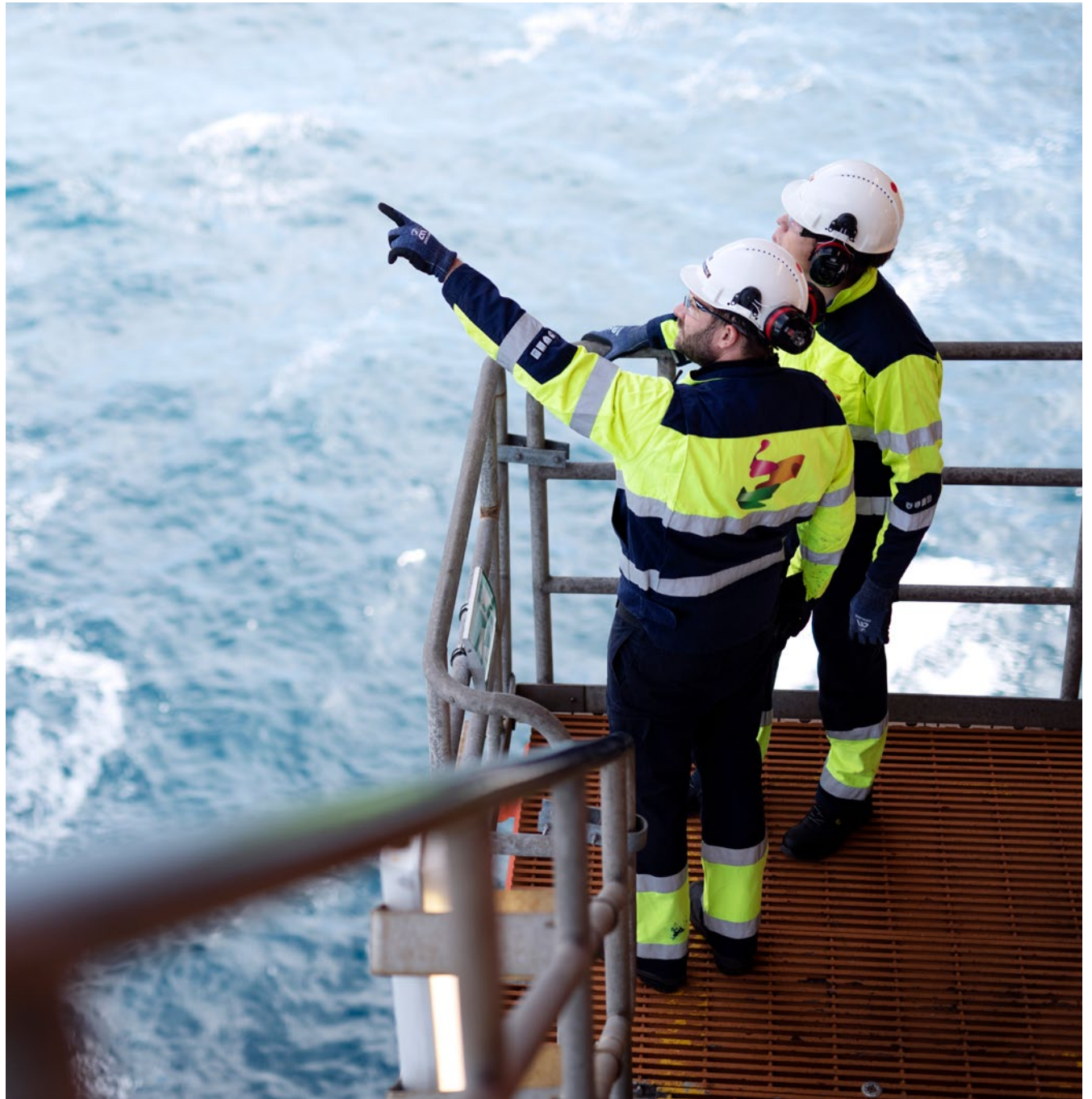


# Aker BP's climate transition plan

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### AKER BP RECOGNISES THE SIGNIFICANT CHALLENGE THE WORLD IS FACING TODAY

Aker BP acknowledges the conclusions from the Intergovernmental Panel on Climate Change (IPCC) and supports the goals of the Paris Agreement, which calls for a global effort to limit the global temperature increase to 1.5°C above pre-industrial level. As part of our broader strategy to be the E&P company of the future, Aker BP has developed this climate transition plan to outline our plans to cut emissions, supporting the objectives set by the Paris Agreement, as well as national expectations for emission reductions. The plan sets our climate ambitions and targets and is anchored in our overarching business strategy, our sustainability framework as well as climate and energy policy. It also provides details on the roadmap and actions needed to achieve the targets.

