Sustainability report 2023

Sval

About this report

This is Sval's third sustainability report with reference to the Global Reporting Initiative (GRI) 11 (2021), Oil and Gas Sector Standard, and describes our business activities in relation to relevant environmental, social and governance (ESG) metrics and performance for 2023. The report also takes initial steps towards alignment with the new Corporate Sustainability Reporting Directive (CSRD). The period and process for sustainability reporting is aligned with financial reporting and the sustainability report was published on our website in April 2024.

Reference to the United Nations Sustainable Development Goals (SDGs), Task Force on Climate-related Financial Disclosures (TCFD), Greenhouse Gas Protocol and the UN Global Compact has been made in the report. Sval is committed to always applying the precautionary principle in our work and decisions.

The boundaries for greenhouse gas reporting are focused on Sval Energi's equity share for Scope 1, 2 and 3 including operated and partner-operated oil and gas activities. For other environmental, social and governance data the reporting is focused on operated activities. This report has been reviewed by relevant senior and executive managers and the Sustainability Committee and has been approved by the Board of Directors. Deloitte, as our independent auditor, has provided limited assurance on the GRI Content Index and the key performance indicators (KPIs) in this report.

We support the UN sustainable development goals

This report is prepared with reference to the Global Reporting Initiatives framework

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

We report our emissions in line with the Greenhouse Gas Protocol

We support the principles of the UN Global Compact

Contents

Photo frontpage: AkerBP
Page 6/36/39: Anne Lise Norheim
Page 30: Havforskningsinstituttet, Yann Kolbeinsson, Polarinstituttet
Page 32/38: Iain Kilgour
Page 34: Stena Recycling

This is Sval

Sval Energi produces, develops and explores for oil and gas on the Norwegian continental shelf (NCS). Since the company was formed in 2019, we have grown to become a significant energy company in Norway. We aim to create value for our shareholders and society through managing our resources in a responsible manner. Safety is our number one priority, and we work continuously to further improve our ESG performance.

At year-end 2023, we were the operator of one producing field, Oda, and a partner in fourteen other producing assets. Total volumes produced in 2023 were 24.2 million barrels of oil equivalent (mmboe). Oil represented 62% of the production, with gas and Natural Gas Liquid (NGL) making up 38%. The ratio of gas in our reserves is 46%.

Sval also holds a 50% ownership in the Metsälamminkangas (MLK) onshore wind farm in Finland. With twenty-four turbines, the MLK windfarm produced around 310 GWh of renewable power in 2023.

By year-end 2023, we were 144 employees with headquarters in Stavanger, and an office in Oslo.

Portfolio development

2023 was focused on organic growth of our oil and gas portfolio with the start-up of two new fields, Fenja and Dvalin, and we are also involved in six ongoing development projects. Currently Symra, Hanz and Eldfisk Nord are under development in the North Sea, and Halten Øst, Maria Phase II and Dvalin Nord in the Norwegian Sea. In total the new developments will add more than 15,000 barrels of oil equivalents per day within 2025. In addition, we hold shares in other discoveries and a number of exploration licenses on the NCS with an extensive exploration programme ongoing and planned for the coming years.

In 2023, Sval was awarded the Trudvang carbon storage licence in the North Sea as operator. More information about Trudvang can be found in the Environment section.

Key figures	2023	2022	2021
Number of employees	144	172	59
Total revenues (MUSD)	2,038	1,860	27
Oil and Gas production (mmboe)	24.2	25.7	0.3
Gas and NGL ratio production 2023	38%	40%	0%
Gas and NGL ratio reserves	46%	50%	
Proportion of fully or partly electrified assets	50%[1]	38%[2]	100%[3]
Electricity production (GWh)	156	92	0
Taxes payable (MNOK)	8,477	14,845	(1,248)
Emissions intensity Scope 1 and 2 Equity Share (kg CO_2e/boe)[2]	8.7	10.1	-
Serious Incident Frequency (SIF)	0	0	-
Total Recoverable Incident Frequency (TRIF)	0	0	-

[1] Includes development assets and assets with firm electrification plans in addition to already electrified assets. Greater Ekofisk area counted as one asset.
[2] Equity share of Scope 1 and 2 GHG emissions including pro-rated share of host emissions for tie-in fields and drilling activities. Excludes emissions from exploration drilling.
[3] In 2021 Duva was the only Sval field in production. Duva is partly electrified through host platform Gjøa.

NIMBLE
Being agile and with efficient decision making, keeping decision-lines short and empowering our employees.

SUSTAINABLE
Balancing the production of oil and gas with continuous focus on reducing emissions and on decarbonisation projects in response to expectations from society, our owners and ourselves.

CREATING VALUE
Having an opportunistic and pragmatic approach to the future of energy. Creating value for shareholders, employees, partners and the communities where Sval operates.

Letter from the CEO

In 2023, we have continued to deliver on our growth ambitions organically, and we have commenced an ambitious exploration programme together with our partners. In addition, we have enhanced our operational capabilities and maximised the value creation from our assets.

Our organisation has been refined to better suit our activities, reflect our priorities, and foster a culture of high performance. During the year, we have successfully completed an offshore decommissioning campaign on the operated Vale field with an exemplary safety record with zero incidents. I am further pleased with the reduction of our carbon intensity from 10.1 to 8.7 kg CO_2e/boe.

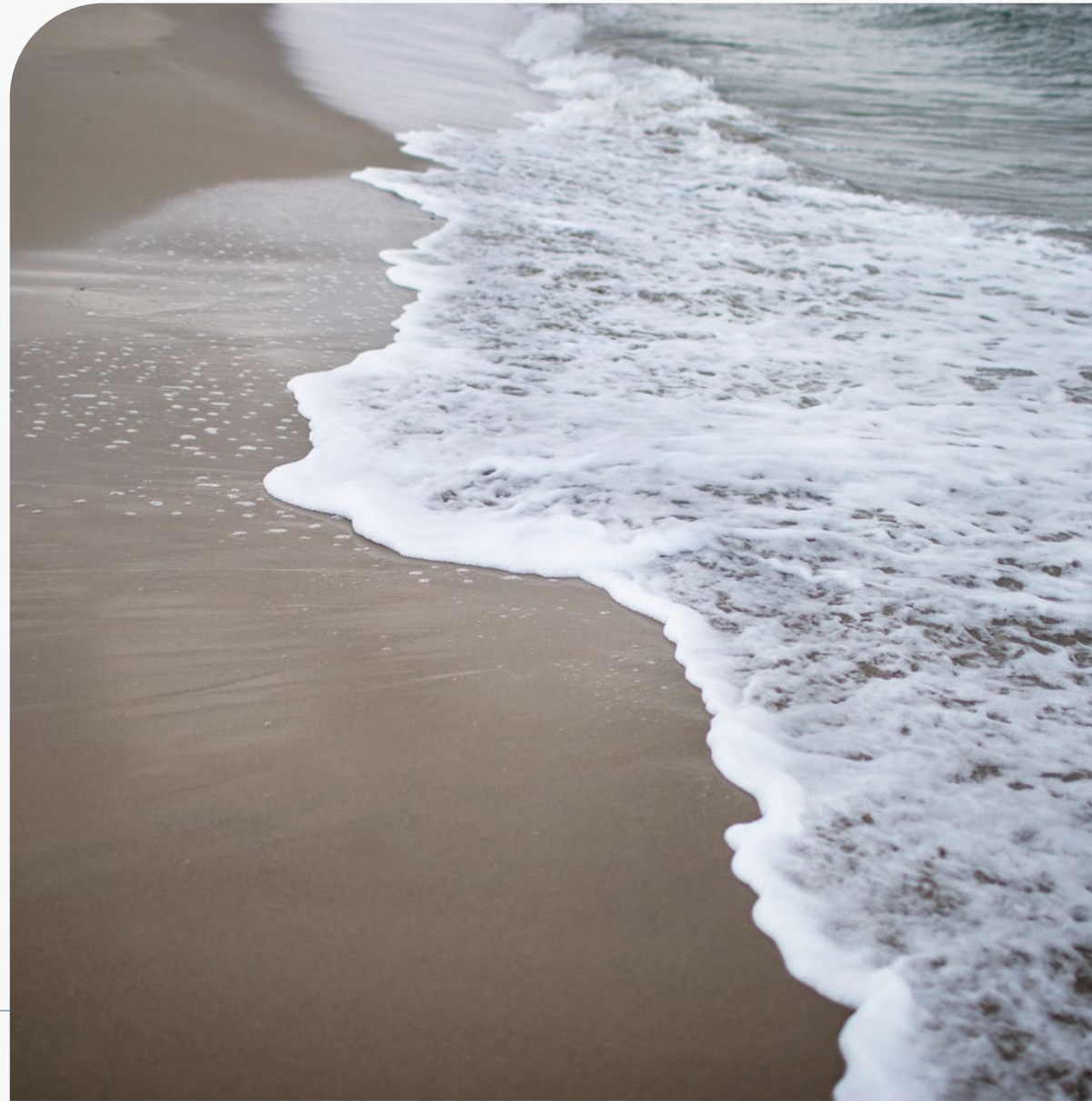
The award of the Trudvang CO_2 storage license as an operator was another important milestone for us in 2023. It both represents a future business opportunity and positions us as a player to support the net zero goals of the Paris Agreement.

Sval will continue to provide energy to the market, creating value for our owners and society, and doing so in the safest, most environmentally and socially sound way is my priority.

Our global context

We find ourselves in a time of increasing fragmentation and uncertainty. With continued geopolitical instabilities, energy security remains high on the agenda for Europe and the world. The 28th UN Climate Change Conference (COP28) ended with an agreement on "transitioning away from fossil fuels in the energy systems, in a just, orderly, and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science." This result was, amongst others, founded on the latest Intergovernmental Panel on Climate Change (IPCC) report[3] confirming that the world is not on track to reach the targets set in the Paris agreement. This complex landscape presents a dual challenge: the need to ensure stable oil and gas supply and the need to advance the energy transition.

In the EU, the quest for energy security coexists with the steady course to transition away



[3]Source: New Analysis of National Climate Plans: Insufficient Progress Made, COP28 Must Set Stage for Immediate Action | UNFCCC

from fossil fuels. In the near to medium term, Europe is still reliant on significant imports of Norwegian oil and gas. At the same time, they are committed to their energy transition objectives, and we experience a stream of new and approaching regulation stimulating change amongst businesses and financial institutions.

Sustainability in Sval

The introduction of the CSRD in the EU, exemplifies the evolving regulatory landscape we navigate and in 2023 we began the preparations for the new directive, starting with a double materiality assessment in accordance with the requirements of the European Sustainability Reporting Standards (ESRS).

Climate change remains our most prominent sustainability topic. Our response to this is twofold: reducing emissions from our oil and gas production and developing new low carbon business opportunities. Notably, our emissions intensity reduction from 10.1 CO_2e/boe to 8.7 CO_2e/boe is a result of a variety of measures, including the electrification of the Ivar Aasen field, increased share of production from low intensity fields, and implementation of multiple incremental measures. This is an important step towards our ambition of becoming a top quartile company measured in carbon intensity on a global scale by 2030.

Although our business strategy is focused on oil and gas, we also seek to develop new low-carbon solutions focusing on carbon storage. In 2023, this was highlighted by the award of the Trudvang carbon storage license. This reservoir has the potential to store approximately 10 million tons of CO_2 annually, corresponding to approximately 20% of Norway's current annual CO_2 emissions. With a determined and skilled organisation and strong partnership, our goal is to start storing CO_2 in 2029.

Within the social dimensions of sustainability, we uphold safety as our number one priority. The successful completion of the first phase of the Vale decommissioning project with zero incidents or personnel injuries underscores this. To support our high safety standards, we completed several training sessions together with other operators and our suppliers, to enhance the safety culture required to avoid incidents and injuries in a challenging offshore work environment. In addition to safety, we continue our ongoing efforts relating to diversity and inclusion and recognise the positive effects this will have on organisational performance and results.

Following several organisational mergers, we saw a need to adapt the organisation with our portfolio and activity set. A reorganisation was completed in Q1 2023, in close collaboration with employee representatives. In the fall of 2023, we completed an employee engagement survey, with good engagement and an overall positive outcome. This has been followed up with a detailed action plan for improvement areas to be implemented. This underscores our commitment to fostering an inclusive and engaging working environment which is the foundation to achieve our ambitious goals.

During 2023, we continued our efforts to identify impacts and risks to human rights and decent working conditions in the value chain. Although Sval's geographical focus on the NCS reduces the inherent risk levels, we diligently address human rights and working conditions.

During 2023 we have maintained our commitment to high ethical standards and compliance. We are guided by our Business Management System (BMS). The BMS was updated during the year with significant engagement across the organisation. Responsible business conduct remains high on the agenda for the Executive Leadership Team and the Board of Directors.

Sval Energi is a young and ambitious company, and we are committed to operate safely, minimise our environmental impacts and create value for society and our owners through continuous development of our team. Our ongoing development and focus on ESG will add value and ensure resilience of our business. I am pleased to share with you our 2023 Sustainability Report.

Sval will continue to provide energy to the market, creating value for our owners and society, and doing so in the safest, most environmentally and socially sound way is my priority.

Nikolai Lyngø, CEO

Sval's sustainability context

Sval's sustainability context

Energy plays a fundamental role in society, providing for essential needs and acts as a foundation for economic development. The energy sector is in the early phase of an unprecedented transition towards a sustainable and low-carbon future, while at the same time being impacted by continued global instabilities adding pressure to energy security. These societal drivers define Sval's sustainability context at a macro-level. As Sval's activities are focused on oil and gas on the NCS, our sustainability context is best understood by looking more closely at what sustainability looks like on the NCS, and the role oil and gas has in the region's energy transition.

Oil and gas in the energy transition

A successful energy transition depends on stable and reliable supply of energy, including oil and gas, alongside unprecedented scaling up of low-carbon and renewable alternatives. These projections are supported by various organisations, including the International Energy Agency's (IEA) flagship report, World Energy Outlook. As illustrated in Figure 1, oil and gas is expected to maintain a considerable share of the energy supply and demand across all IEA scenarios, including those which take us towards a net zero economy.

Norway's oil and gas production currently covers about 2% of global crude and natural gas demand, and more than 25% of Europe's gas demand[4]. Most of the Norwegian gas to Europe is exported through pipelines, which is less energy-intensive than the use of Liquified Natural Gas (LNG). Short term, the gas also contributes to replace coal and gas is a complementary energy source for intermittent renewable energy from sun and wind.

At the same time, we know that greenhouse gas (GHG) emissions from fossil fuels are the leading cause of human-induced climate change. As such, carbon and methane emissions are arguably the most material topics for the oil and gas industry. The industry's commitment to reducing emissions was strengthened in 2020, when KonKraft[5] published a climate strategy for the NCS. The strategy is now set to achieve a 50% reduction of GHG emissions by 2030 compared to 2005 levels, with a long-term ambition to be near zero in 2050. The latest KonKraft status report[6] maintains that it is possible to achieve this target, but action is urgently required, and many measures are still in an early phase. Electrification is by far the most important measure over the next 5–10 years. A recent report from Thema Consulting[7] confirms that it also contributes to a reduction in global emissions.

The Norwegian oil and gas industry's solution to the continued trilemma between energy security, sustainability and affordability is to bring stability to the energy markets. This will be achieved through a reliable supply of oil and gas, produced with minimum negative impact on the climate and environment, and development of new low-carbon value chains built on existing capabilities and capacities.

[4]Source: Eksportverdier og volumer av norsk olje og gass - Norskpetroleum.no [5]KonKraft is a collaboration arena for Offshore Norge, the Federation of Norwegian Industries (NI), the Norwegian Shipowners Association (RF), the Confederation of Norwegian Enterprise (NHO) and the Norwegian Confederation of Trade Unions (LO), together with two LO members – the United Federation of Trade Unions and the Norwegian Union of Industry and Energy Workers (Industry Energy). [6]Source: KonKraft Status Report 2022 [7]Source: Electrification of the oil and gas sector results in reduced emissions globally (offshorenorge.no)

The International Energy Agency Scenarios[8]

The International Energy Agency (IEA) use 3 different scenarios in their forecasting of the energy mix to illustrate:

1. What governments are currently doing (STEPS)
2. What they have promised to do (APS)
3. What the energy mix could look like to reach the 1.5 degrees goal (NZE)

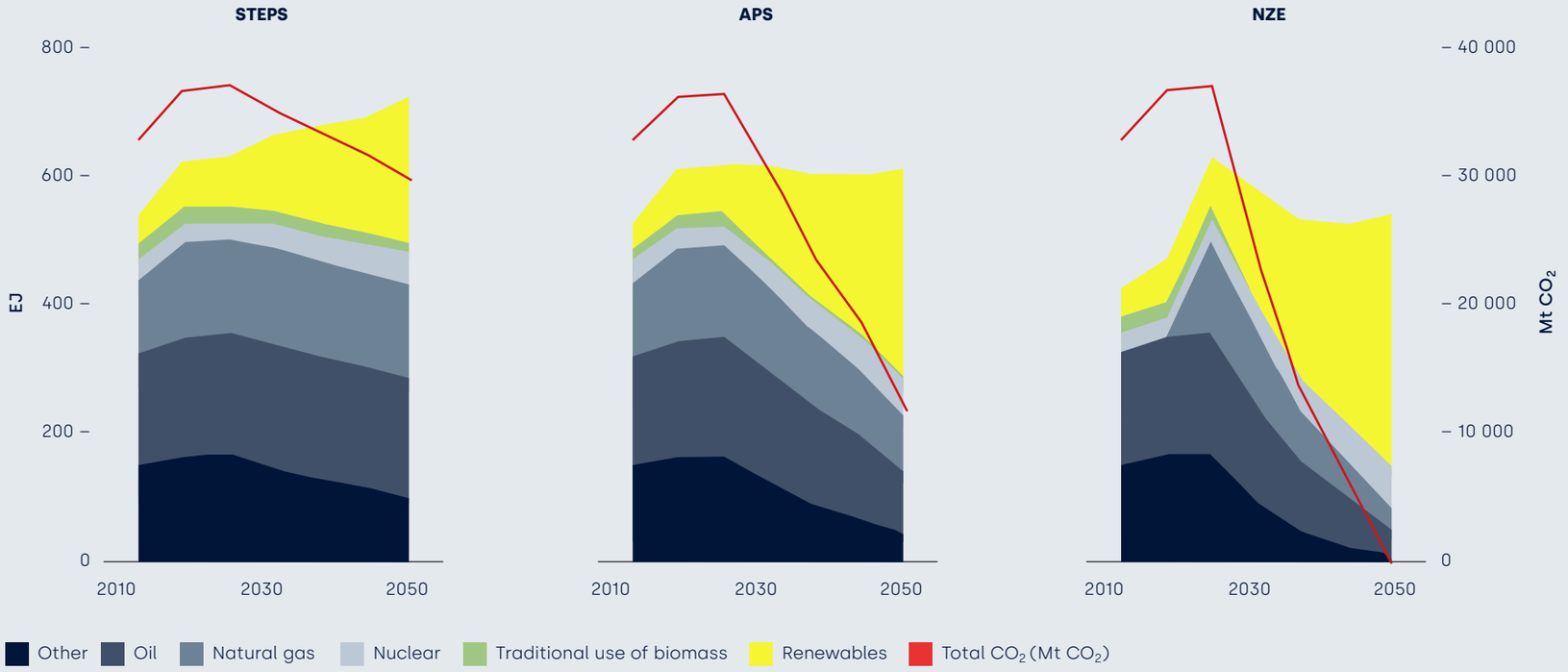
Each scenario incorporates different assumptions around fossil fuel and carbon prices.

The gap in outcomes between the STEPS and APS is referred to as the "implementation gap", i.e. the gap that needs to be filled to realise commitments in full. The gap between the APS and the NZE Scenario is called the "ambition gap" as it reflects that pledges made to date collectively are not ambitious enough to match the goal of a 1.5 °C limit in global average temperatures.

Even though all scenarios show that oil and gas will peak before 2030, they also demonstrate continued need for oil and gas as an important contributor to the world energy mix for many years to come. This reliable energy source is therefore a critical component in the energy transition, as global systems shift away from fossil-dominated energy mixes to intermittent renewables.

[8]World Energy Outlook 2023 page 91, 92, 101, 295

Figure 1: Total primary energy supply by fuel and scenario



STEPS: Is designed to provide a sense of the prevailing direction of energy system progression. It reflects current policy settings, based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place, as well as those under development. This scenario considers currently planned manufacturing capacities for clean energy technologies, is not designed to achieve a particular outcome, and emissions do not reach net zero. This scenario sees the share of fossil fuels in the global energy mix falling to less than 73% by 2030 and to just above 65% by mid-century.

APS: Announced Pledges Scenario (APS) assumes that all climate commitments made by governments and industries around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time. In this scenario rapid growth in electrification and continuous improvements in fuel efficiency reduce the oil demand, peaking around 2025. Overall fossil fuels drop from 80% in today's energy mix to 69% in 2030.

