender balance focus to a diversity and inclusion focus, the Task Force invited employees across the organisation to participate in a focus group. The establishment of a diversity resource group was done to ensure involvement and dialogue around the company’s initiatives within gender balance, diversity, and inclusion. The company wants the resource group to take part in evaluating what diversity means to Vår Energi and the best way of working towards this going forward.

Examples of initiatives that have been rolled out

- Unconscious bias training for all employees
- Launch of Diversity focus groups x 2
 - Kick off meeting with external lecturer
 - Session with focus group to receive feedback on today’s situation and expectations for the future workplace
- Leadership Training – all Managers are trained in handling harassment cases
- Initial talks with NTNU student project of how to get youth to apply for oil & gas field of study/subjects
- Flexible working arrangements – Introduced as a trial period, was planned to be launched 01.01.22, delayed because of new covid restriction. This is a policy for working arrangements in an environment without covid 19 restrictions and is meant to facility for flexibility for the employees.

Initiatives planned for 2022

The first action in 2022 is the handover of The Diversity & Inclusion work from the Task Force to the People & Organisation function. P&O will continue the work and need to establish the responsible and form a work group who will continue the work of delivering the strategy, implementation and follow up of actions towards business targets for diversity. In the handover the action list for 2021 includes actions also for 2022, and they will be the starting point for the new owners of the diversity and inclusion work ahead. The feedback from the diversity resource group will be a source to the next focus areas and extended action list to be enrolled in the next phase of the work.

Examples of the actions and focus areas in 2022

- Focus on attracting female candidates to Vår Energi’s open positions. Look at the job postings and how we communicate the opportunities.
- Initial talks with NTNU student project of how to get youth to apply for oil & gas field of study/subjects. Need to attract more students to the petroleum related disciplines.
- Follow up the effect of the new policy for flexible working.
- Set the strategy and actions for the next phase of the Diversity and inclusion focus areas.

Action plan for 2021 & initial actions for 2022

Objectives	Strategies	Activities	2021	2022
Compensation & Benefits	HR life cycle	Review and benchmark working arrangements of offshore personnel during pregnancy and after having children.	●	
Inclusive Leadership & Culture	Focus through measurement	Establish KPI for top management scorecard (department and corporate level).	●	
Inclusive Leadership & Culture	Sustainable long-term focus	Embed I&D into VE cultural framework.	●	
Inclusive Leadership & Culture	Enable culture building from top level down the lines	Info sharing from L2 management to own function leaders in ordinary meetings to demonstrate ownership and expectations to own leaders with regards to gender balance.	●	
Inclusive Leadership & Culture	Ensure corporate values reflect I&D	Re-evaluate VI VIL values to ensure diversity perspective is ensured.	●	
Inclusive Leadership & Culture	Ensure corporate values reflect I&D	Evaluate if "VE Leadership platform" attract both genders and value soft skills sufficiently.	●	
Other	Learn from others	Review and recommend if joint diversity/gender balance industry initiative should be done with peers, NOROG, ODA network.	●	
Promotions & Development	Equip female talents for future leadership roles	Nominate qualified and relevant candidate(s) to NHO Female Future leadership program.	●	
Promotions & Development	Equip female talents for future leadership roles	Evaluate setting up a formal or informal mentor program.		●
Promotions & Development	Promote awareness	Ensure mandatory unconscious bias training is rolled out and completed for all.	●	