A significant transformation of the energy system is underway, and the need for affordable, reliable, and clean energy is increasing. Demand for oil and gas is expected to decrease but this change will not happen overnight. Oil and gas will remain a significant energy source and feedstock in a low-carbon future for decades to come. However, companies in the oil and gas industry must reduce emissions as much as possible. Alongside the efforts to ensure reliable production, the industry's focus on reducing emissions and supporting the growth of low-carbon industries must increase.

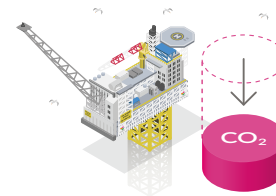
Aker BP intends to contribute to the energy transition and energy security through our role as a reliable provider of low-cost oil and gas produced with low GHG intensity. We also aim to have high value creation and support new low-carbon industries by sharing technology and knowledge.

Figure 1: Aker BP's role in the energy transition



#### Maximise value creation

The energy transition will require massive financial resources. Aker BP will maximise value creation from assets and activities, and by doing so also maximise available profits for the society and our owners, who then can invest in green industries.



#### Minimise emissions

Aker BP is committed to minimising emissions from operations. This is important from an environmental perspective, but also financially as the rising cost of CO<sub>2</sub> emissions is directly impacting the financial performance of our business.



#### Share technology and knowledge

The energy transition is also about how we generate new industries and business opportunities. Aker BP is committed to share knowledge and provide capital that our owners can reinvest in renewable energy and new industries.

## AKER BP'S CLIMATE-RELATED TARGETS

Aker BP's climate transition plan sets a clear direction, priority areas and targets, underpinned by milestones and actions in our decarbonisation strategy. Aker BP's climate-related targets are as follows:

1. 50 percent reduction in operational control scope 1 and 2 GHG emissions by 2030<sup>1)</sup>, compared with our 2017 baseline
2. Near zero<sup>2)</sup> operational control and equity share scope 1 and 2 GHG emissions by 2050
3. Net zero equity share scope 1 and 2 GHG emissions from 2030
4. Reduce and maintain an equity share scope 1 and 2 GHG intensity<sup>3)</sup> below 4 kg CO<sub>2</sub>e/boe, around one fourth of the global average<sup>4)</sup>
5. Reduce and maintain an operational control methane emission intensity<sup>5)</sup> below 0.05%, around one third of the global average<sup>6)</sup>

1) Equity share scope 1 and 2 GHG emissions expected to be reduced proportionally

2) More than 90 percent reduction in emissions compared to base year (2017)

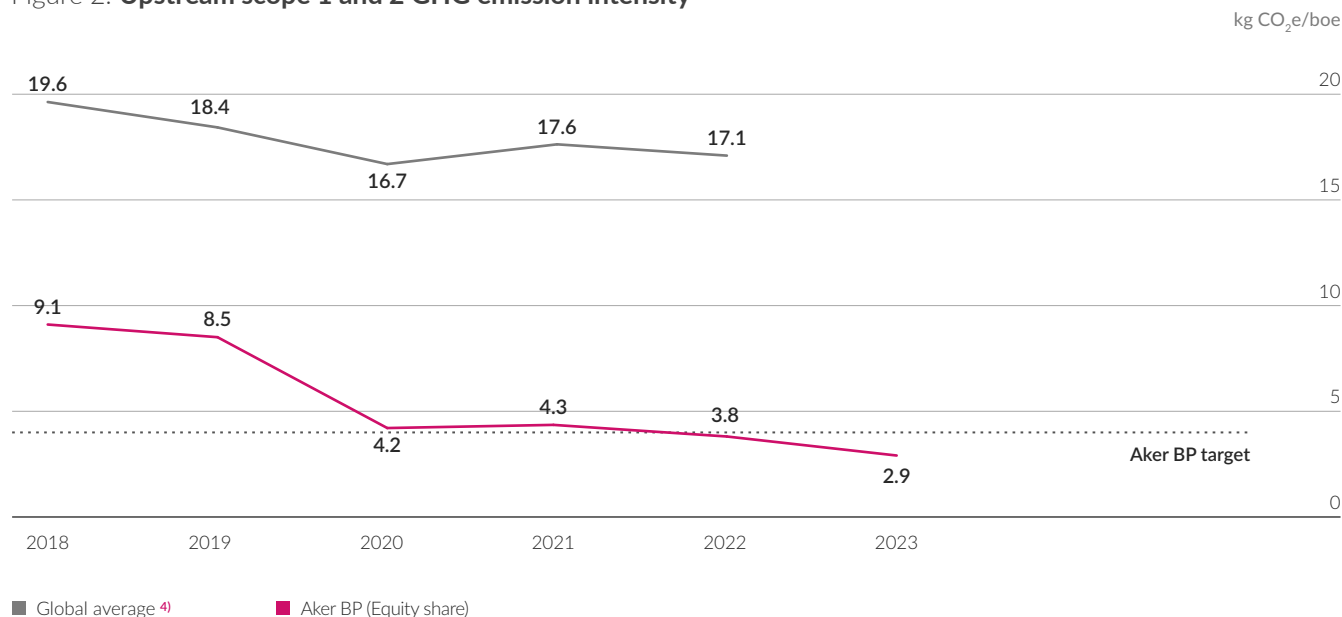
3) Calculated as equity share scope 1 and 2 GHG emissions from operated and partner-operated assets and drilling activities divided by net production

