

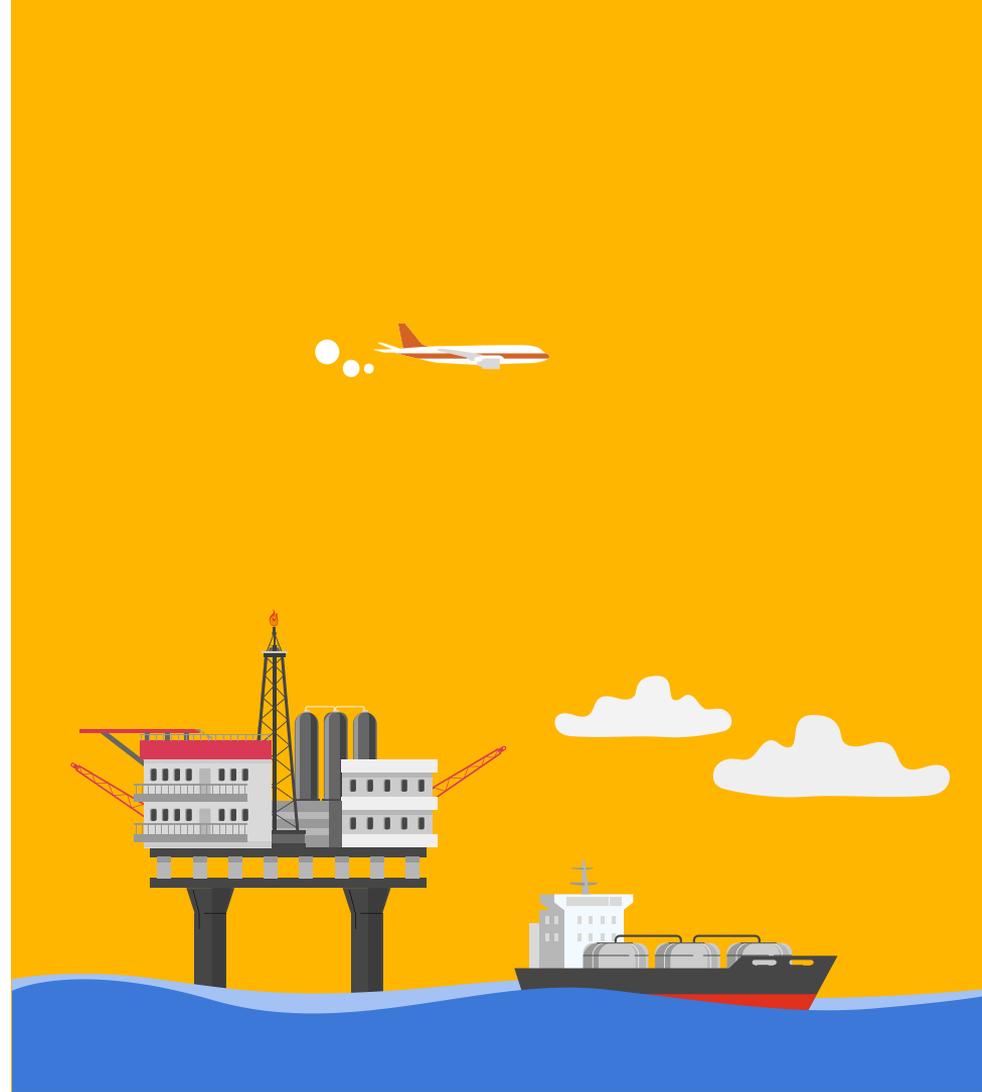
Sector specific ESRS Oil and Gas

Presentation by
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Agenda

- European Sustainability Reporting Standards (ESRS)
- The Oil and Gas Exposure Draft
- Reporting boundaries



