Aker BP ASA - Climate Change 2018

C0. Introduction

C0.1

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

Aker BP ASA is a full- fledged oil company with exploration, development and production of petroleum resources on the Norwegian continental shelf. Aker BP ASA is jointly owned by Aker ASA (40%), BP (30%) and other shareholders (30%). The company is listed on the Oslo Stock Exchange with the ticker 'AKERBP'. Aker BP's headquarter is located in Lysaker, with offices in Harstad, Sandnessjøen, Stavanger and Trondheim. At the end of 2017, Aker BP had 1371 employees. In 2017, we hired 122 new permanent employees, including 12 trainees - 21.3 % were female. 108 people left the company. Females accounted for 40% of the seats on the Board of Directors and 20% of the Executive management team. Aker BP is the operator for the fields; Valhall, Ula, Ivar Aasen, Alvheim and Skarv, making Aker BP a major producer of oil and gas. The company is one of the largest independent listed oil and gas companies in Europe, measured by production. Total revenue for Aker BP ASA for 2017 was 2 575 654 (USD 1000). The company paid taxes that amounted to 101 115 (USD 1000). Aker BP produced volumes (barrels of oil equivalent) worth a total of 50 671 230 (USD 1000). Reserves are estimated to be 913.5 million barrels of oil equivalents .

Aker BP operates only in Norway and has scope 1 and 2 emissions. Scope 3 emissions are partly estimated. Direct GHG emissions (scope 1) were 910,754 CO2 e tonnes in 2017, and indirect GHG emissions (scope 2) were 127,170 CO2 e tonnes. NOx emissions were 2,034 tonnes compared with 1663 tonnes in 2016. The increase is caused by higher drilling rig activity in 2017.

The average emission of CO2 per produced unit was 7.2 kg CO2/boe (54kg CO2/tonne oe) for fields operated by Aker BP. We were able to meet our target of less than 8.0 kg CO2/boe, because two of our assets are supplied with electricity (Valhall with power from shore and Ivar Aasen with power from Edvard Grieg and power from shore in 2022). In 2017, Aker BP also pioneered the use of electricity for powering the new drilling rig Maersk Invincible, used for plugging wells on the Valhall field. Electrification of the rig resulted in an annual reduction of 186 tonnes NOx and 16 000 tonnes CO2. Electric power is also an added bonus for the working environment, where noise is reduced, and diesel exhaust exposure is eliminated. The preferred use of electricity is part of the active energy management commitment within the company.

In addition to electrification, Aker BP has worked to reduce flaring and to quantify emissions to air of non-combusted hydrocarbon gases. On the Valhall field, the low pressure flare was closed in 2015, therby putting an end to pilot flaring. Both Skarv and Alvheim have closed flares and are using low-NOx turbines with heat recovery. Ivar Aasen closed its flare at the end of 2017. Flaring in 2017 was 35% lower than in 2016.

To support the Paris climate agreement with the 2 degrees limit and the KonKraft initiative (reduction target for the Norwegian petroleum industry), Aker BP has committed to reduce CO2 emissions corresponding to our share of the KonKraft obligations (140 000 tonnes CO2/annum from 2020-2030). An energy forum has been established to actualize our part of the obligations. Our goal is to minimize emissions from activities on the Norwegian continental shelf through choosing energy-efficient solutions and operations. New projects must perform feasibility studies for power from shore or power transmission. In cases where new energy-intensive equipment is purchased, the equipment must be as energy-efficient as possible and utilise low-emission technology.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Norway

C0.4

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

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C-OG0.7

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

Row 1

Oil and gas value chain

Upstream

Other divisions

Please select

C1. Governance

C1.1

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

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	Board chair together with the Board of Directors have ownership of climate related objectives and expectations in the Aker BP's strategy. Production KPI's and project targets are included as part of the incentive structure. Climate strategy is incorporated in the business management system and anchored in the corporate HSSE policy and plans for 2018.
Board/Executive board	The Board/executive board has ownership of climate related objectives and expectations in the Aker BP's strategy. Climate strategy is incorporated in the business management system and anchored in the corporate HSSE policy and plans for 2018. Climate related issues, risks and opportunities are reviewed on a regular basis by the Board.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The company's annual strategy process has a separate work stream to quantify our climate-related performance and related risks and opportunities. We project our performance in the future, and define a target we want to achieve. Thereafter we agree initiatives to be worked on during the strategy period to achieve this target. The board has ownership to the climate related issues. They review and guide the major plans of action when it comes to investment decisions for climate initiatives. The strategy, objectives and levers we use are anchored in the Executive Management Team, and communicated throughout the company. It is supported by our Sustainability report, which provides transparency around our broader sustainability performance - including climate-related issues. The Board will review and provide guidance for the major plans of action related to climate reductions. Risks and opportunities are reviewed and guidance given as to how climate related risk is part of the company performance objectives. The Board will also monitor and oversee progress against goals and targets set for short-term and long-term perspectives. Business plans are reviewed alongside budgets to set the correct strategic priorities for climate related issues.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Assessing climate-related risks and opportunities	Quarterly
Chief Financial Officer (CFO)	Assessing climate-related risks and opportunities	Quarterly
Chief Operating Officer (COO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Other C-Suite Officer, please specify (HSSE)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other committee, please specify (Energy Forum)	Both assessing and managing climate-related risks and opportunities *Nominated persons in management to identify, discuss and plan climate management activities. Challenge and support the business in order to deliver in accordance to climate related objectives and expectations. Ensure availability of information and necessary resources Bring in external perspectives and ensure measures for continuous improvement. Share experieence and best practice across the organisation. Ensure climate review with the business.*	More frequently than quarterly
Chief Procurement Officer (CPO)	Assessing climate-related risks and opportunities	Quarterly
Sustainability committee	Assessing climate-related risks and opportunities	More frequently than quarterly
Environmental, Health, and Safety manager	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

Aker BP supports the Paris Agreement to limit Earth temperature increase to well below 2°C and conclusions from Intergovernmental plan on climate change (IPPC). Aker BP will reduce the emissions in line with the obligations in the KonKraft agreement. Aker BP's business strategy is to integrate climate and energy management in all our operations and to implement climate efficient solutions in the entire company. We work by promoting and investing in innovative energy solutions and have established a long-term R&D strategy to invest in climate related research. We work with climate by setting the tone from the top (Executive leadership team and Board) with expectations and policy setting. Our Energy forum is used to support and challenge the business. Leaders and all employees take ownership and adhere to climate objectives. Entire company and all our operations shall work to meet the strategic directions and objectives. We put in place efficient and well-established processes, key performance indicators (KPI) and routines for climate and energy efficiency.

The roles and responsibilities are clearly stated in our common governing model for Climate and Energy Efficient Solutions. These positions are responsible for climate related issues:

Board of Directors:
- Ownership of climate related objectives and expectations in Aker BP's Strategy □

Executive leadership team (Senior Vice presidents from HSSE, Operations, Improvement , Supply Chain, Finance, Exploration, Reservoir development, Projects and CEO,): □
- Commitment and accountability to support the Paris Agreement □
- Accountability to reduce our emissions in line with the obligations in the KonKraft agreement □
- Sponsorship of the Energy Forum □

Energy Forum: □
- Nominated persons in management to identify, discuss and plan climate management activities
- Challenge and support the business in order to deliver in accordance to climate related objectives and expectations
- Ensure availability of information and necessary resources
- Bring in external perspectives and ensure measures for continuous improvement □
- Share experience and best practice across the organisation
- Ensure climate review with the business, including risk and opportunity inputs

Leaders: □
- Ensure all employees, assets, and installations adhere to climate related objectives and expectations
- Identify, prioritise and follow-up opportunities for improving climate and energy management performance
- Act as role models □

Employees: □
- All employees in our company are expected to follow our climate related objectives and expectations
- Develop a climate management mind-set and challenge established truths
- Bring in ideas and suggestions for energy efficiency initiatives including continuous improvement
-

Climate is monitored and managed monthly by review of key performance indicators such as CO2 intensity per asset and aggregated for the company, following market trends, operational costs including CO2 costs (taxes, climate allowances etc.)

C1.3

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

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?
Board Chair

Types of incentives
Monetary reward

Activity incentivized
Efficiency target

Comment
Efficiency target (kg CO2/boe) is a company wide KPI and incentives are based on how well Aker BP delivers on the key performing indicators.

Who is entitled to benefit from these incentives?
Board/Executive board

Types of incentives
Monetary reward

Activity incentivized
Efficiency target

Comment
Efficiency target (kg CO2/boe) is a company wide KPI and incentives are based on how well Aker BP delivers on the key performing indicators.

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Monetary reward

Activity incentivized
Efficiency target

Comment
Efficiency target (kg CO2/boe) is a company wide KPI and incentives are based on how well Aker BP delivers on the key performing indicators.

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Monetary reward

Activity incentivized
Efficiency target

Comment
All employees who are salary based can receive a monetary reward based on Aker BP's performance. Efficiency target is a company wide KPI and incentives are based on how well Aker BP delivers on the key performing indicators.

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Recognition (non-monetary)

Activity incentivized
Environmental criteria included in purchases

Comment
Supply chain is engaged in the process to include environemental criteria in purchases. Emission reduction due to contracting a drilling rig (Maersk Invincible) supplied by electrical power in 2017 on Valhall. Reduced CO2/year with 15 200 tonnes, in addition to NOx reductions.