4) IOGP 2022 Environmental performance indicators

5) Calculated as volume of operational control scope 1 methane emissions from operated assets and drilling activities, expressed as a percentage of the total volume of gas marketed

6) The global average methane intensity was 0.15% in 2022 according to Oil and Gas Climate Initiative (OGCI 2022 performance data)

Figure 2: **Upstream scope 1 and 2 GHG emission intensity**



**Scope 1**  
Direct emissions from owned or controlled sources

**Scope 2**  
Indirect emissions from the generation of purchased energy

**Scope 3**  
Indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions

**Operational control**  
Includes gross GHG emissions from our operated assets, including rig activity

**Equity share**  
Includes Aker BP's share of emissions, based on ownership in the license, from our operated and partner-operated assets, including rig activity

## OUR DECARBONISATION STRATEGY

### Reducing our scope 1 and 2 GHG emissions

Aker BP will prioritise efforts aimed at reducing absolute emissions, such as electrification, energy efficiency, minimised flaring, cold venting and fugitive emissions, portfolio management, optimization of existing infrastructure and selection of technology and services with the lowest environmental footprint.

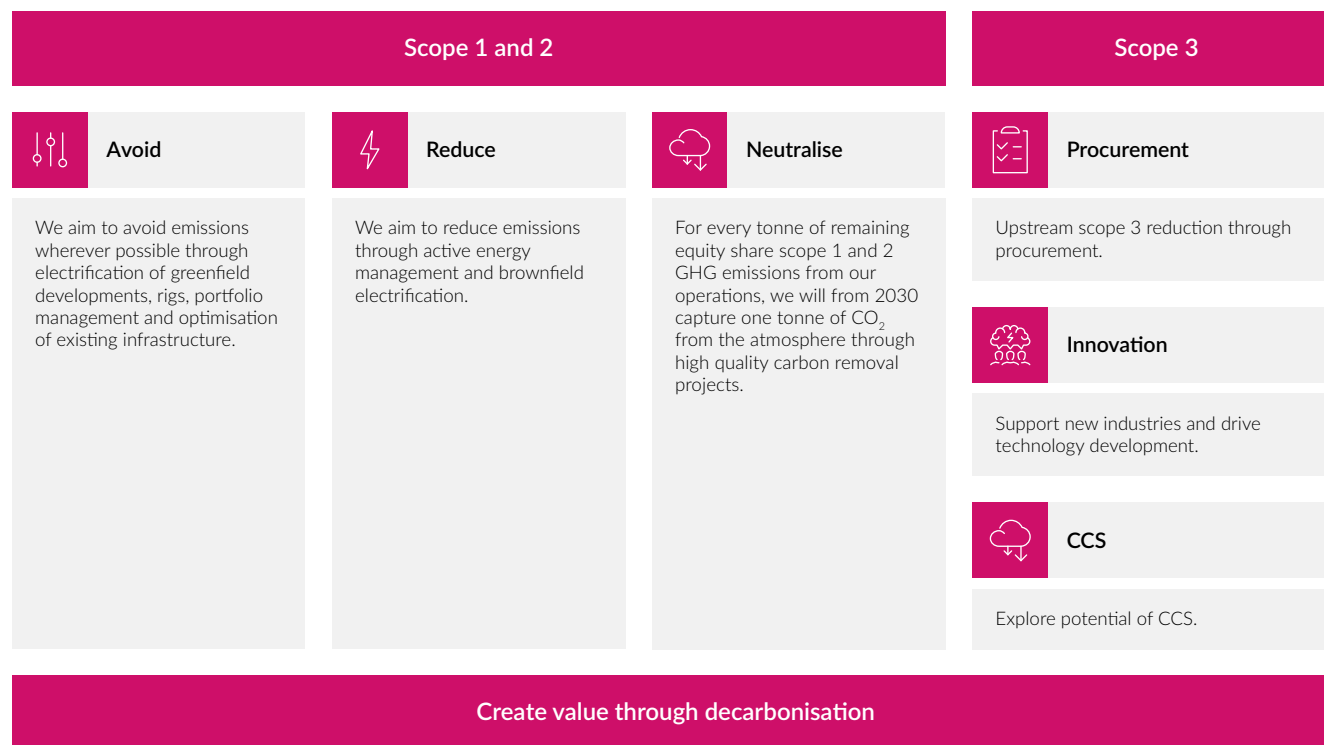
#### Avoid

For our new field development projects, which requires new power infrastructure, feasibility studies for power from shore or power transmission have been performed. In Norway, electricity comes predominantly from renewable sources. In 2022, 95% of electricity supplied in Norway came from renewable sources, mainly hydropower (81%) and wind power (12%)<sup>7)</sup>. Our major field development project, Yggdrasil, will be supplied with power from shore from day one, effectively avoiding around 7 million tonnes of CO<sub>2</sub> emissions<sup>8)</sup> through its field life. In cases where new energy-intensive equipment is to be purchased, the equipment should be as energy-efficient as possible and use low-emission technology.