Objectives	Strategies	Activities	2021	2022
Promotions & Development	Promote awareness	Ensure mandatory general diversity and inclusion training is rolled out for all. Focus on the value and business drivers for diversity, which includes gender balance, and inclusion and inclusive leadership.		●
Promotions & Development	HR life cycle	Embed into relevant policy the best practice principles of gender balance in succession talent lists.	●	
Promotions & Development	HR life cycle	Train managers in new processes and update Employee handbook.	●	●
Recruitment	Align targets with contractors	Evaluate and recommend if VE should include expectations regarding gender balance/equality/diversity in template contract documents (with external vendors).	●	
Recruitment	Align targets with contractors	Evaluate if VE should create some principle when hiring temporary works.	●	
Recruitment	HR life cycle	HR to evaluate and improve advertisement text to attract a diverse workforce		●
Recruitment	HR life cycle	Ensure best practice gender balance policy in recruitment panels and recruitment processes.	●	
Recruitment	Learn from others	Work with junior highs, universities, to increase female participation in relevant education areas.	●	●
Work Life Balance	Facilitate responsibilities and family life	Re-evaluate if VE's general flexible working arrangements are in line with peers and employee's fair expectations.	●	
Work Life Balance	Facilitate responsibilities and family life	Re-evaluate policy on structured follow up of employees going into parental leave.	●	

Environmental protection indicators

Significant spills to sea

	2021	2020 ¹	2019 ¹
Significant spills to sea ²	3	2	1

¹ Numbers changed from 2020 sustainability report due to change in definition of significant spill.
² Significant spills are defined as reportable spills to the Norwegian Petroleum Safety Authority (PSA) according to the management regulation §29.

Total waste (tonnes)

Indicator		2021 ³	2020 ³	2019 ³
Hazardous waste	Hazardous Waste Generated	14 899	4 417	6 517
	Hazardous Waste diverted from disposal	56	737	36
	Hazardous Waste directed to disposal	14 843	3 059	6 431
Non-hazardous waste	Non-hazardous Waste Generated	5 968	1 702	833
	Non-hazardous Waste diverted from disposal	2 346	982	420
	Non-hazardous Waste directed to disposal	3 622	720	413
Total waste	Total waste generated	20 867	6 120	7 351
	Total waste diverted from disposal	2 402	1 719	457
	Total waste directed to disposal	18 465	3 779	6 844

³ Onsite and offsite
⁴ Onsite

Onsite waste (tonnes)

	Indicator	2021 ⁴	2020 ⁴	2019 ⁴
Hazardous waste	Hazardous Waste Generated	14 007	3 666	6 517
	Hazardous Waste diverted from disposal	52	16	36
	Hazardous Waste directed to disposal	13 955	3 030	6 431
Non-hazardous waste	Non-hazardous Waste Generated	906	586	833
	Non-hazardous Waste diverted from disposal	540	323	420
	Non-hazardous Waste directed to disposal	366	263	413
Total waste	Total waste onsite generated	14 913	4 253	7 351
	Total waste onsite diverted from disposal	593	339	457
	Total waste onsite directed to disposal	14 321	3 293	6 844
Hazardous waste generated	Total onsite hazardous waste generated	14 007	3 666	6 517
Hazardous waste diverted from disposal	Preparation for reuse	27	1	2
	Recycling	26	15	34
	Other recovery operations	0	0	0
	Hazardous waste diverted from disposal	52	16	36
Hazardous waste directed to disposal	Incineration (with energy recovery)	7 182	1 555	726
	Incineration (without energy recovery)	0	0	0
	Landfilling	2 636	191	1 220
	Other disposal operations (water discharge after purification)	4 137	1 284	4 485
	Hazardous waste directed to disposal	13 955	3 030	6 431

Indicator		2021 ¹	2020 ¹	2019 ¹
Non-hazardous waste generated	Total onsite non-hazardous waste generated	906	586	833
Non-hazardous waste diverted from disposal	Preparation for reuse	12	0	1
	Recycling	528	323	420
	Other recovery operations	0	0	0
	Non-hazardous waste diverted from disposal	540	323	420
Non-hazardous waste directed to disposal	Incineration (with energy recovery)	345	228	304
	Incineration (without energy recovery)	0	0	0
	Landfilling	21	36	109
	Other disposal operations	0	0	0
	Non-hazardous waste directed to disposal	366	263	413

Offsite waste (tonnes)