NZE: Sets out a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050 by deploying a wide portfolio of clean energy technologies and without offsets from land-use measures. It recognises that achieving net zero energy sector CO_2 emissions by 2050 depends on fair and effective global co-operation, with advanced economies taking the lead and reaching net zero emissions earlier than emerging markets and developing economies. NZE assumes that fossil fuels will decrease from 80% in today's energy mix to 62% in 2030, and universal access to electricity and clean cooking are achieved by 2030.

Norway oil and gas context

Providing the energy needed in the safest, most environmentally and socially sound way is a joint industry priority on the NCS today. This is supported by a strong track record and a legacy of high regulatory standards and compliance, stringent environmental regulations as well as an uncompromising focus on health and safety.

Norway has implemented a number of regulations that relate to ESG topics. Some of the main substantive ESG-related regulations in Norway that apply across industries include the Human Rights Act, the Working Environment Act, the Gender Equality and Discrimination Act, the Act on Biodiversity, the Pollution Control Act, the Transparency Act, the Company Act and the Penal Code, as well as national legislation incorporating Norway's international commitments.

The NCS' performance on GHG emissions is world leading[9], driven by regulations such as the Norwegian CO_2 tax, the regulation of operational flaring and cold venting, and the historically strong political and regulatory push for electrification. The NCS also has regulatory requirements for asset integrity, preventing leaks and fugitive emissions. This regulatory landscape has not only contributed to a generally low CO_2 intensity in the upstream and midstream activities, but also brought methane emissions to around 10% of the global average for oil and gas producers[10]. Moreover, operators on the NCS are required to report yearly on plans and actions on energy efficiency measures to further improve performance.

Discharges to sea and waste handling are highly regulated on the NCS. The primary discharges to sea include oil in produced water, unplanned spills, drilling discharges and chemicals. Each of these effluence categories are strictly controlled through a permitting system, and discharges have remained far below regulatory requirements for concentration levels and permits set by authorities for decades[11]. There have also been proactive efforts over many years on substitution of chemicals to reduce risk of negative environmental impacts. Transparent and consistent reporting across companies and licenses is ensured through common guidelines.

Uncompromising standards and requirements related to health and safety have been hallmarks of the NCS for decades. The total number of defined hazards and accident conditions have seen a sharp decline since the beginning of the 2000s, and all accidents or "near miss" occurrences are required to be reported and followed up to ensure learning and improvement. This has resulted in an industry culture prioritising safe operations, transparency, and accountability.

The Norwegian partnership and collaboration model

The partnership structure on the NCS encourages the industry to work together, also on matters concerning climate and environment. During the 1980s and 90s, the industry established the culture of health and safety that we now consider a given. Today, we are striving to establish the same culture for mitigating climate change and building upon the notion of "sustainability in everything we do."

In short, the Norwegian oil and gas industry is known for its unique ability to come together to face mutual challenges and build on existing expertise to find collective solutions. Addressing climate change is one such challenge, where peers come together to work and innovate. Through networks, focus groups, and open communication, teams learn from each other and find ways to develop their sustainability efforts. Sval sees this desire to collectively solve problems as essential to meeting the challenges ahead.

The role of EU

The EU has taken on a leading role in the energy transition globally, and with Norway being part of the EEC, the NCS is often directly affected by new EU regulations. The EU's Green Deal aims to transition the entire continent towards net zero, enacting new regulations and policies such as the CSRD, the EU Taxonomy, strengthening of the Emission Trading Scheme (ETS) and the Carbon Border Adjustment Mechanisms (CBAM) to name a few.

Expected regulation includes the Net Zero Industry Act and the Corporate Sustainability Due Diligence Directive (CSDDD). The CSDDD is anticipated to include similar requirements for human rights due diligence as the Norwegian Transparency Act that entered into force in 2022. Overall, it is expected that regulatory pressure both in the EU and Norway will continue to increase. Improved structure and transparency in reporting is expected to improve alignment and provide more clarity around actual status and progress between industries and businesses.

[9]Source: Offshore Norge – Klima og miljørapport 2023
[10]Source Offshore Norge – Climate Strategy towards 2030, Status Report 2022, page 21
[11]Source: Offshore Norge – Klima og miljørapport 2023

Our material sustainability topics

Our material sustainability topics

Materiality assessment

Sval revised its materiality assessment at the end of 2022, following a period of rapid growth within oil and gas through mergers and acquisitions. The purpose was to identify the key considerations and strategic factors pertaining to sustainability that are of the most relevance for Sval. The assessment was based on interviews with both internal and external stakeholders and complemented by an internal ESG survey distributed to all employees. The stakeholders involved are represented in the Figure 2.

For 2023, the views and input from stakeholders have been captured through continuous stakeholder dialogue in various forums and daily activities. These stakeholders include owners and investors, banks, regulatory bodies, employees, partners, suppliers and the industry in general. This ongoing dialogue keeps us up to date on stakeholder expectations, trends and best practice in the industry.

In 2023, we also began to further develop our materiality assessment in line with the EU's CSRD. The CSRD double materiality analysis requires assessment of the impacts, risks and opportunities related to a common set of ESG topics as stipulated in the ESRS. Our assessment included mapping Sval's value-chain and key activities which was performed with the involvement of internal stakeholders and subject matter experts. The identified impacts, risks, and opportunities (IRO's) were evaluated using best available knowledge and documentation. The impacts were scored on scale, scope, and irremediable character, while risks and opportunities were scored based on their potential financial consequence and likelihood of occurrence. In 2024, we plan to revisit this preliminary analysis with an extended stakeholder group.

The results from the double materiality assessment form the basis of our ESG strategy and serve as a framework for the contents of this report. We will continue to report with reference to the GRI alongside a gradual transition towards ESRS-aligned reporting. Our GRI Index can be found at the end of this report, including references to our reporting on material topics, based on GRI 11: Sector Standard for Oil & Gas (2021).

Figure 2: Sval stakeholder groups

Our material topics

The outcome of the double materiality assessment indicates that Sval has several impacts, risks and opportunities associated with sustainability topics outlined by the CSRD. Each topic is sorted under the key overarching environmental, social and governance themes.

Environmental responsibility is integral to our licence to operate, and we take responsibility for our actions and pursue opportunities to improve wherever possible. Climate change is maintained as a strategic topic given the material GHG emissions from oil and gas, as well as the related risks and opportunities. Our double materiality assessment also underscored the importance of topics such as pollution, biodiversity and ecosystems, and waste management. These topics are therefore given more prominence in this year's report.

Regarding our social sustainability themes, we maintain our fundamental commitment to safeguarding people, both in our own workforce and in our value chain. We prioritise occupational health and safety in everything we do, and we will continue to implement measures to foster inclusion and diversity. These topics are central to our organisational and cultural development. For workers in our value chain, the human rights and decent working conditions element aligns with the requirements under the Norwegian Transparency Act. Although Sval operates in a low-risk environment on the NCS, we are committed to continue our search for potential negative impacts in our value chain.

We are committed to conducting our business practices with the highest ethical standards and consider the areas within governance as foundational factors that simply must be in place. Our corporate culture and ethical business practices cover all aspects of how we conduct our business. Finally, in recent years cybersecurity has been pushed more and more to the forefront of our agenda, in response to a new risk landscape shaped by technological advancement and increased frequency of more sophisticated cyber-attacks.

Figure 3: Sval material sustainability topics

Environmental	Social	Governance
Climate change & enviromental protection	**Safeguarding people**	**Business conduct**
Climate change	Working conditions	Working conditions
Pollution	Equal treament and opportunities for all	Ethical business practises
Biodiversity & Ecosystems	Human rights and decent working conditions	Cyber security
Waste		
		

Climate change – our response

Climate change – our response

Introduction

Sval acknowledges the need for decarbonisation in line with the Paris Agreement as well as national and industry targets. The impact from the oil and gas industry is material. Decarbonisation of our oil and gas activities is therefore a priority, while also adding value to the company through reduced exposure to climate-related financial risk.

For Sval, the energy transition and global need to decarbonise also offers business opportunities, and we will target areas that match our existing competencies and capabilities. For now, that means focusing on CO_2 storage as part of the Carbon Capture and Storage (CCS) value chain. We also have ownership in the MLK windfarm in Finland. In 2023 we produced 156 GW of renewable power, corresponding to roughly 50% more than the amount of renewable energy that we consume through our equity share of power from shore to the offshore oil and gas activities, resulting in a net positive contribution to the Nordic renewable energy system.

These focus areas are aligned with the Norwegian oil and gas industry strategy to reduce emissions from energy production, and to establish new industrial low carbon value chains built on the expertise and capacities of the industry.

Metrics and performance

Sval reports material Scope 1, 2 and 3 emissions with focus on equity share approach (see full overview of our mapped GHG emissions in Appendix 2). During 2022 and 2023 we have established a detailed overview of both historic and forecasted greenhouse gas emissions for all assets. For 2023 we have expanded our reporting to include Scope 3 categories 9 and 10, using industry factors for a preliminary estimate. Scope 3 data needs further work. We anticipate material emissions relating to offshore logistics and marine activities, field development activities and use of chemicals in our partner operated licenses, and aim to expand our reporting once this data becomes available. In the reporting period we have also further matured reporting routines, processes and methodologies aligned with applicable guidelines and industry practises. From 2023 we have also included our equity share of energy consumption and production.

Our equity share of absolute CO_2 emissions from oil and gas production is material, and therefore a key metric. The carbon intensity of the portfolio is an equally important metric.

Table 1: Key GHG and energy metrics

GHG emissions and energy metrics	Unit	2023	2022[8]	2021[9]
Oil and gas for sale	mmboe	24.2	25.7	0.3
Direct GHG emissions (Scope 1)[1]	tons CO_2e	208 311	259 856	750
Indirect GHG emissions (Scope 2 Location based)[2]	tons CO_2e	1 942	777	11
Indirect GHG emissions (Scope 2 Market based)[2]	tons CO_2e	51 297	28 134	-
Indirect GHG emissions (Scope 3 Category 11)[3]	tons CO_2e	9 297 889	9 689 255	130 938
Other indirect GHG emissions (other Scope 3 categories)[4]	tons CO_2e	725 182	5 432	19
GHG intensity – Scope 1 & 2[5]	kg CO_2e / boe	8.7	10.1	2.4
GHG intensity – Scope 1 & 2 (emissions per net revenue)	tons CO_2e / MUSD	103	143	2
GHG intensity – Scope 1, 2 & 3 ex Category 11 (emissions per net revenue)	tons CO_2e / MUSD	459	145	2
Energy consumption from non-renewable sources[6]	MWh	420 453	-	-
Energy consumption from renewable sources[7]	MWh	98 170	70 324	-
Proportion of total energy use from renewables	%	19%	-	-
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	MWh / MUSD	254	-	-
Energy production (factor estimate from oil and gas sales volumes)	MWh	40 300 925	-	
Energy production (renewable energy)	MWh	156 308	92 262	-

1 Equity share emissions from activities under the Norwegian Petroleum Act (oil and gas extraction and offshore processing and drilling activities).
2 Latest available NVE emissions factors for Location based and Marked based electricity (Norwegian and European mixelectricity mix). Includes power to hubs and offices.
3 Based on volumes for sale and Cemasys emission factors.
4 Other Scope 3 includes Business travel, Waste, Employee Commuting (helicopter transport), Purchased Goods and Services, Transportation and distribution, and Midstream processing. Categories 9 and 10 (Transportation and distribution, and Midstream processing) new in 2023. For 2021 Scope 3 included Business Travel only.
5 Scope 1 excluding exploration drilling. Scope 2 Location based. Sales volumes.
6 Equity share of fuelgas and diesel consumed by offshore hubs.
7 Equity share of electrical power for offshore hubs, and offices. Multiplied with NVE 2022 factor for share of renewable power. (physical delivered electricity).
8 Data for 2022 represents full year production and emissions for aquiredacquired assets.
9 Stakes in Gassled and Polarled were sold in 2021.

Both are actively used in risk assessments. The methane emissions amount to only 2–3% of the overall emissions but is still considered material. NO_2 is also reported when available but is insignificant compared to methane and CO_2. Scope 3 category 11 (use of products) is by far the most material metric, but also the most challenging for Sval to reduce as these emissions occur downstream of our sales point.

The Table 1 describes Sval's climate impact and development from 2020. In short, carbon emissions have increased considerably alongside the growth of oil and gas production, which increased from 0.3mmboe in 2021 to 25.7 mmboe in 2022 for reference. The company's Scope 1 GHG emissions declined by 19% from 2022 to 2023 and the carbon intensity declined from 10.1 kg CO_2e/boe to 8.7 kg CO_2e/boe. This is the result of, amongst others, the electrification of the Ivar Aasen field, increased share of production from low carbon-intensity fields and multiple small and large measures implemented across the portfolio, as further described the Environment section. The Vale field also ceased production in the middle of 2023.

Climate change risk and opportunities

Sval identifies and assesses climate risks and opportunities across its business in line with the recommendations of the TCFD framework. A summary is provided in the following section, and specific TCFD disclosures can be found in the TCFD Index provided in the Appendix of this report.

Climate-related risks and opportunities are identified and managed as an integrated part of Sval's risk management system. Sval assesses transition and physical risks of climate change over the short (0–2 years), medium (2–5 years) and long-term (5+ years) to reflect the typical time horizons of the business. Identification of climate-related risks and opportunities is undertaken by running regular risk workshops with business units, alongside sessions focused on climate risk with Sval's leadership team. Top tier risks are integrated in the enterprise risk management (ERM) process, and are assessed based on a combination of likelihood, uncertainty, consequence, and residual risk following defined mitigating actions.

Overview of key risks and opportunities

Sval's main exposure to climate risk is through its oil and gas activities. Table 2 summarises key risks, financial implications, and mitigation measures. An important aspect to note with respect to the overall risk picture is the financial weighting towards the short-medium term with approximately 70% of Sval's value realised by 2030.

[5] Based on NVE Location based factor for Norway

Table 2: Climate related financial risks

	Risk	Description	Impacts	Management response
Market	Reduced interest in oil and gas from finance and investor community.	The finance community is reducing activity within oil and gas. The implementation of the EU Green Deal including the EU Taxonomy and CSRD could further impact the banks' lending capacity and terms.	Less debt capacity. Increased cost of debt. Increased cost of insurance.	Sval is seeking to develop an oil and gas portfolio with low emissions. Sval is also developing CCS opportunities as the operator of Trudvang, and holds ownership in a windpark. Sval maintains a close dialogue with key stakeholders on all ESG matters.
Market	Reduced demand for oil and gas	Rapid transition to alternative energy sources could lead to reduction in fossil fuel demand.	Reduced revenue and increased competition.	Sval has a relatively high share of gas reserves. Portfolio and new investments are stress tested towards 1.5 deg scenarios. We minimise our OPEX and emissions cost. In terms of diversification Sval is developing CCS opportunities and holds ownership in a windpark.
Market	Increased cost of GHG emissions	GHG taxes/ fees increase above Sval assumptions.	Reduced value of producing assets and discoveries/ developments.	Sval works to minimise emissions. Sval has taken a conservative view on the cost of CO_2 and stress tests its portfolio regularly.
Technology	Changes to fiscal regime and/or petroleum regulations impacting NCS activities	A range of potential regulatory measures could be applied with the potential of impacting the commerciality of oil and gas activities.	Reduced value of producing assets and discoveries/ developments. Reduced organic growth potential.	In addition to developing an oil and gas portfolio with low emissions, Sval monitors new and emerging EU regulations to prepare for changes.
Technology	Technology dependencies, immature value chain and insufficient framework to realise CCS	Carbon capture technologies and value chain for CCS not sufficiently mature to start an industry.	Increased development cost or insufficient demand.	Sval will consider timing of full-scale CCS development vs technology, market, framework and supply chain maturity.
Reputation	Poor reputation in public opinion	Being an oil and gas producer, Sval's reputation could be negatively impacted if seen as attempting to "greenwash" its activities.	Reduced ability to recruit and retain. Less debt capacity. Increased cost of debt.	Ensure clear and transparent communication around Sval's oil and gas strategy, and use auditors for revision of data.
Physical	Physical offshore environment	More adverse weather leading to operational upsets, damage to assets, supply chain disruptions etc.	Reduced production efficiency, increased insurance premiums, asset damage, project delays.	Assets on the NCS are designed and built under comprehensive regulations also with respect to weather criteria. Due diligence with respect to weather risk for new aquisitions and review new developments.

Transition risk

The predominant transition risks with a potential to impact the offshore oil and gas industry includes a material reduction in commodity pricing from declining demand for oil and gas, significant increases in CO_2 emissions pricing and governmental interventions impacting offshore oil and gas activity levels.

Commodity price exposure carries the potential for large financial impact. Current global trends do not show signs of a significantly reduced demand for oil and gas, nor a material price impact in the near to medium term. However, it is prudent to consider scenarios where oil and gas demand is more materially impacted as further discussed under the scenario analysis. With the current portfolio the majority of Sval's value is realised before 2030, contributing to reducing the impact of this risk for the longer term. The economic performance is primarily managed by controlling cost and production volumes, in addition to financial risk. A rigorous system is in place for budgeting, forecasting, and managing these parameters, with the aim of supporting sound financial decisions.

As Sval continues to grow, reputational risk becomes more relevant, and the company's ESG profile could have an impact on Sval's ability to recruit and retain a high performing team. This may also impact the valuation of Sval as a company. Sval aims to minimise the footprint from its activities and will continue to mature low carbon opportunities, such as CCS. This may also help to enhance Sval's reputation.

With a considerable oil and gas portfolio, Sval may in the longer term be exposed to stranded asset risk in a net zero transition scenario. This risk is considered when building the portfolio, and the aim is to minimise exposure to high emitting assets or assets without a plan for emission reduction. To help maintain our license to operate, Sval is committed to reducing emissions in line with Konkraft ambitions.

The EU ETS carbon price increase, as forecasted in the IEA's World Energy Outlook model, is expected to have limited financial impact on Sval's current portfolio given the relatively high CO_2 tariff level taken into account in Sval's business model. Norway also has a special CO_2 tax in addition to the ETS cost which means the combined cost of CO_2 emissions is already one of the highest globally.

Sval also considers the broader reputational risks of being part of the oil and gas industry. This includes the potential impact on stakeholder relations and Sval's cost of capital following the implementation of the EU Taxonomy, the CSRD as well as other emerging regulations. Sval maintains a close dialogue with key stakeholders, including banks and investors, and stays close to its industry bodies to monitor and manage this risk. Transparent reporting and communication are also mitigating actions for reputational risks.

Physical risk

Sval's physical risk scenario represents a "business-as-usual" scenario where no major additional efforts in reducing emissions are implemented. In this scenario, the average temperature will increase dramatically towards 2100, and have large impacts on the sea level and increase the frequency and severity of extreme weather.

The physical risk analysis performed by Sval has not identified any material physical risks to the current asset portfolio in the short to medium term. Sval's offshore assets have a high level of weather-related contingency due to stringent NCS design requirements. The MLK wind farm includes suitable design contingency to mitigate storm damage. The business could, however, experience increased cost impacts from more frequent adverse weather events causing delays in supply chain logistics, reduced efficiency, and production downtime. Furthermore, Sval's wind farm may be susceptible to increased downtime resulting from more frequent and higher intensity storms and severe weather events. However, these are near term activities, and climate-related physical risks are expected to have a more material impact in the longer term.

Table 3: Climate related financial opportunities

	Opportunity	Description	Impacts	Management response
Market	NCS favoured over other oil and gas regions, due to low carbon intensity and stringent environmental regulation and compliance	NCS piped gas to EU better positioned as transition energy than global LNG. NCS oil also best in class on global scale.	Improved debt capacity and reduced cost of debt. Improved ability to recruit and retain STEM personnel. Well positioned for further growth.	Maintain NCS focus in growth activities.
Market	New business opportunities within low carbon	CCS is critical to remove emissions from hard-to-abate sectors, and also to enable negative emissions in net zero scenarios. CCS is emerging as a new potential business opportunity.	Future profitable business. Low entry fee for early entrants. Utilise existing competencies. Improved attractiveness for new and current employees.	Develop Trudvang into commercial business.
Physical	Development of a supportive regulatory regime	Developments in the EU/Norway regulatory regime including the EU ETS price development could strengthen commerciality of a low carbon CCS value chain.	Improved commerciality of the CCS value chain and CO_2 storage business.	Monitor EU/Norway policy development. Participate in industry bodies and align with key stakeholders to ensure regulatory changes support commerciality of low carbon value chain.