#### Reduce

Investments in brownfield electrification projects make up one of the most important parts of our decarbonization journey. 2013 marked our first investment in electrification of our giant field Valhall, enabling the field to operate with electricity

Figure 3: Our decarbonisation strategy



7) NVE – Hvor kommer strømmen fra? <Norwegian Water Resources and Energy Directorate – Where does electricity come from?>

8) Avoided emissions is based on the difference between actual emissions and emissions in a modelled scenario where Yggdrasil is gas-powered.

from shore. Electrification of Edvard Grieg and Ivar Aasen in December 2022 marked another major improvement in our emission performance, as well as improved safety and reliability, reduced environmental taxes and higher gas sales. Accumulated over a period from the year of electrification to 2040, the electrification of Valhall, Edvard Grieg and Ivar Aasen, as well as the future electrification of Yggdrasil are estimated to have reduced more than 12 million tonnes of CO<sub>2</sub> emissions<sup>9)</sup>. Based on current projections, around 85% of Aker BP's equity share production is on track to be electrified by 2030, enabling us to have a portfolio with one of the industry's lowest GHG intensities.

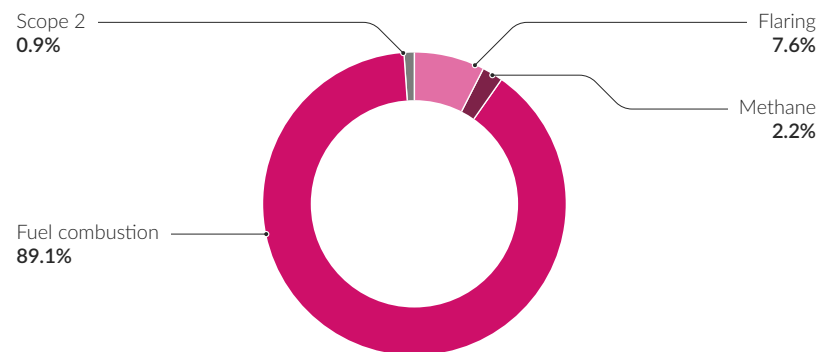
Energy efficiency is another crucial element of our decarbonisation efforts. We work continuously to reduce our energy consumption and related emissions by implementing measures identified through energy improvement opportunities. These efforts are driven by established energy teams in each asset and reported to senior management on a regular basis. The effectiveness of energy management and implementation of identified energy improvement opportunities is tracked through reduced emission levels, power management dashboards for each asset and through Aker BP's GHG intensity KPI. We do not have an overarching energy reduction target at Aker BP, but instead utilise asset-specific energy reduction targets to focus efforts on the most effective energy reduction activities for each asset.