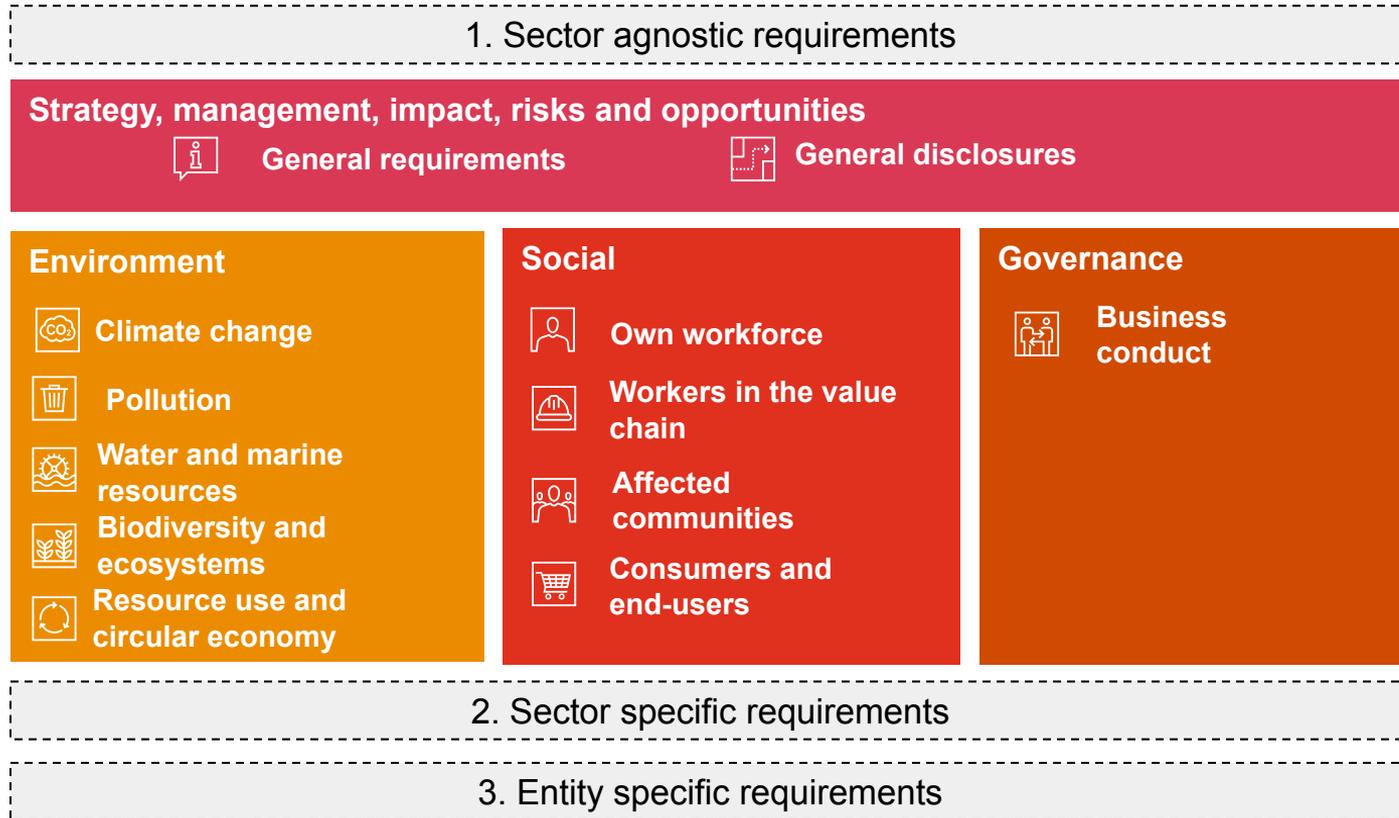
Why create the ESRs?



What kind of information do the ESRS ask for?