Opportunities

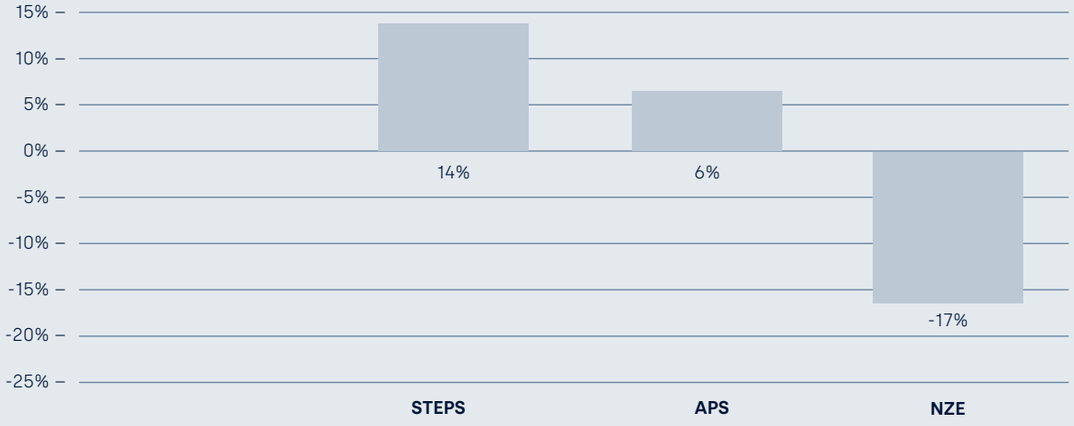
There are also several opportunities arising from an energy market in transition and technological developments. Some of these opportunities can help mitigate the identified climate risks and at the same time represent new business opportunities. In 2023, Sval was awarded the Trudvang carbon storage licence in the North Sea as operator. The award represents a potential future business opportunity and is at the same time an important step towards safe and permanent storage of CO_2 in subsurface reservoirs. The table below summarises the key climate-related opportunities for Sval.

Table 4: IEA scenarios in World Energy Outlook Oct 2023 (USD real 2022)

IEA Scenario (European Union)	STEPS			APS			NZE		
	2030	2040	2050	2030	2040	2050	2030	2040	2050
Crude oil (USD/Barrel)	85	-	83	74	-	60	42	-	25
Natural gas (USD/MBtu)	6.9	-	7.1	6.5	-	5.4	4.3	-	4.1
CO_2 price (USD/Ton CO_2)	120	129	135	135	175	200	140	205	250

Source: World Energy Outlook October 2023 (table 2.2. and B.2)

Figure 4: IEA scenario NPVs versus reference case scenario



Strategy resilience through scenario analysis

Following the framework of the TCFD, Sval has used the IEA scenarios described in Sval Sustainability Context to test the resilience of its portfolio. In this context, resilience means the financial robustness of the portfolio against changes in commodity prices and carbon taxes.

The purpose of the analysis is to stress test Sval's portfolio against future scenarios and compare it against a market reference. The comparison is done in terms of future impacts on the net present value (NPV) of the current portfolio. The market reference case is based on actual market and forward prices year end 2023 and long-term prices as stated by Wood Mackenzie.

At present, Sval's financial exposure is weighted towards the short-medium term with approximately 70% of its value realised by 2030. From the STEPS scenario, Sval's portfolio value is 14% increased versus the market reference. This is due to higher oil price assumptions in STEPS than in the reference case. APS has a NPV 6% above the reference case. In NZE, oil and gas prices are lower than the reference, reducing NPV by 17% versus the reference case. Cost of CO_2 allowances under the EU ETS has a limited impact on Sval's valuation as it is a relatively modest part of the cost base and valuation, in addition to Sval's conservative approach to CO_2 cost in its business models.

Governance of climate risks and opportunities

Sval's Board of Directors (board) is ultimately responsible for overseeing and guiding the company's governance, management, and investment decisions for climate-related matters. The board reviews and monitors climate-related business risks and opportunities on a quarterly basis as part of its broader ERM process.

The board's Audit and Risk Committee (ARC) assists the board in its oversight of the company's governance structures, programs and policies and is responsible for overseeing Sval's risk management process and procedures. Material business risks and opportunities identified by the company, including those relating to climate change, are presented,

and discussed with ARC on a quarterly basis. Moreover, the committee ensures that relevant climate-related risks and opportunities are properly integrated into the ERM framework.

The board's Sustainability Committee holds minimum quarterly meetings and advise and support the board in all matters regarding ESG. As part of this, the committee also reviews the climate risk and opportunities and related financial analyses.

Management of climate-related risks and opportunities ultimately resides with Sval's Chief Executive Officer (CEO), who leads the Executive Leadership Team (ELT). The ELT is responsible for implementing and following up policies, processes, and procedures for managing climate risk and opportunities. The ELT works with the board in deciding Sval's climate-related targets and is accountable for performance against agreed targets.

The responsibility for delivering on Sval's climate-related ambitions lies with the respective business areas. The respective line managers and license asset managers are responsible for defining and implementing relevant actions.

Sval has established a Sustainability line organisation including a dedicated Sustainability Manager. The Sustainability Manager is responsible for managing the process and activities relating to climate risk. This includes conducting reviews of the risk register with the ELT and organising financial analyses in liaison with the Chief Financial Officer (CFO). The Sustainability Manager is also in charge of proposing and establishing the basis for climate related targets to the ELT.

Climate change mitigation

Portfolio decarbonisation – ambitions and targets

Sval's ambitions align with the Norwegian oil and gas industry target of 50% reduction of absolute GHG emissions from the production of oil and gas by 2030 and we also aim to become a top quartile company measured in carbon intensity on a global level by 2030. For reference, Sval's Scope 1 carbon intensity for 2023 is 8.7 kg CO_2e/boe while the world average carbon intensity from upstream activities, according to IOGP 2022 data, is around 17–18 kg CO_2e/boe[12]. These ambitions guide our decisions regarding investments and work to decarbonise our portfolio.

Table 5: Current carbon intensity Sval assets

Field	Current carbon intensity	Comment
PL001B Ivar Aasen		Electrified
PL028B Hanz		Tie-in to Ivar Aasen, start-up 2024
PL167 Symra		Tie-in to Ivar Aasen, start-up 2027
PL636 Duva		Host Gjøa partly electrified
Vega Unit		Host Gjøa partly electrified
PL418 Nova		Host Gjøa partly electrified
Martin Linge Unit		Electrified
PL193 Kvitebjørn		Energy efficiency measures
PL475BS Maria		Electrification studies (host operator)
Halten East Unit		Electrification studies (host operator)
PL435 Dvalin		Electrification studies (host operator)
Dvalin Nord		Electrification studies (host operator)
PL 586 Fenja		Host Njord to be partly electrified 2027
PL405 Oda		Cease of production before 2030
PL147 Trym		Cease of production before 2030
Greater Ekofisk		Electrification studies and reduction measures

Low intensity Medium intensity High intensity

[12]Source: IOGP Environmental performance indicators - 2022 data

A GHG roadmap is being developed to help us deliver on our ambitions, and going forward Sval will set detailed emission reduction targets for the material emissions categories where we can have an influence. The most important measure for Sval and the industry is continued electrification, in addition to portfolio optimisation and energy efficiency measures. Finding solutions to effectively reduce emissions from Scope 3 marine activities is also increasingly important.

Growth with low emissions

Sval has grown the portfolio with a minimum GHG footprint in mind, and so far 5 out of 15 producing fields are electrified with power from shore (Martin Linge, Ivar Aasen, Duva, Nova and Vega), while another 3 will be connected to the grid in the coming years (Hanz, Symra and Fenja). Reference is made to the asset map on page 4.

To bridge the gap between continued demand for reliable oil and gas to Europe and the expected decline in supply from the NCS, additional reserves are required[13]. For our continued exploration activities, we are committed to exploring near existing infrastructure, and we are also aiming to connect any new discoveries to low emitting hubs. These commitments are integrated into our exploration strategy and will help to reduce emissions both in the development and operations phase of new fields.

Decarbonisation measures

Sval works closely together with our license partners and in industry forums and workgroups to decarbonise the activities on the NCS. The most material measure in Sval's portfolio during 2023 was getting power from shore to the Ivar Aasen field fully operational. This contributes to thousands of tonnes of reduced GHG emissions from the field. This will also enable low carbon operations for the ongoing field developments of Hanz and Symra. At the end of 2023, the electrification projects for Njord and Draugen received regulatory approval, which will facilitate electrification of our Fenja tie-in field in 2027.

Electrified hubs also provide a potential for low carbon drilling operations, and in 2023 both our Martin Linge and Ivar Aasen licenses have committed to modify drilling rigs for future low emission drilling operations. These investments will eliminate thousands of tonnes of additional GHG emissions from operations normally run on diesel.

In our Greater Ekofisk Area the operator ConocoPhillips has continued to deliver on a suite of initiatives including energy efficiency measures and brownfield modification projects to reduce the emissions from both drilling and processing activities. For the longer term, early phase studies are ongoing to investigate possibilities of connecting to the future Sørlige Nordsjø II windfarm.

In 2023, our gas processing hub Heimdal ceased operations, and with this we also ceased production from our operated Vale field. As late-life fields tend to have relatively higher emissions per produced unit, this has had a positive effect both on our absolute emissions and our portfolio carbon intensity. For the decommissioning activities we are involved in, we are committed to re-use or recycle materials to the highest practicable degree. For our operated Vale decommissioning project, we have set a recycling target of > 95% which will contribute to avoided emissions through re-use of equipment and recycling of steel and other materials. This project is covered in more detail in the following chapter.

Sval is also supporting various research and development initiatives and the SINTEF[14] Low Emission Centre is a good example where the industry works together with research institutions and the supply chain to bring forward new decarbonisation solutions.

LowEmission is a research centre for low emission technology for petroleum activities on the NCS[15]. World-leading Norwegian and international industrial entities including vendors, operators and energy companies join forces with globally recognised research groups at SINTEF and NTNU[16], and other top-rated universities and research institutes. The mission is to pave the road towards zero-emission production of oil and gas from the NCS. LowEmission develops new technology solutions and concepts for offshore energy systems and integration with renewable power production technologies. This will accelerate development and implementation of low-emission offshore technologies on the NCS and it will help Norwegian industry meet its 2030 goal of 50% reduction in greenhouse gas emissions – and move towards the 2050 goal of zero emissions from new facilities. LowEmission is a platform for innovation, and strong interaction within the Centre will generate spin-off projects and technology transfer programmes.

LOWEMISSION

[13]Source: IEA WEB (2023) and DnV 2023 Outlook Report [14]One of Europe's largest independent research organisations
[15]Source: LowEmission – Reducing emissions on the Norwegian continental shelf [16]Norges teknisk-naturvitenskapelige universitet

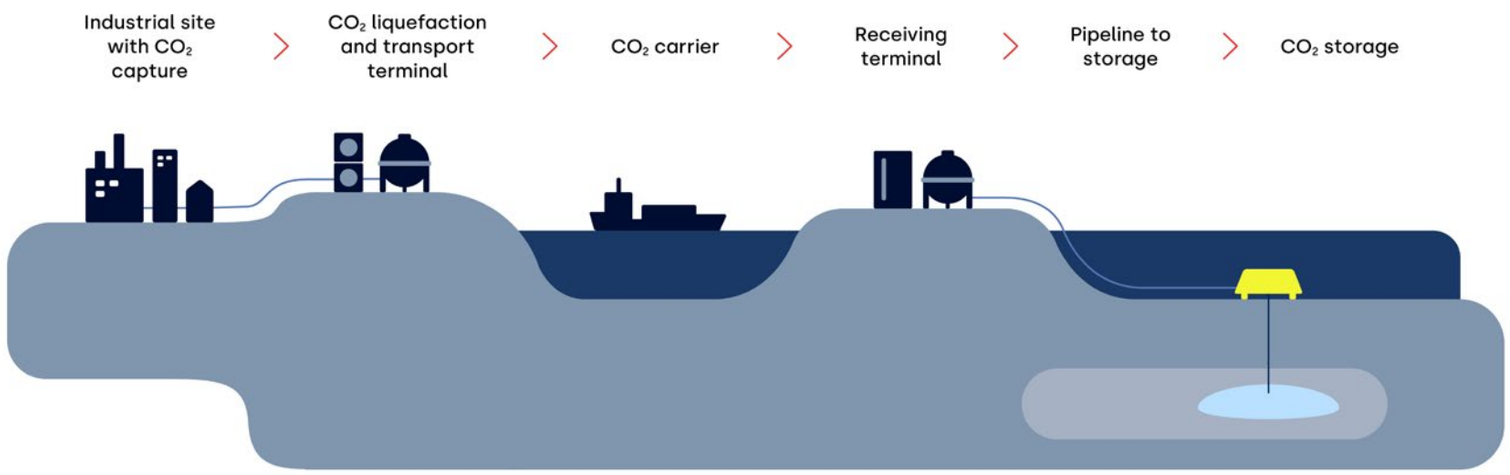
Carbon capture and storage

According to the IPCC, CCS is an important solution to reduce emissions from large-scale fossil-based energy and industry sources and critical in order to limit global warming to the targets set out in the Paris Agreement[17]. The IEA has also consistently highlighted the important role of CCS in achieving net zero emissions, to tackle emissions from hard-to-abate industry sectors. The CCS value chain can also enable permanent negative emissions through Carbon Dioxide Removal (CDR), where technologies like Direct Air Capture (DAC) and Bio Energy with CCS (BECCS) have the potential to offer negative emissions at scale.

The carbon capture and storage value chain

The CCS value chain refers to the integrated process of capturing, transporting, and storing CO_2. In the first step the CO_2 is separated from other gases produced during industrial processes. These industrial processes include heavy industries like petrochemical, cement, steel and power generation. Various existing technologies can be used to capture the CO_2.

Figure 5: Visualising the CCS value chain



[17]Source: IPCC AR6 Synthesis Report

The captured CO_2 is then conditioned and transported to a permanent storage site. This can be done through pipelines or ships, depending on the distance and the amount of CO_2 to be transported.

The final step is storage, where the CO_2 is injected into underground and specific geological formations for permanent storage. These formations are typically located deep beneath the earth's surface and are chosen based on their ability to contain the CO_2 safely and permanently.

In summary, CCS with safe and permanent storage offers a way to significantly reduce CO_2 emissions while we transition towards a more sustainable, low-carbon future. While the technology is proven, commercial hurdles need to be overcome.

The Trudvang project

In 2023, Sval was awarded the operatorship for Trudvang; a CO_2 storage license in the Norwegian North Sea. Exploration license EXL 007 is the seventh CO_2 storage license awarded on the NCS and the first for Sval.

Together with our partners, Vår Energi and Storegga, and based on our experience and knowledge from the oil and gas industry, we are well positioned to be able to deliver on the ambition to position Trudvang as a world class CO_2 storage project.

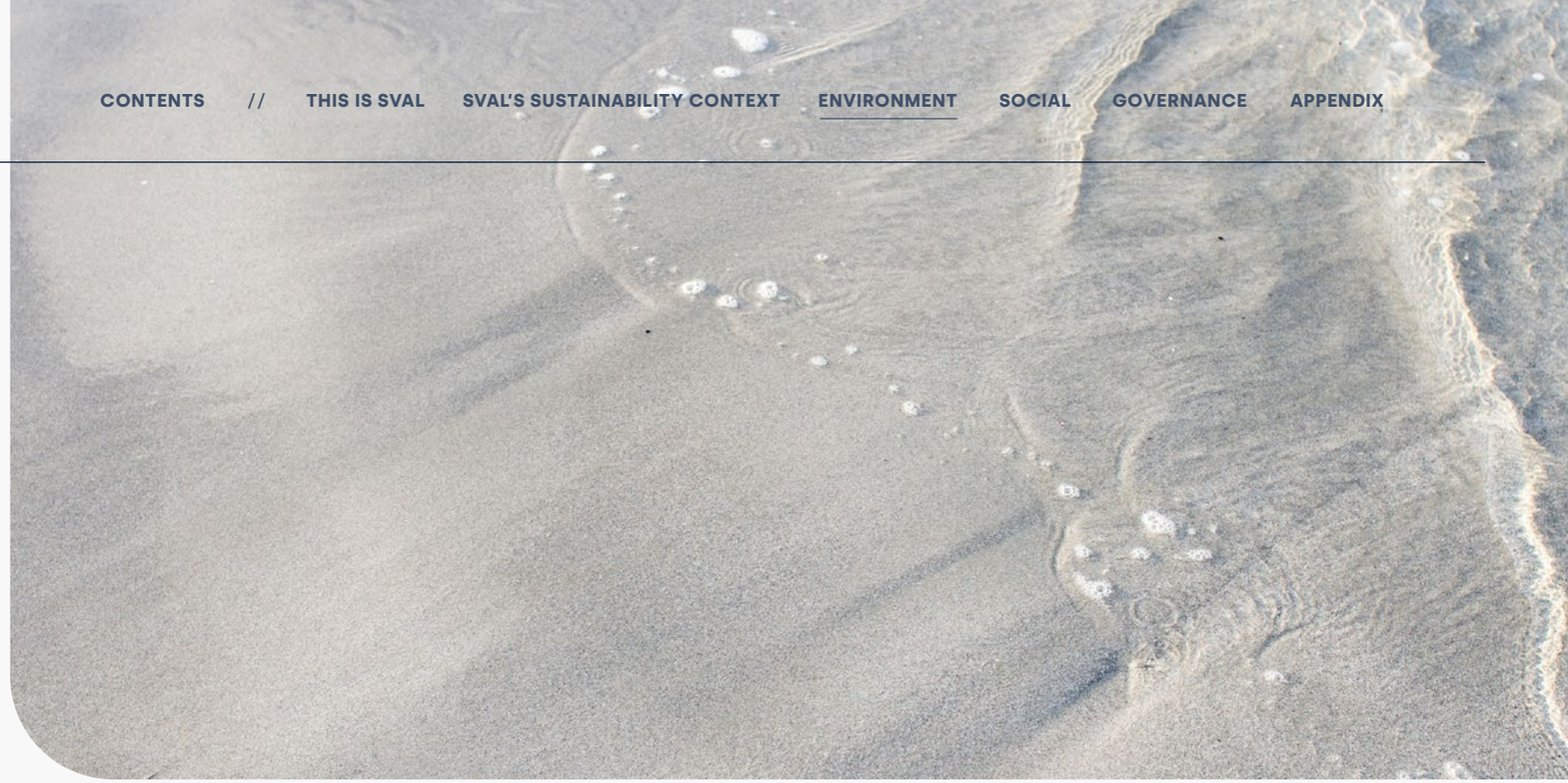
The license is located east of the Sleipner field and approximately 165 kilometers from the Norwegian coast. The storage reservoir itself is located in the Utsira Formation. The formation is filled with saline water, and CO_2 has been injected safely into this formation for more than 25 years from the Sleipner field. Utilising existing knowledge, we know that large volumes of CO_2 can be injected and stored permanently in the Utsira formation.

Trudvang has the potential to store at least nine million tons of CO_2 annually over a period of 25 years or more, and we will continue our studies to further optimise injection volumes. For reference, this annual volume corresponds to approximately 20% of Norway's annual CO_2 emissions.

Trudvang will store CO_2 captured at different emission sources in North-West Europe. From onshore terminals along the coast, the CO_2 will be transported either via ship or pipeline to an onshore terminal on the southwest coast of Norway or offshore direct injection point. The project will evaluate various development concepts and progress these through our decision gate processes.

The CCS value chain is still in a nascent phase; however, the value chain is expected to mature and expand significantly over the coming years. We will collaborate and explore alternative business models with other industrial players, strategic partners, and CO_2 emitters to enable and mature the full value chain.

Environmental protection



Environmental protection

Introduction

Sval is committed to conducting business with respect and care for the environment, as captured in our Health, Safety and Environment (HSE) Policy. Our most significant environmental aspects other than climate change include discharges to sea, emissions to air, waste generation and discharges of hazardous substances, as well as how all these aspects affect biodiversity and ecosystems.

Sval supports development of environmental knowledge and knowledge-based solutions, and this is primarily done through participation in Research and Development (R&D) projects, joint industry projects (JIPs) and industry forums. We are also striving to minimise our environmental impacts. This is achieved through, amongst others:

- Compliance with laws and regulations and following relevant standards and guidelines
- Use of Best Available Technologies (BAT) and Best Environmental Practise (BEP) methodologies
- Environmental risk management and transparency, contributing to open dialogue
- Reduction of both greenhouse gases and other emissions into the air
- Avoidance of environmentally harmful discharges to the sea
- Considering, maintaining, and safeguarding biological diversity
- Reduction of chemical use and phasing out of environmentally- or health-hazardous chemicals in accordance with the national zero emissions target
- Waste reduction, recycling, reuse, and proper handling of waste

To further strengthen these continuous efforts, Sval is also committed to complying with the principles in ISO 14001 environmental management system. The following sections provide insights into how we approach and manage our material impact areas related to biodiversity, pollution and circular economy, and explain the frameworks and initiatives we have in place to mitigate actual and potential impacts.

Biodiversity and ecosystems

Our framework

Sval's activities involve an interface with offshore marine environments, and it is our ambition to avoid or leave a minimum negative impact on the environment where we operate. We have formalised our commitment to manage our environmental impact, and preserve biodiversity and sensitive areas in the marine environment of particular importance, through our environmental management system.

The Norwegian Environmental Agency (NEA) has strict regulations and aims to ensure high water quality and healthy seabeds in marine areas. We implement and comply

with Norwegian regulations and guidelines by acquiring information about the ecosystems in areas where we have activity and map out the potential impacts on local biodiversity and ecosystems. This information is used to refine when, where and how we carry out our business activities. We have a special focus on vulnerable coastal habitats, spawning grounds for fish, areas that are important for seabirds, coral reefs and other vulnerable seabed habitats and fisheries.