Digitalisation plays an important role in these improvements. It provides us with continuous data that enables our assets to use energy more efficiently, identify operational improvements, and use forecasting models to predict CO<sub>2</sub> emissions. Digitalisation thus strengthens our ability to plan ahead to achieve additional reductions in energy consumption and emissions.

Aker BP has a target of maintaining an operational control scope 1 methane emission intensity below 0.05 percent. The majority of our methane emissions originate from release of non-combusted gas, through cold venting, fugitive emissions and from offloading on our FPSOs (floating production, storage and offloading vessels)

As a company operating on the Norwegian continental shelf, only safety flaring is permitted, which means that flaring in general is very limited. Aker BP's work to reduce flaring and subsequent emissions of greenhouse gases and non-combusted hydrocarbons has resulted in closed flares on five of six assets. We also have Leak Detection and Repair (LDAR) systems implemented on all of our installations.

Figure 4: **Aker BP's scope 1 and 2 GHG emissions by source (2021–2023)**

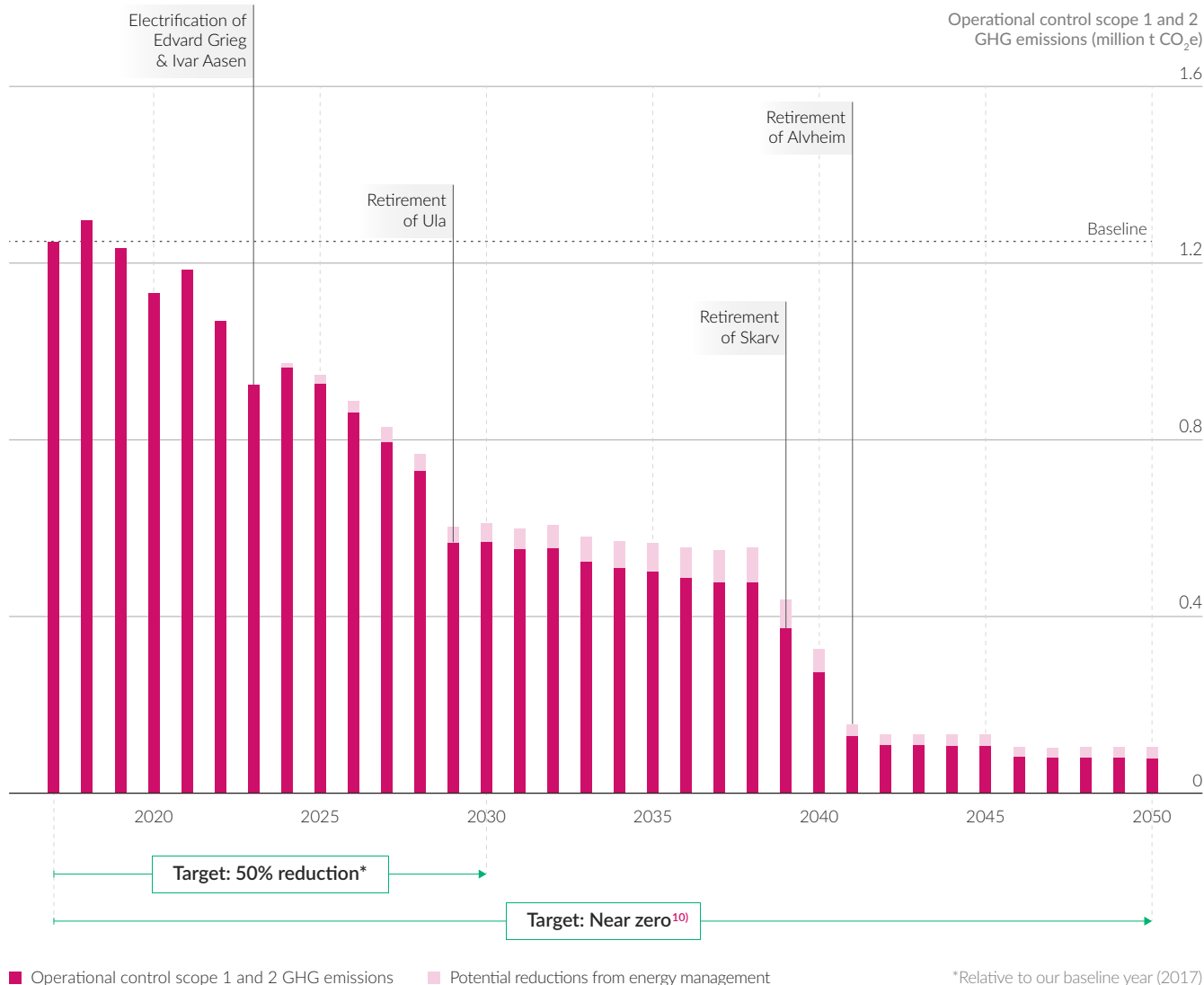


<sup>9)</sup> Amount of emissions reduced is based on the difference between actual emissions and emissions in a modelled scenario where Valhall, Edvard Greig, Ivar Aasen and Yggdrasil are gas-powered.