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Monetary reward

Activity incentivized
Efficiency target

Comment
Production KPI's and project targets are included in the incentive structure for relevant managers. Climate stratety and enery management are included in the Corporate HSSE plan for 2018.

Who is entitled to benefit from these incentives?
Management group

Types of incentives
Recognition (non-monetary)

Activity incentivized
Environmental criteria included in purchases

Comment
Environmental criteria are included in purchases in Aker BP.

Who is entitled to benefit from these incentives?
Management group

Types of incentives
Recognition (non-monetary)

Activity incentivized
Supply chain engagement

Comment
Supply chain is engaged in the process to include environemental criteria in purchases. Emission reduction due to contracting a drilling rig (Maersk Invincible) supplied by electrical power in 2017 on Valhall. Reduced CO2/year with 15 200 tonnes, in addition to NOx reductions.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	3	Short term risks and opportunities are to position ourselves to meet the low-carbon economy recognized in the Paris Agreement to ensure we reach our obligations of reducing CO2 emissions annually from 2020-2030. This includes evaluating power from shore and windpower for new projects.
Medium-term	3	10	Medium term we have a goal to reduce CO2 emissions with 140 000 tonnes CO2 per year from 2020-2030. Risks for not meeting this goal and opportunities for exceeding the goal need to be in place. Climate risk with regards to changes within the following areas are also considered: market, regulatory, technical, reputation, physical and operational. Energy efficiency, flaring reduction, fuel switching (from diesel to gas), fugitive emissions (methane) and detailed emission reporting are mid-term strategies to impact the climate change, risks and opportunities and are all important issues influencing Aker BP.
Long-term	10	30	Norway's political goals for reduction of climate gas emissions heavily affects the oil and gas industry, and hence Aker BP as a Norwegian exploration and production company. Supply of electrical power from shore to offshore installations is a long-term objective in our climate strategy. Changes in the market and regulatory impacts on climate related risks and opportunities are assessed to evaluate and set a long-term horizon. We consider a 10+ year perspective as long-term as our assets lifetimes range from 2028 to 2040+ in a market that is still dependent on oil and gas. Modification solutions to existing facilities to reduce the climate impact vary in length from medium-term to long-term. New build facilities are also part of the long-term horizon.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	The Company risks are evaluated by top management and discussed with the Board on a monthly basis. Climate related risks are included in the company strategy including new field developments. Field developments normally have a time frame of 10 - 30 years; in some cases longer. Climate change is considered both as a risk and an opportunity for new developments and existing installations.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Aker BP uses an enterprise risk management process where risks and opportunities are identified and managed at all levels (activity, asset, business unit and company) to enable us to maximise opportunities, minimise threats and optimise achievements of performance objectives. We address and manage risks and opportunities across silos throughout the asset value chain and company. It is a common infrastructure that enables a holistic risk and opportunity managment on all levels. The common govering model includes:

- Risk and opportunity govering principle, bodies and reporting structure
- Risk and opportunity process framework and infrastructure
- Risk reduction and barrier managment

The governing structure is to manage risks and opportunities effectively and provide information where needed. The risk and opportunity management process is dynamic and the risks and opportunities must be updated and reported when significant changes occur. The Board of Directors review status monthly. A quarterly review is performed by the Audit and Risk committee as well as the Safety and Environment assurance (SEA) committee. Executive management team will review risks and opportunities upfront of the Board of Directors monthly meeting.

Significant risks and opportunities are elevated from lower levels. Risks and opportunities are captured and followed up in a risk management tool (PIMS). Risks and opportunities are reviewed on a monthly basis at all levels in the organization. The majority of the risks and opportunities originate from the Company's activity set. In addition, risks are also captured from various sources like regulators, industry initiatives, NGOs, public perception, investors, and mapped in appropriate tools. Risk registers are maintained and updated on a regular basis for both activities and business processes. Risks from each business unit are aggregated to company level. Risk management in Aker BP follows the international standard ISO 31000.

Risks and opportunities are evaluated using a matrix, including categories for Personnel, Environment (including climate), Cost and Project schedule impact, Production regularity and Reputation. The risks and opportunities are categorized based on probability and associated consequence and lifted to the appropriate level in the organisation (highest category is elevated to the Boards of Directors). Climate risk/green competiveness is followed up as one of the risks for Aker BP. It covers energy efficiency and climate change risks and opportunities. The risks and opportunities are evaluated according to the risk matrix and actions are taken and tracked to address the risks and opportunities. Identification of climate related risks and opportunities is an integrated process into the overall risk management system.

Aker BP has one of the core principles implemented in a common governing model for climate and energy efficiency. The business strategy will be impacted in such a way that Aker BP will be focused on energy efficient and low emission operations. This way Aker BP has reviewed the substantive financial impact on climate related risks and opportunities by taking real actions to meet the expectations of the market. The actions require significant changes and long-time commitments and investments.

We define a substantive financial impact to be:

- 20% decrease in revenue, i.e. 500 USDm based on 2017
- >5% reduction of our earnings (EBITDA), i.e.50 USDm based on 2017

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Regulation updates are received from the various regulatory agencies (Norwegian Environmental Agency, Petroleum Safety Authority, EU, etc.). Regulatory changes are reviewed and both risks and opportunities are evaluated to assess the impact of climate related issues. For example the climate quota permits are checked annually as required in the management system. This is covered under the Environment category of our risk matrix.
Emerging regulation	Relevant, always included	The impact of emerging regulations is assessed for business and climate impact risk. Emerging regulations are typically received through the trade organization NOROG with options to comment and influence the proposed changes. This includes both national, regional and EU/international regulations. NOROG submits comments on behalf of the Norwegian oil and gas industry. For national regulations (i.e. Norwegian Environmental Agency and Petroleum Safety Authority) Aker BP also provides an impact assessment and comments directly to the regulatory bodies. Risk and/or opportunity is captured in the system if the impact is significant. For example the climate quota permits are checked annually as required in the management system, upcoming regulations are assessed as part of this. This is covered under the Environment category of our risk matrix.
Technology	Relevant, sometimes included	''Best available technology'' is used for all new field development designs and existing facilities, including emission reduction solutions. An example of this is the use of Thermtech cuttings cleaner (TCC®) during drilling operations. It is a technology that converts kinetic energy to thermal energy in a thermal desorption process that separates and recovers the components of drilling waste whilst preserving the original quality of the components prior to treatment. As a result, the recovered base oil can for example be re-used in new Oil Based Mud (OBM) or as fuel for diesel engines, whilst the cleaned solids have various industrial uses. Regulatory agencies have questions regarding the environmental/climate benefit and there have been legal questions raised for other oil and gas operators. Reputation is yet another area that needs to be considered if choosing such a technology. The overall picture of risks and opportunities and the impact of cost/climate/environment/legal/reputation/regulatory bodies has to be evaluated and assessed before implementing new technologies. Aker BP has specifically allocated resources to stay updated on new technolgy that is beneficial for reduced climate impact and also development within renewable energy technology. This is covered under the Environment, Project and Cost and Production regularity of our risk matrix..
Legal	Relevant, always included	There are no ongoing lawsuits. The company is attentive to legal proceedings that could have an impact on climate related risks and our enterprise. An example of this is the use of Thermtech cuttings cleaner (TCC)during drilling operations. Regulatory agencies have questions regarding the environmental/climate benefit and there have been legal questions raised for other oil and gas operators. Reputation is yet another area that needs to be considered if choosing such a technology. The overall picture of risks and opportunites and the impact of cost/climate/environment/legal/reputation/regulatory bodies has to be evaluated and assessed before implementation. This is covered under the Environment, category of our risk matrix.
Market	Relevant, always included	A decrease in oil demand will result in lower oil price and reduced income to Aker BP. A significant reduction in oil price (typically below 40 USD) will make new developments less attractive and the net present value for these developments will be significantly reduced. This may result in fewer developments are sanctioned. The current developments in the CO2 allowance price will also be accounted for in future projects. This is covered under the Environment category of our risk matrix.
Reputation	Relevant, always included	Reputation is one of the categories that need to be assessed in the risk and opportunity management system, which includes climate related issues. An example of this is the use of Thermtech cuttings cleaner (TCC)during drilling operations. Regulatory agencies have questions regarding the environmental/climate benefit and there have been legal questions raised for other oil and gas operators. Reputation is yet another area that needs to be considered if choosing such a technology. The overall picture of risks and opportunites and the impact on cost/climate/environment/legal/reputation/regulatory bodies has to be evaluated and assessed before implementation.
Acute physical	Relevant, always included	Sea level rise and extreme weather are acute physical risk elements that are considered as climate related. For example; the Valhall field centre and Tambar installation are subject to subsidence and a rise in the sea level will amplify this issue. It is not expected that sea level rise will have any siginficant effect of any of the other four fields in operation. Extreme weather becoming more frequent, can lead to operational limitations and shut-in of production. Three out of five fields may be exposed to this risk.
Chronic physical	Relevant, sometimes included	Changes in precipitation patterns and extreme variability in weather pattern could be relevant for our operations in the North Sea, Norwegian Sea and exploration in the Barents Sea. This is covered under the Environment and Production Regularity categories of our risk matrix. Clear selection
Upstream	Relevant, always included	Possible future changes in Norwegian oil and gas regulations requiring new technical solutions to significantly reduce the CO2 emissions for existing fields (e.g. by requiring supply of electric power from shore to existing fields, such as Alvheim FPSO and Skarv FPSO). This is covered under the Environment and Production Regularity categories of our risk matrix.
Downstream	Relevant, always included	Oil and gas is exported for downstream processing at refineries.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Climate-related risks and opportunities are handled in our enterprise risk management system as described below.