Research projects on sand eel and sea birds

Sval supports R&D initiatives for protection and mapping of critical marine species, such as seabirds (SEATRACK) and Sandeel (KnowSandeel).

KnowSandeel

The sandeel is a critical species in the marine food web, being the main food source for several marine species such as seabirds, fish stocks and coastal mammals. It lives and spawns in defined marine habitats identified in sensitivity maps, mostly buried in the sand. The species has experienced a significant decline in population, resulting in strictly regulated and significantly reduced fishing.

It's sensitivity to stressors, especially exposure to oil in early life stages, is a recognised uncertainty. KnowSandeel's mission is to unlock some of these uncertainties. KnowSandeel is an R&D initative hosted by the Institute for Marine Research and funded by supporting companies (including Sval) and authority bodies.

Photo: Havforskningsinstituttet

Seatrack

Photo: Yann Kolbeinsson, Polarinstituttet

Seabirds in general are subject to a steep population decline, and most species are identified under different red listed categories. To improve the protection of seabirds, its crucial to understand their locations and migration routes throughout the year. SEATRACK is an R&D initiative hosted by the Polar Institute and funded by supporting companies (including Sval) and authority bodies. Tracking the movements of seabirds throughout the year has previously proven to be very difficult for some species, as well as extremely expensive. In turn, experts had little knowledge about which ocean regions the different species inhabit outside the breeding season. This was the issue that SEATRACK aimed to solve. Through a combined effort of researchers all around the North-East Atlantic participating in SEATRACK, light-logging technology has enabled mapping of important seabird wintering areas and migration routes on a much larger scale and in greater detail than ever before, yielding new and important information needed for the management of seabirds in North-Atlantic waters.

Seabird migration patterns and non-breeding distribution have repeatedly been highlighted as one of the most important knowledge gaps which needed to be filled in order to effectively manage seabird populations. SEATRACK has provided new knowledge to this area by producing:

- Distribution maps and population origin maps, documenting the area use during the non-breeding season, including moulting areas, migration routes and wintering areas for different seabird populations over several years
- Research articles about I) variation in migration strategies and the environmental factors underlying this variation, II) migration strategies and seabird demography/population dynamics, and III) seabird migration strategies, human activities and marine spatial planning

The project has produced more than 40 scientific publications, several articles and reports while also being the basis for two MSc's and six PhD's.

Pollution

Our framework

Sval has set objectives and targets to measure HSE performance, including environmental and spill KPIs. Risks and impacts from pollution are managed with an environmental management system based on the principles of ISO 14001. The environmental management system is incorporated into the entire value chain of our fields. Sval's BMS is designed to ensure corporate governance and control all HSE risks, including incidents like spills and other forms of unplanned pollution events. Our risk management processes are also designed and implemented to manage both corporate and operational risks of this nature.

Measures are implemented so that our risks are as low as reasonably practicable and acceptable, including barriers to reduce the probability and consequences of potential spills. Assurance activities, including audits and verifications, are conducted to verify the status and level of control for both our internal work processes and our contractors and suppliers which contributes to minimising HSE risk and prevent accidents. We select our suppliers and contractors carefully to ensure robust and competent services and products. For example, our rig selection and intake process is designed to reduce the likelihood of well control incidents and spills. We develop and implement operational procedures to ensure compliance, including impact and spill prevention.

Non-GHG emissions to air

Along with reducing our GHG emissions, we also seek solutions to reduce our non-GHG emissions. Reducing GHG emissions often has a positive effect also on non-GHG emissions, such as Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Non Methane Volatile Organic Compounds (nmVOC). These emissions are related to fuel consumption; hence reduction measures also tend to have a positive economic impact.

Sval is a member of the NOx fund. The Business Sector`s NOx Fund, also called the NOx Fund, works to reduce emissions in the business sector in order to fulfill Norway's obligations in the Gothenburg Protocol. The NOx Fund was established in 2008. Our contributions to the fund are routed to cost-effective measures implemented by others in the industry. The NOx fund has proven to be a very efficient mechanism to support the industry and overall commitments in reducing NOx emissions and enabling Norway to fulfill its commitments under the Gothenburg Protocol and EU industry directive.

NOx cleaning technologies (scrubbing units) and SeaQ Energy Storage System are examples of technologies that have evolved under the NOx fund regime and are now common equipment on new build vessels and drilling rigs.

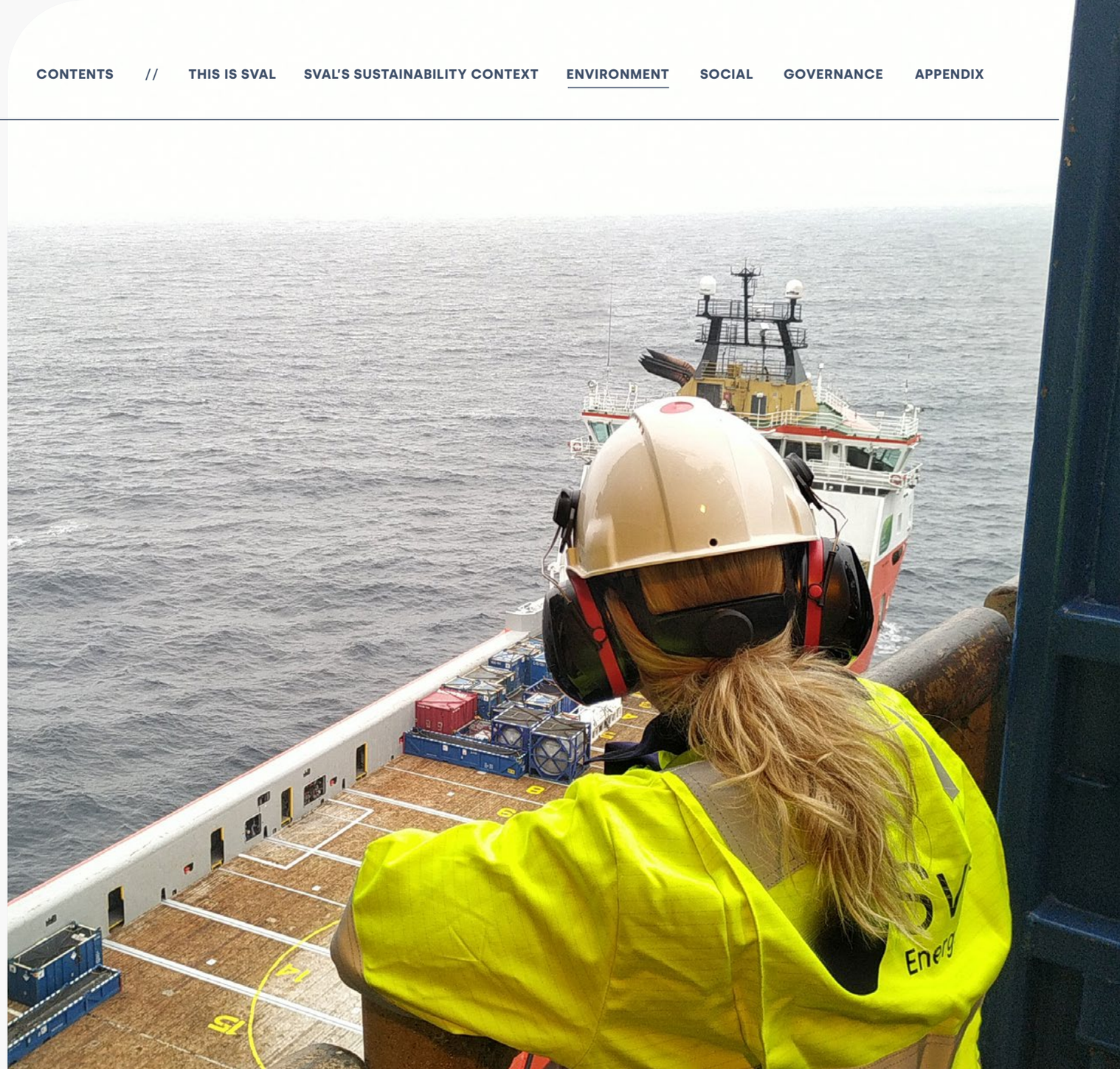
Minimising pollution during decommissioning of Vale

Sval aims to have as low of an environmental impact as reasonably possible, using BAT and BEP methodologies. This is exemplified through how we have worked across the whole supply chain to reduce pollution during the Vale decommissioning project.

The detailed planning and execution of the first phases of the project was conducted during 2023. The execution campaigns included permanent cease of production, temporarily securing the well for later permanent plugging and abandonment, cleaning and cutting of the production flowline and the umbilical, dredging and securing pipeline ends and disposal of recovered equipment.

A detailed environmental aspect identification (ENVID) workshop was conducted as part of the planning phase, aiming to identify improved practices and mitigation measures for the execution phase. Examples of identified measures includes mechanical cleaning of the flowline using pigging rather than cleaning chemicals, seawater cleaning of the umbilical, and full containment of waste volumes from cleaning operations.

Another key measure to reduce pollution and emissions to air during vessel activity was Subsea7's "Clean Operations" program. Subsea7 has a dedicated programme to save fuel and reduce greenhouse gas emissions and other air pollutants from vessel operations. Operations are logged as "Clean Operation" if a vessel saves more fuel than what is expected (for example through eco-speed while in transit). Through the adoption of "Clean Operations", circa 100 m^3 (circa 88 tons) of fuel was saved during the 28 days of operation, corresponding to approximately 25% reduced fuel consumption for the overall campaign.



A permit to operate under the Pollution Control Act was obtained and complied with. One incident, a minor spill, was reported during the operations; A small leak from the subsea hydraulic system was identified and stopped during the operations, resulting in a leak of 0.3 litres of hydraulic fluid. This fluid is classified as a black chemical in the chemical management system and therefore reported to the authorities in the annual environmental report, even though the spill was minor.

Sval does not operate any offshore processing hubs, and have not had any planned discharges to sea in 2023. Discharges to sea from partner operated processing hubs are reported on an annual basis per asset by the respective operators to the Norwegian Environmental Agency.

Circular economy and waste management

Our framework

Sval acknowledges and supports the transition towards a circular economy. Our circular economy approach emphasizes sustainable production and consumption, allowing us to increase resource efficiency and reduce waste generation. The majority of the waste generated in our operated activities in 2023 was related to our Vale decommissioning project. Another major source of waste in our value chain is drilling activities.

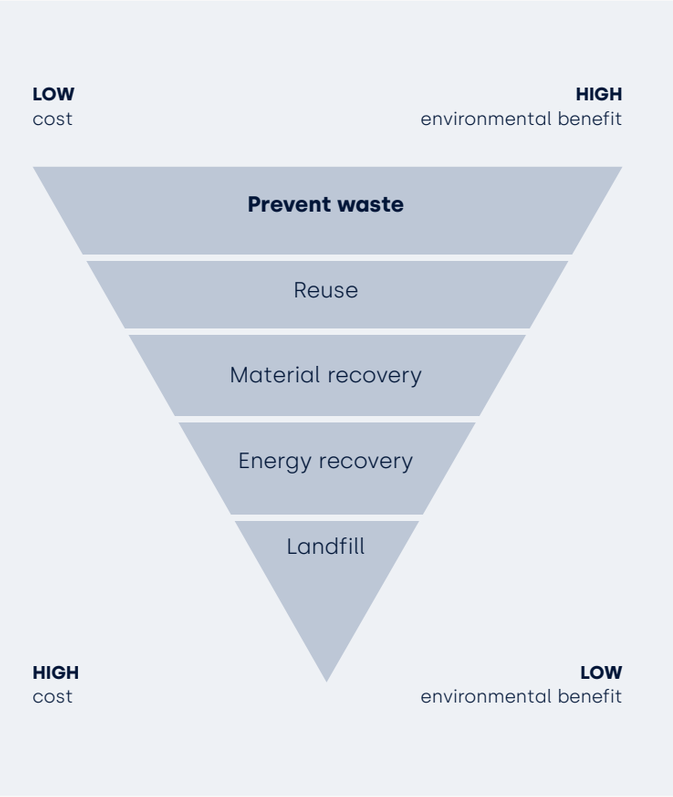
The concept of a circular economy is particularly relevant for the lifecycle of our offshore facilities, where we can apply the principles of the waste hierarchy as described in the following section. Sval is currently executing the Vale decommissioning project as operator and is also involved in the Heimdal decommissioning project as partner. The decommissioning of Heimdal involves removal of massive steel structures and equipment that will be recycled and re-used for multiple purposes, exemplifying circular economy in practise, and avoided CO_2 emissions at scale. Sval is committed to the highest level of recovery and recycling for all waste streams with assured environmental compliance. Our waste management strategy applies both to hazardous and non-hazardous waste. Hazardous waste requires more attention because its inherent hazardous properties and the stringent regulatory regime that applies.

Sval engages in proactive waste management to:

- Reduce the impacts on health, welfare, and the environment
- Recover resources
- Reduce costs associated with waste handling, storage and transport

Waste prevention is designed to prevent waste being generated at all and is primarily a question of how to better utilise resources. The waste hierarchy, illustrated in figure 6, shows how reduced cost and increased environmental benefits are linked.

Figure 6: Waste hierarchy



Case study: Responsible waste management during Vale decommissioning

Decommissioning activities can potentially generate large volumes of waste that need to be managed. Prior to any such activity, a disposal plan needs to be submitted and approved by the authorities. The plan needs to detail recovered material, the planned disposal alternatives, and the preferred option.

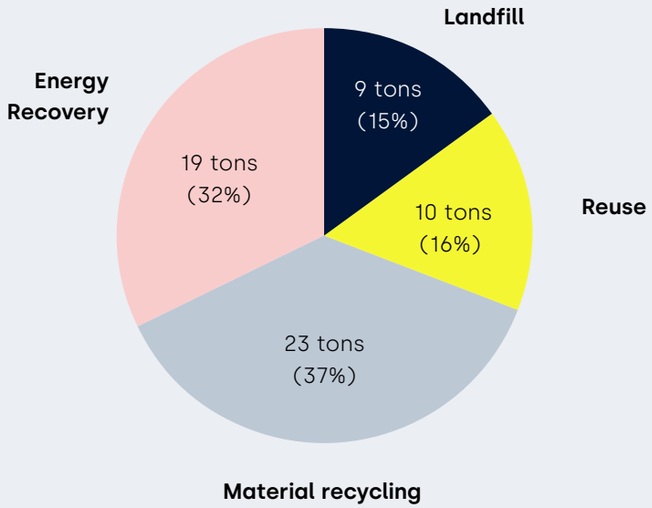
For the Vale decommissioning project, a disposal plan was formally approved by the Ministry of Petroleum and Energy at the end of 2022.

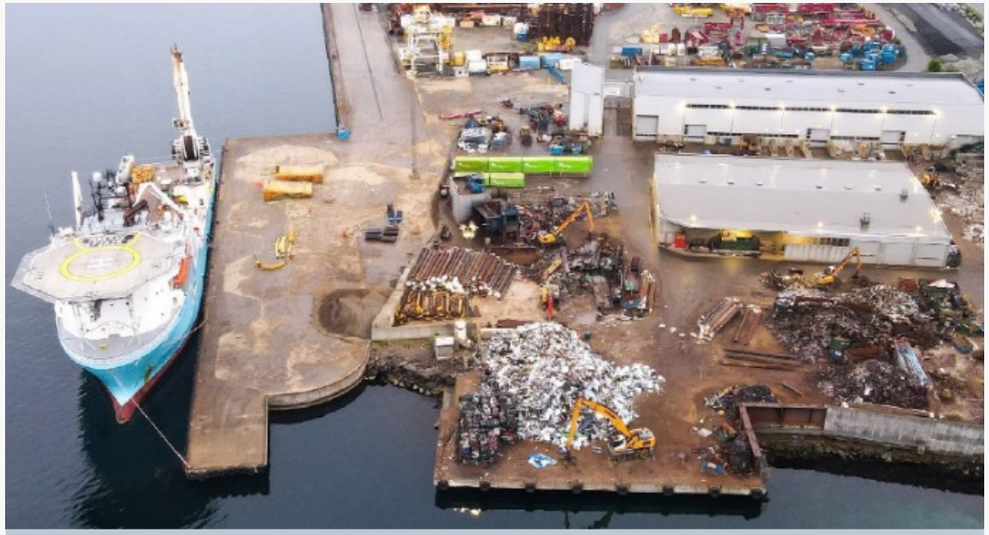
Phase 1 and 2 was completed successfully in 2023. A summary of the recovered waste is shown in figure 7.

The recovered Vale equipment is from 2002 and is not suited for reuse. Hence, material recovery and heat recovery were considered best options, except for some recovery baskets that were sold to a customer for reuse in a similar application.

For the remaining work, the material recycling is expected to increase significantly, and we hope to deliver on our project KPI of 95% waste recycling.

Figure 7: Waste hierarchy Vale Decommissioning Phase 1 and 2





Stena recycling Mekjarvik

For the disposal activities, Stena Recycling was selected as contractor. With ISO14001, ISO9001, ISO50001 certification they are experts in circular economy through recycling of 64,000 tons of ferrous material, metals, and WEE annually, in a combined demolishing and land-based treatment plant. The concrete production plate sits on a membrane, where rainwater will run inland to water collection tanks.

Society – safeguarding people

Society – safeguarding people

Introduction

Safety is our number one priority and Sval strives to ensure that all people working on our behalf are always safe at work. In Sval we believe that our people are our most valuable asset, and we recognise the importance of a healthy, positive work environment for attracting and retaining a talented and diverse workforce. Our values of agility, sustainability and high performance are not just words, but principles that guide our actions. To uphold these values, we believe in empowering our employees and fostering a culture of inclusivity and respect.

Sval offers equal opportunities to all employees, respects fundamental human rights, labour rights, encourages union engagement, and wishes to provide employees with sound, healthy, and safe working conditions.

Our commitment extends beyond our organisation to the wider community, and we take pride in engaging with and supporting our local community. Giving back to society, and caring for the people around us, is an integral part of our social responsibility.

Our approach towards safeguarding people is divided into three focus areas targeting the social dimension of sustainability. These focus areas are discussed in the coming pages, highlighting our performance and key events from 2023.

Our people

After significant growth in recent years, through the acquisition and integration of several companies, Sval carried out a reorganisation process in Q1 2023 to better adapt the organisation to the business' needs. This included reducing the number of roles in the company, and some employees being assigned to new areas of responsibility. Our focus was to look after our employees and reduce uncertainty during this process. This was achieved through close collaboration with employee representatives, transparency around the process with open communication and information sharing.

By year end 2023 Sval Energi AS had 144 employees distributed as shown in Table 6. See Table 7 for age distribution.

Workers who are not employees

Workers who are not employees are defined at Sval as:

- Consultants: A consultant who is hired through an agency, for a set period, where Sval has the full management of task delivery. Consultants are typically hired for specific projects in all parts of the organisation.
- Vendor: A vendor is defined as service agreement personnel (enterprise), where Sval has an agreement with a service company, and it is the service company who has the responsibility for the result of the assignment being delivered, (ea. Management consultant services, canteen services, office security services etc).

By end of 2023, this included 19 consultants and 73 service agreement personnel*, giving a total headcount of 92 workers who are not employees.

**Number of people given access to Sval Energi office facilities and/or systems during 2023 to perform work, regardless of hours worked.*

Table 6: Number of employees/ Headcount

2023	Count	%	Parttime	FTE's
Female	52	36%	4	
Male	92	64%	1	
Total	**144**		**5**	**143,2**
Full year average number of employees (headcount) female	**60**			
Full year average number of employees (headcount) male	**100**			

Sval had 8 temporary positions in 2023, four females and four males whereas 6 of these were summer interns. These are not included in the employee headcount.

None of the employees worked part-time involuntarely.

Table 7: Age distribution

	2023	2022
Number of employees (headcount) at top management level	6	6
Percentage of employees at top management level	4%	3%
Percentage of employees < 30 years	2%	3%
Percentage of employees 30–50 years	56%	53%
Percentage of employees > 50 years	42%	44%

Working conditions

Occupational health & safety

Sval is committed to protecting the health and safety of everyone involved in our activities, both as a license partner and as an operator. The company has no permanent offshore workers, all employees are office staff. However, Sval systematically audits our partner-operated portfolio; the audit plan is risk based and presented each year to the ELT for approval.

Amongst our operated activities, Sval has in 2023 completed an offshore Inspection, Maintenance, and Repair (IMR) operation at Oda. At Vale we have started the de-commissioning activities involving marine vessel operations and activities on the Heimdal platform. The Vale field is now permanently shut in awaiting permanent plugging and abandonment. Sval had no safety incidents in our own operations in 2023, and our partner operated fields did not have any serious personnel injuries nor major damage to any assets or equipment.