During 2023, Aker BP became a member of the Oil and Gas Methane Partnership 2.0 (OGMP 2.0). OGMP 2.0 is a United Nations Environment Programme initiative that aims to improve the accuracy and transparency of methane emissions reporting and mitigation for the oil and gas industry. By joining OGMP 2.0, Aker BP will engage in further development of monitoring, reporting and verification of offshore methane measurements in close cooperation with Equinor, BP and other major oil and gas companies.

Together with improvements in energy efficiency and emission reductions, electrification efforts and focus on portfolio management will allow Aker BP to reduce our operational control scope 1 and 2 GHG emissions by 50% by 2030 and to near zero<sup>10)</sup> by 2050. Remaining emissions towards 2050 will be safety flaring and residual emissions from rigs and remaining assets. These may be reduced through improved flare systems and use of zero-emission fuels. However, such measures are currently not reflected in our forecasts. We also expect a proportional reduction in our equity share scope 1 and 2 GHG emissions by around 50% by 2030 and to near zero<sup>10)</sup> by 2050. This enables Aker BP to contribute to meeting the targets set by the Norwegian oil and gas industry<sup>11)</sup>.

Figure 5: Aker BP's pathway to reduce operational control scope 1 and 2 GHG emissions by 50% by 2030 and to near zero by 2050



10) More than 90 percent reduction in emissions compared to base year (2017)

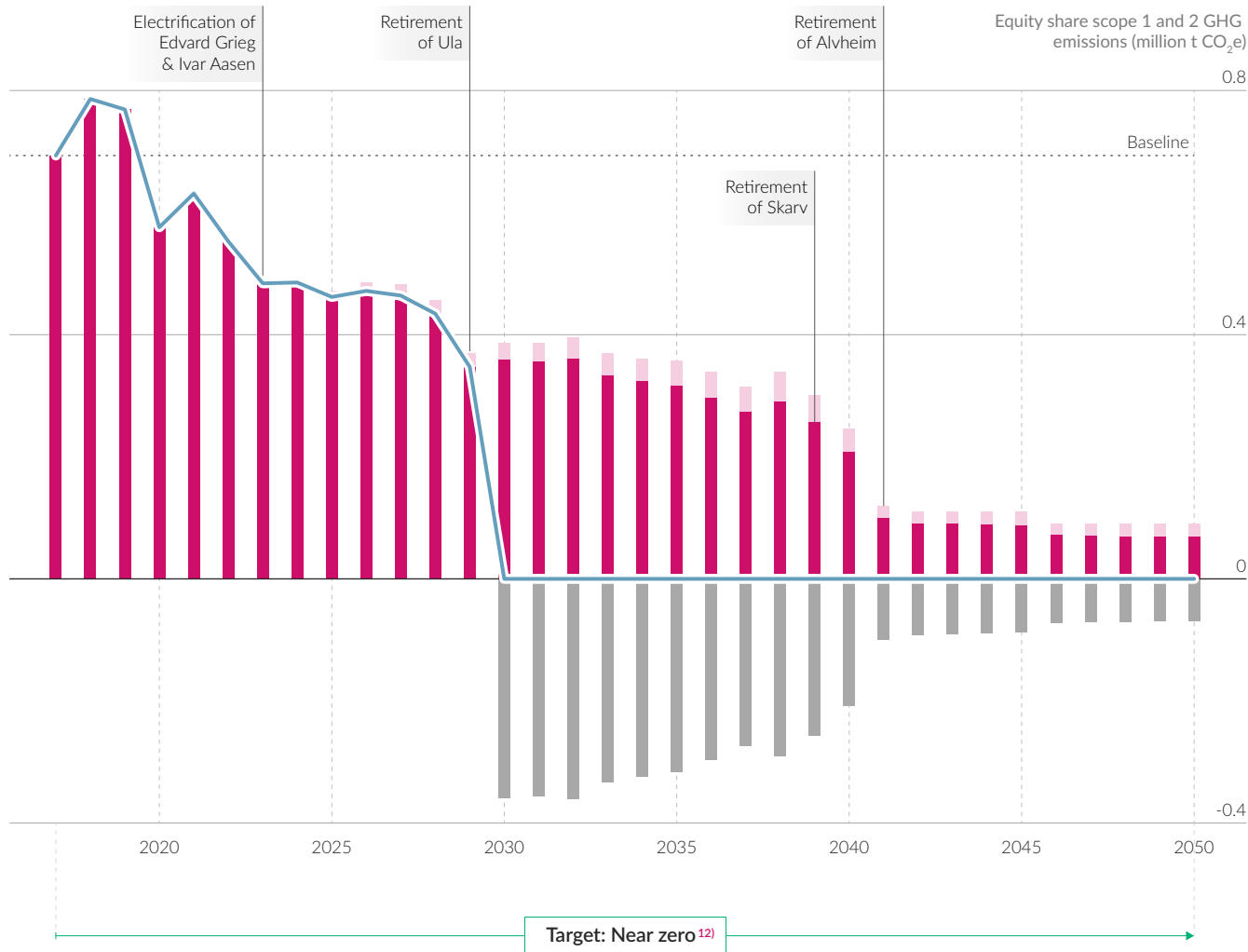
11) In 2021, the Norwegian petroleum industry committed to a 50% reduction in operational GHG emissions by 2030 as compared to the 2005 level