Indicator ²		2021 ³	2020 ³
Hazardous waste	Hazardous Waste Generated	892	751
	Hazardous Waste diverted from disposal	3	721
	Hazardous Waste directed to disposal	888	29
Non-hazardous waste	Non-hazardous Waste Generated	5 062	1 116
	Non-hazardous Waste diverted from disposal	1 806	659
	Non-hazardous Waste directed to disposal	3 256	457
Total waste	Total offsite waste generated	5 954	1 867
	Total offsite waste diverted from disposal	1 809	1 380
	Total offsite waste directed to disposal	4 144	486

¹ Onsite
² Data not available for 2019
³ Offsite

Indicator ²		2021 ³	2020 ³
Hazardous waste generated	Total offsite hazardous waste generated	892	751
Hazardous waste diverted from disposal	Preparation for reuse	0	0
	Recycling	3	0
	Other recovery operations	0	721
	Hazardous waste diverted from disposal	3	721
Hazardous waste directed to disposal	Incineration (with energy recovery)	249	0
	Incineration (without energy recovery)	0	0
	Landfilling	34	0
	Other disposal operations	605	29
	Hazardous waste directed to disposal	888	29

Non-hazardous waste generated	Total offsite non-hazardous waste generated	5 062	1 116
Non-hazardous waste diverted from disposal	Preparation for reuse	240	0
	Recycling	1 557	0
	Other recovery operations	9	659
	Non-hazardous waste diverted from disposal	1 806	659
Non-hazardous waste directed to disposal	Incineration (with energy recovery)	383	0
	Incineration (without energy recovery)	0	0
	Landfilling	2 873	0
	Other disposal operations	0	457
	Non-hazardous waste directed to disposal	3 256	457

Water use in areas without water stress (Megaliters)

	Indicator	2021 ¹	2020 ¹	2019 ¹
Water withdrawal	Surface water withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids)	16 826	17 586	24 860
	Surface water withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	0	0	0
	Surface water total	16 826	17 586	24 860
	Groundwater withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0
	Groundwater withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	0	0	0
	Groundwater total	0	0	0
	Seawater withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0
	Seawater withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	2 164 810	2 713 434	2 784 835
	Seawater total	2 164 810	2 713 434	2 784 835
	Produced water withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0
	Produced water withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	7 436 987	7 054 170	7 566 719
	Produced water total	7 436 987	7 054 170	7 566 719
	Third-party water withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0
	Third-party water withdrawn from other water (>1,000 mg/L Total Dissolved Solids)	0	0	0
	Third-party water total	0	0	0
	Total water withdrawal	9 618 623	9 785 190	10 376 414

	Indicator	2021 ¹	2020 ¹	2019 ¹
Water discharge	Discharge to surface water	0	0	0
	Discharge to groundwater	0	0	0
	Discharge to seawater	1 790 759	2 110 499	2 788 532
	Discharge to third-party water	0	0	0
	Discharge to third-party water sent for use to other organisations	0	0	0
	Total water discharge	1 790 759	2 110 499	2 788 532
	Total discharge to freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0
	Total discharge to other water (>1,000 mg/L Total Dissolved Solids)	1 790 759	2 110 499	2 788 532
Water consumption ²	Total water consumption	7 827 864	7 674 691	7 587 882

¹ Operational control
² Most of the total water consumption is produced water from reservoir and is reinjected into the reservoir

Water use in areas with water stress (Megaliters)

	Indicator	2021 ¹	2020 ¹	2019 ¹
Water withdrawal	Surface water withdrawn from freshwater (≤1 000 mg/L Total Dissolved Solids)	0	0	0
	Surface water withdrawn from other water (>1 000 mg/L Total Dissolved Solids)	0	0	0
	Surface water total	0	0	0
	Groundwater withdrawn from freshwater (≤1 000 mg/L Total Dissolved Solids)	0	0	0
	Groundwater withdrawn from other water (>1 000 mg/L Total Dissolved Solids)	0	0	0
	Groundwater total	0	0	0
	Seawater withdrawn from freshwater (≤1 000 mg/L Total Dissolved Solids)	0	0	0
	Seawater withdrawn from other water (>1 000 mg/L Total Dissolved Solids)	0	0	0
	Seawater total	0	0	0
	Produced water withdrawn from freshwater (≤1 000 mg/L Total Dissolved Solids)	0	0	0
	Produced water withdrawn from other water (>1 000 mg/L Total Dissolved Solids)	0	0	0
	Produced water total	0	0	0
	Third-party water withdrawn from freshwater (≤1 000 mg/L Total Dissolved Solids)	0	0	0
	Third-party water withdrawn from other water (>1 000 mg/L Total Dissolved Solids)	0	0	0
	Third-party water total	0	0	0
	Total water withdrawal	0	0	0