Sval has contributed positively to our partner's HSE results through persistent safety focus and involvement in the licences. Sval engaged with partners to learn more about their HSE performance and reporting strategies, and we also attended several major accident risk workshops in the different licenses. Sval works closely with our partner operated assets to minimise the risk of incidents. Each of our assets has a dedicated risk based HSEQ activity plan which outlines the activities Sval aims to perform during the calendar year. We believe that by being an active partner Sval can help to maintain the excellent safety statistics in our partner-operated assets.

Our HSE Policy is described in the Governance section. Any accidents, incidents, near misses, and non-compliance are reported and investigated, and the lessons learned are captured.

During the reporting period, two extensive drills focusing on major accident risks were successfully completed. The first was a tabletop exercise conducted by Sval in collaboration with Equinor and Subsea7. This exercise was designed to prepare the emergency organization for response and cooperation in the event of an incident during the Vale Decommissioning

activities. Additionally, Sval coordinated a full-scale emergency response drill to simulate a major accident at Oda. This was done in conjunction with Aker BP, the operator of the host facility, Ula.

Employee engagement and representation

In Sval we acknowledge the importance of a positive work environment and the involvement of employee representatives in ensuring continuous improvement in health and safety performance, the review of our processes and procedures and the identification of potential risks for discrimination or obstacles to equal opportunities. The Working Environment Committee (WEC) in Sval is set up in accordance with the requirements in the Working Environment Act with the employer, employees and occupational health service represented. In 2023, Sval conducted four ordinary WEC meetings in accordance with our plan for quarterly meetings. Recognising the value of our employee representatives contributing with their experience and knowledge, we involve them at the earliest opportunity in any matters which could impact our employees.

Safety Delegates also play a key role in safeguarding health and wellbeing at Sval. They address relevant topics either through the WEC or via feedback and informal discussions. Sval conducts regular office inspections of both our Stavanger and Oslo offices to ensure a safe and healthy work environment for our employees.

We believe that transparency and the efficient flow of information are key to employee engagement and empowerment. Therefore, we maintain regular communication between our leadership and staff through CEO newsletters, regular town halls, extended leadership meetings and forums, and formal and informal communication platforms; internally on our intranet and externally through digital and social platforms.

Table 8: Key performance metrics on occupational health & safety

	2023	2022
Sick leave, 1–15 days (%)	0.5%	0.8%
Sick leave, 16+ days (%)	2.2%	2.2%
Employee turnover ratio (%)	5.6%	4.6%
Work-related injuries (lost time injuries)	0	0

Working environment survey
During the reporting period Sval conducted a working environment survey in collaboration with a third-party provider and with the active involvement of our employee representatives. The survey, which covered a broad spectrum of topics related to our employees' work environment experiences, also included questions about diversity and inclusion. The high degree of involvement of our employee representatives, and training provided for all leaders in each step of the process, ensured ownership of results and actions across the organisation.

Our survey achieved a remarkable response rate of 96%, demonstrating the high levels of engagement amongst our staff. The survey allowed us to identify elements of the working environment which are working well and also highlighted areas for potential enhancement, with employees expressing a desire for increased focus on personal and career development, improved communication, and greater involvement. Based on the survey results Sval established a cross-functional workgroup to support a culture where people feel safe and valued – we want to ensure a fully inclusive working environment with zero tolerance for any forms of harassment or discrimination.

Following discussions with employee representatives, and with actions established at individual team level, Sval's ELT signed off on a commitment document of actions to be implemented in 2024. This has been rolled-out to all employees, and everyone is engaged in implementing actions to further improve our working environment.

Engagement in the local community
At Sval, our commitment to employee engagement and mental health extends beyond our offices and into our local community. We perceive social engagement as a fundamental responsibility for the organisation, and we actively strive to make a positive contribution to the region in which we operate. While community involvement can serve as a platform to promote who we are and what we do, our main goal is to help people. We believe that consistent, long-term community engagement also fosters a positive workplace culture and strengthens our relationship with the local community.

In 2023, Sval established a Social Engagement Plan, with the ambition to support regional and local initiatives that contribute to better physical and mental health, particularly amongst youths. We also aim to help individuals and families who are experiencing challenges in their everyday life. Through employee involvement we identified three new organisations to add to our programme: Ønsketransporten[18], Fontenehuset[19] and PsykOpp[20]. All of these organisations reach out to people who need help and provide support in addition to the Norwegian healthcare system in various ways.

Ønsketransporten helps people who have medical limitations by providing responsible medical transport and qualified health personnel to enable them to participate in experiences that they would otherwise not have access to. These positive experiences increase the quality of life for these people and create meaningful memories in an otherwise challenging time. Fontenehuset offers low threshold support for people with mental health challenges who need help to re-enter the workforce or academia, and PsykOpp works to normalise issues relating to mental health by raising knowledge and awareness.

In the physical health arena, we are a proud sponsor of the 3-lake race (3-sjøersløpet), a half marathon run in the Stavanger area. We encourage our employees to participate, either by running or walking in the race or by volunteering. We also support the local street magazine Asfalt, which gives people who have faced significant struggles in life a way to support themselves. Finally, we participate in the "together-for-a-job program" ("Sammen om en jobb") as described in the section on Diversity and Inclusion (page 43).

Employee benefits

Sval provides industry competitive salaries based on comprehensive market benchmarking and alignment. Our goal is to ensure that salary reviews are predictable, consistent, and fair. Sval is a member of the main agreement between the Confederation of Norwegian Enterprise (NHO) and Tekna[21]. The collective bargaining agreement covers 38% of all permanent employees.

All salaries are remunerated based on the individual position's responsibilities, level of problem solving and competence requirements, as well as the individual's level of competence. There are no differences in payable overtime rates and other taxable benefits for men and women.

[18] Ønsketransporten (onsketransporten.no)
[19] Hjem | fontenehuset
[20] Stiftelsen Psykiatrisk Opplysning: Psykopp
[21] Norwegian Society of Graduate Technical and Scientific Professionals

Sval employees are offered a variety of employee benefits, both financial and recreational, including:

Free mobile phone and subscription	Free broadband – internet part	Flexible working hours	Offshore allowance	On-call duty – A set % of the number of hours outside of ordinary working hours	Vacation – 5 additional Sval days per calendar year
Sick pay – 100% up to 12 months	HjemJobbHjem – discount on public transport and access to public city bikes (Bysyklene)	Parental benefits	A monthly allowance to cover cost of credit card, newspapers etc.	Occupational health service – voluntary annual health examination	Bonus scheme – based on Company's overall performance against Objectives and Key Results (OKR's)

Extensive insurance and pension package covering:

Pension contribution scheme	Disability pension	Survivors pension (children and spouse pension)	Early retirement pension (Avtalefestet pensjon – AFP)	Personnel, life, accident and health insurance scheme	Health insurance and travel insurance for work and leisure

Employee welfare

At Sval, we place a high priority on wellbeing and mental health. Our commitment to our employees' overall wellbeing includes health insurance covering physical and psychological services for the employee and for their immediate family members. In addition, we provide access to a qualified, external coach to discuss both professional and/or private matters as needed. We firmly believe that flexible working and good work-life balance result in reduced stress levels and a more engaged workforce. In 2023, both mental and physical health were prominent topics in town halls and meeting forums where both external and internal speakers were invited to share experiences and knowledge relating to mental health.

To further support our employees' health and promote being an inclusive employer, Sval extended the employee's right to self-certification of sick leave to the maximum of 8 days per sickness absence case.

Under the "Team Sval" initiative, we promote our employees' physical and social well-being with the social activity group organising a variety of events throughout the year, ranging from sport and outdoor activities to quiz nights, concerts, and cinema screenings.

Parental leave

Sval employees are entitled to parental leave in accordance with Norwegian legislation. We provide benefits equal to full salary based on level of coverage chosen by the parents; 49 weeks with 100% pay or 59 weeks with 80% pay.

A total of 6% of our employees were entitled to and took parental leave in 2023: 8% female employees and 5% male employees. Women's leave averaged 21 weeks, while men's leave averaged 12 weeks by end of the reporting period, 31 December.

Equal opportunities

Diversity and inclusion

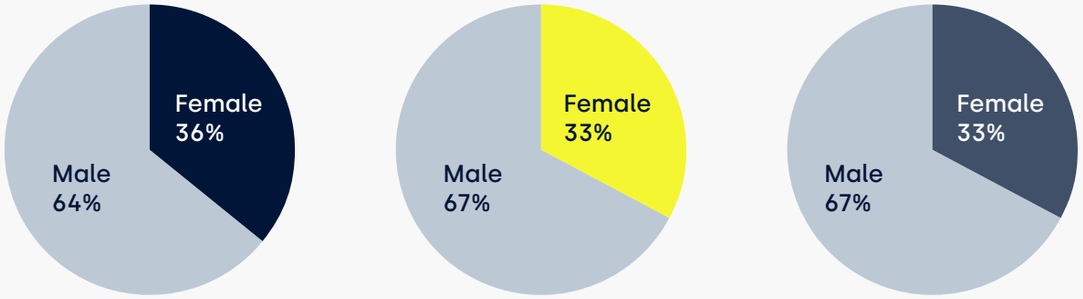
Sval's diversity and inclusion commitment is embedded in our values, Code of Conduct, and Diversity & Inclusion Policy. In line with the reporting requirements related to the Norwegian Equality and Anti-Discrimination Act (ARP), we work actively and systematically to promote equality and prevent discrimination in the workplace. Going beyond our social responsibility, we believe that diversity has a positive effect on organisational performance and results, fostering creativity, innovation, and increasing value creation.

We take pride in having a workforce comprised of 19 different nationalities and we are committed to continuing to improve the gender composition in our organisation.

See figure to the right for gender representation.

In 2023, we introduced a reporting tool to support our continuous journey towards a more diverse and inclusive workplace, in a targeted and systematic manner. This tool allowed for improved analysis and reporting of our strategic work on equality and helped to diagnose and address any potential areas of concern. As a result, we have been able to proactively implement actions where required.

Figure 8: Gender representation in 2023



Share in whole organisation

Share in management

Share in Board of Directors

From recruitment and career development to reward and promotion, we aim to ensure equal opportunities for all employees, regardless of age, gender, sexual orientation, ethnicity, marital status, religion or belief, disability, or political views.

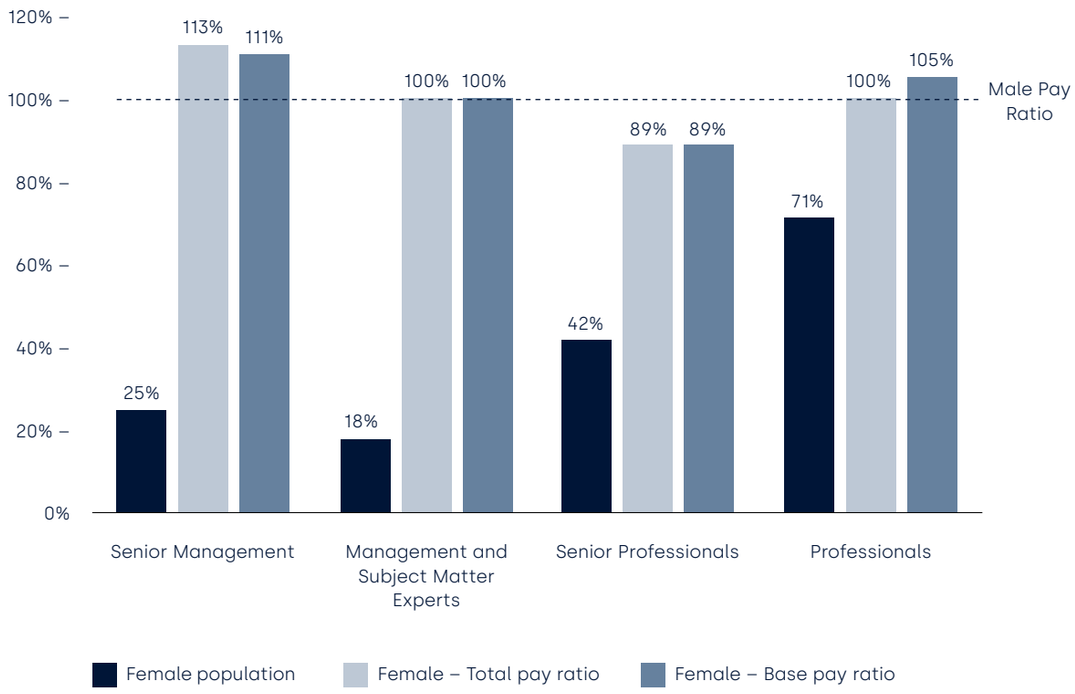
Diversity and inclusion training was provided across the organisation in 2023, including modules on unconscious bias and specifically inclusive recruitment for leaders.

Additionally, in 2023, diversity, equality and inclusion were frequent topics in Quarterly Leadership Forums, which helped to keep this as a priority for the broader leadership group.

Our dedication to diversity and inclusion also extended to our local community in 2023. Sval became one of the first contributors to the "Sammen om en jobb" in Rogaland. A program where Sval employees actively engaged in helping skilled non-Norwegian workers in their efforts to secure relevant employment. The program was completed in September with 6 of the 11 mentees our employees supported securing employment.

In support of our pay policy to compensate our employees fairly and consistently, in 2023 we undertook a harmonisation project in which all jobs were evaluated and weighted to provide a robust understanding of gender related pay gaps within equal positions and seniority. This harmonisation project was completed in Q1 2023, with gender pay gaps addressed as part of the annual salary review in Q2. As a result, the pay gaps in the various employee categories are reduced in comparison to 2022. The unadjusted gender pay gap for the organisation is 19%. This is attributed to a structural challenge: a higher proportion of males in the workforce and higher representation in senior roles, while there is a higher proportion of females in the lower paid professional roles. Analysis of the adjusted categories, recognising equal positions and seniority, reveals a lower gender pay gap.

Figure 9: Ratio of payment female to male by employee category



Recruitment

Our recruitment process focuses on finding people who are motivated to be a part of the energy landscape that we operate in. In the recruitment and selection processes Sval aims to achieve a diverse candidate pool, combined with the skills and competences required by the role, and we strive for gender diversity in our interview panels. The lack of female candidates applying for technical roles is a key challenge we face in our drive to address the gender balance in our organization.

Table 9 shows the distribution of new hires during the last year.

Sval also runs a summer student programme. We see mutual benefits in giving students within our industry job experience. By providing them relevant projects and tasks during the summer months, we enable them to get valuable work experience early in their careers. The energy industry is a constantly evolving field that requires talented and dedicated people to drive innovation and growth

Training & development

In 2023 we implemented our individual objective planning process, wherein employees align with their leaders on their performance and development objectives for the coming year.

The development objectives and the specific actions identified will be followed-up regularly throughout the year through a blend of formal and informal conversations. At Sval, we recognise that employee development is key to enabling each individual employee to fulfil their potential and the organisation to achieve its objectives. Therefore, we actively promote this link between individual development, cultivating excellence in team performance and driving company results.

Incorporating the results of our Working Environment Survey, we designed and launched a development strategy and model in 2023, which will guide our development and training processes, conversations, and activities in 2024.

We aim to create a continuous, integrated learning culture which sets our employees and our organisation up for success, thereby enabling us to collectively achieve our objectives and reach our ultimate potential. Integrated learning and development mean both maximising development opportunities in our daily work (on-the-job training), and the integration of formal training courses and learning activities. Sval Education Support Program was introduced in 2023 to provide support and sponsorship to employees in the pursuit of appropriate development and career-related education and skills.

All employees participated in regular performance and career development reviews in 2023. Our development strategy and model encourage employees to proactively drive their own development. At the same time, we believe the most important relationship in their development journey is the one they have with their leader, supporting and guiding in this process. To empower our leaders to support, advise, and guide our employees, we will launch a six-month Leadership Development Program for all leaders in Sval in the first quarter of 2024. The five-module program will ensure alignment across the organisation on what it means to be a leader in Sval, providing context, guidance and tools on topics including employee development, strategic leadership, diversity, and inclusion.

The Sval Young People Network was established to enable our young employees to build a strong network both internally and across the industry. Colleagues and experts are invited to present topics of interest and this group has participated in several events in 2023, including seminars such as the Young Energy Conference hosted by the Norwegian Petroleum Society.

Table 9: Gender and age profile of new hires

New hire	Count	Age
Female	1	31
Male	8	33–43
Total	**9**	

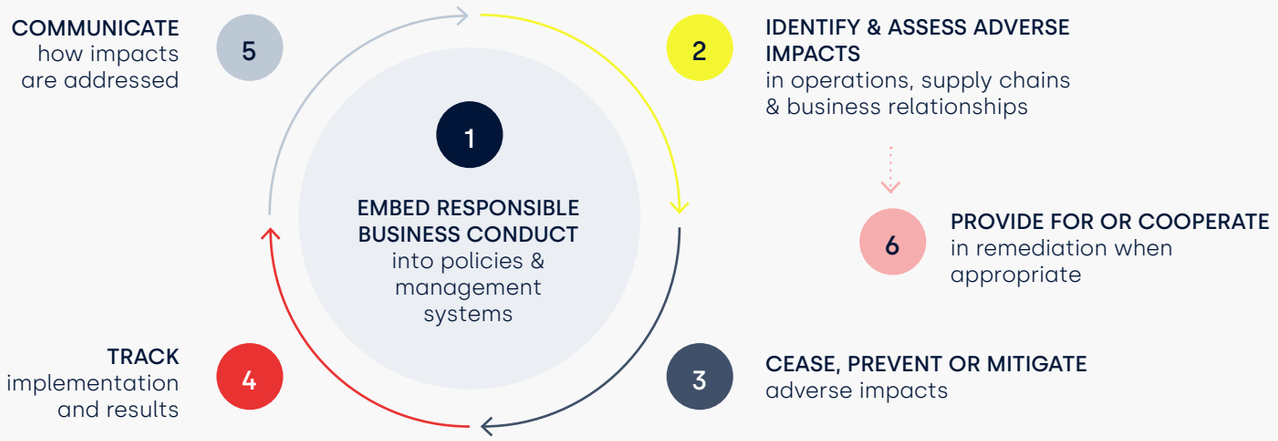
Human rights and decent working conditions in the value chain

Introduction

Our approach to human rights management is based on the key elements as described in the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct.

This section provides a summary of our efforts to identify, prevent and manage actual and potential adverse impacts on fundamental human rights and decent working conditions in our value chain and in connection with Sval's operations. A detailed statement on our due diligence activities pertinent to the Norwegian Transparency Act is signed by the Board of Directors and will be available on our website (www.sval-energi.no).

Figure 10: OECD due diligence process & supporting measures



Governance and commitment

Ownership and commitment

Sval has set out a clear commitment to respect human rights as part of the company's Code of Conduct. The Sval Sustainability Committee follows up compliance with the Transparency Act on behalf of the Board of Directors. The CEO is the approver of the Code of Conduct and the Integrity Due Diligence (IDD) and Transparency Act Procedure, and any red flag issues are to be resolved by the Sval Executive Leadership Team (ELT) according to the approval process set out in the procedure.

The Vice President of Legal and Commercial is responsible for the IDD and Transparency Act Procedure, however, the responsibility for the performance of various tasks is allocated to the relevant business units.

Policies and procedures

Relevant guidelines and routines are embedded into the Sval Code of Conduct and the IDD & Transparency Act Procedure. The procedure is based on the six steps of the OECD's due diligence model for responsible business conduct as shown in the figure on previous page. It describes how we perform due diligence in relation to new and existing business partners, based on a list of potential red flags. These red flags are for example, ownership structures, geographical location, reputation, and connections to politically exposed persons. In the event that any red flags are raised through an initial risk assessment, a more extensive IDD is performed.

Industry guidelines

Sval adheres to the recommended guidelines for the Transparency Act provided by Offshore Norge. These guidelines are a result of a joint effort in the industry aimed at ensuring that the obligations under the Transparency Act are fulfilled in joint E&P projects and divides the responsibility for compliance with the Transparency Act and the boundary between the individual corporate responsibility and the main responsibility in the joint activity. The operators perform risk-based due diligence assessments in relation to the partnership's activities, while partner forums are used to discuss any findings and mitigating actions.

Activities to identify negative human rights impacts

Sval operates in a generally low-risk environment with respect to violation of human rights and decent working conditions as our activities are in Norway[22]. Additionally, our current role is mainly as partner in licenses operated by others, hence our own supply chain activities are relatively limited. Despite this, there is still potential for negative impacts in our own value chain. Examples are risks in relation to procurement of goods and services as listed in the high-risk register for public procurement[23]. The most relevant aspects from this list are currently the procurement of IT hardware, office supplies and food and beverages. We are also mindful that our see-too duty as partner includes compliance with the Transparency Act and we follow this up through our license work as described in Section 4.2 and 4.4.

To identify any risks regarding negative fundamental human rights impacts and/or decent working conditions, Sval performs the following risk assessments and due diligence activities as part of our regular activities:

A. General risk assessment across Sval operations. In 2023, Sval initiated a quarterly risk assessment with a cross functional team, representing the functions that own or interact with the various types of business relationships in the company. The purpose is both to identify risks and mitigating actions with a joint approach across different activities, while at the same time increasing the awareness around fundamental human rights and decent working conditions in our value chain. From these focus sessions a risk register is established, for further monitoring and follow-up in-line with Sval's enterprise risk management process.