Aker BP has implemented an enterprise risk management process where risks and opportunities are identified and managed at all levels (activity, asset, business unit and company) to enable us to maximise opportunities, minimise threats and optimise achievements of performance objectives. We address and manage risks and opportunities across silos throughout the asset value chain and company. It is a common infrastructure that enables a holistic risk and opportunity managment on all levels.

The common govering model includes:

•Risk and opportunity govering principle, bodies and reporting structure

•Risk and opportunity process framework and infrastructure

•Risk reduction and barrier management

The governing structure is to manage risks and opportunities effectively and provide information where needed. The risk and opportunity management process is dynamic and the risks and opportunities must be updated and reported when significant changes occur. The Board of Directors review status monthly. A quarterly review is performed by the Audit and Risk committee as well as the Safety and Environment assurance (SEA) committee. Executive management team reviews risks and opportunities upfront of the Board of Directors monthly meeting. Significant risks and opportunities are elevated from lower levels. Risks and opportunities are captured and followed up in a risk management tool (PIMS). Risks and opportunities are reviewed monthly at all levels in the organization. The majority of the risks and opportunities originate from the Company's activity set and are divided into physical and transitional risks. An example of a physical risk is rising sea water level resulting in structural damage or collapse. An example of transitional risk is reputation of the oil and gas industry and Aker BP as such, due to NGO’s and public interest in climate related issues. In addition, risks are also captured from various sources like regulators, industry initiatives, NGOs, public perception, investors, and mapped in appropriate tools. Risk registers are maintained and updated on a regular basis for both activities and business processes. Risks from each business unit are aggregated to company level. Risk management in Aker BP follows the international standard ISO 31000. Risks and opportunities are evaluated using a matrix, including categories for Personnel, Environment (including climate), Cost and Project schedule impact, Production regularity and Reputation. The risks and opportunities are categorized based on probability and associated consequence and lifted to the appropriate level in the organisation (highest category is elevated to the Boards of Directors). Climate risk/lack of green competitiveness is followed up as one of the risks for the company. It covers energy efficiency and climate change risks and opportunities. The risks and opportunities are evaluated according to the risk matrix and actions are taken and tracked to address the risks and opportunities. Identification and management of climate related risks and opportunities is an integrated process into the overall risk management system and followed up in emergency response plans if applicable.

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact driver
Policy and legal: Increased costs and/or reduced demand for products and services resulting from fines and judgments

Company- specific description
Possible future changes in Norwegian regulations, most notably taxes on carbon or NOx emissions, would impact Aker BP's business by increasing our production costs.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
High

Potential financial impact
630000000

Explanation of financial impact
Cost will vary significantly from one field to another. Power from shore is estimated to 0.21 billion USD for one field.

Management method
Aker BP actively monitor marked development and changes in policies and regulations by engaging with regulatory bodies, industry organizations and seeking best practice. We prioritize to use electric power from the grid on our new installations, including use of renewables. In 2017, the risks and opportunities were identified and followed up at a company level. Significant risks, such as climate impact in Aker BP was lifted to senior management and Board of Directors. As a result a new position was added to strengthen the management of climate, energy and sustainability in Aker BP. All enterprise risks were tracked and followed up in the risk management tool. Risk reviews were conducted monthly in organization. CO2 intensity target for 2017 was less than 8 kg CO2/boe and actively followed up during 2017 in the corporate KPI scorecard. In addition, we constantly monitor taxes, gas and power prices (i.e. the relevant input factors for financial feasibility) in our quarterly updates.

Cost of management
200000

Comment
Communication with the authorities and attending NOROG committees will be done regardless of this risk. Associated costs are included in budget and estimated to 200.000 USD.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Rising sea levels

Type of financial impact driver
Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company- specific description
The Valhall field platforms, Tambar and Ula platforms, located offshore in the North Sea, are subjected to waves and/or subsidence. A rise in sea level (extreme waves) will amplify this issue and is a risk for all platform installations. However, the subsidence is only relevant for one of the Valhall platforms at the field center. It is caused by reservoir compaction and reduction of original design air gap allowance. Under storm conditions there is a potential for storm wave crests to impact the lower-decks resulting in wave induced loading onto the structures that is above the tolerance level. Extreme weather conditions can lead to structural collapse.

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
High

Potential financial impact
100000000

Explanation of financial impact
Operations may be shut down at an earlier stage due to less clearance between lower deck and sea water level. A rise in sea water level may accelerate the need for modifications on the Valhall field to withstand extreme weather conditions. It is difficult to estimate the financial implications of this effect due to high uncertainty. However, modifications to risers to withstand higher loads caused by extreme weather is estimated to 10 million USD. A structual collapse will result in a financial impact of 100 mill USD. The impact for the business will be larger as a result of environmental damage and liabilities.

Management method
Aker BP uses an enterprise risk process for the company. Risks are identified and followed up at a project or asset level and significant risks are also lifted to senior management including Board of Directors and the Audit and Risk committee. All enterprise risks are tracked and followed up in the risk management tool. Risk reviews are conducted monthly in the organisation. The risks for structural collapse, equipment and environmental impact are followed up in the risk management tool for the relevants assets, ie. Valhall , Ula and Tambar. The probability of collapse for Tambar is every 5x10-E4 years, and for Valhall it varies between 10-E2 and 10-E4 years. The weather forecasts are monitored and managed by un-manning procedures. If the significant wave height exceeds a threshold, production will be shut in and the platform will be unmanned. In 2017 Valhall managed one severe weather forecast. A risk of this magnitude is lifted to Executive Management Level and Board of Directors. Risk reviews are conducted at least monthly in the organisation. Modifications are followed up through the Company's Management of change process to ensure the risk is managed in a correct manner.

Cost of management
200000

Comment
Included in the budget and estimated to 200,000 USD.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact driver
Policy and legal: Increased costs and/or reduced demand for products and services resulting from fines and judgments

Company- specific description
Aker BP have several fields that are marginal and it will be a challenge to develop these if new regulations require new expensive design solutions to reduce CO2 emissions, or taxes on CO2 emissions are to be increased. This may imply that marginal fields (high development or operational costs, or low relative production) may become uneconomical, and impact the whole company.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium

Potential financial impact
500000000

Explanation of financial impact
The break even price will be significantly increased and resulting in an uneconomic development with cost above long term oil price forecast Estimated overall financial impact 500 million USD

Management method
Interact with authorities and politicians on technical and economic consequences of new requirements. Aker BP installed a regular exchange platform with an official Industry committee (NOROG). Within this committee, formalized input is given that aims at feeding into discussion about changes to regulations. Aker BP uses an enterprise risk process for the company. Risks are identified and followed up at a project or asset level and significant risks are also lifted to senior management including Board of Directors and the Audit and Risk committee. All enterprise risks are tracked and followed up in the risk management tool. Risk reviews are conducted monthly in the organisation.

Cost of management
100000

Comment
Communication with the authorities and attending NOROG committees meetings will be performed regardless of this risk and associated costs are included in budget and estimated to 100.000 USD.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver
Reduced revenues from lower sales/output

Company- specific description
Extreme weather beoming more frequent leading to operational limitations and shut down of production. Three out of the five fields may be exposed to this risk.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Potential financial impact
11000000

Explanation of financial impact
It is estimated that extreme weather can result in one week of additional down time for 3 of our fields. This is caused by e.g. interruption of offloading activities from the FPSO's. One week of additional downtime is estimated to 11 million USD (net) per year.

Management method
Aker BP uses an enterprise risk process for the company. Risks are identified and followed up at a project or asset level and significant risks are also lifted to senior management including Board of Directors and the Audit and Risk committee. All enterprise risks are tracked and followed up in the risk management tool. Risk reviews are conducted monthly in the organisation. Examples of mitigation actions resulting from this process are:- Installation of umbilical to allow hydraulic actuation of gas export subsea ball valve in severe weather conditions- Update of procedure for extreme weather to limit operations/activities during severe weather conditions.

Cost of management
100000

Comment
Included in budget and estimated to 100,000 USD.

Identifier

Risk 5

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

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Stigmatization of sector

Type of financial impact driver
Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description
Impaired reputation of Oil and Gas companies, including Aker BP, as a result of having activities leading to significant CO2 emissions could lead to lower oil and gas prices and therefore lost revenue impacting the company.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Potential financial impact
1000000000

Explanation of financial impact
A decrease in oil demand will result in lower oil price and reduced income to Aker BP. Based on our Q2 2018 reporting, assuming a USD 4bn revenue figure for a year, we could assume a 25% decrease in revenue which would equate to USD 1 bn lost revenue. In addition, a lower oil price would make new developments unprofitable, meaning that the Net Present Value (NPV) of these projects would be lost.

