

Policy

# Climate and Energy

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Aker BP acknowledges the conclusions from the Intergovernmental Panel on Climate Change (IPCC) and supports the Paris Agreement's goal to limit the Earth temperature increase to 1.5°C above pre-industrial level. We recognize that there is a climate change and Aker BP will reduce emissions in line with national and international expectations.






**Our business strategy...**

**underpinned by how we will work...**

**will lead to...**



## How we work with climate

-  We set the tone from the top
-  Our long-term climate targets will be used to support and challenge the business
-  All employees take ownership and are committed
-  All our operations shall work to meet the strategic directions and objectives
-  We put in place efficient and well established processes, KPI's and routines for climate and energy efficiency



Aker BP shall provide annual transparent reporting on our sustainability approach and strategy, governance, and climate risks and opportunities, to investors and other shareholders. We shall align our ESG-related disclosures with industrial best practices and existing reporting requirements. Climate change performance is part of remuneration for Aker BP's senior executives, and climate KPI's are part of the bonus program for all employees.

## Carbon Dioxide Removal (CDR ) Portfolio

Through this strategy, Aker BP commits to avoid and reduce GHG emissions through our own operations to the furthest extent practicable. In addition to this, we intend to compensate for any

residual emissions by utilising high quality CDR credits. These credits are voluntary and come in addition to all carbon taxes or fees we pay for our emissions. By procuring CDR credits, we assign an extra cost to our emissions. This positively affects the business case for our decarbonisation initiatives, introducing an extra economic incentive to drive further emission reduction.

This policy sets principles and criteria for Aker BP's approach to ensuring high integrity of our portfolio of CDR credits. Our approach is founded upon the principles described in The Oxford principles for net zero aligned carbon offsetting (1).

### **Ownership**

Board of Directors have overall ownership of climate related objectives and expectations in Aker BP's climate strategy, and review and guide the major plans of action when it comes to investment decisions for climate initiatives.

- Executive management team (EMT) is committed and accountable for supporting the Paris Agreement and reducing our emissions in line with the national expectations. EMT also holds ownership of our CDR strategy as part of our decarbonisation strategy.
- Managers in Aker BP are responsible for communicating the strategic goals and climate commitments to their teams and ensuring that these are reflected in all relevant operational processes.
- The Sustainability Management team in Corporate Strategy & Sustainability department, which reports to the Chief Financial Officer, is responsible for managing and optimising Aker BP's CDR portfolio.
- All personnel working for Aker BP are expected to follow our climate-related objectives and expectations and develop a climate-management mindset.

\*(1) The Oxford Principles for Net Zero Aligned Carbon Offsetting provide guidance for corporates, governments and cities in designing and delivering their net zero commitments.

## **PRIN-0019 - Commitment to reduce energy consumption and related emissions to air**

We shall continuously manage and reduce our energy consumption and related emissions, by implementing energy improvement opportunities and low carbon innovation. All contracted parties contributing to significant energy consumption and emissions, shall implement an emission reporting and reduction regime in line with Aker BP's policies, as well as implementing energy management in accordance with the principles described in ISO 50 001. We shall promote energy efficient solutions throughout the entire lifecycle of a field, from exploration to abandonment and including onshore construction sites.

## **PRIN-0020 - Commitment to reduce GHG emissions**

We commit to continuously reduce and minimize our greenhouse gas (GHG) emissions, by choosing energy-efficient solutions utilizing the principles of Best Available Technique (BAT). We shall set short- and long-term GHG targets for our own operations Scope 1 and 2 emissions and monitor performance. We acknowledge that we have indirect emissions related to our value chain, and we shall work in cooperation with suppliers and contractors to establish a GHG footprint and implement

appropriate measures to reduce upstream Scope 3 emissions. Our total GHG emissions shall be independently verified by competent third-parties, to ensure reliable reporting.

## PRIN-0017 - Commitment to manage climate-related risks and opportunities

We shall evaluate and manage risks and opportunities related to climate change, and disclose these based on short-, medium- and long-term perspectives. We shall use scenario analyses, sensitivity testing and an internal carbon price to assess potential impacts of the climate change and energy transition on our business, financial performance, and the long-term strategy. Climate-related considerations shall be embedded in our decision making and we shall use a set of strict financial criteria, including the internal carbon price, for all our investment decisions. The enterprise-level threats and opportunities posed by market change, regulatory, reputational, and physical risks, shall be managed through an enterprise risk management process across the business units.

## PRIN-0140 - Commitment to evaluate low-carbon innovation solutions to reduce emissions

We shall prepare for future challenges and opportunities through industry collaboration and leadership. A significant portion of the research and development projects shall be allocated to focus on both emission reduction technologies relevant for oil and gas (2030 focus) and on sustainable transformation of the oil and gas industry towards a low carbon society (2050 focus).

## PRIN-0158 - Commitment for responsible management of our Carbon Dioxide Removal portfolio

Aker BP shall only use CDR credits that meet the following criteria:

- **Project type:** CDR credits shall be from CO<sub>2</sub> removal projects and not avoidance-based projects.
- **Additionality:** The CO<sub>2</sub> removals from the mitigation activities shall be additional, meaning they would not have occurred without human intervention and the incentive created by CDR credit revenues. Furthermore, the projects' activities must not already be required by existing laws, regulations, or their binding obligations.
- **Durability:** The CO<sub>2</sub> removal projects shall have measures in place to address and minimize any reversal risks. The first building block of our portfolio are the nature-based CO<sub>2</sub> removal projects. In the longer term, depending on the improvement in available technology and costs, we will evaluate opportunities to invest in engineered CO<sub>2</sub> removal projects.
- **Leakage:** CO<sub>2</sub> removal projects shall document the assessment of leakage risks and conservatively account for the impacts of leakage caused by the project or demonstrate that the project avoids any leakage.
- **Social and Environmental harm:** The project developer shall identify and mitigate risks of social and environmental harm (2).

To investigate how a project meets our criteria and to evaluate project's quality and risks, Aker BP will conduct project due diligence by cooperating with expert carbon consulting firms. In addition, suppliers shall undergo an integrity due diligence to verify their compliance with Aker BP corporate requirements and standards.

CO2 capture and removals from the mitigation activities must be analysed, quantified, evaluated, and reported by independent third-party auditors and be certified under internationally recognised standards that have mechanisms in place to remediate possible CO2 losses, such as Verra and Gold Standard.

Aker BP will give preference to projects that have positive and quantifiable environmental and social benefits (3).

\*(2) Environmental harm refers to risks and disruptions to ecosystems, such as pollution, habitat loss, and biodiversity degradation. Social harm refers to risks to community health, socio-political stability, economic systems, and local livelihoods.

\*(3) Environmental benefits focus on improving ecosystem health, promoting biodiversity and supporting long-term ecological resilience. Social benefits focus on positive outcomes (e.g., wealth creation, community support, building climate resilience) that enhance the livelihoods of affected communities.