B. Tender evaluation. As part of our tendering process, Sval collects information from the bidders on how they work with respect to human rights and decent working conditions. This information is used in the tender evaluation and ranking of tenderers before award.

C. Specific risk assessments pre-contract commitment. Sval performs IDDs before entering into any third-party commitments. The initial step is to use our 3rd party tool and, depending on outcome, is followed by a deeper IDD with external support. The 3rd party tool is an IDD search tool rating vendors based on metrics for ESG, financial risk, sanction compliance, adverse media appearance, and Political Exposed Person (PEP) status all based on information provided

[22]Source: Corruption Perception Index Home - Transparency.org
[23]Source: Høyrisikolisten | Anskaffelser.no

by international search firms. Any red flag issues are to be resolved according to the approval process set out in the IDD & Transparency Act Procedure.

D. Specific risk assessments post-contract commitment. Post contract award, the responsibility is transferred to the contract owner to follow up on human rights and decent working conditions as part of the general contract management. The contract owner will be notified of any red flags picked up through the continuous monitoring in the 3rd party tool and the contract owner will carry out further follow up.

E. Quarterly review of all minor suppliers.
Sval performs a quarterly review of all our minor suppliers, defined as less than 150,000 NOK annual spend, with a view to identify high risk suppliers for further follow-up and investigation.

In 2023 Sval have included 158 suppliers and other business partners in the 3rd party tool for pre-commitment checks and continuous tracking of their performance. No red flags have been identified during the reporting period. Only minor risks have been identified through other risk assessment activities described above. These risks are captured in the Transparency Act risk register in our enterprise risk management tool.

Our notification and whistleblowing-channel is described in the Governance section. There have been no reported cases of misconduct in relation to human rights and working conditions in 2023 through our 3rd party channel.

Activities to prevent and mitigate negative human rights impacts

Sval works systematically to promote and safeguard respect for fundamental human rights and decent working conditions for our own workforce, and workers in the value chain. The following section describes our work to prevent and mitigate negative human rights impacts.

Supply chain requirements and contractual clauses

Sval has included new articles in all standard contract templates ensuring that business partners, and all their subcontractors of any tier, shall comply with fundamental human rights and decent working conditions, that they monitor and report to Sval on this, that we are entitled to make audits of contractors of all tiers in order to verify compliance and that we are entitled to legal remedies in case of breach of these articles. This also includes the right to termination.

If the post commitment risk assessment uncovers any new risks that are not secured by the standard pre-commitment risk mitigating actions, Sval will implement additional mitigating measures.

If negative impacts are uncovered, these will be managed according to the IDD & Transparency Act Procedure by involving the relevant line manager and the Sval ELT in deciding upon measures to stop or limit such negative impacts.

Training and education of employees

All employees are required to complete an annual Code of Conduct training module to ensure knowledge and awareness of ethical principles including human rights. In 2023, an additional mandatory training module on the IDD and Transparency Act Procedure was implemented for all employees. Furthermore, relevant groups of employees have received ad-hoc training during 2023 to enhance the understanding of their responsibilities and required actions relevant to their role.

Inspections, reviews and audits

Sval arranges supplier meetings where we discuss, amongst other topics, our expectations to the suppliers. The Transparency Act is an integrated part of these conversations. In addition, for the major suppliers we have an ongoing relationship with, we arrange regular performance reviews. The suppliers' approach and compliance with the Transparency Act is on the agenda in these reviews.

Partner operated activities

Sval follows up human rights and decent working conditions as part of our see-to duty in our non-operated licenses in line with Offshore Norge guidelines as described in the Governance and Commitment section. In 2023, we completed a focused training session with the Asset Managers in Sval to raise awareness of the requirements and license guidelines. License meetings and annual partner forums are used to discuss any actual negative consequences or significant risks, as well as the processes applied by the various operators. No negative impacts were communicated by any of the operators in 2023.

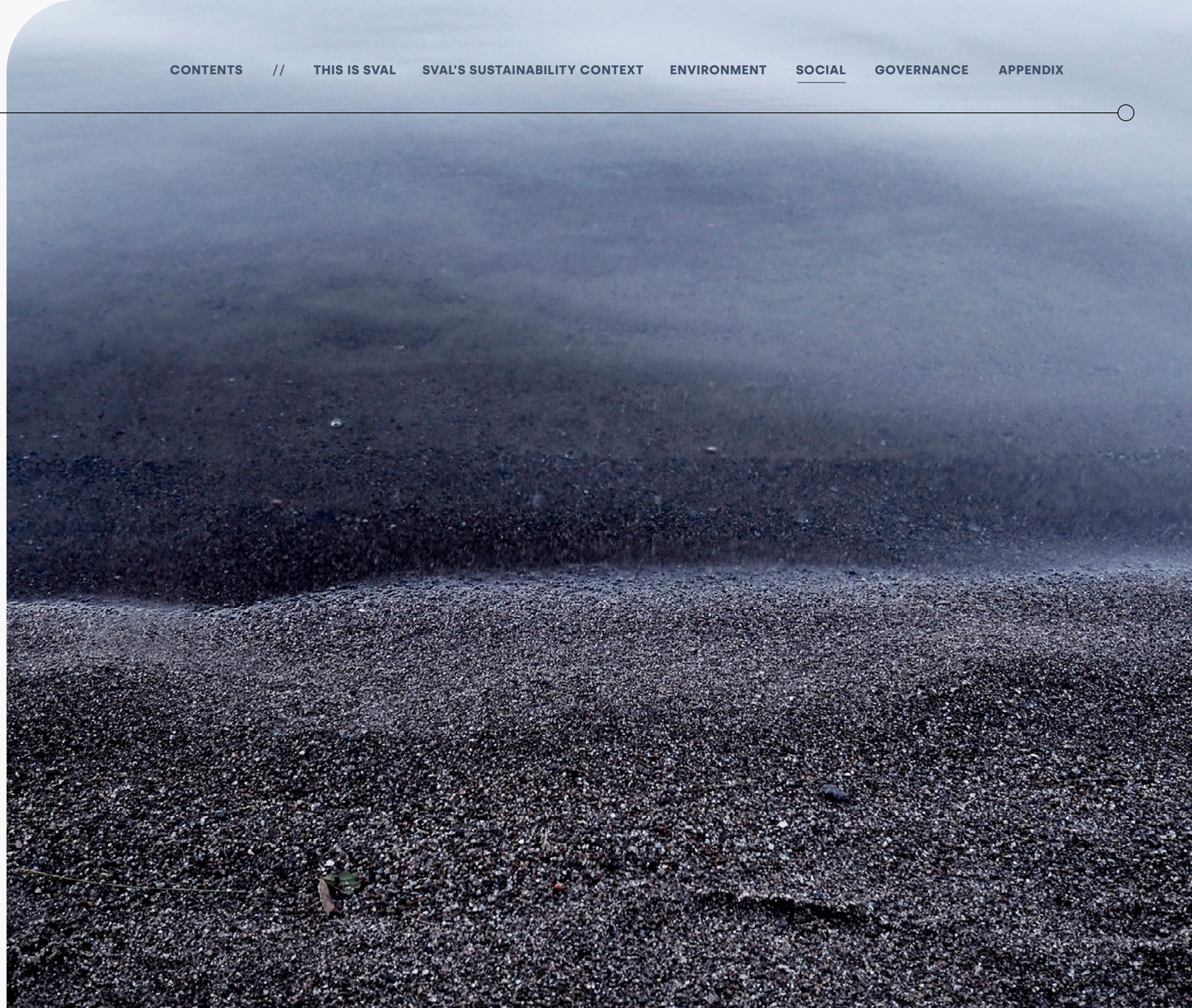
Follow up and remediation

No actual negative impacts were detected in the reporting period, therefore no measures or remediate actions have been implemented. If any such impacts are detected, appropriate remediation measures will be identified and implemented in liaison with the relevant business partner and affected personnel.

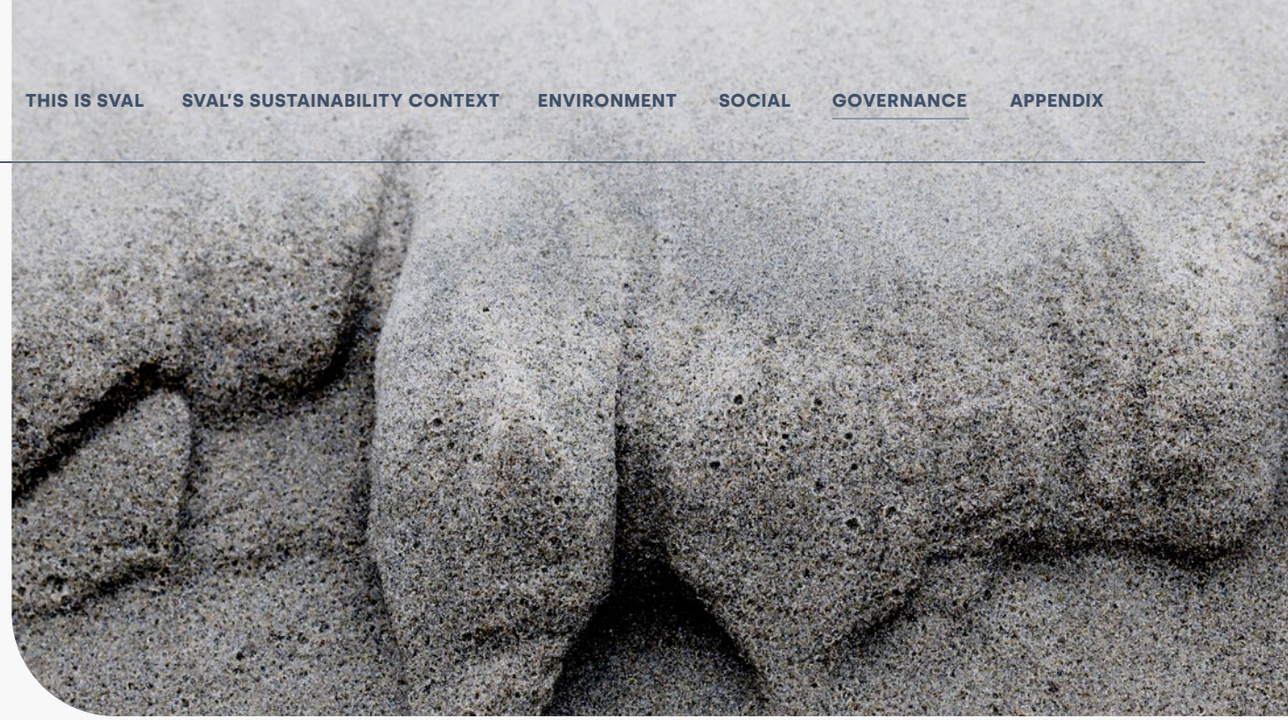
Further work

In 2024, we will continue to mature our response to the Transparency Act, and we plan to conduct awareness sessions with suppliers and expand our audit program to better cover human rights and decent working conditions.

We will also consider membership in the Human Rights Assessment Service Forum. This is a forum facilitated by Offshore Norge, to contribute to the implementation of the Transparency Act throughout the industry, and it includes due diligence services on nominated suppliers.



Governance – business conduct



Governance – business conduct

Introduction

Governance activities remain a priority area for Sval and are high on the agenda for our board and management team. We are committed to responsible corporate governance, adhering to laws and fostering a culture of ethics and compliance throughout the organisation. Our BMS improvement project, launched in 2022, was successfully concluded mid-2023.

Governing bodies and committees

Sval's board serves as the highest governing body, bearing the responsibility for the overall management and oversight of the company's governance, as well as decision-making concerning financial, environmental, and social impacts. The CEO oversees the strategic direction of the organisation and supervises the day-to-day operations through the ELT. The Board has appointed sub-committees to prepare specific matters for the board. These sub-committees may utilise the company's resources, or obtain advice from external parties, within their given mandate.

The board has established three sub-committees that manage ESG related matters:

- Audit and Risk Committee
- Sustainability Committee
- Compensation Committee

The Audit and Risk Committee's overall function is to supervise and qualify the company's reporting system for finance and accounting, risk management and internal control. The Audit and Risk Committee supports the board in its oversight of the company's governance structures, programs and policies and is responsible for overseeing Sval's risk management procedures and processes, which includes climate-related risk. The committee ensures that climate-related risks and opportunities are properly integrated into the enterprise risk management framework.

The Sustainability Committee evaluates Sval's ESG work on a regular basis. The primary objective of the Sustainability Committee is to advise and support the board on all ESG matters, and provide preparatory work for the board in connection with the company's:

- Strategy development
- Sustainability policy
- Materiality assessment including ESG impacts and risks
- Sustainability reporting as well as any other ESG related work requested by the board

The Compensation Committee is responsible for approving the remuneration processes in the company and ensuring it's in line with the company strategy.

Corporate culture and ethical business practices

During 2023 we have maintained our commitment to high ethical standards and will continue to prioritise the enhancement of compliance and ethical practices. Our Code of Conduct sets out how to act within Sval. Furthermore, we have formulated a set of policies and compliance documents that articulate Sval's stance on crucial ESG topics. These documents form the basis for how our employees are to conduct business on behalf of Sval.

Our business management system

To meet our commitment to continuous improvement, we have implemented a BMS where continuous improvement is an integrated function in the system.

A project to improve the BMS was initiated in 2022 and concluded in 2023. The purpose of the project was to ensure appropriate integration of systems, while being fit for current activities and suited for further growth. The new management system has evolved to become process-based and in accordance with the guidance provided in ISO 31000.

The management system is Sval's main tool to ensure that we identify, understand, and manage health and safety risks in our operations. Work performed by Sval employees is regarded as low risk given today's portfolio and set of activities, but as the portfolio grows so will our management system, policies, and procedures to ensure our employees always remain safe.

Together with our partners, we are dedicated to upholding the highest HSE standards in all our operated and partner-operated activities. We ensure that our contractors are fully aware of, and comply with, our policies and standards.. Furthermore, we continuously monitor and evaluate the performance and capabilities of our business partners and contractors. Regular audits are conducted to ensure that controls are in place and effective.

We comply and behave

The Comply and Behave compliance program is Sval's set of internal policies, processes, standards, procedures, and guidelines put in place to comply with external laws, regulations, standards, and stakeholders' expectations and is the responsibility of the ELT. The program is operationalised through:

Figure 11: Business management system, based on ISO 31000

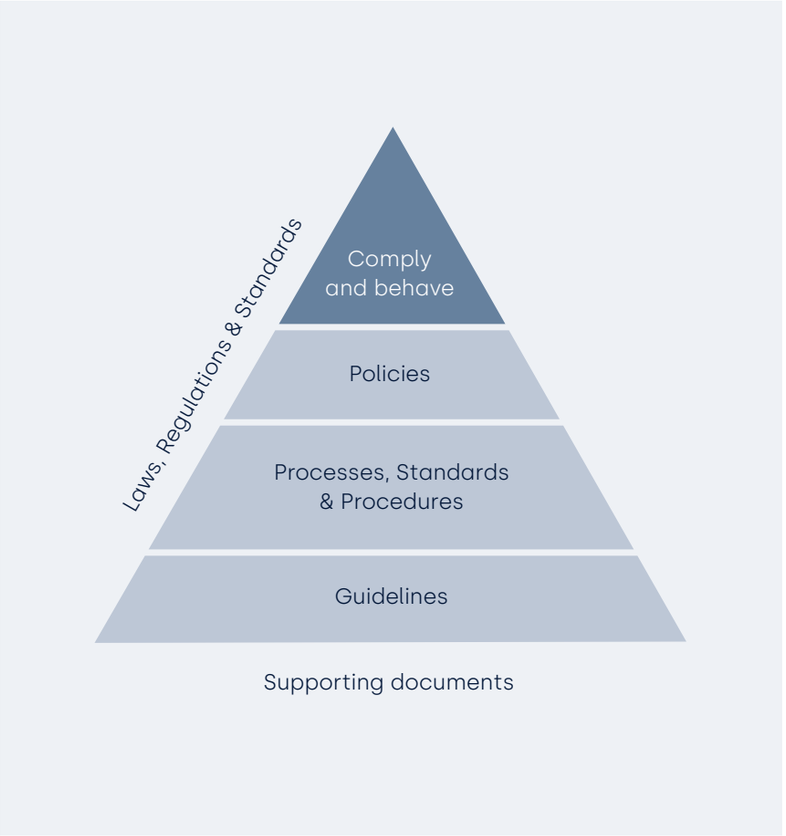


Table 11: Sval's key performance indicators within Governance

	2023	2022	2021
Anti-corruption e-learning: Completed training ratio	100%	100%	100%
Number of confirmed incidents of corruption or bribery	0	0	0
Breaches of ethical guidelines	0	0	0
Investigations or lawsuits in relation to ESG issues	0	0	0
Whistleblowing cases being addressed by management or board	0	0	0
No. of identified negative impacts in value chain	0	0	0

- Roles and responsibilities
- Governing content
- Organisation, training, and communication

To ensure compliance, the company has implemented new and updated processes and procedures to strengthen internal controls and ensure compliance with relevant laws and regulations. This structure ensures that most of Sval employees are involved in the risk management process. The Code of Conduct is the cornerstone of Sval's compliance and ethics program.

Code of conduct

Our Code of conduct sets out rules and standards that both our people and the company are obligated to uphold. The Code applies to all personnel, including the board, owner representatives, independent contractors or consultants, temporary staff, and hired staff. When we engage service providers, we expect them to adhere to our code, or to an equivalent business ethics policy. Our Code of Conduct is based on ten core principles that serve as guides in any decision-making process undertaken on behalf of Sval. These principles are derived from our ambition to make ethical, responsible, and profitable decisions.

Ten core principles

1. We comply with laws
2. We respect our colleagues
3. We ensure healthy and safe working conditions
4. We protect our assets and confidential information
5. We respect fundamental human rights
6. We never make illegal payments
7. We select our business partners carefully
8. We avoid conflicts of interest
9. We compete fairly
10. We operate in an environmentally responsible manner

[24]Number includes IDD checks completed using 3rd party tool

Policies and compliance

Sval operates exclusively on the NCS, a region renowned for its stringent regulation in relation to several ESG topics. We have instituted policies to integrate the highest ethical standards into our operations, our corporate activities, and corporate governance. All employees have been trained in every applicable policy through e-learning modules that are repeated at regular intervals.

The CEO, ELT, managers, and their staff are responsible for complying with the management system. The line managers and project managers are expected to take ownership of their disciplines and project teams. Everyone is responsible for understanding, being aware of, and taking necessary measures against risks to personal health, safety, and the environment.

In 2023, all Sval policies were reviewed, revised, and approved by the CEO and the board. Our ESG related policies are briefly described in the following sections.

ESG policy

The ESG policy is built up around our ESG focus areas under environmental, social and governance aspects, some of which are further detailed in dedicated policies.

The policy recognises oil and gas' contribution to climate change and associated mitigating actions as our primary ESG challenge. It also confirms our support of ambitious global and industry climate targets. The social aspect of the policy confirms our commitments to health and safety, inclusion and diversity and local community engagement. Finally, the policy confirms our commitment to ethical business practices and our focus on cyber security as topics within the governance dimension of ESG.

HSE policy

Our HSE policy defines our commitment to protecting our people and applying high standards of working through a process of continuous improvement. The policy describes how we will meet the commitment and who is responsible for ensuring it is enforced. While the responsibility of the HSE standards and policy lies with the CEO, HSE is first and foremost a line responsibility, where all leaders are expected to take ownership of HSE within their area of responsibility. Similarly, it is each individual employee's responsibility to minimise the risks associated with HSE hazards.

A separate environmental policy is under development and will be finalised in the next reporting period.

Whistleblowing policy

Sval encourages all employees and temporary personnel to speak up against wrongdoings and negative circumstances. Our whistleblowing policy sets out the procedures under which all employees and contractors can report an issue or voice concerns about Sval's activities in a responsible and effective manner. We encourage open and honest discussions within the company and protect our employees' right to freedom of speech. An employee who reports an issue or a breach of policy will never receive disciplinary action or negative reactions from the company as a result. An external whistleblowing channel managed through a professional third party, was established in 2023.

No whistleblowing cases or incidents of noncompliance or misconduct were submitted in 2023. Neither have there been initiated any internal or external investigations by Sval in respect of potential violations of laws or the Code of conduct ref. Table 11.

Diversity and Inclusion policy

Our diversity and inclusion policy sets forth commitments for all Sval employees, and is applicable, but not limited, to practices on recruitment and selection, compensation and benefits, professional development and training, promotions, transfers, social and recreational programs, layoffs, terminations, and the continuous development of the work environment. More details on how we work on this can be found in the Social section.

Policies for responsible economic practices

We believe in doing business in a proper and responsible way. We are committed to complying with all laws and regulations related to trade and free competition. This means that, under no circumstances, will we engage in anti-competitive practices such as agreements to fix prices, sharing or allocating markets, rigging bids, or limiting or restricting supply to customers. Any reporting of such activity will result in immediate action.