Management method
Aker BP uses an enterprise risk process for the company. Risks are identified and followed up at a project or asset level and significant risks are also lifted to senior management including Board of Directors and the Audit and Risk committee. All enterprise risks are tracked and followed up in the risk management tool. Risk reviews are conducted monthly in the organisation. To mitigate this risk, Aker BP made a business decision to be more transparent in our operations by continuing CDP - and sustainability reporting for 2017 and intensifying our efforts to reduce climate impact by introducing and anchoring the climate strategy in 2017, by amongst other initiatives. The KPI for CO2 intensity target was a driver for reducing CO2 in all our existing fields and new developments. Additionally, in 2017, revitalizing energy management in our operations which also supported the overall strategy. Aker BP also increased focus on climate related R&D and is actively seeking improved climate and energy efficient solutions. Aker BP experienced a cultural change in mindset to also include other renewable energy sources for new development/larger modifications. Because of this changed mindset in 2017, we now work on projects to retrofit power from shore combined with wind power.

Cost of management
100000

Comment
Aker BP internet web site to be continously updated to continously report on our status meeting the company's climate strategy. Included in budget and estimated to 100.000 USD.

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Market: Changing customer behavior

Type of financial impact driver

Market: Change in revenue mix and sources resulting in decreased revenues

Company- specific description
Reduced demand for oil as a result of a change from e.g. petrol cars to electrical driven cars, oil to gas switching in the heavy transport and petrochemical section as a result of climate considerations or taxes - hence less demand for oil from Aker BP. This would impact the whole company in the form of lower revenues.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Potential financial impact
400000000

Explanation of financial impact
A decrease in oil demand will result in lower oil price and reduced income to company. Based on our Q2 2018 reporting, assuming a USD 4bn revenue figure for a year, we could assume a 10% decrease in revenue which would equate to USD 400 mn lost revenue. In addition, a lower oil price would make new developments unprofitable, meaning that the NPV of these projects would be lost.

Management method
Aker BP uses an enterprise risk process for the company. Risks are identified and followed up at a project or asset level and significant risks are also lifted to senior management including Board of Directors and the Audit and Risk committee. All enterprise risks are tracked and followed up in the risk management tool. Risk reviews are conducted monthly in the organisation. Examples of actions were development of a new KPI for CO2 intensity target for all our operations and establishing measures for climate friendly solutions for new developments.Examples of other risk reducing measures are: -Integrate energy management in our operations and operations model -Evaluate power from shore for all new field developments -Promote and invest in innovative energy solutions for late life operations -Invest in R&D work to promote knowledge of low carbon energy solutions and implement climate efficient solutions -Long term R&D strategy to invest in climate related research (e.g. carbon capture storage). This specific risk is global and beyond Aker BP's control. Our management method is therefore to monitor development of this risk factor and forecast prices of our products, so that we make the correct investment decisions.

Cost of management
100000

Comment
Included in budget and estimated to 100.000 USD.

Identifier
Risk 7

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Stigmatization of sector

Type of financial impact driver
Reputation: Reduced revenue from negative impacts on workforce mangement and planning (e.g., employee attraction and retention)

Company- specific description
Aker BP is not a preferred employer for future generations due to reputation resulting in insufficient human resources to the company. This would most likely impact the sectors of education in which we are competing with other industries, e.g. facilities engineering, economics, logistics and HSE - as opposed to Petroleum Technology or Drilling Technology.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Potential financial impact
50000

Explanation of financial impact
Increased cost to educate and recruit new employees. Estimated cost is 50.000 USD per year.

Management method
Aker BP uses an enterprise risk process for the company. Risks are identified and followed up at a project or asset level and significant risks are also lifted to senior management including Board of Directors and the Audit and Risk committee. All enterprise risks are tracked and followed up in the risk management tool. Risk reviews are conducted monthly in the organisation. Examples of mitigation actions to reduce this risk are: - Provide presentation of Aker BP at Universities and other relevant places in the public domain to encourage recruitment to Aker BP - Further develop trainee program in Aker BP - Implemented leadership pipeline program It is important for Aker BP to communicate both the relative climate performance of the Norwegian Continental Shelf and our own efforts to improve to the general public and to the industry at large, as a risk mitigation factor for this specific risk.

Cost of management
50000

Comment
Estimated cost is 50.000 USD per year.

C2.4

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

C2.4a

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

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Type of financial impact driver
Reduced operational costs (e.g., through use of lowest cost abatement)

Company- specific description
Implement an energy optimization solution through use of sensor data and data driven control of our gas turbines on offshore installations. We are currently working with our supplier and subsidiary Cognite to identify the opportunity to develop algorithm based dashboards that guide the operators on how to optimally run these turbines. This will enable more energy efficient operations and online energy monitoring. This allows for quick interactions to reduce emissions. We expect this to improve total utilization rate of our turbines, and potentially lower the total number of turbines in use. At higher utilization, the carbon intensity drops per energy unit produced, reducing our emissions and costs. This is relevant for all our operations, especially the installations (platforms or floating production and storage operated vessels) located in the North Sea and Norwegian Sea that are powered by natural gas.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Potential financial impact
10000000

Explanation of financial impact
Financial impact is not yet quantified at a detailed level. Will consist of 1) Reduced purchase gas / diesel, 2) Increased revenues from sales of gas, 3) Reduced carbon and NOx tax. Estimated to 10 million USD

Strategy to realize opportunity
In-house / with partner development of dashboards and algorithm to recommend optimal turbine operations

Cost to realize opportunity
1000000

Comment
Cost to realize the opportunity is a rough estimate of required software development from Cognite together with our asset operations teams, as well as training and roll-out to all assets.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Type of financial impact driver
Increased revenue through demand for lower emissions products and services

Company- specific description
As a result of the newly developed 'best available technique' (BAT) reference document, Aker BP has a further potential to reduce methane and nmVOC emissions. This BAT document enables Aker BP to adapt best practice for new and existing fields, resulting in reduced GHG emissions and oil and gas production with a lower carbon footprint. Additonally, enhanced methods for mapping sources and more acccurately calculating emissions.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Potential financial impact
10000

Explanation of financial impact
The low CO2 footprint from Norwegian operations, including Aker BP, can improve oil and gas sales prices and affect the share of the company's income.

Strategy to realize opportunity
There is still a need for oil and gas resources in the future and the IPCC scenarios for 2015 have oil and gas as a substantial contributor to the worlds energy demand. Aker BP reports fugitive emissions of methane and CO2 transparently, and are committed to continously improve our methods and reporting accuracy. Aker BP supported a governmental project to map sources of fugitive emmissions in 2016 and participated in developing new methods for more exact calculation of unburned nmVOC and methane from our operations offshore. This new mapping was implemented within the company in 2017 . The BAT reference document was included in our business managment tool.

Cost to realize opportunity

1000

Comment
Negligble cost to implement

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Resource substitutes/diversification

Type of financial impact driver
Increased reliability of supply chain and ability to operate under various conditions

Company- specific description
Based on the experience with the electrically powered Heavy Duty Jack up rig on Valhall, built and set up for supply by power from shore in 2017, we have an opportunity to implement similar emission reduction measures for future drilling campaigns both on Valhall and Ivar Aasen (electrially operated platforms) . In 2017,this drilling operation reduced co2 emissions by 15,200 tons, compared to using diesel powered drilling rigs.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Potential financial impact
1117000

Explanation of financial impact
The power consumption are based on historically power need for XLE rigs and estimated to 23 196 MWh/year.The annual emission reductions are estimated to 168 tons NOx and 15200 tons CO2 by using el. power from shore compared to diesel generators. The CO2 cost reduction is approx $900 000 /year and NOx tax reduction is approx - $217 000 /year. The overall financial implication is ca. $1,117,000/year reduction.

Strategy to realize opportunity
Norway has agreed to a plan for reducing the CO2 emissions by 40% in 2030 compared to 1990. (Paris Agreement). The Norwegian Petroleum Industry has a reduction target of 2.5 mill MT CO2 equivalents within 2030. Aker BP is taking its share of this and will reduce 140 000 tonnes per year from 2020-2030. Implementation of energy efficiency measures based on an emission reduction target of 8.0 kg CO2/boe in 2017 will position Aker BP to take our share of obligations to reduce CO2. Building the Maersk Invincible drilling rig with the option for electrical power was stated in the contract between Aker BP and the rig owner, and was seen as an opportunity for CO2 emission reduction. The learning from this project will be input to future jack-up rigs.

Cost to realize opportunity
1800000

Comment
Aker BP paid the rig owner $1,8M as a lump sum, to set the drilling rig up to be operated by el power.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Type of financial impact driver
Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description
Aker BP has developed an overall CO2 reduction plan to reduce CO2 emissions from our operations offshore. The list contains several operational actions to reduce emissions. Examples are: more efficient turbines on one field and reduced flaring, evaluation of power from shore. The overall plan has been distributed to both environmental authorities and industry organisation.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Potential financial impact
10000000

Explanation of financial impact
Every ton CO2 saved reduces cost with 70 USD and for a full year ca. 10 mill USD (included tax and EUETS quota).

Strategy to realize opportunity
Our strategy to achieve Aker BP's objective of max 8 kg CO2/boe is to:- incorporate the risk of climate change into our business strategy- integrate energy management processes in our operations and operating models- evaluate power from shore on new field developments- carry out R&D work to promote knowledge of low carbon energy solutions and implement climate effective solutions. In 2017 the carbon intensity was 7.2 kg CO2/boe.

Cost to realize opportunity
1000000

Comment
Large variation, low or no cost for minor changes in operational parameters that lead to emission reductions to major costs for new field developments. Cost set to 1 million USD here.