	Indicator	2021 ¹	2020 ¹	2019 ¹
Water discharge	Discharge to surface water	0	0	0
	Discharge to groundwater	0	0	0
	Discharge to seawater	0	0	0
	Discharge to third-party water	0	0	0
	Discharge to third-party water sent for use to other organisations	0	0	0
	Total water discharge	0	0	0
	Total discharge to freshwater (≤1 000 mg/L Total Dissolved Solids)	0	0	0
	Total discharge to other water (>1 000 mg/L Total Dissolved Solids)	0	0	0
Water consumption	Total water consumption	0	0	0

¹ Operational control

Health and safety indicators

GRI 403-9

	Indicator	Unit	2021 ¹	2020 ¹	2019 ¹
Employees	Number fatalities as a result of work-related injury	Number	-	-	-
	Rate of fatalities as a result of work-related injury	1 000 000 / exposed hour	-	-	-
	Number of high-consequence work-related injuries (excluding fatalities)	Number	-	-	-
	Rate of high-consequence work-related injuries (excluding fatalities)	1 000 000 / exposed hour	-	-	-
	Number of recordable work-related injuries	Number	-	1	1
	Rate of recordable work-related injuries	1 000 000 / exposed hour	-	0.7	0.6
	The main types of work-related injury	Text	NA	Eye	Finger
	The number of hours worked	Number	1 518 305	1 521 587	1 591 495

¹ Operational control

	Indicator	Unit	2021 ¹	2020 ¹	2019 ¹
All workers who are not employees but whose work and/or workplace is controlled by the organisation	Number fatalities as a result of work-related injury	Number	-	-	-
	Rate of fatalities as a result of work-related injury	1 000 000 / exposed hour	-	-	-
	Number of high-consequence work-related injuries (excluding fatalities)	Number	-	-	-
	Rate of high-consequence work-related injuries (excluding fatalities)	1 000 000 / exposed hour	-	-	-
	Number of recordable work-related injuries	Number	5	9	8
	Rate of recordable work-related injuries	1 000 000 / exposed hour	2	5.2	3.9
	The main types of work-related injury	Text	Face/Eyes and hands	Arms (Fingers)	Face (Eyes)
	The number of hours worked	Number	2 450 892	1 720 774	2 074 841

GRI 403-10

	Indicator	Unit	2021 ¹	2020 ¹	2019 ¹
Employees	The number of fatalities as a result of work-related ill health	Number	0	-	-
	The number of cases of recordable work-related ill health	Number	1	0	4
	The main types of work-related ill health	Text	Muscular / skeleton	NA	-
All workers who are not employees but whose work and/or workplace is controlled by the organisation	The number of fatalities as a result of work-related ill health	Number	-	-	-
	The number of cases of recordable work-related ill health	Number	-	-	-
	The main types of work-related ill health	Text	-	-	-