Architecture of ESRs



Sector groups and sectors

1. Sector agnostic requirements

2. Sector specific requirements

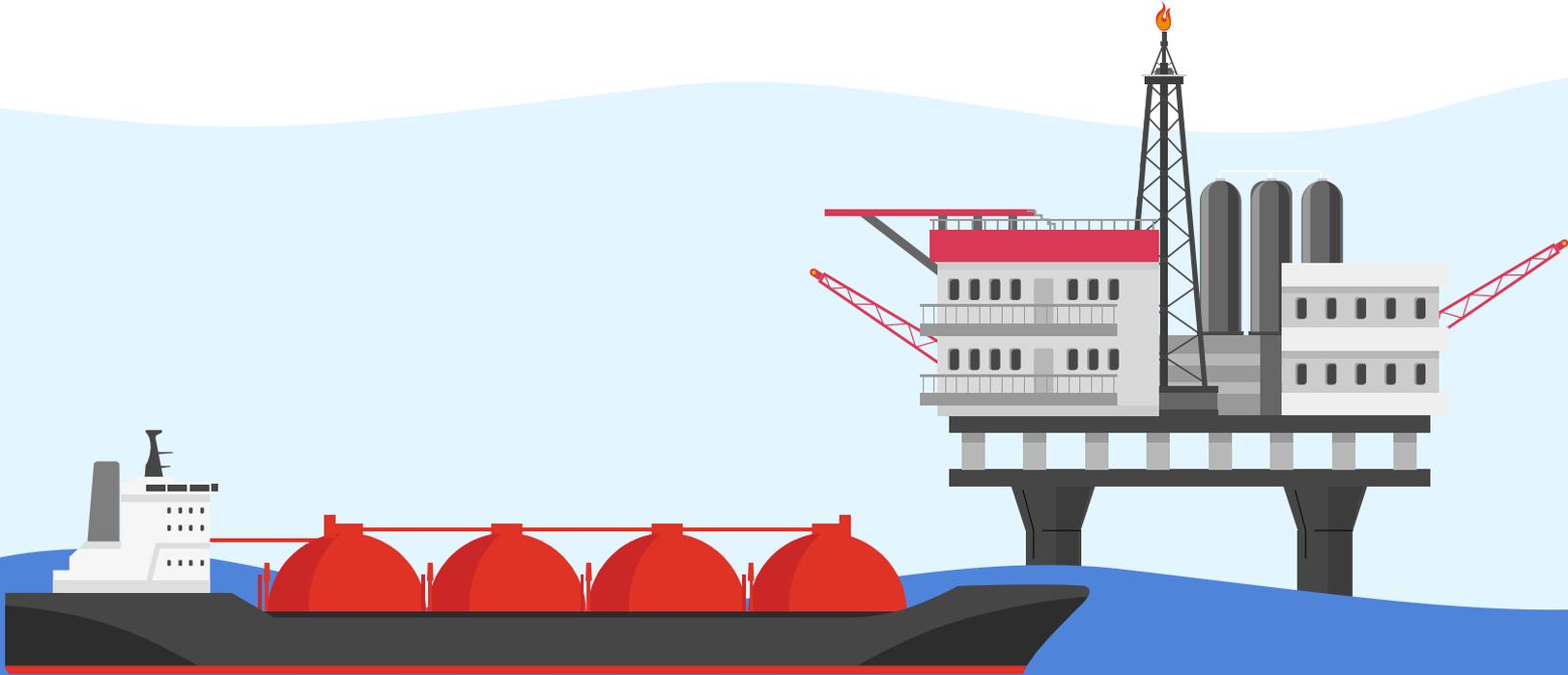
	Agriculture Agriculture, Farming and Fishing Forestry and wood products
	Construction Construction and Engineering
	Utilities Power Production and Energy Utilities Water and Waste Services
	Entertainment Recreation and Leisure
	Financial Institutions Capital Markets Credit Institutions Insurance
	Health Care Health Care and Services

	Hospitality Accommodation Food and Beverage Services
	Manufacturing Aerospace, defence and services Bioenergy Chemicals and polymers Construction Materials Electronics and electrical equipment Food and Beverages Machinery and Equipment Medical Instruments Metal Processing Motor Vehicles Paper and Wood Products Pharma and Biotechnology Textiles, Accessories, Footwear and Jewellery

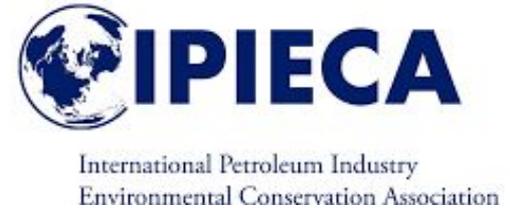
	Mining Mining, Quarrying and Coal Oil and Gas
	Real Estate Real Estate
	Sales and Trade Sales and Trade
	Services Education Professional Services
	Technology Information Technology Media and Communication
	Transportation Other Transportation Road Transport

3. Entity specific requirements

Creating the Oil & Gas Sector specific standard



Built on existing frameworks....