Identifier
Opp5

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Type of financial impact driver
Reduced operational costs (e.g., through use of lowest cost abatement)

Company- specific description
We are investigating the use of offshore wind as a power source for our new development NOAKA, offshore Norway. This would potenteially be in combination with power from shore. In addition we are considering electrification of other installations. This would replace gas fired turbines as main power source, and significantly improve our environmental performance and operating costs.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Unknown

Potential financial impact
0

Explanation of financial impact
Reduced costs of carbon quotas and CO2 / NOx taxes. Increased gas volumes available for sale. Reduced dependence on power

prices (relevant for the wind turbines only). Potential sales of excess power from wind turbines to the power market. In total, we expect this type of project to have a net financial impact around zero, based on current cost levels, and a potential investment decision therefore only driven by the positive climate effects .

Strategy to realize opportunity

Wind power: Conduct technical feasibility study. Invite contractors to investigate potential concepts. Run economics. Investigate green fund investments. Power from Shore: Run economics and assess versus asset development plans. General: Ensure carbon intensity and opex targets are integrated in asset strategies to make these initiatives a key part of the long term development plans for each asset.

Cost to realize opportunity

Comment

Magnitude of costs and impacts are as of now unknown, but under development. Expect more clarity in a year from now.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Oil and Gas market is changing and Aker BP are focusing more into gas and to use renewables to support our operations, as a result of the risk of oil to gas switching in our end markets and the potential added costs of emissions taxes in Norway. The impact has been low so far, causing us to look into these opportunities.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	To mitigate the risk of added costs from new emissions taxes, we have conducted a project to electrify a mobile drilling rig using power from shore (which in Norway is supplied by hydro power). Good experience from electrifying drilling from the Maersk Invincible, saving 186 000 kg NOx. This provided learnings and inspiration for the rest of the organization. Impact has been high for the affected rig, and medium for the rest of the business (assessing whether this is possible for other installations in the future)
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	To mitigate the risk of added costs from new emissions taxes, we have conducted a project to electrify a mobile drilling rig using power from shore (which in Norway is supplied by hydro power). Good experience from electrifying drilling from the Maersk Invincible, saving 186 000 kg NOx. This provided learnings and inspiration for the rest of the organization too. Impact has been high for the affected rig, and medium for the rest of the business (assessing whether this is possible for other installations in the future)
Investment in R&D	Impacted	Based on the opportunity to lower costs through energy optimisation, a project has been initiated to conduct energy mapping of all our assets, as a basis to develop Turbine Optimization algorithms / decision support. This includes an investment in an external contractor to conduct the mapping, as well as internal man-hours. Impact has been low to date, but we expect it to form the basis for medium impact for the next years.
Operations	Impacted	Ref. the identified opportunity to lower costs to carbon taxes and quota purchases, our operations teams are required to identify initiatives within our Climate Strategy boundaries to bridge the gap between current performance and our carbon intensity targets. This includes directing our engineering capacity towards this goal. Impact has been of medium size so far, causing us to invest engineering hours in assessing options and improvement opportunities.
Other, please specify	Not evaluated	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted for some suppliers, facilities, or product lines	Risks: Certain crude oil qualities may have reduced demand due to crude quality, following implementation of IMO 2020 regulations. Opportunities: Similarly, demand for light, sweet crudes will increase. Net, the effect is estimated to be positive for Aker BP. Aker BP has implemented estimation procedures for our revenue per crude quality in our financial planning processes to develop a view on the impact.
Operating costs	Impacted	Risks: Change in tax regimes and quota pricing may increase opex for all assets. Aker BP assesses the tax levels, forecasts and EUA markets quarterly to ensure quality cost forecasts as input to all investment decisions.
Capital expenditures / capital allocation	Impacted	Risk and opportunity: Emissions and related costs are forecasted and factored into the quarterly capital allocation process. In addition to the financial impact from taxes and fees, the emissions targets and projected performance against these are assessed for all investments considered.
Acquisitions and divestments	Not yet impacted	We do not currently expect climate risks or opportunities to impact our acquisition or divestment strategy.
Access to capital	Impacted	Aker BP notices a higher interest from the investment community (both equity and debt markets) around our climate performance and our climate risks. Our early response and strong performance to date has made a positive impact on the company.
Assets	Impacted	Aker BP emissions and related costs are forecasted and factored into the quarterly cost process. In addition to the financial impact from taxes and fees, the emissions targets and projected performance against these are assessed for all investments considered.
Liabilities	Not yet impacted	Aker BP's cost of borrowing money has not yet been impacted by climate, but we expect this could be the case within 15-20 years if the climate related issues globally continue developing along the current trajectory.
Other	Not evaluated	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b)

(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.

No, we do not have a low-carbon transition plan

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

- The decision to supply Johan Sverdrup with power from shore was the most substantial business decision for Aker BP, among many factors the decision of reduced opex was driven by GHG and overall climate impact. Power from shore to Johan Sverdrup also allows for future supply of electric power (hydropower) to a.o. Ivar Aasen. This enables increased production with a minimal increase in CO2 emissions, hence reducing the carbon intensity. Business processes are influenced by changing mind-set from regulators, industry organisations, NGOs, investors etc. and Aker BP has captured a risk regarding green competiveness and implemented a climate strategy. This risk is highly relevant for climate change and is captured in our risk management system and actions are distributed to various members in the organisation to drive our strategy both long term and short term in the right direction. The Ivar Aasen development has also benefited from the decision to supply the Utsira High area with power from shore . Also the opportunity of energy management has been raised to a higher business level and included in the corporate HSSE plan as a long term strategy. Energy use and main consumer of energy are implemented on all Aker BP's fields. Norway's political goals for reduction of climate gas emissions heavily affects the oil and gas industry, and hence Aker BP as a Norwegian E&P company. Supply of electrical power from shore to offshore installations is a long term objective in our climate strategy, while energy efficiency, flaring reduction, fuel switching (from diesel to gas), fugitive emissions (methane) and detailed emission reporting are more short term strategies to impact the climate change and are all important issues influencing Aker BP. The company's annual strategy process has a separate work stream to quantify our climate-related performance and related risks and opportunities. We project our performance in the future, and define a target we want to achieve. Thereafter we agree initiatives to be worked on during the strategy period to achieve this target. Aker BP's strategy, objectives and levers we use are anchored in the Executive Management Team, and communicated throughout the company. It is supported by our Sustainability report, which provides transparency around our broader sustainability performance - including climate issues.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
IEA Sustainable development scenario	Aker BP uses IEA scenarios and others to estimate projected demand for our products (oil, gas and NGLs) and discuss regularly how it will impact our activities and investment decisions. We consider the full period from 2018 to 2070, estimating the impact from different scenarios on our project profitability based on the impact it would have on the prices we would receive in the market. It therefore impacts all departments in our organisation: All assets have projects, and all business units provide cost input to those projects. What we see is a set of scenarios that would imply significantly lower oil and gas prices (around 40 USD/bbl), which means that a set of the projects in our portfolio would not be developed. However, we have another base case price trajectory and use these scenarios to illustrate the impact other not unlikely scenarios would have on our business. These scenarios have impacted our business strategy by the concrete project investment decisions we make, because we test our financial capacity in the scenarios by varying the project mix.
Other, please specify (Internal scenarios for demand)	Aker BP develops our own scenarios for prices, factoring in the impact of various events that could impact the demand for our products. Examples of what we consider are oil to gas switching in petrochemicals, gas driven trucks, electric vehicle penetration, vehicle fuel efficiency, carbon tax increases. We consider the full period from 2018 to 2070, estimating the impact from different scenarios on our project profitability based on the impact it would have on the prices we would receive in the market. It therefore impacts all departments in our organisation: All assets have projects, and all business units provide cost input to those projects. What we see is a set of scenarios that would imply significantly lower oil and gas prices (around 40 USD/bbl), which means that a set of the projects in our portfolio would not be developed. However, we have another base case price trajectory and use these scenarios to illustrate the impact other not unlikely scenarios would have on our business. These scenarios have impacted our business strategy by the concrete project investment decisions we make, because we test our financial capacity in the scenarios by varying the project mix.
Nationally determined contributions (NDCs)	We model our contributions to the KonKraft initiative in Norway, and consider Aker BP's performance relative to this target with different compositions of our project portfolio to ensure we meet the target. The Konkraft target corresponds to the 2020-2030 time horizon, and it is mainly used by the Operations and HSE departments to make sure we stay on track to deliver on our committed targets. Is helps us calibrate whether our climate initaitives are sufficiently effective.

C4. Targets and performance

C4.1

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

Intensity target

C4.1b

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

Target reference number
Int 1

Scope
Scope 1

% emissions in Scope

% reduction from baseline year

Metric
Please select

Base year

Start year

Normalized baseline year emissions covered by target (metric tons CO2e)

Target year

Is this a science-based target?
Please select

% achieved (emissions)

Target status
Please select

Please explain

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Target reference number
Int 1

Scope
Scope 1

% emissions in Scope
95

% reduction from baseline year
2

Metric
Other, please specify (metric tons CO2 per barrel of oil eqv)

Base year
2016

Start year
2017

Normalized baseline year emissions covered by target (metric tons CO2e)
765209

Target year
2017

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

% achieved (emissions)
100

Target status
Underway

Please explain
On target; Absolute CO2 emissions increased, methane emissions reduced and barrel of oil equivalents increased. However the methane reduction is not accounted for since our intensity target only measures CO2 and not CO2e.