¹ Operational control
- Data not available

People, training and diversity indicators

GRI 102-8

Indicator	2021 ¹	2020 ¹	2019 ¹
Total Number of Employees	950	901	821
Total number of Female Employees	247	236	228
Total number of Male Employees	703	665	593
Number of females on permanent contract	245	-	-
Number of males on permanent contract	698	-	-
Number of females on temporary contract	2	-	-
Number of males on temporary contract	5	-	-
Total number of employees on permanent contract	943	-	-
Total number of employees on temporary contract	7	-	-
Number of employees on permanent contract offshore North	120	-	-
Number of employees on permanent contract offshore South	221	-	-
Number of employees on permanent contract onshore Stavanger	513	-	-
Number of employees on permanent contract onshore Oslo	31	-	-
Number of employees on permanent contract onshore Hammerfest	58	-	-
Number of employees on temporary contract offshore North	4	-	-
Number of employees on temporary contract offshore South	2	-	-
Number of employees on temporary contract onshore Stavanger	1	-	-
Number of employees on temporary contract onshore Oslo	0	-	-
Number of employees on temporary contract onshore Hammerfest	0	-	-

¹ Operational control
- Data not available
Vår Energi – Sustainability report 2021

Indicator	2021 ¹	2020 ¹	2019 ¹
Female Full Time Employees	237	-	-
Male Full Time Employees	701	-	-
Total number of Full Time Employees	938	-	-
Female Part Time Employees	10	-	-
Male Part Time Employees	2	-	-
Total number of Part Time Employees	12	-	-

GRI 401-1

Indicator	2021 ¹	2020 ¹	2019 ¹
Turnover in	93	58	44
Turnover in: below 30	22	-	-
Turnover in: 30-50	58	-	-
Turnover in: 50+	13	-	-
Turnover in: Females	28	-	-
Turnover in: Males	65	-	-
Turnover in: offshore North	4	-	-
Turnover in: offshore South	17	-	-
Turnover in: onshore Stavanger	67	-	-
Turnover in: onshore Oslo	0	-	-

Indicator	2021 ¹	2020 ¹	2019 ¹
Turnover in: onshore Hammerfest	5	-	-
Turnover out	52	32	74
Turnover out: below 30	2	-	-
Turnover out: 30-50	11	-	-
Turnover out: 50+	39	-	-
Turnover out: Females	16	-	-
Turnover out: Males	36	-	-
Turnover out: offshore North	1	-	-
Turnover out: offshore South	13	-	-
Turnover out: onshore Stavanger	32	-	-
Turnover out: onshore Oslo	2	-	-
Turnover out: onshore Hammerfest	4	-	-
Turnover total	41	26	(30)

GRI 401-3

Indicator ²	2021 ¹	2020 ¹
Number of females that were entitles to parental leave	28	20
Number of males that were entitles to parental leave	23	16
Total number of employees that were entitles to parental leave	51	36
Number of females that took parental leave	28	20
Number of males that took parental leave	23	16
Total number of employees that took parental leave	51	36

Indicator ²	2021 ¹	2020 ¹
Number of females that returned to work in the reporting period after parental leave ended	17	12
Number of males that returned to work in the reporting period after parental leave ended	16	12
Total number of employees that returned to work in the reporting period after parental leave ended	33	24
Number of females that returned to work after parental leave ended that were still employed 12 months after their return to work	15	-
Number of males that returned to work after parental leave ended that were still employed 12 months after their return to work	16	-
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	31	-
Return to work rate females	100.0%	100.00%
Return to work rate males	100.0%	100.00%
Total return to work rate	100.0%	100.00%
Retention rate females	88.2%	-
Retention rate males	100.0%	-
Total retention rate	93.9%	-

¹ Operational control
² 2019 data not available
- Data not available

GRI 404-1

Indicator ²	2021 ¹	2020 ¹
Average hours of training L2	-	-
Average hours of training L3	-	-
Average hours of training L4	-	-
Average hours of training L5	-	-
Average hours of training other employees	-	-
Average hours of training females	14	9
Average hours of training males	34	22

GRI 405-1

Indicator	2021 ¹	2020 ¹	2019 ¹
Number of female board members	1	1	3
Number of male board members	7	7	5
Number of board members: Below 30	0	-	-
Number of board members: 30-50	2	-	-
Number of board members: 50+	6	-	-
Number of female employees	247	236	-
Number of male employees	703	665	-
Number of employees: Below 30	72	62	-
Number of employees: 30-50	498	482	-
Number of employees: 50+	380	357	-

GRI 406-1

Indicator	2021 ¹	2020 ¹	2019 ¹
Total number of incidents of discrimination during the reporting period	0	-	-

WEF-indicators

Indicator	2021 ¹	2020 ¹	2019 ¹
Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable	Not applicable	Not applicable
Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	18%	20%	-
Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees	-	-	-

¹ Operational control
² 2019 data not available
- Data not available

Business integrity indicators

Indicator	Unit	2021 ¹	2020 ¹	2019 ¹
Due diligence conducted for new license partners, customers, R&D partners, sponsor contracts and main contractors	Number and Percentage	450 (100%)	475 (100%)	100%
Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to.	Number and Percentage	8 (100%)	8 (100%)	8 (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.	Number and Percentage	1048 (84%)	901 (100%)	821 (100%)
Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to	Number and Percentage	374 (100%)	100%	100%
Total number and percentage of governance body members that have received training on anti-corruption.	Number and Percentage	8 (100%)	8 (100%)	8 (100%)
Total number and percentage of employees that have received training on anti-corruption, broken down by employee category.	Number and Percentage	1189 (96%)	1006 (87%)	816 (82%)
Total number and nature of confirmed incidents of corruption	Number	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	Number	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Number	0	0	0

Indicator	Unit	2021 ¹	2020 ¹	2019 ¹
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Number	0	0	0
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	Number	0	0	0

¹ Operational control

Sustainable supply chain indicators

Indicator ²	Boundary	Unit	2021 ¹
Percentage of spending on local suppliers	Operational Control	Percentage	90%
Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor, either in terms of type of operation or countries / geographic areas	Operational Control	Number	-
New suppliers that were screened using social criteria	Operational Control	Percentage	100%
Suppliers assessed for social impacts	Operational Control	Number	75%
Suppliers identified as having significant actual and potential negative social impacts	Operational Control	Number	-
Significant actual and potential negative social impacts identified in the supply chain.	Operational Control	Text	None
Suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	Operational Control	Percentage	-
Suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	Operational Control	Percentage	-

¹ Operational control
² 2020 and 2019 numbers not available

Economic indicators

Indicator ²	Unit	2021 ¹	2020 ¹	Comments
Direct economic value generated: revenues	USD thousand	6 086 775	2 926 098	Petroleum revenues and other income, note 12 interest income and dividends
Economic value distributed: operating costs	USD thousand	1 217 094	1 082 117	Production costs, exploration expenses, other operating expenses - employee wages
Economic value distributed: employee wages and benefits	USD thousand	240 508	179 776	Note 8 Staff costs and remuneration
Economic value distributed: payments to providers of capital	USD thousand	1 091 532	638 638	Cash flow statement: Dividend paid, interest paid
Economic value distributed: payments to government	USD thousand	(62 781)	410 369	Cash flow statement: Income taxes paid, note 7 Environmental taxes
Economic value distributed: community investments	USD thousand	591	632	Amount supported to CSR projects
Economic value retained: 'direct economic value generated' less 'economic value distributed'.	USD thousand	(29 456)	70 116	Cash flow statement: Net change in cash and cash equivalents
a. Extent of development of significant infrastructure investments and services supported.	USD thousand	0	0	
b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.				
c. Whether these investments and services are commercial, in-kind, or pro bono engagements				

¹ Operational control
² Data not available 2019

Indicator ²	Unit	2021 ¹	2020 ¹	Comments
Political contributions	USD thousand	0	0	
Total monetary value of financial assistance received by the organisation from any government during the reporting period.	USD thousand	0	0	
Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	USD thousand	2 633 140	1 947 039	Cash flow statement
Share buybacks plus dividend payments, supported by 'narrative to describe the company's strategy for returns of capital to shareholders.	USD thousand	950 000	450 000	Cash flow statement
The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	USD thousand	(62 781)	410 369	Cash flow statement: Income taxes paid, note 7 Environmental taxes

¹ Operational control
² Data not available 2019