...and what Oil and Gas companies already are reporting on.

Materiality assessment

A materiality assessment was performed to identify and determine Equinor's material sustainability topics for 2023. The basis for the materiality assessment is the approach described in the GRI standard 3 Material topics 2021 universal standard issued by the Global Sustainability Standards Board, but expanded to a double materiality assessment informed by the approach described in the European Sustainability Reporting

in our 2022 annual report. They were also asked to provide other improvement proposals and additional topics to be considered. The survey, with about 40% response rate, showed a large degree of alignment with our internal assessment on relative materiality of the different topics. Through the survey we also received feedback that contributed to the decision to have Respecting human rights as a separate topic

Material topics

Strategic pillars	Material topics
Always safe	Safe and secure operations
	Protecting nature
	Respecting human rights
	Workforce for the future
	Robust portfolio
	Energy provision and value creation for society
	Integrity and anti-corruption
	Net-zero pathway

Risk factors

Response and measures used to manage or mitigate: our risks are embedded in our governance and business management system complemented by our risk management framework. Risk management is integrated in our activities and permeates and supports our decision-making. Communication of risks arising across the value chain and assets is ensured by our enterprise risk process, which encompasses all business units.

The risk factors highlighted below could have a material adverse effect separately, or in combination, on our financial condition. They are classified according to three categories: Operational, Strategic and Financial. Aker BP must manage:

Geopolitical situation

Ongoing conflicts worldwide present potential threats to global political and economic stability. Such conflicts may exert influence on energy markets both directly through disruptions to supply and demand, through government-imposed sanctions and changes in global trading patterns, and indirectly through changes in market behaviour caused by increased uncertainty.

Impact

The geopolitical situation has caused significant business disruption, volatility in international debt and equity markets, and disruption to the global economy in the short term. General instability



Sustainability at Shell

Welcome to the Shell Sustainability Report, which covers our social, safety and environmental performance in 2023.

- 02 Letter from the CEO
- 04 Powering Progress
- 05 Our approach to sustainability
- 08 About this report

2023 sustainability progress

Since launching our net zero aims in 2020 and our people and planet aims in 2021, we have been in action to deliver them. In 2023 we made progress across these three focus areas.