Sval is committed to an honest and transparent approach to taxes in the countries in which we operate. Currently, Sval exclusively holds oil and gas assets on the NCS, adhering to the Norwegian petroleum tax regime. Additionally, Sval is a partner on the onshore wind farm Metsälamminkangas (MLK) in Finland which is subject to the Finnish tax regime.

Anti-corruption and anti-bribery

Sval has an anti-corruption policy that sets clear expectation in relation to all our activities. Corruption is unacceptable business conduct, and any violation to our anti-corruption regulations will trigger disciplinary action and could result in dismissal. Sval has established routines to reduce any potential risks of corruption. At Sval, we comply with the Norwegian anti-corruption provisions, and the UK Bribery Act (UKBA), the US Foreign Corrupt Practices Act (FCPA), and other applicable anti-corruption laws to cover business activities outside of Norway.

All employees and long-term consultants must attend training on anti-corruption. The frequency and amount of training is determined based on risk assessments. Certain business units and functions may require more extensive training than is required for employees in general. No corruption cases were reported in 2023, ref. Table 11.

Transparency act

Sval ensures compliance with the Transparency Act through establishment of a new IDD & Transparency Act Procedure supplementing the overall Code of Conduct. This procedure outlines mitigating actions to minimise the risk of our business having negative impact on workers basic human rights or decent working conditions. It mandates the IDD of new and existing business partners as well as including relevant contractual tools in all our material agreements.

Payment practices

Sval's standard contract payment terms are payment within 30 days after receipt of an invoice which satisfies company requirements. Services account for about 90% of the annual invoices, while a minor part of the invoices relates to goods received – both categories follow the same payment terms. The remainder of the invoices, which can be of high value, such as cash calls and tariffs from production licenses are paid as per the terms in the joint operating agreements and/or individual agreements.

Sval currently has no legal proceedings for outstanding late payments.

Public policy and political engagement

Sval is particularly affected by policies and framework conditions that are directly or indirectly associated with energy production. We acknowledge the importance of engaging with authorities and other relevant stakeholders when it comes to the development of policy initiatives that influence our industry. We engage directly with public authorities, including the Ministry of Energy, the Norwegian Offshore Directorate, the Norwegian Ocean Industry Authority and the Norwegian Environment Agency. These interactions include separate, annual contact meetings with management from each of these government bodies. Any presentation material reviewed at these contact meetings is sent to the respective government agencies and thus made public in public case registers.

Offshore Norge is the employer and industry organisation for companies with activities on the NCS. The organisation aims to facilitate a collaborative network for reviewing and addressing relevant public matters related to framework conditions, regulations, or other significant issues. Sval is represented in many of the various committees and workgroups in the organisation. Offshore Norge's views on relevant policy issues are available at www.offshorenorge.no.

In line with Svals commitment to engaging with the local community we also forster a close dialogue with local and regional politicians, and also meet with members of parliament from time to time.

In line with our code of conduct, Sval may not make financial contributions to political parties. As of 2023, no such contributions have been made.

Cyber security

Over the past year, Sval has consistently fortified its cyber security framework, reinforcing our commitment to safeguarding our operational integrity, including our General Data Protection Regulation (GDPR) data, and stakeholder trust. Recognising the dynamic nature of cyber threats, we've enhanced our Information Security Management System, benchmarking against ISO 27001 standards to ensure robustness and resilience, as well as ensuring alignment with evolving cyber regulations.

As in 2022, we have asked independent experts to assess our cyber maturity with favourable results. We do this both to provide confidence in our own approach, but also to get high-quality insights to help us to continuously improve.

Early in 2023, we established a new Cyber Security Lead role to strengthen our security operations, and established a new IT Operations contract with a 3rd party, reinforcing a proactive security approach throughout our technological landscape.

The "People as a Barrier" program continued to be a cornerstone of our security strategy, fostering an environment where every employee is empowered to act as a vigilant protector of our digital assets. This bespoke program is under continuous development and has recently been expanded with team-specific awareness training to better tailor learnings toward the specific risks our people are faced with.

We continuously assess and strengthen our technical barriers to respond to a dynamic threat picture. We maintain focus on our own capabilities and our barrier management approach. In 2023 we partnered with DNV for an in-depth review of our technical barriers providing additional insights for further improvements.

Appendix

Appendix

1 Environment, social and governance KPI's and metrics

Environment

	Unit	ESRS	Other	2023	2022	2021
Energy consumption, production and mix, ref. energy tables in Appendix, Section 4. Data reflect financial control/equity share.						
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	MWh/MUSD	E1-5, 40		254	-	-
Total energy consumption from activities in high climate impact sectors	MWH	E1-5, 41		518 623	-	-
Net revenue	MUSD	E1-5, AR 55		2038	1 860	
Gross Scope 1, 2, 3 and Total GHG emissions - ref. GHG table in Appendix, Section 2. Data reflect financial control/equity share.						
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	Table/ Percent	E1-6, 48b		100%	98%	-
Percentage of GHG Scope 3 calculated using primary data[1]	Percent	E1-6, AR 45g		0%	0%	-
Anticipated financial effects from material physical and transition risks and potential climate-related opportunities						
Net revenue from customers operating in oil-related activities (crude oil sales)	MUSD	E1-9, 67e		1 320	-	-
Net revenue from customers operating in gas-related activities (sum of gas + NGL sales)	MUSD	E1-9, 67e		664	-	-
Percentage of net revenue from customers operating in oil-related activities	Percent	E1-9, 67e		65%	-	-
Percentage of net revenue from customers operating in gas-related activities	Percent	E1-9, 67e		33%	-	-
Pollution of air, water and soil. Data reflect operational control, 100% share.						
Nitrogen oxides (NOx)	Ton	E2-4, 28a	GRI 305-7 GRI 11.3	12.4	30.5	-
Sulfur oxides (SOx)	Ton	E2-4, 28a	GRI 305-7 GRI 11.3	0.3	0.8	-
nmVOC	Ton	E2-4, 28a		1.3	3.8	-
Unplanned spills / emissions to ground / sea / air	#		GRI 2016 306-3 GRI 11.6	1	1	-
Waste. Data reflect operational control, 100% share.						
Total waste	Tons		GRI 306-3 GRI 11.5	110	1190.4	-
Hazardous waste	Tons		GRI 306-3 GRI 11.5	26.6	1077	-
Non-Hazardous waste	Tons		GRI 306-3 GRI 11.5	83.7	113.4	-
Recycling ratio offices	Percent			66%	71%	-
Recycling ratio decommissioning activities	Percent			85%	-	-

1 Industry factors applied for most categories, but a large share based on measured input data (e.g. quantities of fuel)

Social

	Unit	ESRS	Other	2023	2022	2021
Characteristics of the undertaking's employees						
Number of employees	#		GRI 403-9 GRI 11.9	144	172	59
Full year average of employees (headcount) Male	#	S1-6, 50a		100	-	-
Full year average of employees (headcount) Female	#	S1-6, 50a		60	-	-
Number of employees (headcount) Male – full-time employees	#	S1-6, 50b		92	106	-
Number of employees (headcount) Female – full-time employees	#	S1-6, 50b		52	66	-
Females in Board of Directors	Percent		GRI 405-1	33%	33%	33%
Females in Management	Percent		GRI 405-1	33%	33%	20%
Female employees in Company	Percent		GRI 405-1	36%	40%	34%
Number of employee turnover	#	S1-6, 50c		9	8	-
Percentage of employee turnover	Percent	S1-6, 50c		5,6%	4.6%	0%

	Unit	ESRS	Other	2023	2022	2021
Characteristics of non-employee workers in the undertaking's own workforce						
Number of non-employees in own workforce	#	S1-7, 55a		19	-	-
Number of non-employees in own workforce – Self-employed people	#	S1-7, 55a		0	-	-
Number of non-employees in own workforce – people provided by undertakings primarily engaged in employment activities	#	S1-7, 55a		73	-	-
Collective bargaining coverage and social dialogue						
Percentage of total employees covered by collective bargaining agreements	Percent	S1-8, 60a		38%	-	-
Percentage of its employees covered by collective bargaining agreements are within coverage rate by country (in the EEA)	Percent	S1-8, 60b		0%	-	-
Percentage of employees in country (EEA) covered by workers' representatives	Percent	S1-8, 63b		0%	-	-

	Unit	ESRS	Other	2023	2022	2021
Diversity metrics						
Number of employees (headcount) at top management level	#	S1-9, 66a		6	6	
Percentage of employees at top management level	Percent	S1-9, 66a		4%	3.5%	-
Number of employees (headcount) under 30 years old	#	S1-9, 66b		3	8	-
Percentage of employees under 30 years old	Percent	S1-9, 66b		2%	-	-
Number of employees (headcount) between 30 and 50 years old	#	S1-9, 66b		81	99	
Percentage of employees between 30 and 50 years old	Percent	S1-9, 66b		56%	-	-
Number of employees (headcount) over 50 years old	#	S1-9, 66b		60	68	
Percentage of employees over 50 years old	Percent	S1-9, 66b		42%	-	-
Adequate wages						
Percentage of employees paid below the applicable adequate wage benchmark	Percent	S1-10, 70		0%	-	-

	Unit	ESRS	Other	2023	2022	2021
Training and skill development						
Percentage of employees that participated in regular performance and career development reviews (male)	Percent	S1-13, 83a		100%	100%	-
Percentage of employees that participated in regular performance and career development reviews (female)	Percent	S1-13, 83a		100%	100%	-
Health and safety metrics						
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	Percent	S1-14, 88a		100%	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	#	S1-14, 88b		0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	#	S1-14, 88b		0	0	0

	Unit	ESRS	Other	2023	2022	2021
Number of recordable work-related accidents for own workforce	#	S1-14, 88c		0	0	0
Rate of recordable work-related accidents for own workforce	Percent	S1-14, 88c		0	0	0
Serious Incident Frequency (SIF)	#		GRI 403-9 GRI 11.9.10	0	0	0
Total Recoverable Incident Frequency (TRIF)	#		GRI 403-9 GRI 11.9.10	0	0	0
Lost Time Injuries	#		GRI 403-9 GRI 11.9.10	0	0	0
Sick leave, short term (1–15 days,%)	Percent			0.5%	0.8%	0.1%
Sick leave, long term (16+ days,%)	Percent			2.2%	2.2%	1.0%
Work life balance						
Percentage of employees entitled to take family-related leave	Percent	S1-15, 93a		100%	100%	100%
Percentage of entitled employees that took family-related leave	Percent	S1-15, 93b		6%		-

	Unit	ESRS	Other	2023	2022	2021
Compensation metrics (pay gap and total compensation)						
Gender pay gap (unadjusted)	Percent	S1-16, 97a		19.1%	20.6%	19.8%
Incidents, complaints and severe human rights impacts						
Number of incidents of discrimination	#	S1-17, 103a	GRI 406-1	0	0	0
Number of complaints filed through channels for people in own workforce to raise concerns	#	S1-17, 103b		0	-	-
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	Monetary	S1-17, 103c		0	-	-
Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	#	S1-17, 104a		0	-	-
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	Monetary	S1-17, 104b		0	-	-

	Unit	ESRS	Other	2023	2022	2021
Transparency Act						
Investigations or lawsuits in relation to ESG issues	#			0	0	0
Whistleblowing cases being addressed by management onboarding	#			0	0	0
No. of integrity due diligence processes related to other business partners	#			41	2	0
No. of supplier audits that includes social issues auditing (Human rights, labour rights, etc)	#			0	1	0
No. of identified negative impacts	#			0	0	0
Suppliers assessed for risk of breaches of human rights (Beroe entries)	#		GRI 414-1	133	2	0

Governance

	Unit	ESRS	Other	2023	2022	2021
Prevention and detection of corruption and bribery						
Percentage of functions-at-risk covered by training program	Percent	G1-3, 21b		100%	-	-
Completed anti-corruption training ratio	Percent			100%	100%	100%
Confirmed incidents of corruption or bribery						
Number of convictions for violation of anti-corruption and anti- bribery laws	#	G1-4, 24a		0	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	Monetary	G1-4, 24a		0	0	0
Number of confirmed incidents of corruption or bribery	#	G1-4, 25a	GRI 205-3	0	0	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	#	G1-4, 25b		0	0	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	#	G1-4, 25c		0	0	0
Breaches of ethical guidance	#			0	0	0
Legal action for anti-competitive behaviour	#		GRI 206-1	0	0	0
Concerns reported through whistleblowing mechanism	#		GRI 2016, 102-17	0	0	0

	Unit	ESRS	Other	2023	2022	2021
Political influence and lobbying activities						
Financial political contributions made	Monetary	G1-5, bi		0	0	0
Amount of internal and external lobbying expenses	Monetary	G1-5, AR 12a		0	0	0
Amount paid for membership to lobbying associations	Monetary	G1-5, AR 12b		0	0	0
Payment practices						
Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated	#	G1-6, 33a		29	30	30
Number of outstanding legal proceedings for late payments	#	G1-6, 33c		0	0	0
Cyber						
Cyber-attacks or similar incidents resulting in financial loss, loss of data, loss of integrity or other loss	#			0	0	0

2 GHG-emissions

GHG emissions relating to Sval oil and gas activities in Norway (financial control, equity share)

	ESRS / GRI reference	Unit	2023	2022	2021	Change (%)	Change (tCO_2e)
Scope 1 GHG emissions	E1-6, 44a						
Gross Scope 1 GHG emissions	E1-6, 48a	tCO_2e	208 311	259 856	750	-19%	-50 435
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	E1-6, 48b	Percent	100%	98%	-	1%	-
Percentage of direct (Scope 1) emissions from CH4	GRI 305-1 GRI 11.1	Percent	3.5%	1.9%	-	-	-
Scope 2 GHG emissions	E1-6, 44b						
Gross location-based Scope 2 GHG emissions	E1-6, 49a	tCO_2e	1 942	777	11	150%	1 165
Gross market-based Scope 2 GHG emissions	E1-6, 49b	tCO_2e	51 297	28 134		82%	23 163
Significant scope 3 GHG emissions	E1-6, 44c	Ref. Scope 3 materiality assessment in Appendix section 3.					
Total Gross indirect (Scope 3) GHG emissions	E1-6, 51	tCO_2e	10 023 072	9 694 687	130 957	3%	328 385
1. Purchased goods and services	E1-6, 51	tCO_2e	149	167		-11%	-18
2. Capital goods	E1-6, 51	tCO_2e	-	-	-	-	-
3. Fuel and energy-related Activities (not included in Scope1 or Scope 2)	E1-6, 51	tCO_2e	-	-	-	-	-
4. Upstream transportation and distribution	E1-6, 51	tCO_2e	840	2 861	-	-71%	-2 021
5. Waste generated in operations	E1-6, 51	tCO_2e	72	2 170	-	-97%	-2 098
6. Business traveling	E1-6, 51	tCO_2e	123	82	19	50%	41
7. Employee commuting	E1-6, 51	tCO_2e	0	152	-	-100%	-152
8. Upstream leased assets	E1-6, 51	tCO_2e	-	-	-	-	-
9. Downstream transportation	E1-6, 51	tCO_2e	6 147	-	-	-	-
10. Processing of sold products	E1-6, 51	tCO_2e	717 852	-	-	-	-
11. Use of sold products	E1-6, 51	tCO_2e	9 297 889	9 689 255	130 938	-4%	-391 366
12. End-of-life treatment of sold products	E1-6, 51	tCO_2e	-	-	-	-	-
13. Downstream leased assets	E1-6, 51	tCO_2e	-	-	-	-	-
14. Franchises	E1-6, 51	tCO_2e	-	-	-	-	-
15. Investments	E1-6, 51	tCO_2e	-	-	-	-	-
Total GHG emissions	E1-6, 44d						
Total GHG emissions (location-based)	E1-6, 52a	tCO_2e	10 234 434	9 955 320	131 718	3%	279 114
Total GHG emissions (market-based)	E1-6, 52b	tCO_2e	10 283 789	9 982 677	131 707	3%	301 112
GHG intensity							
Total GHG emissions (location based) per net revenue	E1-6, 53	tCO_2e/ MUSD	5022	5352	-	-6%	-331
Scope 1 & 2 GHG emissions (location based) per barrel of oil equivalent	-	$kgCO_2e$/ boe	8.7	10.1	2.4	-14%	-1

3 Scope 3 materiality assessment

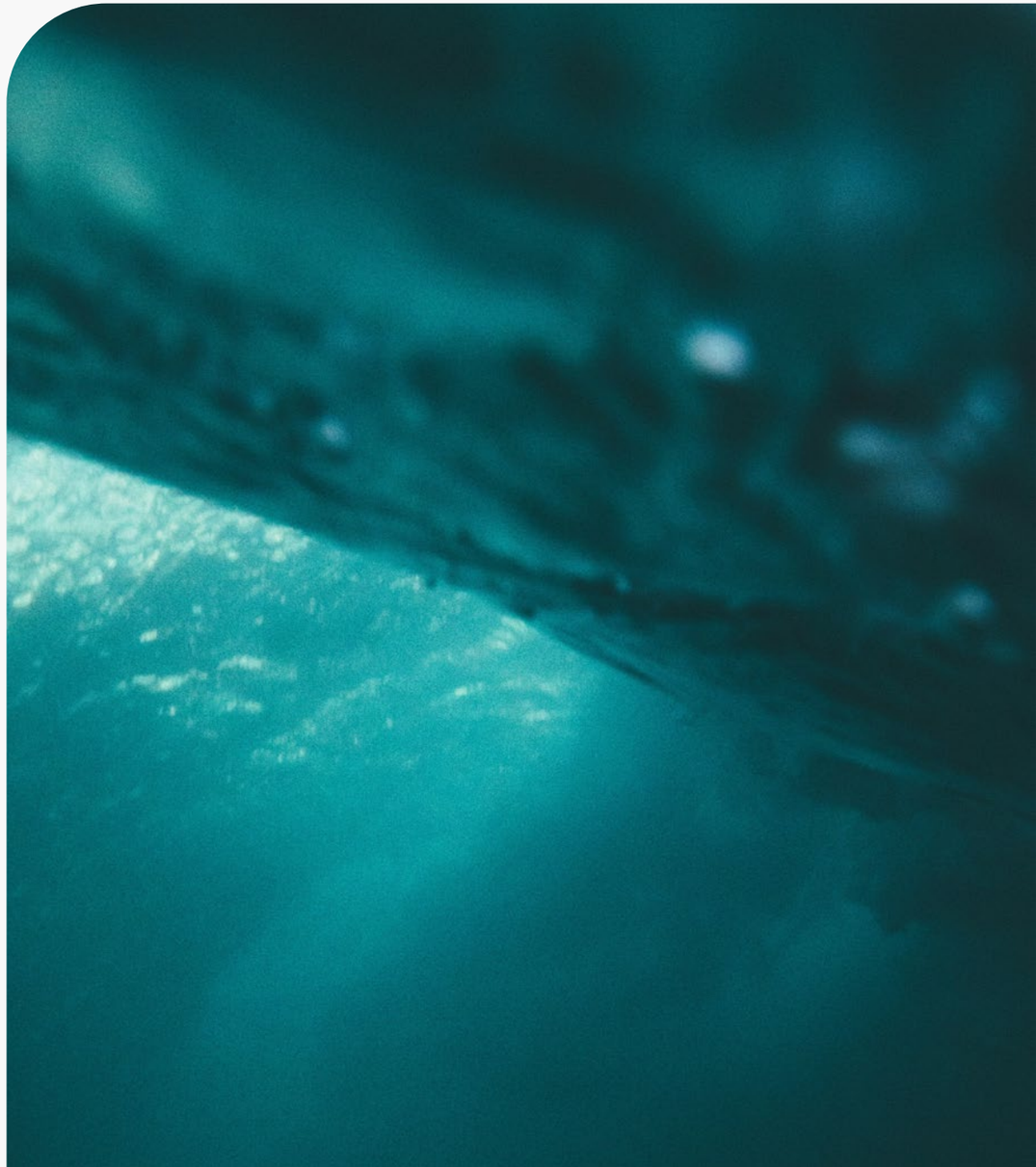
	#	Category	Material to Sval	Materiality assessment	Incl. in GHG inventory	Scope/Data quality
Upstream	1	Purchased goods and services	Yes	Material due to size and influence	Partly	Office supplies and IT equipment included in inventory. Factor per type of purchase.
	2	Capital goods	No	Deemed not material as Sval currently does not have any significant capital goods	No	Not applicable
	3	Fuel- and energy related activities	No	Deemed not material as Sval's emissions from fuel and energy consumption are covered in Scope 1 and 2	No	Not applicable
	4	Upstream transportation and distribution	Yes	Deemed material due to size and influence	Partly	Operated marine activities (supply, IMR, construction vessels etc) supporting Sval's operations. Based on diesel consumption.
	5	Waste generated in operations	Yes	Material as Sval can influence these emissions	Yes	Waste from operated decom activities, offshore activities, and offices. Based on tons of waste and industry factors.
	6	Business travels	Yes	Material as Sval can influence these emissions	Yes	All business travels made by Sval employees. Based on travel agency travel distance and flight factor.
	7	Employee commuting	Yes	Material as Sval can influence these emissions	Partly	Operated helicopter transport relating to offshore operations.
	8	Upstream leased assets	No	Deemed not material	No	Not applicable
Downstream	9	Downstream transportation and distribution	Yes	Material due to size and influence	Yes	Industry factors used to estimate emissions (Equinor factor for gas, and AkerBP factor for oil).
	10	Processing of sold products	Yes	Material due to size and influence	Yes	Industry factors used to estimate emissions. (Equinor factor for gas, and AkerBP factor for oil).
	11	Use of sold products	Yes	Material due to size	Yes	End use of goods sold by Sval. Crude oil and natural gas factors.
	12	End-of-life treatment of sold products	No	Deemed not material, as Sval do not produce products such as lubricants or plastics	No	Not applicable (considered included in Category 11 assuming end products are eventually burned).
	13	Downstream leased assets	No	Not applicable	No	Not applicable
	14	Franchises	No	Not applicable	No	Not applicable
	15	Investments	No	Not applicable	No	Not applicable