**Neutralise**

Aker BP's target is to become net zero for our equity share scope 1 and 2 GHG emissions from 2030. Not all our brownfield assets can be economically electrified, which means that Aker BP will still have residual emissions in 2030. To achieve our target, we therefore aim to match every tonne of remaining equity share scope 1 and 2 GHG emissions from our operations with an equal amount of high-quality carbon removal credits. As our non-electrified assets are gradually retired and replaced by new electrified fields, the amount of residual emissions that needs to be neutralized will decline towards 2050.

The carbon removal credits are voluntary and come in addition to all carbon taxes or fees we pay for our emissions. Thus, by committing to a net zero equity share scope 1 and 2 GHG emission ambition, we are assigning an extra cost on our emissions. Internally, it creates greater incentive to work on reducing emissions. Externally, it allows us to make a positive contribution by supporting high quality carbon removal projects, which will help the world meet the commitments in the Paris Agreement. However, reducing our physical emissions will remain a priority in our decarbonisation strategy both before and after 2030, working towards an absolute reduction in operational control and equity share scope 1 and 2 GHG emissions to near zero<sup>12)</sup> by 2050.

Figure 6: Aker BP's path to net zero equity share scope 1 and 2 GHG emissions by 2030



<sup>12)</sup> More than 90 percent reduction in emissions compared to base year (2017)

■ Equity share scope 1 and 2 GHG emissions    — Net emissions  
 ■ Potential reductions from energy management    ■ Carbon removals

Disclaimer: Preliminary estimates under review

We believe that carbon removals will make an important contribution to addressing the climate challenge. As highlighted in the Technical Summary of the IPCC Sixth Assessment Report<sup>13)</sup>, current climate pledges at the country level remain inadequate to align society with a temperature trajectory that limits warming to no more than 1.5°C (and are minimally compliant with a likely chance to limit warming to no more than 2°C). The IPCC report therefore concludes that carbon dioxide removal mechanisms, which can remove and durably store CO<sub>2</sub>, are necessary to meet our global climate goals. Aker BP believes that corporates have an important role to play in directing capital and innovation towards carbon removals. We will ensure transparency around the type of carbon removals employed, and we aim to only use credits verified according to high standards.

### Our approach to scope 3 emissions

Scope 3 emissions are monitored and reported in accordance with the GHG Protocol and represent an important part of our sustainability accounting scheme. Data gathering, quality and standards are challenging. However, we are working extensively with relevant parties to improve our understanding and quantification of scope 3 emissions.

1. Categories 1-9 are deemed addressable for Aker BP, as these categories are under our influence. We are working to set targets and identify improvement initiatives within our supply chain.
2. Categories 10 and 11 represent the majority of our downstream emissions. As a pure upstream company with no refining and end use sale, we have limited to no ability to alter the impact of these emissions. Aker BP has no initiatives aiming to reduce downstream emissions, but they are quantified and monitored.