% change anticipated in absolute Scope 1+2 emissions
0

% change anticipated in absolute Scope 3 emissions
0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C-OG4.2a

(C-OG4.2a) Explain, for your oil and gas production activities, why you do not have a methane-specific emissions reduction target or do not incorporate methane into your targets reported in C4.2; and forecast how your methane emissions will change over the next five years.

Aker BP have an active follow up of our targets and KPIs on a monthly basis. It is therefore important that all emission data is available on a frequent basis (minimum monthly). For methane emissions, a substantial share of the emissions come from our FPSOs with oil export through tanker vessels. There is a joint industry agreement (VOCIC) to share the emissions reductions from the tanker vessels and the conclusive emissions are only avaiable on an annual level. Hence, for practical reasons Aker BP has chosen a KPI for only CO2 emssions, covering 95 % of our Scope 1 CO2e.

C4.3

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

C4.3a

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

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	50	300000
To be implemented*	10	10000
Implementation commenced*	2	2000
Implemented*	3	46131
Not to be implemented	20	20000

C4.3b

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

Activity type
Fugitive emissions reductions

Description of activity
Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)
26531

Scope
Scope 1

Voluntary/Mandatory
Mandatory

Annual monetary savings (unit currency – as specified in CC0.4)
35000

Investment required (unit currency – as specified in CC0.4)
1000

Payback period
<1 year

Estimated lifetime of the initiative
11-15 years

Comment
Until end of lifetime for Alvheim FPSO

Activity type
Other, please specify (Reduced flaring)

Description of activity
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
4400

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
308000

Investment required (unit currency – as specified in CC0.4)
10000

Payback period
<1 year

Estimated lifetime of the initiative
11-15 years

Comment
Until end of field life for Skarv FPSO

Activity type
Low-carbon energy installation

Description of activity
Other, please specify (Electrical operated HDJU drilling rig)

Estimated annual CO2e savings (metric tonnes CO2e)
15200

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
1800000

Investment required (unit currency – as specified in CC0.4)
7200000

Payback period
4 - 10 years

Estimated lifetime of the initiative
1-2 years

Comment
Aker BP received financing for the initiative from the NOX-fund (5.4 mill $) Net investment for Aker BP was approximately 1.8 mill $

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Energy management system according to int. standards is a regulatory requirement which results in asset specific energy reduction plans and actions.
Dedicated budget for energy efficiency	Asset budget in place to support energy improvement initiatives.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Product

Description of product/Group of products
Natural Gas Sales: Natural Gas replaced coal when sold to UK or continental Europe. Natural Gas from Aker BP fields has a carbon intensity that is 35-40 % lower than coal.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Norwegian oil and gas association)

% revenue from low carbon product(s) in the reporting year
10

Comment
% revenue is estimated based on sold total volume of liquid/gas.

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from oil and gas production activities.

Methane reduction initiatives are part of the emissions reduction list of measure. Due to the CO2 tax, cold venting have a high priority as the tax for cold venting is 7 times the tax for combustion. As part of a joint industry project to improve methods for calculation of methane (and VOC) emissions from the oil and gas industry in Norway, one of our assets (Alvheim) was a pilot in the project from 2014 on supporting the project with internal resources and support to map and quantify the emissions and develop new methodology.

COG4.7

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

C-OG4.7a

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

Aker BP has a procedure for planning, performance and follow-up of possible leaks and sweats. The process includes searching by IR-camera for sweats and possible leaks in the process area every 12 months as a minimum., risk assessment of sweats and leaks, individual follow-up, trending and continuous improvement. AkerBP has implemented internal KPI's for followiing up leaks and sweats and is a weekly topic in managment meetings.

C-OG4.8

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

Only safety flaring is allowed in Norway.

As a policy a closed flare is base case for our new field developments and implemented on 4 of 5 fields in operation.

Flaring policies and procedures are implemented on all fields to further reduce the safety flaring

Flaring volumes are operational KPIs

Flaring reduction initiatives are captured and pursued as part of our energy management process

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
910754

Comment
Includes emission for all our operated assets and exploration.

Scope 2 (location-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
127170

Comment
This includes scope 2 emissions from power purchased from Edvard Grieg to Ivar Aasen and energy consumed in processing and exporting production from Ivar Aasen through Edvard Grieg. Scope 2 emissions from Valhall are included with 0 under market based emissions.

Scope 2 (market-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
Scope 2 emissions from Valhall are included with 0 emissions. Valhall receive power from shore from the national grid in Norway which is hydro power.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011

C6. Emissions data

C6.1

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

Row 1

Gross global Scope 1 emissions (metric tons CO2e)
910754

End-year of reporting period
<Not Applicable>

Comment
This includes all operated assets with a 100% equity share and exploration activities. 94.8 % of the GHG emissions are CO2, the remaining CH4 (CO2 equivalent = 25). Scope 1 GHG emissions increased by 9% from 2016 due too increased energy demand.

C6.2

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

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Location-based calculation: Ivar Aasen purchase power and processing/export capacity from the Lundin operated Edvard Grieg field. Aker BP use our share of the fuel and flare numbers from Edvard Grieg combined with the emissions factors for Edvard Grieg to calculate our scope 2 emissions from Ivar Aasen. Market-based calculation: On Valhall Aker BP get the electricity from the national grid. The national grid is dominated by hydro power and other renewables. Norway is a net exporter of electric power. The import/export statistics are attached as evidence. Marked based scope 2 emissions for Valhall is estimated to 0.

C6.3

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

Row 1

Scope 2, location-based
127170

Scope 2, market-based (if applicable)
0

End-year of reporting period
<Not Applicable>

Comment
Location-based calculation: Ivar Aasen purchase power and processing/export capacity from the Lundin operated Edvard Grieg field. Aker BP use our share of the fuel and flare numbers from Edvard Grieg combined with the emissions factors for Edvard Grieg to calculate our scope 2 emissions from Ivar Aasen. Marked-based is zero due to Norway being a net exporter of hydropower (see attached export statistics). This applies to the Valhall field. Market-based calculation: On Valhall Aker BP get the electricity from the national grid. The national grid is dominated by hydro power and other renewables. Norway is a net exporter of electric power. The import/export statistics are attached as evidence. Marked based scope 2 emissions for Valhall is estimated to 0.

C6.4

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

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Not calculated

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

0

Explanation

Aker BP are evaluating specific criteria for where this is important to assess, for example services are less relevant than purchase of energy intensive equipment and energy intensive raw materials. A common system is under development, and is not matured in all parts of the business.

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Not calculated

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

0

Explanation

Aker BP are evaluating specific criteria for where this is important to assess, for example services are less relevant than purchase of energy intensive equipment and energy intensive raw materials. A common system is under development, and is not matured in all parts of the business.

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

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Not calculated

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

0

Explanation

Fuel combustion is considered when entering logistics contracts. Diesel consumption is captured for vessels on hire. However the CO2 accounting for these vessels are not aggregated. A system needs be developed. For helicopters the running hours and average fuel consumption can be calculated.

Upstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Oil and gas export through pipeline is accounted for under Scope 1. Other means of transport (shuttle tankers) are not included.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This is insignificant. Non-hazardous waste is either recycled or energy recovered.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2376

Emissions calculation methodology
Aker BP has video conferencing facilities in all office locations including the offshore locations which allows for significant reductions of business travelling. Aker BP has an agreement with SAS for business flights. Through our travel agency we get an annual report of our CO2 footprint through business travelleing. In 2017 Aker BP had just over 12 000 business flights. This resulted in 2376 tonnes CO2e. However, CO2 awareness is still not implemented in AkerBPs business travel guidelines.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
90

Explanation
Expect some business travels are booked outside AkerBP system.

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Aker BPs largest office location in Stavanger are offering a commuting programme enabling employees to commute by train (electric) and buses for a discounted price. In addition all employees who needs to commute by car will pay for their own parking spot. However CO2 awareness is still not implemented in AkerBPs commuting guidelines.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Aker BP has no leased assets

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Aker BP has only upstream activities

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Various refineries are processing the oil. Gas is exported through various pipelines to terminals in Europe.

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
10037924

Emissions calculation methodology
On NCS by average less than 10% CO2 is used for exploration and production of oil and gas. A general rule of thumb of 10X the emissions of CO2e is used. (Source: Norwegian Oil and Gas Association)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
The CO2 emissions from the use of natural gas and oil is fairly easy to calculate, however the methane emissions from natural gas distribution is dependent on the downstream distribution and user facilities. 90 % of the emissions are from the use of the products.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Oil and gas is combusted. No significant rest product

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Aker BP has no leased assets

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Aker BP has no franchised activities.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Owned activities are accounted for in Scope 1 and Scope 2. No other investments are relevant.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
No other upstream activities are relevant

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not relevant

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
No other downstream activities are relevant

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10

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

Intensity figure
0.4

Metric numerator (Gross global combined Scope 1 and 2 emissions)
1037924

Metric denominator
unit total revenue

Metric denominator: Unit total
2563000

Scope 2 figure used
Location-based

% change from previous year
39

Direction of change
Decreased

Reason for change
The main reason for the change is the increased revenue due to the higher oil price.

Intensity figure
0.088

Metric numerator (Gross global combined Scope 1 and 2 emissions)
1037924

Metric denominator
barrel of oil equivalent (BOE)

Metric denominator: Unit total
117771977

Scope 2 figure used
Please select

% change from previous year
7.8

Direction of change
Increased

Reason for change
Higher scope 1 & 2 emissions due to first full year of operation on Ivar Aasen. Increased scope 1 CO2 emissions on Alvheim and Skarv, some offset by reduced CH4 emissions. Some offset by higher denominator (oil and gas production).