4 Energy consumption and production

Energy consumption and mix (equity share, offshore hubs, location based)	ESRS		2023	2022
(1) Fuel consumption from coal and coal products	E1-5, 38a	MWh	-	-
(2) Fuel consumption from crude oil and petroleum products	E1-5, 38b	MWh	23 382	-
(3) Fuel consumption from natural gas	E1-5, 38c	MWh	391 893	-
(4) Fuel consumption from other fossil sources	E1-5, 38d	MWh	-	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (NVE factor el)	E1-5, 38e	MWh	3 503	-
(6) Total fossil energy consumption (sum 1–5)	**E1-5, 37a**	**MWh**	**418 778**	**-**
Share of fossil sources in total energy consumption	E1-5, AR 34	%	81%	-
(7) Consumption from nuclear sources (NVE factor el)	**E1-5, 37b**	**MWh**	**1 674**	**-**
Share of nuclear sources in total energy consumption	E1-5, AR 34	%	0	-
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen etc)	E1-5, 37ci	MWh	-	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (NVE factor el)	E1-5, 37cii	MWh	98 170	66 808
(10) The consumption of self-generated non-fuel renewable energy	E1-5, 37ciii	MWh	-	-
(11) Total renewable energy consumption (sum 8–10)	**E1-5, 37c**	**MWh**	**98 170**	**66 808**
Share of renewable sources in total energy consumption	E1-5, AR 34	%	19%	-
Total energy consumption (sum 6 + 7 + 11)		**MWh**	**518 623**	**66 808**

Energy production and mix	ESRS		2023	2022
(1) Renewable energy production	E1-5, 39	MWh	156 308	92 262
(2) Non-renewable energy production (gas)[1]	E1-5, 39	MWh	15 583 525	-
(3) Non-renewable energy production (oil)[1]	E1-5, 39	MWh	24 717 399	-
Total energy production (sum 1, 2, 3)		**MWh**	**40 457 233**	**-**

1 Estimated energy from oil and gas sales volumes, not considering actual end-use of products.



5 GRI index

Statement of use: Sval Energi has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI Standard title	Disclosure	Disclosure description	Chapter in report	Page #
GRI 2: General Disclosures 2021	2-1	Organizational details	This is Sval	4
	2-2	Entities included in the organization's sustainability reporting	This is Sval, About the report	2, 4
	2-3	Reporting period, frequency and contact point	About the report	2
	2-4	Restatements of information	About the report	2
	2-5	External assurance	Appendix	73
	2-6	Activities, value chain, and other business relationships	This is Sval	4–5
	2-7	Employees	This is Sval, Our People	4, 37–44
	2-8	Workers in the value chain	*Social* – Our People, *Social* – Human rights and decent working conditions in the value chain	37, 45-48
	2-9	Governance structure and composition	*Governance* – Business conduct & Company website	50–54
	2-12	Role of the highest governance body in overseeing the management of impacts	*Governance* – Business conduct	14–15, 50–51
	2-13	Delegation of responsibility for managing impacts	*Governance* – Business conduct	50
	2-14	Role of the highest governance body in sustainability reporting	*Governance* – Business conduct	50
	2-22	Statement on sustainable development strategy	Letter from the CEO	6–8
	2-23	Policy commitments	*Governance* – Corporate culture and ethical business practices	51–54
	2-24	Embedding policy commitments	*Governance* – Corporate culture and ethical business practices	51–54
	2-29	Approach to stakeholder engagement	Our Material ESG Topics	14–15
	2-30	Collective bargaining agreements	Partly disclosed; *Social* – Society – Safeguarding people	40

GRI Standard title	Disclosure	Disclosure description	Chapter in report	Page #
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Material ESG Topics	14
	3-2	List of material topics	Our Material ESG Topics	15
Topic 11.1 GHG emissions / GRI 302: Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	*Environment* – Climate change – our response *Governance* – We comply and behave	17–27, 51–54
11.1.2	302-1	Energy consumption within the organization	Appendix	65
11.1.5	305-1	Direct (Scope 1) GHG emissions	Appendix	63
11.1.6	305-2	Energy indirect (Scope 2) GHG Emissions	Appendix	63
11.1.7	305-3	Other indirect (Scope 3) GHG Emissions	Appendix	63
11.1.8	305-4	GHG Emissions Intensity	Appendix	63
Topic 11.2. Climate Adaption, resilience and transition / GRI 201: Economic Performance 2016				
11.2.1	3-3	Management of material topics	*Environment* – Climate change – our response *Governance* – Policies and compliance	14–15, 17–27, 51–54
11.2.2	201-2	Financial implications and other risks and opportunities due to climate change	*Environment* – Climate change mitigation Climate change risk and opportunity	19–22, 24–27
11.2.3	305-5	Reduction of GHG emissions	*Environment* – Climate change mitigation	24–27
Topic 11.3 Air emissions / GRI 305: Emissions 2016				
11.3.1	3-3	Management of material topics	*Environment* – Environmental protection, Pollution	14–15, 31–33
11.3.2	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions	Appendix	57
Topic 11.4 Biodiversity / GRI 304: Biodiversity 2016				
11.4.1	3-3	Management of material topics	*Environment* – Environmental protection, Biodiversity and ecosystems *Governance* – Policies and compliance	14–15, 29–30, 51–54
11.4.2	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	*Environment* – Biodiversity and ecosystems	29–30

GRI Standard title	Disclosure	Disclosure description	Chapter in report	Page #
11.4.3	304-2	Significant impacts of activities, products and services on biodiversity	*Environment* – Biodiversity and ecosystems	29–30
11.4.4	304-3	Habitats protected or restored	*Environment* – Biodiversity and ecosystems	29–30
Topic 11.5 Waste / GRI 306: Waste 2020				
11.5.1	3-3	Management of material topics	*Environment* – Environmental protection, Circular economy & waste management	14–15, 33–34
11.5.2	306-1	Waste generation and significant waste-related impacts	Appendix	57
11.5.3	306-2	Management of significant waste-related impacts	*Environment* – Circular economy and waste management	33–34
11.5.4	306-3	Waste generated	Appendix	57
Topic 11.6 Water and effluents / GRI 303: Water and effluents 2018				
11.6.1	3-3	Management of material topics	*Environment* – Environmental protection, Pollution *Governance* – Policies and compliance	14–15, 31–33, 51–54
11.6.2	303-2	Management of water discharge related impacts	*Environment* – Pollution	31–33
11.6.4	303-4	Water discharge	Appendix	57
Topic 11.7 Closure and rehabilitation / GRI 404: Training and Education 2016				
11.7.1	3-3	Management of material topics	*Environment* – Environmental protection, Biodiversity and ecosystems *Governance* – Policies and compliance	14–15, 29–30
11.7.3	404-2	Programs for upgrading employee skills and transition assistance programs	*Social* – Training & development	44
Topic 11.8 Asset integrity and critical incident management / GRI 306: Effluents and Waste 2016				
11.8.1	3-3	Management of material topics	*Environment* – Pollution	31–33
11.8.2	306-3	Significant spills	Appendix	57
Topic 11.9 Occupational health and safety / GRI 403: Occupational Health and safety 2018				
11.9.1	3-3	Management of material topics	*Social* – Society – safeguarding people, working conditions *Governance* – Policies and compliance	14–15, 36–44, 51–54
11.9.2	403-1	Occupational health and safety management system	*Social* – Working conditions, Occupational Health & Safety	38–42, 51

GRI Standard title	Disclosure	Disclosure description	Chapter in report	Page #
11.9.3	403-2	Hazard identification, risk assessment, and incident investigation	*Social* – Working conditions, Occupational Health & Safety	38–42
11.9.4	403-3	Occupational health services	*Social* – Working conditions, Occupational Health & Safety	38–42
11.9.5	403-4	Worker participation, consultation, and communication on occupational health and safety	*Social* – Working conditions, Occupational Health & Safety	36–42
11.9.6	403-5	Worker training on occupational health and safety	*Social* – Working conditions, Occupational Health & Safety, Equal treatment and opportunities	36–44
11.9.7	403-6	Promotion of worker health	*Social* – Working conditions, Occupational Health & Safety	36–42
11.9.8	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	*Social* – Working conditions, Occupational Health & Safety	36–42
11.9.9	403-8	Workers covered by an occupational health and safety management system	*Social* – Working conditions, Occupational Health & Safety	36–42
11.9.10	403-9	Work-related injuries	Appendix	59–60
Topic 11.10 Employment practices / GRI 401: Employment 2016 / GRI 404: Training and Education 2016				
11.10.1	3-3	Management of material topics	*Social* – Safeguarding people, Working conditions, Equal opportunities *Governance* – Corporate culture and ethical business practices	14–15, 36–44, 51–54
11.10.2	401-1	New employee hires and employee turnover	*Social* – Equal opportunities, Recruitment	44
11.10.6	404-1	Average hours of training per year per employee	*Social* – Appendix	59
11.10.7	404-2	Programs for upgrading employee skills and transition assistance programs	*Social* – Equal opportunity, Training & development	38–44
Topic 11.11 Non-discrimination and equal opportunity / GRI 405: Diversity and Equal Opportunities 2016 / GRI 406 Incidents of discrimination and corrective actions taken				
11.11.1	3-3	Management of material topics	*Social* – Safeguarding people, Diversity and inclusion, Occupational health and safety *Governance* – Policies and compliance	14–15, 38–42, 51–54
11.11.5	405-1	Diversity of governance bodies and employees	*Social* – Diversity and inclusion & Appendix	42–44, 58–60

GRI Standard title	Disclosure	Disclosure description	Chapter in report	Page #
11.11.6	405-2	Ratio of basic salary and remuneration of women to men	*Social* – Diversity and inclusion	43
11.11.7	406-1	Incidents of discrimination and corrective actions taken	*Social* – Diversity and inclusion & Appendix	42–44, 57–60
Topic 11.12 Forced Labor and modern slavery / GRI 414: Supplier Social Assessment 2016				
11.12.1	3-3	Management of material topics	*Governance* – Business conduct, corporate culture and ethical business practices	14–15, 51–54
11.12.3	414-1	New suppliers that were screened using social criteria	*Governance* – Corporate culture and ethical business practices & Appendix *Social* – Supply chain requirements and contractual clauses	45–48, 51–54, 61
Topic 11.13 Freedom of association and collective bargaining / GRI 407: Freedom of Association and Collective Bargaining 2016				
11.13.1	3-3	Management of material topics	*Governance* – Business conduct, corporate culture and ethical business practices	14–15, 51–54
11.13.2	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	*Governance* – Corporate culture and ethical business practices *Social* – Human rights and decent working conditions in the value chain	40–41, 45-48, 51–54
Topic 11.14 Economic Impacts / GRI 201 Economic Performance 2016 / GRI 203: Indirect Economic Impacts 2016				
11.14.1	3-3	Management of material topics	This is Sval, Social – Safeguarding people, Employee engagement and representation *Governance* – Policies and compliance	4, 39–40
11.14.2	201-1	Direct economic value generated and distributed	Partly disclosed; This is Sval	4
11.14.5	203-2	Significant indirect economic impacts	Partly disclosed; This is Sval	4
Topic 11.15 Local Communities / GRI 413: Local communities 2016				
11.15.1	3-3	Management of material topics	*Social* – Safeguarding people, Employee engagement and representation *Governance* – Policies and compliance	14–15, 39, 53
11.15.2	413-1	Operations with local community engagement, impact assessments, and development programs	*Social* – Employee engagement and representation	39

GRI Standard title	Disclosure	Disclosure description	Chapter in report	Page #
Topic 11.19 Anti-competitive behavior / GRI 206: Anti-competitive behavior 2016				
11.19.1	3-3	Management of material topics	*Governance* – Business conduct, Corporate culture and ethical business practices, Policies and compliance	14–15, 62
11.19.2	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	*Governance* – Corporate culture and ethical business practices & Appendix	54, 62
Topic 11.20 Anti-corruption / GRI 205: Anti-corruption 2016				
11.20.1	3-3	Management of material topics	*Governance* – Business conduct, Corporate culture and ethical business practices, Policies and compliance	14–15, 54
11.20.2	205-1	Operations assessed for risks related to corruption	*Governance* – Corporate culture and ethical business practices & Appendix	51–54, 62
11.20.3	205-2	Communication and training about anti-corruption policies and procedures	*Governance* – Corporate culture and ethical business practices	51–54, 62
11.20.4	205-3	Confirmed incidents of corruption and actions taken	*Governance* – Corporate culture and ethical business practices & Appendix	51–54, 62
Topic 11.21 Payments to governments / GRI 201: Economic Performance 2016 / GRI 207: Tax 2019				
11.21.1	3-3	Management of material topics	This is Sval, *Governance* – Business conduct, Corporate culture and ethical business practices, Policies and compliance	4, 51–54
11.21.2	201-1	Direct economic value generated and distributed	Partly disclosed; This is Sval, *Governance* – Corporate culture and ethical business practices	4, 51–54
11.21.4	207-1	Approach to tax	Partly disclosed; This is Sval, *Governance* – Corporate culture and ethical business practices	4, 51–54
11.21.5	207-2	Tax governance, control, and risk management	Partly disclosed; This is Sval, *Governance* – Corporate culture and ethical business practices	4, 51–54

6 TCFD index

	Section	Page #
Governance		
a) Describe the board's oversight of climate-related risks and opportunities	*Environment* – Climate change mitigation, Climate change risk and opportunities	23–24
b) Describe management's role in assessing and managing climate-related risks and opportunities	*Environment* – Climate change mitigation, Climate change risk and opportunities	23–24
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	*Environment* – Climate change mitigation, Climate change risk and opportunities	19–22
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	*Environment* – Climate change mitigation, Climate change risk and opportunities	19–22
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	*Environment* – Climate change mitigation, Climate change risk and opportunities	19–23
Risk Management		
a) Describe the organisation's process for identifying and assessing climate-related risks	*Environment* – Climate change mitigation, Climate change risk and opportunities	19–21
b) Describe the organisation's processes for managing climate-related risks	*Environment* – Climate change mitigation, Climate change risk and opportunities	19–21, 24–27
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	*Environment* – Climate change mitigation, Climate change risk and opportunities	19–21, 23–24
Metrics and targets		
a) Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	*Environment* – Climate change mitigation, Climate change risk and opportunities	18–19
b) Describe Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	*Environment* – Climate change mitigation, Climate change risk and opportunities	63–64
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	*Environment* – Climate change mitigation, Climate change risk and opportunities	24–27, 63

Definitions and abbreviations

TERM DEFINITION

APS Announced pledges scenario

ARC Audit and risk committee – sub-committee of the Board

BAT Best available technology

BEP Best environmental practise

Boe Barrel of oil equivalent

CCS Carbon capture and storage

CEO Chief executive officer

CFO Chief financial officer

CH_4 Methane

CO_2 Carbon dioxide

CO_2e CO_2 equivalents. It is a measurement of the global warming potential in any greenhouse gas to the equivalent amount of CO_2 emissions.

CSRD The European corporate sustainability reporting directive

ELT Executive leadership team

Energy consumption Equity share of energy consumed by operated and partner operated assets, including fuel gas and diesel consumption, power supplied from shore, and electricity consumed at office locations.

Equity share Under the equity share approach, we account for emissions from operated and non-operated assets, according to our share of equity in the assets.

ERM Enterprise risk management

ESG Refers to reporting topics environmental, social and governance, and represents a holistic approach to sustainability.

ESRS European sustainability reporting standard

EU ETS European Union Emissions Trading System. The ETS is a market mechanism that gives CO_2 a price and creates incentives to reduce emissions in the most cost-effective manner.

GHG Greenhouse gases. Reported GHGs are CO_2, CH_4 and N_2O.

GHG intensity Emissions of greenhouse gases (in kg CO_2e) per barrel of oil equivalent produced.

GRI Global reporting initiative

Hazardous waste Waste that possesses any of the characteristics contained in annex II of the Basel Convention, or that is considered to be hazardous by national legislation.

HSEQ Health, safety, environment and quality

Human Rights Due Diligence Due diligence with respect to fundamental human rights and decent working conditions, as required by the Transparency Act with reference to the OECD Guidelines.

IDD Integrity due diligence

IEA International Energy Agency

IPCC Intergovernmental Panel on Climate Change

JIP Joint industry project

KonKraft A collaboration arena for Offshore Norge, the Federation of Norwegian Industries (NI), the Norwegian Shipowners Association (RF), the Confederation of Norwegian Enterprise (NHO) and the Norwegian Confederation of Trade Unions (LO), together with two LO members – the United Federation of Trade Unions and the Norwegian Union of Industry and Energy Workers (Industry Energy).

KPI Key performance indicator

LNG Liquified natural gas

LTI Lost time injury. A personal injury which results in the person being unfit for work the day after the injury.

MLK Metsälamminkangas wind farm

NCS Norwegian continental shelf

NEA Norwegian Environmental Agency

Net zero Net zero refers to the balance between anthropogenic GHG emissions and carbon offsets.

NGL Natural gas liquid

nmVOC Non-methane volatile organic compounds

NOx Nitrogen oxides

NPV Net present value

NZE Net zero scenario

OECD The organization for economic co-operation and development

Operational control Under the operational control approach, we account for 100 percent of the emissions or discharges from operations over which we have full authority to introduce and implement our operating policies.

Produced water Produced water is a by-product in the oil and gas well-stream, containing oil residues and other organic compounds.

Protected areas Areas where no industrial activity, or only limited activity, is permitted.

Scope 1 Direct emissions from owned or controlled sources. In Sval these sources are defined as activities under the Petroleum act, including partner and own operated offshore processing hubs and drilling activities.

Scope 2 Indirect emissions from the generation of purchased energy. It can be measured as location-based or market-based. Location based scope 2 emissions are emissions calculated based on the average emissions intensity of a local power grid. Market-based scope 2 emissions are emissions calculated based on a specific purchase contract or agreement for energy. Sval uses the annual NVE factors for this purpose.

Scope 3 Indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions.

SDG The United Nations sustainable development goals.

Sensitive areas Particularly valuable and sensitive areas ("Særlige verdifulle og sårbare områder" – SVO) identified on the Norwegian continental shelf.

Serious Injury A personal injury which is categorized as serious in accordance with the management regulations, Section 31, as enforced by the Norwegian Ocean Industry Authority.

SIF Serious Incident Frequency. The number of serious incidents per million work hours.

SOx Sulphur oxides

STEPS Stated pledges scenario

TCFD Taskforce for climate-related financial disclosures

The Transparency Act Norwegian act relating to enterprises' transparency and work on fundamental human rights and decent working conditions.

TRIF Total Recordable Injury Frequency. The number of recordable injuries (lost time + medical treatment) per million work hours.

UN Global Compact The United Nations Global Compact is a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

WEC Work environment committee

Auditor's report

Deloitte.

Deloitte AS
Knud Holms gate 8
NO-4005 Stavanger
Norway

Tel: +47 51 81 56 00
www.deloitte.no

To the Management of Sval Energi AS

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SVAL ENERGI'S SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Management of Sval Energi on selected Environmental, Social and Governance ("ESG") information (the "Selected Information") within the Sustainability Report for the reporting period ended 31 December 2023.

Our limited assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, with reference to the Applicable Criteria.

Scope of our work

Sval Energi has engaged us to provide independent Limited assurance with reference to International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Sustainability Report for the year ended 31 December 2023 is as follows:

Selected Information	Applicable Criteria
GRI Index 2023.	Reporting with reference to GRI Standards, published by the Global Reporting Initiative (globalreporting.org).

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information with reference to the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Management's responsibilities

The Management are responsible for:

Selecting and establishing the Applicable Criteria.

Preparing, measuring, presenting and reporting the Selected Information with reference to the Applicable Criteria.

Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities

We are responsible for:

Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.

Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.

Reporting our conclusion in the form of an independent limited Assurance Report to the Management.

Our independence and quality management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance to these requirements.

We apply the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.

Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.

Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported with reference to the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Stavanger, 19th April 2024
Deloitte AS

Bård Frøyland
State Authorised Public Accountant

Contact

Sval Energi
P.O. Box 520
4003 Stavanger, Norway

resepsjon@sval-energi.no
+47 51 31 00 00

sval-energi.no

Sval