We aim to use our role as a major player on the NCS to influence our supply chain to reduce our upstream scope 3 emissions. Through our alliance model, we work with strategic alliance partners to identify opportunities to drive supply chain decarbonisation.

Platform Supply Vessels (PSVs) are a significant contributor to our upstream scope 3 emissions. Aker BP has developed a three-stage approach to decarbonising our offshore fleet: through operational measures, energy optimisation, and development of new technologies and fuels. Aker BP is currently developing a roadmap for

long- and short-term emission reductions across our fleet, in collaboration with our strategic PSV suppliers.

One of our stated ambitions is to contribute to the development and sharing of technology to enable new industries. Aker BP continuously invests and participates in research and development (R&D) activities. Our prioritised R&D areas include digitalisation and technology development within emission and discharge control, HSE and other operational disciplines.

Aker BP is a pure-play oil and gas company and hence our core business is not covered by the EU Taxonomy. As a producer of fossil fuels, all of Aker BP's products represent locked-in GHG emissions. However, unlike conventional, fully-integrated oil and gas companies, Aker BP has no midstream or downstream operations, and thus has limited or no influence on category 10 and 11 emissions related to refining and "use of sold products". As a result, Aker BP does not have any targets to reduce these emissions.

### CCS

Carbon capture and storage (CCS) is expected to play an important role in the transition to a low-carbon energy future. The NCS offers a vast

scale of carbon storage opportunities and we believe Aker BP could have a competitive advantage due to our leading expertise within geology, reservoir management and field development. We are therefore currently evaluating the opportunity to establish a profitable CCS business on the NCS.

Aker BP and OMV (Norge) AS have entered into a collaboration agreement for CCS and have been awarded a licence in accordance with the CO<sub>2</sub> Storage Regulations on the NCS. The licence awarded to Aker BP and OMV, named Poseidon, is located in the southern North Sea. Poseidon is operated by Aker BP.

## OWNERSHIP AND GOVERNANCE

To strengthen the management of climate-related issues in Aker BP, a separate Climate and Energy policy was issued in 2021. The main principles in the policy cover our commitment to reduce energy consumption and related emissions to air, reduce GHG emissions in line with the Paris Agreement and Parliament expectations, and evaluate low-carbon innovation solutions to reduce emissions. For more information on ownership and governance, see our [Climate and Energy Policy](#).

13) IPCC Sixth Assessment Report, The Working Group III, 2022: [Climate Change 2022: Mitigation of Climate Change \(ipcc.ch\)](https://www.ipcc.ch)



Table 1: **Calculation methodology for our climate-related targets**

REDUCTION TARGET	REFERENCE YEAR	TARGET YEAR	CONSOLIDATION METHOD	SCOPE	UNIT	GHG INCLUDED	CALCULATION METHOD
50 percent reduction in our operational control scope 1 and 2 GHG emissions by 2030	2017	2030	Operational control (gross)	1 and 2	Kg CO <sub>2</sub> e	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	Total operational control scope 1 and 2 GHG emissions from operated assets and operated drilling activities
Near zero operational control scope 1 and 2 GHG emissions by 2050	2017	2050	Operational control (gross)	1 and 2	Kg CO <sub>2</sub> e	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	Total operational control scope 1 and 2 GHG emissions from operated assets and operated drilling activities
Near zero equity share scope 1 and 2 GHG emissions by 2050	2017	2050	Equity share (net)	1 and 2	Kg CO <sub>2</sub> e	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	Total equity share scope 1 and 2 GHG emissions from operated and partner-operated assets and drilling activities
Net zero equity share scope 1 and 2 GHG emissions by 2030	NA	2030	Equity share (net)	1 and 2	Kg CO <sub>2</sub> e	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	Total equity share scope 1 and 2 GHG emissions from operated and partner-operated assets and drilling activities
Reduce and maintain operational control methane intensity below 0.05 %	NA	Continuous	Operational control (gross)	1	%	CH <sub>4</sub>	Total volume of operational control scope 1 methane emissions from operated assets and drilling activities, expressed as a percentage of the total volume of gas marketed
Reduce and maintain equity share scope 1 and 2 GHG intensity below 4 kg CO <sub>2</sub> e/boe	NA	Continuous	Equity share (net)	1 and 2	Kg CO <sub>2</sub> e / boe	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	Total equity share scope 1 and 2 GHG emissions from operated and partner-operated assets and drilling activities divided by net production

*Our climate transition plan will be updated regularly, at least every two years, to reflect the latest developments in our decarbonisation strategy*