C-OG6.12

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

Unit of hydrocarbon category (denominator)
Other, please specify (Barrels of oil equivalent (boe))

Metric tons CO2e from hydrocarbon category per unit specified
0.08

% change from previous year
5

Direction of change
Decreased

Reason for change
Higher denominator (oil and gas production) due to full year production from Ivar Aasen without increasing the Scope 1 emissions in the same magnitude. Ivar Aasen, however increased the scope 2 emissions.

Comment

C-OG6.13

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

Oil and gas business division
Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division
0.002

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division
0.002

Comment
Includes all emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?
Yes

C7.1a

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

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	863291	IPCC Fifth Assessment Report (AR5 – 100 year) *Other: Norwegian Environmental Agency Guidelines for Reporting of Emissions and Discharges from Offshore Petroleum Activities (M-107) & 044 Norwegian Oil and Gas*
CH4	47464	IPCC Fifth Assessment Report (AR5 – 100 year)

C-OG7.1b

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

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives (Oil:Total)	0	0	0	Emisions are divided and calculated by source mentioned below
Fugitives (Oil: Venting)	0	966.3	24156.5	Alvheim
Fugitives (Oil: Flaring)	0	456.9	11423	Ivar Aasen
Fugitives (Oil: E&P, excluding venting and flaring)	0	102.9	2573.3	Ula and Valhall
Fugitives (Oil: All Other)	0	0	0	
Fugitives (Gas: Total)	0	0	0	
Fugitives (Gas: Venting)	0	0	0	Skarv
Fugitives (Gas: Flaring)	0	0	0	Skarv
Fugitives (Gas: E&P, excluding venting and flaring)	0	83.7	2092.5	Skarv
Fugitives (Gas: Midstream)	0	0	0	Aker BP has no midstream activities
Fugitives (Gas: All other)	0	0	0	
Combustion (Oil: Upstream, excluding flaring)	0	130.3	3258.6	Alvheim, Ula, Ivar Aasen and Valhall
Combustion (Gas: Upstream, excluding flaring)	0	158.4	3959.8	Skarv
Combustion (Refining)	0	0	0	Aker BP has no refining activities
Combustion (Chemicals production)	0	0	0	Aker BP has no chemical production
Combustion (Electricity generation)	0	0	0	Electricity generation for oil and gas covered under combustion oil and combustion gas
Combustion (Other)	0	0	0	Not applicable
Process emissions	0	0	0	This is one of the sources included under fugitive emissions.
Emission not elsewhere classified	0	0	0	These sources are included under fugitive emissions.

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Norway	910754

C7.3

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

By business division

By facility

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
Operations Business Unit	907149
Exploration Business Unit	3605

C7.3b

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

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Alvheim	259249	59.57	2
Skarv	404617	65.7	7.59
Ivar Aasen	36271	58.92	2.19
Ula	197867	57.11	2.85
Valhall incl. Hod	9145	56.28	3.4
Exploration	3605		

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

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

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility generation activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	910754	<Not Applicable>	
Oil and gas production activities (downstream)	0	<Not Applicable>	Aker BP does not have any downstream oil and gas production activities.
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Norway	127170	0	450800	412732

C7.6

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

By business division

By facility

C7.6a

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

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Operations Business Unit	127170	0
Exploration Business Unit	0	0

C7.6b

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

Facility	Scope 2 location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Alvheim	0	0
Skarv	0	0
Ivar Aasen	127170	0
Ula	0	0
Valhall incl. Hod	0	0

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

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

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	127170	0	
Oil and gas production activities (downstream)	0	0	Aker BP has no downstream activities.
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

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

Increased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Valhall use renewable power from the grid. Scope 2 emissions are estimated to 0
Other emissions reduction activities	15200	Decreased	1.67	The jack-up drilling rig Maersk Invicible received power from Valhall during 2017. Emissions would have been 15200 tonnes CO2e using traditional diesel engines. Therefore we arrived at 15200/910755 x 100% =1,67%
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	25000	Decreased	32	Recalculation of methane emissions according to revised method as requested by Environmental Authorities. Change in method results in 32% reduction of fugitive emissions. Therefore we arrived at 25000/36800x 100% =68%Reduction is 100% minus 68% equalling 32% reduction.
Change in boundary	0	Please select	0	
Change in physical operating conditions	161344	Increased	18.7	Increased due to: Ivar Aasen on stream for the whole year (only 6 days in operation in 2016). Increasing produced water profile on Alvheim. More energy demanding low pressure production on Skarv. Therefore we arrived at 161344/863291 x 100% =18.7%
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

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

Location-based

C8. Energy

C8.1

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

More than 15% but less than or equal to 20%

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	3631035	3631035
Consumption of purchased or acquired electricity	<Not Applicable>	412732	450800	863532
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	412732	4081835	4494567

C8.2b

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

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

C8.2c

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

Fuels (excluding feedstocks)
Fuel Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
3523592

MWh fuel consumed for the self-generation of electricity
3308319

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
215283

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
107444

MWh fuel consumed for the self-generation of electricity
107444

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self- cogeneration or self-trigeneration
0

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor
3.17

Unit
metric tons CO2 per metric ton

Emission factor source
Official guidelines M-107 / 044

Comment

Fuel Gas

Emission factor
0.0023

Unit
metric tons CO2 per m3

Emission factor source
Gas analyses

Comment

C8.2e

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

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3308309	3308309	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Power Purchase Agreement (PPA) without energy attribute certificates

Low-carbon technology type
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling
412732

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
Direct procurement contract with a grid-connected generator or Power Purchase Agreement (PPA), where electricity attribute certificates do not exist or are not required for a usage claim. We are purchasing power from shore to the Valhall field. The Norwegian electricity is produced from hydropower. Norway is a net exporter of electricity to the European market.

C9. Additional metrics

C9.1

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

Description
Waste

Metric value
19.4

Metric numerator
Oil ppm in produced water

Metric denominator (intensity metric only)
Produced water

% change from previous year
0

Direction of change
No change

Please explain
First year of reporting to CDP

Description
Waste

Metric value
8

Metric numerator
Number acute discharges to sea (> 1 barrel)

Metric denominator (intensity metric only)

% change from previous year
300

Direction of change
Increased

Please explain
More acute discharges of oil to sea (negative), but still at a relatively low level due to number of operated asset

---

Description
Waste

Metric value
60

Metric numerator
Produced water re-injection to reservoir m3

Metric denominator (intensity metric only)
Produced water m3

% change from previous year
7

Direction of change
Increased

Please explain
Able to reinject more of our produced water (positive)

Description
Waste

Metric value
16.8

Metric numerator
Gas flaring (million SM3)

Metric denominator (intensity metric only)

% change from previous year
35

Direction of change
Decreased

Please explain
Flaring of gas reduced from 25.7 in 2016 to 16.8 in 2017

C-OG9.2a

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

	In-year net production	Comment
Crude oil and condensate, million barrels	43.9	
Natural gas liquids, million barrels	2.3	
Oil sands, million barrels (includes bitumen and synthetic crude)	0	Aker BP has no oil sands.
Natural gas, billion cubic feet	68.5	

C-OG9.2b

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

Aker BP ASA's reserves and contingent resources volumes have been classified in accordance with the Society of Petroleum Engineer's (SPE) "Petroleum Resources Management System". This classification system is consistent with Oslo Stock Exchange's requirements for the disclosure of hydrocarbon reserves and contingent resources

C-OG9.2c

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

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)
Row 1	914		

C-OG9.2d

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

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)
Crude oil / condensate / Natural gas liquids	85		
Natural gas	15		
Oil sands (includes bitumen and synthetic crude)	0	0	0

C-OG9.2e

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

Development type
Shallow-water

In-year net production (%)
83

Net proved reserves (1P) (%)
88

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

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

Net total resource base (%)

Comment

Development type
Deepwater

In-year net production (%)
17

Net proved reserves (1P) (%)
12

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

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

Net total resource base (%)

Comment

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

(C-CO9.6/C-EU9.6/C-OG9.6) Disclose your investments in low-carbon research and development (R&D), equipment, products, and services.

Investment start date
January 1 2017

Investment end date

December 31 2017

Investment area
Services

Technology area
Carbon capture and storage/utilisation

Investment maturity
Basic academic/theoretical research

Investment figure
5000

Low-carbon investment percentage
50

Please explain
Funded a Master degree student to research CCS and assess application within Aker BP. Concluded that we will not take an active position on CCS, but will follow developments.

Investment start date
January 1 2017

Investment end date
December 31 2017

Investment area
R&D

Technology area
Other energy efficiency measures in the oil and gas value chain

Investment maturity
Applied research and development

Investment figure
100000

Low-carbon investment percentage
90

Please explain
Aker BP is a member of the centre for energy efficient and competitive industry for the future (High EFF). The centre is one of Norway's centres for environment friendly energy research (FME) and co-founded by the Research Council of Norway and the Industry. The centerfocuses on energy efficient processing, surplus heat utilization, industrial clusters, education and training. The aim is to reduce energy consumption with 20-30%, reduce greenhouse gas emission with 10%, increase value creation in Norway, develop energy efficient processes and components which should make Norwegian industry competitive. The project will run through 2022.