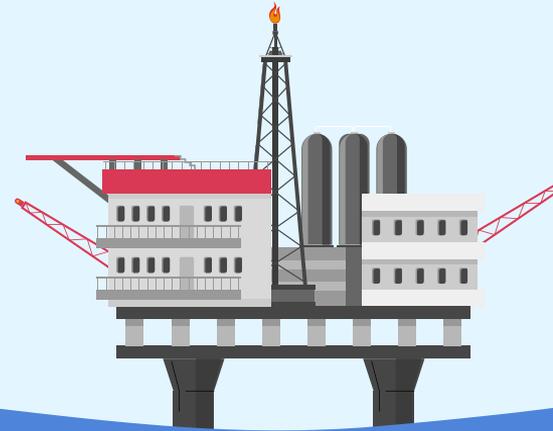
Most relevant sustainability matters

		Environment 					Social 				Governance 
Topics	E1: Climate change	E2: Pollution	E3: Water & marine resources	E4: Biodiversity & ecosystems	E5: Resource use and circular economy	S1: Own workforce	S2: Workers in the value chain	S3: Affected communities	S4: Consumers and End-users	G1: Business conduct	
Supposed material Sub-topics and sub-sub topics	Climate change adaptation	Pollution of air, water and soil	Water withdrawals	Direct impact drivers of biodiversity loss	Resources inflows, including resource use	Working time and Work-life balance	Health and safety	Communities' economic, social and cultural rights		Corporate culture	
	Climate change mitigation	Pollution of living organisms and food resources	Water consumption	Impacts on the state of species	Resource outflows related to products and services	Adequate wages and secure employment	Working conditions	Communities' civil and political rights		Political engagement and lobbying activities	
	Energy	Substances of concern	Water use	Impacts on the extent and condition of ecosystems	Waste	Freedom of association and collective bargaining	Diversity	Indigenous peoples		Management of relationships with suppliers including payment practices	
	Methane	Substances of very high concern	Water discharges in water bodies and in the oceans	Impacts and dependencies on ecosystem services		Training and skills development	Other work-related rights			Corruption and bribery	
			Habitat degradation and intensity of pressure on marine resources			Health and safety				Cyber security	
						Measures against violence and harassment					
						Diversity					
	Industrial hazards										
	Closure of assets										

*From Appendix G of the [Oil and Gas ED\(06.06.2024\)](#). This approach is currently being discussed by the Technical Expert Group(TEG) and Sustainability Reporting Board(SRB). May be subject to changes.

Types of sector specific disclosure requirements

1. Additions/specifications to agnostic **disclosure** requirements
2. Additions/specifications to agnostic **application** requirements
3. **Original** Oil and Gas disclosure requirements



Oil and Gas Sector Disclosure Requirements

ESRS 2 General Disclosures

IRO-2	Conclusions on material matters and reported information
SBM-1	Activity indicators
SBM-2	Stakeholders
IRO-2- OG	Disclosure requirements

ESRS 2 Application requirements

ESRS GOV 4	Due diligence
ESRS SBM 3	Vulnerable groups

Cross-topical Sector Disclosure

OG 1	Mapping of operational sites
OG 2	Oil and Gas Reserves
OG 3	Industrial hazards
OG 4	Closure of assets

Environmental Disclosures

ESRS E1 - OG	Climate Change
OG 5	CO2 Abatement
ESRS E2 - OG	Pollution
ESRS E3 - OG	Water and Marine Resources
OG 6	Water and Marine resources Metrics
ESRS E4 - OG	Biodiversity and ecosystems
ESRS E5 - OG	Circular Economy

Social Disclosures

ESRS S1-OG	Own Workforce
OG 7	Work Stoppages
ESRS S2- OG	Workers in the Value Chain
ESRS S3-OG	Affected communities - indigenous people
OG 8	Security personnel
OG 9	Engagement with affected communities and grievance mechanisms
OG 10	Human rights and environmental defenders

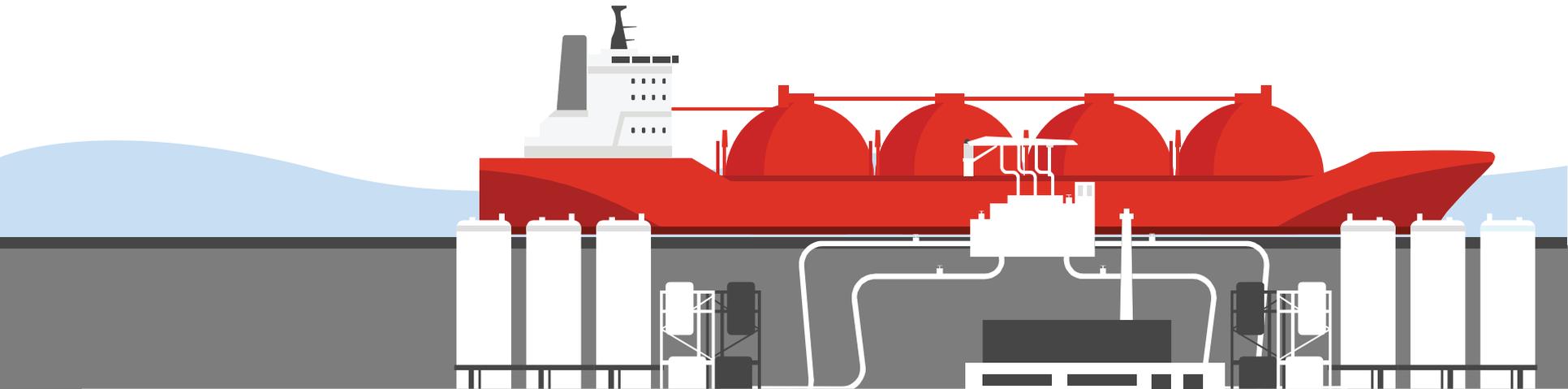
Governance Disclosures

ESRS G1 - OG	Business conduct
OG 11	Transparency about contracts and licenses
OG 12	State-aid and competition
OG 13	Beneficial ownership
OG 14	Oil and Gas purchased from states
OG 15	Cybersecurity

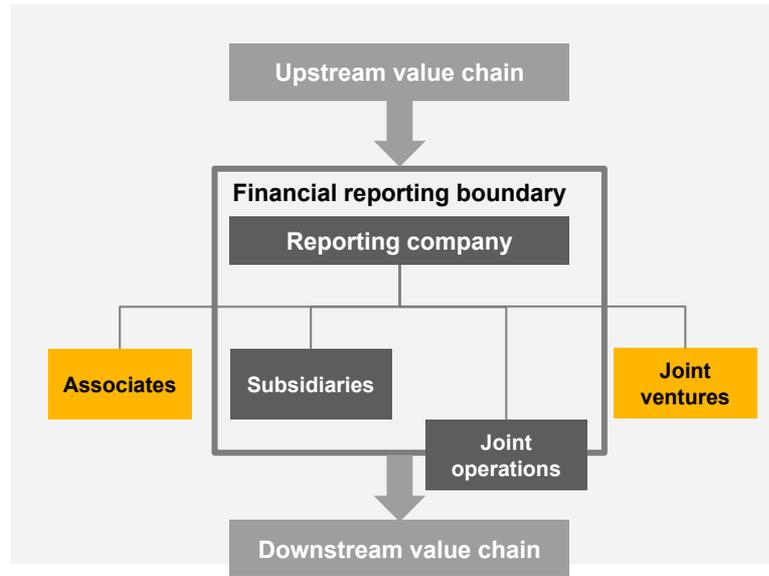
Several topics still being discussed

- Definition and extent of operational sites
- Reserves definition
- Granularity
- Topics that are not Oil and Gas specific
- Materiality assessment in the sector standards

Delta i prosessen
og gi tilbakemelding
ved høringsrunden!



Reporting boundary



Associates and joint arrangements may form part of the upstream or downstream **value chain**

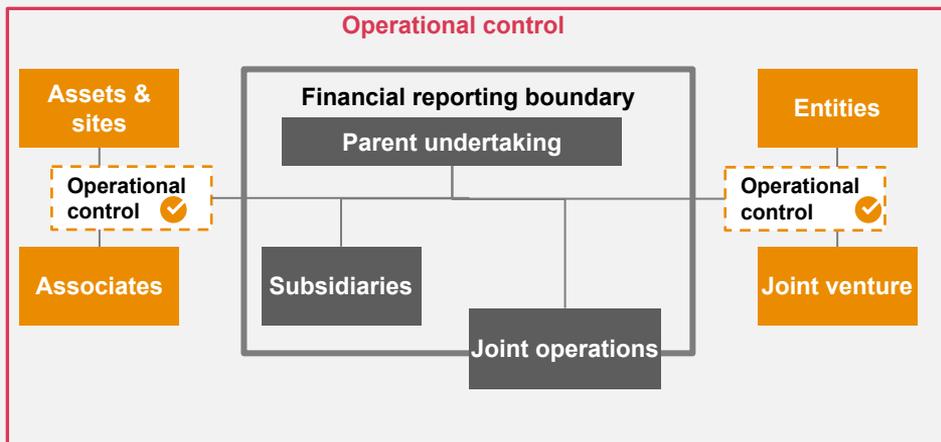
The sustainability statement shall be for the same reporting undertaking as the financial statements. - ESRS 1.62

The information about the reporting undertaking provided in the sustainability statement shall be extended to include information on the material impacts, risks and opportunities connected with the undertaking through its direct and indirect business relationships in the upstream and/or downstream value chain (“value chain information”) - ESRS 1.63

This means that its assets and liabilities forming part of the financial perimeter are own operations rather than value chain. - IG2.39



Selected E-standards - additional operational control reporting



Operational control

(over an entity, site, operation or asset) is the situation where the undertaking **has the ability to direct the operational activities and relationships** of the entity, site, operation or asset.

Which GHG emission are included

- **consolidated accounting group**; and
- **investees** such as associates, joint ventures, or unconsolidated subsidiaries, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), **for which it has operational control**.

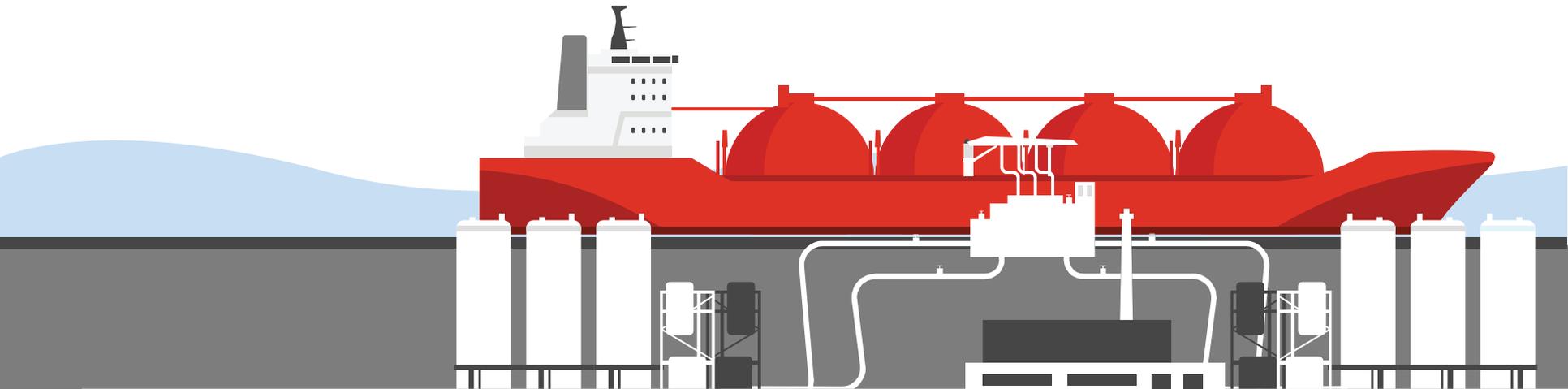
GHG emissions reporting - financial vs operational control

ESRS requires undertakings to disclose scope 1 and 2 emissions under operational control (50b) separately from emissions under financial control (50a). This is further explained in value chain implementation guidance

Relationship	Financial control	If operational control	
		Scope 1 & 2	Scope 3
Subsidiary	Yes - 100% of scope 1, 2 and 3	N/A	N/A
Associate	No - share of scope 1 and 2 included as Scope 3 (cat 15)	100%	100%
Investment	No - share of scope 1 and 2 included as Scope 3 (cat 15)	Probably N/A	Probably N/A
Joint venture	No - share of scope 1 and 2 (and 3?) included as Scope 3 (cat 15)	100%	100%
Joint operations	Yes - Share of scope 1, 2 and 3	Additional share up to 100%	Additional share up to 100% (?)
Entity, site or asset (e.g. TSP)	No	100%	100% (?)

Some closing remarks

- GHG emissions related to products and services from the value chain may result in additional scope 3 emissions for share of impact for all relationships
- Scope 3 reporting under operational control for joint operations? (ESRS E1.AR.46.h.ii)
- GHG intensity reporting - includes emissions under operational control.



Takk for oss!



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