Investment start date
January 1 2017

Investment end date
December 31 2017

Investment area
R&D

Technology area
Smart systems

Investment maturity
Applied research and development

Investment figure
100000

Low-carbon investment percentage

20

Please explain
With increased opening of the Norwegian Barents Sea through the 23rd concession round, the importance of a continued and area specific data acquisition is underlined. In their announcement the Norwegian Petroleum Directorate (NPD) hereunder state: «To ensure a responsible petroleum activity, it is important that relevant operational uncertainties and risk factors are well understood and safeguarded prior to execution of exploration drilling and field development". The Norwegian Petroleum Safety Authority (PSA) has further pronounced "The far North" as a main priority for 2015, emphasising operator collaboration as a key to success. In line with authority expectations and operator needs, therefore a joint effort to collect additional and necessary metocean and ice data in the region was inititated. The scope of work consists of a 3-year long metocean measurement programme in the Norwegian Barents Sea and in addition the deployment and recovery of five ice and current mooring rigs. It is a large scale environmental and meteorological, oceanographic program. Data is collected and an environmental base line established. Sensor technology is tested out and can be applied to other areas.

Investment start date
January 1 2017

Investment end date
December 31 2017

Investment area
R&D

Technology area
Smart systems

Investment maturity
Applied research and development

Investment figure
50000

Low-carbon investment percentage
20

Please explain
Aker BP joined the phase 2 of the Lofoten Vesterålen (LoVe) online environmental monitoring observatory. Sensor platforms are located 12 km of the coast at Bø i Vesterålen, at 250 m depth. Sensors are connected to shore via cables and data are easily accesible at http://love.statoil.com. The goal of the research project is to build knowledge about marine ecosystems through collection of tealtime data and develop sensor based environmental monitoring. Technology development in this project could be used in climate related applications.

Investment start date
January 1 2017

Investment end date
March 12 2017

Investment area
R&D

Technology area
Smart systems

Investment maturity
Applied research and development

Investment figure
14000000

Low-carbon investment percentage
10

Please explain
A portfolio of 18 further climate related R&D projects, largely focused on emissions, leaks, impact of production in arctic environments, and zero emissions systems.

Investment start date

November 11 2015

Investment end date
February 8 2017

Investment area
Equipment

Technology area
Renewable energy

Investment maturity
Large scale commercial deployment

Investment figure
47618729

Low-carbon investment percentage
100

Please explain
Aker BP invested approximately 1.8 mill $ to electrify the drilling rig Maersk Invincible, through making it ready to connect to the Power from Shore system that electrifies our Valhall Asset. The rig worked on this asset during 2017, but the project started already late 2015. It is estimated the initiative saved 186 100 kg NOx emissions and 15 200 tonnes of CO2 emissions from avoiding dieselbased power generation on the rig.

C-OG9.7

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

48

This is an approcimate figure, estimated for this purpose only. We published a forecast of 43 USD / boe in the middle of the year, concerning pre-dividend break even price. Significant investments, e.g. the Hess acquisition, was completed in the second half of the year, and is not included in this estimate together with proceeds from its financing. We have also published a forecast for 2018 , concerning post dividend cash break-even price, which is at 37 USD/boe.

C10. Verification

C10.1

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

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

C10.1a

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

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
High assurance

Attach the statement
AkerBP_Skarv_EUETS_2017_verification_report_Rev_Approved.pdf
AkerBP_Alvheim_EUETS_2017_verfication_report_Approved.pdf
AkerBP_Ivar_Aasen_EUETS_2017_verfication_report_Approved.pdf
AkerBP_Valhall_EUETS_2017_verification_report_Approved_Rev.pdf
AkerBP_Ula_EUETS_2017_Verification_Report_Approved_Rev.pdf

Page/ section reference
Scope 2 emssions from Ivar Aasen are verified through the EU ETS scheme as part of the verification on Lundin operated Edvard Grieg supporting power to Ivar Aasen. The report is attached.

Relevant standard
European Union Emissions Trading System (EU ETS)

Proportion of reported emissions verified (%)
95

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
V025-17 Edvard Grieg-Verifikasjonsrapport.pdf

Page/ section reference
Scope 2 emssions from Ivar Aasen are verified through the EU ETS scheme as part of the verification on Lundin operated Edvard Grieg supporting power to Ivar Aasen

Relevant standard
European Union Emissions Trading System (EU ETS)

Proportion of reported emissions verified (%)
100

Scope
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Kraftbalanse 2017.xlsx

Page/ section reference
Norwegian power export sales statistics

Relevant standard
Other, please specify (Norwegian power export sales statistics)

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

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

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
EU ETS
Norway carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

EU ETS

% of Scope 1 emissions covered by the ETS
95

Period start date
January 1 2017

Period end date
December 31 2017

Allowances allocated
142628

Allowances purchased
720663

Verified emissions in metric tons CO2e
863291

Details of ownership
Other, please specify (Refer to comment)

Comment
In our EU ETS permits both our own operated fields and 3rd party drilling rigs are included. Drilling rigs are included as separate source streams in the permits.

C11.1c

(C11.1c) Complete the following table for each of the tax systems in which you participate.

Norway carbon tax

Period start date
January 1 2017

Period end date
December 31 2017

% of emissions covered by tax
99

Total cost of tax paid
52254801

Comment
This is for 100% operated share. Based on ownership share the value is 23 213 399 USD

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

The management strategy in Aker BP is;

- to offset emissions by purchasing the necessary allowances
- to invest in emission reduction technology where the abatement cost is acceptable. A recent example is the drilling rig Maersk Invincible on Valhall receiving power from shore
- to implement energy efficency in all operations and operational models
- to comply with the field specific monitoring plans related to EU ETS.

Aker BP has updated the corporate business management system to account for existing climate regulations, such as EU ETS, and how to comply with the specific monitoring plans. An annual meeting is held to review potential changes that will trigger updates.

C11.2

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

No

C11.3

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

Yes

C11.3a

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

Objective for implementing an internal carbon price

Change internal behavior

Other, please specify (To transfer allowances internally)

GHG Scope

Scope 1

Application

Used in forecasting of costs in operations and projects

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

14

Variance of price(s) used

14 Euros was anticipated for 2018. No internal transfers were made during 2017.

Type of internal carbon price

Shadow price

Impact & implication

Used in forecasting of costs in operations and projects

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

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

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
We see the opportunity to both lower cost and environmental impact simultaneously.

Impact of engagement, including measures of success
Best example is the electrification of the drilling rig Maersk Invincible, where 186 000 kg NOx was avoided.

Comment
We have invited the industry to assist us in developing offshore wind as a viable power source for our new asset development NOAKA. Further, we are working with contractors to electrify rigs, vessels and equipment, evaluating both full electrification and hybrid solutions with batteries.

C12.1c

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

Aker BP engages with drilling rig contractors such as Odfjell and Maersk Drilling to reduce NOx and CO2 emissions from drilling operations. We manage this by our rig intake process and follow-up meetings. These are considered high impact contractors on climate. Supply vessels are currently being evaluated for implementing emission reduction measures.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	Aker BP has engaged with NOROG to establish guidelines for how to account for emissions when we recieve power from another platform (Edvard Grieg) to Ivar Aasen.	Need to establish calculation rules that are the same for all companies when reporting on emission reduction measures.
Regulation of methane emissions	Support	New mapping of emissions from cold venting and fugitive emissions of methane. Establishment of new methods for quantification of emissions in joint engagement/task force group	Aker BP supports the implementation of new and better quantification methods for methane and nmVOC emissions.
Other, please specify (trade organisations)	Support	Aker BP attends Industry committee meetings (NOROG) who are providing input and feedback to changes in regulations related to climate change risks and opportunities.	Aker BP commits and supports the initiatives and common decisions by the Industry.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Aker BP is a member of the board at Norwegian Oil and Gas (NOROG) Associaton. Our CEO participates. NOROG is a professional body and employer's association for oil and supplier companies. The joint general meeting is the Norwegian Oil and Gas Association's highest authority. Each member company can appoint one representative to the relevant branch board. The branch boards choose their own chair. The Norwegian Oil and Gas Association's board consists of nine members chosen by the joint general meeting. Five are chosen from the oil companies and four from the supplier companies. The chair of the board is elected by the general meeting. The board has a quorum when at least six members are present.

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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

How have you, or are you attempting to, influence the position?

Aker BP supports NOROGs goals and participates actively in achieving the emissions reduction targets that are set for Norway. We influence the position by attending the various group meetings and providing input/influence and feedback to NOROG from Aker BP's perspective.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Aker BP's public policy issues are coordinated by VP Communication, involving CEO and relevant Executive Management officers. Aker BP has incorporated a climate strategy and stated a climate objective as follows: Aker BP is a leading offshore E&P company and wants to be recognized as a major contributor to reduce CO2 emission. The company has also implemented a company target of less than 8,0 kg CO2/boe - this is measured on a monthly basis. The Key Performance Indicator is visualized in dashboards and available on the Intranett.

C12.4

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

Publication
In voluntary sustainability report

Status
Complete

Attach the document
1
Aker-BP-Sustainability-report-2017.pdf

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Publication
In mainstream reports

Status
Complete

Attach the document
1
AKERBP-Annual-Report-2017.pdf

Content elements
Risks & opportunities
Emissions figures
Emission targets
Other metrics

C14. Signoff

C-FI

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

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President HSSE	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms