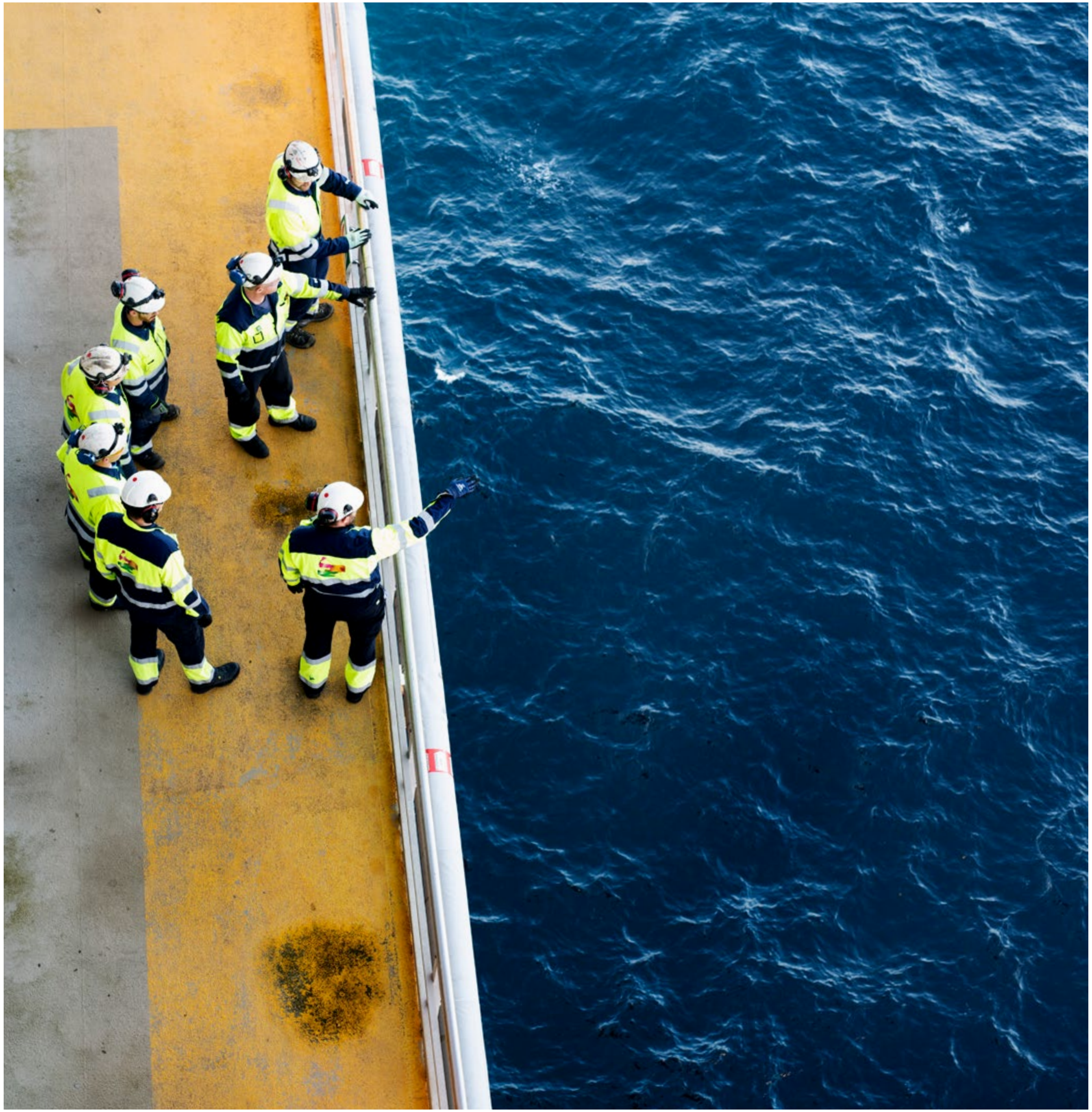
Annual report
2023



Contents

Company profile	**03**
Letter from the CEO	**04**
Board of directors' report	**06**
Business description	09
The annual accounts	13
HSSEQ in Aker BP's operations	15
Risk factors	16
Events after the reporting period	21
Sustainability report	**23**
General	25
Environment	40
Social	80
Governance	105
ESG Appendix	112
Financial statements	**141**
Notes to the accounts	150
Independant auditor's report	195
Board of Directors and Executive Management Team	**198**
Board of Directors	199
Executive Management Team	204
Remuneration Report	209
Independant auditor's statement	218
Board of directors' report on corporate governance	**219**
Reporting of payments to governments	**231**
Appendix	**234**
Cautionary statement	235
Lists of figures and tables	236
Definitions and abbreviations	237

Hyperlinks in report:

This symbol indicates a hyperlink to an external source
This symbol indicates a hyperlink to another place in this report

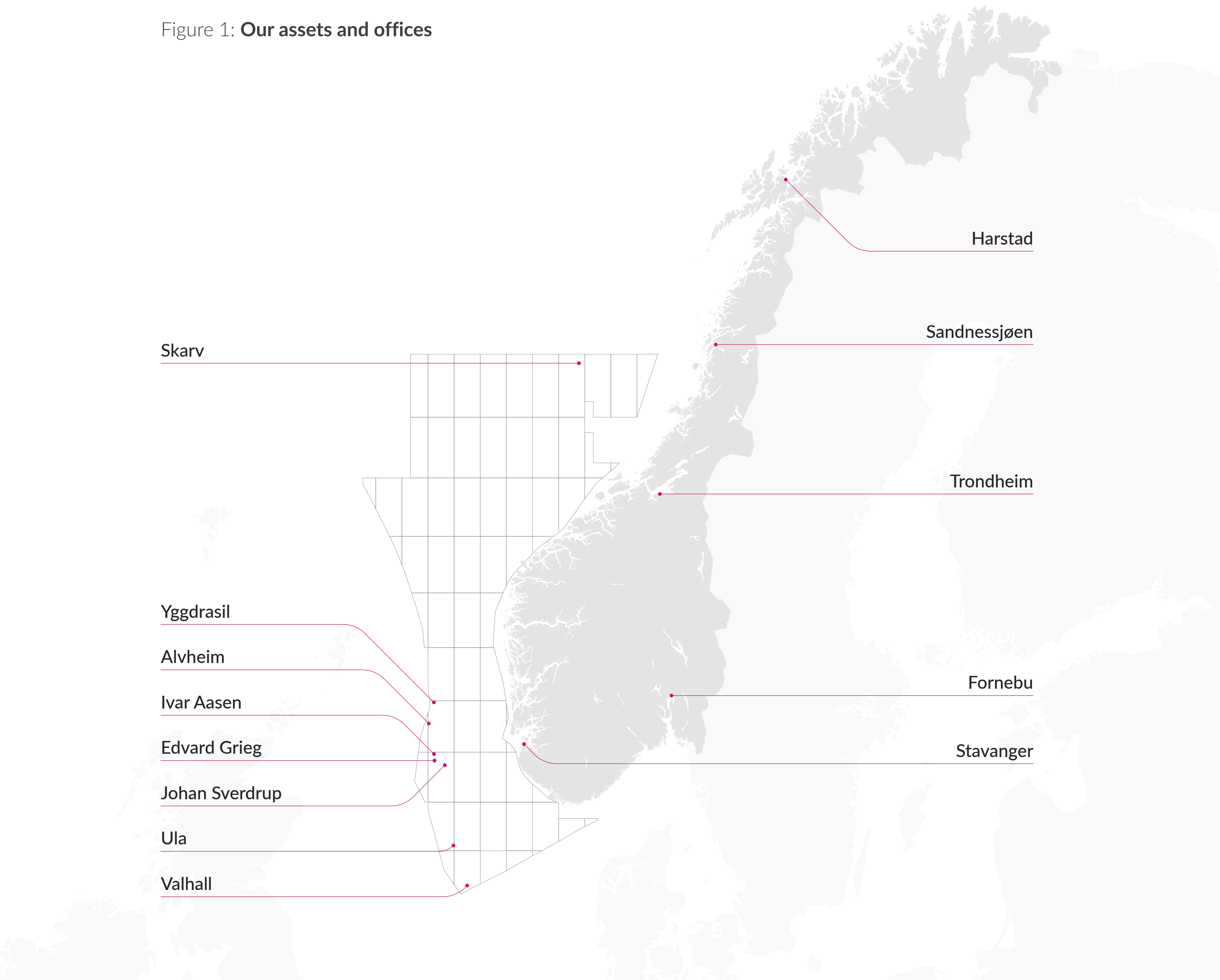
Company profile

About the company
Aker BP ASA is a company engaged in exploration, field development and production of oil and gas on the Norwegian continental shelf (NCS). The company has its headquarters at Fornebu, outside Oslo, Norway. We also have offices in Harstad, Trondheim, Sandnessjøen and Stavanger.

Aker BP is listed on the Oslo stock exchange (AKRBP), and major shareholders are Aker ASA (21 percent), BP PLC (16 percent) and Nemesia S.A.R.L (14 percent).

Production
With a total production of ~450 mboepd, Aker BP is one of the largest independent listed oil and gas companies in Europe. The company operates the field centres Alvheim, Edvard Grieg, Ivar Aasen, Skarv, Ula and Valhall, and is a partner in the Johan Sverdrup field. Please see our website for more information about our assets and development projects.

Figure 1: **Our assets and offices**



Letter from the CEO

Dear reader,

Welcome to the Aker BP 2023 annual report, which I am delighted to present for the first time combined with our sustainability report. This shift to a single format reflects how sustainability is fully integrated into Aker BP's corporate strategy and day-to-day operations. I trust you will find this report informative and insightful.

Responsible and efficient business practices are key to Aker BP's success and integral to our vision of creating the exploration and production (E&P) company of the future. Allow me to give you a brief summary of some of our accomplishments in 2023. We set a new production record of 457,000 barrels of oil equivalents (BOE) per day, and achieved our lowest ever average per-barrel production cost of just USD 6.2. Our total income for 2023 amounted to USD 13.7 billion, a new record for our company. EBITDA for the year increased to USD 12.3 billion. By maintaining a robust cash flow and capital discipline, we strengthened our balance sheet and increased dividends.

Sources of pride

This year's letter cannot be written without once again addressing the issue of geopolitical turmoil and armed conflict. My thoughts go out to all families affected by war. Witnessing their plight is heartbreaking. In an effort to help alleviate suffering, Aker BP continues to provide funding for humanitarian relief efforts as we have in past years.

Beyond the human cost, global instability has the potential to significantly disrupt energy markets. Although Europe has largely been able to find alternative energy suppliers to Russian sources, the ongoing unrest in the Middle East endangers critical shipping routes for oil, gas, and other essential commodities.

At Aker BP, we are doing our utmost to strengthen our company in the face of market volatility so that we can remain a reliable, trusted energy provider through uncertain times. Our role in securing critical energy supplies to Europe and creating value for our shareholders as well as the societies we are a part of are sources of pride for everyone working at Aker BP.

Committed to our objectives
Aker BP's vision is clear and remains unchanged: to be the exploration and production company of the future. Our strategy as a pure-play oil and gas company is straightforward: we prioritise safe operations, aiming for high efficiency, low costs, and minimal emissions to ensure sustainable growth.

In 2023, we made steady progress on the path to realising our ambition. I would like to highlight two key priorities that showcase our dedication to achieving our goals.

- I am excited to share that our development projects are progressing as planned. The engineering phase started last year at several locations. The projects involve the construction of state-of-the-art offshore installations that are unmanned, powered from shore, and have digital representations, allowing for remote work and increased efficiency
- Closing in on net zero scope 1 and 2: I am pleased to report that Aker BP remains among the oil and gas companies with the lowest emissions intensity globally and continues to make strides toward our goal of reaching net zero equity share scope 1 and 2: we cut greenhouse gas emissions from 3.7 kg CO_2e per BOE in 2022 to 2.9 kg CO_2e per BOE in 2023

GenAI: A game changer
Making Aker BP a digital leader in our industry has been a focus since the company was established in 2016. Our goal remains to improve efficiency by harnessing the potential of cutting-edge technologies. As we enter 2024, Generative Artificial Intelligence (GenAI) stands out as a game-changing innovation for our technology- and data-driven company. We have been consistently working to optimise our vast data resources to establish valuable solutions, the precise prerequisite GenAI needs to create added value. Over the past year, we have successfully implemented several GenAI initiatives across the company. Now, we are stepping up efforts to develop and extract further value using GenAI technology by effectively integrating it into our operations.

Success through collaboration
At Aker BP, we aim high – we intend to change the oil and gas industry, and we lead by example. In my opinion, transforming how we work and operate is only possible with high-performing teams. Thus, the most important investments we make are in our people.

In my experience, ensuring not just the physical safety but the well-being of individuals builds a sound foundation for a happy, thriving workforce. That in turn is the basis for strong and diverse teams and a professional environment in which members feel supported and prepared to take on risk and confidently share innovative ideas.

I firmly believe that success will be achieved by harnessing the combined strengths of our teams, technology, and digitalisation.

Karl Johnny Hersvik
CEO

Board of directors' report

Business description
The annual accounts
HSSEQ in Aker BP's operations
Risk factors
Events after the reporting period

In 2023, Aker BP marked its first full year as an integrated team following the acquisition of Lundin, successfully achieving all operational and financial targets. Notably, new capacity was brought on stream at Johan Sverdrup, resulting in record-high production and achieving a record-low operational cost per unit. Simultaneously, the company further reduced its greenhouse gas emission intensity from an already industry-leading level.

The field development projects progressed as planned, representing the central pillar in the company's plan to lift production to around 525,000 barrels per day by 2028. Noteworthy exploration results included the Frigg East discovery in the Yggdrasil area.

The company generated a robust cash flow, contributing to strengthening of the balance sheet. Aker BP also delivered on its commitment to shareholders by paying dividends as planned at USD 2.2 per share, reflecting a solid financial performance and strategic progress. The year 2023 underscores Aker BP's dedication to operational excellence, profitable growth, and creating shareholder value.

Aker BP is a pure play oil and gas company that has expanded to become the second-largest operator on the Norwegian Continental Shelf (NCS) through a combination of organic growth and M&A. The company's vision is to be the E&P company of the future, characterised by safe and efficient operations, low costs, low emissions, and a leading role in the transformation of the industry.

In 2023, geopolitical unrest and economic uncertainty prevailed, leading to cost inflation and supply chain challenges. Aker BP's focus has been on building resilience in its operations and project execution, as well as on being a reliable supplier of oil and gas to the European market.

ESG performance

Environmental, Social and Governance (ESG) issues are of the highest importance to Aker BP's Board of Directors. The Board recognises its responsibility for the safety of people and the environment, devoting appropriate time and resources to comply with all regulations and adhere to the highest standards in the oil and gas industry concerning Health, Safety, Security, Environment, and Quality (HSSEQ).

Aker BP's overall HSSEQ performance in 2023 was satisfactory. However, the Board notes that the number of injuries was higher than the previous year, with a Total Recordable Injuries Frequency (TRIF) of 2.4 compared to 1.7 in 2022. All injuries are investigated to capture insights and prevent re-occurrence. The company reported three incidents categorised as serious during the year, resulting in a Serious Incident Frequency (SIF) of 0.3, down from 0.7 the previous year. Fortunately, none of the incidents reached a high severity level.

Aker BP's emission intensity was reduced to around 2.9 kg CO_2e per boe in 2023, down from 3.8 the year before. This places the company among the absolute lowest in the oil and gas industry globally. Aker BP takes the global climate challenges seriously and has a three-pronged strategy to address the world's growing need for energy while simultaneously contributing to emission reduction. The company aims to deliver oil and gas with low climate footprint, generating revenue that can be utilised to facilitate the energy transition. Additionally, the company contribute knowledge, data, and experience to support emerging industries.

Continuous improvement
Aker BP has implemented an operating model aimed at continuously improving safety and production efficiency while reducing costs through digitalisation and standardisation in critical domains like HSSEQ, maintenance, procurement, and logistics. This operating model serves as a robust framework for driving performance, facilitating the exchange of best practices, capitalising on scale economics, and developing a culture of continuous improvement.

Digitalisation is a pivotal element in this continuous improvement agenda, aimed at increasing efficiency, improving decision-making, and enhancing operations. The company has established a cutting-edge digital infrastructure, facilitating the systematic collection and liberation of data. Presently, this data is actively leveraged to enhance operational efficiency through the implementation of data-driven workflows and automation. The introduction of digital workspaces within project management has fostered collaboration and yielded substantial time savings. Additionally, the company has started utilising artificial intelligence for further advancements and improvements.

Furthermore, the company is working systematically to develop strategic alliances with its main suppliers. Aker BP's alliance model aims to align incentives, remove waste, and drive continuous improvement with a One Team culture. The alliances cover the majority of the company's supply chain and provide Aker BP with critical capabilities essential to execute the company's ongoing project portfolio.

Operations and projects
The operational performance developed positively as Aker BP produced 457 thousand barrels oil equivalent per day (mboepd) in 2023, the highest in the company's history. Despite unexpected shutdowns at Alvheim, Valhall, and Skarv in the latter part of the year, production efficiency for the year was as high as 92 percent. The production cost of 6.2 dollar per barrel oil equivalent (boe) was well below the estimate at the beginning of the year.

Two field developments in the Alvheim area successfully commenced production during the year. In March, the Frosk field started on schedule and within budget, only 18 months after submitting the Plan for Development and Operation (PDO). In October, Kobra East & Gekko (KEG) started production around five months ahead of plan and below the original budget. A third tieback project in the Alvheim area and one in the Ivar Aasen area further progressed. At Johan Sverdrup, the gross oil production capacity was successfully increased to 755 thousand barrels per day (mbblpd) in May 2023.

At the end of 2022, Aker BP and partners submitted a total of 10 PDOs to the Norwegian authorities. One project, Troldhaugen in the Edvard Grieg area, has subsequently been discontinued. These Aker BP-operated field development projects are organised into four main groups: Yggdrasil, Valhall PWP-Fenris, Skarv Satellites, and Utsira High projects. Aker BP's net share of recoverable resources in these projects is estimated at above 700 mmboe, with an average break-even oil price of USD 35-40 per barrel (calculated using a 10 percent discount rate). The Board of Directors regards these projects as highly attractive with low break-even oil prices, a short payback time, and high returns.

2023 was also a year of successful exploration for Aker BP, where the main discovery was Frigg East in the Yggdrasil area. The discovery is being matured towards concept selection, and Aker BP expects to demonstrate good project economics with relatively low investments for this project.

At the end of 2023, Aker BP's proven and probable (2P) reserves were 1,716 mmboe, down from 1,859 mmboe a year before. The decrease is mainly attributed to the produced volumes in 2023. The contingent resources (2C) were, however, increased to 804 mmboe from 744 mmboe at the end of 2022. This combined 2P/2C resource base represents an excellent opportunity set for profitable growth.

Financial priorities
Aker BP's capital allocation framework concentrates on three main priorities. Priority number one is to maintain sufficient financial capacity through the cycle to safeguard the company's investment grade credit profile. The second priority is to fund the investment programme, which is designed to generate growth with low break-even oil prices and, hence, maximise value creation over time. The third priority is to return value to shareholders, primarily through a resilient dividend.

In 2023, Aker BP maintained its investment-grade credit ratings from the three leading rating agencies. The company executed multiple transactions in the bond market, issuing new long-term debt and repurchasing short-term maturities. Additionally, the company's revolving credit facility (RCF), currently undrawn, was extended by two years to 2028, with options to further extend the final maturity to 2030. By the end of 2023, the company's financial position was stronger than ever, with total available liquidity of USD 6.8 billion and a conservative leverage ratio of 0.2.

The Board is focusing on maximising long-term shareholder value and believes that Aker BP is well-positioned for further value-accretive growth on the NCS. Concurrently, the Board is mindful of the risks associated with project execution and the changing market conditions in which the company operates. The Board is prioritising capital discipline and the mitigation of risk wherever possible throughout the organisation.

SHARE PRICE PERFORMANCE AND OWNERSHIP STRUCTURE

Aker BP's shares are listed on Euronext Oslo Børs with ticker symbol AKRBP and are freely negotiable. The total number of shares issued is 632.0 (632.0) million.

The three major shareholders are Aker ASA with 21.16 percent, bp p.l.c. with 15.87 percent and Nemesia S.A.R.L. with 14.38 percent of the shares. The remaining 49 percent of the outstanding shares are held by a diversified group of more than 30,000 shareholders.

In 2023, the share price for Aker BP ended at NOK 295.5 per share, compared to NOK 304.10 per share at the end of 2022. Dividends paid in 2023 amounted to approximately NOK 23.3 (USD 2.2) per share.

Business description

DESCRIPTION OF THE COMPANY

Aker BP is a Norwegian oil and gas company engaged in exploration, development, and production activities on the Norwegian Continental Shelf. It ranks among the largest independent E&P companies in Europe, measured by production. As of 31 December 2023, its market capitalisation was USD 18.4 (19.5) billion (NOK 186.8 (192.2) billion). The headquarters are located in Bærum, Norway, with branch offices in Stavanger, Trondheim, Sandnessjøen, and Harstad, Norway. Aker BP had approximately 2,700 employees and a portfolio of 179 (182) licences, with 126 (126) as the operator and 53 (56) as a partner as of 31 December 2023.

PRODUCTION ASSETS AND FIELD DEVELOPMENTS

In 2023, Aker BP's average oil and gas production totalled 456.8 (309.2) mboepd. Of the volumes sold, 86 (82) percent was oil and liquids, while 14 (18) percent was natural gas. The production primarily comes from six major hubs: Alvheim, Edvard Grieg/Ivar Aasen, Johan Sverdrup, Skarv, Ula, and Valhall.

Table 1: **Production per asset in 2023 and 2022**

Production (mboepd)	Second half 2023	First half 2023	Full year 2023	Full year 2022
Alvheim	33.4	43.9	38.6	46.1
Johan Sverdrup	245.7	229.8	237.9	116.3
Valhall	45.3	54.8	50.0	45.5
Skarv	37.1	41.7	39.4	39.3
Ula	7.5	9.6	8.5	6.7
Edvard Grieg/Ivar Aasen	78.0	86.8	82.4	55.3
Total	**447.0**	**466.7**	**456.8**	**309.2**

Johan Sverdrup
The Johan Sverdrup field is operated by Equinor and came on stream in October 2019 after a successful construction and installation phase. Phase 1 of the project consisted of four large bridge-linked platforms (the field centre), Norway's largest oil export pipeline, a gas export pipeline, three subsea water injection templates and 20 pre-drilled production and water injection wells.

Phase 2 included construction and installation of a second processing platform and modifications of the riser platform at the field centre, five subsea templates in the periphery of the field, and an increase of the power from shore supply from 100 to 300 MW.

The processing capacity for Johan Sverdrup Phase 1 at start-up was 440 thousand barrels per day (mbblpd). Phase 2 of the Johan Sverdrup started in December 2022 and in early 2023 Johan Sverdrup reached new production levels at full field design capacity of 720 mbblpd. Thereafter tests to increase production beyond the design capacity was performed and successfully completed in May. This confirmed that the field could produce up to 755 mbblpd.

The field have since produced with high regularity at or around the new capacity level. In 2023, production was only temporarily interrupted due to a power outage in Q1 and a planned maintenance in Q3. Both interruptions were of a short manner and completed within a few days. Drilling activity have been ongoing continuously through the year, both from the field centre and the Phase 2 subsea templates. The total producing wells at the end of 2023 were 31.

Johan Sverdrup's power generation also serves several surrounding fields in the greater Utsira High area, including Ivar Aasen and Edvard Grieg, both operated by Aker BP. In total, it is estimated that this initiative will lead to an annual reduction of nearly 1.2 million tonnes of carbon dioxide emissions across the various fields.

Alvheim Area
The Alvheim area consists of the fields Alvheim, Volund, Vilje, Bøyla and Skogul, which are all being produced through the Alvheim FPSO and operated by Aker BP. The oil is exported by shuttle tankers, and the produced gas is exported through the Scottish Area Gas Evacuation (SAGE) system.

Production from the Alvheim area was 38.6 (46.1) mboepd net to Aker BP. The reduction was due to unplanned and planned maintenance. The unplanned downtime occurred in Q4 and was caused by a malfunction of the new equipment installed during the previous quarter's planned maintenance activities. Operational performance was brought back to normal levels following the incident. The full year production efficiency ended at 84 (99) percent.

In 2023, two new projects named Frosk and Kobra East & Gekko (KEG) were successfully completed. The Frosk project is a 2-well tieback to Bøyla. It was put on production as scheduled in March. KEG is a 4-well tieback in the Alvheim licence. The drilling campaign was completed more quickly than anticipated and resulted in production starting in October 2023, approximately five months ahead of plan.

The lifetime extension project for the Alvheim FPSO is progressing as planned. The purpose is to prolong the lifetime to 2040. The project finished upgrading the turbine generator control system and progressed its technical studies and scope maturation in 2023.

The Plan for Development and Operations (PDO) for the Tyrving development was approved by the Ministry of Petroleum and Energy (MPE) in June 2023. The project is a 3-well tieback to Alvheim. Development is into execution phase and progressing according to plan. Fabrication is ongoing at several locations. Additionally, the drilling rig completed the top-hole campaign in the fourth quarter, preparing for the scheduled drilling campaign in 2024. Production start is planned in the first quarter 2025.

Following the Lundin transaction in 2022, Aker BP increased its ownership share in several of the Alvheim licences, including 15 percent in Alvheim, Bøyla and Frosk, 35 percent in Volund, and 13 percent in Tyrving.

Valhall
The Valhall area consists of the Valhall and Hod fields in the southern part of the Norwegian North Sea and is operated by Aker BP. The infrastructure currently consists of a field centre with three separate bridge-connected platforms, in addition to five unmanned flank platforms. The produced oil is exported via pipeline to Ekofisk and further to Teesside, while the gas is exported via Norpipe to Emden in Germany.

Aker BP's net production from Valhall averaged 50.0 (45.5) mboepd in 2023. Production efficiency was 85 (80) percent. The increased production efficiency was due to planned maintenance. Well stimulation and intervention activities were ongoing throughout the year to bring more wells up to their full production potential.

During 2023 The Noble Integrator rig completed the first of two phases of a campaign to permanently plug and abandon eight wells at the old Hod A platform. The Noble Invincible rig commenced on the second phase of the campaign towards the end of the year.

The PDO for the Valhall PWP & Fenris project was approved by the Ministry of Energy in June 2023. The project consists of a new centrally located production and wellhead platform (PWP) at the Valhall central complex, along with an unmanned installation at Fenris tied back to the PWP. The total estimated recoverable resources for Valhall PWP-Fenris amount to 230 mmboe gross, with production scheduled to begin in 2027. The project also includes a modernisation of Valhall, ensuring continued operations when parts of the current infrastructure are phased out in 2028. The development will leverage Valhall's existing power-from-shore system, resulting in reduced emissions estimated at less than 1 kilogram of CO_2 per boe.

Skarv Area

The Skarv area in the northern part of the Norwegian Sea consists of several fields, including Skarv, Idun, Tilje, Ærfugl, Gråsel and Idun Tunge, which are all produced through the Skarv FPSO, and is operated by Aker BP. The oil is offloaded to shuttle tankers, while the gas is transported to the Kårstø terminal in a pipeline connected to the Åsgard Transport System.

Net production from Skarv Area remained stable at 39.4 (39.3) mboepd in 2023. Production was interrupted by an unplanned shutdown in the third quarter caused by a failure in the export compressor coolers. The facilities were shut down in a controlled manner, the coolers were repaired, and production was ramped up to normal levels within 11 days. The production efficiency in 2023 was 96 (92) percent.

Measures to increase recovery at Skarv are continuously being evaluated. Two new infill wells were approved in 2023. The drilling of these wells is planned in the second half of 2024, with production start expected around year end.

Plan for Development and Operations (PDO) for three separate developments in the Skarv area was approved by the Ministry of Energy in June. The developments, coordinated by the Skarv Satellite Project (SSP), consist of the gas and condensate discoveries Alve Nord, Idun Nord and Ørn. These projects are estimated to bring approximately 120 million barrels of oil equivalent (gross) through Skarv FPSO from 2027.

The project has entered the execution phase and is progressing as planned. In 2023 the main project activities were detailed engineering and procurement, as well as construction of subsea facilities through the Subsea Alliance in Sandnessjøen and Gdansk.

Edvard Grieg/Ivar Aasen

The Edvard Grieg and Ivar Aasen fields are operated by Aker BP and located on the Utsira High. Both fields are developed with a production and quarters (PDQ) platform with a steel jacket and require a separate jack-up rig for drilling and completion. For Ivar Aasen, the first stage processing is carried out on the Ivar Aasen platform, and then partly processed fluids are transported to the Edvard Grieg platform for final processing and export. The Ivar Aasen field is powered with electricity supplied from Edvard Grieg. The power generation on Edvard Grieg was replaced with power from shore towards the end of 2022.

The Edvard Grieg area, which consists of the Edvard Grieg main field and the tiebacks Solveig and Troldhaugen (previously named Rolvsnes), became part of Aker BP's portfolio through the Lundin transaction, and is included in Aker BP's financial statements from 30 June 2022. Aker BP has combined Edvard Grieg and Ivar Aasen in one organisational unit.

Aker BP's net production from Edvard Grieg/Ivar Aasen in 2023 averaged 82.4 (55.3) mboepd. Production efficiency was high at 94 (84) percent due to reduced maintenance and strong operational performance.

At Edvard Grieg, the 2023 IOR campaign which consisted of three new wells was successfully completed during the second and third quarter.

The Hanz project is nearing completion, with drilling currently underway, and production is scheduled to commence in the first half of 2024. This marks the first subsea tieback to the Ivar Aasen field. The reservoir is estimated to contain 20 mmboe of oil. Hanz will utilise crossflow injection for pressure support. The project will also repurpose subsea equipment from the Jette field. Consequently, the Hanz project boasts a significantly lower environmental footprint than comparable subsea developments.

The Utsira High Project is progressing as planned. The main contracts have been signed, and detailed engineering and procurement are ongoing. Symra (previously named Lille Prinsen) will be a tieback to the Ivar Aasen platform, while Solveig phase 2 will be connected to the Edvard Grieg platform. Drilling is set to commence in 2025, while production start-up is scheduled for 2026. Gross recoverable resources are estimated to 85 million barrels oil equivalent, and total investments are estimated to approximately NOK 16 billion in real terms.

The Troldhaugen development, which was initially part of the Utsira High Project, was discontinued in the first quarter 2023. The decision to discontinue the Troldhaugen development was based on the results of an extended well test, which led to a reduction in the expected recoverable volumes. Consequently, the project was no longer deemed financially robust.

Ula area

The Ula field is operated by Aker BP. The Ula area consists of the fields Ula, Tambar, Blane and Oda, which are all being produced through the Ula field centre. The oil is exported via Ekofisk to Teesside, while the gas is reinjected into the Ula reservoir to enhance oil recovery.

Net production for Aker BP from the Ula area averaged 8.5 (6.7) mboepd in 2023. The production efficiency was 77 percent, driven by satisfactory performance of several wells at Ula which came back on production.

A project is underway to establish a late-life strategy for Ula, to facilitate safe and profitable operations until cessation of production in 2028. In parallel, a field decommissioning study to prepare a work program for well plugging and platform removal is ongoing.

Yggdrasil

The Yggdrasil area (formerly NOAKA) is located between Oseberg and Alvheim in the Norwegian North Sea. The area holds several oil and gas discoveries with gross recoverable resources estimated at around 700 million barrels of oil equivalents, with further exploration and appraisal potential.

The Yggdrasil development is in the execution phase and progressing according to plan. The construction work is engaging several thousand people across the world, and in the fourth quarter, fabrication commenced at several new sites. Simultaneously, detailed engineering and procurement activities continued.

Yggdrasil consist of the licence groups Hugin, Fulla and Munin. The partners in the licences are Aker BP ASA, Equinor ASA and LOTOS Exploration & Production Norge AS. Aker BP is the operator and will develop and operate the full area. The final investment decision for the development of Yggdrasil was made by the partners in fourth quarter 2022, and in June 2023 the plans for development and operation were approved by the Ministry of Energy. Gross investments in the area are estimated to NOK 115 billion in real terms. Production start is planned in 2027.

The Yggdrasil development concept includes a processing platform with well area and living quarters, Hugin A. It will function as an area hub. Hugin A is planned with low manning levels and is also being developed to be periodically unmanned after a few years of operation. The Frøy field will be developed with a normally unmanned wellhead platform, Hugin B, which will be tied back to Hugin A. Munin will be developed with an unmanned production platform, which will be tied back to Hugin A for oil and produced water processing.

Yggdrasil also represents an extensive subsea development with a total of nine templates, pipelines and umbilicals. 55 wells are planned in the area, of which 38 subsea wells and 17 platform wells. Additionally, the area concept has a high degree of flexibility for potential tie-in of new discoveries.

The Yggdrasil area will be powered from shore to ensure minimal carbon footprint.

EXPLORATION ACTIVITIES

Aker BP is one of the most active exploration companies on the NCS, operating and participating in 10-15 exploration wells each year. The NCS is considered a highly attractive basin with significant potential for new discoveries.

The company's exploration strategy is focused on two main goals. The first goal is to discover commercial resources near existing infrastructure. Such discoveries typically have short lead times, attractive economics, and contribute to better capacity utilisation and lower unit cost at the host. The second goal is to discover resources that are big enough for new stand-alone field developments. The activity level within each category will fluctuate from year to year, but over time the company is aiming towards 80 percent of its exploration activity within the first category.

In 2023, Aker BP participated in a total of 12 exploration and appraisal wells, of which six resulted in discoveries. The most significant of these were in the Aker BP operated exploration well Øst Frigg Beta/Epsilon. The discovery is estimated at 53-90 million recoverable barrels of oil equivalent, and studies are underway with the aim to include this new discovery in the scope of the Yggdrasil development project.

Aker BP also participated in several other discoveries such as Carmen, Norma and Ofelia. The company holds 10 percent interest in each of them.

In January 2024, Aker BP was offered interests in 27 new production licences offshore Norway, of which 17 as operator, through the APA 2023 licencing round. Of the 27 production licences awarded to Aker BP, 15 are in the North Sea (12 as operator), 7 in the Norwegian Sea (3 as operator) and 5 in the Barents Sea (2 as operator).

The annual accounts

The group and parent prepare its financial statements in accordance with IFRS® Accounting Standards as adopted by EU and the Norwegian Accounting Act. The acquisition of the Lundin Energy's oil and gas business was completed on 30 June 2022. During several merger processes in the second half of 2022, all the acquired entities were either liquidated or merged at year end 2022. Hence, in 2023 there are only minor differences between parent and group accounts, as described in Note 2, page 157.

INCOME STATEMENT

The group's total income amounted to USD 13,670 (13,010) million. Total production volume increased to 166.7 (112.9) mmboe, mainly caused by higher production as a result of the Lundin transaction. The average realised liquids price was 81.6 (97.9) USD per barrel, while the realised price for natural gas averaged USD 74.3 (193.4) boe.

Production costs for the oil and gas sold in 2023 were USD 1,060 (933) million. Production costs per boe produced in 2023 amounted to USD 6.2 (8.7). Exploration expenses amounted to USD 266 (242) million, mainly related to dry and non-commercial wells, seismic data and general exploration activities. Depreciation amounted to USD 2,407 (1,786) million.

Impairments amounted to USD 890 (1,032) million, mainly related to Edvard Grieg/Ivar Aasen area, Valhall/Hod area and Troldhaugen. For more information about the impairment charges, see Note 14, page 167 in the financial statements.

Other operating expenses amounted to USD 58 (53) million.

Net financial expenses amounted to USD 225 (188) million, mainly related to interest expenses and accretion, while net currency gains are largely offset by impacts from related currency derivatives. Financial items are further outlined in Note 10, page 162 to the financial statements.

The group reported an operating profit of USD 8,989 (8,964) million. The pre-tax profit amounted to USD 8,764 (8,777) million. Tax expense amounted to USD 7,428 (7,174) million, of which USD 6,136 million is tax payable. The main reason for the tax rate above 78% is due to permanent differences on impairment.

The tax rules and tax calculations are described in Note 1, page 150 and Note 11, page 162 in the financial statements.

The net profit was USD 1,336 (1,603) million, while other comprehensive income amounted to USD 0 (295) million.

STATEMENT OF FINANCIAL POSITION

Total assets at yearend amounted to USD 39,047 (37,562) million.

Equity amounted to USD 12,362 (12,428) million at the end of 2023, corresponding to an equity ratio of 32 (33) percent. Net interest-bearing debt, including lease debt, was USD 3,114 (2,658) million.

The bond debt increased to USD 5.8 (5.3) billion. In 2023, the company issued two new bonds totalling USD 1.5 billion. Subsequently, USD 1 billion of the proceeds were used to repurchase parts of the company's outstanding bonds with maturities in 2025 and 2026.

At the end of the year, the company had total available liquidity of USD 6.8 (6.2) billion, comprising USD 3.4 (2.8) billion in cash and cash equivalents and USD 3.4 (3.4) billion in undrawn credit facilities. For information about terms on the credit facilities, see Note 19, page 170. Financial covenants for the company's debt instruments were comfortably within applicable thresholds. The company has a robust balance sheet and ample financial flexibility.

Three credit rating agencies, S&P, Fitch, and Moody's currently rate Aker BP. All agencies have assigned BBB/Baa2 credit rating with stable outlook.

STATEMENT OF CASH FLOW

Net cash flow from operating activities amounted to USD 5,407 million, down from USD 5,729 million in 2022, negatively impacted by USD 2 billion in increased tax payments partly offset by higher oil sales revenues and positive working capital movements.

Net cash flow used in investment activities amounted to USD 3,468 (3,117) million. The main item was investments in fixed assets of USD 3,172 (1,580) million.

Net cash outflow used in financing activities was USD 1,309 million, compared to an outflow of USD 1,828 million in 2022. The main items consisted of the issuance of new bonds amounting to USD 1,486 million, repayment of bonds amounting to USD 1,000 million and dividend disbursements of USD 1,390 (1,006) million.

ACCOUNTING STANDARDS

The accounting principles used for the 2023 annual financial statements are consistent with the principles used in the 2022 annual financial statements.

EU TAXONOMY

The EU Taxonomy reporting is included under the Climate Change chapter in the sustainability section of this report. See About the EU Taxonomy, page 61.

OTHER REPORTING REQUIREMENTS

Our reporting on corporate social responsibility as required by the Norwegian Accounting Act (section 3-3a and c), Transparency Act (section 5.2) and Gender Equality Act (section 26.a.2) is included in the sustainability section of this report.

HEDGING

The company may use hedging instruments to manage risks related to foreign exchange, interest rates and commodity prices. Aker BP actively manages its exposures through a mix of forward contracts and options. No hedge accounting is applied.

At the end of 2023, the company had no material commodity derivatives exposure.

THE GOING CONCERN ASSUMPTION

Pursuant to the Norwegian Accounting Act section 3-3a, the Board of Directors confirms that the requirements of the going concern assumption are met and that the annual accounts have been prepared on that basis. The Board considers the financial position and the liquidity of the company to be sound. Cash flow from operations, combined with the total available liquidity, is expected to be more than sufficient to finance the company's commitments in 2024.

In the Board of Directors' view, the annual accounts give a true and fair view of the company's assets and liabilities, financial position, and results. The Board of Directors is not aware of any factors that materially affect the assessment of the company's position as of 31 December 2023, or the result for 2023, other than those presented in the Board of Directors' Report or that otherwise follow from the financial statements.

RESERVES AND RESOURCES REPORTING

Aker BP complies with guidelines from Oslo Stock Exchange and the Society of Petroleum Engineers' (SPE) classification system for quantification of petroleum reserves and contingent resources. Total net P90/1P reserves are estimated at 1,127 (1,251) mmboe, while net P50/2P reserves amounted to 1,716 (1,859) mmboe at year end 2023. See Note 32, page 185 for a more detailed review of the resource accounts. The reserves have been certified by an independent third party.

PROFIT FOR THE YEAR

The Board of Directors proposes that the profit for the year is transferred to retained earnings.

HSSEQ in Aker BP's operations

Health, Safety, Security, Environment and Quality (HSSEQ) is always the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are conducted under the highest HSSEQ standards.

Aker BP's is committed to preventing any form of harm and ensuring a safe workplace. This commitment extends to everyone associated with the company, including employees and contractors, who should be able to perform their work in a safe environment. Our facilities are maintained in good condition, with planning, design, and maintenance geared towards ensuring their technical integrity.

Aker BP's work on various HSSEQ matters is described in detail in the sustainability section of this report.

Research and development

State-of-the-art-technology is a crucial lever to fulfil Aker BP's vision of becoming the E&P company of the future. To promote the availability of cutting-edge technology and develop competence in next-generation technologies, Aker BP maintains a corporate-level R&D portfolio overseen by an R&D Council, consisting of members from various business units.

Aker BP invests in R&D across the whole value chain and has a balanced portfolio of projects targeting knowledge and methods, physical technology development, and digital/software development. For 2023, R&D spend has been around NOK 400 million for the Aker BP R&D portfolio.

In 2023 further progress has been made within remote and automated operations. We have continued the piloting and commercial use of the AID (Autonomous Inspection Drone), including its first autonomous inspection missions at Alvheim. Through our delivery project pipeline, we have accelerated our work within topside robotics. The focus has been on "check and report" as well as first responder applications on Yggdrasil. Hands-free lifting and remote operation of cranes has progressed from the R&D portfolio into our delivery project pipeline for system-level qualification and implementation.

Our new activities sanctioned in 2023 have been geared towards unlocking remaining resources as well as reducing operational cost and increasing production efficiency. A key goal is to improve value creation through digitalisation and robotisation. Our team's efforts are also concentrated on subsea intervention, seismic data imaging and processing. In the longer term, we assess technologies for next-generation subsea tiebacks and downhole processing.

CORPORATE GOVERNANCE

Aker BP believes that good corporate governance with clearly defined roles and responsibilities between the owners, the Board and executive personnel is crucial for the company to deliver value to its shareholders.

The Board of Aker BP is responsible for maintaining the highest corporate governance standards. The Board carries out an annual review of the company's principles. The company complies with relevant rules and regulations for corporate governance, including the most recent version of the Norwegian Code of Conduct for Corporate Governance, published on 14 October 2021, unless otherwise specified.

An account of corporate governance is provided in Board of directors' report on corporate governance, page 219.

REPORTING OF PAYMENTS TO GOVERNMENTS

Aker BP is reporting on payments to governments at country and project level, in accordance with the Norwegian Accounting Act § 3-3 d) and the Norwegian Securities Trading Act § 5-5a. See Reporting of payments to governments, page 231.

DIRECTOR & OFFICER'S LIABILITY INSURANCE

The directors and officers of Aker BP are covered under an Aker group Director & Officer's Liability Insurance (D&O). This insurance extends to personal legal liabilities, including defence and legal costs. The coverage applies to officers and directors of the parent company and all subsidiaries worldwide (owned more than 50 percent). Additionally, the insurance includes employees in managerial positions or employees who become named in a claim or investigation.

Risk factors

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

The risk factors highlighted below could have a material adverse effect separately, or in combination, on our financial condition. They are classified according to three categories: Operational, Strategic and Financial. Aker BP must manage these risks effectively to sustain its long-term success and growth. This requires continuous monitoring, assessment, and management of risks, as well as the implementation of appropriate mitigation strategies to reduce exposure to these risks. Some of the key company risks are summarised in the section below.

OPERATIONAL RISKS

Operational risks are risks associated with the day-to-day operations of the company, including health, safety and environmental (HSE) risks, production disruptions, and technological challenges.

Geopolitical situation

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

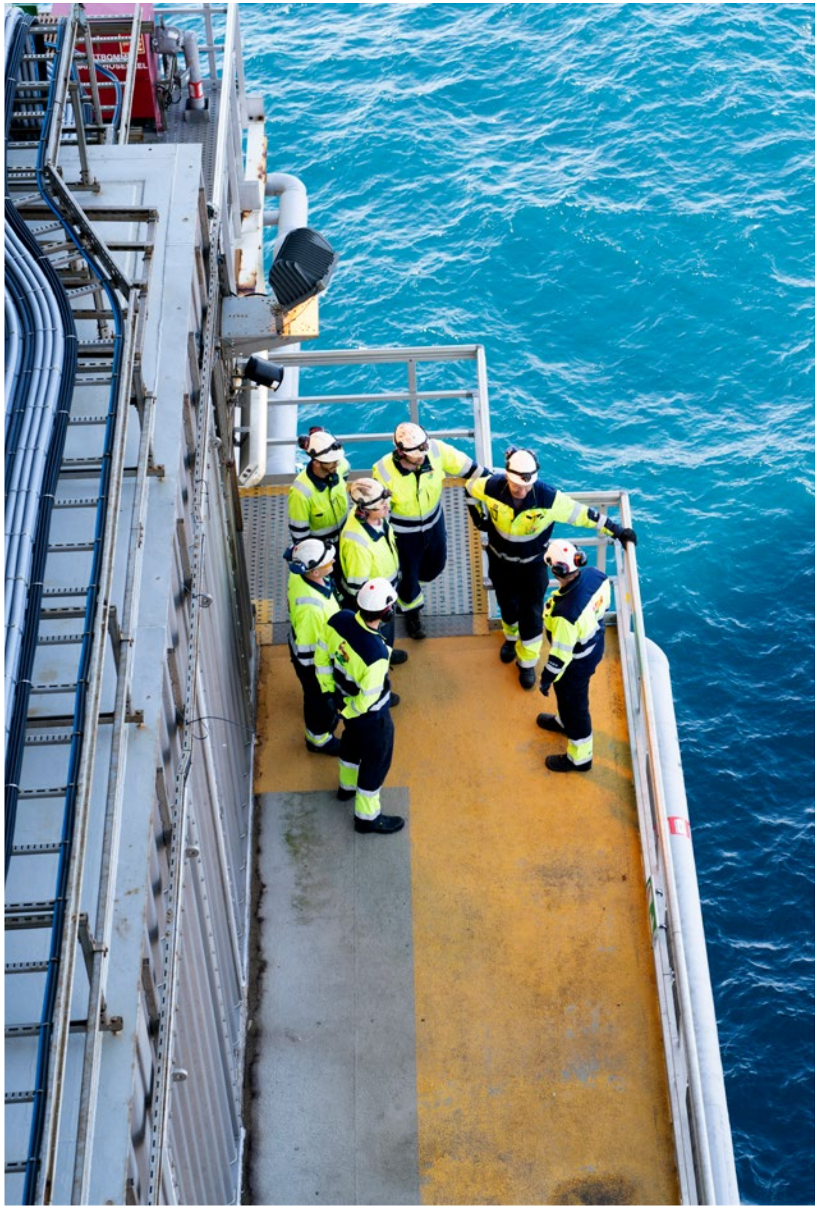
Impact

The geopolitical situation has caused significant business disruption, volatility in international debt and equity markets, and disruption to the global economy in the short term. General instability and increased threats related to the geopolitical situation impact many of the other risk factors and various aspects of the business, from oil and gas prices to capacity in the supply chain and the increased complexity of cyber-attacks.

Mitigation in place

For impact on the supply chain see Supply chain, page 17. For cyber security, see Information and cyber security risk, page 19.

Robustness and resilience towards potential geopolitical events are evaluated and put in place where deemed necessary. Response plans are established and put in action rapidly when specific situations occur.



Supply chain

Post-pandemic supply chain bottlenecks persist, affecting capacity and resources across various industries. Long lead times in manufacturing are causing delays in the availability of spare parts and the execution of development projects. Concurrently, the oil and gas industry in Norway is experiencing increased activity, driven in part by the temporary changes to the Norwegian petroleum tax system introduced in 2020. Additionally, there is a noticeable shift in supplier prioritisation toward the military market.

Integrity-related risks pose potential threats to the supply chain, encompassing concerns such as corruption, sanctions, human rights violations, and the maintenance of decent working conditions.

Impact
The high demand and limited capacity in the supply chain may lead to higher labour and fabrication costs, as well as delays in the supply of critical deliverables.

Mitigation in place
Close follow-up of key suppliers, along with the identification and securing of capacity, contributes to mitigating supply chain risks. Our alliance model also enhances a more predictable and reliable supply chain. Aker BP has a robust supplier due diligence process in place to identify and address integrity risks related to suppliers should they occur.

Concentration of operations

Aker BP's production comes from a limited number of assets on the Norwegian Continental Shelf. This concentration of operations increases the vulnerability to long-term production and development due to a total portfolio effect of any changes or unexpected events.

Impact
The company's entire portfolio of operations may be simultaneously impacted, disrupting the ability to meet production targets and significantly affecting cash flow and the financial situation.

Mitigation in place
While concentrated on the Norwegian Continental Shelf, the company's assets vary in geographical locations, age, and technical solutions. Aker BP's highly skilled organisation continuously works with our assets to ensure high regularity and minimise the impact of any unexpected events.

Organisational capacity and capability

The company operates in a competitive environment, and its future growth prospect depends upon its ability to access executive and senior management and key personnel.

Executive or senior personnel departing from the company may result in a shortage of critical knowledge and skills. The departure of a considerable number of personnel within a short timeframe could pose a significant challenge in terms of replacement or finding alternatives for recovery. Additionally, a new set of skills and a workforce with a strong ability to change is needed to support the company's transformation and ambitions. Any failure to identify the necessary organisational capacity and efficiently manage business capability may pose a threat to the company realising its medium and long-term goals.

Impact
The inability to fill positions and retain executive and senior management and key personnel with needed skills and expertise could have a longer-term adverse effect on our business, financial position, and results of operations.

A lack of capacity would also potentially jeopardise our ability to deliver on the large portfolio of projects and activities as well as our ability to realise the company transformation and change agenda.

Mitigation in place
It is a strategic priority for the company to be an attractive employer. To attract and retain talent, Aker BP offers competitive salaries and other benefits, and strong career development opportunities to all employees. The company has an active internal job market, which allows for multi-skill competency development. Aker BP prioritises its employees' work-life balance, and constantly strives to maintain a supportive corporate culture to the benefit of its employees.

Delay of development projects

Aker BP's current activity portfolio includes many development projects. Oil and gas projects may be curtailed or delayed for many reasons such as health and safety incidents, quality issues, changes in installation schedules, delays in the supply chain or missed targets.

Impact
The impact of issues in development projects includes the risk of cost overruns and a delay in production that could affect liquidity. Delays and cost overruns would also reduce the value of the project portfolio and future operations.

Mitigation in place
A highly competent project organisation is following the Business Management System (BMS) processes of Aker BP and our alliance partners for developing and delivering projects. The alliance model facilitates alignment of interests between alliance partners and the company, with risk-sharing between the parties resulting in higher efficiency and fewer cost overruns. Efforts to improve the alliance model and optimise incentive structures are continuously ongoing.

Evaluation of reserves and resources

Uncertainty in the estimates of economically recoverable reserves and inability to mature resources into reserves.

Impact
The reserves, resources and estimated cash flows contained in such evaluations would be reduced to the extent that such activities do not achieve the expected value creation, and such reductions may have a material adverse effect on the company's business, results of operations, cash flow and financial condition.

Mitigation in place
The company allocates substantial resources to analysing and understanding its reservoirs and continuously monitors, updates and stress tests its resource models. Further, the company applies a set of decision criteria to ensure that the projects are economically robust before making investment decisions. These criteria include, but are not limited to, full-cycle NPV breakeven criteria and CO_2 emissions intensity targets.

The company's reserves are certified by an independent third party on an annual basis.

Health, Safety, Security, Environment and Quality
Exploration, development, and production of oil and gas involve numerous safety and environmental hazards that may affect our people, the environment, as well as cause material losses or additional expenditures. Examples of such hazards are fires, process-related events, collisions or well control issues, which are all significant risks within the oil and gas industry.

Impact
Occurrence of any such serious events may directly or indirectly result in material losses and adversely impact our cashflow and financial position.

Mitigation in place
The company has a Business Management System (BMS) in place which is fundamental for safe operations and execution of safety critical activities. The BMS is continuously improved by incorporating lessons learned through the execution of work and by implementing improvements identified through assurance activities. The company also works continuously to improve the HSE culture in all parts of its operations, onshore and offshore.

Aker BP is also cooperating with Norwegian authorities and Armed Forces to reduce the risk of external threats to the company's assets. The Norwegian Armed Forces increased its military readiness during 2022 in response to the geopolitical developments.

Operational and technical challenges risk
The company operates in a complex environment, where it may face operational and technical challenges that could affect its production, performance and reputation. These challenges include equipment failures, human errors, accidents, weather conditions, and could lead to various consequences, including HSE incidents, production and other performance metrics below expectations, as well as impacting other parts of the organisation such as delays to the project portfolio.

Impact
Operational and technical challenges could result in harm to people or the environment, loss of production, increased costs, reduced efficiency, damage to assets, or delays to some critical phases of the project portfolio.

Mitigation in place
The company has robust operating procedures, maintenance programs, quality assurance systems, contingency plans and crisis management protocols to prevent, detect and respond to operational and technical challenges. The company also invests in technology development, innovation and digitalisation to enhance its operational excellence and resilience. The company fosters a culture of continuous improvement and learning from incidents.

Information and cyber security risk
In all industries, the potential for cyber intrusion poses risks such as economic loss, information data loss, data privacy infringement, and system irregularities.

Impact
Possible consequences include misappropriation of proprietary information, opportunities for financial fraud, and disruptions to the company's activities, including a potential reduction or halt in production. Threats may involve adversaries gaining access to company systems, the introduction of malicious computer code, or denial-of-service attacks. Such security breaches, whether actual or perceived, could adversely impact the company's business performance, reputation, and create exposure to information loss, litigation, and potential liability.

Mitigation in place
Aker BP prioritises cybersecurity, with the Board and management actively addressing this concern. All employees, including the Board, are mandated to undergo annual cybersecurity training. Further details on the company's cybersecurity approach can be found in the Security chapter within the Governance section of the sustainability part of this annual report.

STRATEGIC RISKS

Strategic risks are related to the company's long-term strategies, including market and competitive risks, technological shifts, and regulatory changes. For example, the energy sector is undergoing significant changes, with a shift towards renewable energy sources. Aker BP must ensure that it is well-positioned to adapt to these changes to remain competitive and sustain its growth.

Climate change related risks
The climate change related risks are described in more details in the Sustainability report, page 23.

Ethics and compliance
Risk of non-compliance with legal regulations such as anti-corruption, anti-money laundering and data protection, as well as non-ethical business practices like fraud, bribery, and corruption. Non-compliance could lead to investigations and litigation, as well as negative impacts on reputation with shareholders, lenders, and other stakeholders.

Impact
Any mismanagement, fraud, or failure to satisfy fiduciary or regulatory responsibilities, allegations of such activities, or negative publicity resulting from such other activities, or the association of any of the above with the company could materially adversely affect our reputation and the value of our brand, as well as our business, results of operations, cash flows and financial condition, and our ability to attract and retain talent.

Mitigation in place
Aker BP has implemented a robust anti-corruption program to prevent, detect and mitigate risk of bribery and corruption. The dedicated compliance department conducts regular risk assessments of integrity risks to align the anti-corruption program with the current risk profile. Employees and hired personnel, as well as the Board, receive regular Code of Conduct training which includes topics of anti-corruption. The company's integrity channel is available to employees, consultants and external parties to report instances of non-compliance with applicable laws and regulations, the company's Code of Conduct or generally accepted ethical norms.

Laws and regulations
Changes to applicable laws, tax regulations and legislation, or complexity thereof, could negatively affect the company, lead to investigations, litigation, negative financial impact, reputational damage and cancellation or modification of contractual rights.

Impact
The government could require operators to adjust their future production plans, affecting production and costs related to development projects and our operations. We could incur additional costs in the future due to compliance with these requirements or because of violations of, or liabilities under, laws and regulations, such as fines, penalties, clean-up costs and third-party claims.

Changes to the tax regime could lead to new investments being less attractive and challenge further growth of the company.

Mitigation in place
The company continuously monitors developments in the political landscape and is positioned to act promptly to changes.

Lawsuit risk
Lawsuit risk is related to the legal and reputational challenges that the company may face due to an increasing trend to take legal action towards governments and oil and gas stakeholders. A recent example is described in Events after the reporting period, page 21. The outcome of such cases could have implications for the company's current project portfolio and future operations as well as its public image and stakeholder relations.

Impact
The impact of climate lawsuit risks could be significant, depending on the ruling and the subsequent actions of the government and the parliament. A possible worst-case scenario would be the abandonment of ongoing projects, resulting in substantial losses of revenue and assets, as well as reduced growth potential. Moreover, the company could suffer reputational damage and face increased pressure from investors, and other stakeholders.

Mitigation in place
The Company strives to operate at all times within the bounds of applicable laws, regulations and permits. We continuously monitor developments in the regulatory framework and engage with relevant stakeholders. In addition, Aker BP employs scenario analysis to assess potential impacts of the climate change and energy transition on our business, financial performance, and long-term strategy. We evaluate selected scenarios to assess possible shifts in the macroeconomic outlook, technology developments, policy, and legal implications, and analyse projected demand for our products (oil, gas, and natural gas liquids). We apply these assumptions in our valuation models to test the resilience of our portfolio.

FINANCIAL RISKS

Financial risks are related to the company's financial performance and stability, including currency risks, interest rate risks, and credit risks. For example, fluctuations in oil prices can have a significant impact on Aker BP's revenue and profitability, and the company must manage its financial exposure to these fluctuations effectively.

Market conditions

Shareholder value is affected by our inability to meet stakeholder expectations and create value, either through current business strategies or due to market conditions. Prolonged volatility in oil and gas prices, the effect of the pandemic or other market uncertainties, could erode the profitability of some of the company's assets; affect financial earnings, cash flow generation and the overall investment and liquidity position.

Impact

Certain development projects could become unprofitable because of a decline in price and could result in the company having to postpone or cancel a planned project or activity, leading to a loss of opportunity or a negative economic impact of specific projects.

Mitigation in place

To mitigate commodity pricing risk, the company has in place a hedging policy, through which it may secure downside price exposure on oil and gas by purchasing put options 12 months forward, with the flexibility to extend beyond 12 months at the CFO's discretion. Further, the company continuously mitigates currency price exposure by using forwards and options.

Financial liabilities and financing of the company

Adverse developments in the company's operations or projects, as well as adverse developments in oil and gas prices, may lead to a need for additional capital, which could increase the company's debt levels above industry standards.

The company has covenants related to its financial commitments. Failure to comply with financial and other covenants may result in material adverse consequences, including the need to refinance, restructure, or dispose of certain parts of the company's business to meet its financial obligations. There can be no assurances that the company, in such an event, would be able to fulfil its financial obligations.

Impact

If the company's financing proves insufficient to meet its needs, it may be compelled to reduce or delay capital expenditures, research and development expenses, or engage in untimely divestments of assets or businesses under unfavourable conditions. Alternatively, the company may need to seek additional equity capital or undergo debt restructuring or refinancing.

Such scenarios could have a material adverse impact on the company's business, prospects, financial condition, results of operations, and cash flows, hindering its ability to adequately fund the development of its business.

The measures necessary to mitigate financial liabilities and secure financing may also impact the company's ability to execute its strategy, diminishing the overall value of its activities and preventing the realisation of the full potential of its investments.

Mitigation in place

The company embraces a holistic approach to financial planning, conducting thorough financial stress tests on planned activities to ensure compliance with its financial robustness criteria, preventing covenant breaches and ensuring the fulfilment of its financial commitments.

The company is working closely with financial advisers to identify threats and opportunities and ensure that the company maintains it financial strength. This includes, but is not limited to, monitoring options for optimising the company's balance sheet and lowering interest expenses.

Financial reporting

Delayed or inaccurate financial reporting impacting external reporting requirements. The company may face the risk of regulatory action, fiscal uncertainty, shareholder lawsuits and loss of investor confidence.

Impact

Such errors and omissions, should they be significant, could drain senior management attention and require measures diverting efforts and prospects for growth. Inaccuracies could adversely affect our strategic decision making, productivity, slow growth and therefore may impact our cash flows and financial condition. The company's reputation and goodwill could also be adversely affected.

Mitigation in place

Financial reporting is subject to internal controls, a regular management reporting process and is verified by audits.

The Aker BP Audit and Risk Committee (ARC) is responsible for the oversight of the internal controls, risk management and audit process and making recommendations or proposals to improve the integrity of reporting. Details on the committee's work is available in Board of directors' report on corporate governance, page 219.

Interest and currency

As a result of the company carrying debt, an increase in interest rates poses a risk. Additionally, foreign exchange risk arises from market fluctuations in foreign currencies, particularly because the underlying value of the company's assets is predominantly denominated in USD, while certain costs are in other currencies.

Impact

Increasing interest rates and unfavourable fluctuations in exchange rates may affect the company's earnings and free cash flow potential.

The company is exposed to market fluctuations in foreign exchange rates since the company reports profit and loss and the balance sheet in USD. Revenues are in USD for oil and in GBP and EUR for gas, while operational costs and investments are in several other currencies and mainly in NOK, GBP and EUR in addition to USD. Moreover, taxes are calculated and paid in NOK. Volatility in exchange rates generally represents increased risk for the company.

Mitigation in place

The company's long-term debt is primarily based on fixed interest rates, reducing the exposure to the interest rate risk.

The company actively manages its foreign currency exposure through a mix of forward contracts and options, however significant fluctuations in exchange rates between USD and NOK could adversely affect the liquidity position of the company. Hedging instruments are utilised to manage this risk.

Events after the reporting period

On 16 January 2024, Aker BP was offered 27 new licences, including 17 operatorships in the Awards in Predefined Areas (APA) 2023 licencing round.

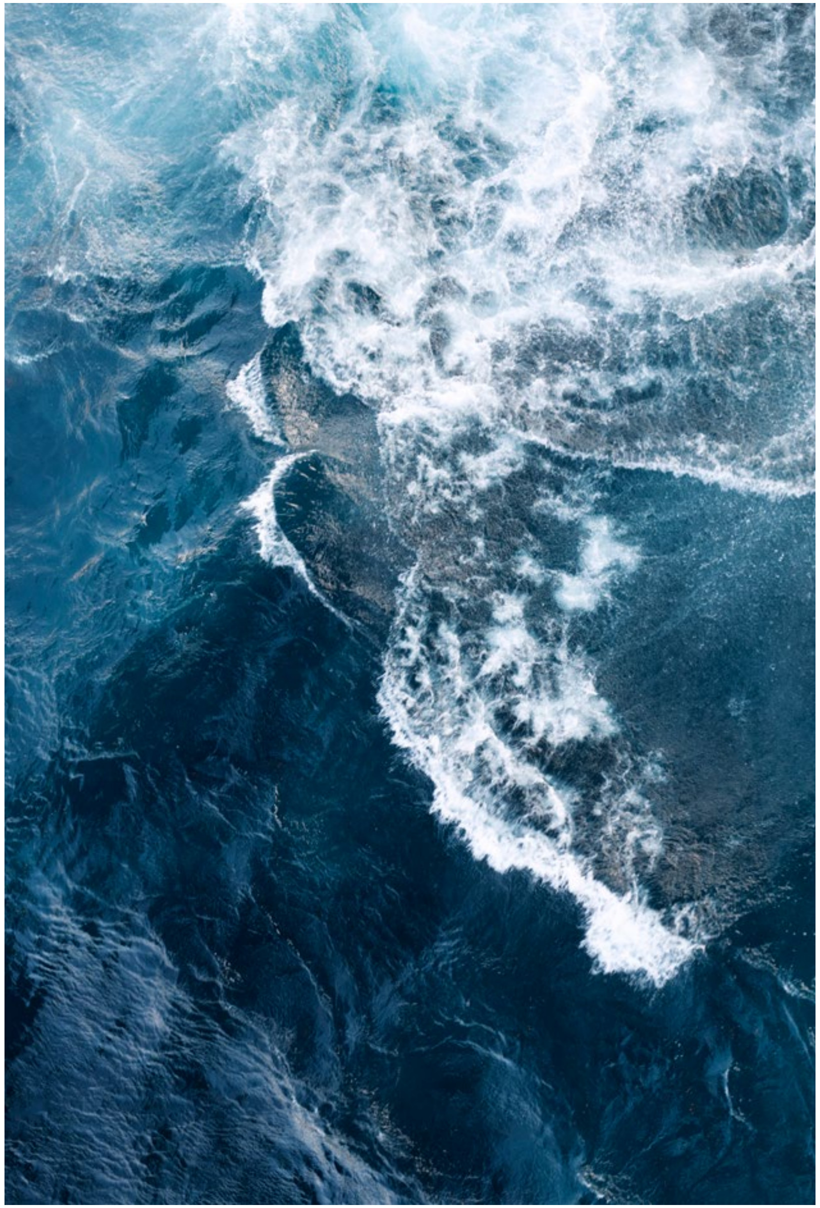
On 18 January 2024, the Oslo District Court ruled that the Ministry of Energy's approvals for the plans for development and operation (PDO) for the Breidablikk, Tyrving, and Yggdrasil fields were invalid due to procedural errors. The court concluded that the state had failed to consider the effects of combustion emissions as part of the final PDO. In addition, the court issued a temporary injunction, preventing the state from making decisions that assume valid PDO approval for the projects.

Currently, the ruling is non-binding in relation to the procedural errors. The state has filed an appeal against both the main ruling and the temporary injunction to the Borgarting Court of Appeal.

Aker BP, which has participating interests and operates the Yggdrasil and Tyrving development projects, is not a party to the court case. The PDO approvals granted for Yggdrasil and Tyrving remain valid in relation to Aker BP.

Aker BP continues executing the Yggdrasil and Tyrving projects in accordance with the permissions granted. In response to the current situation, a dedicated task force has been established to identify potential risks and coordinate the company's activities and risk-mitigating actions.

On 21 February 2024, Aker BP disbursed USD 379.2 million in dividends to shareholders (USD 0.6 per share).



SIGNATURES – BOARD OF DIRECTORS

The Board of Directors and the CEO of Aker BP ASA
Fornebu, 13 March 2024

ØYVIND ERIKSEN
Chairman of the board

ANNE MARIE CANNON
Deputy chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

KATE THOMSON
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

MURRAY AUCHINCLOSS
Board member

ANI ISABEL CHIANG
Board member

INGARD HAUGEBERG
Board member

MARIT DØRUM
Board member

TORE VIK
Board member

THOMAS HUSVÆG
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

Sustainability report

General →
Environment →
Social →
Governance →
ESG appendix →

Sustainability report contents

General	**25**
Reporting practices	26
Our sustainability strategy and approach	27
Governance	32
Risk management	33
Double materiality assessment	34
Tax strategy	39
Environment	**40**
Climate change	42
Pollution	63
Biodiversity	66
Circular economy	70
Social	**80**
Own workforce	82
Workers in the value chain	98
Affected communities	102
Governance	**105**
Business conduct	106
ESG Appendix	**112**
Independant auditor's statement	113
Restatements	114
GRI disclosures	115
ESMA disclosures	126
SASB disclosures	129
TCFD disclosures	132
EU taxonomy	133
Transparency Act Statement	136

General

- Reporting practices →
- Our sustainability strategy and approach →
- Governance →
- Risk management →
- Double materiality assessment →
- Tax strategy →

Reporting practices

Aker BP's annual sustainability report for the 2023 fiscal year (1 January 2023 through 31 December 2023) is prepared in accordance with GRI 2021 Oil and Gas Sector. Where relevant, reference has also been made to the United Nations Sustainable Development Goals (SDGs), Task Force on Climate-related Financial Disclosures (TCFD), CDP, Sustainability Accounting Standards Board (SASB), European Securities and Markets Authority (ESMA), Greenhouse Gas (GHG) Protocol and the UN Global Compact.

Aker BP is preparing for the Corporate Sustainability Reporting Directive (CSRD) expected to enter into force in the EU and Norway for the 2024 reporting year. A gap analysis vis-à-vis the CSRD reporting framework – European Sustainability Reporting Standards (ESRS) – was prepared in 2023. The 2023 sustainability report represents a step towards CSRD compliance in 2024. Among other things, the report has been restructured in line with ESRS requirements, and the first double materiality assessment has been performed and disclosed. Aker BP has also started to prepare for processes required to collect sufficient input from its upstream and downstream value chain.

The report also includes the reporting required under the EU Taxonomy Regulation, which became mandatory for the 2023 fiscal year. Reporting in relation to the (Norwegian) Transparency Act, including the Transparency Act Statement is also included in this report.

This report has been reviewed by an internal review committee consisting of senior managers for relevant disciplines and business units. It has also been reviewed by the audit and risk committee (ARC), which assists and facilitates the board of directors' responsibilities within integrity of reporting, the reporting process, internal controls, company risks, corporate governance, compliance and auditing, prior to review and approval by the board of directors. PwC has provided limited assurance on 2023 sustainability data in Table 8: Sustainability data: Environment, page 76-79, Figure 38: The people of Aker BP, page 85, Figure 39: Ratio of payment of women to men for each employee category, page 86 and Table 9: Safety performance last three years, page 96-97 in this report. PwC is also the company's financial auditor and is considered independent. The rest of the report, including forward-looking information and the GRI index, has not been assured by PwC.

Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within the company's control.

Figure 2: **Key figures 2023**

Key figure	Value	Unit
Total revenue	13.7	billion USD
Production	457	mboepd
Total number of employees	2,727	employees
Production cost	6.2	USD/boe
Equity share scope 1 and 2 GHG intensity	2.9	kg CO_2e/boe
Remaining reserves	1,716	million boe
Total recordable injuries frequency	2.4	per million work hours
Serious incident frequency	0.3	per million work hours

Our sustainability strategy and approach

SUSTAINABILITY IS FULLY INTEGRATED IN OUR CORPORATE STRATEGY

Sustainability and strategic priorities
Aker BP's vision is to be the exploration and production (E&P) company of the future. The vision is founded on our strategic belief that the world needs affordable, sustainable and reliable energy, and that oil and gas will remain a crucial part of the energy mix for decades to come. Aker BP intends to contribute to the energy transition and energy security through our role as a responsible provider of low-cost oil and gas, produced with low GHG intensity.

Six strategic priorities (illustrated in Figure 3) have been identified to describe our goals and priorities for the 2022-2027 period. Sustainability is at the core of all aspects of our business, with three of six of the strategic priorities more explicitly addressing sustainability topics; operating safely and effectively, decarbonising our business and aiming to create the most attractive place to work. The other priorities involve delivering growth on time, cost and quality, establishing the next wave of profitable growth opportunities and seeking to lead the transformation of E&P.

Our purpose is to return maximum value to our shareholders and society. Our contribution to the energy transition is as follows:

- The profits we generate are shared with our shareholders through dividends, and with society at large through the taxes we pay, and can then be redeployed in support of green industries and the energy transition
- Being a reliable provider of energy produced with low GHG intensity
- Contributing knowledge, data, and experience to support development of new industries

Sustainability is integral to our strategy and performance management process
We incorporate sustainability as part of our annual strategy process, which reviews the strategic priorities for the upcoming years. This strategy is built on an understanding of our context, and resilience proven and tested using a variety of scenarios. It is sanctioned by the executive management team (EMT) and the board of directors. The strategic priorities establish the premise for a set of initiatives, including specific addressing sustainability, with corresponding key performance indicators (KPIs) for the following year. The box on the next page shows an overview of our current key KPIs, where three of eight directly address key sustainability aspects such as safety, GHG intensity and people and organisation.

Figure 3: **Our vision: The E&P company of the future**

Strategic priorities for the next five years:

Operate safely and efficiently	– Zero serious incidents – Production efficiency above 95% – Production cost below 7 USD/boe
Decarbonise our business	– Equity share scope 1 and 2 GHG intensity below 4 kg CO_2e/boe – Reduce operational control scope 1 and 2 emissions by 50% by 2030 – Net zero equity share scope 1 and 2 GHG emissions by 2030
Deliver growth on quality, cost and time	– Grow production to above 525 mboepd from projects with low break-even price – Deliver projects on quality, cost and time
Establish the next wave of profitable growth options	– Discover 250 mmboe by 2027 – Grow the resource potential with new technology – Execute value driven M&A
Lead the transformation of E&P	– Digitalisation – Alliances – Future Operations
Create the most attractive place to work	– #OneTeam – No. 1 employer in the industry – >90 percent pulse survey score

A dedicated performance management system is used throughout the company to report and monitor progress on the initiatives, corresponding KPIs and project execution for the key field development projects. Delivery on the company initiatives and KPIs feeds into the Aker BP bonus programme and a monetary reward is calculated based on performance. The bonus scheme is defined as variable remuneration and utilises seven of eight equally weighted KPIs, along with initiative achievements and delivery on time, cost and quality through execution of key field development projects, as a basis. The KPI for people and organisation is solely based on employee feedback, and does not factor into the bonus potential in order to avoid biased feedback. The proportion of the bonus that is dependent on sustainability-related initiatives and targets is approximately 21 percent. The bonus is paid to all permanent employees including management and is calculated with the same share of bonus potential for all employees. In some circumstances, certain temporary employees are also covered under the bonus scheme.

Our strategic priorities, goals and KPIs all represent the broad aspects of sustainability; safety, climate, environment, people, social responsibility, governance and more.

Key performance indicators:

- **Safety** (serious incidents/1 mill hrs)
- **Production** (mboepd)
- **Production cost** (USD/boe)
- **Net reserve additions** (mmboe)
- **Value creation** (change in Risked NPV)
- **Relative Shareholder Return**
- **Equity share scope 1 and 2 GHG intensity** (kg CO_2e/boe)
- **People and Organisation KPIs**
  - Build Identity
  - Shape Organisation
  - Develop People

Creating shared value

Creating shared value is a priority that is firmly embedded in Aker BP's purpose and sustainability framework. Aker BP aims to create substantial long-term value from the natural resources available to us. We cannot influence the consumption of fossil fuels, but believe we have an important role to play in the energy transition. By striving to produce cost-efficient oil and gas, we aim to contribute to a world that has access to affordable and reliable energy. By working to reduce emissions from our activities, we we wish to contribute to a reduced global emissions footprint. The value creation achieved by Aker BP is distributed to our owners and society at large in the form of shareholder returns and taxes. In Norway, petroleum is considered a national resource, and the tax system has been designed in a way that ensures that the maximum possible value creation accrues to the Norwegian state, so that it can benefit society as a whole. Under the Norwegian petroleum taxation system, oil and gas companies are subject to a total marginal tax rate of 78 percent. Because of the extraordinary returns on production of petroleum resources, these payments represent a significant share of the state's revenues. This revenue helps fund the Norwegian welfare system, and the government can utilise this profit to drive the initiatives needed to fulfil Norway's climate pledges and goals. As such, the taxes we pay play an important role in funding the transition to a low-carbon society.

Figure 4: **Strategy in numbers**

6	**strategic priorities**	Sustainability is at the core of all aspects of our business with three out of six of the strategic priorities more explicitly addressing ESG
8	**KPIs**	Three out of eight directly addressing key sustainability aspects
10	**SDGs**	Contributing to 10 out of 17 sustainable development goals

Figure 5: **Aker BP's value creation and distribution**

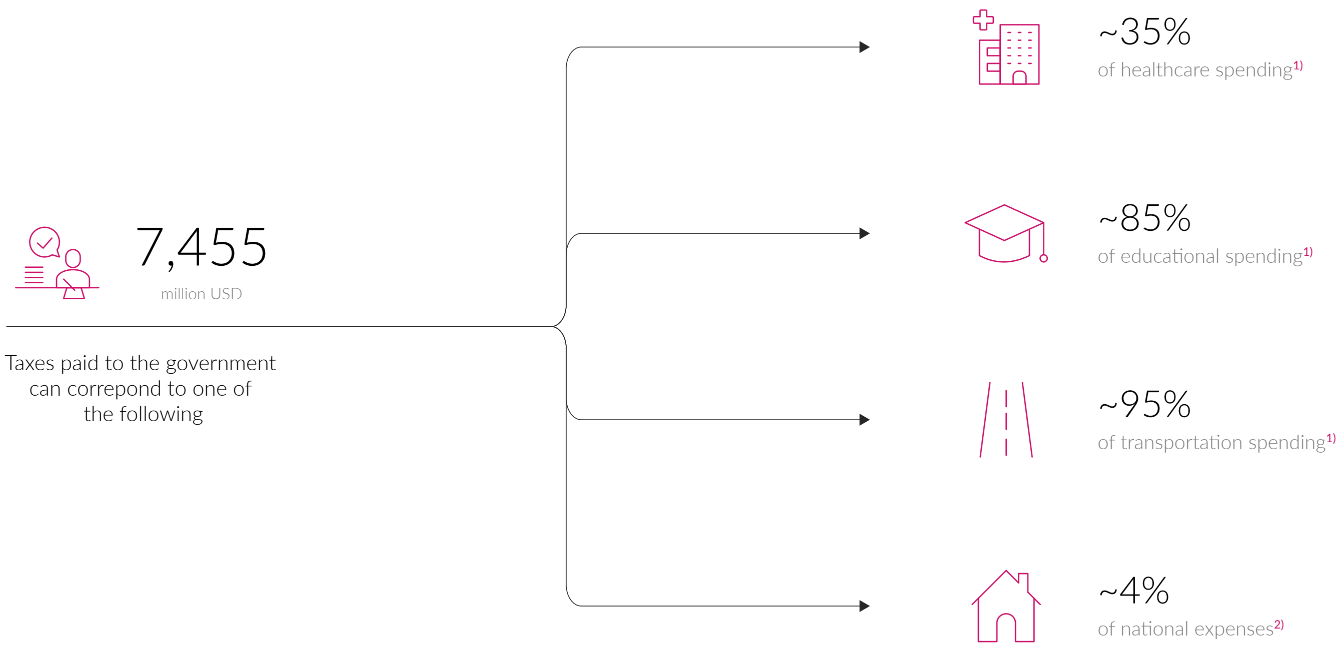
Payments for goods and services	4,438 million USD
Employees wages and benefits	493 million USD
Dividends to shareholders	1,390 million USD

Figures are net to Aker BP, except for employee wages and benefits that relates to gross payroll expenses for all employees in Aker BP

We also pay dividends and generate shareholder returns to our shareholders. Aker BP's largest shareholders, Aker ASA, BP p.l.c. and Nemesia s.a.r.l., are making a positive contribution to the energy transition through their investments in renewables and green technologies. For Aker BP, this is a truly unique position and an opportunity to contribute to the energy transition without compromising our pure-play E&P strategy. We contribute by sharing knowledge and providing capital that our owners can reinvest in renewable energy and new industries. Aker BP's largest shareholder is Aker ASA – an industrial investment company which has been expanding its position within digital, renewable and low-carbon technology sectors. To a large extent, Aker ASA's diversification into these sectors is made possible by the dividend contribution resulting from Aker BP's upstream operations, which is the largest asset in the Aker ASA portfolio.

We also contribute knowledge, data and experience to new industries, creating growth and improvement beyond our own business. We cooperate with new start-up companies, and we share knowledge and experience so that new industry can flourish. In return, we gain access to future-oriented solutions and technology.

Figure 6: **How Aker BP's tax payments in 2023 contribute to society at large**



1) https://statsregnskapet.dfo.no/inntekter-og-utgifter/formal
2) https://www.regjeringen.no/no/statsbudsjett/2023/statsbudsjettet-2023-statens-inntekter-og-utgifter/id2931252/

OUR SUSTAINABILITY FRAMEWORK

Our company strategy acknowledges the United Nations sustainable development goals (SDGs) which have shaped the development of our sustainability framework. Material topics within environment, social responsibility and governance (ESG) are represented through policies and impact areas. This framework is part of our business management system, aimed at contributing to secure value, trust and predictability for our operations.

The framework includes ESG domains as listed in Table 2 on the next page: climate, circular economy and environment, partnerships, people, safe operations and responsible business. These domains are divided into topics that illustrate the most significant impact areas and are represented by a range of policies. They are further embedded and integrated in all layers of our business, including our corporate strategy. Each ESG domain addresses different SDGs as set forth by the United Nations.

Table 2: **Contribution to the sustainable development agenda**

ESG DOMAIN	SDGS	TARGETS
Responsible business Aker BP strives to conduct its business in an ethical and transparent manner and in compliance with applicable laws, rules and regulations, as well as internationally accepted guidelines.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	– Zero instances of corruption – Zero cases of discrimination – All employees and hired consultants complete annual code of conduct course and commit to compliance – Transparency and decent working conditions in our supply chain
Climate Aker BP recognises the effects greenhouse gas (GHG) emissions have on our climate, and intends to contribute to meet the Paris Agreement goals by reducing GHG emissions under our operational control.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	– By 2030, we aim to achieve a 50 percent reduction in operational control scope 1 and 2 GHG emissions, compared to our 2017 baseline – By 2050, we aim to achieve near zero[1)] operational control and equity share scope 1 and 2 GHG emissions – We aim to maintain an equity share scope 1 and 2 GHG emission emission intensity of less than 4.0 kg CO_2e/boe – Reduce addressable upstream scope 3 emissions categories 1–8 and downstream category 9 by leveraging our cooperation with strategic alliances and business partners
Circular economy and environment Aker BP understands the environmental challenges represented by our activities and our industry at large. Protecting the environment and maintaining biodiversity and increasing resource efficiency are key parts of Aker BP's sustainability work. We continuously work to prevent and reduce our environmental impact.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER	– Zero acute spills to the environment – Preserve biodiversity and sensitive areas in the marine environment of particular importance – Asset-specific oil-in-water discharge limits – Asset-specific produced water re-injection targets – Asset-specific NO_x emission targets – Reduce freshwater withdrawal by utilising freshwater makers on our operated fields
Partnerships Aker BP is committed to stimulate local engagement by promoting education, creating jobs and growing local businesses in the communities where we operate. We share knowledge and data within and beyond our industry. We invest in community projects that align with local needs and our business activities.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	– Dedicated sponsorships supporting cultural and sports activities at both the national and local level – Secure predictable jobs through long-term alliances with key suppliers – Partnership with local schools and regional universities, to recruit future talent – Cooperate with local institutions to re-use and recycle equipment that has been replaced offshore
People Aker BP values the unique contributions of our employees and believes that a competent, diverse and inclusive workforce emphasises deliveries and accomplishments. We set high standards and targets in following up the well-being of our employees, and we maintain constructive dialogue with our works councils.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	– Create the most attractive place to work – Quarterly follow-up of employee satisfaction and working conditions with targets in top quartile – Ambition to increase the proportion of women to at least 30 percent by 2030 – Secure diversity distribution across management and professional roles for different teams – Diversity must be reflected in shortlists on all internal and external recruitments as well as successions
Safe operations We strive to execute our operations under the highest health, safety and security standards for a safe and secure workplace and to prevent harm to people and assets. Our success depends on safe and reliable operations, combined with the well-being of our people.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	– Serious incident frequency[2)] ≤ 0.4 – Zero Tier 1 and Tier 2 process safety events[3)] – Total Recordable Injury Frequency[4)] ≤ 2.0 – Zero well control incidents[5)]

1) More than 90 percent reduction in emissions compared to base year (2017)
2) The number of incidents with actual and/or potential consequence classification A as defined by Aker BP, e.g. fatality, oil spill to sea greater than 1000 m^3, per million work hours
3) As per the API recommended practice 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries
4) The number of recordable injuries (fatalities + lost time + medical treatment) per million work hours
5) Serious and critical well control incidents as defined in the Offshore Norway Guideline No. 135

Governance

The board of directors is responsible for strategic direction, where material environmental, social and governance impacts, risks and opportunities are an integral part of the annual strategy process. The board reviews and guides the major action plans on sustainability investment and initiatives, including oversight of the management of climate change risk. They also oversee the establishment of targets linked to sustainability. The CEO is ultimately responsible for managing impacts, risks, opportunities and related targets, supported by the EMT. Each business line is accountable for executing Aker BP's sustainability action plans, managing risks, and measuring performance.

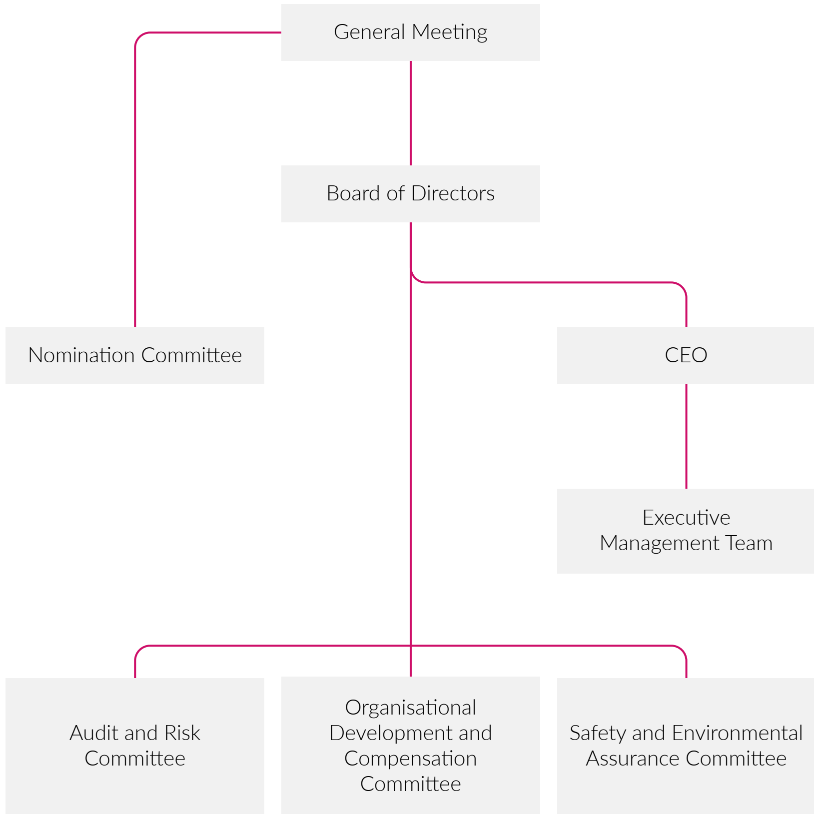
The board of directors consists of five (38 percent) women and eight men, of which five members are elected by employees. The composition of the board of directors facilitates the necessary independence pursuant to statutes and regulations. Four of the eight (50 percent) shareholder-elected board members are considered to be independent as they do not have any material or pecuniary relationship either directly or indirectly through one of the company's partners, main shareholders or management members. No Aker BP executives serve on the board.

Several board members have relevant competence within sustainability-related impacts, risks and opportunities. For instance, the chair of the board and organisational development and compensation committee, has broad expertise within handling legal risk from his experience as a corporate attorney. Another member of the board has extensive experience with climate impact through her former role as CEO of Aker Carbon Capture. The board members work continuously to develop their competence on environmental, social and governance matters relevant to the company. This year, the board has paid special attention to the EU's Corporate Sustainability Reporting Directive, and several of the members have participated in relevant courses.

The board of directors has three subcommittees, all with functions related to sustainability matters. The audit and risk committee (ARC) assists management in evaluating the risk management and effectiveness of internal controls. The organisational development and compensation committee is responsible for ensuring that the remuneration arrangements support the company's strategy, including the integral aspect of sustainability matters, such as the climate transition plan. Additionally, the safety and environmental assurance committee, which is lead by the board of directors, works closely with management to identify and address issues related to safety, cybersecurity, and the environment; thus promoting that the company operates in a responsible and sustainable manner.

Aker BP has an internal audit and compliance department. The head of the department reports to the BoD through ARC and to the CEO. The "three lines of assurance" model has been established as Aker BP's assurance framework. The role of the internal audit (IA) function is as a third line to proactively provide effective independent assurance and oversight of the integrity of the internal control framework for all operations. IA considers whether the business management system is operating effectively to the extent where it can respond to significant risks that could affect Aker BP's values, objectives and strategic priorities. Internal audit reports are provided to the EMT, CEO and board of directors through committees such as the audit and risk committee.

Figure 7: **Organisational chart**



Risk management

All activities involve risk management in an effort to achieve our strategy, goals and sustainability ambitions in an efficient, responsible and predictable way. In addition, risk management supports resilience and adaptation to changing circumstances and uncertainty. Communication of important risks arising across the value chain and assets is ensured by our Enterprise Risk Management process, which forms the basis for regular risk reviews of the company's prioritised risks by the executive management team at least bi-monthly, the audit and risk committee and the board of directors.

We rely on the collective experience and insight of our workforce as well as external sources to identify, understand, and act to manage risks in an efficient manner throughout all phases of our activities, while we strive to support our work with digitalised tools and the insights they can provide.

Risk management in Aker BP follows the principles in ISO 31 000. Risks and opportunities are identified, evaluated and mapped into our shared company risk matrix, including consequence categories for personnel, environment (including climate), financial, reputation, project cost and schedule impact. The risks and opportunities are categorised based on consequence and associated probability.

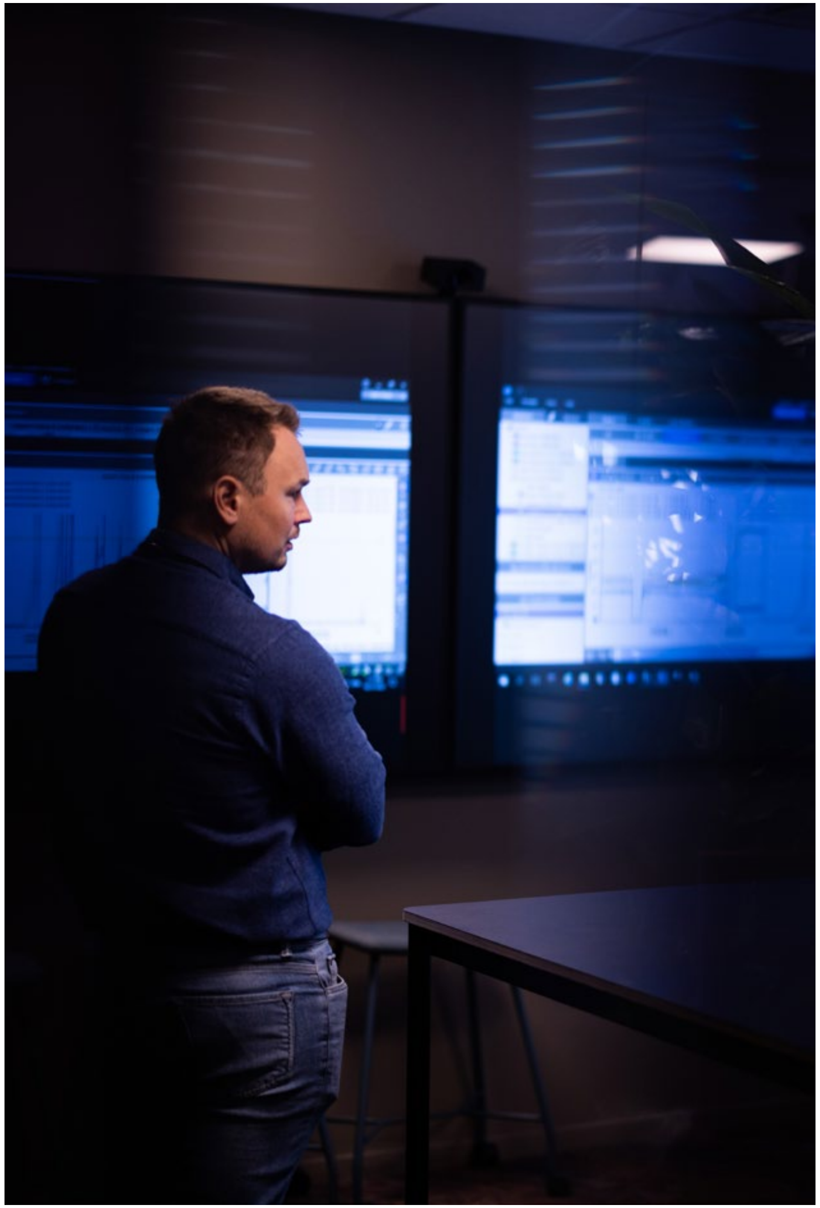
The overall objective of risk management in Aker BP is not only for our workforce to understand the standardised processes, apply the methods and use the systems, but also for them to integrate the risk approach in their daily work and behaviour to build a more robust company where risks is always considered and discussed upfront, and where uncertainties are taken into account.

As part of our risk management process and methodology, we balance potentially conflicting goals by applying a consistent and transparent approach to analysing, evaluating and addressing our risks. We use a shared risk matrix to assess the impact and related likelihood of risks, taking into account both negative and positive outcomes. We also consider the potential trade-offs between different risk categories, such as safety, environment, reputation, finance and compliance.

We strive to achieve the best possible solution by involving relevant stakeholders and experts in the risk decision-making process. We also monitor and review the effectiveness and efficiency of the risk mitigation measures and adjust them as needed based on changing circumstances and changes in the context in which we operate.

We recognise that sustainability is an integral part of our decision processes and is therefore also integrated in our risk management process. We consider the environmental, social and governance (ESG) aspects of our risks, and how they may affect our long-term value creation and stakeholder expectations.

Identifying opportunities and performance optimisation is a natural part of what we do to support our goals and sustainable business growth.



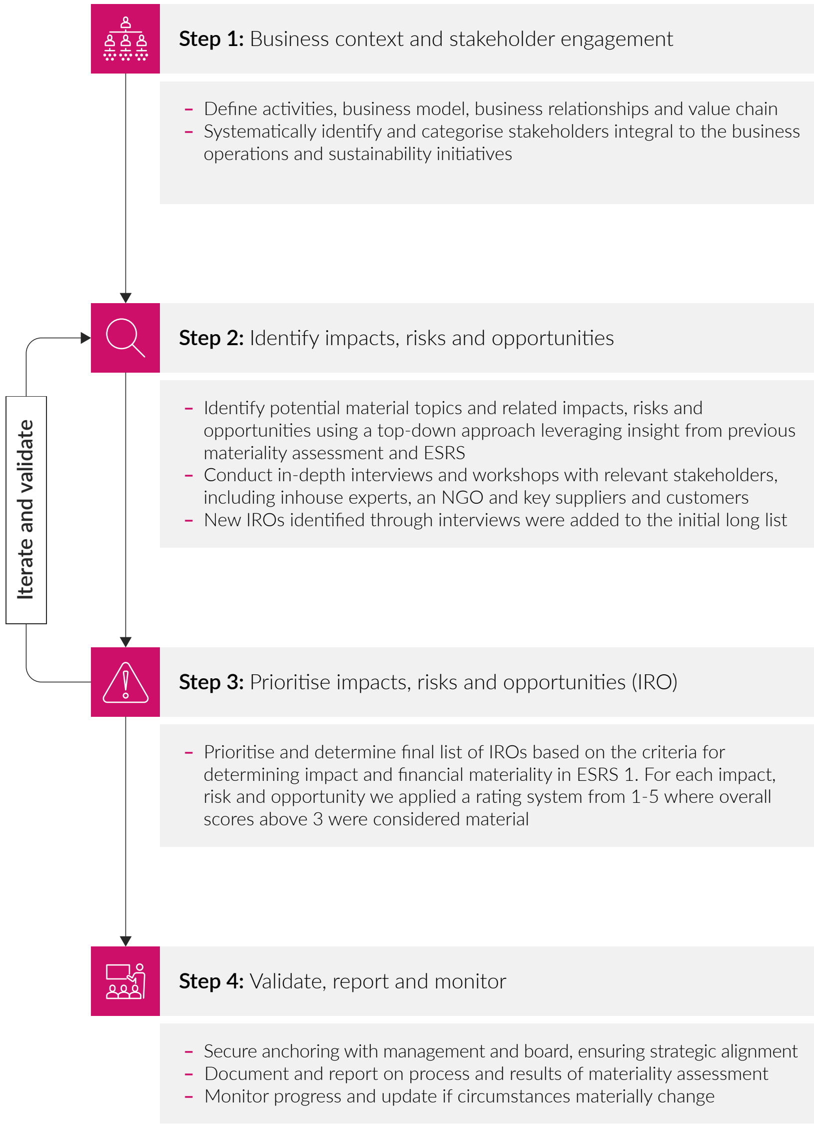
Double materiality assessment

In 2023, we conducted a materiality assessment in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). The core concept of a double materiality assessment is viewing materiality from both a financial and impact perspective. The assessment included a new mapping of impacts, risks and opportunities, and their connection to Aker BP's own operations and its value chain, strengthening the alignment between our material sustainability matters and our strategy. The assessment followed a four-step process described in Figure 8.

Activities, business relationships and geographies are considered when evaluating potential impacts, risks and opportunities. When evaluating materiality in our own operations, we have focused on oil and gas production as this is considered to be the activity with the highest potential for material impact. The evaluation of materiality in our value chain is based on the assessment conducted so far. This means that we do not have a complete overview of the impacts, risks, and opportunities associated with our supply chain. We are working closely with our suppliers and business partners to improve our understanding of our value chain and will update the double materiality assessment as new and relevant information becomes available.

A description of how the identified impacts, risks and opportunities are integrated in Aker BP's management process is included in more detail in the sub-chapter "risk management".

Figure 8: **Double materiality assessment**



STAKEHOLDER ENGAGEMENT

Our stakeholders are the many individuals, organisations and authorities who are in some way impacted by or have an impact across Aker BP's activities and business relationships – whether in our role as an energy provider, employer, customer or as a business that helps boost local and national economies through jobs, investments and taxes paid.

Maintaining an open and proactive dialogue with the most important stakeholders facilitates our ability to identify risks and opportunities, and to access the resources we require throughout the life cycle of our assets. The input also helps us identify actual or potential impacts of our activities and serve as a basis for the decisions we make. This is secured through our stakeholder management plan. More than 40 key stakeholders normally receive impact assessment reports in the public consultation processes. This enables stakeholders to present their views and bring relevant issues to Aker BP's attention and provide the input we need to consider necessary adjustments.

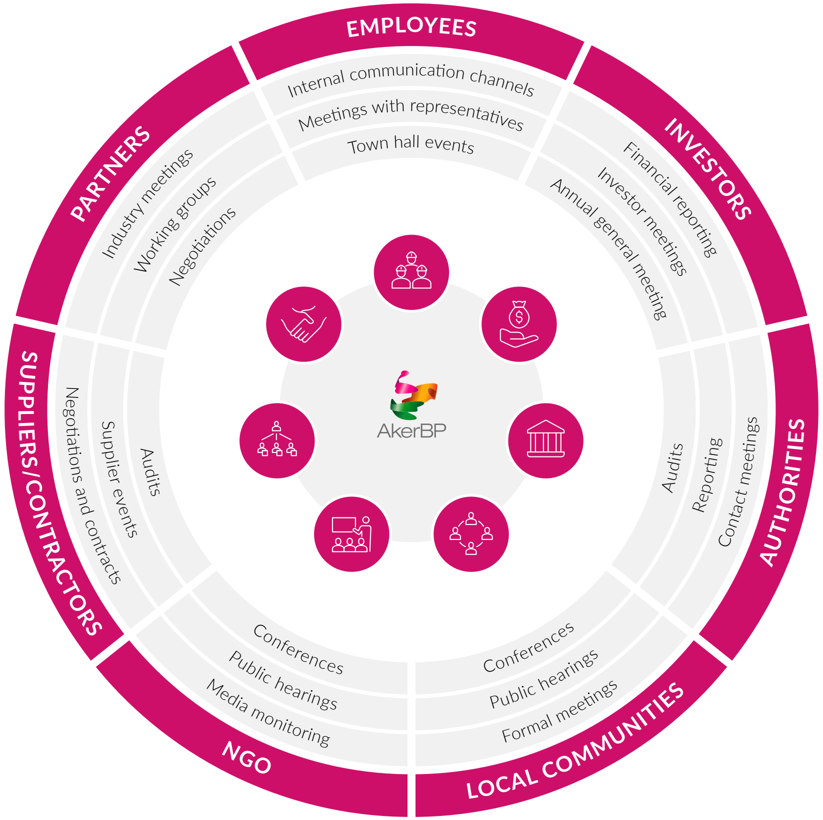
To maintain transparency, the impact assessments of our activities are published on our website. In addition, we have conducted in-depth interviews with key internal and external stakeholders to gain additional insight and ensure ownership of our materiality assessment. This includes:

Internal:
- Subject matter experts on various topics
- Management

External:
- Owners
- Key suppliers
- Customers
- NGOs
- Authorities

Through active engagement with our stakeholders, we aim to maintain a dynamic approach to our material topics. Aker BP consider the perspectives and priorities of key stakeholders, aligning them with our strategic and business model considerations, as part of our due diligence and materiality assessment procedures.

Figure 9: **Key stakeholders**



IDENTIFIED IMPACTS, RISKS AND OPPORTUNITIES

Table 3 summarises the most essential impacts, risks and opportunities (IROs) identified in the double materiality assessment, and forms the basis for the content of this report. These IROs will be further described in the relevant chapters. The list of material topics remains unchanged compared with 2022, but we have restructured and rephrased our assessment according to the different ESRS topics and sub-topics. However, identified IROs within the topics have been updated based on the materiality assessment.

Topics not reported on

Consumers and end-users
Aker BP is a pure-play upstream oil and gas company that primarily engages in the production of crude oil and gas, which are subsequently sold and shipped to refineries for use as raw materials in a variety of different products. Aker BP acknowledges that oil and gas are ingredients in products that may potentially contribute to negative impacts on consumers and end users, such as plastic products or fuel oil. However, the raw materials produced by Aker BP are not intended to be sold for personal use for individuals. Further, Aker BP does not exert control over the final product, the ultimate composition of these products or determine the final consumer or end user. Consequently, we have not identified any material risks or opportunities attributed to this topic, as the impact is fundamentally shaped by the nature of the final product—impacts beyond our influence. Hence, consumers and end-users is deemed not material to Aker BP.

Water and marine resources
Water is not a material topic for Aker BP's own operations. We are in the process of conducting necessary mappings and assessments on the level of materiality for water and marine resources in our value chain. Consequently, this topic is not included in our 2023 report.

Not material sub-sub topics
Some of the sub-sub topics are deemed not material even though the related sub-topic is material. These sub-sub topics will not be further described in the report.

Figure 10: **Our material topics**

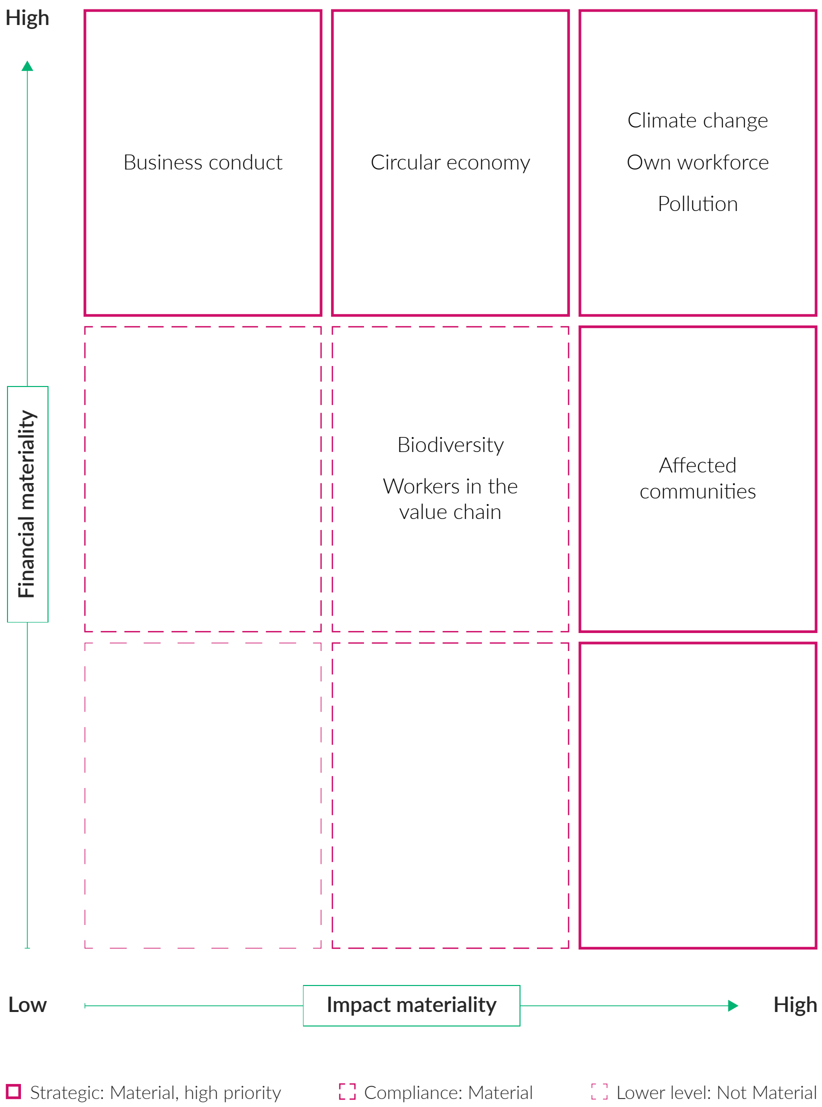


Table 3: **Material topics and related impacts, risks and opportunities**

TOPIC AND SUB-TOPICS	WHY IS THIS IMPACT MATERIAL FOR AKER BP	RISKS	OPPORTUNITIES
Environment			
Climate change Climate change mitigation Energy Climate change adaptation	– GHG emissions from processing and use of sold products – Energy use and GHG emissions in own operations and upstream value chain	– Market risk related to decreased demand for oil and gas and faster energy transition – Regulatory and legal risk causing changes to operating frameworks impacting e.g. carbon taxes, mandatory emissions abatements, limited future growth opportunities and increased willingness to take legal actions – Competition and innovation risk related to increased presence of alternative and new energy sources as well as increasing demand for electrical power – Reputational risk related to decreased attractiveness of the industry, affecting availability and cost of capital, insurance premiums and ability to attract and retain the right talent – Physical risk, both acute and chronic, related to impact of changes in weather patterns on structural integrity and working environment	– Exploring Carbon Capture and Storage (CCS) as a business opportunity – Maintaining industry-leading GHG intensity – Maintaining portfolio of resilient assets – Increased demand for oil and gas produced with low emissions
Pollution Pollution of air, soil and water	– NO_x, SO_x and nmVOC emissions to air from own production – Accidental spills to water and chemical discharges from own production	– Legal and reputational risk related to acute or long term pollution to air, soil and water – Financial risk related to acute spills that require clean up and restitution work	*No material opportunities identified*
Biodiversity Impacts on biodiversity Impacts on state of species Impacts on conditions of ecosystems	– Oil and gas contribute to climate change that affects biodiversity – Negative impacts on species around the installations (spills, discharges, noise, etc.) – Negative impacts on biodiversity related to the construction of oil and gas infrastructure and sourcing raw materials in the value chain	– Legal and reputational risk related to the responsibility assigned to oil and gas producers for global warming and its effect on fauna and flora – Legal and reputational risk related to conversion of land and seabed for industrial use and introduction of invasive species via transport affecting biodiversity – Legal risk regarding new or stricter regulations on impacts and preservation of nature and biodiversity	*No material opportunities identified*
Circularity Resource inflows Resource outflows Waste	– Use of high-quality virgin steel in construction of installations and equipment – High level of equipment use and maintenance – Large resource outflows when decommissioning oil & gas-related installations – Production and need for reprocessing of waste, including drilling waste	– Financial risk related to cost of decommissioning of installations – Legal and financial risk related to waste handling – Legal risk related to stricter regulations of extraction and use of virgin resources – Operational risk related to dependencies on scarce resources and materials	– Opportunity for cost-saving and reduced dependencies on scarce resources related to increasing level of re-use – Leveraging business partnerships to produce more resilient product design

TOPIC AND SUB-TOPICS	WHY IS THIS IMPACT MATERIAL FOR AKER BP	RISKS	OPPORTUNITIES
Social			
Own workforce Occupational health & safety Equal treatment and opportunities	– Health and safety impacts (slips, trips and falls) – Health and safety impacts (major accidents) – Gender inequality offshore and onshore – Inclusion in the workplace – Training and skills development	– Legal and reputational risk related to potential accidents, injuries and fatalities – Performance and reputational risk related to dissatisfaction in workforce and potential lack of capacity to execute agenda – Performance risk related to losing out on skilled workers due to poor reputation caused by inequalities in the workplace, insufficient training or workplace hazards	– Talent attraction and retention due to good reputation, e.g. through inclusion in workplace and gender equality – Training and skills development, resulting in increased productivity – Easier access to and lower cost of capital due to being viewed in a more positive light by investors and other capital market participants
Workers in the value chain Working conditions Equal treatment and opportunities Other work-related rights	– Working conditions related to raw material extraction, construction, logistics, industrial manufacturing – Human rights (modern slavery, child labour) in supply chain – Using leverage to contribute to improving working conditions in high-risk countries	– Legal and reputational risk due to poor working conditions and/or human rights violations in our supply chain	*No material opportunities identified*
Affected communities Communities' economic, social and cultural rights	– Positive impact through investment and job creation in local communities – Positive impact through donations and sponsorships – Positive impact as our investments facilitate the development of skills and technology for our suppliers, also laying the foundation for a green transition in the local communities in which they operate	– Reputational risk related to poor stakeholder engagement to understand local communities – Legal and reputational risk related to local communities' well-being	– Local community support may further improve relations and Aker BP's reputation, and may increase access to skilled local workforce
Governance			
Business conduct Political engagement and lobbying activities Management of relationships with suppliers Security	– Ensuring a transparent business – Providing secure and reliable energy to Europe	– Legal and reputational damage due to insufficient ESG screening of suppliers – Legal and reputational risk related to poor handling and protection of whistleblowers – Reputational risk due to unethical corporate culture – Reputational and legal risk from corruption & bribery	– Access to high quality products due to supplier screening – More stable supply of products due to good management of suppliers – Strong economic contribution to enable investments in green energy transition

Tax strategy

Aker BP's current oil and gas assets are located in Norway and are subject to the Norwegian petroleum tax regime. Our business activities generate a substantial amount and variety of taxes. We pay corporate income tax, employment tax, indirect taxes such as VAT and excise duties, and we collect and pay withholding tax.

Aker BP strives to comply with tax laws in a responsible manner, to engage in professionally executed tax compliance and tax planning, and to maintain a constructive and open relationship with tax authorities. We report our payments to the authorities in accordance with the Norwegian Accounting Act and applicable OECD requirements. See Reporting of payments to governments, page 231 for more information.

Aker BP's tax strategy aligns with the fundamental principles for responsible behaviour described in our code of conduct. Our CFO is responsible for our tax strategy, which is reviewed by the audit and risk committee. The CFO is also responsible for the implementation, maintenance and consistent application of policies and procedures to support this strategy.

Figure 11: **Aker BP's responsible tax principles**

Tax compliance

- Clear responsibility to comply with tax laws and regulations
- Timely and accurate filing of tax returns
- Active handling of tax correspondence and tax disputes with authorities
- Paying the right amount of tax at the right time

Tax planning

- Any tax planning undertaken will support our business and reflects commercial and financial activity
- We do not engage in artificial tax arrangements
- We seek to conduct transactions with related parties on an arm's length basis and in accordance with current OECD principles
- Tax incentives and exemptions are sometimes implemented by government and fiscal authorities in order to support investment, employment and economic development. Where they exist, we seek to apply them in the manner intended

Governmental relationships

- We aim to build and sustain relationships with fiscal authorities that are constructive and based on mutual respect
- We work collaboratively with tax authorities wherever possible to resolve disputes and obtain clarity, but we are prepared to litigate when we disagree with a ruling or decision
- We engage with governments on the development of tax laws either directly or through trade associations and other similar bodies as appropriate

Tax risk management

- We do not prescribe acceptable levels of tax risk
- We seek clarity within the law and evaluate the potential tax outcomes of our business transactions and we escalate tax risks and uncertainties to the relevant level within Aker BP to determine the appropriate management response
- We follow Aker BP's risk management system as part of our internal control process
- We identify, assess and manage tax risks and account for them appropriately
- Material tax risks and disputes are reported to the ARC on a periodic basis, where CFO represents management with regards to how they are managed, monitored and assured

Environment

Climate change →
Pollution →
Biodiversity →
Circular economy →

Aker BP creates value based on natural resources that belong to the community, and this also entails a significant responsibility to care for the environment. For our business, this involves reducing emissions and pollution, protecting biodiversity, and reducing waste. This chapter summarises our commitment to innovative solutions, transparency, and continuous improvement to reduce our impact and contribute to a healthy planet for future generations.

ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental compliance and safeguarding the environment are key priorities for Aker BP. Aker BP's environmental management system is an integral part of the company's sustainability framework and management system. The system covers all our operations at all locations. Our environmental management system is not certified according to ISO 14001; however, it follows the guiding principles in ISO 14001 and is regularly audited to promote compliance with the standard. Aker BP's policy on the external environment describes our commitment to safeguarding and avoiding harm to the environment.

In 2023 we also performed the annual environmental impact assessments and evaluation of appropriate actions when introducing exploration drilling, potential changes in offshore operations or new projects that affect our environmental aspects and risks. We identify and include stakeholders and experts in a process for identifying actual and potential environmental impact and risks. Annual health, safety, security, environment and quality (HSSEQ) programmes are in place for both exploration and production drilling, as well as production activities. These plans include environmental objectives, activities and focus areas for each year.

Improvements and benefits are enforced through collaboration with our alliance and strategic partners, contractors and suppliers.

Our risk-based approach is the result of both internal and external requirements. New or changed regulatory requirements or industry initiatives are some examples of external triggers. Environmental barrier development and control adhere to regulatory and company requirements, in addition to specific NORSOK standards.

We continuously review and assess the degree to which environmental expectations are met. Environmental performance is followed up and included in our environmental accounting system, NEMS, which is based on ISO 14001.

Necessary training and education are provided through both in-house and external courses. Awareness programmes are also carried out both onshore and offshore. In 2020, we implemented an environmental training programme for all employees and hired consultants. The purpose is to raise awareness and educate all personnel on environmental risks and aspects relevant for Aker BP's operations. Additionally, in 2021 we launched an HSSEQ course for all new employees that also covers pollution and environment. Both training programmes are active and in use in 2023.

The environmental protection section does not cover disclosing pollution impact in the value chain, as Aker BP plan to further map and assess this in depth.

ENVIRONMENTAL COMPLIANCE

Aker BP uses the annual submission of reports to authorities, audits performed by regulatory agencies and self-assessments to ensure environmental compliance. The compliance checks in the self-assessment process consider both environmental aspects and regulatory requirements. The audits verify the effectiveness of our environmental management system and are part of our efforts for continuous improvement to ensure compliance. Over time, these audits cover all our operations at all locations.

Evaluation of environmental performance and compliance with selected statutory rules and regulations for operating fields, are monitored in our environmental accounting system and closely reviewed and highlighted in dashboards available to all employees.

We strive for continuous improvement of environmental performance by setting annual environmental targets for all operating fields. Annual HSE plans also include external environmental improvement activities and drive improved environmental performance.

Discharges to sea from our operations and exploration activities are governed by our discharge permits issued by the Norwegian Environment Agency (NEA). We report on the compliance status for our discharges and emissions to the authorities, for both operating fields and exploration drilling, on an annual basis. Annual reports along with feedback on these annual reports from the NEA also provide input for continuous improvement of our environmental performance.

Internal and external audits are subject to compliance evaluation against external environmental permits and legislation.

Aker BP holds field-specific permits under the European Union Emissions Trading System (EU ETS) and the annual third-party verification is detailed in Scope 1 emissions, page 57 in the Climate change chapter.

Climate change

26% reduction

In operational control scope 1 and 2 GHG emissions compared to our 2017 baseline

2.9 kg CO_2e/boe

Equity share scope 1 and 2 GHG intensity

0.01% CH_4/saleable gas

Operational control methane emission intensity

OUR CORE BELIEFS

Our climate strategy is built on the following core beliefs:

Aker BP acknowledges the Paris Agreement and associated goals, as well as the Norwegian national climate commitments

We acknowledge the conclusions from the Intergovernmental Panel on Climate Change (IPCC) and the goals of the Paris Agreement, which call for a global effort to limit the global temperature increase to 1.5°C above the pre-industrial level. We contribute to the Norwegian government's national commitment to reduce GHG emissions by a minimum of 55 percent by 2030 compared with 1990 levels, in collaboration with Konkraft and the joint industry. We believe the ongoing transformation of the energy system to achieve the Paris Agreement goals is important and must be accelerated with investment and technological development in clean energy, energy efficiency and low-carbon solutions addressing both the supply and end-user segments.

Aker BP believes that oil and gas produced with a low carbon footprint and at low cost is critical for energy affordability and security

We believe the transition to a low-carbon future needs to happen in a responsible manner that ensures affordable and reliable energy for people and societies. Demand for oil and gas is expected to decrease; however, this change will not happen overnight. It is important that the required oil and gas is produced and distributed and used with a low environmental footprint. We are therefore aiming to produce oil and gas with industry-leading low GHG emission intensity, the lowest operating cost and the highest value creation in our industry, while supporting new low-carbon industries by sharing technology and knowledge.

Aker BP believes carbon removal must play a part, but will require both regulatory and technical maturing

As highlighted in the IPCC Sixth Assessment report, current climate pledges at the country level remain inadequate to align society with a temperature trajectory that limits warming to no more than 1.5°C. The IPCC Sixth Assessment report therefore concludes that CO_2 removal mechanisms, which can remove and permanently store CO_2, are necessary to meet our global climate goals. Aker BP consequently believes that corporations have an important role to play in directing capital and innovation towards carbon removal. While regulatory frameworks for carbon removals have matured somewhat in 2023, we welcome clearer regulation of the voluntary carbon markets, verification methodologies and technologies to enhance and scale new methods.

Emission scopes:

- **Scope 1:** Direct emissions from owned or controlled sources
- **Scope 2:** Indirect emissions from the generation of purchased energy
- **Scope 3:** Indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions

Emissions factors for calculating CO_2e:

Greenhouse gas	Global warming potential (GWP) rates in a 100 yr perspective*
CO_2	1.0
CH_4 fossil origin	29.8
N_2O	273.0

* Source: IPCC Sixth Assessment report (2021).

Relevant policies:

Climate and energy policy

CLIMATE POLICY

In 2021, Aker BP strengthened its management of climate-related matters and issued a separate climate and energy policy. Our climate and energy policy addresses both climate change mitigation and adaptation as well as energy efficiency, and outlines our commitments to:

1. Reduce energy consumption and related emissions to air
2. Reduce GHG emissions in line with the Paris Agreement and expectations from the Norwegian Government
3. Manage climate-related risks and opportunities
4. Evaluate low-carbon innovation solutions to reduce emissions

This policy covers climate-related impacts, risks and opportunities as described in later sections. Through this document, Aker BP commits to set short and long-term targets for reducing both scope 1, 2 and upstream scope 3 GHG emissions from our activities. The SVP People and Safety, who is part of our executive management team, is the owner of this policy and is accountable for its implementation. The policy is publicly available on our website (Policy hub - Aker BP).

Through our obligations to the authorities, our emission levels are controlled and limited by authority permits for each asset, strict environmental regulations and specific Norwegian continental shelf standards. Close cooperation with Offshore Norge, the national industry organisation, ensures joint compliance with national commitments and stakeholder expectations.

Figure 12: **Our climate strategy**

1. Avoid

We aim to avoid emissions wherever possible through electrification[1] of greenfield developments, rigs, portfolio management and optimisation of existing infrastructure.

2. Reduce

We aim to reduce emissions through active energy management and brownfield electrification[1].

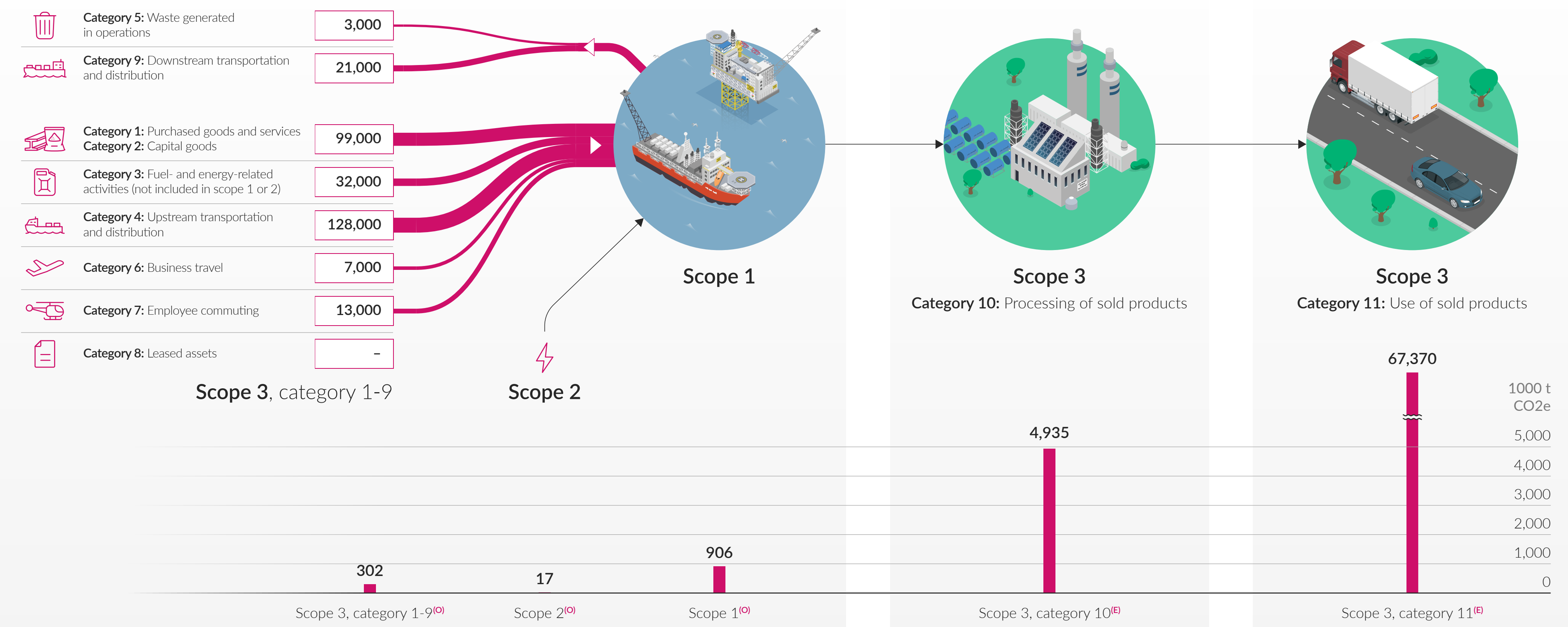
3. Neutralise[2]

For every tonne of remaining equity share scope 1 and 2 GHG emissions from our operations, we will from 2030 capture one tonne of CO_2 from the atmosphere through a high quality carbon removal project.

1) The Norwegian power mix mainly consists of renewable energy, and the electrification of offshore assets leads to a significant reduction in scope 1 and 2 emissions

2) Neutralising the residual emissions is a voluntary step after all other feasable emission reduction efforts are maxed out

Figure 13: **GHG emissions across the value chain (in tonnes CO_2e)**



		Scope 3, category 1-9	Scope 2 and Scope 1	Scope 3, category 10	Scope 3, category 11
Operational control (gross)	**2030 target:**	No current target	50% reduction		
	2050 target:	No current target	Near zero		
	Intensity target:	No current target	<0.05% methane intensity		
Equity share (net)	**2030 target:**	No current target	~50% reduction	No current target	No current target
	2050 target:	No current target	Near zero	No current target	No current target
	Intensity target:	No current target	<4 kg CO_2e / boe	No current target	No current target

UPSTREAM **MIDSTREAM** **DOWNSTREAM**

(O) = Operational control

(E) = Equity share

STRATEGY AND PLAN

Our targets

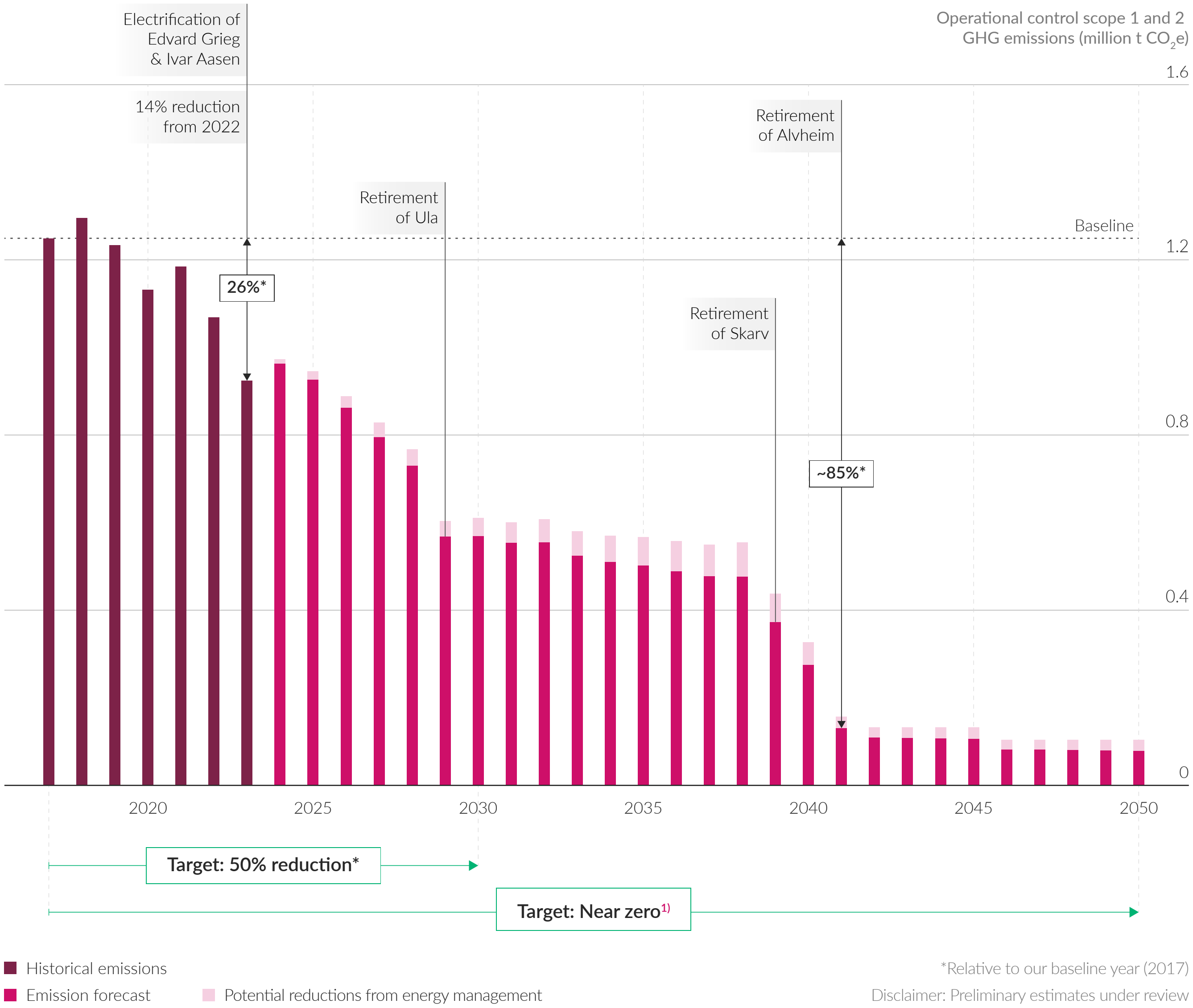
Our climate-related targets are aligned with the Norwegian petroleum industry's commitment to a 50 percent reduction in operational GHG emissions by 2030 compared with the 2005 level. To achieve our policy objective of reducing GHG emissions in line with the Paris Agreement and expectations from the Norwegian Government, we have set the following climate-related targets:

Target 1:

We aim to reduce our operational control scope 1 and 2 GHG emissions by 50 percent by 2030 compared with our 2017 baseline of 1.25 $mtCO_2e$. By 2050, we aim to achieve near-zero[1)] operational control and equity share scope 1 and 2 GHG emissions.

Our operational scope 1 and 2 GHG emissions in 2023 were 906,000 t CO_2e and 16,800 t CO_2e respectively, which constitutes a 26 percent reduction from our 2017 baseline.

Figure 14: **Operational control scope 1 and 2 GHG emissions**



*Relative to our baseline year (2017)

Disclaimer: Preliminary estimates under review

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

Our strategy for net zero scope 1 and 2

Aker BP has a target of becoming net zero for our equity share scope 1 and 2 GHG emissions from 2030. Our strategy for emission reductions is as follows:

- **Avoid –** We aim to avoid emissions wherever possible through electrification and transitioning from fossil fuels to primarily renewable sources (in Norway, the power mix consists mainly of hydro and wind power), portfolio management and optimisation of existing infrastructure
- **Reduce –** We aim to reduce emissions through active energy management and brownfield electrification.
- **Neutralise –** From 2030, we aim to match every tonne of remaining equity share scope 1 and 2 GHG emissions from our operations, with an equal amount of high-quality carbon removals

Our emission reduction strategy emphasises that we will prioritise emission reductions from our own operations where feasible leading up to and after 2030. By 2050, we aim to have near-zero[1)] equity share scope 1 and 2 GHG emissions. For every tonne of remaining equity share scope 1 and 2 GHG emissions from our operations, we will from 2030 capture one tonne of CO_2 from the atmosphere through a high quality carbon removal project. These credits are voluntary and come in addition to all carbon tax or fees we pay for our emissions. Read more about how we work with carbon removals in Our approach to carbon removals, page 48.

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

Figure 15: **Equity share scope 1 and 2 GHG emissions**

*Relative to our baseline year (2017)

Disclaimer: Preliminary estimates under review

Target 2:
Reduce and maintain our equity share scope 1 and 2 GHG emission intensity below 4 kg CO_2e/boe. According to IOGP (2022), this is less than one quarter of the global average in 2022.

Our equity share scope 1 and 2 GHG emission intensity in 2023 was 2.9 kg CO_2e/boe, meaning that we are well below our target of below 4 kg CO_2e/boe.

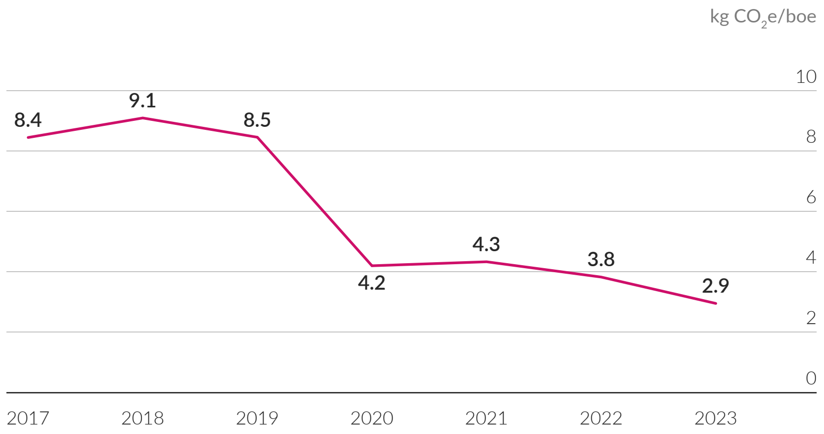
Target 3:
Reduce and maintain our operational control methane emission intensity below 0.05 percent.

In 2023, our methane emission intensity was 0.012 percent.

In addition to these targets, we are currently addressing our upstream scope 3 emissions, by leveraging our cooperation with strategic alliances and business partners. Reduction targets will be set once sufficient data quality and forecasting models have been established.

Our new field development projects, where we have a need for new power infrastructure, have performed feasibility studies for power from shore or power transmission. Our major field development project, Yggdrasil, will be supplied with power from shore from day one, effectively avoiding around 7 million tonnes of emissions through its field life. In cases where new energy-intensive equipment is to be purchased, the equipment should be as energy-efficient as possible and use low-emission technology. As of the end of 2022, three of our main assets have been connected to power from shore. Of our remaining assets, two of three are generating power from gas turbines using low-NO_x combustion technology, and the last remaining conventional turbine is scheduled to be shut down by 2030.

Figure 16: **Equity share scope 1 and 2 GHG emission intensity**



Note that numbers illustrate the combined company from 2017 onwards and therefore deviate from previously reported emission intensity values

Methane monitoring and mitigation

Reducing methane emissions from our operations is an integral part of our climate action. During 2023, we strengthened our greenhouse gases management through membership in the Oil and Gas Methane Partnership 2.0 (OMGP 2.0) under the United Nations Environmental Program.

Aker BP's methane emissions originate from venting, incomplete combustion and flaring of gas as well as fugitive emissions from the process infrastructure. We currently quantify methane emissions in accordance with the national industry standards and report it annually to the environmental authorities. By joining OGMP 2.0. Aker BP will engage in further development of monitoring, reporting and verification of offshore methane measurements in close cooperation with Equinor, BP and other major oil and gas companies.

Simple idea – significant cuts

All improvements start with a good idea. At our FPSO Alvheim a solution consisting of one pipe and two valves secures significant reduction in CO_2 emissions. The solution started as an idea in the head of one of our process engineers and gradually matured into a solution during 2023.

The idea was to route gas from the well-cleanup process in connection with production start from the KEG (Kobra East Gekko) field to export, rather than flaring it off. By doing so we could save a considerable amount of CO_2 from being emitted to the atmosphere.

Calculations showed that it was possible to implement, and if the manufacturing and installation happened at record speed, it could be ready for the start-up of the field, which was to be connected to Alvheim FPSO. By utilising our Modification Alliance with Aker Solutions and a dedicated project team, we made it just in time.

The last parts for the system came on board Alvheim the week before KEG was to commence production. There was no time to run tests, but the system worked perfectly.

Research and development related to climate and external environment
One of our stated ambitions is to contribute to the development and sharing of technology to enable new industries. Aker BP continuously invests and participates in research and development (R&D) activities. Our prioritised areas of R&D include digitalisation and technology development within emission and discharge control, HSE and other operational disciplines. Our total R&D budget in 2023 was NOK 319 million, while our allocated spending on low emission solutions was NOK 72 million. Seleted R&D projects are listed below:

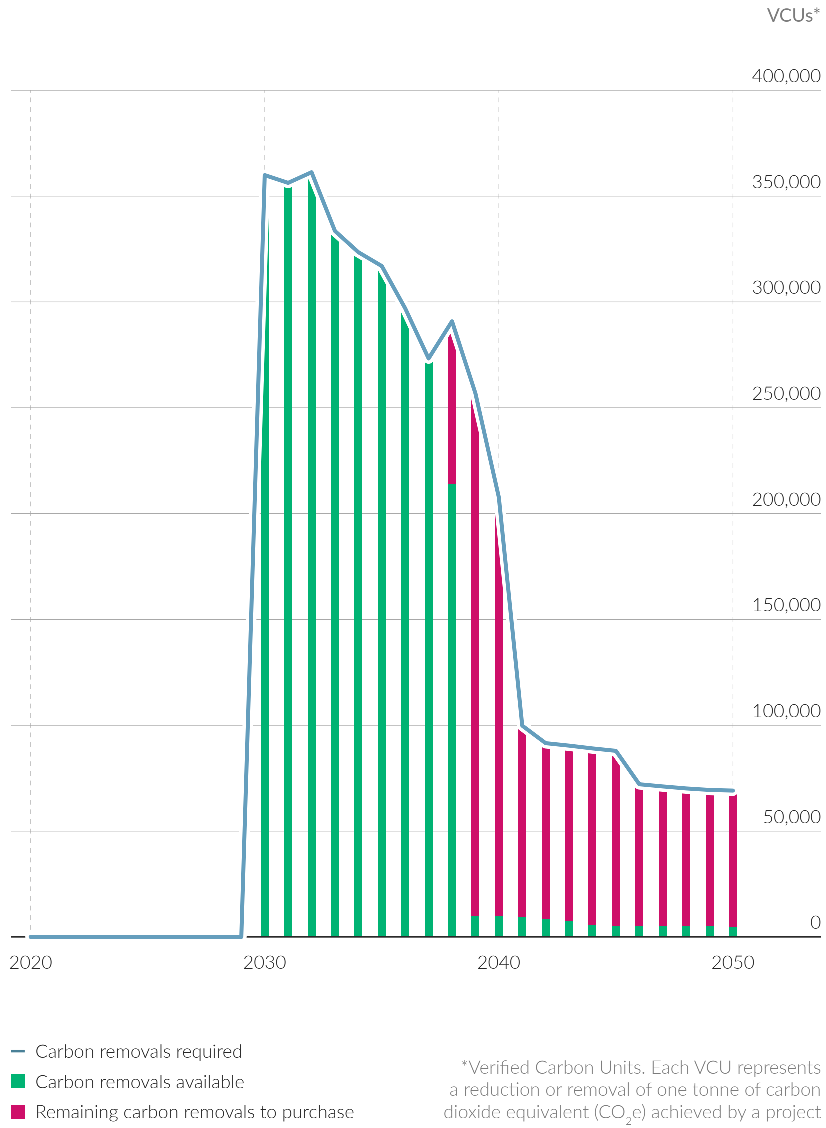
The Norwegian CCS Research Centre (NCCS) / Linking the CCS Value Chain (LINCCS)
Through participation in several carbon capture and storage (CCS) R&D projects, Aker BP is contributing to expand the knowledge base and paving the way for large-scale CCS on the Norwegian continental shelf. The two most significant projects are presented below. NCCS aims to fast-track CCS deployment through industry-driven, science-based innovation that addresses the major barriers identified in CCS demonstration and industry projects. Its goals are to ensure that Norway remains an international leader in CCS, support achieving CO_2 storage in the North Sea and contribute to the Norwegian government's ambition to realise a full-scale CCS chain. LINCCS, aims to be a key driver in the green transition by uniting industrial player working on the Norwegian continental shelf. LINCCS not only hopes to accelerate CCS deployment, but also make it more cost-effective and easier to implement by European industries.

Centre for Integrated Remote Sensing and Forecasting for Arctic Operations (CIRFA)
The CIRFA centre located at the University of Tromsø focuses on developing new methods and technologies for improved monitoring and forecasting of the physical environment in the Arctic. The work packages focus on developing methods for extracting useful information on met-ocean parameters, sea ice and icebergs, and environmental pollution from satellite data. This is highly relevant for monitoring climate change and its impact is valuable in the wider context of the Arctic, including economic, security, and political aspects. The project has been ongoing since 2015 and ended in 2023.

Giraffe Interventions system (GIS)
GIS is an ongoing development project that aims to create a innovating subsea wireline intervention system. The system is designed to move the wireline winch subsea, removing the need for connecting to a vessel during operation. The GIS will be deployed by a basic vessel type, such as a supply vessel, and operations will be controlled from the host facility, using tools already in use for Aker BP. This technology targets cost efficient subsea interventions, with the potential to significantly reduce risk for project delays and reduce emissions as a side effect.

Our approach to carbon removals
Our first and foremost priority within our climate strategy is to reduce our own emissions. However, we further intend to invest in carbon removal projects that neutralise the remaining equity share scope 1 and 2 GHG emissions from 2030 onwards.

Figure 17: **Our current portfolio of carbon credits**



*Verified Carbon Units. Each VCU represents a reduction or removal of one tonne of carbon dioxide equivalent (CO_2e) achieved by a project

Voluntary carbon markets are still nascent and further maturation is needed especially as regards regulation, engineered and permanent removals, cost levels and standards. Aker BP recognises this and will adapt as these markets develop.

We currently have three carbon removal projects on three continents, all based on reforestation, intended to capture and store a significant share of Aker BP's future equity share scope 1 and 2 emissions. They are designed to capture carbon through natural processes, in addition to having positive effects on biodiversity and for local communities. Aker BP will share further information on this portfolio once projects mature.

Our decarbonisation efforts since 2012 have resulted in significant emission reductions, and we anticipate having reduced our operational control GHG emissions by more than 600,000 tonnes by 2030. Decarbonisation efforts throughout our equity share portolio have given us one of the intustry's lowest scope 1 and 2 GHG emission intensities and associated GHG footprints, which means that the relative level of residual emissions is lower compared to most peers. While no credits were retired in 2023, we intend to offset and neutralise around 4 million tonnes of CO_2e between 2030 and 2050, neutralising our equity share scope 1 and 2 GHG emissions. The exact amount required will depend on our future emissions. Figure 17 gives an overview of our anticipated credit needs per year leading up to 2050, cumulative emissions to offset and current coverage in term of offsets.

Carbon capture and storage

Carbon capture and storage (CCS) is the process of capturing CO_2 emissions from point sources, such as power generation facilities or other industrial sources, and storing the CO_2 permanently in geological formations. CCS is viewed by the International Energy Agency (IEA) as a critical lever for decarbonisation of hard-to-abate emissions. Rapid escalation of CCS is crucial for meeting global emission reduction targets.

Aker BP and OMV (Norge) AS have entered into a collaboration agreement for CCS and have been awarded a licence pursuant to the CO_2 Storage Regulations on the Norwegian continental shelf (NCS). The licence awarded to Aker BP and OMV, named Poseidon, is located in the southern Norwegian sector of the North Sea. Poseidon is operated by Aker BP.

The seismic campaign for Poseidon was successfully completed in 2023. The seismic campaign was conducted to obtain data on the subsurface geology and assess the site's suitability for CO_2 storage.

Aker BP has also entered into a strategic partnership with Höegh LNG to develop a comprehensive CO_2 transport and storage solution for industrial CO_2 emitters in Europe. The agreement combines the companies' respective strengths, expertise, and technologies to include gathering, transporting and securely injecting CO_2 for permanent storage in subsea reservoirs.

Aker BP's CCS activities currently have three focus areas. First, we are assessing the suitability of the Poseidon reservoir for carbon storage through seismic acquisition and interpretation, which might be followed by an appraisal well. Second, we are studying development concepts. Third, we are collaborating with partners and authorities to establish a viable business model and regulatory and fiscal framework for CCS.

CCS is expected to play an important role in the transition to a low-carbon energy future. The NCS offers a vast scale of carbon storage opportunities, and we believe Aker BP could have a competitive advantage due to our leading expertise within geology, reservoir management and field development.

CLIMATE SCENARIOS AND RISKS

Risk and opportunities posed by climate change

A significant transformation of the energy system is underway. The path toward the future energy system is uncertain and, as reflected by the IEA's forecasts and scenarios, there is a wide range of different outcomes for oil and gas demand. Aker BP's commitment to evaluate and manage climate-related risks and opportunities is described in our climate and energy policy.

As an upstream E&P company, Aker BP is largely a price taker in the commodity markets. While oil and gas demand variations and price fluctuations represent a significant uncertainty for our company, we manage this aspect primarily by controlling cost and production volumes, but also through financial risk management. A rigorous system is in place for budgeting, forecasting and managing these parameters, with the aim of supporting sound financial decisions, providing guidance to our licence partners, debt owners, shareholders and petroleum authorities, as well as to continuously monitor our financial risk.

To assess and manage climate-related risks, we use scenario analysis, sensitivity testing and an internal carbon price, in addition to reducing our own emissions. Climate-related considerations are embedded in our decision-making, and we apply a set of financial criteria, including our internal carbon price, for all investment decisions.

Scenario analysis and portfolio robustness
Aker BP recognises the recommendations made by the Financial Stability Board's Task Force on Climate-Related Financial Disclosure (TCFD). In line with the best practice recommended by the TCFD, Aker BP uses scenario analysis to assess potential impacts of climate change and the energy transition on our business, financial performance and long-term strategy.

We evaluate selected scenarios to assess possible shifts in the macroeconomic outlook, technology developments, policy and legal implications, and we analyse projected demand for our products (oil, gas and natural gas liquids). Each energy transition scenario yields a range of commodity prices (e.g. power, gas, oil) and environmental fees and taxes. We apply these assumptions in our valuation models to test the resilience of our portfolio.

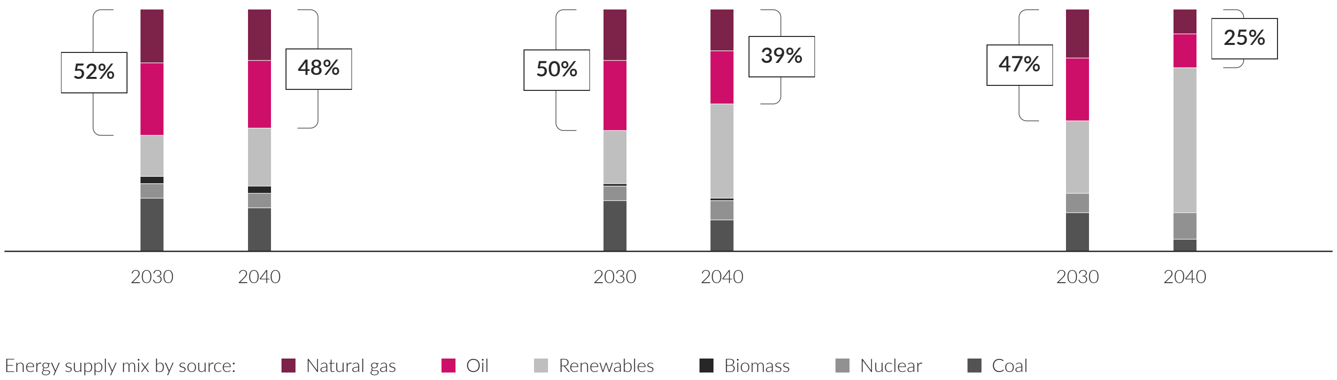
Our scenario analysis includes scenarios described in the IEA's World Energy Outlook report published every year. These scenarios are commonly used by our industry peers and can help investors and other stakeholders assess portfolio resilience across companies. The 2023 World Energy Outlook describes three scenarios, as illustrated in Figure 18.

Figure 18: **Summary of the IEA world energy outlook (WEO-2023) scenarios**

Stated policies scenario (STEPS)
This scenario looks at where we are currently heading with regards to global emissions. It is based on a detailed sector-by-sector review of the policies and measures that are in place or under development in a variety of areas. STEPS provides an outlook based on the latest policy settings, including energy, climate and related industrial policies. It reflects a pragmatic exploration of the current policy landscape and gives a view on where the energy system might be heading in the absence of any new initiatives. In STEPS, both global demand for oil and natural gas continues to grow before peaking around 2030 and remaining at this level at least throughout the forecast period.

Announced pledges scenario (APS)
This scenario assumes that governments will meet, in full and on time, all of the climate-related commitments that they have announced, including longer term net zero emissions targets and pledges in Nationally Determined Contributions, as well as commitments in related areas such as energy access. It does so irrespective of whether those commitments are underpinned by specific policies to secure their implementation. In the APS, stronger policy action leads global oil demand to peak prior to 2030, marginally down from the 2022 level. Demand is then projected to fall by around 40 percent towards 2050. Global natural gas demand remains at around current levels until 2030, before declining towards 2050 at a pace similar to that of oil.

Net zero emissions by 2050 scenario (NZE)
This normative scenario sets out a pathway to the stabilisation of global average temperatures at 1.5 °C above pre-industrial levels. It has been updated for the 2023 Outlook and starts from a higher level of fossil fuel demand and emissions than the previous version. It also has one year less in which to achieve global net zero CO_2 emissions by 2050. As a result, reaching this goal requires more robust efforts than in the original 2021 analysis. The NZE Scenario does this without relying on emission reductions from outside the energy sector. As in the previous analysis, advanced economies reach net zero emissions before developing economies do. In NZE, oil demand declines from 97 million barrels per day (mb/d) to less than 25 mb/d in 2050, with an annual decline rate of 5.5 percent on average from 2030 onwards. While for natural gas, demand is assumed to fall even faster and assumed to be almost 80 percent lower than today by 2050.



Sensitivity to oil and gas prices

Figure 19 illustrates the changes in the net present value (NPV) of Aker BP's portfolio when Aker BP's planning assumptions for oil and gas prices are replaced with those from the selected scenarios, while keeping carbon price and FX unchanged in all scenarios. As shown in the graph, under the IEA's STEPS, the NPV of Aker BP's portfolio is 23 percent higher, reflecting the higher oil and gas price assumptions in this scenario compared with Aker BP's planning assumptions. When tested using the assumptions from the APS, the NPV of the portfolio is 7 percent higher.

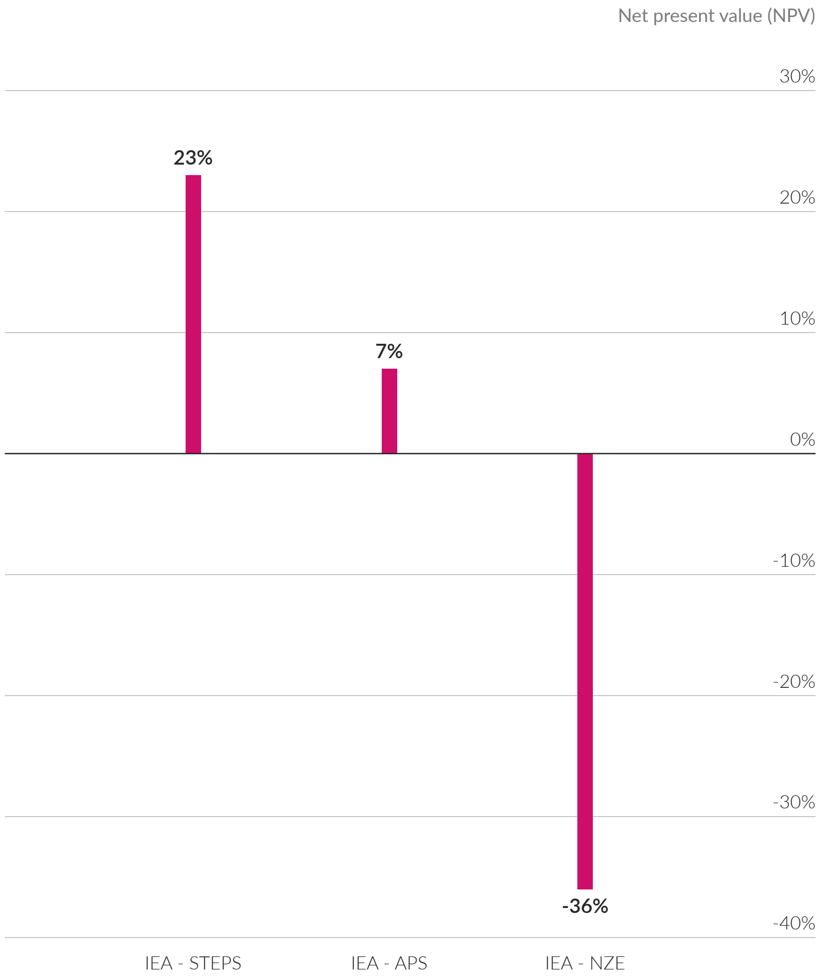
Under the NZE scenario, oil prices will fall, reaching USD 43/barrel and USD 26/barrel (in real 2023 terms) in 2030 and 2050, respectively, while European natural gas prices fall from around 13 USD MMbtu in 2023 and down to around 4.2 USD/MMbtu in 2050 (in real 2023 terms). At these prices, the NPV of the portfolio is reduced by 36 percent. In this normative scenario, there are no new oil and gas fields approved for development beyond already committed projects as of 2023. This collapse in prices is fully dependent on the assumed dramatic reduction in demand, with oil demand and natural gas demand falling nearly 80 percent by 2050.

The purpose of quantitative testing of transition and portfolio risk is to investigate whether our strategy is resilient to various price scenarios compatible with the goals of the Paris Agreement (including the 1.5-degree goal). The targets in the Paris Agreement assume that the demand for oil and gas reaches a peak and declines in the future.

However, there are three major uncertainties associated with this approach: How high the peak in demand will be, how quickly demand falls and how the supply side adapts to demand. Oil and gas prices are not directly dependent on the level of demand, but the balance between supply and demand at any given time and the market's expectations for the future balance. Historically, the supply side has adapted to the demand side. Should this happen in the Net Zero scenario, the least competitive oil and gas assets will be shut in first and only the ones with lowest cost and emissions would continue to operate. If supply adapts to demand over time, the oil and gas prices may remain at supportive levels even if the total demand declines. While transition risk is difficult to properly quantify in a long-term perspective, this analysis, showing a 36 percent NPV reduction under the extreme price scenario NZE, leads Aker BP to consider its strategy to be resilient to lower prices and reduced demand.

An International Monetary Fund (IMF) working paper from October 2023 illustrates how prices in a Net Zero Emissions scenario may vary from approximately USD 15/barrel to USD 300/ barrel at the start of the 2030s. The level depends on whether political measures will seek to influence the supply side or the demand side of the oil market. Several energy research organisations and analysts have scenarios for oil prices, and most are within the IMF's range. Even between the three IEA scenarios analysed, we see a significant gap in long-term prices, illustrating some of the challenges in setting assumptions compatible with the targets in the Paris Agreement.

Figure 19: **Portfolio robustness under the IEA scenario's**



The NPV of Aker BP's portfolio under the selected scenarios is compared to the NPV of the portfolio valued at Aker BP's latest economic assumptions (NPV10 as of 01.01.2024). Same FX (Foreign Exchange rates) and carbon prices are used for all scenarios. Portfolio consists of producing assets and non-sanctioned projects.

Sensitivity to carbon prices
At Aker BP, we believe that carbon pricing is an important tool needed to help drive a positive change. Setting a price on carbon creates financial incentives for companies to invest in reducing our own emissions, to drive innovation and scale technologies. Aker BP's internal carbon price assumptions significantly exceed prices assumed under the IEA's scenarios. In addition to the national Norwegian carbon tax, petroleum operations on the NCS are subject to the European Union Allowances (EUA) for emissions traded under the EU ETS. The combination of the national carbon tax and the EU ETS means that companies operating in Norway pay a much higher price per tonne of CO_2 emissions compared with most other countries with petroleum activities.

As part of Norway's climate action plan announced in January 2021, Norway has set a target to gradually increase the total cost per tonne of CO_2 from around USD 80 in 2020 to USD 266 in 2030 (real 2023 terms). This target is reflected in Aker BP's planning assumptions, which show an increase in both the EUA and national carbon tax over the next 10 years, reaching the targeted level the Norwegian Government has set for 2030.

To illustrate the sensitivity of Aker BP's portfolio to carbon prices, we calculate the NPV of total future carbon costs under different carbon price assumptions, shown as a percentage share of the NPV of Aker BP's portfolio. As shown in Figure 20, the NPV of the future carbon costs as a share of the total portfolio NPV is the highest under Aker BP's base case assumption. This is because Aker BP's internal carbon price assumption is significantly higher than the CO_2 price under the IEA's scenarios. As shown in Figure 21, the NPV of the future carbon costs under the planning assumptions is limited to about one percent of the total portfolio NPV, which reflects Aker BP's industry-leading performance in emission intensity among E&P companies.

SUMMARY OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

In line with the framework proposed by the TCFD and our climate policy, we group our climate-related risks into two major categories:

1. Risks related to the transition to a lower carbon economy, and
2. Risks related to the physical impacts of climate change

A summary of key climate-related risks is provided in Table 4 on the next page. See also our latest CDP response.

Figure 20: **Resilience towards to higher carbon prices**

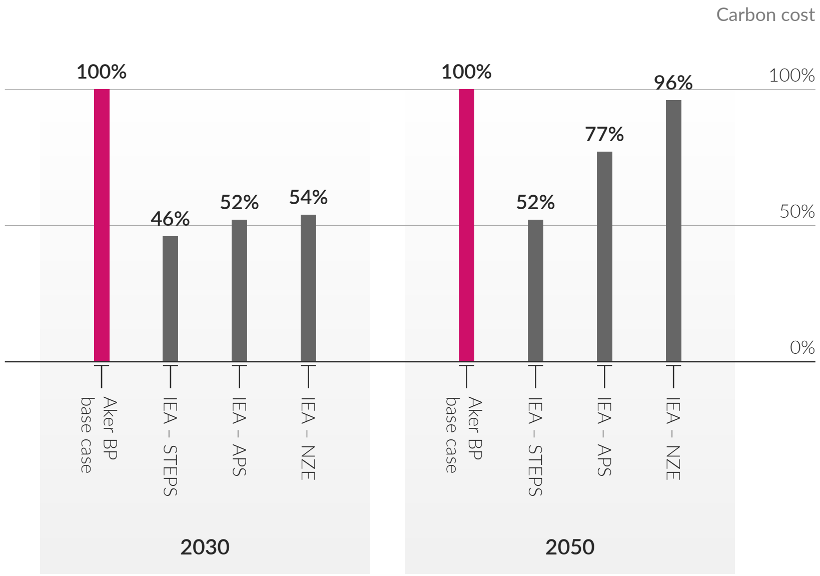


Figure 21: **NPV10 of CO_2 costs as percentage of Aker BP valuation**

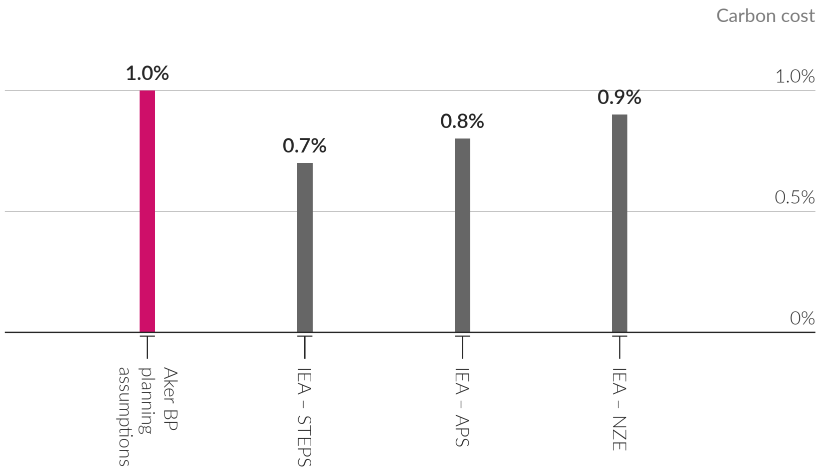


Table 4: **Climate-related risks and opportunites**

CLIMATE-RELATED RISK CATEGORY	RISK DRIVER	MITIGATION ACTIONS
Transitional risks		
1. Market	– Demand for oil and gas can decrease faster than supply can adapt, resulting in lower oil and gas prices – In anticipation of the faster energy transition, key producers can shift their strategy to market share maximisation, driving down prices	– Climate risks integrated in all investment decisions – A strict financial framework for investment decisions; sanctioning projects with low breakeven oil prices – Internal carbon price exceeding IEA's Net Zero scenario – Scenario analysis and sensitivity testing on both portfolio and project levels – Cost reduction initiatives
2. Regulatory and legal	– The EUA price and/or Norwegian CO_2 tax can increase faster and rise higher than what is anticipated – Mandatory emission abatements, including methane emission mitigation, can be enforced while being uncompetitive with other uses of capital or uneconomical – Access to new acreage can be reduced, in which case Aker BP's and the Norwegian E&P industry's longer-term growth prospects would be reduced, which would also lead to a potential increase in the cost of capital – Increased willingness to take legal actions against the Government and the E&P industry can create obstacles for our projects and operations	– As above – Requirement for all potential projects to be assessed for CO_2 emission intensity and resilience against higher carbon taxes – Emission reduction initiatives – Continuous evaluation of electrification using power from shore or from offshore wind, where feasible – Continuous monitoring of developments in the regulatory framework and engagement with relevant stakeholders
3. Competition	– Competition from new technology (e.g. batteries, renewables, hydrogen) and/or regulation can drive faster displacement of oil and gas in energy and non-energy sectors – A faster and larger scale of electrification in Europe can result in rationing and higher power prices, thus increasing our costs	– As above – Energy efficiency initiatives – Evaluation of different power purchase agreements
4. Reputational	– Investors' and capital market participants' perception of oil and gas activities in Norway can deteriorate, impacting availability and cost of capital, as well as insurance premiums – Industry's attractiveness can deteriorate, making it difficult to attract and retain the right talent – Reputational risk related to offsetting strategy	– Efforts in place to secure financial flexibility and maintain investment grade credit rating – Maintaining our industry-leading emission intensity – Adoption of best practices in climate-related disclosure – Maintaining Aker BP brand as an attractive employer – Responsible, conservative, assured and transparent approach to offsetting
Physical risk		
5. Acute	– Potential higher frequency of extreme waves/weather may lead to operational shutdown or accelerated need for modifications of existing installations if safe design limits and structural integrity are threatened – Rising sea levels and extreme waves challenging structural tolerances and reducing the design air gap	– Environmental monitoring, update of metocean data and evaluation of structural design limits are part of the integrity management process – Update of these parameters is triggered as a result of a Quantitative Risk Assessment review, barrier mapping or based on industry knowledge
6. Chronical	– Change in precipitation patterns and extreme variability in weather patterns over time may affect working environment conditions, for example reducing the period an offshore worker may tolerably be exposed to a certain working environment condition while performing their scope of work	– Risk assessments are systematically performed by the Aker BP working environment team, including identification of improvements – Working environment risks are assessed using best industry practice and form input to infrastructure design for new facilities and typical working procedures for existing facilities

CLIMATE-RELATED OPPORTUNITY CATEGORY	OPPORTUNITY DRIVER	ACTIONS
Products and services	– Carbon capture and storage (CCS) is expected to play an important role in the transition to a low-carbon energy future. CO_2 storage has the potential to become a new profitable business opportunity for Aker BP	– Assess current acreage for CCS development – Further develop business model and technology related to CCS – Assess possible new acreage suitable for CCS
Competition	– In an investment environment increasingly shaped by intensifying ESG pressure, Aker BP's industry-leading GHG intensity, low production costs, and high ESG performance provide a competitive advantage and better opportunities to obtain capital in the future	– Cost reduction initiatives – Energy efficiency and emission reduction initiatives
Resilience	– Aker BP has a portfolio of resilient assets with short payback times that will remain profitable even under low oil price scenarios	– Continued investment in digitalisation and business transformation
Market	– Increased demand for oil and gas produced with low GHG emissions	– Energy efficiency and emission reduction initiatives – Continuous evaluation of electrification using power from shore or from offshore wind, where feasible

MANAGEMENT OF CLIMATE-RELATED RISK

Aker BP uses an enterprise risk management process where risks and opportunities are identified and managed at all levels (activity, asset, business unit and company) with the aim to maximise opportunities, minimise risks and support realisation of performance objectives. A more detailed explanation of the process can be found in Risk management, page 33. We address and manage risks and opportunities across business units and throughout the asset value chain in Aker BP, including climate-related risks and opportunities. Risks are defined in short (0–3 years), medium (3–10 years) and long-term (10–25 years) perspectives.

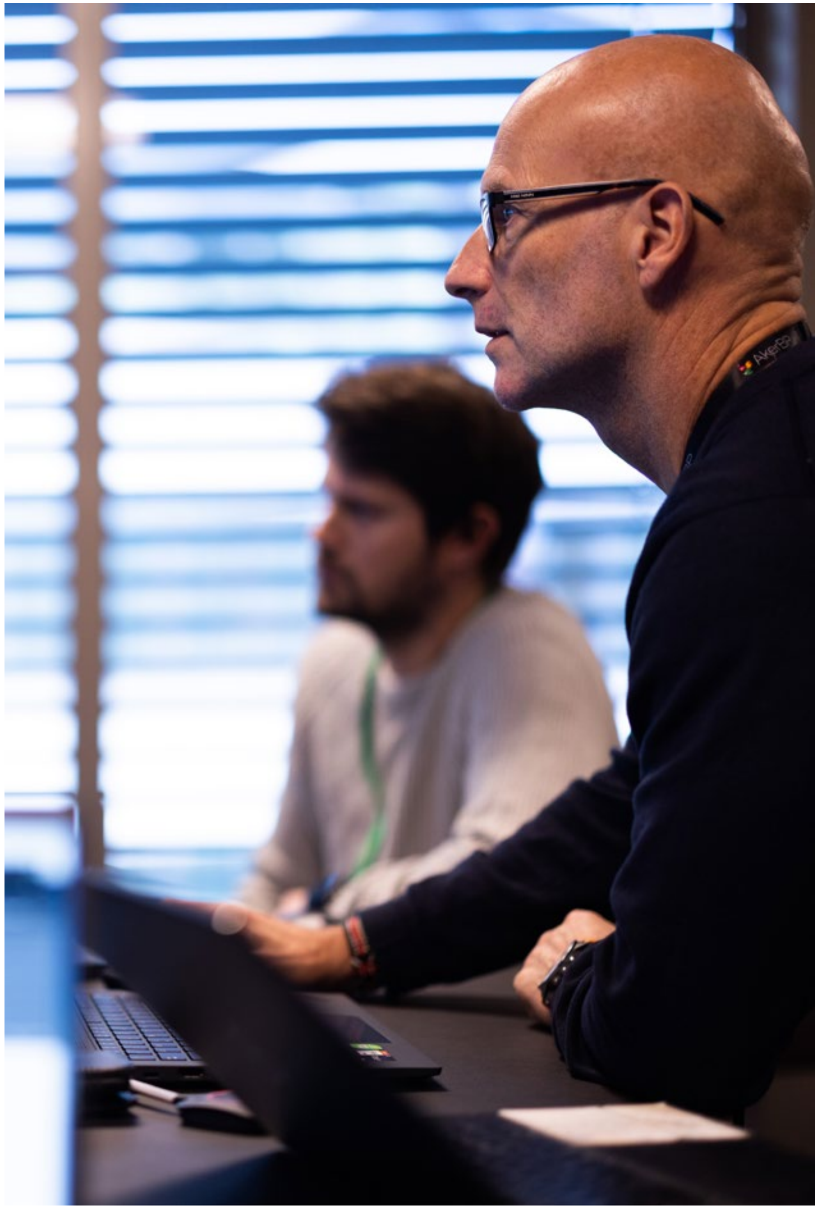
Our short-term risks are related to positioning ourselves in the transition towards a low-carbon economy following the Paris Agreement and complying with the emerging obligations for emission reporting and monitoring.

Our medium-term horizon is shaped by our target of reducing our operational control scope 1 and 2 GHG emissions (gross) by 50 percent by 2030 and maintaining our industry-leading low emission intensity. Here we consider a broad set of parameters affecting our performance: market, regulatory, technical, reputation, physical and operational factors. Improved energy efficiency, flaring reduction, fuel switching (away from diesel), electrification of green and brownfields, reductions in fugitive emissions (methane) and improved emission monitoring and reporting are medium-term risk mitigation strategies for Aker BP.

Our long-term horizon reflects near zero scope 1 and 2 GHG emissions by 2050. This scenario includes near-zero emissions throughout our operations and upstream value chain in a market still dependent on oil and gas. Supply of electrical power from shore to offshore installations and the transition to zero-emission fuels are long-term strategies for our business.

Risks and opportunities are identified both as a result of our internal activity set, as well as from various sources such as regulators, industry initiatives, NGOs, public perception and investors, and they are mapped in appropriate tools. Risk registers are maintained and updated continuously for both activities and business processes. Important risks, including climate-related risks, from across business units are communicated to and reviewed in management teams on a regular basis.

Climate risk is followed up as one of the integrated company-wide risks. Aker BP has implemented a policy for climate and energy efficiency reflecting the core climate risk management principles. Energy efficiency and low-emission operations are core elements shaping our business strategy. Aker BP actively analyses the potential substantive financial impact for climate-related risks to guide courses of action to meet the expectations of stakeholders and the market. This also facilitates better decisions aligned with our strategy and goals, including setting up mitigating actions involving long-term commitments and investments.



ENERGY MANAGEMENT

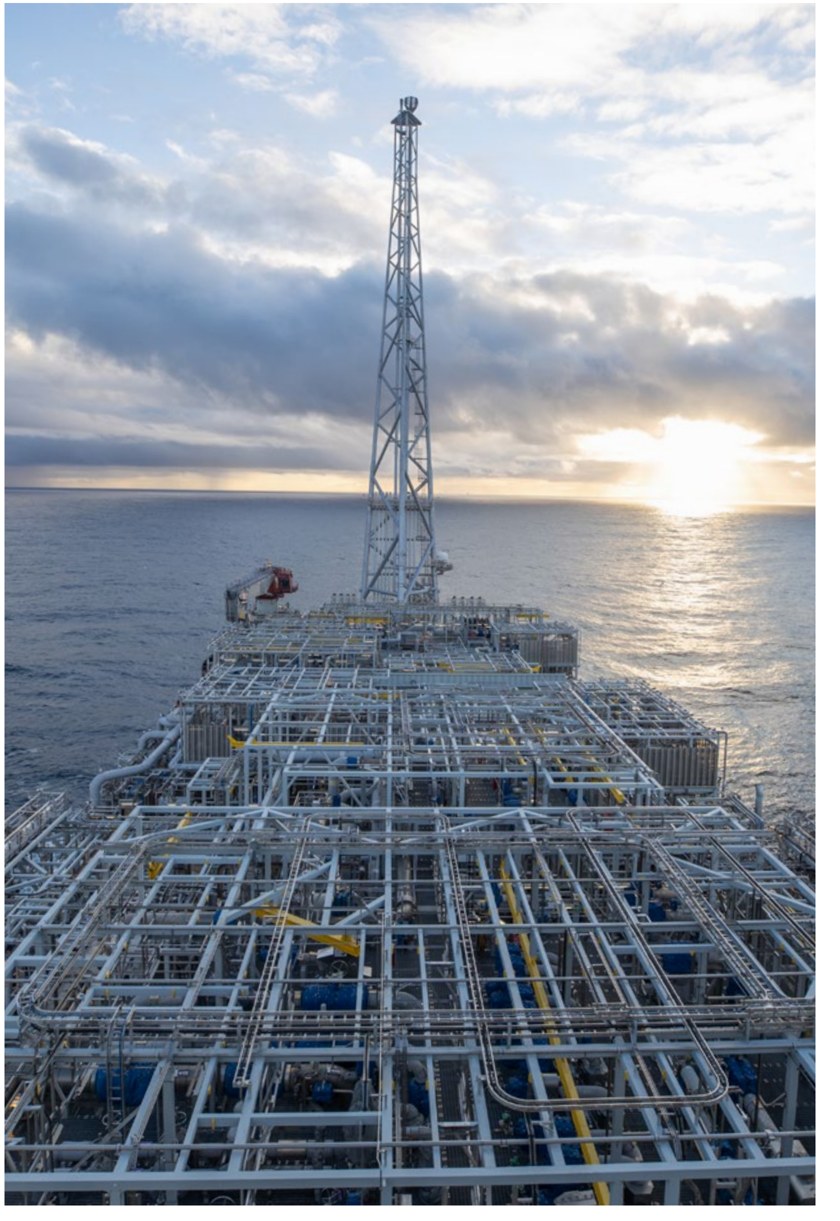
Achieving reductions in energy consumption and pursuing energy-efficient solutions and technology through energy management is an integral part of Aker BP's strategy to be the best-in-class producer of oil and gas with a low GHG intensity. Our approach to energy efficiency is embedded in how we work and includes our governing principles, performance and reward framework. Aker BP's climate and energy policy formalises our commitment to energy management and energy efficiency in all aspects of our operations. It enables us to deliver on our performance goals.

Our energy management system embodies the principles from the ISO 50001 standard. As an operating company on the Norwegian continental shelf, Aker BP is required by law to conduct energy management in accordance with the principles of this standard.

We work continuously to reduce our energy consumption and related emissions by implementing measures identified through energy improvement opportunities. These efforts are driven by established energy teams in each asset and reported to senior management on a regular basis. The effectiveness of energy management and implementation of identified energy improvement opportunities is tracked through reduced emission levels, power management dashboards for each asset and through Aker BP's GHG intensity KPI. We do not have an overarching energy reduction target at Aker BP, but instead utilise asset-specific energy reduction targets to focus efforts on the most effective energy reduction activities for each asset. In 2023, Aker BP's total energy consumption was reduced by 7 percent, or approximately 1,350 TJ, compared to 2022. Our gross operational control energy intensity was 102 GJ/boe, a 12 percent reduction from 2022.

The main reason for the decline in energy consumption is the electrification of the Edvard Grieg-field, reducing offshore energy generation with approximately 3,000 TJ, while replacing this with approximately 1,500 TJ renewable power from shore. Energy consumption at the Ula field increased slightly while the other assets showed only minor variations from 2022.

Some key initiatives resulting in significant energy and emission reductions are described in the next section. In addition to these, we have further matured and developed energy dashboards in our digital oilfield solutions (DOF) for Alvheim and Skarv. This solution provides us with continuous data that enables the asset to operate more energy-efficiently, identify best operational practice, as well as use the forecasting models to predict CO_2 emissions, thus strengthening the ability to plan ahead to achieve additional reductions. A flare monitoring dashboard has been implemented for Skarv. Energy monitoring tools have been developed on Aker BP's operated assets, allowing for the systematic tracking of energy flows, identification of energy losses, and optimising the running of the process facilities to meet energy saving targets.



GHG EMISSIONS

Scope 1 emissions

Current scope 1 emissions, key components, status and industry comparison

Our scope 1 consolidated GHG emissions include CO_2, CH_4, N_2O and F-gases emitted throughout the year. We monitor both operational control and equity share scope 1 and 2 GHG emissions. Our 2017 emission baseline for operational control is 1.250 million tonnes of CO_2e, of which 1.245 million tonnes are Scope 1 and 5,000 tonnes of CO_2e are Scope 2. We emitted a total of 906,000 tonnes of Scope 1 CO_2e in 2023. This means that, as of 2023, Aker BP's Scope 1 emissions were 27 percent lower than our 2017 baseline, showing that we are on track to achieve our 50 percent reductions of Scope 1 and 2 emissions by 2030. Our equity share Scope 1 emissions were around 460,000 tonnes of CO_2e, a reduction of around 30 percent compared to 2017.

Our upstream operational control methane emission intensity was 0.01 percent CH_4 of saleable gas, which is significantly lower than the industry average of 0.15 percent, as reported by the Oil and Gas Climate Initiative (OGCI 2022 performance data), and our long-term target of <0.05 percent. The majority of our methane emissions originate from releases of non-combusted gas, through cold venting, fugitive emissions and from offloading our FPSOs (floating production storage and offloading vessels).

As an operating company on the Norwegian continental shelf, only safety flaring is permitted, which means that flaring in general is very limited. Aker BP's work to reduce flaring and quantify emissions of non-combusted hydrocarbon gases has resulted in closed flares on five of six assets, and significantly reduced flaring volumes from our producing assets over time. We also have Leak Detection and Repair (LDAR) systems implemented on all of our installations, as described in our 2022 CDP response.

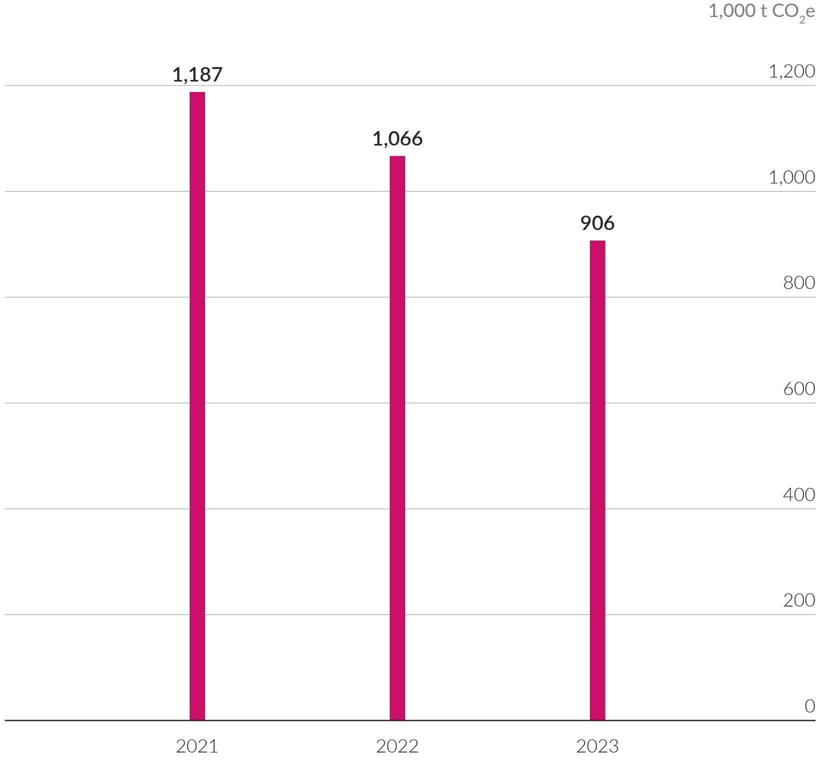
2023 progress

Investments in electrification constitute one of the most important levers for scope 1 emissions under our 'avoid' and 'reduce' pillars. The electrification of Edvard Grieg, supplying both the Edvard Grieg and Ivar Aasen assets with power from shore, was initiated in December 2022. In 2023, this initiative has resulted in a reduction in emissions of more than 190,000 tonnes of CO_2e, compared with 2022. The initiative also improves safety and reliability, reduced environmental taxes and increased natural gas sales. The electrification of Valhall in 2013, Edvard Grieg and Ivar Aasen in 2022, and the future electrification of Yggdrasil in 2026 is projected to save around 12 million tonnes of CO_2 accumulated from the year of electrification to 2040.

Several emission reduction measures were carried out in 2023, yielding an estimated total reduction of 42,900 tonnes of CO_2e. Our most significant GHG emission reduction initiatives in 2023 are listed below.

- Load sharing optimisation to minimise power consumption for turbines on Ula, reducing CO_2 emissions by approximately 11,500 tonnes in 2023
- A flare gas recovery system has been successfully installed on Alvheim, allowing for the collection and processing of clean-up fluids rather than their conventional disposal through flaring. This system allowed us to reduce emissions by around 6,000 tonnes in 2023 and is anticipated to achieve additional emission reductions during the startup of new wells
- A new calculation basis for export gas specifications on Skarv has been implemented and has reduced emissions by 8,000 tonnes of CO_2 in 2023.

Figure 22: **Operational control scope 1 GHG emissions**



Future levers and initiatives

Going forward, Aker BP will continue to seek cost-effective, energy-efficient emission reduction measures in order to reduce the footprint from our operations.

Based on current projections, around 85 percent of Aker BP's equity share production is estimated to be electrified by 2030, enabling us to have a portfolio with one of the industry's lowest GHG intensities. We consider it unlikely that all our brownfield assets can be economically electrified in the foreseeable future, which means that Aker BP will still have some residual equity share scope 1 and 2 GHG emissions after 2030. These emissions will be neutralised through high quality carbon removals. However, the emissions that will have to be neutralised will be significantly reduced after decommissioning of the Alvheim and Skarv fields, around 2040. Further reductions in rig and utility emissions by this time will help us reach our target of near zero operational control and equity share scope 1 and 2 GHG emissions by 2050.

Figure 23 illustrates the share of electrified production leading up to 2045.

As a member of Offshore Norge we work proactively and share knowledge and expertise to help the industry as a whole to achieve the 50 percent scope 1 GHG emission reduction by 2030 target set for the entire Norwegian oil and gas industry.

Scope 2 emissions

Aker BP's operational control scope 2 emissions are mainly related to the purchase of electricity supplied to Edvard Grieg, Ivar Aasen and Valhall. Scope 2 emissions from offshore sources replace gas turbines with significantly higher emissions. Prior to connecting to power from shore in December 2022, the Edvard Grieg field used dual-fuel low-NO_x gas turbines to generate energy, and supplied power to the Ivar Aasen field. In December 2022, both fields started receiving power from shore. Due to the low emission intensity of power supplied from the Norwegian grid (< 20 g CO_2e/kWh), any replacement of power from gas turbines to power from shore results in a significant emission reduction.

Our electricity consumption increased from 417 GWh to 884 GWh in 2023. The increase is due to the electrification of Edvard Grieg and Ivar Aasen with power from shore. Our subsequent scope 2 emissions increased from 7,847 tonnes of CO_2e in 2022 to 16,804 t of CO_2e in 2023. The location-based emission factor for Norwegian Power used in 2022 was published in June 2023, after the previous sustainability report was published. The increase was from 11 g CO_2/kWh to 19 g CO_2/kWh. Therefore the emissions in 2022 are restated in this year's report, from 4,589 t CO_2 to 7,847 t CO_2.

Future levers and initiatives

As described above, we will use the same neutralisation / offsetting levers and approach to bring both our equity share of scope 1 and 2 GHG emissions to net zero. Energy efficiency measures will still be key in reducing our energy needs and associated scope 2 emissions.

Figure 23: **Fraction electrified production**

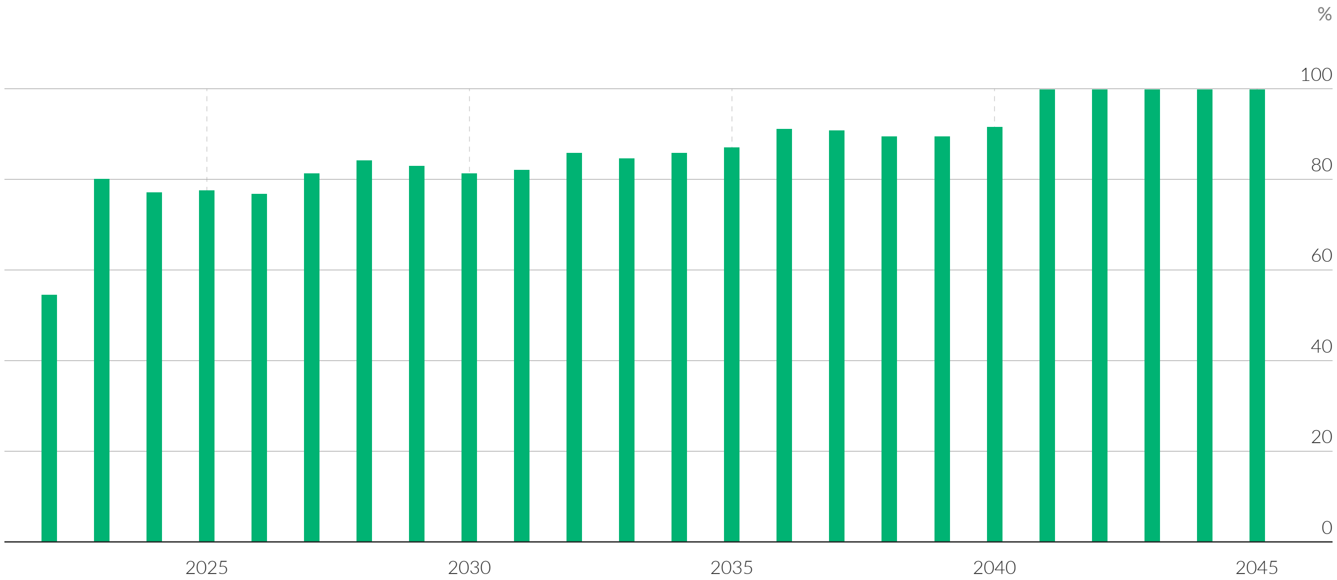
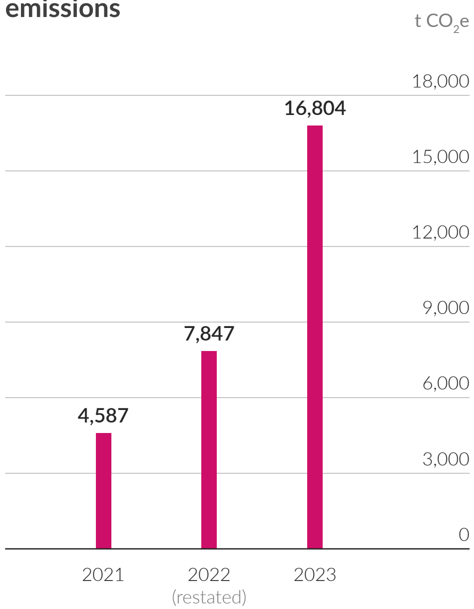


Figure 24: **Scope 2 Location-based emissions**



Our scope 2 emissions are mainly dependent on our offshore consumption of power from shore. Achieving reductions in energy consumption and pursuing energy efficient solutions through active energy management is an inherent part of Aker BP's strategy. Read more about our work on energy management in that section of this report.

Our GHG intensity metric calculates the equity share of GHG emissions from our operated and non-operated assets divided by net Aker BP production. Aker BP's 2023 GHG intensity target was set at below 4.0 kg of CO_2e per barrel of oil equivalent (boe). In 2023, our GHG intensity was 2.9 kg of CO_2e/ boe.

Scope 3 emissions

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

- Categories 1-9 are deemed addressable for Aker BP, as these categories are under our influence. We are collaborating with our strategic contract partners to identify and pursue scope 3 emission reduction opportunities
- Categories 10 & 11 represent virtually all our downstream emissions. As a pure upstream company with no refining and end use sale we have limited to no ability to alter the impact of these emissions. Aker BP has no initiatives aiming to reduce downstream emissions, but they are quantified and monitored

Due to higher activity in 2023 compared to 2022, our upstream scope 3 emissions increased by 14 percent from 2022 to 2023. Category 1, purchased goods and services, and category 2, capital goods, cover all upstream purchases and consumer goods. Along with other operators on the NCS, Aker BP has developed a joint practice for suppliers to report scope 3 emissions within the key areas of steel, cement, and large-volume chemicals. These areas are considered our material contributors to category 1 and 2 emissions. Emissions related to the production and transportation of all fuels and energy consumed in our operations (well-to-tank) are covered by category 3, fuel and energy-related activities. Our strategic suppliers were required to strengthen their efforts towards reporting on and reducing their impact related to category 5, waste generated in operations.

In 2023, Aker BP had offices in six different locations in Norway, and travel between the offices and to offshore assets is necessary to carry out our operations. This is included in category 6 and 7.

Platform supply vessels (PSVs) represent the vessel category with the highest activity level and emissions and are included in category 4 – upstream transportation and distribution. The majority of the PSVs operating on behalf of Aker BP are connected to a common fuel and power monitoring system, resulting in continuous availability of high-quality performance data.

Figure 25: **Scope 3 emissions**

Category 1: Purchased goods and services **Category 2:** Capital goods	Operational control	99,000 tonnes CO_2e
Category 3: Fuel- and energy-related activities (not included in scope 1 or 2)	Operational control	32,000 tonnes CO_2e
Category 4: Upstream transportation and distribution	Operational control	128,000 tonnes CO_2e
Category 5: Waste generated in operations	Operational control	3,000 tonnes CO_2e
Category 6: Business travel	Operational control	7,000 tonnes CO_2e
Category 7: Employee commuting	Operational control	13,000 tonnes CO_2e
Category 8: Leased assets	Operational control	- tonnes CO_2e
Category 9: Downstream transportation and distribution	Operational control	21,000 tonnes CO_2e
Category 10: Processing of sold products	Equity share	4,935,000 tonnes CO_2e
Category 11: Use of sold products	Equity share	67,370,000 tonnes CO_2e

Emissions from PSVs have been significantly reduced since 2019. Aker BP has developed a three-stage approach to decarbonising our offshore fleet: through operational measures, energy optimisation, and development of new technologies and fuels. Aker BP is currently developing a roadmap in the near future for long and short-term emission reductions across our fleet, in collaboration with our strategic PSV suppliers.

Operational measures include a continuous focus on fuel and power consumption, embedding energy management in the mindset of every level of vessel management. We continued our efforts to implement operational measures to improve the energy efficiency of these vessels in 2023. We are closely cooperating with the ship-owners to identify and assess climate goals and KPIs for our PSVs. We have continued to optimise routes and collaborate with other operators on the NCS to reduce the number of vessels operating, and hence emissions.

Seven of our eight PSVs on long-term contracts in 2023 have battery hybrid solutions installed, reducing emissions by approximately 17 percent annually. Infrastructure for power from shore was installed on all bases between 2019–2022. Our dual-fuel vessels have been run with LNG for parts of the year. Other power management and energy efficiency measures, including closed bus-tie configurations, are continuously being evaluated and implemented on our vessels.

Our downstream scope 3 emissions include categories 9, 10 and 11. Downstream transportation and distribution (category 9) includes emissions from the transport of oil on tankers from our Skarv and Alvheim assets. Emissions related to the refining (category 10) and end use (category 11) of sold products vary according to production levels and are reported under the equity share approach.

Category 10 emissions are based on the amount of oil sold to each country and country specific refinery emission factors. Category 11 emissions are based on the IEA average outputs for refinery petroleum products and combustion emission factors for each petroleum product.

Figure 25 on the previous page outlines our current scope 3 footprint.

Unlike conventional, fully-integrated oil and gas companies, Aker BP has no midstream or downstream operations, and thus has limited influence on category 10 emissions related to refining. Furthermore, we have no influence over our category 11 "use of sold products" emissions.

Category 11 emissions related to end-use is the highest emission category for any oil and gas company, typically constituting 90 percent or more of emissions in the oil and gas value chain globally.

Future levers and initiatives

We believe collective efforts are key to achieve the Paris ambitions and the important climate transition. We are currently analysing our value chain and the largest contributors to our upstream scope 3 emissions, and are in dialogue with key contributors and alliance partners to identify suitable improvement initiatives and emission reduction measures.

To prepare for future operations and forthcoming maritime legislation, Aker BP has taken part in projects focusing on development of low-emission vessels. These collaborations have been both across operating companies as well as ship owners.

ABOUT THE EU TAXONOMY

The EU Taxonomy Regulation (Regulation 2020/852) entered into force in the EU on 12 July 2020. Since then, the EU has implemented Delegated Acts to further expand on the taxonomy framework. The EU Taxonomy Regulation was enacted in Norway in late 2021 and applicable from 1 January 2023.

The EU taxonomy is a classification system that sets out a list of environmentally sustainable economic activities. It forms part of the EU's plan to scale up sustainable investment and implement the European Green Deal.

The taxonomy was developed in order to provide well-defined, harmonised criteria for when economic activities can be considered to be sustainable. It sets out robust, science-based technical screening criteria that activities need to comply with to be seen as green. By providing this harmonised standard, the taxonomy aims to increase transparency, create security for investors, prevent greenwashing, help companies become more climate-friendly, mitigate market fragmentation, and help investors compare investments across Member States. By directing investments towards sustainable projects and activities across the EU, the taxonomy should help to meet the EU's 2030 and 2050 climate and energy targets.

The delegated acts set out a list of eligible activities along with technical screening criteria for when the activities can be considered sustainable. A taxonomy-eligible economic activity is an activity that is described in the delegated acts.

For an eligible activity to be considered aligned, it has to satisfy the following conditions:

1. The activity must make a substantial contribution to one or more of the climate and environmental objectives relevant to that activity
2. The activity shall not do significant harm to the other remaining objectives
3. The company is in compliance with the defined minimum safeguards

Reporting requirements for Aker BP

According to the Non-financial reporting directive (NFRD) article 19(a) and 29(a) non-financial undertakings which are public-interest entities (i.e. listed) with more than 500 employees, are required to report on the taxonomy. As of 2023 the undertakings are required to report on the proportion of their taxonomy-eligible and taxonomy-aligned activities. Aker BP is covered by the taxonomy regulation being a listed company with more than 500 employees.

Taxonomy assessment methodology

The methodology of taxonomy assessment has included the following steps:

1. Defining scope of assessment
Aker BP has performed a taxonomy assessment for all activities of the company, applying a bottom-up approach.

2. Defining eligibility and relevant activities
Aker BP's activities have been mapped out according to the activities defined in the Climate Delegated Act and categorized as either eligible or non-eligible following the description stated in the regulation. The mapping has revealed one eligible activity:

CCM 7.7 Acquisition and ownership of buildings
During 2023, the company entered into new lease agreements for offices in Oslo and Stavanger area. This is considered an eligible activity, but it is not considered aligned as it does not meet certain applicable criteria for alignment.

The carbon capture and storage activity described in the climate change section of this report would possibly qualify as eligible activity. However, it is not included in any of the relevant KPI's as this activity is reflected in other operating expenses which is not included in the EU taxonomy definition of opex.

3. Assessment of criteria and defining alignment
The activity mentioned above has been assessed against the technical screening criteria defined in the Climate Delegated Act. As the taxonomy regulation is still in an early phase of adoption, the focus has been on transparency, best intention, and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available and the understanding of the purpose of the requirement.

4. Adding financial data and calculating the three KPIs
Finally, by adding financial data to each activity in the reporting unit, the proportion of Aker BP's taxonomy-eligible and taxonomy-aligned activities were calculated. This is done by calculating the three key performance indicators (KPIs): turnover, capital expenditures (CapEx), and operational expenditures (OpEx), of which eligible activities are identified for the CapEx KPI only.

Complying with Minimum Social Safeguards
Our understanding is that defined requirements on minimum social safeguards need to be placed on the company and the activities in question in order to assess activity-alignment. Aker BP's activities complies with the minimum safeguards, based on an assessment of requirements derived from, amongst other, applicable OECD guidelines. Aker BP has a continuous focus on human and labour rights, bribery, taxation and fair competition and has guidelines related to these areas in the applicable polices, such as the human rights policy, the code of conduct and the anti-corruption policy.

Accounting principles and Calculation of KPIs

The definitions of the turnover, CapEx, and OpEx KPIs are set out in Annex I to the Disclosures Delegated Act. The proportion of taxonomy-eligible and taxonomy-aligned turnover, CapEx, and OpEx are calculated by dividing a numerator by a denominator. The following sections provide further information on how the denominators and numerators were derived for each KPI.

Turnover KPI

Denominator: The turnover KPI shall cover the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82 (a). For Aker BP, this corresponds with the figure reported as petroleum revenue in the Income Statement.

The numerator assessed to be zero, as no eligible or aligned activity has been identified.

CapEx KPI

Denominator: The CapEx KPI is calculated as costs incurred during the year that is classified as additions according to the accounting standards Property, plant and equipment (IAS 16 / IAS 40), Right-of-use assets (IFRS 16) and Intangible assets (IAS 38). These figures are derived from note 13 in the financial statements.

Numerator for eligibility calculations: The numerator used for calculating the proportion of taxonomy-eligible CapEx is taken as the part of the CapEx denominator that is related to assets and processes that are associated with taxonomy-eligible activities.

The numerator for alignment is zero, as the eligible activity mentioned above has been assessed to not meet applicable criteria for alignment.

OpEx KPI

Denominator: The OpEx KPI is calculated based of direct non-capitalised costs related to maintenance and repair, based on the standard cost structure provided in the Joint Interest Agreement applicable for all licenses on the Norwegian Continental Shelf. No cost incurred meets the taxonomy definition of research and development, building and renovation measures or short-term leases.

The numerator for eligibility and alignment is zero, as no relevant activity has been identified.

The templates for the three KPI's mentioned above, is included in appendix to this report.

General comments

This taxonomy assessment is completed with best intention, focused on transparency, and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

The taxonomy regulation is still in a phase of early adoption and Aker BP is closely following any clarifications from the EU Commission or any changes in industry best-practice when it comes to interpreting the activity descriptions or technical screening criteria.

Table 5: **Note on exposures to nuclear and fossil gas related activities**

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

70%

of produced water reinjected

82%

reduction in NO_x emissions from the Edvard Grieg field in 2023 compared to 2022

Pollution

POLICY COMMITMENTS

Aker BP's policy on external environment describes our commitment to safeguarding and avoiding harm to the environment and embeds pollution prevention and mitigation. The policy includes a commitment to manage and reduce our environmental impact systematically and continuously, aiming to ensure that protection of the environment is central to all our operational activities. This includes working together with our alliances, contractors, and suppliers to reach the same goal, and delivering sound environmental performance at all levels of our value chain.

Our material impact includes pollution to air, water, and use of chemicals.

We are committed to reduce our non-GHG emissions to air such as NO_x, SO_x and non-methane volatile organic compounds (nmVOC). We make efforts to ensure that our environmental impact is as low as reasonably possible through the use of best available techniques (BAT) and following NORSOK standard S-003 environmental care. The NORSOK standard is a Norwegian petroleum standard that describes the decision process at the various stages of design development and the related environmental issues.

The policy specifically commits to minimising use and discharge of chemicals throughout our value chain and selecting chemicals that give the lowest risk of environmental harm.

TARGETS AND ACTIONS

Aker BP commits to operating within the framework of the current environmental legislation and provide transparent reporting to authorities, management, and other key stakeholders. Discharges to sea and emissions to air from both our operations and exploration activities are governed by our discharge permits issued by the Norwegian Environment Agency (NEA). These discharge permits are asset-specific and include targets for pollution to air and water. In addition, we set stricter internal targets, where appropriate. This applies to all aspects of our environmental performance.

For asset-specific targets, we have an annual process and set key performance indicators with annual targets. These are followed up in digital dashboards available to both management and personnel engaged in actual operation of the assets.

Our asset-specific targets for emissions to air in 2023 included flaring volume, GHG emissions and intensity, SO_x and NO_x emissions, as well as nmVOC emissions. For discharges to sea, the 2023 targets included oil concentration in discharges from produced water to sea as well as the percentage of produced water re-injection. We continuously review and assess the degree to which environmental expectations are met by monitoring our performance against these KPIs, and implement the lessons learned from previous successes and failures. Necessary actions to comply with targets are defined and followed up per asset.

Example of targets: Emissions to air

As KPI targets are set per asset, they will vary depending on field attributes and discharge permits. For emissions to air from the Edvard Grieg/Ivar Aasen asset the 2023 target for SO_x and NO_x emissions is 3 tonnes/yr and 144 tonnes/yr, respectively.

Relevant policies:

External environment policy

Aker BP strives to work systematically and continuously to prevent spills to the environment. We have a process in place to ensure selection of chemicals that give the lowest risk of environmental harm. Asset-specific annual plans ensure substitution of the most environmentally harmful chemicals from our operations.

Our strategy and environmental ambition levels are reviewed regularly. Major environmental issues are elevated to the board of directors.

Example of actions: Discharge to sea

As KPI targets are set per asset, so are the related actions. On the Skarv asset the 2023 target for oil concentration in produced water was set at 30 ppm oil in water (OiW). Necessary actions to stay within the target were identified and set. The actions are determined based on multidisciplinary discussions and included improvements to the produced water treatment system. Another example on targets related to discharge to sea is the 2023 target for produced water re-injection on Edvard Grieg/Ivar Aasen, set at 95 percent and for Alvheim it is 90 percent. There is no re-injection of produced water on Ula, Skarv or the Valhall field due to reservoir integrity challenges.

Figure 26: **NO_x emissions**

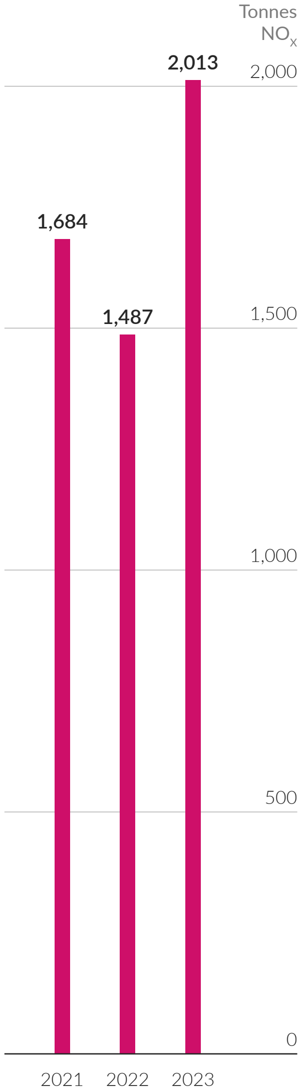


Figure 27: **SO_x emissions**

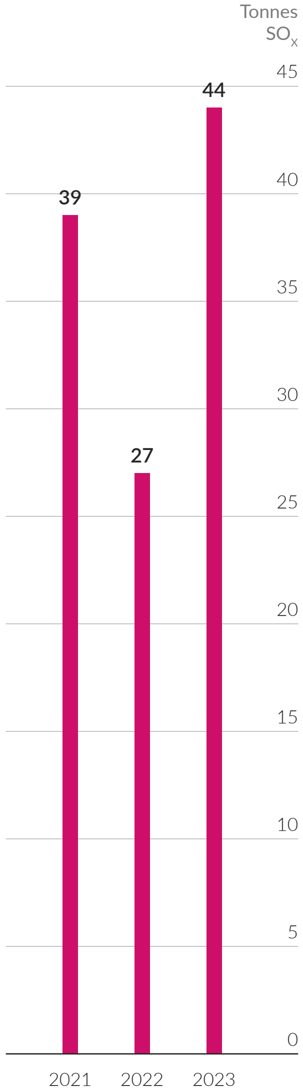
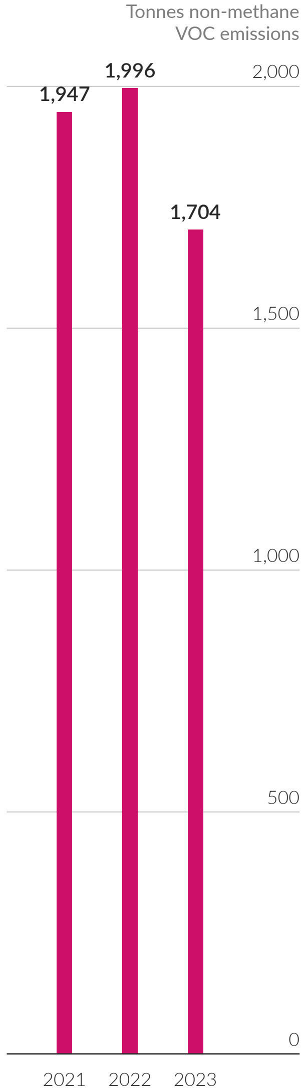


Figure 28: **Non-methane VOC emissions**



NO_x-reducing measures have been installed on three of our drilling vessels, enabling significant emission reductions in line with our target. Overall NO_x emissions have increased with 35 percent due to increased drilling activity and operational changes.

The NO_x Fund works to fulfil Norway's obligations under the Gothenburg Protocol, and Aker BP contributes to this Fund through payment of the NO_x fee. In return, this ensures that effective NO_x-reducing measures are funded and implemented.

Our environmental performance is outlined in Table 8: Sustainability data: Environment, page 76.

Annual transparent reporting to the Norwegian Environment Agency (NEA) discloses our environmental performance in relation to the permits, and is publicly available.

This section does not cover disclosure on pollution impact in the value chain as Aker BP plan to further map and assess this in depth.

Figure 29: **Oil spills and chemical spills**

Oil spills

2021	2022	2023
0 m³	6.3 m³	64.5 m³
0 individual spills	3 individual spills	1 individual spill

Chemical spills

2021	2022	2023
3.9 m³	1.8 m³	55 m³
5 individual spills	6 individual spills	8 individual spills

Table 6: **Spills in 2023**

Field	Type of spill	Volume (m³)	Description
Alvheim	Oil	64.50	An accidental discharge of crude oil from Alvheim FPSO was detected by satellite monitoring. Oil spill combat systems were mobilised. The incident was investigated and reported to the authorities. For further details see the publicly available Alvheim disharge report to NEA.
Hanz	Chemical	3.95	The incident happened on a drilling rig and was related to a leakage from the injection line. Corrective and preventive measures were taken. Both topside and subsea inspection was conducted to check for possible additional leakages.
Valhall	Chemical	0.40	The incident occurred during a test on Valhall Flanke Nord and resulted in the spill of fire foam to sea. Corrective and preventive actions were implemented.
Exploration	Chemical	1.00	The incident occurred on a drilling rig and was related to pressure testing of the blowout preventer (BOP), resulting in leakage of BOP fluid to sea. Preventive and corrective actions were implemented.
Exploration	Chemical	5.12	The incident lead to discharge of cement to sea from a vent line. Corrective and preventive actions were taken.
Skarv	Chemical	34.76	The incident was related to leakage of hydraulic fluid from a well. Corrective and preventive actions were taken.
Ula	Chemical	2.50	The incident occurred due to a leakage from a flange on the hypochlorite pump. Corrective and preventive actions were taken.
Ula	Chemical	1.50	The incident occurred when scale inhibitor tank overflowed due to incorrect positioning of valve. Corrective and preventive actions were taken.
Hod	Chemical	5.60	The incident occurred due to unintended overfilling in diesel tanks due to failure in the valves. Corrective and preventive actions were taken.

0 **operations**

in or near protected areas or areas of high biodiversity value in 2023

Biodiversity

Aker BP acknowledges the objectives of the Convention on Biological Diversity and welcomes the goals of the Kunming-Montreal Global Biodiversity Framework to halt and reverse nature loss. We recognise that climate change and biodiversity loss are complex and deeply interconnected challenges, and we strive to address both in our business practices.

Biodiversity is material for Aker BP due to its contribution to the conversion of land and seabed for industrial use in connection with the development of oil and gas infrastructure. We consider the operationalisation of mitigation hierarchy principles, along with engagement with our value chain and other stakeholders, to be crucial in reducing negative impacts on biodiversity. This approach ensures the resilience of Aker BP's strategy and business model in relation to biodiversity.

POLICY COMMITMENTS AND ACTIONS

In 2023, Aker BP adopted a policy for biodiversity. The policy aims to manage and reduce Aker BP's biodiversity footprint across our own operations and among our alliance partners and contractors. Through the implementation of the policy, Aker BP commits to respecting internationally recognised areas of high natural and cultural importance as defined by the IUCN[1], UNESCO[2], and Ramsar Convention. The executive management team has overall ownership of the policy.

The scope of the policy addresses material impacts, risks, dependencies, and opportunities related to biodiversity and ecosystems. The policy is framed around four pillars:

1. Commitment to engage with relevant stakeholders and value chain
Aker BP engages with biodiversity experts, local communities, and other stakeholders in connection with impact assessments of our activities prior to launching new projects. This ensures an open dialogue and public disclosure of information on the environmental and social impacts of our operations.

By implementing the biodiversity policy, we commit to stepping up engagement with our value chain to promote sustainability practices beyond our own operations and increase transparency. In 2023, we implemented biodiversity-related requirements into new contracts and invitations to tender. Our strategy over the next years will involve:

- Verifying that contractors adhere to applicable regulations and adopt high standards to reduce adverse impacts on biodiversity
- Identifying material biodiversity-related impacts in our value chain and seeking to address them in collaboration with relevant stakeholders to achieve common goals
- Encouraging traceability along the value chain of strategically important products and raw materials with significant impacts on biodiversity

Relevant policies:

Biodiversity policy

1) International Union for Conservation of Nature
2) United Nations Educational, Scientific and Cultural Organization

2. Commitment to minimise biodiversity footprint

Aker BP's own operations contribute to direct impact drivers on biodiversity loss through change of seabed use for industrial purposes. To minimise those impacts, we have adopted principles of the mitigation hierarchy through the entire lifecycle of our projects.

We strive to **avoid** negative impacts on biodiversity in the first place by careful placement of infrastructure for our assets, ensuring that valuable biological resources remain undisturbed, and adjusting this location depending on the project-specific risks. We seek to avoid contributing to reduction of endangered species and utilise the Norwegian Red List for Species in environmental risk assessments of our own operations and the IUCN Red List of Threatened Species when addressing biodiversity-related impacts in our value chain.

Aker BP does not engage in exploration and production activities in legally protected areas[1)] or internationally recognised areas[2)]. When operating close to or within nationally established SVO[3)]s, Aker BP exercises due care to avoid negative impacts on the biodiversity values for which the SVO areas were designated. Aker BP did not have operations in such areas in 2023.

Aker BP works systematically to **reduce** its biodiversity footprint by establishing sufficient oversight to monitor our operational discharges to sea and emissions to air, as well as a robust system to prevent and respond to accidental spills.

Towards the end of the life cycle of our own operated offshore oil and gas fields, we plan and execute decommissioning activities to ensure that no hazards are left behind and contribute to the **restoration** of affected sites.

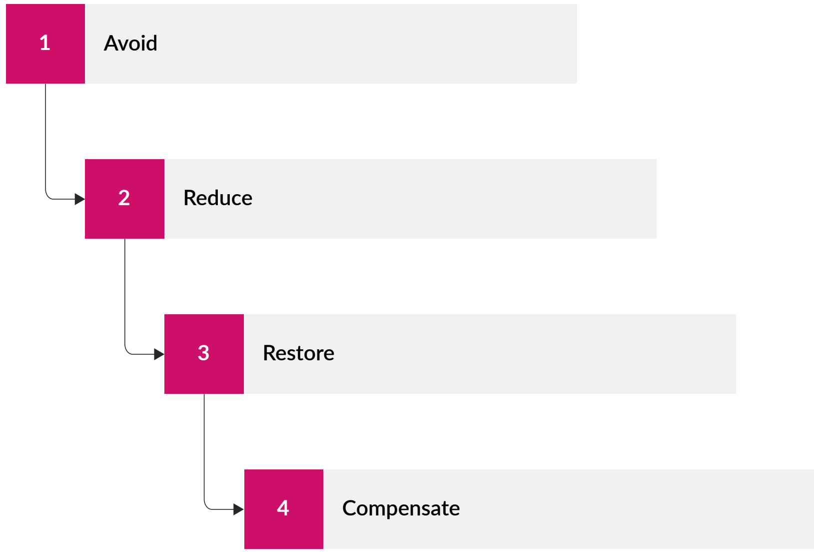
Aker BP will consider the use of biodiversity offsets as part of the impact mitigation strategy, to **compensate** for any residual adverse impacts of significance, although such impacts have not occurred in our direct operations thus far.

3. Commitment to integrate biodiversity in planning and reporting

Aker BP maps and manages biodiversity impacts through a comprehensive monitoring programme in the areas we operate, including:

- Baseline surveys or assessments of the seabed and benthic fauna prior to drilling operations and new field developments
- Environmental monitoring of sediments, benthic fauna, and the water column around Aker BP's production facilities every three years
- Monitoring of regular operational emissions and discharges
- Post-decommissioning environmental surveys of the seabed

Figure 30: **The mitigation hierarchy**



The data we collect is also utilised in environmental risk analyses for planning new wells to map potential impacts on biodiversity values and to implement appropriate oil spill preparedness and response measures.

The biodiversity policy states our commitment to assess the short, medium and long-term biodiversity-related dependencies, impacts, risks, and opportunities, and integrate the material issues into our decision-making process and risk management.

Aker BP commits to exercising appropriate due diligence in its own operations if measures to protect biodiversity might come in conflict with human rights and those of indigenous peoples.

1) This Policy recognises legally protected areas that meet the IUCN definition: "A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values." For the purposes of this Policy, this includes areas proposed by the Norwegian government for such designation under the Nature Diversity Act.

2) Areas defined as UNESCO Natural World Heritage Sites and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention).

3) SVOs (in Norwegian "Særlig verdifulle og sårbare områder") are particularly valuable and vulnerable areas for biodiversity that have been identified and managed in the Norwegian Management Plan for marine areas. The SVO status does not automatically impose restrictions on industrial activity.

4. Commitment to contribute to R&D activities to increase knowledge of biodiversity in the areas of our operations
Aker BP operates on the Norwegian continental shelf (NCS), which is one of the most extensively studied ocean areas in the world. There are decades of data from environmental surveys and most of the information is in the public domain. Our policy states a commitment to contribute to better understanding of biodiversity in the areas we operate by supporting relevant R&D projects and sharing biodiversity data, where appropriate.

R&D projects we support

One of the R&D projects actively supported by Aker BP aims at scaling-up use of environmental DNA (eDNA) technology. As organisms move within their environment, they shed genetic material that can be collected through samples of water and sediments. This enables cost-efficient, non-invasive sampling that can reveal a greater diversity of species than what can be captured using traditional sampling methods, giving a better understanding of biodiversity composition in the surveyed area. We also support studies of seabird tracking in North Atlantic waters (Seatrack), assessments of sand eel sensitivity to oil exposure (KnowSandeel), and development of the environmental risk analysis tool SYMBIOSES to assess oil spill impacts on marine fish stocks.

METRICS AND TARGETS

The material impacts Aker BP has on biodiversity and ecosystems in direct operations are linked to the historical oil-contaminated drill cuttings piles that accumulated in the 1980s during the drilling of the first wells on the Ula and Valhall fields. While a large percentage of the oil has naturally degraded over the years, some remains present in the sediments surrounding the production installations. Regular environmental monitoring has been documented that the total oil-contaminated area around all of Aker BP's production facilities has decreased from 160 km^2 in 1996 to below 90 km^2 as of 2021. The surveys have not indicated significant negative impacts on the benthic fauna. The state of species and condition of ecosystems at the most field-specific stations correspond to background levels. Light to moderate effects on benthos are registered within 500 meters from the Valhall and Ula platforms, which reflects the historical discharges of oil-contaminated cuttings on those fields. However, even at the most affected sites there is evidence of partial to full recovery of the benthic communities. Our observations in the field align with the conclusions from the OSPAR Commission that leaving piles in situ to degrade naturally is generally the best environmental strategy.

Aker BP tracks the effectiveness of its policy and impact mitigation actions in relation to the material biodiversity impacts through regular environmental monitoring. This enables us to verify changes in the affected habitats and the state of species and ecosystems. Aker BP will consider setting measurable targets to evaluate the progress over time.

ENVIRONMENTAL MONITORING 2023

Environmental surveys of sediments, benthic fauna and the water column in the areas surrounding Aker BP's production facilities are carried out every three years as part of the national environmental monitoring programme for petroleum activities on the NCS. Seabed monitoring on the NCS is organised into 11 geographical regions, following the standards outlined in the Norwegian Environment Agency's guidelines. In 2023, environmental monitoring was conducted on the Valhall and Ula fields (region 1), and the results will be analysed and processed for public disclosure in 2024.

PRODUCTION DRILLING 2023

Five production wells were drilled on the Edvard Grieg field and the Hanz discovery, which is a subsea tie-back to the Ivar Aasen platform. Four wells were drilled on the Alvheim field. Slot recovery operations were conducted on one of the existing production wells on the Valhall field, along with recompletion activities on other wells. No new production wells were drilled in the areas with valuable natural habitats.

EXPLORATION WELLS 2023

Seven exploration wells and six shallow gas pilot holes were drilled in the North Sea. The operations took place in mature areas adjacent to existing oil fields or areas with a history of petroleum activities, where there is no confirmed presence of valuable natural resources.

Prior to drilling the Rondeslottet well in the Norwegian Sea, the bathymetric and environmental surveys were conducted since the area had never been surveyed before. The seabed in the area was examined with side scan and multi-beam sonar, followed by visual inspection with a remotely operated vehicle (ROV) to identify seabed features and document potentially valuable benthic fauna. Various benthic species were registered, including glass sponge (Farrae), soft coral (Gersemia), hydroids, sea spider (Collossendeis), and basket star (Gorgonocephalus). In accordance with OSPAR guidelines, single coral species such as Gersemia and deep see sponge aggregations found in the area could qualify as an especially vulnerable habitat. The spreading of drill cuttings was modelled to assess biodiversity-related risks, and, as a mitigation measure, the well location was adjusted to minimise negative impacts.

PROJECT DEVELOPMENT 2023

As part of the development in the Skarv area, rock dumping has been carried out to prepare the seabed for installing production pipelines connecting the Alve Nord, Idun Nord and Ørn discoveries to the Skarv FPSO. The area was previously surveyed for the presence of vulnerable benthic fauna, and coral structures of varying significance were identified along the planned pipeline routes. Measures were implemented during the rock dumping campaign to mitigate the impact on the corals, including adjusting the pipeline routes and employing slower laying rates to minimise sediment resuspension.

In connection with the development of the Tyrving discovery as a subsea tie-back to the Alvheim FPSO, a site survey was conducted to map the seabed along the pipeline routes. The area had previously been surveyed for vulnerable benthic fauna, resulting in no findings of significance. Baseline surveys were also carried out ahead of drilling production wells scheduled for 2024. The surveys didn't reveal any aggregations of vulnerable biological resources.

The Yggdrasil project's development encompassed preparation of sites in Samnanger and Fitjar municipalities in Vestland County, with the aim of connecting offshore platforms in the Yggdrasil area to the onshore power grid. This involved readying the sites for a new transformer station and power line in Samnanger, including establishing a compensation station at Årskog in Fitjar, as well as preparations for sea cable installation. Onshore construction activities were carried out with a focus on minimising impacts on biodiversity and limiting forest clearance to the extent necessary for the infrastructure development. Seabed surveys were conducted at selected locations along the planned sea cable route to map biodiversity values, such as coral aggregations, and ensure their safeguarding during the cable installation.

CLOSURE AND REHABILITATION 2023

Sediment dredging was performed to allow for the planned removal of the 2/4-G jacket, Valhall PCP and Hod A in the Valhall area. Sediments were relocated on the seabed by suction dredging and disposed of at the designated sites in the vicinity of the installations. Oil contaminated drill cutting piles were not disturbed by the operations. Based on observations from previous dredging campaigns on the Valhall field, it is assumed that the sediments relocation may have had temporarily negative impacts on local organisms. There are no recorded biodiversity values in the vicinity of the Valhall installations, and the seabed is expected to recover to its condition prior to dredging within a few years.

Sea Vomit

An invasive species known as "sea vomit" originated in Japanese waters and was first spotted in coastal waters off Stavanger in 2020. The sea vomit attaches itself to ship hulls and harbour equipment, which is how it has spread to Atlantic waters. Sea vomit can easily settle in new environments, forming large colonies that overgrow rocks and gravel, smother benthic organisms and change the seabed beyond recognition.

As with many marine invasive species, there is often little that can be done once sea vomit is established. Aker BP has implemented control measures aiming to prevent the spread of sea vomit by vessels used for work in the landfall area at Årskog (Vestland County) for the Yggdrasil power cable project. These measures include, for instance, visual inspection upon the arrival of vessels that have been in areas with confirmed sea vomit presence.

Photo: Rudolf Svensen, Miljødirektoratet

7,800 tonnes
of total waste diverted from disposal

92%
of non-hazardous waste diverted from disposal

>98%
Recycling factor for Valhall DP decommissioning

Circular economy

Aker BP acknowledges circular economy expectations from regulators and other stakeholders. Our circular economy model emphasises sustainable production and consumption, allowing us to increase resource efficiency and reduce waste generation in every phase of the lifecycle. Transitioning towards a more circular economy is a priority for Aker BP. Circular economy is material for Aker BP due to the amount of materials used in construction of installations and equipment, resource outflow from decommissioning and waste generation from drilling. We consider the introduction of circular economy principles into our business model to be important in order to reduce the consumption of and dependency on resources, reduce scope 3 emissions, and achieve financial benefits.

Figure 31: **Circular economy hierarchy**

1. **Reduce** resource use and waste through operational efficiency and sustainable design
2. **Reuse** repurpose and repair equipment to extend material lifecycle
3. **Recycle** materials to replace virgin material use
4. **Recover** energy from waste

POLICY COMMITMENT

In 2023, we published a policy for circular economy. The policy outlines our ambition to reduce material use and waste in our own operations and among our alliance partners. The policy states our commitment to follow the circular economy hierarchy to manage our material impacts. The hierarchy is presented in Figure 31. By adopting this hierarchy we aim to reduce waste at the source through operational efficiencies and sustainable design, reusing and repairing existing equipment and materials, recycling and energy recovery. This means that equipment and materials are kept in the form with potentially the highest possible value to the economy for the longest period of time. We are working to implement this hierarchy throughout our operations, from field development to drilling and operations through to decommissioning.

The policy states our commitment to work proactively with our suppliers to introduce circular economy in the supply chain, including incorporating renewable and recycled content in products and solutions.

The policy also states our commitment to incorporate circular economy in strategies and performance management, allowing us to report and improve our impacts. The scope of the policy addresses the material impacts, risks and opportunities in our own operations and along our value chain. The policy is owned by SVP People & Safety, who is a part of the EMT.

Our environmental policy, presented in the Pollution chapter, also includes our commitment to manage and reduce our environmental footprint by reducing waste.

Relevant policies:

Circular economy policy

TARGETS

We are working to develop circular economy-related performance metrics and targets to measure progress on circular economy within the organisation, and in our supply chain. We aim to establish a joint circular economy strategy with all alliance partners. Further, we aim to set circular economy-related metric requirements for our strategic partners. Our long-term ambition is for all relevant suppliers to be evaluated on circular economy performance.

ACTIONS

We have multiple ongoing actions we are focusing on in relation to circular economy. Our key actions for 2023 are outlined below.

- Implemented circular economy requirements into new contracts and invitations to tender, related to the inclusion of circular design and increasing recyclables in purchased products and materials
- Reused equipment to minimise material use
- Begun purchasing new equipment that has been designed with the ability to be more easily reused in other areas at the end of life
- Focused on energy efficiency to reduce our energy use which is the top level of the circular economy hierarchy. Read more about this in the energy management section of this report
- Reduced material consumption and drilling fluids used in wells by drilling multi-lateral wells

Reuse of subsea production equipment

They look brand new but have already had seven years of service at the ocean bed. Installation of valve trees at the Hanz field marks the first-ever reuse of production equipment on the Norwegian Continental Shelf.

It's not a given that valve trees, or Christmas trees as they are usually called, are fit for reuse. They must be in good condition, their specifications must fit into the new field development, and not least the equipment must be available. When the project team considered development solutions for Hanz, the Christmas trees from the closed down Jette field ticked all the boxes. In addition, a positive environmental effect was achieved since the production of steel and other raw materials for new builds entails emissions.

Subsea production systems are usually designed to last for several decades. Therefore, the Christmas trees from Jette still had a long lifespan left when they were brought up from the seabed. After a thorough refurbishment where the equipment was taken apart down to the smallest component, gaskets and wearing parts were replaced, then they were as good as new, if not even better. After all, these Christmas trees are already proven to be functional over time.

We see a shift from large standalone developments to smaller marginal tie-ins to existing installations. Combined with an increased focus on cost savings and environmental impact this leads to increased interest in reuse. Aker BP wants to be at the forefront of this development.

Aker BP has strategies for decommissioning retired facilities, in line with requirements from the Norwegian Government. More than 95 percent of decommissioned materials are recycled. Further information on decommissioning is presented below in the Closure and Rehabilitation sub-section.

Going forward, we will continue the development and implementation of our circular economy actions.

RESOURCE INFLOWS AND OUTFLOWS

The material resource inflows used in our operations are steel for construction of wells and equipment, cement for construction of wells, chemicals for drilling and production, and diesel for energy generation and transport. In 2023, we had a total resource inflow of 128,171 tonnes of materials. The largest resource inflow in 2023 was chemicals, which accounted for 47 percent of total materials. The total resource inflows for 2023 are shown in Figure 32. The data for resource inflows is based on the same methodologies and boundaries used for scope 3 emissions reporting, which were outlined in the climate section of this report.

The material resource outflows from our operations are oil, NGL and natural gas, and waste from production.

Figure 32: **Resource inflows**

Cement	6,606 tonnes
Chemicals	60,866 tonnes
Steel and aluminium	18,363 tonnes
Diesel	42,337 tonnes

WASTE

Aker BP's operational activities are based offshore, and all significant production waste, both hazardous and non-hazardous, is generated on our fields. All waste is shipped to our logistics bases, and handled by contractors upon arrival. Monthly analytics highlight how much waste has been generated, sorted, reused, recycled, incinerated or sent to landfills. Frequent review of waste reports as well as audits of contracted waste handlers ensure compliance with regulatory and contractual requirements. The total amount of waste generated in 2023 was 52,379 tonnes.

The largest fraction of waste, in terms of weight, comes from our drilling operations and relates to drilling muds and cuttings. During the drilling of wells, rock cuttings contaminated with drilling fluids are returned to the surface. In 2023, the total amount of drilling waste from muds and cuttings was 44,510 tonnes.

Compared with 2022, the drilling waste has increased by 59 percent. The increase is due to increased drilling activity compared to the prior year. The amount of drilling waste generated is proportional to the drilling length and the number of wells drilled. Total drilling length increased by 86 percent compared to the prior year, and number of wells drilled increased by 52 percent.

For reservoirs where naturally-occurring radioactive materials (NORM) are present, radioactive waste can be generated in drill cuttings and from cleaning out scale in the wells. A small amount of NORM waste is generated in our operations. In 2023, this was 24 tonnes.

Figure 33: **Drilling waste (muds and cuttings)**

Drilling waste	44,510 tonnes	85% of total waste

We handle all production waste such as drilling fluids and cuttings by following the same waste handling hierarchy as illustrated in Figure 34. Using water-based drilling fluids where feasible results in significantly less waste being sent to shore. Water-based drilling fluids have a lower carbon footprint compared with oil-based drilling fluids.

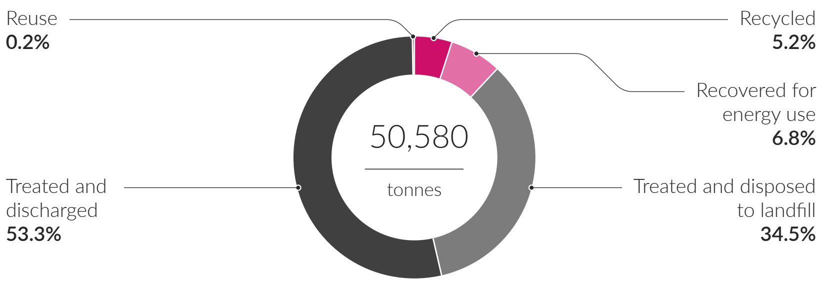
To prevent the occurrence of hazardous waste, both oil-based and water-based drilling fluids are reused as long as the technical quality of the drilling fluid is intact, and the fluids will therefore remain part of the value chain. Most of the oil-based drilling fluids we use are recycled when drilling between sections and/or returned to the drilling fluid supplier, who reconditions the drilling fluids for reuse. The recycling rate is 75–80 percent for oil-based drilling fluids.

Oil-based drill cuttings and drilling fluids that can no longer be recycled or reused on the rig are sent onshore for waste handling. The cuttings waste stream consists of three fractions; oil, water and solids. The water fraction is treated prior to discharge nearshore and the volumes are subject to authority permits held by the onshore waste disposal contractor. Residual oil is reused or utilised for energy recovery, while solids are disposed of in landfills or occasionally utilised as a resource. Figure 35 illustrates the fate after waste handling of all hazardous and non-hazardous waste generated by Aker BP in 2023.

Both hazardous and non-hazardous waste is transported onshore. The majority of waste is handled in Norway and regulatory rules are followed.

Figure 35: **Waste handling fate**

Fate of hazardous waste



Fate of non-hazardous waste

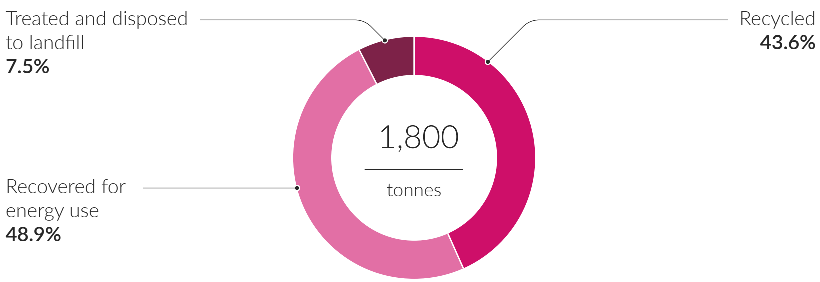
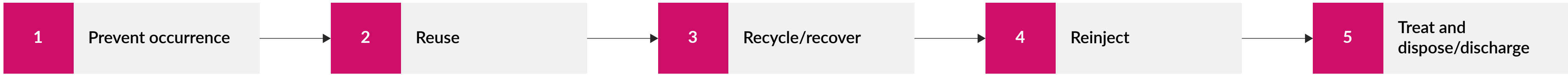


Figure 34: **Waste handling hierarchy**



CLOSURE AND REHABILITATION

Aker BP's current asset portfolio consists of steel structures and Floating, Production, Storage and Offloading vessels (FPSOs). These installations will be removed in their entirety after the fields have been shut in and wells have been permanently plugged and abandoned. The disposal of these structures and vessels will be subject to cessation plans approved by the authorities, and the actual disposal will be handled by receiving facilities.

Disposal of facilities, including the estimated cost, is described in connection with plans for development and operation (PDO) which are submitted for approval ahead of project execution. PDOs are approved by the Ministry of Energy (MoE) and for the larger projects also by the Norwegian Parliament before projects are executed.

A cessation plan is prepared as a field or parts of a field near the end of their useful life. This plan consists of two elements, the disposal plan and the impact assessment. The impact assessment elements undergo several steps before final approval:

1. Development of impact assessment programme
2. Public consultation involving a wide range of external stakeholders
3. Approval of the impact assessment programme by the MoE
4. The impact assessment for the decommissioning scope is executed and completed
5. The impact assessment, together with the disposal plan, is submitted to the MoE for final approval

When a decision has been made to shut down a field and/or a facility, work on the cessation plan must start no later than three years before the end of field life. Aker BP currently has three active cessation plans:

1. Removal of the 'original Valhall development' (OVD) installations, which includes
   a. Removal of drilling platform (DP) topside (removed in 2022)
   b. Removal of process and compression platform (PCP) topside (removed in 2022)
   c. Removal of DP jacket to 45m below sea level (removed in 2022)
      i. Remainder of the jacket structure will be removed in connection with the final Valhall field centre decommissioning in 2050+
      ii. The drill cuttings deposits will remain in place
   d. Removal of PCP jacket (2025)
2. Removal of 2/4-G jacket (2024)
3. Removal of Hod A topside (unmanned wellhead platform) and jacket (2025)

The decommissioning of these facilities will have no direct impact on employment for the following reasons:

- The DP, PCP and quarters platform (QP) installations have all been replaced with new facilities on the Valhall field
- The Hod topside (Hod A) was shut in in 2012 and has been replaced with a new Hod wellhead platform (Hod B) that started producing in April 2022

2/4-G is a riser platform at the Ekofisk field centre. It consisted of a steel jacket structure with topside, but the latter was removed in 2016, with reference to the cessation plan approved by the authorities in December 2015.

Due to subsequent changes in the operation plan, the removal of the 2/4-G steel jacket is planned completed by July 2024. This is due to cost efficiency and optimisation of offshore operation plans.

In 2022, the drilling platform (DP) including both the topside and the jacket as well as the topside of the process and compression platform (PCP) were removed. All three structures and the bridges were shipped to Aker Solutions' decommissioning yard at Eldøyane Stord for dismantling and disposal.

The contractual objective for recycling of the structures was set to 95 percent or more.

The outcome of the disposal works for the drilling platform (DP) is documented in the final disposal close out reports and summarised in Table 7.

The disposal work for PCP topside is still ongoing. For that reason, the final PCP disposal close out report, including confirmed weights and recycling factor, is not available when this report is submitted.

Table 7: **Outcome of the disposal works**

Disposed structure	Disposal works completed	Total weight	Recycling factor
Valhall DP Jacket	July 2023	2,906 tons	99.6%
Valhall DP Topside	March 2023	7,047 tons	97.8%

Table 8: **Sustainability data: Environment**

CATEGORY	2021	2022	2023	UNITS	
302.Energy					
Energy consumption					
Total fuel consumed from non-renewable sources	18,604,936	16,804,039	13,772,679	GJ	1)
Energy consumption - gas	16,201,143	15,288,587	11,947,952	GJ	
Energy consumption - diesel	2,403,793	1,515,453	1,824,726	GJ	
Total fuel consumed from renewable sources	0	0	0	GJ	
Electricity consumption	417,001	417,144	884,395	MWh	2)
Electricity sold	0	0	0	MWh	
Total energy consumption from non-renewable fuels and el. energy	20,106,139	18,305,758	16,956,502	GJ	
Energy intensity ratio	0.134	0.115	0.102	GJ/boe	
303. Water and Effluents					
Produced water withdrawal total volume	17,585	16,768	18,534	1000 m^3	
Re-injected produced water volume	10,712	10,898	12,919	1000 m^3	
Percentage of produced water re- injected	61	65	70	%	
Produced water discharged to sea volume	6,767	5,726	5,389	1000 m^3	
Percentage of produced water discharged	39	34	29	%	
Hydrocarbon discharged to sea within produced water	140	106	111	tonnes	
305. Emissions					
Scope 1					
Direct GHG emissions - all gases	1,187,403	1,066,456	906,378	tonnes CO_2e	3)
CO_2 (Carbon dioxide)	1,147,767	1,033,534	878,018	tonnes	
CH_4 (Methane)	1,250	1,026	867	tonnes	
N_2O (Nitrous oxide)	9	9	9	tonnes	
Methane Intensity	0.03	0.02	0.01	% CH_4/saleable gas	4)

1) From fuel gas and diesel
2) Power consumption at office buildings, and power from shore to Valhall, Ivar Aasen and Edvard Grieg
3) Numbers are calculated based on AR6 factors.
4) Expressed as volume methane emitted from operated assets as share of saleable gas production from operated assets (volume-based)

CATEGORY	2021	2022	2023	UNITS	
Scope 1 emissions - by source					
Flaring	77,302	71,357	96,408	tonnes CO_2e	
Venting and fugitive emissions	17,747	12,911	20,687	tonnes CO_2e	
Fuel combustion	1,081,483	974,123	782,571	tonnes CO_2e	
Loading of hydrocarbons	10,871	8,066	6,711	tonnes CO_2e	
Percentage of operational control direct (Scope 1) GHG emissions from CH_4	3.1%	2.9%	2.9%	%	
Flared hydrocarbons	26,021,456	23,213,472	30,752,742	Sm^3	
Other combustions	372,312,461	359,129,046	284,005,667	Sm^3	
Continuously flared hydrocarbons	0	0	0	Sm^3	
Vented hydrocarbons	424,580	327,559	364,844	Sm^3	
Scope 2					
Indirect GHG Emissions - location based	4,587	7,847	16,804	tonnes CO_2e	5)
Indirect GHG Emissions - market based	168,885	204,455	443,966	tonnes CO_2e	6)
Scope 3					
Total GHG emissions	64,237	63,054	72,607	1000 tonnes CO_2e	
Upstream emissions	470	264	302	1000 tonnes CO_2e	7)
Downstream emissions	63,768	62,789	72,305	1000 tonnes CO_2e	8)
Reduction of GHG emissions					
GHG emissions reduced as a direct result of reduction initiatives	22,738	72,900	42,900	tonnes CO_2e	
GHG intensity					
Scope 1 GHG emission intensity (Operational control)	7.9	6.7	5.9	kg CO_2e/boe	
Equity share scope 1 and 2 GHG emissions	366,120	393,052	497,155	tonnes CO_2e	9)
Scope 1 and 2 GHG emission intensity (equity share)	4.8	3.7	2.9	kg CO_2e /boe	9),10)

5) Climate declaration factor from NVE used to calculate emissions: 19 g CO_2e/kwh (2022 factor is used, as the 2023 factor is not available until mid-2024).
6) Declaration of goods factor from NVE to calculate emissions: 502 g CO_2e/kwh (2022 factor is used, as the 2023 factor is not available until mid-2024).
7) Based on operational control
8) Based on equity share
9) Reported under financial control method to align with financial accounting
10) Based on equity share of non-operated and operated assets calculated as a share of marketed equity share of oil and gas production

CATEGORY	2021	2022	2023	UNITS	
Non-GHG emissions					
NO_x (Nitrogen oxide)	1,684	1,487	2,013	tonnes	
SO_x (Sulphur oxide)	39	27	44	tonnes	
Non-methane VOC	1,947	1,996	1,704	tonnes	
Biogenic CO_2 emissions	-	-	-	tonnes CO_2e	
306. Waste					
Total waste generated	42,359	32,681	52,379	tonnes	
Total weight hazardous waste	40,516	31,203	50,580	tonnes	
Reuse	506	352	112	tonnes	
Recycling	1,800	1,689	2,631	tonnes	
Recovery, incl. energy recovery	2,464	1,998	3,443	tonnes	
Landfill	13,442	10,313	17,422	tonnes	
Discharge	22,304	16,851	26,972	tonnes	11)
Total weight non-hazardous waste	1,843	1,478	1,800	tonnes	
Reuse	-	-	1	tonnes	
Recycling	1,000	695	784	tonnes	
Recovery, incl. energy recovery	724	698	879	tonnes	
Landfill	119	84	135	tonnes	
Waste diverted from/to disposal					
Total weight of waste diverted from disposal	6,494	5,432	7,849	tonnes	12)
Total weight of hazardous waste diverted from disposal	4,770	4,039	6,185	tonnes	
Total weight of non-hazardous waste diverted from disposal	1,724	1,393	1,664	tonnes	
Total weight of waste diverted to disposal	35,865	27,248	44,530	tonnes	13)
Total weight of hazardous waste diverted to disposal	35,746	27,164	44,394	tonnes	
Total weight of non-hazardous waste diverted to disposal	119	84	135	tonnes	

11) Discharged fraction consists of treated water from drilling waste
12) Waste diverted from landfill Includes waste that is reused/recycled/recovered
13) Waste diverted to disposal includes waste that is discharged or sent to landfill

CATEGORY	2021	2022	2023	UNITS	
Significant Spills					
Number of oil spills to sea (>0.1 m^3)	0	3	1		
Oil spills (>0.1 m^3)	0	6.3	64.5	m^3	
Number of chemical spills to sea (>0.1 m^3)	5	6	8		
Chemical spills (>0.1 m^3)	3.9	1.8	55	m^3	
Number of hydrocarbon leaks (>0.1 kg/s)	0	0	0		
Total mass of hydrocarbon leaks (>0.1 kg/s)	0	0	0	kg	
307. Environmental Compliance					
Total monetary value of significant fines	0	0.1	0	mUSD	
Number of non-monetary sanctions for non-compliance	0	1	0		
308. Supplier Environmental Assessment					
New major suppliers screened using environmental criteria	100	100	N.A.	%	14)

14) Major suppliers such as strategic or alliance partners to Aker BP are screened for environmental performance, in the supplier database Magnet JQS or through separate environmental audits. We had no new major strategic or alliance partners in 2023.

Social

Own workforce →
Workers in the value chain →
Affected communities →

COMMITMENT TO RESPECTING HUMAN RIGHTS OF INDIVIDUALS

Aker BP aims to conduct its business in a manner which respects the human rights and dignity of all people. We acknowledge all internationally recognised human and labour rights standards as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Aker BP's human rights policy describes the company's approach to managing human rights risks in our operations, including our value chain, and compliments the company's code of conduct (see Business ethics and corporate culture, page 106 for more information). The policy is aligned with the United Nation (UN) Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. The CEO is the owner of the human rights policy and is ultimately responsible for the implementation. The human rights policy applies to all Aker BP employees, hired consultants, suppliers, contractors and business partners.

The human rights policy is available on our external website and is communicated to our stakeholders and through contractual provisions. The policy is also published in our internal business management system, and its principles are linked to the core business processes. Our human rights commitments are embedded in our internal policies, procedures and processes such as the diversity and inclusion policy, the anti-corruption policy, the health and working environment policy, the business partner integrity procedure and sustainability framework.

Policy commitments

Our human rights policy commits us, among other, to:

- Respect the human rights of all individuals and groups that may potentially be affected by our operations
- Eliminate any and all forms of discrimination, everyone should be treated with respect regardless of their background
- Act against any form of forced or compulsory labour, child labour or human trafficking
- Support the principles of freedom of association and collective bargaining

The policy sets out an obligation to conduct risk assessments related to our own operations and of our suppliers, contractors and business partners to assess where the risk of human rights infringements is most material. See our Transparency Act Statement for more details.

Training and awareness

In 2023, our annual code of conduct training, which is mandatory for all employees and hired consultants, included topics on human rights, such as anti-harassment and discrimination. Further, we aim to provide specific training on human rights to selected functions in the company, including supply chain and site managers.

Stakeholder engagement and industry cooperation

Meaningful stakeholder engagement and dialogue is a key element in managing human rights risks. We interact regularly with relevant stakeholders to inform about our ongoing work to ensure respect for human rights and include feedback into our work to reduce actual and potential human rights risks. Our stakeholders include employees, authorities, local communities, NGOs, business partners, suppliers, contractors, investors and other counterparties.

Grievance mechanisms and remediation

Our human rights policy commits us to have measures in place to reduce or mitigate adverse impacts. We encourage our own workforce, workers in the value chain and other affected parties to raise concerns and report suspected breaches of applicable laws and regulations via our integrity channel. All reports shall be dealt with and no retaliation shall be imposed on the person reporting. See Protection of whistleblowers, page 108, for more information.

The Norwegian Transparency Act statement

Following the implementation of the Transparency Act, we have established a procedure for handling information requests under the Act to ensure sufficient and timely processing of such requests. The Transparency Act statement is attached to this report. Please see Transparency Act Statement, page 136.

Own workforce

2,727 employees

Permanent employees in the workforce

45 average age

Average age of permanent employees

0.3 per million work hours

Serious incident frequency

Relevant policies:

- Speaking up policy (internal)
- Code of conduct
- Human rights policy
- Diversity and inclusion policy
- Health and working environment policy
- Safe operations policy
- Emergency preparedness policy
- Security policy

WORKING CONDITIONS

Aker BP's own workforce consists of 2,727 permanent employees and 946 hired consultants. All numbers reported regarding our own workforce are reported in head count and from the end of the reporting period. Our employment practices can influence satisfaction, productivity, and overall well-being. Creating the most attractive place to work is one of our main strategic pillars, emphasising that our people are our most valuable asset. Should we fail to manage our impact properly, we risk not only dissatisfaction in our current workforce and increased retention, we also risk losing out on attracting the capabilities and diversity required to meet our goals. We therefore work systematically to both secure and develop capacity and competence. We work to create an effective, inclusive and collaborative working atmosphere. We want to provide our employees with the opportunity to develop through challenging tasks, collaboration in multidisciplinary teams and onshore and offshore experience.

Policy commitments

Aker BP's work to ensure decent working conditions is embedded in our policies, procedures and processes, such as the human rights policy, diversity and inclusion policy and the health and working environment policy. See Commitment to respecting human rights of individuals, page 81, Diversity and equal opportunities, page 87 and Health and safety, page 90 for more information.

Engagement with our own workforce and unions

Close engagement with our own workforce is essential to create the most attractive place to work. Aker BP practices what we believe to be a relatively flat chain of command and has several arenas for dialogue and sharing information between management and employees. 14 percent of our own employees holds a managerial position. We focus on team performance and deliverables; we expect our leaders to translate relevant top-down goals and turn these goals into prioritised team actions to ensure that everyone understands how their contribution is connected to the company's overall goals. The shared goals we achieve as a company are key to our team performance.

Aker BP conducts quarterly employee pulse surveys to help identify organisational input, risks and opportunities, with a structured approach to implementing relevant measures to improve the working environment. Our survey system uses integrated AI to better detect nuances, interpret results and enable leaders to work more efficiently with the content. It also provides a global benchmark for results. Hired consultants are included in the pulse surveys. SVP People & Safety has the overall responsibility for the pulse survey and employee involvement. In 2023, our response rate ranged from 67 percent to 75 percent. The results indicate that our employees are highly motivated, with a score of 85 percent on engagement, surpassing the global average.

Own workforce in Aker BP:

Employees: People who are in an employment relationship with Aker BP

Hired consultants: People under an agency type arrangement that meets the following criteria

- The position requires that the person acts in an Aker BP role or capacity
- The work will mainly be carried out at Aker BP's offices or installations, and by use of Aker BP's equipment
- The duration of the engagement is at least three months

Approximately **73 percent** of Aker BP employees are organised in one of the following unions: Industri Energi, the Norwegian Society of Graduate Technical and Scientific Professionals (Tekna), Safe, the Norwegian Union of Managers and Executives (Lederne) or the Norwegian Society of Engineers and Technologists (NITO).

Freedom of association and collective bargaining
As described in our human rights policy, Aker BP supports the principles of freedom of association and collective bargaining. The company communicates, consults and negotiates with employees and their trade unions on relevant matters such as organisational restructuring and the annual salary review. Employees who choose not to join a trade union are still covered by collective bargaining agreements, and these agreements will determine their working conditions and terms of employment. For hired consultants offshore, working conditions and terms of employment are influenced by our collective bargaining agreements, and this is represented in our contracts with the companies through which they are hired.

The largest trade unions have appointed full-time or part-time union leaders. The employer and industry organisation for companies with activities related to the Norwegian Continental Shelf, ("Offshore Norge") where Aker BP is a member, has framework agreements in place with affiliated unions which ensure annual negotiations.

Subjects covered by collective bargaining agreements can include remuneration, working hours, training, career development, work time flexibility, HSSEQ, stress management and equal opportunities. Aker BP adheres to collective bargaining agreements and has defined several topics that require in-depth involvement from our employees. Aker BP seeks to lay the foundation for early involvement from employee representatives before any significant changes to the organisation or operations are considered.

Discussions regarding changes have mostly taken place through our work council and working environment committee, which serve as well-established arenas for employee representation and participation.

Processes to remediate negative impacts and channels for our own workforce to raise concerns

We aim to have measures in place to reduce or mitigate adverse impacts where we have identified negative actual or potential human rights impacts. There are several ways to report concerns in Aker BP. Please see Protection of whistleblowers, page 108 for more information.

Employee benefits

We care about our people both when they are on and off work. Aker BP employees are offered a wide variety of employee benefits. Some of them are listed in Figure 36.

Social protection
All employees are covered by social protection either through public programmes or through a combination of public programmes and additional benefits offered by Aker BP. Hired consultants are guaranteed social protection with regards to pension through the National Insurance Scheme, as well as any additional mandatory occupational pension in the company through which they are hired .

Aker BP employees are eligible for the company's contribution pension plan, with Aker BP's pension contribution set at the maximum level permitted by Norwegian pension legislation.

Figure 36: **Aker BP employee benefits**

Health care On-site occupational and private health services with Moloklinikken and Molo navigator councelling and second opinion service.	**Variable pay** Annual bonus program and discount on purchase of company shares, based on eligibility.	**Flex** Trust-based, flexible working hours arrangement. Average 7.5 hours per day. (depending on contract)	**Insurance** Extensive insurance package covering: occupational injury, occupational disability, travel, health and loss of licence.
Sick pay Up to 12 months full pay.	**Pension** 7% of base salary up to 7.1G. 25.1% of base salary between 7.1G–12G.	**Vacation** 5 weeks anually, additional week for those over 60. 5 extra days off for employees with overtime included in base salary.	**Employee loan** Subsidised house loan up to 2x annual base. Bank terms apply.
Aker Active Web portal for logging physical activities and training. Motivation and advice for a healthy lifestyle. On-site gyms.	**AFP pension** Additional pension based on eligibility, administered by Norwegian authorities.	**Employee welfare** Various initiatives and events, clubs, sport activities, equipment for hire etc.	**Phone & internet** Company provided mobile phone and paid internet connectivity at home for all employees
Lunch Subsidised cafeteria for all employees	**Offshore allowance** Employees required to travel offshore will be compensated based on Company policy.	**Learning** Life long learning opportunities through career development and training offers.	**Parental benefits** Full pay during parental leave. Based on % leave as applied for to NAV.

Our employees are also covered by social protection in connection with illness or occupational injuries and parental leave. In these cases, the National Insurance Scheme will cover up to 6G (NOK 711,720 for 2023) for up to 12 months. Further, Aker BP covers any gap between the aforementioned amount and the employee's salary. If employees become permanently disabled, they are covered by disability pension through the National Insurance Scheme. Aker BP employees are also covered by our own health insurance plans. If the criteria are met, all employees are covered by unemployment benefits from the Norwegian Labour and Welfare Administration (NAV).

Family-related leave

All employees are entitled to parental leave in accordance with Norwegian legislation; parents are entitled to a total of 49 weeks with full pay, or 59 weeks with 80 percent pay. Aker BP also complies with the statutory option of further unpaid parental leave for its own employees for up to 12 months directly following paid parental leave. During this period, employees are still covered by Aker BP's insurance plans. Aker BP employees on parental leave are included in the company's compensation and benefit processes during the period to ensure that parental leave does not have a negative impact on salary development.

In 2023, 178 (100 percent of those eligible) employees of Aker BP took parental leave, including 52 women and 126 men. The return-to-work rate of employees who took parental leave was 99 percent. All Norwegian municipalities provide public childcare, enabling parents to return to work once their parental leave is over. Pursuant to the Norwegian Working Environment Act (AML), Aker BP employees who have small children may apply for temporarily reduced working hours for such reasons. This applies to employees both onshore and offshore.

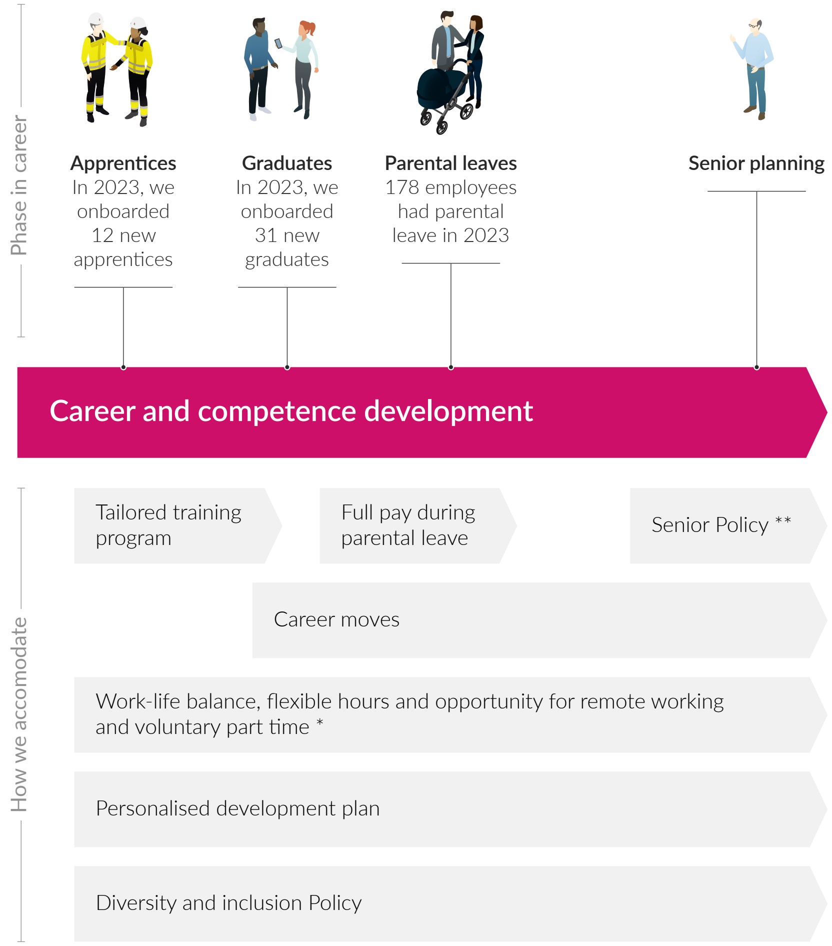
Working time

Working hours are regulated by the employment agreement and in accordance with the AML. Standard working hours onshore are 7.5 hours per day. Onshore employees have flexible working hours and a flexible hybrid working policy that allows for remote work. Offshore personnel work rotations, meaning that they are at work for two weeks, and off for four weeks. Hired consultants adhere to the same regulations regarding working hours as the personnel category to which they belong. All employees and hired consultants are required to register their working hours in our time management system.

Full-time employment is offered to all permanent employees, and all employment is governed by written agreements in alignment with the AML. In 2023, we have had 50 employees on temporary contracts, either summer students or temporary substitutes for permanent employees.

1.1 percent of our employees worked part-time in 2023. Our part-time employees are students and employees who have applied for and been granted reduced working hours. We do not have involuntary part-time employees or hired consultants. We do not hire employees on zero-hour contracts.

Figure 37: **Career and competence development during employment**

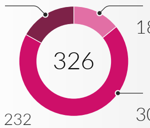


*Aker BP offers employees flexible working hours, meaning that employees may choose when they start and end their workday, with core hours between 9am and 3pm. This allows for adjustments to family logistics and personal preference.

**Senior Policy offering reduced work hours for senior staff. Employees 60 years of age or more are offered senior planning courses and financial guidance (pension planning)

Figure 38: **The people of Aker BP**

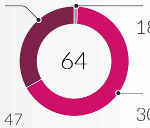
Total new hires



Male: 232
Female: 94

13.3% of total number of employees

Total turnover

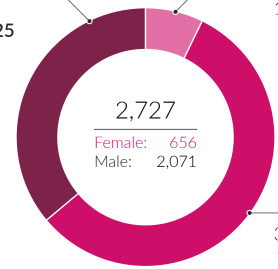


Male: 47
Female: 17

2.4% of total number of employees

Total headcount:	3,673
Employees:	2,727
Hired consultants:	946
Nationalities:	41
Average age:	45
Employed in Norway:	100%

Total number of employees



Temporary employees

50
Female: 17
Male: 33

Part time employees

30
Female: 21
Male: 9

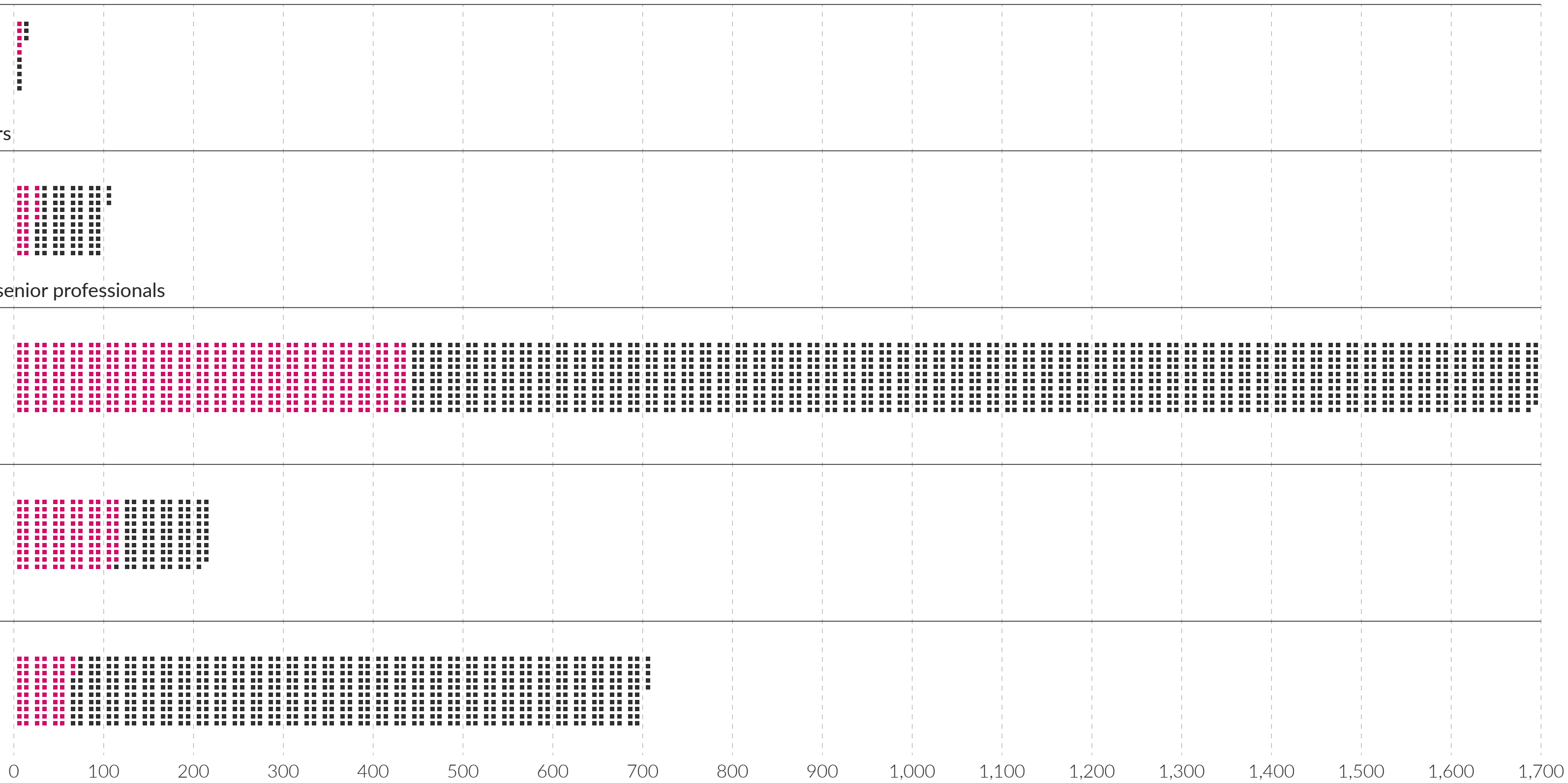
Involuntary part time

0
Female: 0
Male: 0

Parental leave (avg. weeks)

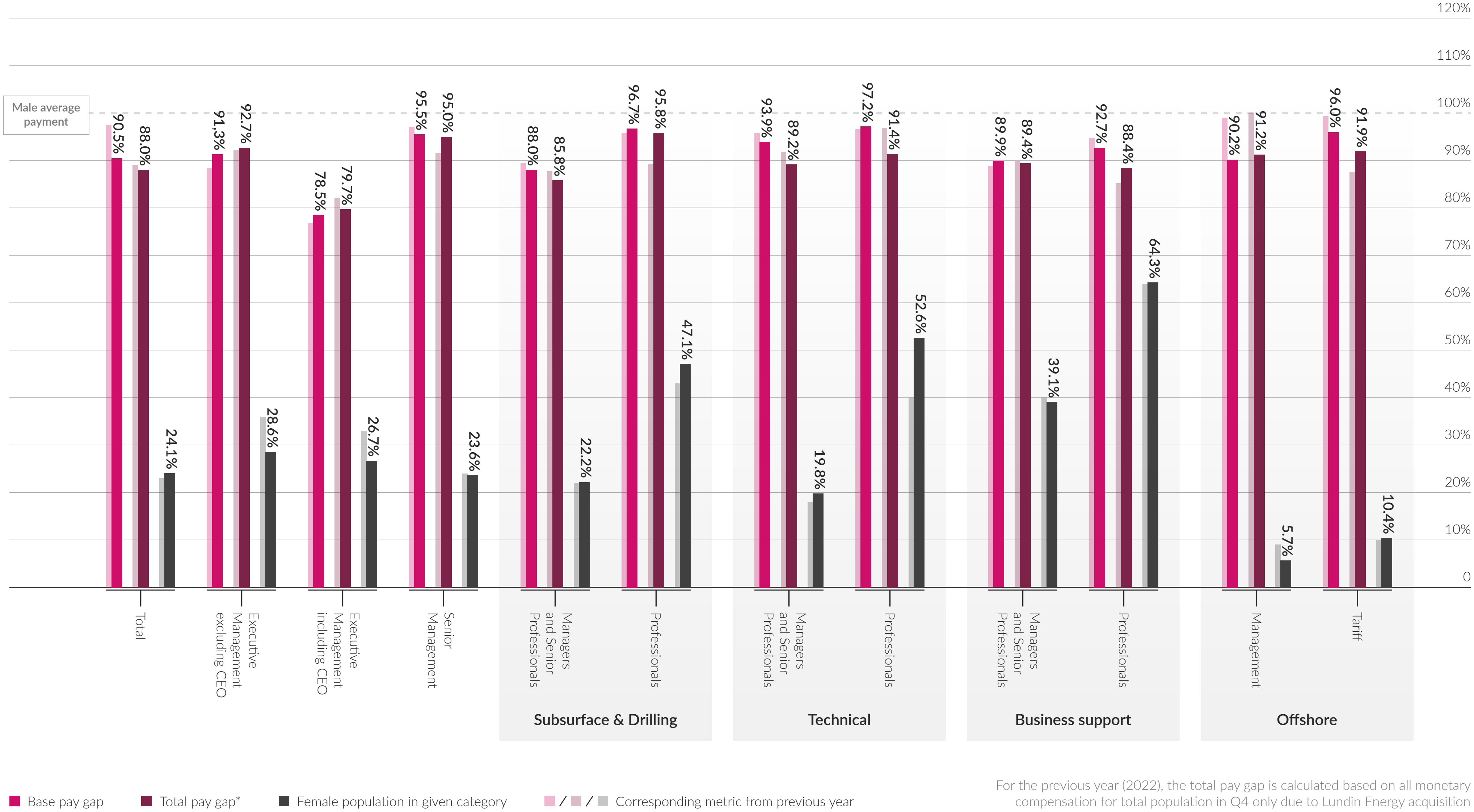
Female: 19.1
Male: 6.4
Return to work percentage: 99.4%

	New hires		Total
Board of directors			13 (Female: 5, Male: 8)
Senior managers	0 (Female: 0, Male: 0, Avg. age: –)	→	104 (Female: 25, Male: 79, Avg. age: 52)
Managers and senior professionals	210 (Female: 58, Male: 152, Avg. age: 44)	→	1,699 (Female: 439, Male: 1,260, Avg. age: 47)
Professionals	65 (Female: 31, Male: 34, Avg. age: 29)	→	219 (Female: 119, Male: 100, Avg. age: 34)
Tariff workers	51 (Female: 5, Male: 46, Avg. age: 35)	→	705 (Female: 73, Male: 632, Avg. age: 45)



Graduates, Students, Employees who left or joined the company or had unpaid leave beyond 30 days or more was not part of all payroll period are excluded.

Figure 39: **Ratio of payment of women to men for each employee category**



For the previous year (2022), the total pay gap is calculated based on all monetary compensation for total population in Q4 only due to Lundin Energy acquisition

Our quarterly pulse survey, which includes both employees and hired consultants, includes the aspect of work-life balance. For 2023, approximately four out of five respondents agreed that they could manage their job responsibilities in a way that allows for a healthy work-life balance. The majority of the remaining respondents were neutral to this statement.

Adequate wages

Aker BP's ambition is to offer adequate and fair wages to all employees. The majority of our employees are individually remunerated, and salaries are based on several factors. These include; position, education, experience, competence and an external market benchmark to ensure competitive remuneration. 705 Aker BP employees are offshore tariff workers remunerated within a fixed salary matrix where salary is based on the type of job (electrician, nurse, etc.) and the employee's seniority. We adhere to the equal pay principle and all agencies used to hire consultants are informed about our compensation levels. The consultants are thereby compensated in accordance with their personnel job categories as if they were employed directly.

DIVERSITY AND EQUAL OPPORTUNITIES

Aker BP values the unique contributions of our employees, and recognises that a talented, diverse, and inclusive workforce is a key competitive advantage that enhances deliveries and accomplishments.

For Aker BP, diversity means all the ways we differ. It includes both visible differences such as age, gender, ethnicity, and physical appearance, as well as invisible differences such as thinking styles, religion, nationality, neurodiversity, sexual orientation and education.

Inclusion means creating a working culture where differences are valued and used; where everyone can develop skills and talent consistent with our values and business objectives. The aim is to make Aker BP an organisation where people feel involved, respected, and connected – where the richness of ideas, backgrounds and perspectives is leveraged to create business value.

Policy commitments

Our commitments to ensuring diversity and equal opportunities are stated in our code of conduct and underpinning policies such as our human rights policy and diversity and inclusion policy. The policies are available on our external website.

Our diversity and inclusion policy expresses the mandatory principles Aker BP's own workforce must follow. These principles aim to go beyond statutory equal opportunity policies and embrace diversity and inclusion as part of the company's strategy to source, retain and manage unique talent, skills, knowledge, and experience. They govern everyday working life and cover such matters as recruitment and selection, access to leadership opportunities, access to learning and development opportunities, succession planning and talent management. Our primary goal is to broaden the options of candidates in the decision pool and remove any unconscious bias in processes where we select, promote, and represent our workforce. All decisions, from recruiting to promotions, should be merit-based, not based on characteristics such as gender, ethnic background, sexual orientation and so forth.

As stated in our diversity and inclusion policy, we do not tolerate any form of discrimination. As required by the Norwegian Equality and Anti-Discrimination Act, we work actively in a targeted and systematic manner to promote equality and prevent discrimination in the workplace. Following analysis, we work systematically and in line with the four-step model required by this statute.

The diversity and inclusion policy is owned by SVP People and Safety. Together with the executive management team, People and Organisation oversees the execution of the agreed action plan.

Targets and metrics

We continuously analyse diversity and inclusion metrics based on our diversity dashboard, our pulse surveys and other sources. We have an improvement and action plan, which specifically targets improving our gender distribution of 24.1 percent women, with the goal of reaching 30 percent women by 2030. We will continue our work to achieve this in various areas and have included a set of questions related to work-life balance, perceived opportunities in the company, and compliance with the company processes in our pulse survey.

Aker BP continues to work towards fostering diversity and inclusion by striving to maintain a neutral pay system. This ongoing effort ensures that individuals in identical positions, with equivalent experience and the same formal competence, receive equal compensation for comparable results, irrespective of gender or other diversity factors.

An investment in the future

We need the sharpest minds to succeed. But social patterns and mindsets can prevent girls from choosing technology subjects. At Aker BP, we want to help break these patterns before young people choose a direction in their education. We have contributed financially and with female role models and mentors at several events that inspire girls to choose technology subjects, such as TENK and Girl Tech Fest.

When Girl Tech Fest was organised in Sandnes and Stavanger, girls in the fifth grade at elementary school were given the task "How to use technology to make school better?". Some of the proposals they came up with were selective hearing protection that filters out noise in the classroom, and a robot that makes better school lunches. And what many certainly want; a time machine so you can sleep longer in the morning.

We believe that spending time and resources on such events is a good long-term investment

The gender base pay ratio for tariff workers is 100 percent when adjusted for equal positions and seniority. Onshore employees and offshore supervisors are individually evaluated based on job complexity and accountability, as well as formal competence and experience level. For pay analysis purposes, employees are further grouped into three categories: subsurface and drilling, technical, and business support. In 2023, the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees was 7.6.

Actions

We have implemented a variety of actions to promote inclusion and gender equality. We believe these efforts will help us attract and retain a diverse workforce, and reduce the risk of discrimination and potential loss of skilled workers.

Diversity, equity and inclusion have been on the agenda throughout 2023, both at the executive level, in the organisation and in the works council. In 2023, the company has focused on activities to further implement our diversity and inclusion policy from 2020, including:

- As part of our effort to increase our gender balance, we have gender balance dashboards, open to employees, identifying different ratios, balance on different organisational levels, as well as target development. The executive level receives monthly updates.
- To increase awareness on diversity, equity and inclusion, with a special focus on gender, we have embedded this in various leadership training programmes for new leaders and at the executive level, in talent programmes and leader labs, as well as in relevant people and organisation processes for selection of new hires and career development, such as succession and development programmes.
- Participation in the 50/50 leadership programme (by AFF) and the Female Future leadership development programme for women (by Offshore Norge and the Confederation of Norwegian Enterprise (NHO)), with a dual ambition of leadership development of talents and contributing to the company's diversity and inclusion programme by gaining insight and learning from other companies.
- We have worked with our employer brand to attract a broader and more diverse talent pool through advertisement campaigns and branding materials.
- Increased engagement and awareness in the organisation on diversity and inclusion through employee participation on our ODA event and SHE conference, as well as highlighting this in townhalls and awareness campaigns on e.g. LBGHTQ+ , mental health and psychological safety.
- Aker BP invited all permanent employees to participate in the Diversity Index, measuring Aker BP's diversity on 10 visible and invisible diversity factors, such as age and religion, and how well we include it and use it for value creation. The Diversity Index has given in-depth insight and data from all permanent employees, including potential vulnerable groups, enabling us to work in an even more targeted manner for a more inclusive workplace going forward.

Figure 40: **Our areas of work**

Domain/Discipline

Context-related in-depth specialisation needed to understand consequences, perform tasks with enough detailed knowledge and having experience about best practices and processes related to the professional domains

Leadership

Applicable for all individuals, also outside formal leadership roles, and defined as skills used to organise, collaborate, and motivate others to complete tasks in order to reach shared goals

Digital

Understanding how data can be used and made available, interpreted, visualised and used as a basis for various recommendations and decisions

Change

Executing change and ability to adapt to new forms of organisation, managing varying situations, cross-value chain understanding, demonstrating flexibility and dealing with uncertainty and ambiguity

Aker BP values

Behaviour based on the SAFER framework – stability over time and through the way we act in different situations: Seekers, Accountable, Foreseeable, Engaged and Respectful

TRAINING AND EDUCATION

We believe that the opportunity to learn and develop has an important impact on our employees' motivation and is a key element in creating the most attractive place to work. Upskilling and reskilling our people is also essential to create the workforce needed in the future. The pulse surveys indicate that Aker BP's employees are engaged and satisfied with their learning and development opportunities.

We base our learning and development on the 70/20/10 model, and firmly believe that learning happens through on-the-job experiences (70 percent), learning from others (20 percent) and through formal training (10 percent) such as classroom courses and webinars.

We have defined five core competence areas as essential for development. These are illustrated in Figure 40 and form the basis for all training and development.

We invest in developing our employees and offer a variety of different learning and development opportunities, both in-house and externally. An important principle at Aker BP is that each employee is responsible for their own learning and development, and we expect leaders to facilitate and contribute to the employee's development.

The annual career development dialogue forms a good basis for further developing Aker BP's employees. In 2023, 86 percent of permanent employees completed their development dialogue, with 87 percent of males and 82 percent of females participating. Temporary employees, however, did not participate in the annual development dialogue.

Figure 41 shows all of our training and learning conducted through our in-house academy in 2023.

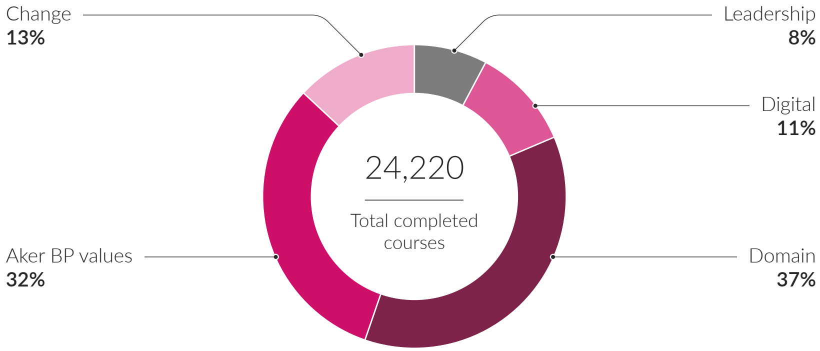
Building leaders and knowledge experts

To us, it is equally important to build good leaders and knowledge experts. We invest in developing and coaching both our leaders and knowledge experts through tailormade development programmes offered several times a year.

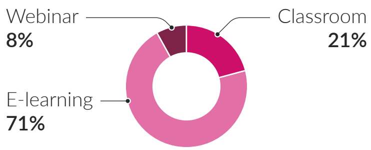
Our mentorship programme pairs mentees and mentors in the organisation to co-develop through the programme for one year. The programme provides employees with support, toolkits, guidance and development opportunities, and 20 pairs participated in the 2023 programme. Our knowledge expert programme focuses on developing professional and discipline expertise. Through participation in the programme, employees gain skills to drive insight in their domain vs. oversight of the company's strategic priorities in digital, innovation and managing change, and build trust through development and collaboration. In 2023, 50 knowledge experts participated in our programme.

Furthermore, Aker BP provides the opportunity to apply for financial support for higher formal education. In 2023, 23 employees attended higher education with financial support from Aker BP.

Figure 41: **Internal training**



Courses by delivery method



Courses by gender (avg. number)

Courses by gender, onshore (hours)

Courses by gender, offshore (hours)

Average training hours per person 25

Average completed courses Senior Management 6.3

Average completed courses Management & Senior Professionals 7.4

Average completed courses professional 7.7

Average completed courses tariff 15

HEALTH AND SAFETY

Health, Safety, Security, Environment and Quality ("HSSEQ") is always the top priority in all of Aker BP's activities. Ensuring a safe working environment by mitigating risks from our activities is considered essential in order to maintain efficient operations and secure a stable and motivated workforce.

Aker BP strives to ensure that all operations, drilling campaigns and projects are carried out pursuant to the highest HSSE standards. Major accidents related to our operated activities have the potential to cause material negative impacts, both for the people and/or environment affected, as well as for the financial results and reputation of the company.

Policy commitments

Our health and safety-related policies, which are owned by the CEO, describe the standards, commitments and expectations to ensure that Aker BP is a safe and healthy workplace for both our employees, hired consultants and workers in the value chain. Key policies within this area are listed below, and are all available on our external website:

- Safe operations policy
- Health and working environment policy
- Emergency preparedness policy
- Security policy

Occupational health and safety

Managing health and safety

100 percent of Aker BP's own workforce must comply with the requirements in our business management system, which covers both our health and safety management system and policies. For Mobile Offshore Drilling Units (MODUs), the drilling contractor will have their own management system the personnel on board need to comply with. These systems must meet Aker BP's minimum requirements, and are carefully evaluated in the rig intake process.

Everyone working for Aker BP must plan for safe work and has the authority to stop unsafe work. A licence to operate on the Norwegian continental shelf implies compliance with strict occupational health and safety requirements from the Norwegian Government and specifically the regulations administered by the Norwegian Ocean Industry Authority (former Petroleum Safety Authority). The government and the public both have high expectations for Aker BP's health and safety performance, and the goal is always to prevent any kind of harm to our employees and anyone working for us.

Several structured measures are in place to fulfil this goal. A comprehensive occupational health and safety management system has been implemented to ensure that Aker BP identifies, understands, mitigates and manages health and safety risks throughout its offshore and onshore activities. The system is guided by regulatory requirements, international, national and industry-specific standards such OHSAS 18001 and ISO 45001, despite our management system not being certified by them. It includes processes for monitoring occupational health and exposure to ensure that the health of workers is safeguarded, as well as the potential need for additional measures. The requirements and processes are subject to annual updates, in addition to ad-hoc updates based on lessons learned from e.g. incident investigations and audits.

Figure 42: **Work related illness employees**

2021	2022	2023
13 cases	9 cases	60 cases

Figure 43: **Safety related frequencies**

	2021	2022	2023
Serious incident frequency (SIF)	0.0	0.7	0.3
Serious injury frequency	0.6	0.4	0.5
Total recordable injury frequency (TRIF)	2.6	1.7	2.4
Lost time injury rate (LTIR)	1.0	0.7	1.1

In practice, our management system requirements aim to ensure that Aker BP understands the risks associated with its activities through systematic use of risk assessments, thoroughly described in a dedicated process area for risk and barrier management. The understanding of risk forms the basis for systematic efforts for hazard identification, mitigation and incident reporting, as well as working environment surveys and occupational hygiene measurements.

Aker BP was subject to 18 audits by health and safety-related governmental bodies in 2023. These audits were conducted by Norwegian Ocean Industry Authority, the County Governor of Rogaland and the Civil Aviation Authority of Norway (CAA). Aker BP received one order related to the helidecks on the Tambar and Hod B installations and this issue was resolved before year end.

Due to the ongoing geopolitical situation Aker BP has further strengthened the security related contingency plans during the year. Aker BP operates a process for managing undesirable events. This process includes registration and classification of events, investigation and experience sharing.

An investigation aims to identify what caused the undesirable event and to prevent similar events from reoccurring by establishing corrective actions. Lessons learned from the event are shared within the company and with other companies using the lessons learned collaboration system.

Even though management of HSE is a line management responsibility, Aker BP is organised with a team consisting of six FTEs dedicated to train and support the company in barrier and risk management. Similarly, a team of seven FTEs provide company support with respect to investigation of and learning from incidents. Regarding the Aker BP operated production facilities, 14 onshore based FTEs advise the offshore organisation in HSE related matters.

Aker BP acknowledges that ensuring health and safety is a continuous effort and maintains a comprehensive health and safety training programme. Mandatory pre-departure courses to ensure that all personnel travelling offshore have the necessary knowledge of HSSEQ requirements and guidelines, and extensive requirements for professional competence in the individual disciplines, shall make it safe to travel to all Aker BP locations. Personnel working offshore regularly attend a basic safety training refresher course. In 2023, 55 employees conducted such training. All Aker BP employees participate in mandatory e-learning training courses for chemicals, noise, ergonomics and psychosocial working environment.

Asset-specific training is provided by our working environment specialists in occupational hygiene and ergonomics based on needs identified in risk assessments and surveys. Furthermore, participants in working environment committees, managers and safety representatives, must undergo formal extended training in working environment topics.

When designing our production facilities and wells we ensure there are built-in safety features to avoid that a single failure should result in a major accident.

Figure 44: **Safety performance vs targets**

	Target	Performance
Fatal accidents	0	0
Serious incident frequency (SIF)	≤0.4	0.3
Process safety events	0	1
Total recordable injuries frequency (TRIF)	≤2.0	2.4
Serious well control incidents	0	0

Safety performance
All but two of Aker BP's safety performance targets have been met in 2023, and we had three serious incidents, giving a serious incident frequency of 0.3, better than our target of 0.4.

Aker BP did not experience any work-related employee or contractor fatalities in 2023. However, we have, experienced a total of 22 work-related injuries, four of which involved our own workforce.

The Total Recordable Injury Frequency (TRIF) for our own workforce and workers in the value chain combined is 2.4, compared to the target of 2.0. Two of the injuries involving our own employees were serious and resulted in a total of 260 days away from work.

The number of hours worked for the years 2021 and 2022 have been restated to incorporate a new and more accurate methodology for measuring hours worked. The updated approach is based on actual timewriting rather than estimated hours, resulting in a decrease in worked hours and, consequently, an increase in all safety related frequencies.

On Alvheim, there was a Tier 1 Process Safety Event (PSE) in November, so our target of zero was not met. It is worth noting that this incident had no potential for personal injuries and there are no indications that the spill resulted in any environmental harm. There have been no serious well control incidents in 2023 related to Aker BP's operated activities, which satisfies our target of zero.

Relevant lessons learned are captured to prevent reoccurrence.

Continuous improvement of health and working environment
Aker BP works systematically with mapping and analyses of the working environment factors that can lead to work-related hazards and illnesses. Working environment health risk assessments (WEHRAs) is Aker BP's main tool to map its working environment risks. The method is based on our process to assess and deal with risk, which ensures appropriate risk identification, analysis and evaluation. The objective is to evaluate whether the working conditions comply with regulations and requirements. It forms the foundation for planning and execution of risk-reducing and preventive measures for both chemical and physical working environment, ergonomics, psychosocial and organisational working environment. The WEHRA method is used for mapping and risk evaluation in projects for new-builds, modifications and in operations.

Furthermore, the results are used to identify the need for more detailed mapping and evaluation, and to form the basis for health monitoring. The quality and integrity of these assessments are ensured by the occupational hygienists and ergonomic specialists that facilitate the activity, as well as by the inclusion of relevant employees and safety representatives. The results are shared with the employer, employees, the working environment committee and the occupational health services. Sensitive matters may be addressed through the safety representative, people and organisation department or the integrity channel.

According to Norwegian legislation, it is mandatory for companies of a certain size to formalise worker involvement and participation. Aker BP's structure of working environment committees (WEC) includes committees on both the corporate and asset level. The purpose of the committees is to formalise worker involvement and provide employees with a clear voice in safety matters. The WEC is a decision-making and advisory body within the working environment in Aker BP that meets quarterly, or more often if necessary.

Aker BP employees have elected safety representatives both onshore and offshore. The role of the safety representative is to safeguard worker interests in matters concerning the working environment. The safety representatives are represented in the WECs. Reports related to working environment inspections and measurements are presented to the WEC.

The quarterly HSE learning packages that Aker BP develops in collaboration with three other major operators in Norway have the purpose of strengthening the industry's safety culture and to work together to have zero major accidents, avoid injuries, dropped objects, and to fortify health and working environment. The learning packages are designed to be used as a team exercise and are performed online by both offshore and onshore teams. This initiative is repeated annually and is a strong contribution to our proactive HSSEQ effort.

Health promoting workplace
Aker BP aims to be a health-promoting workplace for all personnel performing work for the company. To ensure personnel are healthy and sustain or even improve their health while working for the company, Aker BP has implemented several structured measures. Further, Aker BP is committed to and acknowledges that health is more than absence of sickness for the individual. Aker BP defines health as the presence of full mental, physical and social well-being and this is what we aim to achieve for personnel working for us.

Aker BP provides occupational health services to prevent, identify and monitor work-related health risks. Employees also receive non-occupational health services related to personal health, physical therapy and health-promoting services such as support for increased physical activity, quit-smoking assistance, dietary advice, vaccination programmes, health surveillance programmes and stress management. Furthermore, our affiliated occupational health care services (OHCS) assist Aker BP in being a healthy workplace for all our personnel. An OHCS representative has an advisory role in Aker BP's working environment committees. The Aker BP internal health resources consist of offshore nurses, a physician, and a health lead onshore.

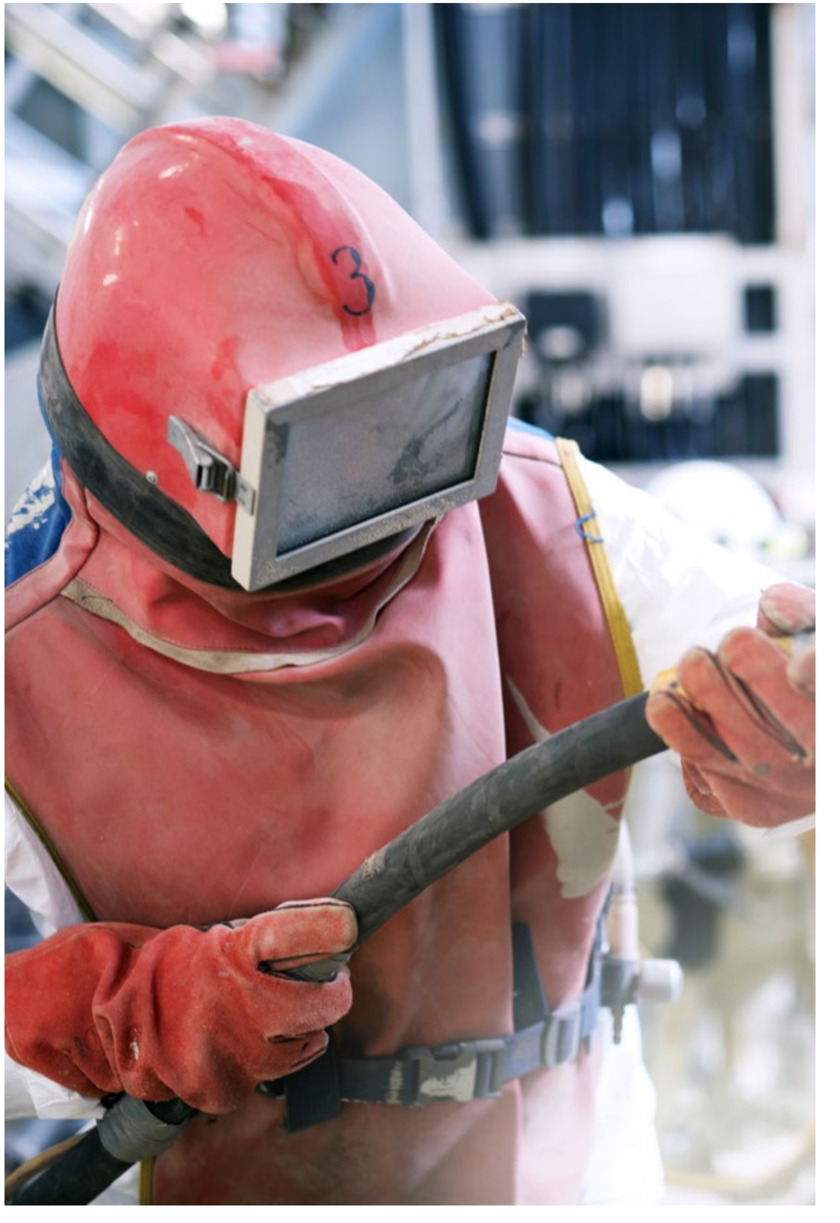
In 2023, the total sickness absence in Aker BP was 3.9 percent, which is significantly lower than the national average of 6.8 percent in Norway. For onshore personnel the figure was 3.3 percent. For offshore personnel, the figure was 8.4 percent. Aker BP is closely monitoring the development to address any risk to our employees or production.

In 2023, Aker BP registered 60 work-related illnesses (WRI) for own employees, an increase compared to previous years. Offshore personnel are required to undergo a comprehensive health check-up every three years. Due to the Covid pandemic, a significant share of offshore personnel completed this check-up in 2023, resulting in an increase compared to previous years. This health check is a deep-dive check that aims to find health issues that may be a result of occupational factors such as noise, vibration, work environment/psychosocial, chemical exposure, sleep disturbances etc. All WRIs are closely followed up by the internal health department and the OHCS. Our personnel are followed up individually. In addition, the company aims to learn from the registered WRI's and use the results of the health checks to implement appropriate actions in the work environment to reduce negative impact on our personnel. There were 4 WRI's for contractors working for the company registered in 2023. For both our own employees and contractors most of the WRI's are related to ergonomics/muscular and noise factors.

All health care consultations, personal or related to occupational health, are registered in a health records system by dedicated health care personnel with a duty of confidentiality. Personnel who desire insight into details registered about themselves can contact the internal health department in Aker BP or the occupational health service, depending on which entity performed the consultation. Information about occupational and non-occupational health services is communicated to personnel through various Aker BP communication platforms, both digitally and in-person.

Moloklinikken

Access to good healthcare is important for the individual employee. But we also believe that it is good for the employer. Through a collaboration with Moloklinikken, we offer health care services at several of our office locations. This service is in addition to the public health service and the occupational health service and is optional to use for all our employees. In addition, we offer a program for guidance and support if an employee or near family member is diagnosed with a serious illness such as cancer. The program comprises access to second opinion from specialized health care personnel and assistance in navigating in the health care system during a time of distress.



Asset integrity and critical incident management

Asset Integrity and Barrier Management

Barrier management is a systematic process encompassing the definition, design and engineering of barriers, and the monitoring and maintenance of barrier performance in operations. The overall purpose is to establish barriers that will be effective in reducing the risk of major accidents by reducing the probability of incidents with major accident potential, and limiting the consequences should such an event occur. The established barriers, including the performance requirements for these, are based on the identified major accident hazards for each specific asset and facility.

The identification, evaluation and mitigation of major accident risk is a main focus throughout the lifetime of assets in Aker BP. An important part of major accident risk management is the adherence to inherently safer design principles, while also complying with applicable regulations, standards, Aker BP additional requirements and recognised engineering practices. For all our facilities, major accident risk is quantified and verified to be within Aker BP's risk acceptance criteria.

We continually evaluate and improve our barrier management framework and work to always understand coherent risk and to reduce major accidental risk by knowing the performance and integrity of our barriers.

Operational and organisational barrier elements are also safeguarded. As an example, we offer both general and specialised training to personnel who are responsible for carrying out tasks that may influence the performance of barriers. This also includes specialised training of the emergency response teams.

During operation, maintenance tasks perform a significant part of the work associated with ensuring performance of technical barriers. This is done through testing and maintenance of active barrier functions and risk-based inspections of passive barrier functions. Failed tests or inspection findings are registered, evaluated, prioritised, and corrective actions taken to maintain safe operations. For pipelines, integrity is performed by online monitoring of process parameter and by risk-based inspection, for example by use of intelligent pipeline inspection gauges. Inspection findings will be registered, evaluated, prioritised, and corrective action will be taken to maintain safe operations and integrity.

Our processes and systems to ensure asset integrity are also regularly validated through self-verification, assurance and audit activities.

Tanker safety

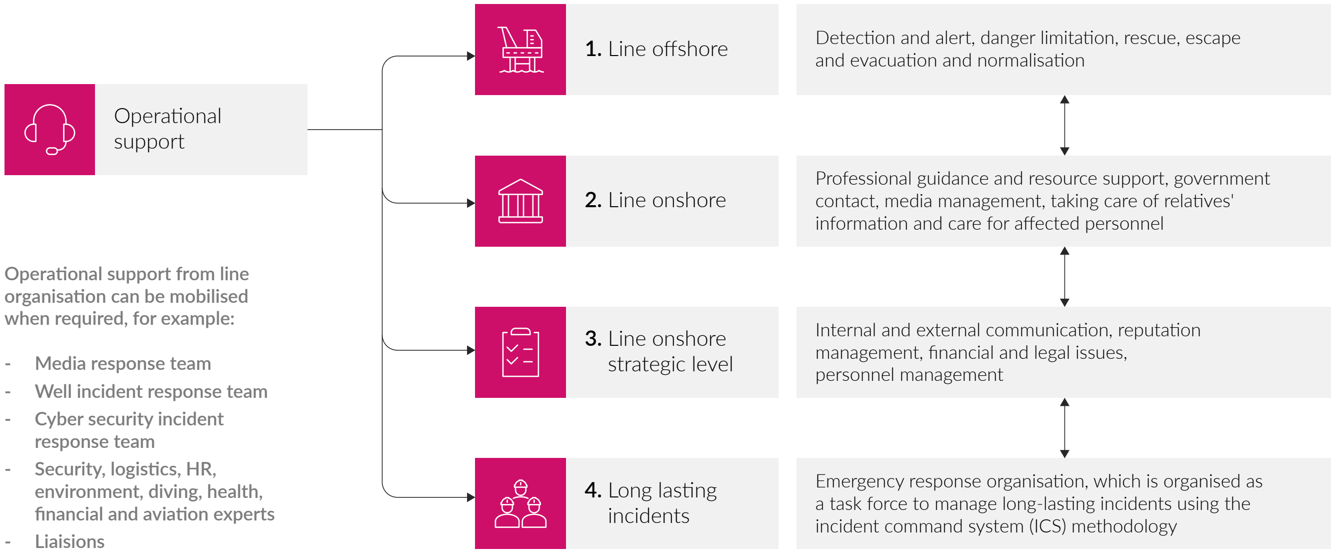
To ensure tanker safety, our processes set minimum requirements to both conventional and shuttle tankers in line with industry standards and practice, including recognised flag states (whitelisted by IMO in accordance with the Paris Memorandum of Understanding), class and age limitation. The requirements are also enforced on our business partners, and we regularly perform assurance activities such as pre-qualification, screening, verifications and audits of vessels and vessel operators.

Emergency preparedness

Aker BP faces a range of incidents within our operations that potentially can lead to harm of people, the environment, our assets, or the company's financial situation. We are committed to avoid harm and injury to personnel, the environment and all assets, to avoid work-related illness and ensure safe and compliant operations. Aker BP's emergency response organisation is dimensioned to handle emergencies and hazardous incidents effectively, contribute to prevent dangerous situations from developing into accidents and reduce the consequences if anything, regardless of all our implemented measures to avoid such situations, has gone wrong. Aker BP has organised its emergency preparedness organisation as illustrated in Figure 45.

In the event of an incident that is expected to have a long duration, an incident command organisation will be mobilised and take over responsibility for handling the incident and the normalisation phase. This organisation is established when needed and works according to guidelines established in the plan for the incident command organisation.

Figure 45: **Aker BP emergency response**



We systematically conduct training and exercises for all parts of our emergency response organisation to prepare for situations that may occur. Our Business Management System includes processes and procedures for how to prepare for and respond to emergencies. Aker BP has emergency response teams for each field in operation and the onshore response organisation has the capacity to support the offshore organisation and secure Aker BP's interests on a strategic level. All personnel in our emergency response organisation are trained in applying a proactive approach if an incident occurs. This allows us to apply our in-depth knowledge of our business to predict the potential outcome of any undesirable incident and assign our resources to handle the situation.

Emergency preparedness planning is based on the principles of establishing barriers, conducting risk assessments, analysis, procedures, and training of personnel. These are the core elements required to develop a competent, robust and well-trained organisation that can manage all incidents safely and effectively. A key element in our emergency preparedness is the concept of defined situations of hazard and accident (DSHA). These are predefined situations which are used as basis for the dimensioning of our emergency preparedness, for example well blowouts, oil spills, fire, explosion, collision, cyber-attacks and pandemic outbreaks. Each DSHA has specific emergency response plans and scaling factors to ensure prompt and precise handling.

The emergency preparedness department is responsible for verifying that Aker BP's emergency preparedness satisfies internal and external requirements. Our emergency preparedness organisation is coordinated with the public rescue service, health and care services in the country and with the municipality's emergency preparedness. Aker BP also works closely with our partners' emergency response organisations to ensure that we have a shared understanding of emergency preparedness plans, our responsibility and our priorities. This is particularly evident in oil spill response, where operators collaborate on joint emergency preparedness solutions. We have clear expectations for exchanging knowledge and experience to achieve a well-functioning emergency organisation.

Table 9: **Safety performance last three years**

CATEGORY	2021	2022	2023	UNITS	
Fatalities employees	0	0	0		
Fatalities hired consultants	0	0	0		
Fatalities workers in the value chain	0	0	0		
Serious injuries employees	2	0	2		1)
Serious injuries hired consultants	0	0	0		
Serious injuries workers in the value chain	2	3	3		
Serious injury frequency employees	0.6	0.0	0.5	per million work hours	*
Serious injury frequency hired consultants	0.0	0.0	0.0	per million work hours	*
Serious injury frequency own workforce	0.5	0.0	0.4	per million work hours	2)*
Serious injuriy frequency workers in the value chain	0.7	1.2	0.9	per million work hours	*
Serious injury frequency - total workforce	0.6	0.4	0.5	per million work hours	3)*
Lost Time Injuries - employees	1	0	2		
Lost Time Injuries - hired consultants	0	0	0		
Lost Time Injuries - workers in the value chain	6	5	8		
Lost Time Injury Rate - employees	0.3	0.0	0.5	per million work hours	*
Lost Time Injury Rate - hired consultants	0.0	0.0	0.0	per million work hours	*
Lost Time Injury Rate - own workforce	0.2	0.0	0.4	per million work hours	*
Lost Time Injury Rate - workers in the value chain	2.1	2.0	2.3	per million work hours	*
Lost Time Injury Rate - total workforce	1.0	0.7	1.1	per million work hours	*
Medical Treatment Injuries - employees	4	2	2	per million work hours	
Medical Treatment Injuries - hired consultants	0	0	0	per million work hours	
Medical Treatment Injuries - workers in the value chain	7	5	10	per million work hours	

* Restated for 2021 and 2022

1) Serious injuries as defined in the Management Regulations §31. These injuries are also included in the number of lost time or medical treatment injuries
2) Own workforce: Employees plus hired consultants
3) Total workforce: Workforce on Aker BP operated offshore facilities (including mobile drilling units) and Aker BP onshore facilities

CATEGORY	2021	2022	2023	UNITS	
Total Recordable Injury Frequency - employees	1.6	0.6	0.9	per million work hours	4) *
Total Recordable Injury Frequency - hired consultants	0.0	0.0	0.0	per million work hours	*
Total Recordable Injury Frequency - own workforce	1.2	0.4	0.7	per million work hours	*
Total Recordable Injury Frequency - workers in the value chain	4.6	4.0	5.3	per million work hours	*
Total Recordable Injury Frequency - total workforce	2.6	1.7	2.4	per million work hours	*
Serious incidents	0	5	3		
Serious incident frequency	0.0	0.7	0.3		5) *
Work hours employees	3.1	3.5	4.3	million hours	*
Work hours hired consultants	0.9	1.0	1.4	million hours	*
Work hours own workforce	4.0	4.5	5.7	million hours	*
Work hours workers in the value chain	2.8	2.5	3.4	million hours	*
Work hours total workforce	6.9	7.0	9.1	million hours	*
Asset integrity and process safety					
Number of Tier 1 and Tier 2 Process Safety Events (PSE)	0	0	1		6)

* Restated for 2021 and 2022

4) Total Recordable Injury Frequency: The number of recordable injuries (lost time + medical treatment) per million work hours
5) Serious incident frequency: The number of incidents with actual and/or potential consequence classification A as defined by Aker BP, e.g. fatality, oil spill to sea greater than 1000 m^3, per million work hours
6) Tier 1 PSE and Tier 2 PSE: As per the API recommended practice 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries”

Workers in the value chain

13 audits

Number of human right audits conducted in 2023

2 countries

Countries in which supplier human rights verifications have been undertaken in 2023

All Aker BP's operations are located in Norway. However, Aker BP remains dependent on global suppliers operating in countries associated with high risk of human and labour rights infringements and violations. Should Aker BP fail to manage such negative impacts we may be exposed to legal and reputational risk.

We have identified key human rights risk areas that are relevant to our operations with the focus area being workers in our value chain. These include modern slavery, forced and child labour, decent working conditions, and the right to a safe and secure workplace.

Workers in the value chain include all employees in Aker BP's value chain, examples include but are not limited to catering and housekeeping service personnel on Aker BP offshore installations, vessel crew and workers on yards supporting Aker BP projects.

POLICY COMMITMENTS

Aker BP's code of conduct and human rights policy cover the rights of workers in the value chain. See Business ethics and corporate culture, page 106 for more information about our code of conduct, and Commitment to respecting human rights of individuals, page 81 for human rights policy.

As emphasised in the Human Rights policy we do not tolerate any breaches on human rights, and we pay special attention to the rights, requirements, values and integrity of individuals and groups which may be particularly vulnerable to adverse impacts.

Aker BP's supplier declaration sets expectations for our suppliers to act with respect for human rights and labour standards, with reference to the internationally recognised human rights standards, HSSEQ standards, living wages and the International Labour Organization (ILO) core conventions.

Figure 46: **Countries in which supplier human rights audits have been undertaken**

Supplier human rights audits conducted

Boundary	2021	2022	2023
Boundary: **Aker BP**	6 audits	10 audits	13 audits

Countries in which supplier human rights audits have been undertaken

Boundary	2021	2022	2023
Boundary: **Aker BP**	5 countries	2 countries	2 countries

Relevant policies:

- Speaking up policy (internal)
- Code of conduct
- Human rights policy

ENGAGEMENT WITH SUPPLY CHAIN WORKERS

Our policies and expectations are communicated to our suppliers and business partners in dialogue meetings and through contractual clauses. See Management of relationships with suppliers, page 108 for more information about how we interact with suppliers on human rights and ESG related topics.

CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

As part of our supplier declaration and contractual clauses, we aim to ensure that our suppliers meet our expectations to establish channels for value chain workers to raise concerns. Further, as part of our desktop and onsite human right audits of our suppliers, we assess that these channels are communicated to and trusted by the employees.

Through the Aker BP integrity channel employees, hired consultants and value chain workers can raise concerns and report suspected violations of applicable laws and regulations. Aker BP has a strict non-retaliation policy. See Protection of whistleblowers, page 108 for more information about our whistleblowing channel.

Figure 47: **Selected examples of the origin of supplies we remain dependent on**

ACTIONS

Risk-based approach and due diligence
In line with the principles of the Norwegian Transparency Act and the OECD Guidelines for multinational enterprises, as well as the United Nations Guiding Principle on Business and Human Rights, we apply a risk based approach when evaluating potential adverse impact on human rights. Aker BP performs human rights due diligence to identify, prevent, mitigate and account for our human rights impacts and has processes in place to enable remediation for adverse human rights impacts we may cause or contribute to.

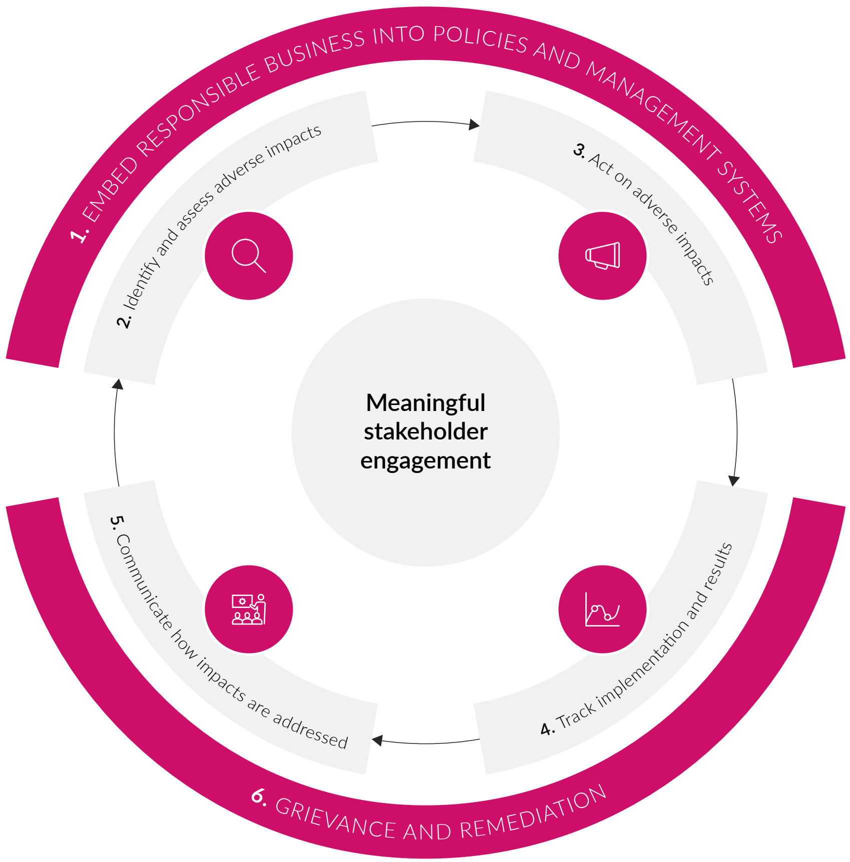
For more details see Transparency Act Statement, page 136

Audits and findings
Aker BP conducts human rights audits of key suppliers to ensure compliance with the Norwegian transparency act. In 2023, a total of 13 human rights audits with focus on decent working conditions were conducted. These audits were selected based on evaluation of risk and criticality.

All audits have resulted in reports with findings and recommendations, including a plan on how to follow up the findings. Aker BP has a clear expectation that suppliers will take the necessary actions to address our significant findings, and we will follow up all suppliers accordingly.

Audit findings related to gaps in the supplier business management framework as regards safeguarding human rights and decent working conditions have been registered in our risk management system, and corrective action plans to close the findings have been put in place jointly with respective suppliers.

Figure 48: **Our human rights due diligence process**



Human right audits of alliance partners
In 2023 we conducted six human right audits of our alliance partners. Figure 49 summarises the findings identified. The findings have been presented to the supplier with a deadline on when we expect them to have implemented improvement actions.

On-site audit
One of the audits was conducted as an on-site audit in Thailand to verify supplier's compliance with Aker BP's Code of Conduct and supplier declaration, Ethical Trade Initiative (ETI) Base Code, and local laws. The audit was conducted on three different locations where over 160 workers were interviewed as part of the assessment. The scope included main forced labour indicators with specific focus on working hours, HSE, living wages and management of sub-suppliers. The improvements identified in this audit were in the following categories:

1. Management Systems
2. Freedom of association
3. Working hours
4. Wages and benefits
5. Health & Safety
6. Prevention of discrimination
7. Regular employment, responsible recruitment, and subcontractor management

Magnet JQS human right desktop assessments
Six of the 2023 audits were conducted as desktop assessments through the cross-operator platform Magnet JQS, where audit findings are shared among the major operators on the Norwegian continental shelf. These desktop assessments had most of the total number of improvements identified in 2023.

Forward looking plans

We are intending to continuously monitor actual and potential human rights risks related to our supply chain and we are planning to increase the number of human rights audits and the focus on closing audit findings.

As we remain dependent on global suppliers and our suppliers' fabrication yards often are in countries that are exposed to certain human rights risks, we aim to conduct more on-site audits both in Norway and globally.

Figure 49: **Findings 2023 – nonconformities and improvement areas**

Internal policies, procedures and governance of human rights	Human rights supply chain management and due diligence	Engagement of stakeholders
17	17	6
Findings related to how our suppliers govern human rights, including their policies and internal procedures.	Findings related to our suppliers ability to follow up their own suppliers, conduct due diligence, conduct audits, track and follow up suppliers in their own supply chain.	Findings related to how our suppliers involve relevant stakeholders (employees, local communities, trade unions, etc.) in their work with human rights.

Figure 50: **Overview of findings from audits in 2023**

Number of human rights audits	13
Total number of non-conformities identified	3
Total number of improvement areas identified	173

7,455 million USD

Taxes paid to the government in 2023

150,000 full-time equivalents

Projected at Norwegian suppliers due to Aker BP operated development projects

Affected communities

Aker BP acknowledges the potential impact we may have on communities, both through our operations, but also through our upstream and downstream value chain. Local communities include communities affected by our operations, such as fisheries in the sense that we share the use of the ocean and the same areas where these communities are dependent on fisheries. Further, affected communities includes both local communities and communities affected by our supply chain, such as communities in Norway and abroad where we have fabrication and commissioning work related to ongoing development projects.

There are both risks and opportunities related to affected communities. Should Aker BP fail to manage its relationship with affected communities, for example through poor stakeholder management or by damaging their well-being, we may face both reputational and legal risks. On the other hand, support from communities may further strengthen relations, Aker BP's reputation and our access to a skilled local workforce.

For every **NOK 100** in increased profitability,

NOK 78 is returned to the community in taxes

POLICY COMMITMENTS

Aker BP's code of conduct and human rights policy (for a broader presentation of relevant policies, please see Commitment to respecting human rights of individuals, page 81 and Business ethics and corporate culture, page 106) are relevant for affected communities. We are committed to paying special attention to minority groups and their rights, requirements, values and the integrity of individuals and groups which may be particularly vulnerable to adverse impact. The human rights policy does not explicitly address the rights of indigenous people. Nevertheless, we do have a remediation and grievance mechanism in place, meaning that we will provide or cooperate in providing appropriate remediation to local communities, where we have caused or contributed to adverse impacts on human rights. To such effect, we will also, where relevant, provide or cooperate in providing effective grievance mechanisms.

Relevant policies:

- Speaking up policy (internal)
- Code of conduct
- Human rights policy

ENGAGEMENT WITH AFFECTED COMMUNITIES

Aker BP has a systematic process for engaging with affected communities. The process is directly linked to Norwegian legislation and expectations from the Norwegian government and authorities. This process is furthermore part of Aker BP's governance structure and embedded in our business model and values. Aker BP sets high expectations for our own understanding of the society in which we operate. The oil and gas resources belong to the society at large and Aker BP's role is to create value and wealth based on these natural resources on behalf of the people of Norway.

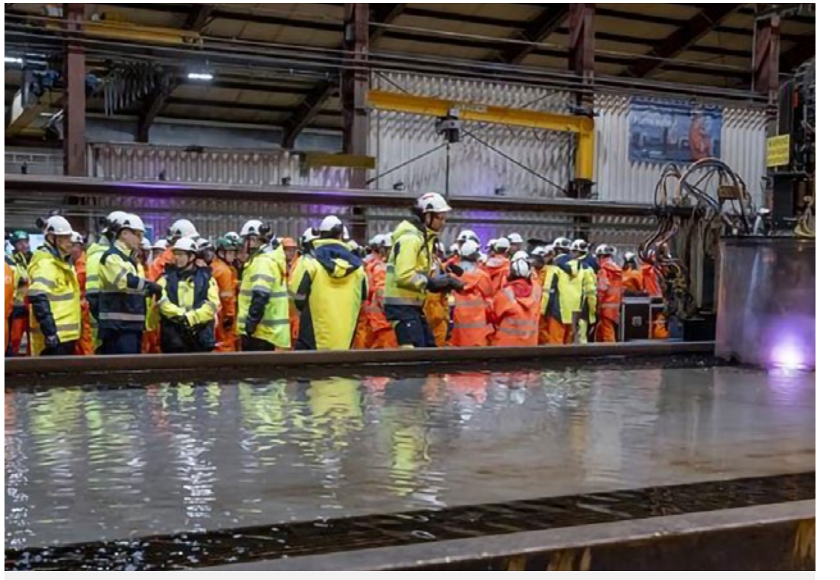
We follow the public consultation process diligently, and we engage systematically and predictably with affected communities where we have business activities.

We remain in continuous dialogue with local communities to get their feedback and try to anticipate any potential grievances that might occur in the local communities. All received feedback will be evaluated internally, including suggestions for means to address issues. For example, in 2023 we have conducted several meetings with local communities with regard to the Aker BP project portfolio. The company engaged with municipalities, politicians and other stakeholders in the Oslo area, Stavanger, Stord, Verdal, Trondheim, Harstad and Sandnessjøen.

All of these are locations that will be affected by high levels of activity and ripple effects from the company's' investments. We have carried out several public consultations of the environmental impact assessments for projects to be sanctioned. This enables communities and other stakeholders to address and discuss positive and negative impacts of the company's plans.

Aker BP is dependent on a global value chain delivery model, working with suppliers in multiple locations outside Norway. Aker BP has developed long-term contracts with our largest suppliers, also termed "alliances", and this enables us to continuously focus on key risk areas, such as human rights. The alliance model we use in this context enables us to increase our impact on suppliers with regard to their considerations on affected communities. See Management of relationships with suppliers, page 108, for more information.

The whistleblowing channel is an important tool in the company's governance system. It is available on our external website, and can be used by both internal and external parties. Aker BP makes affected local communities aware of this channel when we enter into new collaborations and contracts with new suppliers. We make the new suppliers aware of this channel and expect the suppliers to be transparent in their engagement with affected communities as well. See Protection of whistleblowers, page 108 for more information about the whistleblowing channel.



Not all about the money (It's all about the people)

Aker BP is the second largest taxpayer and the largest private taxpayer in Norway with a payment of 7,455 million USD for 2023. But an even more visible effect from our activities is all the jobs we induce in the supplier and service industries. Both from our regular operations, and especially from our ongoing development projects. Over the next few years, we will complete several development projects with Yggdrasil as the largest. It is expected that these projects will contribute to more than 150,000 FTE's (Full Time Equivalents) at suppliers throughout the country. This is shown in the impact assessments done in conjunction with the governmental sanctions of the projects.

Securing jobs for people is crucial to build flourishing and viable communities. We see it as our responsibility to place a large portion of the contracts with Norwegian suppliers to contribute to activity and to maintain competence and capacity within the industry while waiting for the expected wave of projects within renewables in the future.

ACTIONS

Continuous dialogue with local communities is one of the most important actions we take to mitigate any potential negative impact on these communities. We are also focused on creating positive impacts on local communities. Aker BP invests heavily in new projects, creating positive ripple effects for the Norwegian society. We are an important employer, creating jobs at more than one thousand suppliers.

Aker BP helps build and strengthen local communities, particularly along the Norwegian coast. Our alliance model for working with critical suppliers ensures that many contracts are awarded to Norway-based companies, thus securing local jobs. Aker BP-operated development projects are projected to contribute more than 150,000 full-time equivalents during the project development and operation phase at Norwegian supplier companies. Further, together with several of our alliance partners, we are working on innovative technology to find solutions to industry challenges. Several yards and fabrication locations are building competence and preparing for opportunities in new value chains within, for instance, renewable energy. Much of the same competence and know-how can be used within offshore wind projects. Hence, affected communities are potentially prepared for long term activities.

Furthermore, we are using our role to support causes we believe in, such as culture, sports, research, and education at locations where we carry out business activities. Some initiatives are 'one-offs', such as donating surplus personal protective equipment to a local secondary school, donating laptops to Ukrainian refugees and funds for humanitarian organisations operating within Ukrainian territory. Others have a more strategically aligned approach and a multi-year perspective, such as our sponsorships within sports, culture, and learning.

Our sponsorship and donation strategy rests on our sponsorship policy and is aligned with our code of conduct. When we consider potential sponsorship recipients, we look for partners that share our core values and where the relationship will be a mutual source of added value. We look for organisations, institutions, teams or athletes that make a difference in society. In an effort to address potential risks that might arise in connection with sponsorship activities, strict adherence to internal procedures ensures transparency and that the funds are used for the intended purpose.

Sponsoring equality

We use our role as a sponsor to promote organisations and initiatives that contribute to enabling people with disabilities to participate in sports and professional life on an equal basis with everyone else. In 2023, we entered into a contract as a general sponsor for the Norwegian Volleyball Association to, among several other things, support their work to establish national sitting volleyball teams, and contribute funds so they can train and compete just like any other top athletes. The sitting volleyball world cup will be held in Stavanger in 2025. There, the new Norwegian national teams will participate and compete against teams from around 25 other nations.

This is one of several measures in the association's strategy under the heading "One sport - equal opportunities". The strategy is a good reflection of the values Aker BP wants to promote. At the same time, we can learn a lot from the volleyball players when it comes to improvement and a performance culture.

Governance

Business conduct →

Business conduct

89%

Completion of the Code of Conduct refresher training

0 incidents

Incidents of non-compliance with laws and regulations

14 audits

HSEQ audits conducted

Relevant policies:

- Speaking up policy (internal)
- Code of conduct
- Anti-corruption policy
- Human rights policy
- Security policy

BUSINESS ETHICS AND CORPORATE CULTURE

The company's values of being seekers, accountable, foreseeable, enthusiastic, respectful (SAFER) and "one team" define the way we work at Aker BP. Our "one team" approach encourages us to work inclusively and collaboratively. Cooperation between suppliers, alliances, onshore and offshore is the very core of Aker BP. We generate good results building on each other's strengths, while at the same time taking care of each other in a safe, secure and inclusive working environment.

Having a robust, fair and ethically responsible approach to all aspects of how Aker BP conducts business is integral to our success. Our code of conduct is our main governance tool and is intended to be a source to help Aker BP representatives act in accordance with Aker BP's core values. The code of conduct provides guidance to conduct our business in an ethical and transparent manner in compliance with applicable rules and regulations related to anti-corruption, money laundering, fraud, modern slavery, human rights and labour standards, environment, and other applicable rules.

The underpinning anti-corruption policy establishes a framework for preventing all forms of corruption and guidance for our employees and business partners on how to apply these principles in their work.

Our code of conduct and anti-corruption policy were updated in 2023, and the update was related to several chapters such as gifts and hospitality, sponsorships and donations, anti-harassment and intimidation and business partners.

The code of conduct and anti-corruption policy apply for Aker BP's officers, directors and employees, as well as those acting for or on our behalf, including agents and intermediaries. Both policies are approved by the board of directors.

Compliance with laws and regulations
We had no significant instances of non-compliance in 2023.

CORRUPTION AND BRIBERY

Policy commitments
Aker BP strictly prohibits all forms of corruption, as corruption undermines public trust, distorts the market and leads to reputational and legal liability risks. Corruption is defined in the Norwegian penal code as an effort to request or receive, give or offer an improper advantage in connection with a position, office or assignment. Aker BP prohibits all forms of corruption, including offering or receiving directly or indirectly, bribes, facilitation payments, excessive or lavish gifts and hospitality.

Our zero tolerance for corruption approach is set forth in our code of conduct and the underlying anti-corruption policy. The anti-corruption policy provides Aker BP's representatives with detailed descriptions of forms of corruption and how employees must act in order to avoid becoming involved in illegal activities. Aker BP regularly communicates the content of its policies through internal channels and external websites, as well as meeting with suppliers, business partners and attending supplier events. Our contractual provisions set expectations for our business partners to align their business conduct with Aker BP's standards and include audit clauses.

Aker BP requires new employees and hired consultants to participate in ethics and compliance onboarding training when they join the company, and to complete an annual code of conduct refresher course. Both courses include control questions at the end of each module to certify understanding of the content of the course. In addition, employees and hired consultants are required to sign a declaration of compliance with the code of conduct on an annual basis. Members of the board also receive annual code of conduct training.

Actions
In 2023, our company-wide mandatory code of conduct refresher training included a module on anti-bribery and corruption and gifts and hospitality. 89 percent of Aker BP's employees and hired consultants completed the annual code of conduct refresher course and signed the declaration of compliance with the code of conduct in 2023.

Seven of the eight shareholder-elected members of the board completed the annual code of conduct refresher course in 2023.

In 2023, the percentage of employees who have completed the mandatory code of conduct training remains the same as in 2022, and we aim at providing relevant anti-corruption training to employees and hired consultants.

Aker BP's compliance department oversees the risk of corruption and reports on a quarterly basis on the identified risks to the executive management team and the audit and risk committee.

Figure 51: **Compliance indicators**

Code of Conduct training of employees

2,571 (89%)
employees and consultants completed the code of conduct refresher training

Integrity reports

10
integrity reports in the reporting period

Incidents of non-compliance with laws and regulations

0
incidents of non-compliance

0
incidents for which fines were incurred

0
incidents for which non-monetary sanctions were incurred

To better assess the risk of corruption, the compliance department has conducted a number of compliance risk workshops in 2023 with key company functions such as legal, finance, supply chain management and projects. The results of the risk assessment will be used to strengthen our anti-corruption compliance programme and provide additional mitigating measures for the identified risks.

According to the Transparency International Corruption Perception Index (CPI), corruption risks in Norway are considered to be low. Aker BP is conscious of potential areas where corruption risks can occur such as conflicts of interest, relationships with business partners, gifts and hospitality, sponsorships and donations. In 2023, we conducted classroom training on anti-bribery and corruption for the management team in the Drilling & Wells function with dilemmas related to gifts and hospitality that we identified as relevant in Aker BP's context.

Our internal anti-corruption and anti-bribery system includes controls embedded in the company's financial and procurement procedures, audits, business partner due diligence and anti-corruption training, integrity channel for reporting concerns (see Chapter Protection of whistleblowers for details), as well as awareness activities among employees.

Our target is to have zero incidents of corruption. There were no incidents of corruption reported in 2023.

Forward-looking plans
To address the legal and reputational risks related to corruption, especially in business functions that are particularly exposed to corruption risks, we plan to launch dilemma training for managers on the topics of corruption, conflict of interests, gifts and hospitality.

Going forward, we plan to continue strengthening our anti-corruption compliance programme and improve its effectiveness in order to remain a trusted business partner, employer and corporate citizen.

ANTI-COMPETITIVE BEHAVIOUR

Aker BP strives to protect fair and open competition, and to compete in a fair and ethical manner. Our code of conduct clearly states that we shall not engage in or tolerate breaches of applicable rules, nor engage in any anti-competitive behaviour, such as price fixing, bid rigging, market sharing or abuse of market power.

There have been no legal actions pending or completed during the reporting period regarding anti-competitive behaviour or violations of monopoly/anti-trust legislation in which the organisation has been identified as a participant.

PROTECTION OF WHISTLEBLOWERS

At Aker BP, employees, hired consultants and workers in the value chain are encouraged to speak up about negative conditions in the workplace and to seek advice if they are in doubt. The process for reporting concerns is described in our code of conduct and speaking up policy. Our internal speaking up policy describes the main principles of speaking up and they are linked to the primary business processes in Aker BP's business management system. The policy applies to all employees and hired consultants.

There are multiple ways to report a concern at Aker BP: employees and hired consultants can report to their line manager, a representative of senior management, their trade union representative, the Compliance or Legal departments, other functional unit, or report anonymously via the company's integrity channel. We also welcome raising of concerns by external parties, including value chain workers and affected communities. Our integrity channel is available at our external website and is managed by an independent third-party, ensuring confidentiality and proper handling of reports in accordance with the applicable standards. All reports received via the integrity channel or internal reporting channels are to be handled in accordance with the internal procedure for handling integrity reports, which address topics such as confidentiality and data privacy considerations.

Aker BP has a strict non-retaliation policy for those who report concerns. Aker BP's compliance department reviews all received reports and implement appropriate measures to protect individuals' opportunities or professional development from negative impact.

Actions
In 2023, we addressed the topic of speaking up and protecting whistleblowers through several awareness initiatives about speaking up in Aker BP. We are also planning to continue internal awareness activities to ensure that employees feel safe to report censurable conditions, violations of applicable laws and regulations, the company's code of conduct and broadly accepted ethical norms. In addition, we conduct regular training related to handling of integrity reports for managers as potential receivers of integrity reports as part of the "New as a leader" programme. The training on speaking up provides managers with knowledge of the main principles of the whistleblowing policy and how whistleblowing cases shall be handled, and how to help maintain an open culture for speaking up.

We regularly conduct evaluations of the effectiveness of our Integrity channel and endeavour to include lessons learned in our further work.

Ten whistleblowing cases were received via the integrity channel and via reports directly to the compliance department in 2023. Actions were taken to address the concerns raised and the reports are now closed.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Our business has a significant impact on society and the environment through our supply chain, which includes approximately 2000 suppliers. These suppliers are crucial to our success and we work closely with them to mitigate any potential negative impacts on people, communities and the environment. We further believe that close collaboration and thorough supplier risk evaluations are essential to obtain a stable supply of high-quality products.

Policy commitments
We expect our suppliers to comply with applicable laws and regulations, and Aker BP's key principles. These include principles related to integrity and anti-corruption, health, safety, security, environment and quality standards, as well as internationally recognised human rights standards, living wages and the ILO core conventions. These principles are further detailed in our code of conduct and underpinning policies, such as the human rights policy and anti-corruption policy. See Own workforce, page 82, for more information about how we manage human rights risks in our supply chain.

Actions

Engagement with suppliers

We work closely with our suppliers through formalised processes. These processes are part of Aker BP's Business Management System and are therefore mandatory for all workers through our normal governance processes.

As part of our corporate strategy, we have established long-term supplier collaboration with key suppliers. We call these collaboration models strategic partnerships and alliances. This allows us to continuously improve how we act in the supply chain in close collaboration with our main suppliers. Strategic partnerships and alliances have defined governance models that are fully compliant with our own standards and practices, including performance, risk and opportunity management, built on shared responsibility for achieving high levels of performance in integrity and anti-corruption, health, safety, security, environment and quality standards.

Payment practices

We recognise the potential impact our actions may have on our suppliers and strive to always conduct ourselves in a fair manner. We have standard payment terms of 30 days for all suppliers. Our payment practice is consistent across all our suppliers, regardless of size, scope of deliveries or geographical location. The only exceptions to this main rule are vendors where we have limited impact, e.g. governmental bodies or monopolists within infrastructure for oil and gas transportation. Including the mentioned exceptions, the average time from invoice to payment was 29.6 days in 2023.

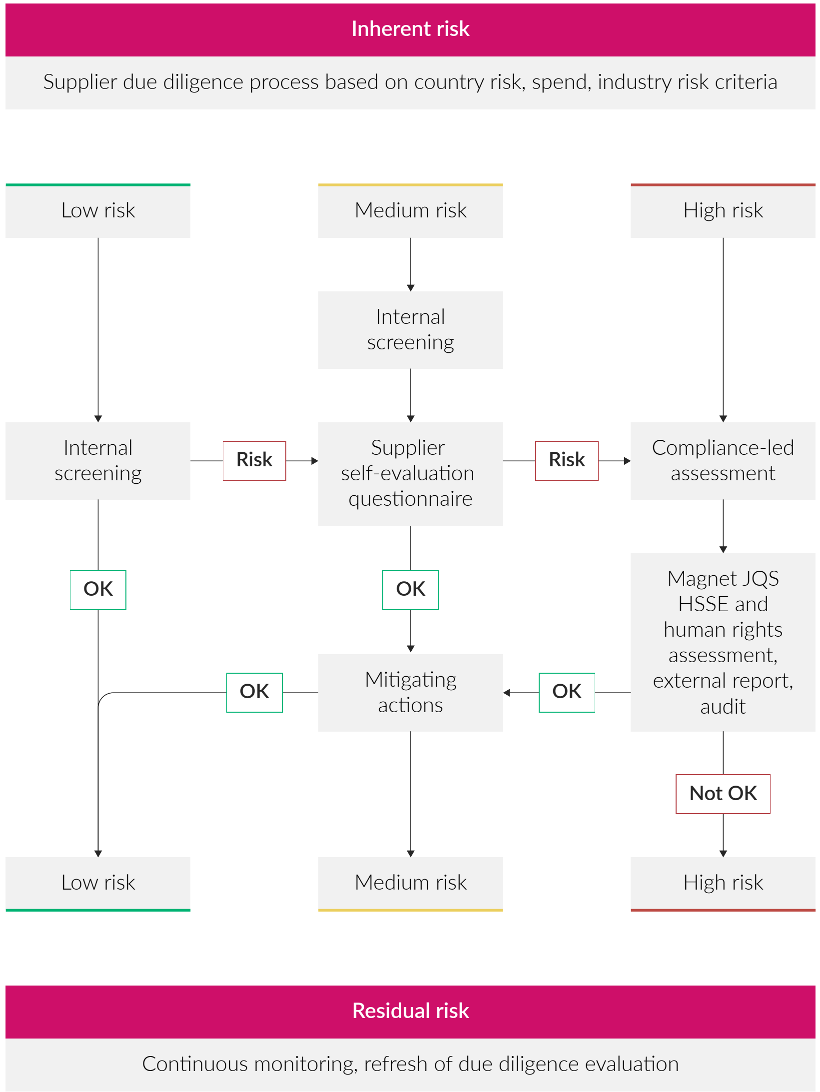
Risk based approach

Aker BP has a structured approach to identify impacts, risks and opportunities in relation to its suppliers. We evaluate prospective and existing suppliers regarding factors such as corruption risk, human rights impact risk, environmental impact, security and reputation risk. This evaluation includes risk assessments, due diligence and other procedures and controls that should be followed to provide assurance that supplier related risks are identified and managed. The outcome of these processes is essential when selecting new suppliers, but also when evaluating existing suppliers. If our suppliers fail to comply with Aker BP's requirements, we will work closely with the supplier to agree on how to mitigate the identified risks.

Our due diligence framework is risk-based and takes into account the level of spending, country risk, type of industry and other relevant evaluation criteria. Aker BP has taken action to strengthen its supplier risk management by implementing roles with extensive focus to prevent, detect, respond and correct critical dimensions of inherent risk elements in supplier relationships.

As a preventive measure to reduce risk, Aker BP shall include appropriate compliance clauses in the contracts based on the level of risk identified. As a deterrent measure, contracts also include an audit clause.

Figure 52: **Supplier integrity due diligence process**



Audits and findings
A total of 14 HSEQ supplier audits (a 3rd line assurance activity) were conducted in 2023 with central coordination. In addition, several 1st and 2nd line assurance activities were conducted according to The Three Lines Model that Aker BP follows.

These HSEQ audits were selected based on evaluations of risk and criticality. They were proposed and selected in cooperation with identified needs and input from the organisation.

Overall, the findings were regarded as having only small to moderate risk and criticality. The most recurring findings (non-conformities and improvement areas) were in the following broad categories:

1. Management of non-conformities and changes
2. Management of risk
3. Management of competence (including lessons learned)
4. Management of HSE activities
5. Management system deficiencies
6. Management of roles and responsibilities

After each audit, the supplier is requested to evaluate and explain how it intends to follow up the audit findings. Normally, we expect that findings are addressed and rectified within one year. If findings are not deemed satisfactorily addressed by the audit team within that deadline, any further follow-up is transferred from the audit team to the contract owner in Aker BP.

Forward looking plans
Going forward, we will continue to monitor actual and potential risks related to our supply chain through verifications, audits and supplier dialogue. In 2024, we are planning to increase the number of supplier audits related to both HSSEQ, human rights and cyber security.

PUBLIC ENGAGEMENT

Given the nature of the oil and gas industry, Aker BP is particularly affected by policies and framework conditions directly or indirectly related to energy production. Aker BP thus recognises the value of engaging with public authorities and other stakeholders in relation to the development of various policy initiatives that impact our industry.

We promote our views on issues of importance either through direct interaction with public authorities or through various industry associations. Aker BP engages directly with public authorities, including the Ministry of Energy, the Norwegian Offshore Directorate, the Norwegian Ocean Industry Authority Norway and the Norwegian Environment Agency (NEA). These interactions include separate, annual contact meetings with top management from each of the governmental 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 Aker BP's key network for reviewing and responding to relevant public issues related to framework conditions, regulations or other significant issues. Aker BP is represented on the Offshore Norge, board as well as in various committees in the organisation. Offshore Norge's views on relevant policy issues are available at www.offshorenorge.no.

In addition to the engagement conducted by Offshore Norge, Aker BP engages directly with elected political representatives in Norway on a national and local level, including members of the Energy and Environment Committee.

Aker BP's employees are in a position to exert formal influence on decisions, and five employee representatives serve on the board of Aker BP.

Data on public affairs and lobbying is gathered from Aker BP's Communication department. This unit covers all consolidated activities. Approximately one full-time equivalent (FTE) was dedicated to public affairs and public policy development in 2023. In accordance with our code of conduct, Aker BP does not make any financial contributions to political parties.

Figure 53: **HSEQ audits conducted in 2023**

Number of HSEQ audits	14
Total number of non-conformities identified	23
Total number of improvement areas identified	63

SECURITY

Ensuring access to affordable and sufficient energy is vital to society and livelihood in the EU. Unexpected imbalances in the energy supply may impact political and financial stability on a global scale, and the evolving geopolitical situation further emphasises this topic. There may be those who will deliberately seek to cause such imbalances to reap financial, political or other benefits. Preventing these parties from impacting Aker BP is the objective of our security efforts.

Actions from bad actors may strike us in many dimensions such as cyber-attacks and espionage, physical damage to- or tampering with critical/operational infrastructure; and not the least impact to our project delivery portfolio through partners, vendors, and 3rd party supply chains.

As an oil and gas operator on the Norwegian continental shelf, we share strengths and exposures to some degree with other operators. It should be expected that harm inflicted to another operator is likely to have effects across the entire sector. These effects could take many forms including e.g. logistical or personnel restrictions.

Policy

Preventing bad actors from succeeding is the overall objective of our security efforts. Our security policy and security management principles, coupled with the rest of our governance, sets out how we integrate with the business to deliver on this objective.

Physical, personnel, and cyber security aspects are all included in the policy which is owned by our SVP People & Safety. Security encompasses the entire Aker BP organisation and our relationships with alliance partners, licence owners, owners, suppliers and other stakeholders. Our practises and methods are all derived and inspired by international standards, e.g. ISO 31000 and best practices shared from e.g. IOGP (international oil and gas producers).

Actions

Safeguarding our assets and interests in the current security context calls for profound collaboration. The Aker BP security agenda focuses on several dimensions to holistically improve controls and practises. Our main goals/priorities are to contribute to the unified security efforts in the Norwegian oil & gas industry, improve internal security aspects and collaboration in our global supply chain relationships.

This is secured through a multitude of high-level engagements with other operators, partners & suppliers, authorities, and police/military agencies with the objective to coordinate information, initiatives, and learning. We also contribute to Offshore Norge with the objective of improving security in day-to-day logistics for our operated offshore assets.

Improvement actions across proactive security measures, emergency preparedness and business continuity allow effective management of security from detecting unauthorised access to handling events and re-instating business functions.

With an industry-leading capital projects portfolio sourcing across the globe, we've expanded on our people travel security agenda and site security engagements for all our staff. We are deploying leading standards for remote site connectivity to ensure the security and integrity of our flagship project developments and technologies. We are in the process of developing digital solutions to effectively come to grips with complexity and a fast-paced threat environment. Connecting security data with our asset data can enable us to improve situational awareness.

Cyber security has transitioned all digital operations to a new service provider, enabling modern AI-technologies and automation technologies to modernise daily operation of IT and OT. We have developed and are implementing a framework to manage IT/OT cyber security as part of offshore barrier management, aiming to protect against major accidents through cyber-attacks. Furthermore, we have transformed daily operations of IT and OT to enable the company's digital ambitions, including cyber resilience and the introduction of AI technology in the cyber security toolkit.

ESG Appendix

Independant auditor's statement

Restatements

GRI disclosures

ESMA disclosures

SASB disclosures

TCFD disclosures

EU taxonomy

Transparency Act Statement

Independant auditor's statement

To the Board of Aker BP ASA

Independent statement regarding Aker BP ASA's key performance indicators for sustainability

We have undertaken a limited assurance engagement in respect of Aker BP ASA's (Aker BP) measurement and reporting of selected key performance indicators for sustainability (the Subject Matter) for the period 1 January 2023 - 31 December 2023. Our assurance engagement was conducted to obtain limited assurance.

Aker BP's key performance indicators for sustainability (KPIs) are indicators of sustainability that Aker BP measures and controls. The indicators are available and included in tables in Aker BP's Sustainability report for 2023. The selected KPIs subject to our procedures are included in the following pages:

- Table 8: Sustainability data: Environment - page 76, 77, 78 and 79;
- Figure 5: Aker BP's value creation and distribution - page 28;
- Figure 38: The people of Aker BP - page 85;
- Figure 39: Ratio of payment of women to men for each employee category - page 86, and
- Table 9: Safety performance last three years - page 96 and 97.

Aker BP has defined the KPI's and explained how they are measured in relation to each table containing the KPI's or in Appendix to the Sustainability report for 2023 (Criteria). We have examined the basis for the KPIs and examined whether the KPIs are developed, measured and reported in accordance with the Criteria.

Management's Responsibility

Management is responsible for Aker BP's KPI's and for ensuring that they are prepared in accordance with the definitions they set out in their sustainability report. The responsibility includes designing, implementing and maintaining an internal control that ensures the development and reporting of the KPI's.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our firm applies ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and 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.

Auditor's Responsibilities

Our responsibility is to express a conclusion on Aker BP's KPI's listed above, based on the procedure we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information». That standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPI's are free from material misstatement.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the KPI's, assessing the risks of material misstatement of the KPI's whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the KPI's. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the Criteria used are appropriate, as well as an assessment of the overall presentation of the KPI's. Our procedures, based on assessment of the risk of error, also included meetings with representatives from Aker BP who are responsible for the preparation of the KPI's; review of internal control and routines for reporting KPI's; obtaining and reviewing relevant information that supports the preparation of the KPI's and controlling calculation of KPI's.

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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the key performance indicators for sustainability have been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Aker BP's key performance indicators for sustainability are not, in all material aspects, developed, measured and reported in accordance with the definitions and explanations provided in relation to each table containing the KPI's or in Appendix to the Sustainability report for 2023.

Stavanger, 13 March 2024
PricewaterhouseCoopers AS

Per Arvid Gimre
State Authorised Public Accountant

Restatements

The organization should provide a restatement of information when it has learned that the previously reported information needs to be revised. Restatements of information from previous reporting periods can correct an error, or account for changes in measurement methodology or to the nature of the business

CHAPTER IN SUSTAINABILITY REPORT 2023	PAGE	ORIGINAL TEXT/DATA IN SUSTAINABILITY REPORT 2022	CORRECTION MADE IN SUSTAINABILITY REPORT 2023	REASON
Figure 24: Scope 2 Location-based emissions	58	4,589 t CO_2	7,847 t CO_2	The location-based emission factor for Norwegian Power used in 2022 was published in June 2023, after the previous sustainability report was published. The increase was from 11 g CO_2/kWh to 19 g CO_2/kWh.
Table 8: Sustainability data: Environment, 305. Emissions - Scope 2 - location based	77	4,589 t CO_2	7,847 t CO_2	The location-based emission factor for Norwegian Power used in 2022 was published in June 2023, after the previous sustainability report was published. The increase was from 11 g CO_2/kWh to 19 g CO_2/kWh.
Table 8: Sustainability data: Environment, 305. Emissions - Scope 2 - market based	77	168,885 t CO_2	204,445 t CO_2	The market based emission factor for Norwegian Power used in 2022 was published in June 2023, after the previous sustainability report was published. The increase was from 405 g CO_2/kWh to 502 g CO_2/kWh.
Table 9: Safety performance last three years	96-97	NA	All restated numbers are marked with "*"	The number of hours worked for the years 2021 and 2022 have been restated to incorporate a new and more accurate methodology for measuring worked hours. Consequently, all safety related frequencies have been restated.

GRI disclosures

A dark gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

GENERAL DISCLOSURES

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
GRI 2: General Disclosures 2022						
2-1	Organisational details	Company profile, page 03				
2-2	Entities included in the organisation's sustainability reporting	Company profile, page 03				
2-3	Reporting period, frequency and contact point	Reporting practices, page 26				
2-4	Restatements of information	Restatements, page 114				
2-5	External assurance	Independant auditor's statement, page 113				
2-6	Activities, value chain and other business relationships	Company profile, page 03	-	-	-	
2-7	Employees	Figure 38: The people of Aker BP, page 85	-	-	-	
2-8	Workers who are not employees	4,852	-	-	-	
2-9	Governance structure and composition	Governance, page 32 Board of directors' report on corporate governance, page 219	-	-	-	
2-10	Nomination and selection of the highest governance body	Board of directors' report on corporate governance, page 219	-	-	-	
2-11	Chair of the highest governance body	Governance, page 32 Board of directors' report on corporate governance, page 219	-	-	-	
2-12	Role of the highest governance body in overseeing the management of impacts	Board of directors' report on corporate governance, page 219	-	-	-	
2-13	Delegation of responsibility for managing impacts	Governance, page 32	-	-	-	
2-14	Role of the highest governance body in sustainability reporting	Governance, page 32	-	-	-	
2-15	Conflicts of interest	Board of directors' report on corporate governance, page 219	-	-	-	
2-16	Communication of critical concerns	Governance, page 32	-	-	-	
2-17	Collective knowledge of the highest governance body	Governance, page 32	-	-	-	
2-18	Evaluation of the performance of the highest governance body	Board of directors' report on corporate governance, page 219	-	-	-	
2-19	Remuneration policies	Remuneration Report, page 209	-	-	-	

A dark gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

GENERAL DISCLOSURES

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
2-20	Process to determine remuneration	Remuneration Report, page 209	-	-	-	
2-21	Annual total compensation ratio	Figure 39: Ratio of payment of women to men for each employee category, page 86	-	-	-	
2-22	Statement on sustainable development strategy	Letter from the CEO, page 04	-	-	-	
2-23	Policy commitments	Climate change, page 42 Pollution, page 63 Biodiversity, page 66 Circular economy, page 70 Commitment to respecting human rights of individuals, page 81 Working conditions, page 82 Diversity and equal opportunities, page 87 Health and safety, page 90 Corruption and bribery, page 106 Security, page 111				
2-24	Embedding policy commitments	See 2-23				
2-25	Processes to remediate negative impacts	Grievance mechanisms and remediation, page 81				
2-26	Mechanisms for seeking advice and raising concerns	Grievance mechanisms and remediation, page 81 Protection of whistleblowers, page 108				
2-27	Compliance with laws and regulations	Compliance with laws and regulations, page 106				
2-28	Membership associations	Freedom of association and collective bargaining, page 83				
2-29	Approach to stakeholder engagement	Stakeholder engagement and industry cooperation, page 81 Engagement with our own workforce and unions, page 82 Engagement with supply chain workers, page 99 Engagement with affected communities, page 103				
2-30	Collective bargaining agreements	Freedom of association and collective bargaining, page 83				

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
GRI 3: Material Topics 2022						
3-1	Process to determine material topics	Double materiality assessment, page 34				
3-2	List of material topics	Table 3: Material topics and related impacts, risks and opportunities, page 37				
Economic performance						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Creating shared value, page 28				
GRI 201: Economic Performance 2016						
201-1	Direct economic value generated and distributed	Figure 5: Aker BP's value creation and distribution, page 28 Income statements, page 141				
201-2	Financial implications and other risks and opportunities due to climate change	Climate scenarios and risks, page 49				
201-3	Defined benefit plan obligations and other retirement plans	Employee benefits, page 83				
201-4	Financial assistance received from government	USD 0.4 million			The number refers to financial assistance received due to the Tax deduction scheme for companies with R&D projects.	
Market presence						
GRI 3: Material Topics 2021						
3-3	Management of material topics	N/A		Not applicable	Not a material topic	
GRI 202: Market Presence 2016						
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N/A		Not applicable	No workers/employees compensated based on wages subject to minimum wage rules	
202-2	Proportion of senior management hired from the local community	100%			Senior management is defined as the Executive Management Team, and its members are all either born or have legal right to reside in Norway indefinitely. The Company's geographical definition of local is within Norway.	

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
Indirect economic impacts						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Creating shared value, page 28				
GRI 203: Indirect Economic Impacts 2016						
203-1	Infrastructure investments and services supported	Creating shared value, page 28 Affected communities, page 102				
203-2	Significant indirect economic impacts	Creating shared value, page 28				
Procurement practices						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Management of relationships with suppliers, page 108				
GRI 204: Procurement Practices 2016						
204-1	Proportion of spending on local suppliers	USD 5,595 million spent. 92.39% of total spend.			Definition of local is within Norway.	
Anti-corruption						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Corruption and bribery, page 106				
GRI 205: Anti-corruption 2016						
205-1	Operations assessed for risks related to corruption	Corruption and bribery, page 106				
205-2	Communication and training about anti-corruption policies and procedures	Corruption and bribery, page 106				
205-3	Confirmed incidents of corruption and actions taken	Figure 51: Compliance indicators, page 107				
Anti-competitive behavior						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Anti-competitive behaviour, page 108				
GRI 206: Anti-competitive Behavior 2016						
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Figure 51: Compliance indicators, page 107				

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
Tax						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Tax strategy, page 39				
GRI 207: Tax 2019						
207-1	Approach to tax	Tax strategy, page 39				
207-2	Tax governance, control, and risk management	Tax strategy, page 39				
207-3	Stakeholder engagement and management of concerns related to tax	Tax strategy, page 39				
207-4	Country-by-country reporting	Tax strategy, page 39				
Energy						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Energy management, page 56				
GRI 302: Energy 2016						
302-1	Energy consumption within the organisation	Table 8: Sustainability data: Environment, page 76				
302-2	Energy consumption outside of the organisation	Table 8: Sustainability data: Environment, page 76				
302-3	Energy intensity	Table 8: Sustainability data: Environment, page 76				
302-4	Reduction of energy consumption	Energy management, page 56				
302-5	Reductions in energy requirements of products and services		Reductions in energy requirements of products and services	Information unavailable/ incomplete	This information was not available at the time of reporting.	
Biodiversity						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Biodiversity, page 66				
GRI 304: Biodiversity 2016						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, page 66				
304-2	Significant impacts of activities, products and services on biodiversity	Metrics and targets, page 68				
304-3	Habitats protected or restored	Closure and rehabilitation 2023, page 69				
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity, page 66				

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
Emissions						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Climate change, page 42				
GRI 305: Emissions 2016						
305-1	Direct (scope 1) GHG emissions	Table 8: Sustainability data: Environment, page 77				
305-2	Energy indirect (scope 2) GHG emissions	Table 8: Sustainability data: Environment, page 77				
305-3	Other indirect (scope 3) GHG emissions	Table 8: Sustainability data: Environment, page 77				
305-4	GHG emissions intensity	Table 8: Sustainability data: Environment, page 78				
305-5	Reduction of GHG emissions	Table 8: Sustainability data: Environment, page 78				
305-6	Emissions of ozone-depleting substances (ODS)		Emissions of ozone-depleting substances (ODS)	Information unavailable/ incomplete	We have no ozone depleting substances in our portfolio	
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Table 8: Sustainability data: Environment, page 78				
Waste						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Waste, page 73				
GRI 306: Waste 2020						
306-1	Waste generation and significant waste-related impacts	Waste, page 73				
306-2	Management of significant waste-related impacts	Waste, page 73				
306-3	Waste generated	Table 8: Sustainability data: Environment, page 78				
306-4	Waste diverted from disposal	Table 8: Sustainability data: Environment, page 79				
306-5	Waste directed to disposal	Table 8: Sustainability data: Environment, page 79				
Supplier environmental assessment						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Management of relationships with suppliers, page 108				

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
GRI 308: Supplier Environmental Assessment 2016						
308-1	New suppliers that were screened using environmental criteria	Table 8: Sustainability data: Environment, page 79				
308-2	Negative environmental impacts in the supply chain and actions taken	Management of relationships with suppliers, page 108				
Employment						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Own workforce, page 82				
GRI 401: Employment 2016						
401-1	New employee hires and employee turnover	Figure 38: The people of Aker BP, page 85				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefits, page 83				
401-3	Parental leave	Figure 38: The people of Aker BP, page 85				
Occupational health and safety						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Health and safety, page 90				
GRI 403: Occupational Health and Safety 2018						
403-1	Occupational health and safety management system	Health and safety, page 90				
403-2	Hazard identification, risk assessment, and incident investigation	Health and safety, page 90				
403-3	Occupational health services	Health promoting workplace, page 92				
403-4	Worker participation, consultation, and communication on occupational health and safety	Continuous improvement of health and working environment, page 92				
403-5	Worker training on occupational health and safety	Health and safety, page 90				
403-6	Promotion of worker health	Continuous improvement of health and working environment, page 92				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Continuous improvement of health and working environment, page 92				
403-8	Workers covered by an occupational health and safety management system	Health and safety, page 90				
403-9	Work-related injuries	Table 9: Safety performance last three years, page 96				
403-10	Work-related ill health	Table 9: Safety performance last three years, page 96				

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
Training and education						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Training and education, page 89				
GRI 404: Training and Education 2016						
404-1	Average hours of training per year per employee	Training and education, page 89				
404-2	Programs for upgrading employee skills and transition assistance programs	Training and education, page 89				
404-3	Percentage of employees receiving regular performance and career development reviews	Training and education, page 89				
Diversity and equal opportunity						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Diversity and equal opportunities, page 87				
GRI 405: Diversity and Equal Opportunity 2016						
405-1	Diversity of governance bodies and employees	Figure 38: The people of Aker BP, page 85				
405-2	Ratio of basic salary and remuneration of women to men	Figure 39: Ratio of payment of women to men for each employee category, page 86				
Non-discrimination						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Diversity and equal opportunities, page 87				
GRI 406: Non-discrimination 2016						
406-1	Incidents of discrimination and corrective actions taken	The were no confirmed incidents of discrimination during 2023				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Freedom of association and collective bargaining, page 83				
GRI 407: Freedom of Association and Collective Bargaining 2016						
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Transparency Act Statement, page 136				

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
Child labor						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Workers in the value chain, page 98				
GRI 408: Child Labor 2016						
408-1	Operations and suppliers at significant risk for incidents of child labor	Transparency Act Statement, page 136				
Forced or compulsory labor						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Workers in the value chain, page 98				
GRI 409: Forced or Compulsory Labor 2016						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Transparency Act Statement, page 136				
Asset integrity and critical incident management						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Asset integrity and critical incident management, page 94				
GRI 306 Effluents and waste 2016						
306-3	Significant spills	Table 8: Sustainability data: Environment, page 79				11.8.2
Tier 1 and Tier 2 process safety events		Table 9: Safety performance last three years, page 97				11.8.3
Closure and rehabilitation						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Closure and rehabilitation, page 75				
402-1	Minumum notice period regarding operational changes	Engagement with our own workforce and unions, page 82				
Operational sites that have closure and rehabilitation plans in place, have been closed, are in the process of being closed		Closure and rehabilitation, page 75				11.7.4
Decomissioned structures left in place		Closure and rehabilitation, page 75				11.7.5
Total monetary value of financial provisions for closure and rehabilitiation		USD 4,554.7 million				11.7.6

MATERIAL TOPICS

DISCLOSURE		LOCATION	REQUIREMENT OMITTED	REASON FOR OMITTANCE	EXPLENATION OF OMITTANCE	GRI SECTOR STANDARD REF. NO.
Local communities						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Affected communities, page 102				
GRI 413: Local Communities 2016						
413-1	Operations with local community engagement, impact assessments, and development programs	Engagement with affected communities, page 103				
413-2	Operations with significant actual and potential negative impacts on local communities	Engagement with affected communities, page 103				
Supplier social assessment						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Workers in the value chain, page 98				
GRI 414: Supplier Social Assessment 2016						
414-1	New suppliers that were screened using social criteria	Figure 46: Countries in which supplier human rights audits have been undertaken, page 98 We are conducting human rights screenings for all of our new suppliers				
414-2	Negative social impacts in the supply chain and actions taken	Workers in the value chain, page 98 Management of relationships with suppliers, page 108				
Public policy						
GRI 3: Material Topics 2021						
3-3	Management of material topics	Public engagement, page 110				
GRI 415: Public Policy 2016						
415-1	Political contributions	Public engagement, page 110				

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL

TOPIC		EXPLANATION
11.6	Water and effluents	No signifcant impacts on water and resource rights from operations
11.16	Land and resource rights	No signifcant impacts on land and resource rights from operations
11.17	Rights of indigenous peoples	No significant impacts on rights of indigenous peoples from operations
11.18	Conflict and security	No operations in areas of conflict

ESMA disclosures

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT	GRI	COMMENT
Climate and other environment-related indicators					
Greenhouse gas emissions					
1.	Carbon emissions (broken down by scope 1, 2 and 3 carbon emissions)	Scope 1 Scope 2 Scope 3	Scope 1: 906,378 tonnes CO_2e Scope 2: 16,804 tonnes CO_2e Scope 3: 72,607 thousand tonnes CO_2e	305	Scope 1-3 is provided as GHG emission (in CO_2e)
2.	Carbon footprint	Kg CO_2e/boe	Scope 1: 5.9 kg CO_2e/boe Scope 1: 2.8 kg CO_2e/boe	-	Operational control Equity share
3.	Weighted average carbon intensity	-	N/A	-	-
4.	Solid fossil fuel sector exposure	-	None	-	-
Energy performance					
5.	Total energy consumption from non-renewable sources and share of non-renewable energy consumption	**1.** Total energy consumption from non-renewable energy sources (in GWh) **2.** Share of non-renewable energy consumption from non-renewable energy sources compared to renewable energy source	**1.** 3,826 GWh **2.** Non-renewable energy sources: 82% Renewable energy sources: 18%	302	-
6.	Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used broken down by each non-renewable energy source	Energy consumption from: Fuel gas: 3,319 GWh Diesel: 507 GWh	-	-
7.	Energy consumption intensity	Energy consumption per million EUR of revenue (in GWh)	0.373 GWh / million EUR revenue	-	We consumed 16,957 TJ, or converted to electric power, 4,710 GWh of energy in 2023.
8.	Energy consumption intensity per sector	Energy consumption intensity per million EUR per NACE sector (in GWh)	All energy consumption in NACE B 06 – not possible to separate numbers for 06.1 and 06.2	-	NA

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT	GRI	COMMENT
Biodiversity					
9.	Biodiversity and ecosystem preservation practices	Share of all investments that do not assess, monitor or control the pressures corresponding to the indirect and direct drivers of biodiversity and ecosystem change	All operations are assessed, monitored and controlled for indirect and direct drivers of biodiversity and ecosystem change.	304	Biodiversity, page 66-69
10.	Natural species and protected areas	1. Share of investments invested in investee companies whose operations affect IUCN Red List species and/or national conservation list species 2. Share of investments in investee companies with operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1. Red-listed species from the IUCN in areas near exploration and operational sites is included in the environmental risk assessment. 2. No operational sites located in or adjacent to protected areas or areas of high biodiversity value outside protected areas.	304	Biodiversity, page 66-69
11.	Deforestation	Deforestation policy	Operational procedures to minimize forest clearance for the development of the onshore Yggdrasil infrastructure.	304	Biodiversity, page 66-69
Water					
12.	Water emissions	Weight in tonnes of water emissions generated	Produced water discharge: 5,389 megalitres	303	-
13.	Exposure to areas of high water stress	-	No operations in areas of high water stress	303	-
14.	Untreated discharged waste water	Total amount in cubic meters of untreated waste water discharged	0 m^3	303	-
Waste					
15.	Hazardous waste ratio	Weight in tonnes of hazardous waste generated	50,580 tonnes	306	-
16.	Non-recycled waste ratio	Weight in tonnes of non-recycled waste generated	34%. The amount of non-recycled waste from our operations is 17,557 tonnes	306	-
Social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Social and employee matters					
17.	Implementation of fundamental ILO Conventions	-	Yes	-	Policy commitments, page 81
18.	Gender pay gap	Average gender pay gap	90.5%	405-2	Figure 39: Ratio of payment of women to men for each employee category, page 86
19.	Excessive CEO pay ratio	-	8:1	2-21	-
20.	Board gender diversity	Ratio of female to male board members	38.5% female	405-1	Figure 38: The people of Aker BP, page 85
21.	Policies on the protection of whistleblowers	-	Yes	2-26	Protection of whistleblowers, page 108
22.	Workplace accident prevention policies	-	Yes	403	Health and safety, page 90

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT	GRI	COMMENT
Human rights					
23.	Human rights policy	-	Yes	2-23	Commitment to respecting human rights of individuals, page 81
24.	Due diligence process to identify, prevent, mitigate and address adverse human rights impacts	-	Yes	2-23	Actions, page 100
25.	Processes and measures for preventing trafficking in human beings	-	Yes	2-23	Actions, page 100
26.	Operations and suppliers at significant risk of incidents of child labour	-	0	2-23	Actions, page 100
27.	Operations and suppliers at significant risk of incidents of forced or compulsory labour	-	0	2-23	Actions, page 100
28.	Number and nature of identified cases of severe human rights issues and incidents	-	0	2-23	Actions, page 100
29.	Exposure to controversial weapons	-	No	-	-
Anti-corruption and anti-bribery					
30.	Anti-corruption and anti-bribery policies	-	Yes	205	Policy commitments, page 106
31.	Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	-	0	205	Figure 51: Compliance indicators, page 107
32.	Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	-	0	205	Figure 51: Compliance indicators, page 107

SASB disclosures

ACTIVITY METRIC	UNIT	COMMENT
Production of: **1.** oil, **2.** natural gas, **3.** synthetic oil, and **4.** synthetic gas	Thousand barrels per day (Mbbl/day); Million standard cubic feet per day (MMscf/day)	**5.** oil: 377 mbbl/day **6.** natural gas: 451 MMscf/day (including NGL) **7.** synthetic oil: 0 **8.** synthetic gas: 0
Number of offshore sites	Number	Operator for Alvheim, Edvard Grieg, Ivar Aasen, Skarv, Valhall, Hod, Ula and Tambar, a partner in the Johan Sverdrup field and Oda field.
Number of terrestrial sites	Number	0

METRIC	UNIT	COMMENT
GHG emissions		
Gross global Scope 1 emissions Percentage methane Percentage covered under emissions-limiting regulations	Metric tons CO_2-e (t), Percentage (%)	Gross global Scope 1 emissions: 906,378 tonnes CO_2e Percentage methane: 2.9 percent Percentage covered under emissions-limiting regulations: 100%
Amount of gross global Scope 1 emissions from: **1.** flared hydrocarbons, **2.** other combustion, **3.** process emissions, **4.** other vented emissions, and **5.** fugitive emissions	Metric tons CO_2-e	**1.** 96,408 tonnes CO_2e **2.** 782,571 tonnes CO_2e **3.** 281 tonnes CO_2e **4.** 6,711 tonnes CO_2e, loading of oil to shuttle tankers **5.** 20,407 tonnes CO_2e
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	Strategy and plan, page 45-49
Air quality		
Air emissions of the following pollutants: **1.** NO_x (excluding N_2O), **2.** SO_x, **3.** volatile organic compounds (VOCs), and **4.** particulate matter (PM10)	Metric tons (t)	Air emissions of the following pollutants: **1.** 2,013 tonnes **2.** 44 tonnes **3.** Non-methane VOC 1,704 tonnes

METRIC	UNIT	COMMENT
Water management		
1. Total fresh water withdrawn, **2.** total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m^3) Percentage (%)	**1.** NA **2.** NA
Volume of produced water and flowback generated; percentage **1.** discharged, **2.** injected, **3.** recycled; hydrocarbon content in discharged water	Thousand cubic meters (m^3) Percentage (%) Metric tons (t)	18,534 thousand m^3 total production **1.** 29 percent **2.** 70 percent **3.** 0.60 percent (Hydrocarbon discharged to sea) 111 tonnes discharged (20 ppm)
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	0 percent (No hydraulically fractured wells)
Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	0 percent (No hydraulically fractured wells)
Biodiversity impacts		
Description of environmental management policies and practices for active sites	Discussion and analysis	Policy commitments and actions, page 66
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Number Barrels (bbls)	0
Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	0
Security, human rights & rights of indigenous peoples		
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	0
Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	0
Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and analysis	Engagement with affected communities, page 103
Community relations		
Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and analysis	Actions, page 104
Number and duration of non-technical delays	Number	0

METRIC	UNIT	COMMENT
Workforce health & safety		
1. Total recordable incident rate (TRIR), 2. fatality rate, 3. near miss frequency rate (NMFR), and 4. average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Rate Hours (h)	1. Total recordable incident rate (TRIR): 2.4 2. fatality rate: 0 3. near miss frequency rate (NMFR): 0.4 4. average hours of health, safety, and emergency response training per employee not available. Health and safety training is described in Health and safety, page 90. Emergency response training is described in Asset integrity and critical incident management, page 94.
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and	Health and safety, page 90
Reserves valuation & capital expenditures		
Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Million barrels (MMbbls), Million standard cubic feet (MMscf)	Sensitivity to carbon prices, page 52
Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons (t) CO_2-e	469 million tonnes CO_2e 1)
Amount invested in renewable energy, revenue generated by renewable energy sales	Reporting currency	0
Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Discussion and analysis	Scenario analysis and portfolio robustness, page 50
Business ethics & transparency		
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	0
Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and analysis	Corruption and bribery, page 106
Management of the legal & regulatory environment		
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	Environmental compliance, page 41 and Policy commitments, page 98
Critical incident risk management		
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	1
Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and analysis	Asset Integrity and Barrier Management, page 94 and Emergency preparedness, page 95

1) Number is not comparable to 2021 report. In 2021 we reported potential Scope 1 emissions in Aker BP's proved HC reserves, while this year we report potential emissions from scope 3 Category 11 use of sold products.

TCFD disclosures

		SECTION IN REPORT
Governance		
a)	Describe the board's oversight of climate-related risks and opportunities.	Governance, page 32 Risk management, page 33 Risk and opportunities posed by climate change, page 49 Management of climate-related risk, page 55
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Governance, page 32 Risk management, page 33 Risk and opportunities posed by climate change, page 49 Management of climate-related risk, page 55
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Risk and opportunities posed by climate change, page 49 Summary of climate-related risks and opportunities, page 52 Management of climate-related risk, page 55
b)	Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Risk and opportunities posed by climate change, page 49
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Risk and opportunities posed by climate change, page 49 Scenario analysis and portfolio robustness, page 50
Risk management		
a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Risk management, page 33 Risk and opportunities posed by climate change, page 49
b)	Describe the organisation's processes for managing climate-related risks.	Risk management, page 33 Management of climate-related risk, page 55
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk management, page 33 Management of climate-related risk, page 55
Metrics and targets		
a)	Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	GHG emissions, page 57
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Risk and opportunities posed by climate change, page 49 Scope 1 emissions, page 57 Scope 2 emissions, page 58 Scope 3 emissions, page 59
c)	Describe the targets used by the organisation to manage climate-related risks and opportu¬nities and performance against targets.	Our targets, page 45

EU taxonomy

TURNOVER

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')										
ECONOMIC ACTIVITIES (1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**	**(15)**	**(16)**	**(17)**	**(18)**	**(19)**	**(20)**	**(21)**
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of eligible Taxonomy-aligned activities (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		0.0%	0.0%
A.2. Eligible not Taxonomy-aligned activities																				
Turnover of eligible and not Taxonomy-aligned activities (A.2)		0	0.0%																	
Total (A.1 + A.2)		0	0.0%														0.0%		0.0%	0.0%
B. Taxonomy-non-eligible activities																				
Turnover of non-eligible activities (B)		13,580	100.0%																	
Total (A + B)		**13,580**	**100.0%**																	

2. Codes
3. Absolute turnover (Millions USD)
4. Proportion of turnover (%)
5. Climate change mitigation (%)
6. Climate change adaptation (%)
7. Water and marine resources (%)
8. Circular economy (%)
9. Pollution (%)
10. Biodiversity and ecosystems (%)
11. Climate change mitigation (Y/N)
12. Climate change adaptation (Y/N)
13. Water and marine resources (Y/N)
14. Circular economy (Y/N)
15. Pollution (Y/N)
16. Biodiversity and ecosystems (Y/N)
17. Minimum safeguards (Y/N)
18. Taxonomy-aligned proportion of turnover year 2023 (%)
19. Taxonomy-aligned proportion of turnover year 2022 (%)
20. Category (enabling activity) (E)
21. Category (transitional activity) (T)

CAPEX

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')										
ECONOMIC ACTIVITIES (1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**	**(15)**	**(16)**	**(17)**	**(18)**	**(19)**	**(20)**	**(21)**
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of eligible Taxonomy-aligned activities (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							0.0%		0.0%	0.0%	
A.2. Eligible not Taxonomy-aligned activities																				
7.7. Acquisition and ownership of buildings	CCM+7.7	19	0.4%																	
CapEx of eligible and not Taxonomy-aligned activities (A.2)		19	0.4%																	
Total (A.1 + A.2)		19	0.4%															0.0%	0.0%	
B. Taxonomy-non-eligible activities																				
CapEx of non-eligible activities (B)		4,367	99.6%																	
Total (A + B)		**4,386**	**100.0%**																	

2. Codes
3. Absolute CapEx (Millions USD)
4. Proportion of CapEx (%)
5. Climate change mitigation (%)
6. Climate change adaptation (%)
7. Water and marine resources (%)
8. Circular economy (%)
9. Pollution (%)
10. Biodiversity and ecosystems (%)
11. Climate change mitigation (Y/N)
12. Climate change adaptation (Y/N)
13. Water and marine resources (Y/N)
14. Circular economy (Y/N)
15. Pollution (Y/N)
16. Biodiversity and ecosystems (Y/N)
17. Minimum safeguards (Y/N)
18. Taxonomy-aligned proportion of CapEx year 2023 (%)
19. Taxonomy-aligned proportion of CapEx year 2022 (%)
20. Category (enabling activity) (E)
21. Category (transitional activity) (T)

OPEX

ECONOMIC ACTIVITIES (1)	(2)	(3)	(4)	SUBSTANTIAL CONTRIBUTION CRITERIA (5)	(6)	(7)	(8)	(9)	(10)	DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM') (11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of eligible Taxonomy-aligned activities (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							0.0%		0.0%	0.0%	
A.2. Eligible not Taxonomy-aligned activities																				
OpEx of eligible and not Taxonomy-aligned activities (A.2)		0	0.0%																	
Total (A.1 + A.2)		0	0.0%															0.0%	0.0%	
B. Taxonomy-non-eligible activities																				
OpEx of non-eligible activities (B)		286	100.0%																	
Total (A + B)		**286**	**100.0%**																	

2. Codes
3. Absolute OpEx (Millions USD)
4. Proportion of OpEx (%)
5. Climate change mitigation (%)
6. Climate change adaptation (%)
7. Water and marine resources (%)
8. Circular economy (%)
9. Pollution (%)
10. Biodiversity and ecosystems (%)
11. Climate change mitigation (Y/N)
12. Climate change adaptation (Y/N)
13. Water and marine resources (Y/N)
14. Circular economy (Y/N)
15. Pollution (Y/N)
16. Biodiversity and ecosystems (Y/N)
17. Minimum safeguards (Y/N)
18. Taxonomy-aligned proportion of OpEx year 2023 (%)
19. Taxonomy-aligned proportion of OpEx year 2022 (%)
20. Category (enabling activity) (E)
21. Category (transitional activity) (T)

Transparency Act Statement

Pursuant to Section 5 (§ 5) of the Norwegian Transparency Act (2021), we hereby present Aker BP's report, which has been developed to comply with the legal requirements as stated in the Act. The reporting requirements apply to Aker BP as an enterprise domiciled in Norway which fulfils the requirements for "larger enterprises" as set out in Section 3 of the Transparency Act, which means that it is directly subject to the obligations of the Transparency Act. The information in this report is valid for Aker BP ASA. This report was approved by Aker BP's management and the board of directors on 13 March 2024 and covers the financial year ending 31 December 2023.

1. ORGANISATION AND GENERAL INFORMATION

Overview

Aker BP ASA is a company engaged in exploration, field development and production of oil and gas on the Norwegian continental shelf (NCS). The company's headquarters is at Fornebu, outside Oslo, Norway. We also have offices in Harstad, Trondheim, Sandnessjøen and Stavanger.

Aker BP is listed on the Oslo stock exchange (AKRBP), and major shareholders are Aker ASA (21 percent), BP PLC (16 percent) and Nemesia S.A.R.L (14 percent).

With a total production of ~450 mboepd, Aker BP is one of the largest independent listed oil and gas companies in Europe. The company operates the field centres Alvheim, Edvard Grieg, Ivar Aasen, Skarv, Ula and Valhall, and is a partner in the Johan Sverdrup field. Please see our www.akerbp.com for more information about our assets and development projects.

Sustainability

Aker BP's vision is to be the exploration and production (E&P) company of the future. This vision is founded on our strategic belief that the world needs affordable, sustainable and reliable energy, and that oil and gas will remain a crucial part of the energy mix for decades to come. Aker BP intends to contribute to the energy transition and security through our role as a responsible provider of low-cost oil and gas, produced with low GHG intensity.

Our People

We have 2,727 permanent employees and 946 hired consultants. Full-time employment is offered to all permanent employees, and all employment relationships are governed by written agreements in alignment with the Working Environment Act (the Arbeidsmiljøloven - AML). More information on our workforce can be found in our annual sustainability report.

Our supply chain

Aker BP has more than 2000 suppliers in our global supply chain, and we source services and equipment from all over the world. These suppliers are crucial to our success, and we work closely with them to mitigate any potential negative impacts on people, communities and the environment. We further believe that close collaboration and thorough supplier risk evaluations are essential to obtain a stable supply of high-quality products.

2. OUR COMMITMENT TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS

Aker BP acknowledges all internationally recognised human and labour rights standards as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our human rights work is guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We align our work with the United Nation's Sustainable Development Goals. Aker BP works to ensure that our business operations do not cause, contribute or are directly linked to, actual or potential adverse impact on human rights and decent working conditions.

3. GOVERNANCE OF HUMAN RIGHTS AND DECENT WORKING CONDITIONS

Policies and governing documents

Our commitments to respect all internationally recognised human rights are embedded into internal polices and management systems.

Aker BP's human rights policy describes Aker BP's approach to managing human rights risks in our operations and compliments Aker BP's Code of Conduct.

It sets out our obligation to perform human rights impact assessments and due diligence to understand and mitigate potential and actual adverse impacts and ensure that Aker BP, through its operations, does not cause or contribute to adverse human rights impacts. The policy is approved by the board of directors. The CEO is the owner of the policy and is ultimately responsible for the implementation and monitoring.

The human rights policy is available on our external website and is communicated to our stakeholders and through contractual provisions.

Aker BP's human rights commitments are embedded in our internal policies, procedures and processes, such as:

- Code of conduct
- Human rights policy
- Diversity and inclusion policy
- Business partner integrity procedure
- Supplier declaration
- Speaking up policy
- Procedure for handling integrity reports
- Integrity procedure for M&A transactions
- Procedure for handling information requests under the Transparency Act

Responsibilities

Aker BP's board of directors is responsible for overseeing the management of the company. The strategic direction is owned by the board directors, where potential issues relating to material environmental, social and governance are an integral part of the annual strategy process.

The board of directors has three subcommittees, all with functions related to sustainability matters. The audit and risk committee (ARC) assists management in evaluating risk management and the effectiveness of internal controls. The organisational development and compensation committee is responsible for ensuring that the remuneration arrangements support the company strategy, including the integral aspect of sustainability matters, such as the climate transition plan. Additionally, the safety and environmental assurance committee, which is lead by the board of directors, works closely with management to identify and address issues related to safety, cybersecurity, and the environment; thus ensuring that the company operates in a responsible and sustainable manner.

The CEO is responsible for managing ESG risks, including impacts on human rights and decent working conditions, supported by the executive management team (EMT), which is accountable for ensuring the effectiveness of the risk management processes and reviewing mitigation efforts for identified impacts. This includes assessing and managing risks of adverse impact on human rights and decent working conditions related to Aker BP's operations. The CEO reports to the board on a regular basis.

Aker BP's VP internal audit and compliance and VP strategy and sustainability are responsible for more detailed implementation processes related to human rights management, including training and establishment of risk-based assessment, monitoring and control procedures.

Aker BP's compliance department and sustainability department regularly report to the audit and risk committee on ESG risks, including impact on human rights and decent working conditions.

4. OUR APPROACH TO MANAGEMENT OF RISKS RELATED TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS

Risk based approach

In line with the principles of the Transparency Act and the OECD Guidelines for Multinational Enterprises, as well as the United Nations Guiding Principle on Business and Human Rights, we apply a risk-based approach when evaluating potential adverse impact on human rights.

This involves looking at the location and context of operations, nature of activity, the number of people that are potentially affected and the severity and probability of impact. When assessing human rights risks in our supply chain, we apply country risk levels based on independent sources and relevant indexes such as the CPI index, Human Development Index, ITUC Global Rights Index and others.

Human rights risk assessment is part of the annual compliance risk assessment.

Risk assessment

In 2023, Aker BP has worked together with external subject matter experts to map potential human rights risks related to our business and supply chain. We have conducted both internal human rights workshops, and external workshops with our suppliers where we have examined salient human rights issues. The workshops included an introduction to the Transparency Act and the concept of salient human rights issues, including a closer review of particular risk areas for Aker BP in current projects and activities. The following potential risk areas were mapped as particularly relevant in our internal human rights workshop:

- Dangerous working environment
- Excessive working hours & overtime
- Discrimination, harassment, bullying
- Low wages and compensation
- Involuntary/forced labour
- Negative environmental impacts

In our external workshops with our suppliers, we have worked together with our alliance partners and identified which potential risks to human rights might be related to our business and supply chain. Table 11 summarises the potential risk areas that were identified during the workshops.

Due diligence
Aker BP performs human rights due diligence to identify, prevent, mitigate and account for our human rights impacts and has processes in place to enable remediation for adverse human rights impacts we may cause or contribute to. The process is based on the OECD Due Diligence Guidance for Responsible Business Conduct, and is integrated in relevant business processes.

Stakeholder engagement and industry cooperation
Meaningful stakeholder engagement and dialogue is a key element in managing human rights risks. We collaborate regularly with relevant stakeholders and rightsholders to inform them on our ongoing work to ensure respect for human rights and include feedback into our work to reduce actual and potential human rights risks. Our stakeholders include employees, authorities, local communities, NGOs, business partners, suppliers, contractors, investors and other counterparties.

Aker BP participates in a cross-industry initiative by Offshore Qualific, a collaboration between companies and suppliers in the offshore and energy industry. Through this initiative, we gain access to shared supplier data and human rights audits results.

Table 10: **Potential risks identified in human rights workshop:**

Safety of employees	Working conditions in the global supply chain	Sourcing
– Hazardous working conditions offshore – Risk of injuries – Stress and illness due to short deadlines and high work pressure	– Discrimination – Potential lack of grievance mechanisms – Unfair wages and compensation – Exploitation of migrant workers – Extensive working hours – Lack of freedom of association – Child labour – Forced labour	– Limited oversight of global supply chains – Traceability of raw materials - risk of conflict materials – Suppliers from countries with low scores on human rights and workers' rights – Negative impact on local communities

Training and awareness
We provide regular training to employees and hired consultants on human rights. In 2023, our annual code of conduct training which is mandatory for all employees and consultants included topics on human rights, such as anti-harassment and discrimination. Further, we are aiming to provide specific training on human rights to selected company functions, including supply chain and site managers.

We regularly communicate the content of our policies to our suppliers, business partners and external stakeholders through dialogue and meetings.

Requirements for our suppliers
We work in cooperation with our suppliers to make sure they operate in accordance with Aker BP's standards in HSSEQ, ethics and corporate social responsibility. These requirements are stated in our supplier declaration, which must be signed by the supplier prior to conducting business with Aker BP. Signing our supplier declaration demonstrates a commitment to conduct business in a manner consistent with our principles, and set similar standards for their own suppliers. When auditing our suppliers, part of our assessment reviews is their ability to forward our expectations stated in the supplier declaration down the supply chain and make sure these standards are met.

As a preventive measure to reduce risk, Aker BP includes appropriate compliance clauses in the contracts based on the level of risk identified.

Grievance mechanisms and remediation
Where we have identified any negative actual or potential human rights impacts, we aim at having measures in place to reduce or mitigate adverse impacts. We encourage employees and external parties to raise concerns and report suspected violations of applicable laws and regulations via our integrity channel. Reports can be sent anonymously through Aker BP's integrity channel, which is managed by an external third party. Aker BP has a strict non-retaliation policy.

5. 2023 PERFORMANCE

Human rights audits of alliance partners
In 2023, Aker BP has conducted audits of all alliance partners to ensure compliance with the Norwegian Transparency Act, and Aker BP's requirements for human rights and decent working conditions. Aker BP has established a team of its own employees and experts from a third-party provider of human rights audits to ensure expertise, integrity and independence in the conducted audits. The scope of the audits has been the supplier's management systems for human rights and decent working conditions, with emphasis on operations conducted for Aker BP. The focus areas have been governance, working conditions and human rights supply chain management.

The methodology has been a combination of document review of supplier policies and procedures and on-site interviews with management and other relevant employees. The criteria for the audits have been the Norwegian Transparency Act, OECD Guidelines for Multinational Enterprises, Aker BPs supplier declaration and other relevant policies. All audits have resulted in reports with findings and recommendations, including a plan on how to follow up the findings. Aker BP has a clear expectation that the suppliers will take the necessary actions to address our findings, and we will follow up all suppliers accordingly.

The audits of our alliance partners resulted in 40 findings of nonconformities and improvement areas, and these have been sorted in three main categories:

- 17 findings related to how our suppliers govern human rights, including their policies and internal procedures.
- 17 findings related to our suppliers' ability to follow up their own suppliers, conduct due diligence, conduct audits, track and follow up suppliers in their own supply chain.
- 6 findings related to how our suppliers involve relevant stakeholders (employees, local communities, trade unions, etc.) in their work on human rights.

The findings have been presented to the suppliers with a deadline for when we expect them to have taken action to achieve improvement.

Supplier on-site audit

In 2023, we conducted one human rights on-site audit in Thailand to verify the supplier's compliance with Aker BP's Code of Conduct and supplier declaration, Ethical Trade Initiative (ETI) Base Code, and local laws. The audit was conducted at three different locations where over 160 workers were interviewed as part of the assessment. The scope included primary forced labour indicators with specific focus on working hours, HSE, living wages and management of sub-suppliers.

The improvements areas from this audit were in the following categories:

1. Management systems
2. Freedom of association
3. Working hours
4. Wages and benefits
5. Health & Safety
6. Prevention of discrimination
7. Regular employment, responsible recruitment, and subcontractor management

All findings and recommendations from the audit, including a plan on how to follow up the findings, will be followed up with the respective supplier accordingly.

Magnet JQS desktop assessments

In addition to the audits mentioned above, Aker BP conducted human rights desktop assessments through the cross-operator platform Magnet JQS (managed by Offshore Qualific) where audit findings are shared among the major operators on the Norwegian continental shelf. These desktop audits accounted for the majority of the total number of improvements identified in 2023.

Table 11: **Overview of findings from audits in 2023**

Number of Human Rights audits	Total number of non-conformities identified	Total number of improvements identified
13	3	173

Findings related to gaps in the suppliers' business management framework as regards safeguarding human rights and decent working conditions have been registered in our risk management system, and corrective action plans to close the significant findings have been put in place jointly with respective suppliers.

Human rights workshops

As part of our supplier audits, we have conducted human rights workshops where we have discussed potential risks in our supply chain together with our suppliers. The purpose of these workshops has been to raise awareness of human rights and to identify what potential risks to human rights that might be related to our business and supply chain. This is an example of our stakeholder dialogue where we work together to identify, prevent and mitigate risks of human rights violations.

Information requests according to the Transparency Act

In 2023, we have received four information requests according to the Norwegian Transparency Act. All requests were responded to within the deadline.

For further information contact us at: humanrights@akerbp.com

Forward-looking plans

In the assurance plan for 2024, we have determined key risk areas to ensure compliance with the Transparency Act requirements and critical contracts awarded to suppliers in our portfolio, where capital investments are expected to reach record levels over the coming five years.

Based on our risk assessment, Aker BP has defined the following key risk areas for human rights due diligence for 2024:

- Marine construction and installation services
- Construction of fixed oil and gas facilities
- Drilling and well services

In order to assess these risks in more detail, we aim to perform more audits in 2024 with focus on decent working conditions.

Going forward, we intend to continuously monitor actual and potential risks related to our supply chain through verifications, audits and supplier dialogue.

Specific instance process before the OECD contact point for responsible business conduct

On 31 May 2022, Aker BP received a complaint filed with the Norwegian OECD Contact Point for Responsible Business Conduct (the NCP) by eight civil society organisations, regarding the acquisition of Lundin Energy Norway AS from Lundin Energy AB (new name Orrön Energy AB). The complaints relate to well-known allegations that Lundin Energy AB has caused or contributed to adverse human rights impact relating to its operations in Sudan during the period 1999–2003, and claims that the transaction has left Orrön Energy AB incapable of providing remedy for their alleged contribution to human rights violations. In relation to the transaction, Aker BP was very conscious that Orrön Energy AB should have sufficient financial capabilities to undertake all potential obligations related to the Sudan activities. The NCP has offered a dialogue and mediation process regarding the human rights due diligence in connection with the transaction, which Aker BP participate in.

SIGNATURES – BOARD OF DIRECTORS

The Board of Directors and the CEO of Aker BP ASA
Fornebu, 13 March 2024

ØYVIND ERIKSEN
Chairman of the board

ANNE MARIE CANNON
Deputy chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

KATE THOMSON
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

MURRAY AUCHINCLOSS
Board member

ANI ISABEL CHIANG
Board member

INGARD HAUGEBERG
Board member

MARIT DØRUM
Board member

TORE VIK
Board member

THOMAS HUSVÆG
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

Financial statements

Income statements
Statement of comprehensive income
Statement of financial position
Statement of changes in equity - group
Statement of changes in equity - parent
Statement of cash flows
Notes to the accounts
Statement by the board of directors and chief executive officer
Independant auditor's statement

FINANCIAL STATEMENTS WITH NOTES

OVERVIEW OF THE FINANCIAL STATEMENTS AND NOTES

Income statements
Statement of comprehensive income
Statement of financial position
Statement of changes in equity
Statement of cash flows
Notes to the accounts
Note 1 Summary of IFRS accounting policies
Note 2 Overview of subsidiaries
Note 3 Climate-related risk
Note 4 Segment information
Note 5 Income
Note 6 Production expenses
Note 7 Exploration expenses
Note 8 Payroll expenses and remuneration
Note 9 Auditors fee
Note 10 Financial items
Note 11 Taxes
Note 12 Earnings per share
Note 13 Tangible fixed assets and intangible assets
Note 14 Impairments
Note 15 Trade receivables
Note 16 Other short-term receivables
Note 17 Inventories
Note 18 Other non-current assets
Note 19 Cash and cash equivalents
Note 20 Share capital and shareholders
Note 21 Bonds
Note 22 Provision for abandonment liabilities
Note 23 Derivatives
Note 24 Other current liabilities
Note 25 Lease agreements
Note 26 Commitments
Note 27 Transactions with related parties
Note 28 Financial instruments
Note 29 Investments in joint operations
Note 30 Business combination
Note 31 Events after the balance sheet date
Note 32 Classification of reserves and contingent resources (unaudited)
Statement by the Board of Directors and Chief Executive Officer
Alternative performance measures
Independent Auditor's Report

INCOME STATEMENTS

		Group		Parent	
(USD million)	Note	2023	2022	2023	2022
Petroleum revenues	5	13 580.0	12 896.2	13 580.0	9 258.0
Other income	5	89.9	113.7	89.9	111.3
Total income		**13 669.9**	**13 009.9**	**13 669.9**	**9 369.3**
Production expenses	6	1 060.1	932.9	1 060.1	814.5
Exploration expenses	7	266.3	242.2	264.3	196.2
Depreciation	13	2 406.8	1 785.7	2 406.8	1 231.8
Impairments	13,14	889.5	1 032.2	889.5	830.7
Other operating expenses	8,9	57.8	52.6	58.0	50.2
Total operating expenses		**4 680.5**	**4 045.5**	**4 678.7**	**3 123.3**
Operating profit/loss		**8 989.4**	**8 964.4**	**8 991.2**	**6 246.0**
Interest income		133.4	26.0	133.4	23.0
Other financial income		321.2	774.3	322.0	659.8
Interest expenses		161.8	107.7	161.8	120.2
Other financial expenses		518.2	880.1	518.2	597.1
Net financial items	10	**-225.4**	**-187.6**	**-224.7**	**-34.5**
Profit/loss before taxes		**8 764.0**	**8 776.9**	**8 766.5**	**6 211.5**
Tax expense (+)/income (-)	11	7 428.3	7 173.9	7 428.3	5 088.9
Net profit/loss		**1 335.7**	**1 602.9**	**1 338.2**	**1 122.6**
Weighted average no. of shares outstanding basic and diluted	12	631 311 010	496 764 969	631 311 010	496 764 969
Basic and diluted earnings/loss USD per share	12	2.12	3.23	2.12	2.26

STATEMENT OF COMPREHENSIVE INCOME

		Group		Parent	
(USD million)	Note	2023	2022	2023	2022
Profit/loss for the period		1 335.7	1 602.9	1 338.2	1 122.6
Items which will not be reclassified over profit and loss (net of taxes)					
Foreign currency translation		-	295.3	-	-
Actuarial gain/loss pension plan		0.1	0.0	0.1	0.0
Total comprehensive income/loss in period		**1 335.8**	**1 898.3**	**1 338.3**	**1 122.6**

STATEMENT OF FINANCIAL POSITION

		Group		Parent	
(USD million)	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
ASSETS					
Intangible assets					
Goodwill	13	13 142.8	13 935.0	13 142.8	13 935.0
Capitalised exploration expenditures	13	325.4	251.7	325.4	251.7
Other intangible assets	13	2 123.4	2 344.4	2 123.4	2 344.4
Tangible fixed assets					
Property, plant and equipment	13	17 449.8	15 886.7	17 449.8	15 886.7
Right-of-use assets	13	655.3	111.3	655.3	111.3
Financial assets					
Long-term receivables		69.1	169.5	77.5	175.6
Other non-current assets	18	102.9	104.5	102.9	104.5
Long-term derivatives	23	38.1	2.9	38.1	2.9
Total non-current assets		**33 906.8**	**32 806.0**	**33 915.2**	**32 812.0**
Inventories					
Inventories	17	202.3	209.5	202.3	209.5
Financial assets					
Trade receivables	15	658.8	950.9	658.9	950.9
Other short-term receivables	16	742.2	686.2	742.1	686.7
Short-term derivatives	23	148.1	153.1	148.1	153.1
Cash and cash equivalents					
Cash and cash equivalents	19	3 388.4	2 756.0	3 388.4	2 756.0
Total current assets		**5 139.7**	**4 755.8**	**5 139.8**	**4 756.2**
TOTAL ASSETS		**39 046.5**	**37 561.8**	**39 055.0**	**37 568.2**

STATEMENT OF FINANCIAL POSITION

		Group		Parent	
(USD million)		31.12.2023	31.12.2022	31.12.2023	31.12.2022
EQUITY AND LIABILITIES					
Equity					
Share capital	20	84.3	84.3	84.3	84.3
Share premium		12 946.6	12 946.6	12 946.6	12 946.6
Other equity		-668.8	-603.5	-659.7	-596.8
Total equity		**12 362.2**	**12 427.5**	**12 371.3**	**12 434.2**
Non-current liabilities					
Deferred taxes	11	10 592.3	9 359.1	10 592.3	9 359.1
Long-term abandonment provision	22	4 304.1	4 050.4	4 304.1	4 050.4
Long-term bonds	21	5 798.2	5 279.2	5 798.2	5 279.2
Long-term derivatives	23	0.5	17.0	0.5	17.0
Long-term lease debt	25	555.5	98.1	555.5	98.1
Other non-current liabilities	18	1.0	82.3	1.0	82.3
Total non-current liabilities		**21 251.5**	**18 886.1**	**21 251.5**	**18 886.1**
Current liabilities					
Trade creditors		291.0	133.9	291.1	133.9
Accrued public charges and indirect taxes		38.8	36.6	38.8	36.6
Tax payable	11	3 599.9	5 084.1	3 599.9	5 084.1
Short-term derivatives	23	32.8	34.9	32.8	34.9
Short-term abandonment provision	22	250.6	115.2	250.6	115.2
Short-term lease debt	25	148.7	36.3	148.7	36.3
Other current liabilities	24	1 071.0	807.1	1 070.2	806.9
Total current liabilities		**5 432.9**	**6 248.2**	**5 432.2**	**6 248.0**
Total liabilities		**26 684.3**	**25 134.3**	**26 683.7**	**25 134.1**
TOTAL EQUITY AND LIABILITIES		**39 046.5**	**37 561.8**	**39 055.0**	**37 568.2**

SIGNATURES – BOARD OF DIRECTORS

The Board of Directors and the CEO of Aker BP ASA
Fornebu, 13 March 2024

ØYVIND ERIKSEN
Chairman of the board

ANNE MARIE CANNON
Deputy chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

KATE THOMSON
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

MURRAY AUCHINCLOSS
Board member

ANI ISABEL CHIANG
Board member

INGARD HAUGEBERG
Board member

MARIT DØRUM
Board member

TORE VIK
Board member

THOMAS HUSVÆG
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

STATEMENT OF CHANGES IN EQUITY - GROUP

			Other equity					
				Other comprehensive income				
(USD million)	**Share capital**	**Share premium**	Other paid-in capital	Actuarial gains/(losses)	Foreign currency translation reserves	Accumulated deficit	**Total other equity**	**Total equity**
Restated equity as of 31.12.2021	**57.1**	**3 637.3**	573.1	-0.1	-115.5	-1 955.1	**-1 497.5**	**2 196.8**
Dividends distributed	-	-	-	-	-	-1 005.7	-1 005.7	-1 005.7
Private placement	27.3	9 309.3	-	-	-	-	-	9 336.6
Profit/loss for the period	-	-	-	-	-	1 602.9	1 602.9	1 602.9
Purchase/sale of treasury shares[1)]	-	-	-	-	-	1.5	1.5	1.5
Other comprehensive income for the period	-	-	-	-0.0	295.3	-	295.3	295.3
Equity as of 31.12.2022	**84.3**	**12 946.6**	573.1	-0.1	179.8	-1 356.3	**-603.5**	**12 427.5**
Dividends distributed	-	-	-	-	-	-1 390.4	-1 390.4	-1 390.4
Profit/loss for the period	-	-	-	-	-	1 335.7	1 335.7	1 335.7
Purchase/sale of treasury shares[1)]	-	-	-	-	-	-10.5	-10.5	-10.5
Other comprehensive income for the period	-	-	-	-0.1	-	-	-0.1	-0.1
Equity as of 31.12.2023	**84.3**	**12 946.6**	573.1	-0.2	179.8	-1 421.6	**-668.8**	**12 362.2**

[1)] The treasury shares are purchased/sold for use in the company's share saving plan.

STATEMENT OF CHANGES IN EQUITY - PARENT

(USD million)	Share capital	Share premium	Other equity: Other paid-in capital	Other equity: Other comprehensive income: Actuarial gains/(losses)	Other equity: Other comprehensive income: Foreign currency translation reserves	Other equity: Accumulated deficit	Total other equity	Total equity
Restated equity as of 31.12.2021	**57.1**	**3 637.3**	573.1	-0.1	-115.5	-1 955.1	**-1 497.5**	**2 196.8**
Dividends distributed	-	-	-	-	-	-1 005.7	-1 005.7	-1 005.7
Private placement	27.3	9 309.3					-	9 336.6
Profit/loss for the period	-	-	-	-	-	1 122.6	1 122.6	1 122.6
Purchase/sale of treasury shares[1]	-	-	-	-	-	1.5	1.5	1.5
Equity impact from mergers	-	-	-	-	-	782.3	782.3	782.3
Other comprehensive income for the period	-	-	-	-0.0	-	-	-0.0	-0.0
Equity as of 31.12.2022	**84.3**	**12 946.6**	573.1	-0.1	-115.5	-1 054.3	**-596.8**	**12 434.2**
Dividends distributed	-	-	-	-	-	-1 390.4	-1 390.4	-1 390.4
Profit/loss for the period	-	-	-	-	-	1 338.2	1 338.2	1 338.2
Purchase/sale of treasury shares[1]	-	-	-	-	-	-10.5	-10.5	-10.5
Other comprehensive income for the period	-	-	-	-0.1	-	-	-0.1	-0.1
Equity as of 31.12.2023	**84.3**	**12 946.6**	573.1	-0.2	-115.5	-1 117.1	**-659.7**	**12 371.3**

[1] The treasury shares are purchased/sold for use in the company's share saving plan.

STATEMENT OF CASH FLOWS

(USD million)	Note	Group 2023	Group 2022	Parent 2023	Parent 2022
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/loss before taxes		8 764.0	8 776.9	8 766.5	6 211.5
Taxes paid		-7 455.2	-5 332.1	-7 455.2	-3 205.5
Depreciation	13	2 406.8	1 785.7	2 406.8	1 231.8
Impairment	13,14	889.5	1 032.2	889.5	830.7
Expensed capitalised dry wells	7,13	153.9	135.8	153.9	108.6
Accretion expenses related to abandonment provisions	10,22	166.3	119.9	166.3	107.9
Total interest expenses	10	161.8	107.7	161.8	120.2
Changes in unrealised gain/loss in derivatives	5,10	-48.8	-325.2	-48.8	-325.2
Changes in inventories, trade creditors/receivables and accrued income		575.0	-313.9	574.9	-127.9
Changes in other balance sheet items		-206.3	-257.3	-208.6	-556.1
NET CASH FLOW FROM OPERATING ACTIVITIES		**5 407.1**	**5 729.5**	**5 407.1**	**4 396.0**
CASH FLOW FROM INVESTMENT ACTIVITIES					
Payment for removal and decommissioning of oil fields	22	-152.7	-78.9	-152.7	-78.2
Disbursements on investments in fixed assets (excluding capitalised interest)	13	-3 171.6	-1 580.0	-3 171.6	-1 269.0
Disbursements on investments in capitalised exploration expenditures	13	-238.6	-251.8	-238.6	-194.7
Investments in financial asset		95.0	-95.0	95.0	-95.0
Consideration paid in Lundin Energy transaction net of cash acquired	30	-	-1 228.9	-	-895.9
Cash received from sale of financial asset	18	-	118.0	-	118.0
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-3 467.9**	**-3 116.6**	**-3 467.9**	**-2 414.7**
CASH FLOW FROM FINANCING ACTIVITIES					
Net drawdown/repayment/fees related to revolving credit facility		-8.3	-601.1	-8.3	-1.1
Repayment of bonds		-1 000.0	-	-1 000.0	-
Net proceeds from bond issue		1 486.1	-	1 486.1	-
Interest paid (including interest element of lease payments)		-251.8	-156.5	-251.8	-131.0
Payments on lease debt related to investments in fixed assets		-79.5	-42.5	-79.5	-37.5
Payments on other lease debt		-54.0	-24.1	-54.0	-22.9
Paid dividend		-1 390.4	-1 005.7	-1 390.4	-1 005.7
Net purchase/sale of treasury shares		-10.5	1.5	-10.5	1.5
NET CASH FLOW FROM FINANCING ACTIVITIES	28	**-1 308.5**	**-1 828.3**	**-1 308.5**	**-1 196.7**
Net change in cash and cash equivalents		**630.7**	**784.6**	**630.7**	**784.6**
Cash and cash equivalents at start of period		2 756.0	1 970.9	2 756.0	1 970.9
Effect of exchange rate fluctuation on cash held		1.7	0.5	1.7	0.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19	**3 388.4**	**2 756.0**	**3 388.4**	**2 756.0**
SPECIFICATION OF CASH EQUIVALENTS AT END OF PERIOD					
Bank deposits and cash		3 366.9	2 756.0	3 366.9	2 756.0
Restricted bank deposits		21.5	-	21.5	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19	**3 388.4**	**2 756.0**	**3 388.4**	**2 756.0**

Notes to the accounts

GENERAL INFORMATION

Aker BP ASA ("Aker BP" or "the company") is an oil and gas company involved in exploration, development and production of oil and gas on the Norwegian Continental Shelf (NCS).

The company is a public limited liability company registered and domiciled in Norway. Aker BP's shares are listed on Oslo Stock Exchange (Oslo Børs) under the ticker AKRBP. The company's registered business address is Oksenøyveien 10, 1366 Lysaker, Norway.

In 2023 the Aker BP group comprised the parent company Aker BP ASA and the three subsidiaries Det norske oljeselskap AS (including its subsidiary Aker BP UK Limited), Alvheim AS and Sandvika Fjellstue AS. Except for Aker BP UK Limited, none of the subsidiaries are consolidated in the group financial statements as they are immaterial.

The acquisition of the Lundin Energy's oil and gas business ("Lundin Energy") was completed on 30 June 2022. The activity of Lundin Energy was fully reflected in the financial statements from 30 June 2022, including effects from the fair value adjustment of Lundin Energy in line with IFRS 3, as described in note 30. At year end 2022 all legal entities acquired in the Lundin transaction were either liquidated or merged into Aker BP ASA. See note 2 for more information about subsidiaries.

The financial statements were approved by the Board of Directors on 13 March 2024 and will be presented for approval at the Annual General Meeting on 10 April 2024.

NOTE 1 SUMMARY OF IFRS ACCOUNTING POLICIES

1.1 Basis of preparation

The group and the parent company financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the Norwegian Accounting Act.

All amounts have been rounded to the nearest million unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

The group financial statements for Aker BP ASA include the subsidiaries as described in note 2. The accounting policies are applied consistently when consolidating ownership interests in subsidiaries and are based on the same reporting periods as those used for the parent company. When preparing the consolidated financial statements, intragroup transactions and balances, along with gains and losses on transactions between group units, are eliminated.

1.2 Functional currency and presentation currency

The presentation currency in the Group's consolidated financial statements is United States Dollars ("USD"). The parent company of the Group, Aker BP ASA, has USD as its functional currency as most revenue and financing are in USD and represents the primary economic environment in which the entity operates. Balance sheet items of subsidiaries in other functional currencies are translated into the presentation currency, USD, according to the exchange rates prevailing on the balance sheet date, while profit or loss items are translated according to average quarterly exchange rates for the relevant quarters.

In all material respects, the activity of Lundin Energy was conducted in the legal entity ABP Norway AS (previously Lundin Energy Norway AS), which had NOK as its functional currency. In line with accounting guidance, the related purchase price allocation (PPA) was fixed in NOK accordingly, and thus gave rise to foreign currency translation in the group accounts recognised in the statement of comprehensive income during the second half of 2022. At 31 December 2022, ABP Norway AS merged with Aker BP ASA, meaning that the mentioned impact on comprehensive impact ceased from 1 January 2023.

1.3 Critical judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that have an effect on the application of accounting policies and the reported assets, liabilities, income and expenses.

The important judgments management has made regarding the application of accounting policies are as follows:

Goodwill allocation and methodology for impairment testing
For the purpose of impairment testing, goodwill is allocated to a cash-generating unit (CGU), or groups of CGUs that are expected to benefit from the synergies of the business combination from which it arose. A CGU is typically a producing field or group of producing licences for which a separate offtake facility exist that can generate separate cash flows. The allocation of goodwill requires judgment and may significantly impact any subsequent impairment charge. Although not an IFRS term, "technical goodwill" is used by Aker BP to describe the category of goodwill arising as an offsetting account to deferred tax liabilities recognised in business combinations, as described in section 1.8 below. There are no specific IFRS guidelines pertaining to the allocation of technical goodwill, and management has therefore applied the general guidelines for allocating goodwill. In general, technical goodwill is allocated at the CGU level for impairment testing purposes, while residual goodwill may be allocated across all CGUs based on the facts and circumstances of the business combination.

When performing the impairment test for technical goodwill, deferred tax liabilities recognised in relation to the acquired licences reduce the net carrying value prior to any impairment charges. This methodology avoids an immediate impairment of all technical goodwill. When deferred tax liabilities from the initial recognition decreases, additional technical goodwill is 'exposed' to impairment. Subsequent to the initial purchase price allocation, depreciation of book values will result in decreasing deferred tax liabilities. When applicable, technical goodwill is impaired before the asset.

Proven and probable oil and gas reserves
Proven and probable reserves and production volumes are used to calculate the depreciation of oil and gas fields by applying the unit-of-production method. Reserve estimates are also used as basis for impairment testing of licence-related assets and goodwill.

Oil and gas reserves are estimated by the company's experts in accordance with industry standards. The estimates are based on Aker BP's own assessment of internal information and information received from operators. In addition, proven and probable reserves are certified by an external party. Proven and probable oil and gas reserves consist of the estimated quantities of crude oil, natural gas and condensates shown by geological and technical data to be recoverable with reasonable certainty from known reservoirs under existing economic and operational conditions, i.e. on the date that the estimates are prepared. Current market prices are used in the estimates.

Changes in petroleum prices and cost estimates may change reserve estimates and accordingly economic cut-off, which may impact the timing of assumed decommissioning and removal activities. Changes to reserve estimates can also result from updated production and reservoir information. Future changes to proven and probable oil and gas reserves can have a material effect on depreciation, life of field, impairment of licence-related assets and goodwill, and operating results.

Accounting for Exploration costs – application of the Successful Effort Method
Expenses relating to the drilling of exploration wells are temporarily recognised in the Statement of financial position as capitalised exploration expenditures, pending an evaluation of potential oil and gas discoveries. If resources are not discovered, or if recovery of the resources is considered technically or commercially unviable, the costs of exploration wells are expensed. Judgments as to whether this expenditure should remain capitalised or be expensed at the reporting date may materially affect the operating result for the period.

Fair value measurement
The fair values of non-financial assets and liabilities are required to be determined, for example in a business combination, to determine the allocation of purchase price in an asset deal or when the recoverable amount of an asset or CGU is based on fair value less cost to sell. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgment, as described in the section below regarding impairment.

Impairment/reversal of impairment
The evaluation of impairment requires long-term assumptions concerning a number of often volatile economic factors, including future oil and gas prices, oil and gas production, currency exchange rates and discount rates. Such assumptions require the estimation of relevant factors such as long-term prices, the levels of capex and opex, production estimates and decommissioning costs. These evaluations are also necessary to determine a CGU's fair value unless information can be obtained from an actual observable market transaction. See note 13 'Tangible fixed assets and intangible assets' and note 14 'Impairments' for details of impairments.

Decommissioning and removal obligations
The company has obligations to decommission and remove offshore installations at the end of their production period. The estimates include costs based on expected removal concepts using existing technology and estimated costs of maritime operations, hiring of single-lift and heavy-lift barges and drilling rigs. There is significant future uncertainty in the estimate of costs for decommissioning and removal, as these estimates are based on currently applicable laws and regulations, and existing technologies. Many decommissioning and removal activities will take place many decades in the future, and the technology and related costs are expected to evolve in this time. As a result, there may be significant adjustments to the estimates of decommissioning liabilities and associated assets that can affect future financial results.. See note 22 'Provision for abandonment liabilities' for further details about decommissioning and removal obligations.

Income tax
Income tax expense, tax payables or receivables, and deferred taxes are based on management's interpretation of applicable laws and regulations, and on relevant court decisions where relevant. These estimates are dependent on management's ability to interpret and apply the requirements of tax and other relevant legislation, and requires judgment in respect of the recognition and measurement of any uncertain tax positions. See note 11 'Taxes' for further details.

1.4 Revenue recognition
Revenue from the sale of liquids or gas is recognised at the point in time when the company's contractual performance obligations have been fulfilled and control is transferred to the customer, which will ordinarily be at the point of delivery when title passes (sales method). This is normally at the time of loading oil or NGL on vessels used for transport, or at agreed point of delivery for dry gas.

There is no significant judgement applying IFRS 15 'Revenue from contracts with customers' to the company's revenue generating contracts.

Changes in over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. See note 6 for further details.

Gains or losses on asset disposals as described in section 1.7 are included in other operating income.

Tariff revenue from processing of oil and gas is recognised as earned in line with underlying agreements.

1.5 Interests in licences and partnerships
The company has interests in licences on the Norwegian Continental Shelf. Under IFRS 11 Joint Arrangements, a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. The company recognises investments in joint operations (oil and gas production licences) by reporting its share of related revenues, expenses, assets, liabilities and cash flows under the respective items in the company's financial statements.

IFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

For those licences that are not deemed to be joint arrangements pursuant to the definition in IFRS 11 as there is no joint control, the company recognises its share of related expenses, assets, liabilities and cash flows on a line-by-line basis in the financial statements by analogy to IFRS 11 and in accordance with applicable IFRSs.

1.6 Business combinations and goodwill
In a business combination, goodwill is allocated to the CGUs or groups of CGUs that are expected to benefit from synergies of the acquisition. The allocation of goodwill may vary depending on the basis for its initial recognition.

The majority of the company's goodwill is related to the requirement to recognise deferred tax for the difference between the assigned fair values and the related tax base ("technical goodwill"). The fair value of the company's licences, all of which are located on the Norwegian Continental Shelf, are based on cash flows after tax. This is because these licences are only sold in an after-tax market based on the tax carry-over principles pursuant to the Petroleum Taxation Act section 10. The purchaser is therefore not entitled to a tax deduction for the consideration paid over and above the seller's tax values. In accordance with IAS 12 paragraphs 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax depreciation basis. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax. Technical goodwill is tested for impairment separately for each CGU which give rise to the technical goodwill. A CGU may be individual oil fields, or a group of oil fields that are connected to the same infrastructure/production facilities.

1.7 Acquisitions, sales and licence swaps
On acquisition of a licence that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination (see Item 1.8) or an asset purchase. Generally, purchases of licences in a development or production phase will be regarded as a business combination. Other licence purchases regarded as asset purchases are described below.

Oil and gas production licences
For licences in the development phase, the acquisition cost is allocated between capitalised exploration expenses, licence rights and production plant.

When entering into agreements regarding the purchase/swap of assets, the parties agree on an effective date for the takeover of the net cash flow (usually 1 January in the calendar year which would also normally be the effective date for tax purposes). In the period between the effective date and the completion date, the seller will include its sold share of the licence in the financial statements. In accordance with the purchase agreement, there is a settlement with the seller of the net cash flow from the asset in the period from the effective date to the completion date (pro & contra settlement). The pro & contra settlement will be adjusted to the seller's losses/gains and to the assets for the purchaser, in that the settlement (after a tax reduction) is deemed to be part of the consideration in the transaction. Revenues and expenses from the relevant licence are included in the purchaser's Income statement from the acquisition date.

For tax purposes, the purchaser will include the net cash flow (pro & contra) and any other income and costs as from the effective date.

Deferred tax is not recognised when acquiring licences that are defined as asset acquisitions.

1.8 Tangible fixed assets and intangible assets

General
Tangible fixed assets are recognised on a historical cost basis.

Gains and losses relating to the disposal of assets are determined by comparing the selling price with the book value, and are included in other operating income/expenses on a post tax basis.

Operating assets related to petroleum activities

Exploration and development costs relating to oil and gas fields
Capitalised exploration expenditures are classified as intangible assets and reclassified to tangible assets at the start of development. For accounting purposes, the field is considered to enter the development phase when the technical feasibility and commercial viability of extracting hydrocarbons from the field are demonstrable, normally at the time of concept selection. All costs relating to the development of commercial oil and/or gas fields are recognised as tangible assets. Pre-operational costs are expensed as they are incurred.

The company employs the 'successful efforts' method to account for exploration and development costs. All exploration costs (including seismic shooting, seismic studies and 'own time'), with the exception of acquisition costs of licences and drilling costs for exploration wells, are expensed as incurred. When exploration drilling is ongoing in a period after the reporting date and the result of the drilling is subsequently not successful, the capitalised exploration cost as of the reporting date is expensed if the evaluation of the well is completed before the date when the financial statements are authorised for issue.

Drilling cost for exploration wells are temporarily capitalised pending the evaluation of potential discoveries of oil and gas resources. Such costs can remain capitalised for more than one year. The main criteria is that there must be plans for future activity in the licence area or that a development decision is expected in the near future. If no resources are discovered, or if recovery of the resources is considered technically or commercially unviable, expenses relating to the drilling of exploration wells are charged to expense.

Acquired licence rights are recognised as intangible assets at the time of acquisition. Acquired licence rights related to fields in the exploration phase remain as intangible assets also when the related fields enter the development or production phase.

Depreciation of oil and gas fields
Capitalised exploration and evaluation expenditures, development expenditures from construction, installation or completion of infrastructure facilities such as platforms, pipelines and production wells, and field-dedicated transport systems for oil and gas are capitalised as production facilities and are depreciated using the unit-of-production method based on proven and probable developed reserves expected to be recovered from the area during the concession or contract period. Acquired assets used for the recovery and production of petroleum deposits, including licence rights, are also depreciated using the unit-of-production method based on proven and probable reserves. The reserve basis used for depreciation purposes is updated at least annually. Any changes in the reserves affecting unit-of-production calculations are reflected prospectively.

Depreciation of assets other than oil and gas fields, including right of use assets, is calculated using the straight-line method over estimated useful lives and adjusted for any impairment or change in residual value, if applicable.

1.9 Impairment

Tangible fixed assets and intangible assets
The unit of account for assessment of impairment is based on the lowest level at which it is possible to identify cash inflows that are independent of cash inflows from other groups of fixed assets. For oil and gas assets, this is typically the field or licence level. Impairment is recognised when the book value of the CGU (including any allocated goodwill) exceeds the recoverable amount. When estimating value in use and fair value less cost of disposal, expected future cash flows are discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money and the specific risk related to the asset. The discount rate is derived from the Weighted Average Cost of Capital (WACC).

The lifetime of the field for the purpose of impairment testing is normally determined by the point in time when the operating cash flow from the field becomes negative.

For exploration licences, impairment is based on an assessment of whether plans for further activities have been established or, if applicable, an evaluation of whether development will be decided on in the near future as described in section 1.8.

A previously recognised impairment can only be reversed if changes have occurred in the estimates used for the calculation of the recoverable amount.

Goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the value may be impaired.

Impairment is recognised if the recoverable amount of the CGU (or group of CGUs) to which the goodwill is related is less than the book value, including associated goodwill and deferred tax as described in section 1.6. Losses relating to impairment of goodwill cannot be reversed in future periods.

1.10 Financial instruments

The group's financial assets and liabilities comprise non-listed equity instruments, derivative financial instruments (assets and liabilities), receivables, cash and cash equivalents, payables, other short-term liabilities and non-current liabilities. The classification of financial assets and liabilities at initial recognition depends on the financial instrument's contractual cash flow characteristics and the Group's business model for managing them. The company has classified the financial instruments into the following categories of financial assets and liabilities:

- Financial assets at fair value through profit or loss
- Financial assets measured at amortised cost
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortised costs
- The group's financial instruments at amortised cost includes trade receivables with the objective hold to collect and other short-term deposits, trade payables and other current and non-current liabilities. Receivables are initially recognised at fair value less impairment losses.

All borrowings are initially recognised at transaction price, which equals the fair value of the amount received net of costs directly related to the establishment of the loan or issuance of debt.

Subsequently, interest-bearing borrowings are valued at amortised cost using the effective interest method; the difference between the transaction price (after transaction costs) and the face value is recognised in the Income statement in the period until the loan falls due. Amortised costs are calculated by considering all issue costs on the settlement date, except for any discount or premium expensed immediately.

Financial liabilities that do not form part of the "held for trading purposes" category and which have not been designated as being at fair value with changes in value through profit or loss are classified as other financial liabilities.

Further details on fair values of financial instruments are provided in note 28 'Financial instruments'.

1.11 Presentation of payroll and administration costs

The company presents its payroll and administration costs based on the functions in development, operational and exploration activities respectively, based on allocation of registered hours worked, net of amounts recharged to operated licences.

1.12 Leases

The lease liability is recognised at the commencement date and measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate at the commencement date. The borrowing rate is derived from the terms of the company's existing credit facilities. Right-of-use (RoU) assets are depreciated over the lease term as this is ordinarily shorter than the useful life of the assets.

The company applies the exemption for short term leases (12 months or less) and low value leases. As such, related lease payments are not recognised in the balance sheet, but expensed or capitalised in line with the accounting treatment for other non-lease expenses. The inclusion of non-lease components may vary across different lease categories, but for the most material class of assets (rigs), the company has excluded the non-lease components when measuring the lease liability.

Lease agreements that are planned to be applied on several operated licences, are generally recognised on a gross basis as Aker BP is deemed to be the primary obligator. The company may enter into lease contracts as an operator on behalf of a licence, and may for such leases only recognise its net share of the related lease liability. Whether a contract is entered into on behalf of the licence is subject to a contract specific assessment, but the general principle is that there needs to be a direct link between the lease contract and the licence or field on which the RoU asset shall be used. For lease contracts recognised on a gross basis, the partner's share of the cost recovered by the company are presented as other income.

1.13 Borrowing costs

Borrowing costs that can be directly ascribed to procurement, processing or production of a qualifying asset are capitalised as part of the asset's acquisition cost. Borrowing cost is only capitalised during the development phase. Other borrowing costs are expensed in the period in which they are incurred.

A qualifying asset is one that necessarily takes a substantial period of time to be made ready for its intended use or sale. Qualifying assets are generally those that are subject to major development or construction projects.

1.14 Inventories

Inventories mainly consist of equipment for the drilling of exploration and production wells and are valued at the lower of cost price (based on weighted average cost) and net realisable value.

1.15 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, and other short-term highly liquid investments with an original due date of three months or less. Bank overdrafts are included in the Statement of Financial Position as short-term loans.

1.16 Tax

General

Tax consists of tax payable and changes in deferred tax. Deferred tax/tax benefits are calculated on the basis of the differences between book value and tax basis values of assets and liabilities, with the exception of temporary differences on acquisition of licences that are defined as asset purchases.

Deferred tax is measured using the expected tax rate when the tax benefit is realised or the tax liability is met, based on tax rates and tax regulations that have been enacted or substantively enacted at the reporting date.

Tax payable and deferred tax is recognised directly against equity or other comprehensive income insofar as the tax items are related to equity transactions or items of other comprehensive income.

Deferred tax and tax benefits are presented net, where netting is legally permitted and the deferred tax benefit and liability are related to the same tax subject and are payable to the same tax authorities.

Functional currency

The company's functional currency is USD, while it is a statutory requirement to calculate the current tax based on NOK functional currency. This may impact the effective tax rate when the exchange rate between NOK and USD fluctuates. The revaluation of tax receivable and payable is presented as foreign exchange gain/loss, while the impact on deferred tax from revaluation of tax balances is presented as tax expense / income.

Petroleum taxation

As an oil and gas company in Norway, Aker BP is subject to the special provisions of the Petroleum Taxation Act. Taxable profits from activities on the Norwegian Continental Shelf are liable to ordinary company tax and special tax. The overall tax rate for activities according to the Petroleum Taxation Act is 78 percent.

The ordinary company tax is 22 percent. In addition, the company is subject to a special petroleum tax of 71.8 percent. The special petroleum tax is a cash-based tax and

companies can make immediate deductions for expenses incurred. In addition, the corporate tax (22 percent) is deductible in the special tax base (71.8 percent) in order to maintain the overall tax rate of 78 percent.

Tax depreciation and uplift

Investments in pipelines and production facilities can be depreciated by up to 16 2/3 percent annually, i.e., using the straight-line method over six years. Tax depreciation commences when the expenses are incurred. When a field stops producing, any remaining tax values may be deducted in that year. Changes to the Petroleum Taxation Act were enacted in June 2022 with effect from 1 January 2022. Under the new rules, investments are immediately deducted in the special tax base, while the ordinary depreciation rules still apply to the corporate tax base.

Uplift is a special income deduction in the basis for calculation of special tax. Uplift is calculated on the basis of investments in pipelines and production facilities and can be regarded as an extra depreciation deduction in the special tax regime. The uplift rate is 12.4 percent (17.69 percent in 2022). From 2023 uplift is only applicable for investments covered by the temporary changes enacted to the Petroleum Tax Act in 2020. The changes included temporary rules for depreciation and uplift, whereby all investments incurred for income year 2020 and 2021 including uplift could be deducted for special tax in the year of investment. The temporary changes are also applicable for investments up to and including year of production start in accordance with new PDOs delivered within 31 December 2022 and approved within 31 December 2023.

Financial items

Interest on debt with associated currency losses/gains is distributed between the offshore and onshore tax regimes. Offshore interest deduction is calculated as the net financial costs of interest-bearing debt multiplied by 50 percent of the ratio between net asset value for tax purposes allocated to the offshore tax regime as of 31 December in the income year and the average interest-bearing debt through the income year.

Remaining financial expenses, currency losses and all interest income as well as currency gains are allocated to the onshore jurisdiction.

Uncovered losses in the onshore tax jurisdictions resulting from the distribution of net financial items can be allocated to the offshore tax jurisdictions and deducted from regular income.

Only 50 percent of other losses in the onshore tax jurisdictions are permitted to be reallocated to the offshore tax jurisdictions as deductions in regular income.

Tax loss

Corporate tax losses are carried forward without time limitations for companies subject to special tax. Special petroleum tax losses are reimbursed by the state in the following year as part of the ordinary tax assessment. The tax position can be transferred on realisation of the company or merger.

1.17 Provisions

Decommissioning and removal costs:

In accordance with the licence terms and conditions for the licences in which the company participates, the Norwegian State can require licence owners to remove the installation in whole or in part when production ceases or the licence period expires.

In the initial recognition of the decommissioning and removal obligations, the company provides for the net present value of future costs related to decommissioning and removal based on its working interest in the respective fields. A corresponding asset is capitalised as a tangible fixed asset and depreciated using the unit-of-production method. Changes in the time value (net present value) of the obligation related to decommissioning and removal accretion are charged to income as financial expenses and increase the balance-sheet liability related to future decommissioning and removal expenses. Changes in the best estimate for expenses related to decommissioning and removal are recognised in the Statement of financial position (property, plant and equipment), except where it relates to licences with no future production or where the Company will be charged a portion of the liability as a user, i.e., based on shipped volumes. The discount rate used in the calculation of the fair value of the decommissioning and removal obligation is the risk-free rate.

1.18 Segment

Since its formation, the company has conducted its entire business in one consistent segment, defined as exploration for and production of petroleum in Norway. The company conducts its activities on the Norwegian Continental Shelf, and management monitors the company at this level. The financial information relating to geographical distribution and large customers is presented in note 4.

1.19 Changes to accounting standards and interpretations that:

Have entered into force:

The group has applied the following standards and amendment for the first time for their annual reporting period commencing 1 January 2023:

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income taxes (IAS 12):

The amendments to IAS 12 require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Aker BP already accounted for such transactions consistent with the new requirements andthe application of the amendment did not have a material impact on the financial statements in 2023.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2:

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The application of the amendment did not have a material impact on the financial statements in 2023.

Have been issued but have not entered into force:

Certain new accounting standards and interpretations are issued, but not yet effective as of 31 December 2023. These standards are not expected to have a material impact on the group in the current or future reporting periods.

Note 2 Overview of subsidiaries

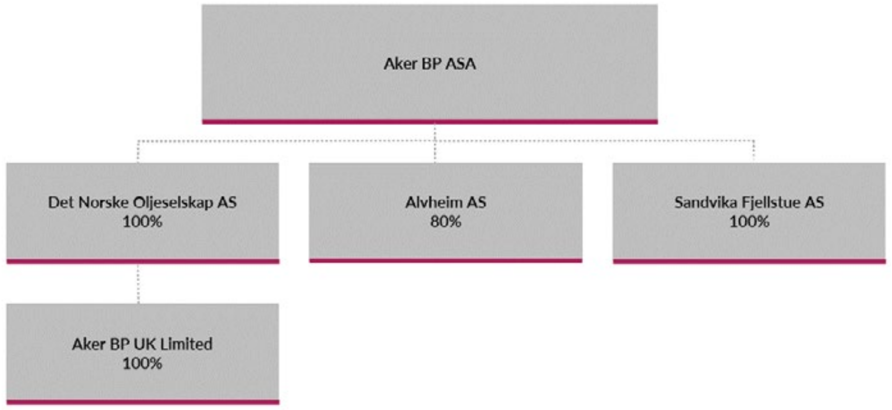
Aker BP UK Limited (100 percent)
Aker BP UK Limited was established as a subsidiary of Det norske oljeselskap AS during 2020. The company holds two partner operated licences on the UK continental shelf, located to the borderline of the Norwegian continental shelf. The key objective within the licences is to explore the resource potential, based on the knowledge obtained in the Alvheim area.

Aker BP ASA has three other subsidiaries which are not consolidated in the group accounts due to materiality considerations:

Det norske oljeselskap AS (100 percent)
Det norske oljeselskap AS, previously Marathon Oil Norge AS, was acquired by Aker BP in October 2014. All activity was transferred to Aker BP on 31 October 2014. During 2020, Aker BP UK Limited (see above) was established as a subsidiary of Det norske oljeselskap AS. Except for the subsidiary, the only asset in this company is cash equivalents reflecting the share capital amounting to USD 1.0 million.

Alvheim AS (80 percent)
The sole purpose of Alvheim AS is to act as legal owner of MST Alvheim, the floating production facility which is used to produce oil and gas from the Alvheim fields. The costs of and benefits from operating the MST Alvheim will be carried by the partners in the Alvheim field. Hence, Alvheim AS only has the formal ownership rather than the actual value of the production facilities. Following the Lundin transaction in 2022, Aker BP has a 80 percent share in Alvheim AS, which corresponds to the ownership in the Alvheim field. There were no activities in 2023.

Sandvika Fjellstue AS (100 percent)
Sandvika Fjellstue AS owns a conference centre used by Aker BP, located in Sandvika in Verdal.



Note 3 Climate-related risk

Climate-related risk assessment is generally described in the sustainability section of the annual report, and may have a significant impact on financial reporting. Climate-related risks can be divided into two major categories:
- Transitional: Risks related to the transition to a lower-carbon economy
- Physical: Risks related to the physical impacts of climate change

Transitional risks
Transitional risks are deemed most relevant for financial reporting, and can be categorised as follows:

Market
- Demand for oil and gas can decrease significantly faster than supply can adapt, resulting in significantly lower oil and gas prices
- In anticipation of the faster energy transition, key producers can shift their strategy to market share maximation, driving down prices

Regulatory and legal
- The EUA price and/or Norwegian CO_2 tax can increase faster and rise higher than what is anticipated
- Mandatory emission abatements, including methane emission mitigation, can be enforced while being uncompetitive with other uses of capital or uneconomical
- Access to new acreage can be reduced, in which case Aker BP's and the Norwegian E&P industry's longer-term growth prospects would be reduced, which would also lead to a potential increase in the cost of capital
- Increased willingness to take legal actions against the Government and the E&P industry can create obstacles for our projects and operations

Competition
- Competition from new technology (e.g. batteries, renewables, hydrogen) and/or regulation can drive faster displacement of oil and gas in energy and non-energy sectors
- A faster and larger scale of electrification in Europe can result in rationing and higher prices of power, thus increasing our costs

Reputational
- Investors' and capital markets participants' perception of oil and gas activities in Norway can deteriorate, impacting availability and cost of capital, as well as insurance premiums
- Industry's attractiveness can deteriorate, making it difficult to attract and retain the right talent
- Reputational risk related to offsetting strategy

Significant mitigating actions are taken by the company to address these transitional risks, such as:
- Climate risks integrated in all investment decisions
- A strict financial framework for investment decisions; sanctioning projects with robust break-even price significantly lower than both current market prices and the company's long term price assumptions
- Internal carbon price exceeding IEA's Net Zero scenario
- Scenario analysis and sensitivity testing on both portfolio and project levels
- Cost reduction initiatives
- Requirement for all potential projects to be assessed for CO_2 emission intensity and resilience against higher carbon taxes

- Emissions reduction and efficiency initiatives
- Continuous evaluation of electrification using power from shore or from offshore wind, where feasible
- Efforts in place to secure financial flexibility and maintain investment grade credit rating

Although the above mitigating actions may limit the exposure, the company's financial reporting is significantly impacted by the transitional risks. Lower demand for oil and gas, and increased cost for Aker BP operations may have the following consequences for certain items within the financial reporting:
- Decreased revenue
- Higher operational cost
- Shortened lifetime of the producing fields which may lead to higher present value of the abandonment provision, as well as increased depreciation rates and impairment charges of fixed and intangible assets
- Lower profitability together with investor's perception of oil and gas investments may result in higher cost of capital and lack of available capital resources. This is particularly relevant for Aker BP given the expected significant project investments over the next years
- Increased tax burden as a result of unfavourable changes to the tax regime

To illustrate the potential impact on some of the above mentioned financial reporting elements, we have included sensitivity analysis within the following areas:
- Impairment (note 14): Transparency on carbon pricing and impairment sensitivity on oil and gas prices in the most recent IEA scenarios
- Capitalised exploration (note 14): The impairment in a given scenario where no new project developments would be approved
- Abandonment provisions (note 22): The impact on book value of abandonment provisions if cease of production of fields with estimated lifetime after 2040 were accelerated by 10 years
- Interest expenses (note 10): Estimated increased credit spread of two percent on current loan balances. Although this is not applicable on a short-term basis given fixed rates on all current bonds, it provides visibility on potential increased interest exposure on a longer term basis
- Reserves (note 32): Impact on reserves if all production would cease from 2050 onwards

Physical risks

The following are examples of physical risks relevant for Aker BP:

Acute

Potential higher frequency of extreme waves/weather may lead to operational shutdown or accelerated need for modifications of existing installations if safe design limits and structural integrity are threathened. The most significant influencing factors are rising sea levels and extreme waves challenging structural tolerance and reducing the design air gap. Mitigating actions include environmental monitoring, update of metocean data and evaluation of structural design limits.

Chronical

Change in precipitation patterns and extreme variability in weather patterns over time may affect working environment conditions, for example reducing the period an offshore worker may tolerably be exposed to a certain working environment condition while performing their scope of work. Risk assessments are systematically performed by the Aker BP working environment team, including identification of improvements.

Although considered less likely than transitional risks, physical risks may result in severe damage to the company's installations and may lead to significant shortened lifetime of the producing fields, as well as increased cost for mitigating actions, including preventive investments made in the field developments over the next years. As the climate changes further evolve, it is also a risk for increased probability that the physical risks will materialise.

Opportunities

The assessment related to climate impacts will mainly be on the risk side. However, the situation may also give rise to some opportunities:
- Carbon capture and storage (CCS) is expected to play an important role in the transition to a low-carbon energy future. CO_2 storage has a potential to become a new profitable business opportunity for Aker BP
- In an investment environment that is increasingly shaped by intensifying ESG pressure, Aker BP's industry leading GHG intensity, low production costs, and high ESG performance provide a competitive advantage and better opportunities to obtain capital in the future. This opportunity is further supported by the same actions as mitigating actions on the risk side.

Net zero strategy

Aker BP has a target of becoming net zero for our equity share scope 1 and 2 GHG emissions from 2030. Our strategy for emission reductions is as follows:

– Avoid: We aim to avoid emissions wherever possible through electrification of new field developments and drilling rigs with power from shore (in Norway, the power mix consists mainly of hydro and wind power), portfolio management and optimisation of existing infrastructure
– Reduce: We aim to reduce emissions through active energy management and brownfield electrification
– Neutralise: From 2030, we aim to match every tonne of remaining equity share scope 1 and 2 GHG emissions from our operations, with an equal amount of high-quality carbon removals

Our emission reduction strategy emphasises that we will prioritise emission reductions from our own operations where feasible leading up to and after 2030. After 2041, we aim to have near-zero equity share scope 1 and 2 GHG emissions. In addition, from 2030, we will match every tonne of remaining equity share scope 1 and 2 GHG emissions from our operations with an equal amount of high-quality carbon removal credits. These credits are voluntary and come in addition to all carbon tax or fees we pay for our emissions. Certain emission reduction projects offshore are reflected in the business plans, and carbon removal offsets such as tree planting is not expected to incur significant cost on a long-term basis. Hence, the net zero strategy described above is deemed to be sufficiently reflected in the current business plans, which is the basis for the company's impairment testing.

Note 4 Segment information

The group's business is entirely related to exploration for and production of petroleum on, or to the borderline of, the Norwegian continental shelf. The group's activities are considered to have a homogeneous risk and return profile before tax, and the business is located in the geographical area Norway, except for two exploration licences in the UK. The group operates within a single operating segment which matches the internal reporting to the company's executive management. In 2023 the group had sales transactions with two customers which are under common control and represented more than 10 percent of total sales, BP Oil International Limited accounted for USD 11 591 million and BP Gas Marketing Limited accounted for USD 1 083 million. In 2022 sales transactions with BP Oil International Limited were USD 8 797 million, and sales transactions with BP Gas Marketing Limited were USD 2 820 million. In 2023 the parent company`s sales transactions with BP Oil International Limited accounted for USD 11 591 million and BP Gas Marketing Limited accounted for USD 1 083 million. In 2022 the parent company's sales transactions with BP Oil International Limited were USD 5 709 million, and sales transactions with BP Gas Marketing Limited were USD 2 820 million.

Note 5 Income

	Group		Parent	
Breakdown of petroleum revenues (USD million)	**2023**	**2022**	**2023**	**2022**
Sales of liquids	11 849.8	8 986.4	11 849.8	5 834.6
Sales of gas	1 714.5	3 898.9	1 714.5	3 412.5
Tariff income	15.7	10.9	15.7	10.9
Total petroleum revenues	**13 580.0**	**12 896.2**	**13 580.0**	**9 258.0**
Sales of liquids (boe million)	145.2	91.8	145.2	57.8
Sales of gas (boe million)	23.1	20.2	23.1	17.6
Other income (USD million)				
Realised gain (+)/loss (-) on commodity derivatives	-0.0	27.0	-0.0	27.0
Unrealised gain (+)/loss (-) on commodity derivatives	0.2	9.0	0.2	9.0
Gain on licence transactions	0.0	11.0	0.0	11.0
Other income[1)]	89.7	66.7	89.7	64.3
Total other income	**89.9**	**113.7**	**89.9**	**111.3**

[1)] The figure includes partner coverage of RoU assets recognised on gross basis in the balance sheet and used in operated activity.

Refer to note 23 and 28 for further details regarding commodity derivatives.

Note 6 Production expenses

	Group		Parent	
Production expenses (USD million)	**2023**	**2022**	**2023**	**2022**
Cost of operations	707.6	682.7	707.6	597.6
Shipping and handling	265.7	231.5	265.7	188.1
Environmental taxes	62.9	63.9	62.9	54.4
Production expenses based on produced volumes	**1 036.3**	**978.1**	**1 036.3**	**840.0**
Adjustment for over (+)/underlift (-)	23.8	-45.3	23.8	-25.6
Production expenses based on sold volumes	**1 060.1**	**932.9**	**1 060.1**	**814.5**
Total produced volumes (boe million)	166.7	112.9	166.7	75.4
Production expenses per boe produced (USD/boe)	6.2	8.7	6.2	11.1

Note 7 Exploration expenses

	Group		Parent	
Breakdown of exploration expenses (USD million)	**2023**	**2022**	**2023**	**2022**
Seismic	27.2	34.4	26.7	30.0
Area fees	14.4	12.3	14.4	13.3
Field evaluation	13.5	10.7	13.5	8.1
Dry well expenses	153.9	135.8	153.9	108.6
G&G and other exploration expenses	57.5	48.9	56.0	36.2
Total exploration expenses	**266.3**	**242.2**	**264.3**	**196.2**

Note 8 Payroll expenses and remuneration

	Group		Parent	
Breakdown of payroll expenses (USD million)	**2023**	**2022**	**2023**	**2022**
Payroll expenses	431.9	343.0	431.9	327.3
Pension	41.1	34.0	41.1	32.2
Social security tax	79.5	53.6	79.5	51.1
Other personnel costs	19.7	20.4	19.7	19.8
Total payroll expenses	**572.1**	**451.0**	**572.1**	**430.4**

The payroll expenses are allocated to activities and partners based on timewriting. Aker BP's share of the total payroll expenses will depend amongst other on the ownership in the various licences. For 2023, the share of total payroll expenses to Aker BP was USD 406.1 million, equivalent to 71 percent of the gross expenses in the table above.

	Group		Parent	
No. of full time equivalents employed during the year	**2023**	**2022**	**2023**	**2022**
Europe	2 562	2 462	2 562	2 036
Total	**2 562**	**2 462**	**2 562**	**2 036**

Pension schemes

The company complies with the requirement to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company makes contributions to the pension plan for full-time employees equal to 7 percent for salary up to 7.1 G and 25.1 percent between 7.1 and 12 G. The pension premiums are charged to expenses as they are incurred.

An early retirement scheme (AFP) has been introduced for all employees. The scheme is a multi-employer defined benefit plan, but is accounted for as a defined contribution pension, and premiums are expensed as incurred.

Employee share program

The company has an annual share purchase program for all employees, including senior executives. The shares in the program are offered at a 25 percent discount and are subject to a three-year lock-up during which employees are not allowed to sell the shares. In connection with the share purchase program, all employees are also offered an interest free loan of 60 percent of the basic amount in the National Insurance scheme ("G"), to be repaid within one year. In total, employees subscribed for USD 19.3 million in 2023, compared to USD 15.5 million in 2022.

Remuneration for BoD and the Executive Management Team (EMT)

Information about remuneration to the BoD and EMT is provided in the Remuneration Report in the annual report.

Accounting information regarding the share-based long-term incentive program (LTIP)

The LTIP for members of the EMT is described in the Remuneration Report, while certain required accounting information is included below.

The fair value of the grants issued in the LTIP has been measured using a Monte Carlo simulation. Service conditions were not taken into account when measuring fair value. The post-vesting lock-in condition has been incorporated into the grant date fair value by applying a discount to the valuation by estimating the probability that the employee will not comply with this condition. The LTIP agreement includes a clawback clause.

The inputs used in the measurement of the 1 July 2023 grant date fair values were as follows:

Fair value at grant date	NOK 291.06
Aker BP share price at grant date	NOK 241.47
Expected volatility:	
Aker BP	39%
Oslo Energy Index	31%
Stoxx 600 Europe Oil & Gas Index	26%
S&P Commodity Producers Oil & Gas E&P & Index	34%
Expected life	3 years
Risk free interest rate (based on government bonds)	3.9%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the grants has been based on three-year vesting period.

Total number of shares owned by members of EMT

Name	**Total number of shares 2023***
Karl Johnny Hersvik (Chief Executive Officer)	12 528
Per Harald Kongelf (Chief Operating Officer)	5 546
David Torvik Tønne (Chief Financial Officer)	24 034
Paula Doyle (Chief Digital Officer)	309
Knut Arne Kristian Sandvik (SVP projects)	5 980
Tommy Sigmundstad (SVP D&W)	10 451
Per Øyvind Seljebotn (SVP Exploration & Reservoir Development)	619
Marit Blaasmo (SVP People & Safety)	7 406
Georg Olav Vidnes (SVP Operations)	2 857
Ine Dolve (SVP Alvheim)	7 425
Lars Høier (SVP Yggdrasil)	10 719
Ole Johan Molvig (SVP Valhall)	18 140
Thomas Hoff - Hansen (SVP Ula)	4 631
Kari Nielsen (SVP Edvard Grieg & Ivar Aasen)	413
Thomas Øvretveit (SVP Skarv)	743
Total	**111 801**

*The numbers include shares held in companies where the senior executives have controlling interest.

Remuneration and shares owned by the Board*

The tables below include regular fees to the Board and fees for participation in the Board's subcommittees. The fees to the nomination committee are also included. To the extent applicable, fees to Board members employed in Aker ASA or BP plc groups will be paid to the companies, not to the Board member in person.

		2023		2022	
Name	**Comments**	**Fee (USD 1 000)**	**Total number of shares**	**Fee (USD 1 000)**	**Total number of shares**
Øyvind Eriksen	Chairman of the Board from 11.03.2016. Chair of the Organizational Development and Compensation committee.	92	-	96	-
Anne Marie Cannon	Deputy Chair from 17.04.2013. Member of the Audit & Risk committee and Organizational Development and Compensation committee.	66	12 078	69	12 078
Kjell Inge Røkke[1)]	Board member from 17.04.2013.	34	-	42	-
Murray Auchincloss	Board member from 16.04.2020.	-	-	-	-
Trond Brandsrud	Board member from 11.03.2016. Chairman of the Audit & Risk committee from 28.04.2016.	65	-	68	-
Kate Thomson	Board member from 30.09.2016. Member of the Audit & Risk committee from 04.10.2016.	-	-	-	-
Valborg Lundegaard	Board member from 05.04.2022.	40	-	28	-
Charles Ashley Heppenstall	Board member from 01.07.2022.	43	852 587	21	852 587
Ingard Haugeberg	Employee representative from 30.08.2018.	23	1 257	20	948
Hilde K.Brevik	Employee representative from 30.08.2018. Deputy employee rep. from 01.11.2023.	20	1 640	20	1 510
Tore Vik	Employee representative from 14.07.2021.	23	5 580	20	4 539
Marit Karolin Hargemark Dørum	Employee representative from 01.11.2023.	3	706	N/A	N/A
Ani Isabel Chiang	Employee representative from 01.11.2023.	3	1 398	N/A	N/A
Sarah Alexandra Berg	Deputy employee representative from 14.07.2021.	3	2 572	3	2 225
Rune Karstein Fauskanger	Deputy employee representative from 14.07.2021.	3	9 479	3	7 888
Thomas Husvæg	Deputy employee representative from 07.07.2021. Employee representative from 01.11.2023.	6	441	3	132
Geir Smaaskjær	Deputy employee representative from 01.11.2023.	1	2 399	N/A	N/A
Terje Solheim	Employee representative from 20.03.2014. Member of the Organizational Development and Compensation committee until 31.10.2023. Deputy employee representative from 01.11.2023.	23	637	24	637
Svein Oskar Stoknes	Chair of the Nomination committee from 16.04.2020.	5	-	4	-
Ingebret Hisdal	Member of the Nomination committee from 16.04.2020.	4	-	4	-
Donna Riley	Member of the Nomination committee from 16.04.2020.	-	-	-	-
Ian Lundin	Member og the Nomination committee from 14.04.2023.	4	-	N/A	N/A
Member until 31.10.2023					
Ørjan Kristensen Brakstad	Deputy employee representative from 14.07.2021 until 31.10.2023.	2	374	3	420
Member until 05.04.2022					
Paula Doyle	Board member from 15.04.2021 until 05.04.2022.	N/A	N/A	14	-
Total		**463**	**891 148**	**445**	**882 964**

[1)] Kjell Inge Røkke owns and controls The Resource Group AS, which controls 68 percent of Aker ASA, which through a subsidiary owns 21 percent of Aker BP

* Fee to board members are paid in NOK and converted to USD using a yearly average USD/NOK-rate of 10.5647 for 2023. Corresponding rate for 2022 was 9.6245.

Note 9 Auditors fee

(USD 1 000)	Group 2023	Group 2022	Parent 2023	Parent 2022
Fees for statutory audit services - PWC (excluding VAT)	341	230	310	200
Fees for statutory audit services - KPMG (excluding VAT)	-	132	-	132
Fees for other services - PWC (excluding VAT)	598	533	598	533
Fees for other services - KPMG (excluding VAT)	-	202	-	202
Total auditor's fees	**939**	**1 098**	**907**	**1 068**

KMPG was the statutory auditor of Aker BP until April 2022, and was then replaced by PwC.

Note 10 Financial items

(USD million)	Group 2023	Group 2022	Parent 2023	Parent 2022
Total interest income	**133.4**	**26.0**	**133.4**	**23.0**
Realised gains on derivatives	83.4	33.5	83.4	33.5
Change in fair value of derivatives	48.6	333.7	48.6	333.7
Net currency gains	144.8	308.4	145.5	193.9
Other financial income	44.5	98.8	44.5	98.8
Total other financial income	**321.2**	**774.3**	**322.0**	**659.8**
Interest expenses	212.7	154.0	212.7	147.3
Interest on lease debt	26.9	7.5	26.9	7.1
Capitalised interest cost, development projects	-127.1	-85.6	-127.1	-53.3
Amortised loan costs[1)]	49.3	31.8	49.3	19.2
Total interest expenses	**161.8**	**107.7**	**161.8**	**120.2**
Net currency loss	-	269.4	-	-
Realised loss on derivatives	345.2	480.9	345.2	480.9
Change in fair value of derivatives	-	-	-	-
Accretion expenses related to abandonment provisions	166.3	119.9	166.3	107.9
Other financial expenses	6.7	9.8	6.7	8.2
Total other financial expenses	**518.2**	**880.1**	**518.2**	**597.1**
Net financial items	**-225.4**	**-187.6**	**-224.7**	**-34.5**

[1)] The figure includes amortisation of the difference between fair value and nominal value on the bonds aquired in the Lundin transaction in Q2 2022.

The rate (weighted average interest rate) used to determine the amount of borrowing cost eligible for capitalisation in 2023 is 4.34 percent. The corresponding rate for 2022 was 3.69 percent.

Climate-related risk:

As described in note 3 on climate-related risk, a sensitivity analysis have been performed to show the estimated impact of a two percentage points increase in credit spreads on current loan balances as of 31 December 2023 . This would result in an increased interest expenses of USD 120 million.

Note 11 Taxes

Tax for the period (USD million)	Group 2023	Group 2022	Parent 2023	Parent 2022
Current year tax payable/receivable	6 136.4	7 163.0	6 136.4	4 826.1
Current tax related to change in tax system	-	-176.4	-	-176.4
Prior period adjustments to current tax	58.8	-17.8	58.8	-19.0
Current tax expense (+)/income (-)	**6 195.2**	**6 968.8**	**6 195.2**	**4 630.7**
Change in current year deferred tax	1 200.5	-12.3	1 200.5	240.8
Deferred tax related to change in tax system	-	189.4	-	189.4
Prior period adjustments to deferred tax	32.7	27.9	32.7	27.9
Deferred tax expense (+)/ income (-)	**1 233.1**	**205.1**	**1 233.1**	**458.2**
Tax expense (+)/income (-)	**7 428.3**	**7 173.9**	**7 428.3**	**5 088.9**
Effective tax rate	**85%**	**82 %**	**85%**	**82 %**

Reconciliation of tax expense (USD million)	Tax rate	Group 2023	Group 2022	Parent 2023	Parent 2022
78% tax rate on profit/loss before tax	78%	6 836.3	6 846.3	6 838.2	4 845.2
Tax effect of uplift	72%	-209.9	-161.7	-209.9	-148.9
Permanent differences on impairment	78%	618.0	294.4	618.0	338.7
FX translation of monetary items other than USD	78%	-112.0	-170.6	-112.0	-170.6
FX translation of monetary items other than NOK	78%	-17.8	129.6	-17.8	129.6
Tax effect of financial and other 22% items	56%	180.3	60.1	180.3	-33.6
Currency movements of tax balances[1)]	78%	29.1	138.9	29.1	138.9
Other permanent differences, prior period adjustments and change in uncertain tax positions	78%	104.4	36.9	102.5	-10.5
Tax expense (+)/income (-)		**7 428.3**	**7 173.9**	**7 428.3**	**5 088.9**

[1)] Tax balances are in NOK and converted to USD using the period end currency rate. When the NOK weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD.

From 1 January 2023 the temporary tax regime uplift rate was reduced from 17.69 to 12.40 percent.

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the effective tax rate as the company's functional currency is USD.

Breakdown of tax effect of temporary differences (USD million)	Group		Parent	
	2023	2022	2023	2022
Tangible fixed assets	-13 108.4	-11 057.2	-13 108.4	-11 057.2
Capitalised exploration cost	-253.8	-196.4	-253.8	-196.4
Other intangible assets	-1 301.8	-1 470.4	-1 301.8	-1 470.4
Abandonment provision	3 552.8	3 249.3	3 552.8	3 249.3
Lease debt	549.3	104.8	549.3	104.8
Financial instruments	-34.7	-26.4	-34.7	-26.4
Other provisions	4.3	37.1	4.3	37.1
Net deferred tax liability (-)/deferred tax asset (+)	**-10 592.3**	**-9 359.1**	**-10 592.3**	**-9 359.1**

	Group		Parent	
Deferred tax liability (-)/asset (+) (USD million)	2023	2022	2023	2022
Deferred tax liability/asset at beginning of period	-9 359.1	-3 291.3	-9 359.1	-3 291.3
Change in current year deferred tax	-1 200.5	12.3	-1 200.5	-240.8
Deferred tax related to change in tax system	-	-189.4	-	-189.4
Deferred tax related to acquisition of Lundin Energy	-	-5 802.6	-	-
Change related to merger of group companies	-	-	-	-5 607.8
Prior period adjustments	-32.7	-27.9	-32.7	-29.7
Deferred tax charged to OCI and equity	-0.0	-60.1	-0.0	0.0
Net deferred tax liability (-)/deferred tax asset (+)	**-10 592.3**	**-9 359.1**	**-10 592.3**	**-9 359.1**

	Group		Parent	
Calculated tax payable (-)/ tax receivable (+) (USD million)	2023	2022	2023	2022
Tax payable/receivable at beginning of period	-5 084.1	-1 497.3	-5 084.1	-1 497.3
Current year tax payable/receivable	-6 136.4	-7 163.0	-6 136.4	-4 826.1
Current tax related to change in tax system	-	176.4	-	176.4
Net tax payment/tax refund	7 455.2	5 332.1	7 455.2	3 205.5
Current tax related to acquisition of Lundin Energy	-	-2 181.0	-	-
Current tax related to merger of group companies	-	-	-	-2 427.2
Change prior periods and uncertain tax positions	-58.4	29.8	-58.4	31.1
Currency movements of tax payable/receivable	223.9	245.8	223.9	253.4
Current tax charged to OCI and equity	-	-27.1	-	-
Net tax payable (-)/receivable (+)	**-3 599.9**	**-5 084.1**	**-3 599.9**	**-5 084.1**

Note 12 Earnings per share

Earnings per share is calculated by dividing the year's profit attributable to ordinary equity holders of the parent entity, which was USD 1 336 million for the group (USD 1 603 million in 2022) and USD 1 338 million for the parent (USD 1 123 million in 2022) by the year's weighted average number of outstanding ordinary shares, which was 631.3 million (496.8 million in 2022). Weighted average number of diluted and ordinary shares is the same, as the company does not have any material dilutive instruments.

	Group		Parent	
(USD million)	2023	2022	2023	2022
Profit for the year[1)]	1 335.7	1 602.9	1 338.2	1 122.6
The year's average number of ordinary shares (in million)	631.3	496.8	631.3	496.8
Earnings per share in USD	**2.12**	**3.23**	**2.12**	**2.26**

[1)] Attributable to ordinary equity holders of the parent entity

Note 13 Tangible fixed assets and intangible assets

TANGIBLE FIXED ASSETS

Property, plant and equipment (USD million)	GROUP Assets under development	GROUP Production facilities including wells	GROUP Fixtures and fittings, office machinery	GROUP Total group	PARENT Assets under development	PARENT Production facilities including wells	PARENT Fixtures and fittings, office machinery	PARENT Total parent
Restated book value 31.12.2021	**1 795.4**	**8 332.3**	**86.7**	**10 214.4**	**1 795.4**	**8 332.3**	**86.7**	**10 214.4**
Restated acquisition cost 31.12.2021	**1 795.4**	**13 403.0**	**256.4**	**15 454.9**	**1 795.4**	**13 403.0**	**256.4**	**15 454.9**
Additions[1]	1 036.0	-1 203.1	18.2	-148.9	834.8	-1 181.6	18.1	-328.7
Acquisition of Lundin Energy	933.2	6 726.3	3.8	7 663.3	-	-	-	-
Merger with ABP Norway AS	-	-	-	-	146.7	7 245.4	2.8	7 394.9
Disposals/retirement	-	-	17.5	17.5	-	-	17.5	17.5
Reclassification[2]	-2 132.6	2 266.6	7.3	141.3	-1 162.7	1 288.1	7.3	132.6
Foreign currency translation	-17.9	108.1	0.0	90.3	-	-	-	-
Acquisition cost 31.12.2022	**1 614.2**	**21 301.0**	**268.3**	**23 183.5**	**1 614.2**	**20 754.9**	**267.2**	**22 636.3**
Restated accumulated depreciation and impairments 31.12.2021	**-**	**5 070.7**	**169.7**	**5 240.5**	**-**	**5 070.7**	**169.7**	**5 240.5**
Depreciation	-	1 635.3	39.9	**1 675.2**	-	1 102.2	38.8	**1 141.1**
Impairment/reversal (-)	-	385.6	-	**385.6**	-	385.6	-	**385.6**
Disposals/retirement depreciation	-	-	-17.5	**-17.5**	-	-	-17.5	**-17.5**
Foreign currency translation	-	13.0	0.0	13.0	-	-	-	-
Accumulated depreciation and impairments 31.12.2022	**-**	**7 104.6**	**192.2**	**7 296.8**	**-**	**6 558.5**	**191.1**	**6 749.6**
Book value 31.12.2022	**1 614.2**	**14 196.4**	**76.1**	**15 886.7**	**1 614.2**	**14 196.4**	**76.1**	**15 886.7**
Acquisition cost 31.12.2022	**1 614.2**	**21 301.0**	**268.3**	**23 183.5**	**1 614.2**	**20 754.9**	**267.2**	**22 636.3**
Additions	2 671.6	990.6	10.8	3 673.0	2 671.6	990.6	10.8	3 673.0
Disposals/retirement	-	-	-	-	-	-	-	-
Reclassification[3]	-728.9	820.3	3.2	94.7	-728.9	820.3	3.2	94.7
Acquisition cost 31.12.2023	**3 556.9**	**23 111.9**	**282.3**	**26 951.2**	**3 556.9**	**22 565.8**	**281.2**	**26 404.0**
Accumulated depreciation and impairments 31.12.2022	**-**	**7 104.6**	**192.2**	**7 296.8**	**-**	**6 558.5**	**191.1**	**6 749.6**
Depreciation	-	2 135.0	35.6	2 170.6	-	2 135.0	35.6	2 170.6
Impairment/reversal (-)	34.0	-	-	34.0	34.0	-	-	34.0
Disposals/retirement depreciation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2023	**34.0**	**9 239.6**	**227.8**	**9 501.4**	**34.0**	**8 693.5**	**226.6**	**8 954.2**
Book value 31.12.2023	**3 522.9**	**13 872.3**	**54.5**	**17 449.8**	**3 522.9**	**13 872.3**	**54.5**	**17 449.8**

1) The negative addition is caused by decreased abandonment provision with an offseting entry on PP&E
2) The reclassification is mainly related to the Johans Sverdrup phase 2 development project, which entered into production phase during 2022
3) The reclassification is mainly related to the Kobra East Gekko and Frosk development projects, which entered into production phase during 2023

See note 14 for information regarding impairment charges.

Capitalised exploration expenditures are reclassified to "Assets under development" when the field enters into the development phase. If development plans are subsequently re-evaluated, the associated costs remain in assets under development and are not reclassified back to exploration assets. Assets under development are reclassified to "Production facilities" from the start of production. Production facilities, including wells, are depreciated in accordance with the unit-of-production method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3 - 5 years. Removal and decommissioning costs are included as production facilities or assets under development.

Right-of-use assets (USD million)	GROUP Drilling Rigs	GROUP Vessels and Boats	GROUP Office	GROUP Other	GROUP Total	PARENT Drilling Rigs	PARENT Vessels and Boats	PARENT Office	PARENT Other	PARENT Total
Book value 31.12.2021	**12.3**	**50.7**	**29.3**	**1.8**	**94.2**	**12.3**	**50.7**	**29.3**	**1.8**	**94.2**
Acquisition cost 31.12.2021	**18.4**	**57.4**	**52.4**	**2.3**	**130.6**	**18.4**	**57.4**	**52.4**	**2.3**	**130.6**
Additions	22.5	-	11.2	-	33.8	22.5	-	31.9	-	54.4
Acquisition of Lundin Energy	11.1	-	23.7	-	34.8	-	-	-	-	-
Merger with ABP Norway AS	-	-	-	-	-	6.0	-	-	-	6.0
Allocated to abandonment activity	-	-0.4	-	-	-0.4	-	-0.4	-	-	-0.4
Disposals/retirement	6.1	0.0	8.1	-	14.2	6.1	0.0	8.1	-	14.2
Reclassification[1]	-28.1	-2.3	-	-	-30.4	-23.0	-2.3	-	-	-25.4
Foreign currency translation	-0.0	-	-2.0	-	-2.0	-	-	-	-	-
Acquisition cost 31.12.2022	**17.9**	**54.7**	**77.3**	**2.3**	**152.2**	**17.9**	**54.7**	**76.2**	**2.3**	**151.1**
Accumulated depreciation and impairments 31.12.2021	**6.1**	**6.7**	**23.1**	**0.5**	**36.4**	**6.1**	**6.7**	**23.1**	**0.5**	**36.4**
Depreciation	2.8	3.9	11.8	0.2	18.7	2.8	3.9	10.7	0.2	17.6
Impairment/reversal (-)	-	-	-	-	-	-	-	-	-	-
Disposals/retirement depreciation	-6.1	-	-8.1	-	-14.2	-6.1	-	-8.1	-	-14.2
Foreign currency translation	-	-	-0.1	-	-0.1	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2022	**2.8**	**10.6**	**26.7**	**0.7**	**40.8**	**2.8**	**10.6**	**25.6**	**0.7**	**39.8**
Book value 31.12.2022	**15.1**	**44.1**	**50.6**	**1.6**	**111.3**	**15.1**	**44.1**	**50.6**	**1.6**	**111.3**
Acquisition cost 31.12.2022	**17.9**	**54.7**	**77.3**	**2.3**	**152.2**	**17.9**	**54.7**	**76.2**	**2.3**	**151.1**
Additions	685.3	-	19.2	-	704.5	685.3	-	19.2	-	704.5
Allocated to abandonment activity	-6.4	-1.1	-	-	-7.5	-6.4	-1.1	-	-	-7.5
Disposals/retirement	4.2	-	-	-	4.2	4.2	-	-	-	4.2
Reclassification[1]	-101.5	-2.4	-	-	-103.9	-101.5	-2.4	-	-	-103.9
Acquisition cost 31.12.2023	**591.0**	**51.2**	**96.5**	**2.3**	**741.1**	**591.0**	**51.2**	**95.5**	**2.3**	**740.0**
Accumulated depreciation and impairments 31.12.2022	**2.8**	**10.6**	**26.7**	**0.7**	**40.8**	**2.8**	**10.6**	**25.6**	**0.7**	**39.8**
Depreciation	31.0	3.1	14.7	0.2	49.1	31.0	3.1	14.7	0.2	49.1
Impairment/reversal (-)	-	-	-	-	-	-	-	-	-	-
Disposals/retirement depreciation	-4.2	-	-	-	-4.2	-4.2	-	-	-	-4.2
Accumulated depreciation and impairments 31.12.2023	**29.7**	**13.8**	**41.4**	**0.9**	**85.7**	**29.7**	**13.8**	**40.4**	**0.9**	**84.7**
Book value 31.12.2023	**561.4**	**37.4**	**55.1**	**1.4**	**655.3**	**561.4**	**37.4**	**55.1**	**1.4**	**655.3**

[1] Reclassified to tangible fixed assets in line with the activity of the right-of-use asset

See note 25 for information regarding leases.
Right-of-use assets are depreciated linearly over the lifetime of the related lease contract.

INTANGIBLE ASSETS

	GROUP					PARENT				
		Capitalised exploration	Other intangible assets				Capitalised exploration	Other intangible assets		
(USD million)	Goodwill	expenditures	Depreciated	Not depreciated	Total group	Goodwill	expenditures	Depreciated	Not depreciated	Total parent
Book value 31.12.2021	1 647.4	256.5	642.0	765.6	1 407.6	1 647.4	256.5	642.0	765.6	1 407.6
Acquisition cost 31.12.2021	2 726.6	444.2	1 480.1	888.9	2 369.0	2 726.6	444.2	1 480.1	888.9	2 369.0
Additions	-	251.8	-	0.7	0.7	-	194.7	-	0.7	0.7
Acquisition of Lundin Energy[1)]	12 542.9	-	25.7	1 256.6	1 282.2	-	-	-	-	-
Merger with ABP Norway AS	-	-	-	-	-	12 287.5	27.2	715.4	293.9	1 009.2
Disposals/retirement/expensed dry wells	-	135.8	-	-	-	-	108.6	-	-	-
Reclassification[2)]	-	-110.9	855.0	-855.0	-	-	-107.2	147.1	-147.1	-
Foreign currency translation	135.0	1.0	0.3	12.3	12.6	-	-	-	-	-
Acquisition cost 31.12.2022	15 404.4	450.3	2 361.0	1 303.6	3 664.6	15 014.1	450.3	2 342.5	1 036.4	3 379.0
Accumulated depreciation and impairments 31.12.2021	1 079.1	187.7	838.1	123.3	961.4	1 079.1	187.7	838.1	123.3	961.4
Depreciation	-	-	91.7	-	91.7	-	-	73.2	-	73.2
Impairment	377.4	10.9	-	258.3	258.3	-	10.9	-	-	-
Foreign currency translation	12.9	-	-0.1	8.8	8.7	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2022	1 469.4	198.6	929.7	390.5	1 320.2	1 079.1	198.6	911.3	123.3	1 034.6
Book value 31.12.2022	13 935.0	251.7	1 431.3	913.1	2 344.4	13 935.0	251.7	1 431.3	913.1	2 344.4
Acquisition cost 31.12.2022	15 404.4	450.3	2 361.0	1 303.6	3 664.6	15 014.1	450.3	2 342.5	1 036.4	3 379.0
Additions	-	238.6	-	9.1	9.1	-	238.6	-	9.1	9.1
Disposals/retirement/expensed dry wells	-	153.9	-	-	-	-	153.9	-	-	-
Reclassification[3)]	-	9.2	97.9	-97.9	-	-	9.2	97.9	-97.9	-
Acquisition cost 31.12.2023	15 404.4	544.3	2 458.9	1 214.8	3 673.7	15 014.1	544.3	2 440.4	947.6	3 388.1
Accumulated depreciation and impairments 31.12.2022	1 469.4	198.6	929.7	390.5	1 320.2	1 079.1	198.6	911.3	123.3	1 034.6
Depreciation	-	-	187.1	-	187.1	-	-	187.1	-	187.1
Impairment/reversal (-)	792.2	20.4	-	42.9	42.9	792.2	20.4	-	42.9	42.9
Disposals/retirement depreciation	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2023	2 261.6	218.9	1 116.9	433.4	1 550.3	1 871.4	218.9	1 098.4	166.3	1 264.7
Book value 31.12.2023	13 142.8	325.4	1 342.0	781.4	2 123.4	13 142.8	325.4	1 342.0	781.4	2 123.4

[1)] The goodwill recognised in connection with the Lundin transaction includes the subsequent adjustment as described in note 30
[2)] The reclassification is mainly related to the Johans Sverdrup phase 2 development project, which entered into production phase during 2022
[3)] The reclassification is mainly related to the Kobra East Gekko development project, which entered into production phase during 2023

Other intangible assets include both planned and producing projects on various fields. The producing projects are depreciated in line with the unit-of-production method for the applicable field.

	Group		Parent	
Depreciation in the Income statement (USD million)	**2023**	**2022**	**2023**	**2022**
Depreciation of tangible fixed assets	2 170.6	1 675.2	2 170.6	1 141.1
Depreciation of right-of-use assets	49.1	18.7	49.1	17.6
Depreciation of other intangible assets	187.1	91.7	187.1	73.2
Total depreciation in the Income statement	**2 406.8**	**1 785.7**	**2 406.8**	**1 231.8**

Impairment in the Income statement (USD million)				
Impairment/reversal of tangible fixed assets	34.0	385.6	34.0	385.6
Impairment/reversal of other intangible assets	42.9	258.3	42.9	-
Impairment/reversal of capitalised exploration	20.4	10.9	20.4	10.9
Impairment of goodwill	792.2	377.4	792.2	-
Total impairments of tangible and intangible assets	**889.5**	**1 032.2**	**889.5**	**396.4**

See note 14 for information regarding impairment charges.

Note 14 Impairments

Impairment testing

Impairment tests of individual cash-generating units are performed when impairment/reversal triggers are identified, and goodwill is tested for impairment at least annually. In 2023, two categories of impairment tests have been performed:

- Impairment test of fixed assets and related intangible assets, including technical goodwill
- Impairment test of residual goodwill

Impairment is recognised when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. Correspondingly, a reversal of impairment is recognised when the recoverable amount exceeds the book value. Prior period impairment of goodwill is not subject to reversal. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. The impairment testing has been performed in accordance with the fair value method (level 3 in fair value hierarchy) and based on discounted cash flows. The expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years.

For producing licences and licences in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 31 December 2023.

Prices

Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on management's estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil and gas prices are therefore based on the forward curve from the beginning of 2024 to the end of 2026. From 2027, the oil and gas prices are based on the company's long-term price assumptions. Long-term gas price assumption is unchanged from year end 2022. Long-term oil price assumption for the period 2027 to 2035 is updated from 65.0 USD/BOE applied at year end 2022.

The nominal oil and gas prices applied in the impairment test are as follows:

Year	USD/BOE	GBP/therm
2024	76.3	0.85
2025	73.3	0.91
2026	70.8	0.82
From 2027 to 2035 (in real 2023 terms)	70.0	0.67
From 2036 (in real 2023 terms)	65.0	0.67

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable reserves including potentially additional risked volumes. For more information about the determination of the reserves, reference is made to note 1, section 1.3, and to note 32.

Future expenditure

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost. The cost profiles include an estimated impact of the currently high cost escalation in the industry. The cash flows include a step up of CO_2 tax/fees from current levels to approximately NOK 2 260 per tonn (2023 real) in 2030.

Discount rate

The discount rate is derived from the company's weighted average cost of capital ("WACC"). The capital structure considered in the WACC calculation is derived from the capital structures of an identified peer group and market participants with consideration given to optimal structures. The cost of equity is derived from the expected return on investment by the company's investors. The cost of debt is based on the interest-bearing borrowings on debt specific to the assets acquired. The beta factors are evaluated annually based on publicly available market data about the identified peer group.

The post tax nominal discount rate used at year end is 8.9 percent. This represents a change from 8.7 percent applied at year end 2022.

Currency rates

Year	USD/NOK
2024	10.11
2025	10.07
2026	10.03
From 2027	8.50

The long-term currency rate is updated from USD/NOK 8.0 applied at year end 2022.

Inflation

The long-term inflation rate is assumed to be 2.0 percent, which is the same as applied at year end 2022. The currently high cost escalation in the industry is reflected in the cash flows rather than in the inflation rate.

Impairment testing of assets including technical goodwill

The technical goodwill recognised in previous business combinations is allocated to each cash-generating unit for the purpose of impairment testing. Hence, the impairment test of technical goodwill is included in the impairment testing of assets, and the technical goodwill is written down before the asset. The carrying value of the assets is the sum of tangible assets, intangible assets and technical goodwill as of the assessment date. In the impairment test performed, carrying value is adjusted by the remaining part of deferred tax from which the technical goodwill arose, to avoid an immediate impairment of all technical goodwill. When deferred tax liabilities from the acquisitions decreases as a result of depreciation, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable.

Below is an overview of the impairment charge and the carrying value per cash-generating unit where impairment has been recognised in 2023:

	Group & Parent		
Cash-generating unit (USD million)	**Troldhaugen**	**Valhall CGU**	**Edvard Grieg & Ivar Aasen CGU**
Net carrying value	110.5	5 944.7	4 236.9
Recoverable amount	-	5 762.0	3 660.8
Impairment/reversal (-)	**110.5**	**182.7**	**576.1**
Allocated as follows:			
Technical goodwill	33.5	182.7	576.1
Other intangible assets/licence rights	42.9	-	-
Tangible fixed assets	34.0	-	-

The main reason for the Troldhaugen impairment is related to the decision by the partership to not accede the PDO for the Troldhaugen project. The Edvard Grieg & Ivar Aasen CGU and the Valhall CGU impairment is mainly related to decrease in short-term oil and gas prices and decrease of deferred tax liabilities as described above.

Exploration assets

During 2023, an impairment charge of USD 20.4 million has been recognised. The impairment charge is mainly related to the Ve well and has been allocated to capitalised exploration expenditures.

Sensitivity analysis

The table below shows how the impairment or reversal of impairment of assets and technical goodwill would be affected by changes in the various assumptions, given that the remaining assumptions are constant. The figures in the table below are in all material respect related to goodwill impairment, which would have no impact on deferred tax.

		Change in impairment after	
Assumption (USD million)	**Change**	**Increase in assumption**	**Decrease in assumption**
Oil and gas price forward period	+/- 50 %	-204.7	2 513.4
Oil and gas price long-term	+/- 20 %	-5.0	1 126.2
Production profile (reserves)	+/- 5 %	-6.2	283.4
Discount rate	+/- 1 % point	128.0	-0.0
Currency rate USD/NOK	+/- 2.0 NOK	-137.3	593.0
Inflation	+/- 1 % point	-0.0	427.9

Residual goodwill

The residual goodwill is tested for impairment on corporate level. The starting point for the impairment test is the difference between market value and book value of equity. At year end 2023 the market value exceeds the carrying amount of equity by a substantial margin.

Climate related risks

As mentioned in the future expenditures section, the cash flows applied in the impairment testing include a step up of CO_2 tax/fees from current levels to approximately NOK 2 260 per tonn (2023 real) in 2030.

Further, as described in note 3, a sensitivity analysis have been performed towards various scenarios from International Energy Agency have been included in a separate sensitivity test as presented below. The price assumptions in those senarios have been provided by IEA at 2030 and 2050 in 2022 real terms. For the sensitivity calculation, a linear development between the average price for 2023 and IEA price in 2030, as well as between 2030 and 2050 have been applied. The table below summarises how the impairment charge would increase (+) or decrease (-) using the oil and gas price assumptions in the following scenarios:

	Change in impairment		
IEA Scenario (USD million)	**Net Zero**	**Announced Pledges**	**Stated Policies**
Valhall/Hod	2 969		
Skarv			
Ula		-57	-93
Alvheim	132		
Johan Sverdrup	706		
Grieg/Aasen	390		
Yggdrasil	52		
Total	**4 250**	**-57**	**-93**

Scenario price ranges	Oil USD/bbl 2030	Oil USD/bbl 2050	Gas USD/mmbtu 2030	Gas USD/mmbtu 2050
Net Zero	42	25	4.3	4.1
Announced Pledges	74	60	6.5	5.4
Stated Policies	85	83	6.9	7.1

In addition, capitalised exploration and other related balances have been reviewed as of year end 2023, in order to assess the exposure and dependancy of future government approvals. An amount of USD 516 million would have been impaired in a situation where no new project developments would be approved.

Impairment testing in 2022

In 2022, the impairment charge was mainly related to three CGU's and allocated to technicall goodwill, other intagible assets from acquisitions and tangible fixed assets, in addition to an impairment of exploration assets and other non-current assets. The methodology for impairment testing was the same as in 2023 as described in this note.

The following assumptions were applied for the impairment testing at year end 2022:
- discount rate of 8.7 percent nominal after tax for both value in use and fair value testing
- a long-term inflation of 2.0 percent
- a long-term exchange rate of NOK/USD 8.0 (forward curve first three years)
- a long-term oil price assumption of 65 USD/barrel, using forward curve first three years

Summary of impairment/reversal of impairments

The following impairments/(reversals) have been recorded:

	Group		Parent	
(USD million)	2023	2022	2023	2022
Impairment/reversal of tangible fixed assets	34.0	385.6	34.0	385.6
Impairment/reversal of other intangible assets	42.9	258.3	42.9	-
Impairment/reversal of capitalised exploration expenditures	20.4	10.9	20.4	10.9
Impairment of goodwill	792.2	377.4	792.2	-
Impairment of non-current assets	-	-	-	434.2
Total impairments	**889.5**	**1 032.2**	**889.5**	**830.7**

Note 15 Trade receivables

Trade receivables are recognised in the Statement of Financial Position at nominal value after a deduction for the provision for credit losses. Historically there have been no significant credit losses, and the company's customers are mainly large, financially sound oil companies. Trade receivables consist of receivables related to the sale of oil and gas.

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Receivables related to the sale of petroleum	658.8	950.9	658.9	950.9
Total trade receivables	**658.8**	**950.9**	**658.9**	**950.9**

Age distribution of trade receivables as of 31 December for the group and parent was as follows:

Year (USD million)	Total	Not due	<30d	30-90d	>90d
2023	658.8	658.8	-	-	-
2022	950.9	950.1	0.8	-	-

Note 16 Other short-term receivables

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Prepayments	279.7	124.0	279.7	124.0
VAT receivable	18.8	12.4	18.8	12.4
Underlift of petroleum	41.7	53.6	41.7	53.6
Accrued income from sale of petroleum products	216.9	335.5	216.9	335.5
Other receivables, mainly balances with licence partners	185.1	160.7	185.0	161.1
Total other short-term receivables	**742.2**	**686.2**	**742.1**	**686.7**

Note 17 Inventories

The inventory mainly consists of equipment for the drilling of exploration and production wells.

	Group		Parent	
Inventory value (USD million)	2023	2022	2023	2022
Inventories - measured at cost	255.5	256.0	255.5	256.0
Provision for obsolete equipment	53.1	46.5	53.1	46.5
Book value of inventories	**202.3**	**209.5**	**202.3**	**209.5**

Note 18 Other non-current assets

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Shares in Alvheim AS	0.0	0.0	0.0	0.0
Shares in Det norske oljeselskap AS	1.0	1.0	1.0	1.0
Shares in Aker BP UK	0.0	0.0	-	-
Shares in Sandvika Fjellstue AS	1.8	1.8	1.8	1.8
Investment in subsidiaries[1)]	**2.8**	**2.8**	**2.8**	**2.8**
Continuing involvement - Cognite AS[2)]	81.4	81.4	81.4	81.4
Tenancy deposit	-	1.6	-	1.6
Unamortised fees - RCF[3)]	15.0	11.0	15.0	11.0
Other non-current assets	3.6	7.6	3.6	7.6
Total other non-current assets	**102.9**	**104.5**	**102.9**	**104.5**

[1)] Alvheim AS, Det norske oljeselskap AS and Sandvika Fjellstue AS have been deemed immaterial for consolidation purposes. All companies acquired in the Lundin transaction was either liquidated or merged with Aker BP ASA in 2022. For more information regarding shares in subsidiaries, see note 2.

[2)] In 2022 the company sold its shares in Cognite AS to Saudi Aramco Development Company for a consideration of USD 118 million. As part of the transaction, Aker BP has granted the buyer an option with maturity in November 2024 which under certain conditions gives the buyer the right to sell the shares back to Aker BP for USD 81.4 million. On this basis, Aker BP is considered to have continuing involvement in Cognite AS, in accordance with guidelines in IFRS 9. Hence, both an asset and a liability of USD 81.4 million is recognised in the statement of financial position at 31 December 2023.

[3)] Remaining unamortised fees related to the Revolving Credit Facility (RCF). These have been reclassified from other interest-bearing debt as the RCF was undrawn as at 31 December 2023 and 31 December 2022.

Note 19 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and time deposits that constitute parts of the group's transaction liquidity.

	Group		Parent	
Breakdown of cash and cash equivalents (USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Bank deposits	3 366.9	2 756.0	3 366.9	2 756.0
Restricted bank deposits[1)]	21.5	-	21.5	-
Cash and cash equivalents	**3 388.4**	**2 756.0**	**3 388.4**	**2 756.0**
Undrawn RCF facility	3 400.0	3 400.0	3 400.0	3 400.0

[1)] Tax deduction account

The RCF is undrawn as at 31 December 2023 and the remaining unamortised fees of USD 15.0 million related to the facility are therefore included in other non-current assets.

The senior unsecured Revolving Credit Facility (RCF) of USD 3.4 billion was established in May 2019 and consist of two tranches:
(1) Working Capital Facility with a committed amount of USD 1.4 billion until 2025 and USD 1.3 billion until 2026, and
(2) Liquidity Facility with a committed amount of USD 2.0 billion until 2025 and USD 1.65 billion until 2026.
(3) In November 2023, Aker BP signed a new USD 1.8 billion RCF with 9 banks. The new facility will have a forward date (availability date) at the same time as the existing RCF expires in 2026 and has a maturity in 2028. The facility includes two extension options with potential final maturity in 2030.

The interest rate for the Working Capital Facility is Term SOFR plus a margin of 1.00 percent and for the Liquidity Facility Term SOFR plus a margin of 0.75 percent. The new RCF with forward start in 2026 will have an interest rate of Term SOFR plus a margin of 0.85 percent.
Drawing under the Liquidity Facility and new RCF will add a utilisation fee. A commitment fee of 35 percent of applicable margin is paid on the undrawn part of the facilities. The financial covenants are as follows:
- Leverage Ratio: Net interest-bearing debt divided by twelve months rolling EBITDAX (excluding any impacts from IFRS 16) shall not exceed 3.5 times
- Interest Coverage Ratio: Twelve months rolling EBITDA divided by Interest expenses (excluding any impacts from IFRS 16) shall be a minimum of 3.5 times

The financial covenants in the group's current debt facilities exclude the effects from IFRS 16, and therefore cannot be directly derived from the group's financial statements. See reconciliations of Alternative Performance Measures for detailed information.

As at 31 December 2023 the Leverage Ratio is 0.19 and Interest Coverage Ratio is 95.2 (see APM section for further details). Based on the group's current business plans and applying oil and gas price forward curves at end of 2023, the group’s estimates show that the financial covenants will continue to comply with the covenants by a substantial margin.

Note 20 Share capital and shareholders

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Share capital	84.3	84.3	84.3	84.3
Total number of shares (in 1 000)	632 022	632 022	632 022	632 022
Nominal value per share in NOK	1.00	1.00	1.00	1.00

There is only one single class of shares in the company and all shares carry a single voting right.

The company acquires own shares in connection with the annual share purchase program for all employees, and potentially for use in relation to the LTIP program for EMT members at vesting in 2025 and onwards. During 2023 the company purchased 1 361 646 (0.2 percent of the share capital) and sold 862 255 (0.1 percent) own shares. The price per share was NOK 254.2 and 230.02 respectively. At year end 2023 the company had 728 456 own shares, equivalent to 0.1 percent of the total number of shares. The shares have a face value of NOK 1 and an average book value of NOK 259.4 per share.

Overview of the 20 largest shareholders registered as of 31 December 2023	No. of shares (in 1 000)	Owning interest
Aker Capital	133 758	21.16%
BP Exploration Operating Company Ltd	100 303	15.87%
Nemesia	90 909	14.38%
Folketrygdfondet	33 356	5.28%
Capital Group	20 197	3.20%
BlackRock	14 756	2.33%
Vanguard	11 603	1.84%
DNB Asset Management AS	10 008	1.58%
MFS Investment Management	9 829	1.56%
KLP Kapitalforvaltning AS	5 288	0.84%
Avanza Bank AB	4 774	0.76%
Syquant Capital	4 721	0.75%
SAFE Investment Company Limited	4 691	0.74%
Janus Henderson Investors	4 595	0.73%
Danske Invest	4 380	0.69%
Storebrand Asset Management	4 367	0.69%
Nordea Funds	4 062	0.64%
State Street Global Advisors	3 219	0.51%
Invesco	3 128	0.49%
Magallanes Value Investors SGIIC	3 114	0.49%
Other	160 964	25.47%
Total	**632 022**	**100.00%**

Note 21 Bonds

	Outstanding	Group		Parent	
(USD million)	amount	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Senior Notes 3.000% (Jan 20/Jan 25)[2]	95.5	94.5	498.2	94.5	498.2
Senior Notes 2.875% (Sep 20/Jan 26)[2]	129.7	128.3	497.8	128.3	497.8
Senior Notes 2.000% (Jul 21/Jul 26)[2][3]	707.1	660.4	907.4	660.4	907.4
Senior Notes 5.600% (Jun 23/Jun 28)[1]	500.0	496.8	-	496.8	-
Senior Notes 1.125% (May 21/May 29)	750.0	824.8	795.3	824.8	795.3
Senior Notes 3.750% (Jan 20/Jan 30)	1 000.0	995.2	994.4	995.2	994.4
Senior Notes 4.000% (Sep 20/Jan 31)	750.0	745.9	745.3	745.9	745.3
Senior Notes 3.100% (Jul 21/Jul 31)[3]	1 000.0	859.3	840.8	859.3	840.8
Senior Notes 6.000% (Jun 23/Jun 33)[1]	1 000.0	993.0	-	993.0	-
Long-term bonds - book value		**5 798.2**	**5 279.2**	**5 798.2**	**5 279.2**
Long-term bonds - fair value		**5 629.4**	**4 829.7**	**5 629.4**	**4 829.7**

[1] In June 2023 the company issued two new USD bonds:
- USD 500 million Senior Notes 5.600% (Jun 2028)
- USD 1,000 million Senior Notes 6.000% (Jun 2033)

[2] Parts of the proceeds from the new bonds were used to tender for our outstanding bonds maturing in 2025 and 2026. In total we repurchased the following volumes split per bond (principal amount):
- USD 404.5 million on USD Senior Notes 3.000% (Jan 2025)
- USD 370.3 million on USD Senior Notes 2.875% (Jan 2026)
- USD 292.9 million on USD Senior Notes 2.000% (Jul 2026)

The fair value of these bonds were lower than the book value at the time of repurchase. This resulted in a net gain of USD 43.7 million presented as other financial income.

[3] Prior to the repurchase mentioned above, these bonds had a nominal value of USD 1 billion and were recognised at fair value in connection with the Lundin Energy transaction at 30 June 2022. The difference between fair value and nominal value is linearly amortised over the lifetime of the bonds (see note 10).

Interest is paid on a semi annual basis, except for the EUR Senior Notes which is paid on an annual basis. None of the bonds have financial covenants.

The fair value of bonds are based on the listed prices in the active markets (level 1 in fair value hierarchy).

Note 22 Provision for abandonment liabilities

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Provisions as of beginning of period	4 165.6	5 172.4	4 165.6	5 172.4
Incurred removal cost	-160.2	-79.2	-160.2	-78.5
Accretion expense	166.3	119.9	166.3	107.9
Abandonment liabilities from acquisition of Lundin Energy	-	745.9	-	-
Merger with ABP Norway AS	-	-	-	598.6
Foreign currency translation	-	6.7	-	-
Impact of changes to discount rate	-101.2	-1 876.9	-101.2	-1 747.7
Change in estimates and new provisions	484.1	76.9	484.1	113.0
Total provision for abandonment liabilities	**4 554.7**	**4 165.6**	**4 554.7**	**4 165.6**
Breakdown of the provision				
Short-term	250.6	115.2	250.6	115.2
Long-term	4 304.1	4 050.4	4 304.1	4 050.4
Total provision for abandonment liabilities	**4 554.7**	**4 165.6**	**4 554.7**	**4 165.6**

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The nominal pre tax discount rate (risk free) at end of 2023 is between 4.0 percent and 4.9 percent, depending on the timing of the expected cash flows. The corresponding range at year end 2022 was between 3.9 and 4.7. The calculations assume an inflation rate of 2.0 percent for all applicable periods.

Climate-related risk:
As described in note 3 on climate-related risk, a sensitivity analysis have been performed to show the impact on the book value of abandonment provisions as at 31 December 2023, if cease of production of fields with estimated lifetime from 2040 were accelerated by ten years. Such acceleration would result in an increase in the book value of abandonment provision of USD 680 million.

Note 23 Derivatives

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Unrealised gain currency contracts	38.1	2.9	38.1	2.9
Long-term derivatives included in assets	**38.1**	**2.9**	**38.1**	**2.9**
Unrealised gain commodity derivatives	0.2	-	0.2	-
Unrealised gain currency contracts	147.9	153.1	147.9	153.1
Short-term derivatives included in assets	**148.1**	**153.1**	**148.1**	**153.1**
Total derivatives included in assets	**186.2**	**156.0**	**186.2**	**156.0**
Fair value of option related to sale of Cognite	-	16.0	-	16.0
Unrealised losses currency contracts	0.5	1.0	0.5	1.0
Long-term derivatives included in liabilities	**0.5**	**17.0**	**0.5**	**17.0**
Fair value of option related to sale of Cognite	4.8	-	4.8	-
Unrealised losses currency contracts	28.0	34.9	28.0	34.9
Short-term derivatives included in liabilities	**32.8**	**34.9**	**32.8**	**34.9**
Total derivatives included in liabilities	**33.3**	**51.9**	**33.3**	**51.9**

The company has various types of economic hedging instruments, but no hedge accounting is applied. Commodity derivatives are used to hedge the risk of oil price reduction. The company currently has limited exposure towards fluctuations in interest rate, but generally manages such exposure by using interest rate derivatives. Foreign currency exchange derivatives are used to manage the company's exposure to currency risks, mainly costs in NOK, EUR and GBP. These derivatives are mark to market with changes in market value recognised in the income statement. In the income statement, impacts from commodity derivatives are presented as other income, while impacts from other derivatives are presented as financial items.

As of year end 2023 the company has used currency derivatives to secure approximately NOK 35 billion in 2024 by selling USD at an average exchange rate of USD/NOK 10.51 and NOK 9 billion in 2025 at an average rate of USD/NOK 10.38. In addition, NOK 1.3 billion has been secured in 2026 using options, with an average strike price of USD/NOK 10.53.

Note 24 Other current liabilities

	Group		Parent	
Breakdown of other current liabilities (USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Balances with licence partners	30.9	43.1	30.9	43.1
Share of other current liabilities in licences	692.5	460.8	692.3	460.8
Overlift of petroleum	42.8	30.9	42.8	30.9
Accrued interest	85.8	95.8	85.8	95.8
Payroll liabilities and other provisions	219.2	176.5	218.5	176.3
Total other current liabilities	**1 071.0**	**807.1**	**1 070.2**	**806.9**

Note 25 Lease agreements

The group has entered into leases for rig contracts, other licence related commitments and office premises. The leases do not contain any restrictions on the company's dividend policy or financing. Lease agreements that are planned to be applied on several operated licences, are generally recogised on a gross basis as Aker BP is deemed to be the primary obligator. A sublease is recognised upon commencement to the extent the related RoU asset will be subleased for more than 12 months.

Significant lease agreements
For 2023, the group had four operated rig commitments recognised as lease debt. This included the two jack-up rigs Noble Invincible and Noble Integrator. Noble Invincible commenced on a new contract in the beginning of April 2023, expected to expire in November 2027, including options to suspend the commitment for parts of the period. Noble Integrator was contracted by Valhall/Hod from 2022 until September 2023.

In addition, we had the semi-submersible rig Deepsea Nordkapp contract with Odfjell Drilling during 2023. After exercising an extension option, committing the Deepsea Nordkapp for the completion of the Kobra East Gekko (KEG) scope, the rig contract was recognised in the statement of financial position when the KEG scope commenced in early 2023. After finalising the KEG scope, the Deepsea Nordkapp commenced on a new contract in October 2023 with a firm contract scope until end of 2026, with possible optionality to extend the contract period further. The new contract has thus been recognised as lease liability in 2023 for the firm period.

Aker BP has further entered into a rig agreement with Saipem for the semi-submersible drilling rig Scarabeo 8. The contract duration is for three years with two one-year options and a mechanism of rate adjustment to market rates from the third year and onwards. The rig commenced with Aker BP in beginning of January 2023 and was recognised in the statement of financial position as a lease liability, including the two one-year option periods.

In addition, Aker BP has a lease liability related to the semi-submersible rig Deepsea Atlantic, operated by Equinor on Johan Sverdrup expected to end around mid-2024.

Other significant lease agreements
Under the drilling and well construction alliance agreements, Aker BP entered into a five-year rig commitment for the jack-up rig Noble Integrator in 2022. Different rate structures will apply during the period reflecting different operating modes, agreed incentive schemes, and market developments. There will be different work scopes, with varying durations in the period from 2024 to 2027, including options to suspend the commitment for parts of the period. Noble Integrator is expected to commence operations in Q2 2024. The semi-submersible rig Deepsea Stavanger is expected to join the Aker BP rig fleet in the first half of 2025 for a five-year contract.

The minimum commitments from the lease contracts described above that has not commenced within year end 2023, have been included as other commitments in note 26.

Other lease information
Non-lease components such as the service element of rig commitments are not included as part of the lease debt. As at 31 December 2023 this amounts to USD 451 million.

The total expenditure relating to short-term leases which are not recognised as part of lease liabilities was USD 4 million in 2023 (USD 71 million in 2022).

The group does not have any residual value guarantees or variable lease payments. Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised. No sublease of right-of-use assets has been recognised as of year end 2023.

The incremental borrowing rate applied in discounting of the nominal lease debt is between 2.40 percent and 6.90 percent, dependent on the duration of the lease and when it was intially recognised.

	Group		Parent	
(USD million)	2023	2022	2023	2022
Lease debt as of beginning of period	**134.4**	**136.2**	**134.4**	**136.2**
New lease debt recognised in the period	704.5	33.8	704.5	54.4
Payments of lease debt[1]	-160.4	-74.1	-160.4	-67.6
Interest expense on lease debt	26.9	7.5	26.9	7.1
Lease debt from acquisition of Lundin Energy	-	34.8	-	6.0
Currency exchange differences	-1.2	-3.8	-1.2	-1.8
Total lease debt	**704.2**	**134.4**	**704.2**	**134.4**
Break down of the lease debt to short-term and long-term liabilities				
Short-term	148.7	36.3	148.7	36.3
Long-term	555.5	98.1	555.5	98.1
Total lease debt	**704.2**	**134.4**	**704.2**	**134.4**
[1] Payments of lease debt split by activities (USD million):	**2023**	**2022**	**2023**	**2022**
Investments in fixed assets	95.7	46.9	95.7	41.7
Abandonment activity	8.3	0.8	8.3	0.8
Operating expenditures	11.3	13.9	11.3	13.9
Exploration expenditures	12.0	6.2	12.0	6.2
Other income	33.1	6.3	33.1	5.0
Total	**160.4**	**74.1**	**160.4**	**67.6**
Nominal lease debt maturity breakdown (USD million):				
Within one year	220.2	42.6	220.2	42.6
Two to five years	528.4	87.2	528.4	87.2
After five years	11.8	26.4	11.8	26.4
Total	**760.4**	**156.2**	**760.4**	**156.2**

See note 13 for disclosures relating to the right-of-use assets.

Note 26 Commitments

Capital commitments and other contractual obligations

Aker BP`s net share of capital commitments and other contractual obligations in the table below are mainly related to unavoidable costs related to development projects, non-rig commitments not recognised as lease liabilities, rig leases not yet commenced and booked future gas transportation capacity. Parts of the rig leases have been entered into in the company's name at the initial signing, and subsequently partly allocated to licences. The figures have been calculated based on the assumed net share for the company based on the planned use of the related leased assets as at 31 December 2023. The numbers below exclude any liabilities disclosed in note 25 in relation to right-of-use assets.

	Group		Parent	
(USD million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Within one year	1 191.9	1 572.1	1 191.9	1 572.1
One to five years	753.8	714.7	753.8	714.7
After five years	76.0	284.0	76.0	284.0
Total	**2 021.8**	**2 570.7**	**2 021.8**	**2 570.7**

The main part of the commitments within one year in the table above relates to non-cancellable expenditures on contracts entered into in connection with the PDO's delivered in 2022.

Contingent liabilities

During the normal course of its business, the company will be involved in disputes, including tax disputes. Potential tax claims related to previous taxable income of acquired companies can to some extent be reimbursed from the sellers. The company has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS 37 and IAS 12.

As for other licences on the NCS, the company has unlimited liability for damage, including pollution damage. The company has insured its pro rata liability on the NCS on a par with other oil companies. Facilities and liabilities towards third parties are covered by an operational insurance policy.

Note 27 Transactions with related parties

The three main shareholders in Aker BP is Aker Capital AS, BP Exploration Operating Company and Nemesia S.a.r.l, which are all considered to have significant influence over Aker BP. Aker BP has no transactions with entities controlled by Nemesia. Entities controlled by either of the Aker Group or BP Group are considered to be related parties under IFRS and are listed in the table below. The figures listed represent net charges to Aker BP.

		Group		Parent	
Related party (USD million)	**Revenues (-) / expenses (+)**	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
ABP Norway AS	Interest cost	-	-	-	9.2
ABP Norway AS	Interest income	-	-	-	-7.4
ABP Norway AS	Operating expenses	-	-	-	18.5
ABP Norway AS	Recharges[1]	-	-	-	-52.5
ABP Energy Holding BV	Interest cost	-	-	-	1.2
aiZe AS	Purchases of consultant and technology services	13.1	5.1	13.1	5.1
Aker ASA	Board remuneration etc	0.5	0.9	0.5	0.9
Cognite AS[2]	Purchases of consultant and IT services	11.9	7.0	11.9	7.0
Lily Akerkvartalet AS	Office cost	0.7	0.5	0.7	0.5
BP Oil International Ltd	Sales of Oil and NGL	-11 591.4	-8 796.6	-11 591.4	-5 707.5
BP Gas Marketing Ltd	Sales of Gas	-1 083.1	-2 819.7	-1 083.1	-2 956.5

		Group		Parent	
Related party (USD million)	**Receivables (+) / liabilities (-)**	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Aker BP UK Ltd	Other receivables	-	-	8.5	6.2
BP Oil International Ltd	Trade receivables	637.7	838.5	637.7	400.4

[1] The figure represents total gross charges related to personnel employed by Aker BP ASA working for ABP Norway AS. These charges have been allocated to various licences and corporate activity based on timewriting.
[2] As described in note 18 Aker BP sold its share in Cognite during 2022. Due to the continuing involvement arising from the put option arrangement, the transactions with Cognite are still considered to be within related parties.

Note 28 Financial instruments

Capital structure and equity

The company's financial position has been developed and improved over time and has clear capital allocation principles. The main priority is a robust balance sheet with financial flexibility and investment grade credit rating. Maintaining our rating is particularly central as it gives us effective access to capital markets and serves as a foundation for future investments. The company has an investment grade rating by S&P Global, Fitch and Moody's. The company's production level, financial position and resource and reserve levels are important parameters in relation to the assigned rating. The company continues to optimise its capital structure by balancing the return on equity against liquidity requirements.

The company monitors changes in financing needs, risk, assets and cash flows, and evaluates the capital structure continuously. To maintain the desired capital structure, the company considers various types of capital transactions, including refinancing of its debt, purchase or issue new shares or debt instruments, sell assets or pay back capital to the owners.

Unless specified otherwise, the numbers below apply both to the group and the parent.

Categories of financial assets and liabilities

The company has the following financial assets and liabilities: financial assets and liabilities recognised at fair value through profit or loss, cash and receivables, and other liabilities. The latter two are recognised in the accounts at amortised cost, while the first item is recognised at fair value.

Categories of financial assets and financial liabilities - Group and Parent

31.12.2023	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities at fair value through profit and loss	Financial liabilities measured at amortised cost	Total
Assets					
Trade receivables	-	658.8	-	-	658.8
Other short-term receivable[1)]	-	462.4	-	-	462.4
Cash and cash equivalents	-	3 388.4	-	-	3 388.4
Long-term receivables	7.0	62.2	-	-	69.1
Derivatives	186.2	-	-	-	186.2
Total financial assets	**193.2**	**4 571.8**	**-**	**-**	**4 764.9**
Liabilities					
Derivatives	-	-	33.3	-	33.3
Trade creditors	-	-	-	291.0	291.0
Bonds	-	-	-	5 798.2	5 798.2
Other short-term liabilities	-	-	-	1 071.0	1 071.0
Total financial liabilities	**-**	**-**	**33.3**	**7 160.2**	**7 193.4**

[1)] Prepayments are not included in other short-term receivables, as they do not meet the definition of financial instruments.

31.12.2022	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities at fair value through profit and loss	Financial liabilities measured at amortised cost	Total
Assets					
Trade receivables	-	950.9	-	-	950.9
Other short-term receivables[1)]	-	562.3	-	-	562.3
Cash and cash equivalents	-	2 756.0	-	-	2 756.0
Long-term receivables	11.0	158.6	-	-	169.5
Derivatives	156.0	-	-	-	156.0
Total financial assets	**167.0**	**4 427.8**	**-**	**-**	**4 594.7**
Liabilities					
Derivatives	-	-	51.9	-	51.9
Trade creditors	-	-	-	133.9	133.9
Bonds	-	-	-	5 279.2	5 279.2
Other short-term liabilities	-	-	-	807.1	807.1
Total financial liabilities	**-**	**-**	**51.9**	**6 220.2**	**6 272.1**

[1)] Prepayments are not included in other short-term receivables, as they do not meet the definition of financial instruments.

Financial risk

The company has financed its activities with bonds (see note 21) and has an undrawn revolving credit facility with a syndication of banks (see note 19). In addition, the company has financial instruments such as trade receivable, trade creditors, cash balances etc., directly related to its day-to-day operations. For hedging purposes, the company has different types of economic hedging instruments, but no hedge accounting is applied. Commodity derivatives are used to hedge the risk for lower oil prices. Foreign currency exchange derivatives are used to reduce currency risk related to cash flows. For the year 2023 all outstanding debt hold fixed rate coupons. The group currently has limited exposure towards fluctuations in interest rates, but generally manages such exposure by using interest rate derivatives.

The most important financial risks which the company is exposed to relate to lower oil and gas prices, change in foreign exchange rates and access to cost efficient funding.

The company's risk management, including financial risk management, is designed to ensure identification, analysis and systematic and cost-efficient handling of risk. Established management procedures provide a sound basis for reporting and monitoring of the company's financial risk exposure.

(i) Commodity price risk
Aker BP's revenues are derived from the sale of petroleum products, and the revenue flow is therefore exposed to oil and gas price fluctuations. The company is continuously evaluating and assessing opportunities for hedging as part of a prudent financial risk management process. The company had no material commodity derivatives exposure per 31 December 2023.

(ii) Currency risk
Revenues from sale of petroleum products are mainly in USD, EUR and GBP, while expenditures are mainly in NOK, USD, EUR and GBP. Sales and expenses in the same currency contribute to mitigating some of the currency risk. Currency derivatives may be used to further reduce this risk.

The table below shows the company's exposure in NOK as of 31 December:

Exposure relating to (USD million)	31.12.2023	31.12.2022
Cash and cash equivalents and receivables	229.3	260.0
Trade creditors, tax payable, leasing liability and other short-term liabilities	-4 515.7	-5 397.3
Net exposure to NOK	**-4 286.4**	**-5 137.3**

The amounts above does not include tax balances in NOK, as they are not deemed to be financial instruments. The company's management of currency risk takes into account the USD values of non-USD assets, liabilities, opex and investments over time, including those exposures arising from the requirement to perform the tax calculation in NOK while the company's functional currency is USD.

The table below shows the impact on profit/loss from changes in NOK/USD exchange rate, including the impact from currency derivatives. For further information about currency derivatives, see note 23.

(USD million)	Change in exchange rate	31.12.2023	31.12.2022
Effect on pre-tax profit/loss:	+ 10%	-5.6	56.2
	- 10%	30.8	-68.7

In 2023 the company had EUR/USD exposure related to bond, cash and cash equivalents and receivables from gas sales. As the Senior Notes bond is EUR denominated, there is currency risk associated with the translation to the company's USD functional currency and the cash payments of interest and principle amounts, though EUR denominated gas sales and EUR Time Deposit mitigate the risks associated with payments.

Exposure relating to (USD million)	31.12.2023	31.12.2022
Cash and cash equivalents and receivables	750.8	1 407.5
Bond, trade creditors and other short-term liabilities	-936.7	-861.1
Net exposure to EUR	**-185.9**	**546.5**

The table below shows the impact on profit/loss from changes in EUR/USD exchange rate for the EUR bond, cash and cash equivalents and receivables.

(USD million)	Change in exchange rate	31.12.2023	31.12.2022
Effect on pre-tax profit/loss:	+ 10%	16.9	-49.7
	- 10%	-20.7	60.7

In 2023 the company had GBP/USD exposure related cash and cash equivalents and receivables from gas sales.

The table below shows the company's exposure in GBP as of 31 December:

Exposure relating to (USD million)	31.12.2023	31.12.2022
Cash and cash equivalents and receivables	75.1	402.1
Trade creditors and other short-term liabilities	-52.2	-22.5
Net exposure to GBP	**22.9**	**379.6**

The table below shows the impact on profit/loss from changes in GBP/USD exchange rate for cash and cash equivalents and receivables.

(USD million)	Change in exchange rate	31.12.2023	31.12.2022
Effect on pre-tax profit/loss:	+ 10%	-2.1	-34.5
	- 10%	2.6	42.2

The company is also exposed to changes in other exchange rates, but the amounts are deemed immaterial.

(iii) Interest-rate risk
In 2023, the company had no outstanding debt liabilities exposed to floating interest rate risk, which is unchanged from 2022. The company is relatively limited exposed to interest-rate risk related to cash and cash equivalents.

The terms of the company's debt instruments are described in notes 19 and 21.

For all the relevant material financial agreements, Aker BP has in place new benchmark rates or a fallback clause to cater for the discontinuation of IBOR rates. The IBOR reform did not have any current impact on Aker BP and is not expected to significantly affect future periods. All our bonds are at fixed interest rate, and the RCF is linked to Term SOFR, as described in note 19.

(iv) Liquidity risk/liquidity management
The company's liquidity risk is the risk that it will not be able to meet its financial obligations as they fall due.

Short-term (12 months) and long-term (five years) forecasts are prepared on a regular basis to plan the company's liquidity requirements. These plans are updated regularly for various scenarios and form part of the decision basis for the company's management and Board of Directors.

Excess liquidity is defined as the sum of bank account balances, short-term bank deposits and unused credit facilities. For excess liquidity, the requirement for low liquidity risk (i.e. the risk of realisation on short notice) is generally more important than maximising the return.

The company deems its maximum risk exposure to correspond with the book value of cash and cash equivalents, accounts receivable and other short-term receivables, see notes 15, 16 and 19.

The company's objective for the placement and management of excess capital is to maintain a low risk profile and good liquidity.

The company's liquid assets as of 31 December 2023 are deposited in bank accounts and on short term time deposits with banks. As of 31 December 2023, the group had cash reserves of USD 3 388 million (2022: USD 2 756 million). Revenues and expenses are managed on a day-to-day basis for liquidity risk management purposes.

The table below shows the payment structure for the company's financial commitments, based on undiscounted contractual payments. For corresponding information on lease debt and capital commitments and other contractual obligations, reference is made to note 25 and 26.

		Contract related cash flow				
31.12.2023	**Book value**	**Less than 1 year**	**1-2 years**	**2-5 years**	**over 5 years**	**SUM**
Non-derivative financial liabilities:						
Bonds	5 798.2	216.1	311.2	1 928.2	5 136.5	7 592.0
Trade creditors and other liabilities	1 362.0	1 362.0	-	-	-	1 362.0
Derivative financial liabilities						
Derivatives	33.3	32.8	0.5	-	-	33.3
Total as of 31.12.2023	**7 193.4**	**1 610.9**	**311.7**	**1 928.2**	**5 136.5**	**8 987.3**

		Contract related cash flow				
31.12.2022	**Book value**	**Less than 1 year**	**1-2 years**	**2-5 years**	**over 5 years**	**SUM**
Non-derivative financial liabilities:						
Bonds	5 279.2	157.0	157.0	2 391.9	3 890.9	6 596.9
Trade creditors and other liabilities	941.0	941.0	-	-	-	941.0
Derivative financial liabilities						
Derivatives	51.9	34.9	17.0	-	-	51.9
Total as of 31.12.2022	**6 272.1**	**1 132.9**	**174.0**	**2 391.9**	**3 890.9**	**7 589.8**

(v) Credit risk

The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on trade receivable. The company's customers and licence partners are generally large and credit worthy oil companies, and it has thus not been necessary to make any provision for credit losses.

In the management of the company's liquid assets, low credit risk is prioritised. Liquid assets are generally placed in bank deposits that represent a low credit risk. All investments are subject to internal policy that requires a rating equivalent to A-2 from S&P and limits investment with a single counterparty.

The maximum credit risk exposure corresponds to the book value of financial assets. The company deems its maximum risk exposure to correspond with the book value of cash and cash equivalents, accounts receivable and other short-term receivables, see notes 15, 16 and 19.

Determination of fair value

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. The fair value of commodity derivatives is determined using the forward Brent blend curve at the end of the reporting period. The fair value of interest rate swaps and cross currency interest rate swaps is determined by using the expected floating interest rates at the end of the period and is confirmed by external market sources. See note 23 for detailed information about the derivatives.

The following of the company's financial instruments have not been valued at fair value: trade debtors, other short-term receivables, long-term receivables, and other short-term liabilities and bonds.

The carrying amount of cash and cash equivalents is approximately equal to fair value, since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivable, other receivables, trade creditors and other short-term liabilities is materially the same as their fair value as they are entered into on ordinary terms and conditions.

The Senior Notes are all listed on The Luxembourg Stock Exchange. The fair values for disclosure purposes are determined using the quoted value as of 31 December 2023.

The following is a comparison between the book value and fair value of the company's financial instruments, except those where the carrying amount is a reasonable approximation of fair value (such as short-term trade receivables and payables in addition to instruments measured to fair value).

	31.12.2023		31.12.2022	
Fair value of financial instruments (USD million)	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial liabilities measured at amortised cost:				
Bonds	5 798.2	5 629.4	5 279.2	4 829.7
Total financial liabilities	**5 798.2**	**5 629.4**	**5 279.2**	**4 829.7**

Fair value hierarchy

The company classifies fair value measurements by employing a value hierarchy that reflects the significance of the input used in preparing the measurements. The fair value hierarchy consists of the following levels:

Level 1 - input in the form of listed (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 - input other than listed prices of assets and liabilities included in Level 1 that is observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - input for assets or liabilities for which there is no observable market data (non-observable input).

31.12.2023 **Financial instruments recognised at fair value (USD million)**	**Level 1**	**Level 2**	**Level 3**
Financial assets or liabilities measured at fair value with changes in value recognised through profit or loss:			
Long-term receivables[1)]	-	-	7.0
Derivatives[2)]	-	157.7	-4.8

31.12.2022 **Financial instruments recognised at fair value (USD million)**	**Level 1**	**Level 2**	**Level 3**
Financial assets or liabilities measured at fair value with changes in value recognised through profit or loss:			
Long-term receivables[1)]	-	-	11.0
Derivatives[2)]	-	120.1	-16.0

[1)] The sale of 2.6 percent of Johan Sverdrup during 2019 (made by Lundin) included a contingent consideration based on future reserve reclassifications and is due in 2026, The valuation is considered level 3 in the fair value hierarchy.
[2)] The level 3 figure relates to the put option granted to the buyer of the shares in Cognite AS, as described in note 18. The valuation is considered level 3 in the fair value hierarchy due to the significance of unobservable market data in the valuation.

In the course of the reporting period, there were no changes in the fair value measurements that involved any transfers between levels.

Reconciliation of cash flows from financing activities

The table below shows a reconciliation between the opening and the closing balances in the statement of financial position for liabilities arising from financing activities.

		Non-cash changes				
	31.12.2022	Cash flows	Amortisation and interest expense	Currency	Other[1)]	31.12.2023
Bonds	5 279.2	486.1	45.0	28.8	-40.9	5 798.2
Other interest-bearing debt (RCF)	-	-8.3	-	-	8.3	-
Accrued interest, classified under other current liabilities	98.1	-251.8	239.5	-	-	85.8
Lease debt	134.4	-133.5	-	-1.2	704.5	704.2
Paid dividends	-	-1 390.4	-	-	-	-
Treasury shares	-7.1	-10.5	-	-	-	-17.6
Totals	**5 504.6**	**-1 308.5**	**284.5**	**27.6**	**671.9**	**6 570.5**

		Non-cash changes				
	31.12.2021	Cash flows	Amortisation and interest expense[2)]	Currency	Other[3)]	31.12.2022
Bonds	3 576.7	-	25.9	-49.4	1 726.0	5 279.2
Other interest-bearing debt (RCF)	-	-601.1	-	-	601.1	-
Accrued interest, classified under other current liabilities	77.3	-156.5	177.3	-	-	98.1
Lease debt	136.2	-66.6	-	-3.8	68.5	134.4
Paid dividends	-	-1 005.7	-	-	-	
Treasury shares	-8.6	1.5	-	-	-	-7.1
Totals	**3 781.6**	**-1 828.3**	**203.1**	**-53.2**	**2 395.5**	**5 504.6**

[1)] Other includes gain related to repurchase of bonds, as described in note 21 and new lease debt, as described in note 25
[2)] Other includes transfer of bonds and other interest bearing debt to Aker BP in connection with the Lundin transaction
[3)] Amortisation of Bonds in Parent was USD 14.7 million

Note 29 Investments in joint operations

Fields operated:	31.12.2023	31.12.2022	Fields operated:	31.12.2023	31.12.2022
Alvheim	80.000 %	80.000 %	Tambar	55.000 %	55.000 %
Bøyla	80.000 %	80.000 %	Tambar Øst	46.200 %	46.200 %
Edvard Grieg	65.000 %	65.000 %	Ula	80.000 %	80.000 %
Hod	90.000 %	90.000 %	Valhall	90.000 %	90.000 %
Ivar Aasen Unit	36.171 %	36.171 %	Vilje	46.904 %	46.904 %
Skogul	65.000 %	65.000 %	Volund	100.000 %	100.000 %
Skarv	23.835 %	23.835 %	Volve	50.000 %	50.000 %
Solveig	65.000 %	65.000 %	Ærfugl Nord	30.000 %	30.000 %

Production licences in which Aker BP is the operator:

Licence:	31.12.2023	31.12.2022	Licence:	31.12.2023	31.12.2022
PL 001B	35.000 %	35.000 %	PL 167	50.000 %	50.000 %
PL 006B	90.000 %	90.000 %	PL 167B	50.000 %	50.000 %
PL 019	80.000 %	80.000 %	PL 167C	50.000 %	50.000 %
PL 019E	80.000 %	80.000 %	PL 203	80.000 %	80.000 %
PL 019F	55.000 %	55.000 %	PL 212	30.000 %	30.000 %
PL 026	87.700 %	87.700 %	PL 212B	30.000 %	30.000 %
PL 026B	87.700 %	87.700 %	PL 212E	30.000 %	30.000 %
PL 028B	35.000 %	35.000 %	PL 242	35.000 %	35.000 %
PL 033	90.000 %	90.000 %	PL 261	70.000 %	70.000 %
PL 033B	90.000 %	90.000 %	PL 261C	23.835 %	23.835 %
PL 035	50.000 %	50.000 %	PL 262	30.000 %	30.000 %
PL 035C	50.000 %	50.000 %	PL 272	50.000 %	50.000 %
PL 035D	50.000 %	0.000 %	PL 272B	50.000 %	50.000 %
PL 036C	80.000 %	80.000 %	PL 272C	50.000 %	50.000 %
PL 036D	46.904 %	46.904 %	PL 272D	50.000 %	0.000 %
PL 036E	64.000 %	64.000 %	PL 300	55.000 %	55.000 %
PL 036F	64.000 %	64.000 %	PL 333	77.800 %	77.800 %
PL 036G	80.000 %	0.000 %	PL 338	65.000 %	65.000 %
PL 065	55.000 %	55.000 %	PL 338BS	50.000 %	50.000 %
PL 065B	55.000 %	55.000 %	PL 338C	80.000 %	80.000 %
PL 088BS	80.000 %	80.000 %	PL 338DS	65.000 %	65.000 %
PL 102D	50.000 %	50.000 %	PL 338E	80.000 %	80.000 %
PL 102F	60.000 %	60.000 %	PL 340	80.000 %	80.000 %
PL 102G	60.000 %	60.000 %	PL 340BS	80.000 %	80.000 %
PL 102H	50.000 %	50.000 %	PL 359	65.000 %	65.000 %
PL 127C	68.083 %	68.083 %	PL 364	87.700 %	87.700 %
PL 127DS	88.083 %	88.083 %	PL 442	87.700 %	87.700 %
PL 146	77.800 %	77.800 %	PL 442B	87.700 %	87.700 %
PL 146B	77.800 %	77.800 %	PL 442C	87.700 %	87.700 %
PL 150	100.000 %	100.000 %	PL 457BS	40.000 %	40.000 %
PL 159D	23.835 %	23.835 %	PL 460	65.000 %	65.000 %
PL 159H	23.835 %	0.000 %	PL 492	100.000 %	100.000 %

Production licences in which Aker BP is the operator:

Licence:	31.12.2023	31.12.2022	Licence:	31.12.2023	31.12.2022
PL 501	37.384 %	37.384 %	PL 1057	0.000 %	60.000 %
PL 501B	37.384 %	37.384 %	PL 1066	50.000 %	50.000 %
PL 609	55.000 %	55.000 %	PL 1066B	50.000 %	0.000 %
PL 609B	55.000 %	55.000 %	PL 1082	0.000 %	50.000 %
PL 609D	55.000 %	55.000 %	PL 1083	40.000 %	40.000 %
PL 782SB	60.000 %	0.000 %	PL 1084	60.000 %	60.000 %
PL 782SC	60.000 %	0.000 %	PL 1085	55.000 %	55.000 %
PL 784	40.000 %	40.000 %	PL 1088	77.800 %	77.800 %
PL 815	60.000 %	60.000 %	PL 1089	50.000 %	50.000 %
PL 818	0.000 %	40.000 %	PL 1091	40.000 %	40.000 %
PL 818B	0.000 %	40.000 %	PL 1092	50.000 %	50.000 %
PL 822S	87.700 %	87.700 %	PL 1094	0.000 %	60.000 %
PL 830	0.000 %	40.000 %	PL 1095	0.000 %	50.000 %
PL 838	35.000 %	35.000 %	PL 1097	70.000 %	70.000 %
PL 867	80.000 %	80.000 %	PL 1099	0.000 %	40.000 %
PL 867B	80.000 %	80.000 %	PL 1102	55.000 %	55.000 %
PL 869	80.000 %	80.000 %	PL 1110	55.000 %	40.000 %
PL 873	47.700 %	47.700 %	PL 1124	0.000 %	23.835 %
PL 874	87.700 %	87.700 %	PL 1133	35.000 %	35.000 %
PL 886	60.000 %	60.000 %	PL 1134	35.000 %	35.000 %
PL 886B	60.000 %	60.000 %	PL 1139	40.000 %	40.000 %
PL 906	0.000 %	50.000 %	PL 1141	70.000 %	70.000 %
PL 919	80.000 %	80.000 %	PL 1141B	70.000 %	0.000 %
PL 932	40.000 %	60.000 %	PL 1142	82.060 %	82.060 %
PL 941	70.000 %	70.000 %	PL 1143	82.060 %	82.060 %
PL 941B	70.000 %	70.000 %	PL 1144	40.000 %	40.000 %
PL 942	30.000 %	30.000 %	PL 1153	40.000 %	40.000 %
PL 976	70.000 %	40.000 %	PL 1157	0.000 %	60.000 %
PL 979	60.000 %	60.000 %	PL 1158	40.000 %	40.000 %
PL 1005	40.000 %	40.000 %	PL 1162	50.000 %	50.000 %
PL 1008	80.000 %	90.000 %	PL 1164	40.000 %	40.000 %
PL 1032	40.000 %	40.000 %	PL 1170	35.000 %	35.000 %
PL 1041	80.000 %	70.000 %	PL 1171	50.000 %	0.000 %
PL 1042	40.000 %	40.000 %	PL 1172	40.000 %	0.000 %
PL 1045	80.000 %	80.000 %	PL 1175	50.000 %	0.000 %
PL 1045B	80.000 %	80.000 %	PL 1176	60.000 %	0.000 %
PL 1048	0.000 %	50.000 %	PL 1193	80.000 %	0.000 %
PL 1051	0.000 %	60.000 %			
Number of licences in which Aker BP is the operator				**126**	**126**

Fields non-operated:	31.12.2023	31.12.2022
Atla	10.000 %	10.000 %
Enoch	2.000 %	2.000 %
Johan Sverdrup	31.573 %	31.573 %
Oda	15.000 %	15.000 %

Production licences in which Aker BP is a partner:

Licence:	31.12.2023	31.12.2022	Licence:	31.12.2023	31.12.2022
PL 006C	35.000 %	35.000 %	PL 956	20.000 %	20.000 %
PL 048D	10.000 %	10.000 %	PL 968	0.000 %	30.000 %
PL 102C	10.000 %	10.000 %	PL 984	10.000 %	0.000 %
PL 127	50.000 %	50.000 %	PL 985	30.000 %	30.000 %
PL 211CS	15.000 %	15.000 %	PL 989	0.000 %	30.000 %
PL 220	15.000 %	15.000 %	PL 1040	30.000 %	30.000 %
PL 229E	50.000 %	50.000 %	PL 1064	0.000 %	20.000 %
PL 229G	50.000 %	50.000 %	PL 1087	50.000 %	50.000 %
PL 265	27.384 %	27.384 %	PL 1090	30.000 %	30.000 %
PL 405	15.000 %	15.000 %	PL 1104	40.000 %	40.000 %
PL 502	22.222 %	22.222 %	PL 1106	20.000 %	20.000 %
PL 537	35.000 %	35.000 %	PL 1122	0.000 %	20.000 %
PL 537B	35.000 %	35.000 %	PL 1123	30.000 %	30.000 %
PL 554	30.000 %	30.000 %	PL 1126	30.000 %	30.000 %
PL 554B	30.000 %	30.000 %	PL 1129	30.000 %	30.000 %
PL 554C	30.000 %	30.000 %	PL 1131	20.000 %	20.000 %
PL 554D	30.000 %	30.000 %	PL 1138	30.000 %	30.000 %
PL 554E	30.000 %	0.000 %	PL 1140	40.000 %	40.000 %
PL 782S	20.000 %	20.000 %	PL 1145	40.000 %	40.000 %
PL 782SB	0.000 %	20.000 %	PL 1147	20.000 %	20.000 %
PL 782SC	0.000 %	20.000 %	PL 1148B	10.000 %	0.000 %
PL 782SD	0.000 %	20.000 %	PL 1149	30.000 %	30.000 %
PL 820S	26.000 %	26.000 %	PL 1149B	30.000 %	0.000 %
PL 820SB	26.000 %	26.000 %	PL 1151	20.000 %	20.000 %
PL 838B	30.000 %	30.000 %	PL 1152	50.000 %	50.000 %
PL 894	10.000 %	10.000 %	PL 1154	30.000 %	30.000 %
PL 896	0.000 %	30.000 %	PL 1163	20.000 %	20.000 %
PL 917	40.000 %	40.000 %	PL 1165	40.000 %	40.000 %
PL 917B	0.000 %	40.000 %	PL 1182S	30.000 %	0.000 %
PL 929	10.000 %	10.000 %	PL 1185	20.000 %	0.000 %
PL 935	20.000 %	20.000 %	PL 1191	30.000 %	0.000 %
PL 943	0.000 %	20.000 %			
Number of licences in which Aker BP is a partner				**53**	**56**

Note 30 Business combination

The acquisition of the Lundin Energy's oil and gas business was completed on 30 June 2022, Due to the significance of the transaction, the related business combination note is also included in these 2023 Financial Statements, and this note is similar to the note provided in the 2022 Financial Statements. The transaction was announced on 21 December 2021, and Aker BP issued 271.91 million new shares to the owners of Lundin Energy as compensation. In addition, the group paid a cash consideration of USD 2.22 billion. The purpose of the transaction is to create the E&P company of the future which will offer low CO2 emmisions, low cost and an attractive growth pipeline in the industry. The acquisition included three Dutch and one Swiss legal entity, in addition to Lundin Energy Norway AS (renamed to ABP Norway AS at completion of the transaction). All oil and gas assets included in the transaction are located on the Norwegian Continental Shelf.

The acquisition date for accounting purposes corresponds to the finalisation of the transaction on 30 June 2022. The acquisition is regarded as a business combination and has been accounted for using the acquisition method of accounting in accordance with IFRS 3. A purchase price allocation (PPA) has been performed to allocate the consideration to fair value of assets and liabilities in Lundin Energy. The PPA is performed as of the acquisition date, 30 June 2022. The 30 June closing share price at Oslo Stock Exchange (NOK 342.1) and the closing currency exchange rate (USD/NOK 9.9629) were used as a basis for measuring the value of the shares consideration, as set forth below. The value of the cash consideration is adjusted for certain settlement arrangements and currency impacts as the cash was transferred in Swedish Kronor.

(USD million)	30.06.2022
Value of cash consideration	2 221.8
Value of share consideration	9 336.6
Total value of consideration	**11 558.4**

Estimated transaction cost incurred in Aker BP is approximately USD 8 million, and is included in the income statement as other operating expenses.

Each identifiable asset and liability is measured at its acquisition date fair value based on guidance in IFRS 13. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition emphasises that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, the group uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. Acquired property, plant and equipment have been valued using the cost approach (replacement cost), while intangible assets (value of licences) have been valued using the income approach.

Accounts receivable are recognised at gross contractual amounts due, as they relate to large and credit-worthy customers. Historically, there has been no significant uncollectible accounts receivable in Lundin Energy.

Purchase price allocation

(USD million)	30.06.2022
Goodwill	12 542.9
Other intangible assets[1]	1 282.2
Property, plant and equipment	7 663.3
Right-of-use assets	34.8
Long-term receivables	12.5
Other non-current assets	0.2
Inventories	40.2
Trade receivables	389.8
Other short-term receivables	217.5
Intercompany	57.0
Cash and cash equivalents	937.6
Total assets	**23 178.0**

(USD million)	30.06.2022
Deferred taxes	5 802.6
Long-term abandonment provision	724.3
Long-term bonds	1 726.0
Long-term derivatives	4.3
Long-term lease debt	20.3
Other interest-bearing debt	600.0
Trade creditors	17.9
Accrued public charges and indirect taxes	33.1
Tax payable	2 181.0
Short-term derivatives	199.4
Short-term abandonment provision	21.6
Short-term lease debt	14.5
Other current liabilities	274.7
Total liabilities	**11 619.5**
Net assets and liabilities recognised	11 558.4
Fair value of consideration paid on acquisition	**11 558.4**

[1] Mainly related to undeveloped oil and gas assets

The goodwill of USD 12.5 billion arises principally because of the following factors:
1. The ability to capture synergies that can be realised from managing a larger portfolio of both acquired and existing fields on the Norwegian Continental Shelf, including workforce ("residual goodwill").
2. The requirement to recognise deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination. Licences under development and licences in production can only be sold in a market after tax, based on a decision made by the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act Section 10. The assessment of fair value of such licences is therefore based on cash flows after tax.

Nevertheless, in accordance with IAS 12 Sections 15 and 19, a provision is made for deferred tax corresponding to the tax rate multiplied by the difference between the acquisition cost and the tax base. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax ("technical goodwill").

None of the goodwill recognised will be deductable for tax purposes.

Reconciliation of goodwill from the acquisition of Lundin Energy (USD 1 000)	**30.06.2022**
Goodwill related to synergies - residual goodwill	6 291.7
Goodwill as a result of deferred tax - technical goodwill	6 251.2
Net goodwill from the acquisition of Lundin Energy	**12 542.9**

If the acquisition had taken place at the beginning of 2022, revenue would have increased by USD 3.7 billion and net income would have increased by USD 422 million.

Parent company - accounting effect of mergers:
As of 13 October 2022, the wholly owned subsidiary ABP Energy Holding BV was merged with the parent company Aker BP ASA. The merger was carried out in accordance with the Public Limited Liability Companies Act section 13-25, and the merger was carried out based on group continuity for accounting purposes. Upon completion of the merger, all assets, rights and obligations of ABP Energy Holding BV was transferred to Aker BP ASA without any consideration being rendered. At the same time, ABP Energy Holding BV was liquidated. The merger is considered a transaction for tax purposes.

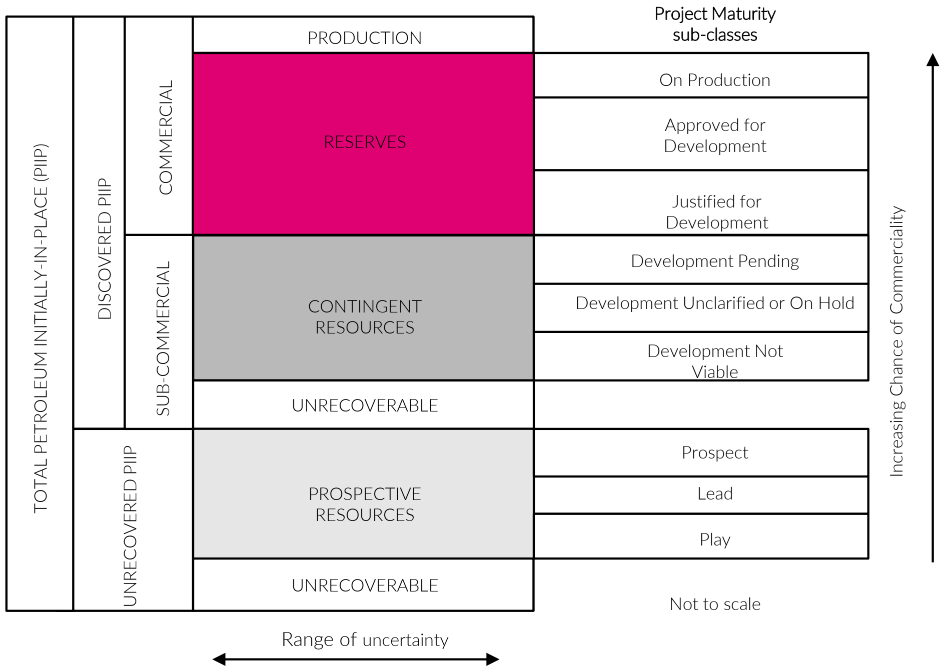
As of 31 December 2022, the wholly owned subsidiary ABP Norway AS was merged with the parent company Aker BP ASA. The merger was carried out in accordance with the Public Limited Liability Companies Act section 13-24, and the merger was carried out based on group continuity for accounting purposes. Upon completion of the merger, all assets, rights and obligations of ABP Norway AS was transferred to Aker BP ASA without any consideration being rendered. At the same time, ABP Norway AS was liquidated. The merger is based on company continuity from 1 January 2022 for tax purposes.

Note 31 Events after the balance sheet date

On 18 January 2024, the Oslo District Court ruled that the Ministry of Energy's approvals for the plans for development and operation (PDO) for the Breidablikk, Tyrving, and Yggdrasil fields were invalid due to procedural errors. The court concluded that the state had failed to consider the effects of combustion emissions as part of the final PDO. In addition, the court issued a temporary injunction, preventing the state from making decisions that assume valid PDO approval for the projects. Currently, the ruling is non-binding in relation to the procedural errors. The state has filed an appeal against both the main ruling and the temporary injunction to the Borgarting Court of Appeal. Aker BP, which has participating interests and operates the Yggdrasil and Tyrving development projects, is not a party to the court case. The PDO approvals granted for Yggdrasil and Tyrving remain valid in relation to Aker BP. Aker BP continues executing the Yggdrasil and Tyrving projects in accordance with the permissions granted. In response to the current situation, a dedicated task force has been established to identify potential risks and coordinate the company’s activities and risk-mitigating actions. The court case is deemed to have no material impact on the 2023 financial statements.

Note 32 Classification of reserves and contingent resources (unaudited)

Classification of reserves and contingent resources
Aker BP ASA's reserve and contingent resource volumes have been classified in accordance with the Society of Petroleum Engineer’s (SPE’s) “Petroleum Resources Management System”. This classification system is consistent with Oslo Børs requirements for the disclosure of hydrocarbon reserves and contingent resources. The framework of the classification system is illustrated in Figure 1.



Reserves, developed and non-developed
All reserve estimates are based on all available data including seismic, well logs, core data, drill stem tests and production history. Industry standards are used to establish 1P and 2P. This includes decline analysis for mature fields in which reliable trends are established. For undeveloped fields and less mature producing fields reservoir simulation models or simulations models in combination with decline analysis have been used for profiles generation.

Note that an independent third party, AGR Petroleum Services AS, has certified 1P and 2P reserves for all Aker BP assets except for the minor assets Atla and Enoch, representing 0.0003 percent of total 2P reserves.

Aker BP ASA has a working interest in 54 fields/projects containing reserves, see Table 1 and 2. Out of these fields/projects, 26 are in the sub-class “On Production”/Developed, 26 are in the sub-class “Approved for Development”/Undeveloped and 2 are in the sub-class “Justified for Development”/Undeveloped. Note that several fields have reserves in more than one reserve sub-class.

Table 1 - Aker BP fields - Developed reserves

Field/project	Investment share	Operator	Resource class
Alvheim Base	80.0 %	Aker BP	On Production
Boa Base	70.9 %	Aker BP	On Production
Bøyla Base	80.0 %	Aker BP	On Production
Frosk	80.0 %	Aker BP	On Production
Kobra East/Gekko	80.0 %	Aker BP	On Production
Skogul Base	65.0 %	Aker BP	On Production
Vilje Base	46.9 %	Aker BP	On Production
Volund Base	100.0 %	Aker BP	On Production
Edvard Grieg Base	65.0 %	Aker BP	On Production
Solveig Ph1	65.0 %	Aker BP	On Production
Troldhaugen EWT extension	80.0 %	Aker BP	On Production
Ivar Aasen Base	36.2 %	Aker BP	On Production
PL212E Ærfugl Nord Base	30.0 %	Aker BP	On Production
Skarv Base	23.8 %	Aker BP	On Production
Skarv Gråsel	23.8 %	Aker BP	On Production
Skarv Idun Tunge	23.8 %	Aker BP	On Production
Skarv Ærfugl	23.8 %	Aker BP	On Production
Tambar Base	55.0 %	Aker BP	On Production
Tambar East Base	46.2 %	Aker BP	On Production
Ula Base	80.0 %	Aker BP	On Production
Hod Base	90.0 %	Aker BP	On Production
Valhall Base	90.0 %	Aker BP	On Production
Johan Sverdrup Base	31.6 %	Equinor	On Production
Oda Base	15.0 %	Sval Energi AS	On Production
Atla	10.0 %	TotalEnergies	On Production
Enoch	2.0 %	Repsol Sinopec	On Production

Table 2 - Aker BP fields - Undeveloped reserves

Field/project	Investment share	Operator	Resource class
Alvheim East KAM L5	80.0 %	Aker BP	Approved for Development
Kameleon Gas Cap Blow Down	80.0 %	Aker BP	Approved for Development
Tyrving	61.3 %	Aker BP	Approved for Development
Solveig Ph2	65.0 %	Aker BP	Approved for Development
Symra	50.0 %	Aker BP	Approved for Development
Hanz	35.0 %	Aker BP	Approved for Development
Skarv Ærfugl Infill A02	23.8 %	Aker BP	Approved for Development
PL127C Alve Nord Development	68.1 %	Aker BP	Approved for Development
PL159D Idun Nord Development	23.8 %	Aker BP	Approved for Development
PL942 Ørn Development	30.0 %	Aker BP	Approved for Development
Tambar East K5 Sidetrack	46.2 %	Aker BP	Approved for Development
Ula WAG from K-5B	80.0 %	Aker BP	Approved for Development
Fenris	77.8 %	Aker BP	Approved for Development
Valhall IP Workover	90.0 %	Aker BP	Approved for Development
Valhall PWP	90.0 %	Aker BP	Approved for Development
Frigg Gamma Delta Development	87.7 %	Aker BP	Approved for Development
Frøy Development	87.7 %	Aker BP	Approved for Development
Fulla Development	47.7 %	Aker BP	Approved for Development
Krafla/Askja Development	50.0 %	Aker BP	Approved for Development
Langfjellet Development	87.7 %	Aker BP	Approved for Development
Lille Frigg Development	47.7 %	Aker BP	Approved for Development
Rind Development	87.7 %	Aker BP	Approved for Development
Johan Sverdrup IOR D-21 (G-P6)	31.6 %	Equinor	Approved for Development
Johan Sverdrup IOR D-7 WO & D-2T4S	31.6 %	Equinor	Approved for Development
Johan Sverdrup WAG	31.6 %	Equinor	Approved for Development
Verdande Development	7.0 %	Equinor	Approved for Development
Kobra East/Gekko Gas blowdown	80.0 %	Aker BP	Justified for Development
Skarv Tilje Infill A05	23.8 %	Aker BP	Justified for Development

Total net proven reserves (1P/P90) as of 31 December 2023 to Aker BP ASA are estimated at 1 127 million barrels of oil equivalents. Total net proven plus probable reserves (2P/P50) are estimated at 1 716 million barrels of oil equivalents. The split between liquid and gas and between the different subcategories are given in tables 3 and 4.

Table 3 - Reserves by field, area and reserve class

	1P / P90 (low estimate)					2P / P50 (best estimate)				
31.12.2023	Gross oil (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)	Gross oil/cond. (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)
Alvheim	41	-	14	55	43	53	-	30	84	66
Bøyla	1	-	0	1	1	2	-	0	3	2
Frosk	4	-	0	4	3	8	-	0	8	6
Skogul	1	-	0	1	1	5	-	0	5	3
Vilje	4	-	-	4	2	7	-	-	7	3
Volund	2	-	0	2	2	4	-	0	4	4
Kobra East/Gekko	17	-	25	42	34	19	-	30	49	39
Tyrving	15	-	0	15	9	24	-	0	24	15
Alvheim Area	**86**	**-**	**38**	**125**	**95**	**122**	**-**	**61**	**183**	**138**
Ivar Aasen	32	2	6	40	14	39	3	9	51	18
Edvard Grieg	49	3	6	58	38	92	6	11	108	70
Solveig	42	7	10	58	38	71	10	14	96	62
Troldhaugen EWT	-	-	-	-	-	0	0	0	0	0
Symra	19	2	4	25	13	34	3	6	43	22
Hanz	9	1	2	12	4	16	1	3	20	7
Edvard Grieg Area	**151**	**15**	**28**	**193**	**107**	**252**	**23**	**43**	**318**	**180**
Skarv (incl Gråsel and Idun Tunge)	7	11	59	78	18	10	13	69	92	22
Ærfugl (Incl. Ærfugl Nord)	10	13	68	90	22	13	17	89	119	29
Alve Nord	2	2	7	11	7	9	6	19	33	23
Idun Nord	0	0	6	6	2	0	1	8	9	2
Ørn	1	1	21	24	7	2	3	48	54	16
Skarv Area	**20**	**28**	**160**	**209**	**56**	**34**	**40**	**234**	**307**	**92**
Tambar	0	0	0	1	0	1	0	0	2	1
Tambar East	2	0	0	3	1	4	0	1	5	2
Ula	3	0	-	3	3	5	0	-	5	4
Ula Area	**6**	**0**	**0**	**7**	**4**	**10**	**1**	**1**	**12**	**7**
Hod	24	1	4	30	27	30	2	5	37	33
Fenris	28	4	42	73	57	62	7	84	154	120
Valhall	151	11	28	189	170	194	14	36	244	220
Valhall Area	**203**	**16**	**73**	**292**	**254**	**286**	**23**	**125**	**434**	**372**
Johan Sverdrup	**1 224**	**14**	**29**	**1 268**	**400**	**1 720**	**26**	**50**	**1 797**	**567**
Hugin	108	6	22	136	119	174	12	37	223	196
Fulla	4	6	30	40	19	8	11	54	72	34
Munin	65	21	55	141	70	105	40	108	253	126
Yggdrasil	**177**	**33**	**107**	**317**	**209**	**286**	**63**	**198**	**547**	**356**
Oda	1	0	0	1	0	2	0	0	2	0
Verdande Development	20	0	2	23	2	28	1	5	34	2
Atla	-	-	-	-	-	-	-	-	-	-
Enoch	-	-	-	-	-	0	-	-	0	0
Other (Atla, Enoch, Verdande and Oda)	**21**	**0**	**2**	**24**	**2**	**31**	**1**	**5**	**37**	**3**
Total	**1 888**	**106**	**439**	**2 433**	**1 127**	**2 742**	**176**	**718**	**3 636**	**1 716**

Table 4 - Reserves by project and reserve class

On production 31.12.2023	**Interest** %	**1P / P90 (low estimate)** Gross oil/cond. (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)	**2P / P50 (best estimate)** Gross oil (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)
Alvheim Base	80.0 %	30	-	6	37	29	38	-	10	48	38
Boa Base	70.9 %	7	-	1	8	6	10	-	1	11	8
Bøyla Base	80.0 %	1	-	0	1	1	2	-	0	3	2
Frosk	80.0 %	4	-	0	4	3	8	-	0	8	6
Kobra East/Gekko	80.0 %	14	-	7	20	16	18	-	6	24	19
Skogul Base	65.0 %	1	-	0	1	1	5	-	0	5	3
Vilje Base	46.9 %	4	-	-	4	2	7	-	-	7	3
Volund Base	100.0 %	2	-	-0	2	2	4	-	0	4	4
Edvard Grieg Base	65.0 %	49	3	6	58	38	92	6	11	108	70
Solveig Ph1	65.0 %	23	4	6	34	22	42	6	9	57	37
Troldhaugen EWT extension	80.0 %	-	-	-	-	-	0	0	0	0	0
Ivar Aasen Base	36.2 %	32	2	6	40	14	39	3	9	51	18
PL212E Ærfugl Nord Base	30.0 %	0	1	4	6	2	1	1	6	8	2
Skarv Base	23.8 %	5	10	52	67	16	5	11	59	76	18
Skarv Gråsel	23.8 %	2	1	3	6	1	2	1	4	7	2
Skarv Idun Tunge	23.8 %	0	0	0	0	0	0	0	1	1	0
Skarv Ærfugl	23.8 %	9	11	60	80	19	11	15	76	102	24
Tambar Base	55.0 %	0	0	0	1	0	1	0	0	2	1
Tambar East Base	46.2 %	0	0	0	0	0	0	0	0	0	0
Ula Base	80.0 %	3	0	-	3	3	5	0	-	5	4
Hod Base	90.0 %	24	1	4	30	27	30	2	5	37	33
Valhall Base	90.0 %	110	7	19	136	123	131	9	23	162	146
Johan Sverdrup Base	31.6 %	1 161	19	39	1 219	385	1 626	33	62	1 721	543
Oda Base	15.0 %	1	0	0	1	0	2	0	0	2	0
Atla	10.0 %	-	-	-	-	-	-	-	-	-	-
Enoch	2.0 %	-	-	-	-	-	0	-	-	0	0
Total		**1 485**	**60**	**214**	**1 759**	**710**	**2 081**	**86**	**282**	**2 448**	**985**

Approved for development 31.12.2023	Interest %	1P / P90 (low estimate) Gross oil (mmboe)	1P / P90 Gross NGL (mmboe)	1P / P90 Gross gas (mmboe)	1P / P90 Gross oil equiv. (mmboe)	1P / P90 Net oil equiv. (mmboe)	2P / P50 (best estimate) Gross oil/cond. (mmboe)	2P / P50 Gross NGL (mmboe)	2P / P50 Gross gas (mmboe)	2P / P50 Gross oil equiv. (mmboe)	2P / P50 Net oil equiv. (mmboe)
Alvheim East KAM L5	80.0 %	3	-	2	5	4	4	-	3	7	6
Kameleon Gas Cap Blow Down	80.0 %	0	-	5	5	4	0	-	16	17	14
Tyrving	61.3 %	15	-	-0	15	9	24	-	0	24	15
Solveig Ph2	65.0 %	18	2	4	24	16	29	4	6	39	25
Symra	50.0 %	19	2	4	25	13	34	3	6	43	22
Hanz	35.0 %	9	1	2	12	4	16	1	3	20	7
Skarv Ærfugl Infill A02	23.8 %	0	1	3	4	1	1	1	8	10	2
PL127C Alve Nord Development	68.1 %	2	2	7	11	7	9	6	19	33	23
PL159D Idun Nord Development	23.8 %	0	0	6	6	2	0	1	8	9	2
PL942 Ørn Development	30.0 %	1	1	21	24	7	2	3	48	54	16
Tambar East K5 Sidetrack	46.2 %	2	0	0	2	1	4	0	1	5	2
Ula WAG from K-5B	80.0 %	0	0	-	0	0	0	0	-	0	0
Fenris	77.8 %	28	4	42	73	57	62	7	84	154	120
Valhall IP Workover	90.0 %	7	0	1	9	8	10	1	2	12	11
Valhall PWP	90.0 %	34	3	8	44	40	53	5	12	70	63
Frigg Gamma Delta Development	87.7 %	46	1	4	51	45	79	1	8	88	77
Frøy Development	87.7 %	21	1	3	25	22	30	1	7	38	34
Fulla Development	47.7 %	3	3	23	29	14	5	6	41	52	25
Krafla/Askja Development	50.0 %	65	21	55	141	70	105	40	108	253	126
Langfjellet Development	87.7 %	12	3	3	18	16	25	7	6	39	34
Lille Frigg Development	47.7 %	2	2	6	10	5	3	5	12	19	9
Rind Development	87.7 %	29	2	12	43	37	40	2	16	58	51
Johan Sverdrup IOR D-21 (G-P6)	31.6 %	2	0	0	2	1	4	0	0	4	1
Johan Sverdrup IOR D-7 WO & D-2T4ST	31.6 %	0	0	0	0	0	3	0	0	3	1
Johan Sverdrup WAG	31.6 %	61	-5	-10	46	15	87	-6	-12	68	22
Verdande Development	7.0 %	20	0	2	23	2	28	1	5	34	2
Total		**399**	**45**	**204**	**648**	**398**	**657**	**89**	**407**	**1 153**	**709**

Justified for development 31.12.2023	Interest %	1P / P90 (low estimate) Gross oil/cond. (mmboe)	1P / P90 Gross NGL (mmboe)	1P / P90 Gross gas (mmboe)	1P / P90 Gross oil equiv. (mmboe)	1P / P90 Net oil equiv. (mmboe)	2P / P50 (best estimate) Gross oil/cond. (mmboe)	2P / P50 Gross NGL (mmboe)	2P / P50 Gross gas (mmboe)	2P / P50 Gross oil equiv. (mmboe)	2P / P50 Net oil equiv. (mmboe)
Kobra East/Gekko Gas blowdown	80.0 %	4	-	18	22	17	1	-	24	25	20
Skarv Tilje Infill A05	23.8 %	1	1	3	5	1	3	1	5	9	2
Total		**5**	**1**	**21**	**26**	**19**	**4**	**1**	**29**	**34**	**22**

	1P / P90 Net oil equiv. (mmboe)	2P / P50 Net oil equiv. (mmboe)
Total reserves 31.12.2023	**1 127**	**1 716**
Total reserves 31.12.2022	**1 251**	**1 859**

Changes from the 2022 reserve report are summarised in Table 5. During 2023, Aker BP 2P reserves were decreased by 143 mmboe from 1 859 to 1 716 mmboe. The production was 166 mmboe, thus net reserves increases were 23 mmboe. The main reasons for increased net reserve estimate (i.e. disregarding the produced volumes) are IOR-activities in Alvheim-, Grieg/Aasen-, Ula- and Skarv-areas. On the negative side, reserves were reduced on Valhall primarily due to well difficulties and thinner reservoirs on flanks, and on Johan Sverdrup due to a reduced field-life expectancy.

An oil price of 75 USD/bbl (2024), 70 USD/bbl (2025) and 65 USD/bbl (following years) has been used for reserves estimation. Low- and high case sensitivities with oil prices of 40 USD/bbl and 90 USD/bbl, respectively, have been performed by AGR. The low price resulted in a reduction in total net proven (1P/P90) reserves of ~47 % and net proven plus probable (2P/P50) reserves of ~46 %. The high oil price scenario resulted in a marginal increase in reserves of less than 1% to the proven (1P/P90) estimates and no change to the proven plus probable (2P/P50) estimates.

Table 5 - Aggregated reserves, production, developments, and adjustments

Net attributed million barrels of oil equivalent	**On production**		**Approved for devlop.**		**Justified for devlop.**		**Total**	
(mmboe)	1P/P90	2P/P50	1P/P90	2P/P50	1P/P90	2P/P50	1P/P90	2P/P50
Balance as of 31.12.2022	**816**	**1 103**	**71**	**114**	**364**	**642**	**1 251**	**1 859**
Production	-166	-166	-	-	-	-	-166	**-166**
Transfer	21	33	325	589	-347	-622	-	**-**
Revisions	36	8	-2	-2	-	-	34	**6**
IOR	3	7	3	8	1	2	8	**17**
Discovery and extensions	-	-	-	-	-	-	-	**-**
Acquisition and sale	-	-	-	-	-	-	-	**-**
Balance as of 31.12.2023	**710**	**985**	**398**	**709**	**19**	**22**	**1 127**	**1 716**
Delta	-106	-119	327	595	-346	-620	-124	-143

Note also that production numbers are preliminary pr October 2023, leaving numbers for the last two months of 2023 as estimates. The final numbers may be slightly different.

Climate-related risk:

As described in note 3 on climate-related risk, a sensitivity analysis have been performed to show the impact on reserves as at 31 December 2023, if all production would cease from 2050 onwards. Such acceleration of cease of production would result in an decrease in the reserves of approximately 17 million boe.

End of financial statement

STATEMENT BY THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Pursuant to the Norwegian Securities Trading Act section § 5-5 with pertaining regulations, we hereby confirm that, to the best of our knowledge, the company's and the group's financial statements for 2023 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and requirements in accordance with the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair view of the company's liabilities, financial position and results overall.

To the best of our knowledge, the Board of Directors' Report gives a true and fair view of the development, performance and financial position of the company, and includes a description of the principal risk and uncertainty factors facing the company and the group. Additionally, we confirm to the best of our knowledge that the report 'Payment to governments' as provided in a separate section in this annual report has been prepared in accordance with the requirements in the Norwegian Securities Trading Act Section 5-5a with pertaining regulations.

The Board of Directors and the CEO of Aker BP ASA

Akerkvartalet, 13 March 2024

ØYVIND ERIKSEN
Chairman of the board

ANNE MARIE CANNON
Deputy chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

KATE THOMSON
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

MURRAY AUCHINCLOSS
Board member

ANI ISABEL CHIANG
Board member

INGARD HAUGEBERG
Board member

MARIT DØRUM
Board member

TORE VIK
Board member

THOMAS HUSVÆG
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

Alternative performance measures

Aker BP may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Aker BP believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Aker BP's business operations and to improve comparability between periods.

Abandonment spend (abex) is payment for removal and decommissioning of oil fields[1)]

Capex is disbursements on investments in fixed assets[1)]

Depreciation per boe is depreciation divided by number of barrels of oil equivalents produced in the corresponding period

Dividend per share (DPS) is dividend paid during the year divided by number of shares outstanding

EBITDA is short for earnings before interest and other financial items, taxes, depreciation and amortisation and impairments

EBITDAX is short for earnings before interest and other financial items, taxes, depreciation and amortisation, impairments and exploration expenses

Equity ratio is total equity divided by total assets

Exploration spend (expex) is exploration expenses plus additions to capitalised exploration wells less dry well expenses[1)]

Interest coverage ratio is calculated as twelve months rolling EBITDA, divided by interest expenses, excluding any impacts from IFRS 16.

Leverage ratio is calculated as Net interest-bearing debt divided by twelve months rolling EBITDAX, excluding any impacts from IFRS 16

Net interest-bearing debt is book value of current and non-current interest-bearing debt less cash and cash equivalents

Operating profit/loss is short for earnings/loss before interest and other financial items and taxes

Production cost per boe is production cost basd on produced volumes, divided by number of barrels of oil equivalents produced in the corresponding period (see note 6)

[1)] Includes payments of lease debt as disclosed in note 25.

		Group		Parent	
(USD million)	Note	2023	2022	2023	2022
Abandonment spend					
Payment for removal and decommissioning of oil fields		152.7	78.9	152.7	78.2
Payments of lease debt (abandonment activity)	25	8.3	0.8	8.3	0.8
Abandonment spend		161.0	79.6	161.0	78.9
Depreciation per boe					
Depreciation	13	2 406.8	1 785.7	2 406.8	1 231.8
Total produced volumes (boe million)	6	166.7	112.9	166.7	75.4
Depreciation per boe		14.4	15.8	14.4	16.3
Dividend per share					
Paid dividend		1 390.4	1 005.7	1 390.4	1 005.7
Number of shares outstanding (million)		631.3	496.8	631.3	496.8
Dividend per share		2.20	2.02	2.20	2.02
Capex					
Disbursements on investments in fixed assets (excluding capitalised interest)		3 171.6	1 580.0	3 171.6	1 269.0
Payments of lease debt (investments in fixed assets)	25	95.7	46.9	95.7	41.7
CAPEX		3 267.3	1 627.0	3 267.3	1 310.7
EBITDA					
Total income	5	13 669.9	13 009.9	13 669.9	9 369.3
Production costs	6	-1 060.1	-932.9	-1 060.1	-814.5
Exploration expenses	7	-266.3	-242.2	-264.3	-196.2
Other operating expenses		-57.8	-52.6	-58.0	-50.2
EBITDA		12 285.7	11 782.3	12 287.5	8 308.4
EBITDAX					
Total income	5	13 669.9	13 009.9	13 669.9	9 369.3
Production costs	6	-1 060.1	-932.9	-1 060.1	-814.5
Other operating expenses		-57.8	-52.6	-58.0	-50.2
EBITDAX		12 552.0	12 024.5	12 551.8	8 504.6
Equity ratio					
Total equity		12 362.2	12 427.5	12 371.3	12 434.2
Total assets		39 046.5	37 561.8	39 055.0	37 568.2
Equity ratio		32%	33%	32%	33%
Exploration spend					
Disbursements on investments in capitalised exploration expenditures		238.6	251.8	238.6	194.7
Exploration expenses	7	266.3	242.2	264.3	196.2
Dry well	7	-153.9	-135.8	-153.9	-108.6
Payments of lease debt (exploration expenditures)	25	12.0	6.2	12.0	6.2
Exploration spend		363.0	364.4	361.1	288.5

(USD million)	Note	Group 2023	Group 2022	Parent 2023	Parent 2022
Interest coverage ratio					
Twelve months rolling EBITDA		12 285.7	11 782.3	12 287.5	8 308.4
Twelve months rolling EBITDA, impacts from IFRS 16	25	-45.2	-20.8	-45.2	-20.8
Twelve months rolling EBITDA, excluding impacts from IFRS 16		*12 240.5*	*11 761.4*	*12 242.2*	*8 287.6*
Twelve months rolling interest expenses	10	212.7	154.0	212.7	147.3
Twelve months rolling amortised loan cost	10	49.3	31.8	49.3	19.2
Twelve months rolling interest income	10	133.4	26.0	133.4	23.0
Net interest expenses		*128.5*	*159.9*	*128.5*	*143.4*
Interest coverage ratio[1)]		95.2	73.6	95.2	57.8
Leverage ratio					
Long-term bonds	21	5 798.2	5 279.2	5 798.2	5 279.2
Cash and cash equivalents	19	3 388.4	2 756.0	3 388.4	2 756.0
Net interest-bearing debt excluding lease debt		*2 409.8*	*2 523.2*	*2 409.8*	*2 523.2*
Twelve months rolling EBITDAX		12 552.0	12 024.5	12 551.8	8 504.6
Twelve months rolling EBITDAX, impacts from IFRS 16	25	-44.4	-20.2	-44.4	-20.2
Twelve months rolling EBITDAX, excluding impacts from IFRS 16		*12 507.6*	*12 004.3*	*12 507.4*	*8 484.5*
Leverage ratio[1)]		0.19	0.21	0.19	0.30
Net interest-bearing debt					
Long-term bonds	21	5 798.2	5 279.2	5 798.2	5 279.2
Long-term lease debt	25	555.5	98.1	555.5	98.1
Short-term lease debt	25	148.7	36.3	148.7	36.3
Cash and cash equivalents	19	3 388.4	2 756.0	3 388.4	2 756.0
Net interest-bearing debt		3 114.0	2 657.5	3 114.0	2 657.5
Free cash flow					
Net cash flow from operating activities		5 407.1	5 729.5	5 407.1	4 396.0
Net cash flow from investment activities		-3 467.9	-3 116.6	-3 467.9	-2 414.7
Free cash flow		1 939.2	2 612.9	1 939.2	1 981.3

[1)] These ratios are calculated based on Aker BP group figures only, with no proforma adjustments for the Lundin Energy transaction.

Operating profit/loss see Income Statement

Production cost per boe see note 6

Independant auditor's report

To the General Meeting of Aker BP ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker BP ASA, which comprise:

- the financial statements of the parent company Aker BP ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the income statements, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Aker BP ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statements, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 5 April 2022 for the accounting year 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

The Group's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other events that qualified as new key audit matters this year. *Impairment of Goodwill, Property, Plant and Equipment and Other Intangible assets* and *Estimation of abandonment provision* have the same characteristics during 2023, and consequently have been areas of focus also for this year's audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment of Goodwill, Property, Plant and Equipment and Other Intangible Assets	
Aker BP ASA has Property, plant and equipment with a carrying amount of USD 17 449,8 million, and Other intangible assets with a carrying amount of USD 2 123,4 million as of 31 December 2023. In addition, the carrying value of goodwill (including technical goodwill) was USD 13 142,8 million. In line with Aker BP's accounting policies for impairment of non-financial assets, management assessed the presence of impairment- or reversal indicators. Based on identified impairment indicators, an impairment calculation was performed by comparing the assets' net book values to the respective recoverable amounts. Consequently, a total net impairment charge of USD 889,5 million was recognised in 2023. Management's assessment of recoverable amounts of goodwill, property, plant and equipment and other intangible assets requires estimates and application of assumptions relating to operational and market factors, which, in turn, involves judgment. In addition, the calculation of recoverable amounts requires financial modelling of cash flows related to cash generating units, which can be inherently complex, and may also require use of judgment. Furthermore, the valuation of Oil & Gas properties and goodwill are inherently uncertain due to the judgmental nature of the underlying estimates. We focused on this area because Goodwill, Property plant and equipment and Other intangible assets constitute a significant share of total assets in the balance sheet, and because the assessment of recoverable amounts is complex and involves management judgment which may have a direct impact on net profit. Refer to note 1.3 and note 14 for a description of management's assessment of impairment.	We assessed management's identification of impairment- and reversal indicators and agreed that indicators were present. We obtained management's calculation of recoverable amounts as of 31 December 2023. Management's identification of cash generating units were in line with our expectations. For relevant cash generating units, including allocated technical goodwill, we assessed the key inputs to the calculation of recoverable amounts by: • comparing management´s short-term price assumptions against external price forward curves, • comparing management's long-term oil price assumptions against long-term price assumptions communicated by peers and other publicly available sources, • comparing asset specific assumptions underlying the impairment test model (e.g. production profiles, capital expenditures, operating costs) towards Aker BP's Business Plan for Q4 2023, • assessing the calculation from post to pretax impairment charge, and • benchmarking of inflation, exchange rates and discount rates applied against external market data. We also assessed the mathematical accuracy and methodology of management's impairment models. Management determined that ordinary goodwill at the balance sheet date was not impaired. Consequently, we obtained and considered management's assessment supporting their determination. We also calculated the market capitalization at 31 December 2023 based on the quoted share price at year-end. We found support for the carrying value of oil and properties and ordinary goodwill as of 31 December 2023.

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We also assessed the sensitivity analysis and underlying calculations showing how the recoverable amounts of tangible assets and technical goodwill would be impacted by changes to underlying assumptions, such as change in hydro-carbon prices and discounts rates. In addition, we also considered consistency between the climate risk related disclosures in note 3 and the sensitivity analysis to the impairment testing in note 14.

We evaluated the appropriateness of the related note disclosures and found that they satisfied IFRS requirements.

Estimation of abandonment provision

Management estimated abandonment provisions for operated and non-operated assets as of 31 December 2023. Abandonment provisions represent a non-current provision of USD 4 304,1 million and a current provision of USD 250,6 million at the balance-sheet date.

The estimation of abandonment provisions requires use of a number of judgemental assumptions. Important assumptions include timing of actual cash flows, amount of abandonment costs and discount rate. The timing of removal is also dependent on the reserves estimation and is impacted by the commodity price outlook. Calculation of asset retirement obligation requires financial modelling of cash flows related to the removal and decommissioning cost. Such modelling can be complex and may require use of further judgment.

The abandonment cost estimates for the non-operated assets are based on the respective operators' cost estimates. For the operated assets, the cost estimate is based on Aker BP's internal calculation and assessment, where Aker BP has involved a multidisciplinary project team with professionals from various technical areas. The calculation of cost estimates for the Aker BP operated fields are based on several cost inputs, such as number of wells plugged, rig rates per day, and number of days per well.

We focused on this area due to the significant value the abandonment provision represents in the balance sheet, and the level of management judgment used in determining the provision for abandonment provisions.

Meetings were held with management to understand the process for identifying and measuring the abandonment provision including internal controls performed by management.

We obtained management's assessment and model for calculation of abandonment provisions as of 31 December 2023. We also considered the nature and details of the underlying calculation model. We found the methodology to be in line with requirements in IFRS.

We tested selected internal controls over the abandonment provision performed by management.

For the non-operated assets, we obtained the cost estimates prepared by the external operators of the non-operated fields from management. We checked if the external cost estimates were included as input in the calculation of the asset retirement obligation for the non-operated fields and challenged assumptions applied.

For the operated assets, we assessed the cost estimate assumptions applied for reasonableness. This included, but was not limited to, the number of wells to be plugged, rig rates per day, and number of days per well. We also tested the model used for calculating the abandonment obligations and found that the model makes calculations as expected. We received management's assessment of the timing of decommissioning and removal activities for each field. In addition, we benchmarked the inflation rate and the discount rate used in calculating the abandonment provision. Our testing substantiated that management assumptions were fair.

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Refer to note 1.3 and 22 for a description of how management has estimated and accounted for the abandonment provision.

We evaluated the appropriateness of the related note disclosures and found that they satisfied IFRS requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility, and to the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Aker BP ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name AkerBPASA-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the

Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 13 March 2024
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

Board of Directors and Executive Management Team

Board of Directors →
Executive Management Team →
Remuneration Report →
Independant auditor's statement →

Board of Directors (1/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team
*** Though exposure to the Aker BP share price through shareholding in Aker ASA

Øyvind Eriksen

Shareholder-elected Chair and Chair of the Organisational Development and Compensation Committee

Experience, skills and education:
Øyvind Eriksen joined Aker ASA as President and CEO in 2009. Mr. Eriksen holds a law degree from the University of Oslo. He is a former Partner, Director, and Chairman of the law firm BAHR.

Key external appointments:
Mr. Eriksen currently chairs several of the boards of the Aker Group's industrial and financial businesses. In addition, Mr. Eriksen is on the board of a number of non-profit organisations, including the Norwegian Cancer Society, and Accenture Global Energy Board.

Aker BP shares*:	None***
Member of the board since:	2016
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1964

Anne Marie Cannon

Shareholder-elected Deputy Chair and Member of the Audit and Risk Committee and the Organisational Development and Compensation Committee

Experience, skills and education:
Cannon is a Senior Advisor in the Strategic Advisory business at PJT Partners. She has over 40 years of experience in the oil and gas sector through senior roles within both investment banking and executive and non-executive director roles with private and quoted companies. She holds a BSc Honours Degree from Glasgow University and is a Fellow of the Energy Institute.

Key external appointments:
Cannon is the Senior Independent Director and board member of BlackRock Energy and Resources Income Trust plc.

Aker BP shares*:	12,078
Member of the board since:	2013
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	British
Residency:	UK
Born:	1957

Kjell Inge Røkke

Shareholder-elected Member

Experience, skills and education:
Røkke has been a driving force in the development of Aker since the 1990s. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke-controlled company RGI became Aker ASA's largest shareholder, and later merged RGI with Aker. Røkke controls 68.2% of Aker ASA through The Resource Group TRG AS and subsidiaries.

Key external appointments:
Mr. Røkke is currently chair of The Resource Group TRG AS, TRG Holding AS, and Aker ASA, as well as director of several Aker companies.

Aker BP shares*:	None***
Member of the board since:	2013
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Switzerland
Born:	1958

Board of Directors (2/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team
*** Though exposure to the Aker BP share price through shareholding in Aker ASA

Trond Brandsrud

Shareholder-elected Member and Chair of the Audit and Risk Committee

Experience, skills and education:
Brandsrud serves as a non-executive director and industry advisor. Brandsrud holds a master's degree in finance from NHH Norwegian School of Economics.

From 2016 to 2019, he held several CEO and CFO roles in the financial services companies Lindorff, Intrum and Lowell, and from 2010 to 2015, he served as the Group Chief Financial Officer of Aker. In the period from 2007 to 2010, he served as the CFO of the Seadrill Group. Prior to these roles, Brandsrud had 23 years of experience from leading finance positions for Shell.

Key external appointments:
Brandsrud is a non-executive director and board member of PGS ASA, the Lowell Group (Simon Midco Ltd), Lowell Finans AS, Aker Horizons ASA and Waterise AS.

Aker BP shares*:	None
Member of the board since:	2016
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1958

Kate Thomson

Shareholder-elected Member and Member of the Audit and Risk Committee

Experience, skills and education:
Thomson is the Chief Financial Officer of BP p.l.c. Prior to joining BP p.l.c., Thomson qualified as a chartered accountant with Deloitte. She moved into international tax with Charter plc, where she became Head of Tax in 1998, before joining Ernst & Young in 2001 in M&A tax.

Key external appointments:
Thomson is a director of several BP p.l.c. Group companies and a member of the Institute of Chartered Accountants in England and Wales.

Aker BP shares*:	None
Member of the board since:	2018
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	British
Residency:	UK
Born:	1968

Charles Ashley Heppenstall

Shareholder-elected Member

Experience, skills and education:
Heppenstall is the previous President & CEO for Lundin Petroleum AB (2002 – 2015). Heppenstall is a graduate of Durham University where he obtained a Bachelor of Science in Mathematics.

From 1984 until 1990, he worked in the banking sector where he was involved in project financing of oil and mining businesses. He has worked with public companies associated with the Lundin family since 1993.

Key external appointments:
Heppenstall is a board member of Lundin Mining, Lundin Gold, and Orrön Energy AB, and Chair of the Board in International Petroleum Corporation.

Aker BP shares*:	852,587
Member of the board since:	2022
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	British
Residency:	UK
Born:	1962

Board of Directors (3/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team
*** Though exposure to the Aker BP share price through shareholding in Aker ASA

Murray Auchincloss

Shareholder-elected Member

Experience, skills and education:
Auchincloss is the CEO of the BP p.l.c. Group, having previously held the positions of CFO of the BP Group (2020 to 2023) and CFO of BP p.l.c.'s Upstream (2015 to 2020). Auchincloss joined Amoco Canada in 1992 and BP p.l.c. through the merger in 1999. He has built a career performing a range of commercial and leading roles across the company.

Auchincloss holds a bachelor's degree in Finance from the University of Calgary. He completed his Chartered Financial Analyst (CFA) certification in 1995.

Key external appointments:
None

Aker BP shares*:	None
Member of the board since:	2020
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	Canadian
Residency:	UK
Born:	1970

Valborg Lundegaard

Shareholder-elected Member

Experience, skills and education:
Lundegaard is a special advisor and former CEO of Aker Carbon Capture, a pure play carbon capture company offering environmentally friendly solutions for removing carbon emissions.

Lundegaard has more than 30 years' experience from the energy industry, including executive management positions in Aker Solutions. Her experience includes corporate and project management, international business development and several development projects.

Lundegaard began her career in Equinor and gained experience from both business development and offshore operation. She holds a Master of Chemical Engineering degree from the Norwegian University of Science and Technology.

Key external appointments:
None

Aker BP shares*:	None
Member of the board since:	2022
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1960

Ani Isabel Chiang

Employee-elected member

Experience, skills and education:
Chiang has been employed by Aker BP since 2014. She works in the Commercial & Sales team, with main responsibility for commercial and terminal operation at Alvheim and Skarv. Prior to this role, she served as a Hydrocarbon Management Engineer, focusing on Alvheim and Ivar Aasen. Chiang also brings experience from the supplier industry, within project management for both topside and subsea commissioning and decommissioning deliveries.

Chiang holds a degree in Gas and Energy Technology from the University of Southeast Norway, in addition to a Trade Certificate in Process and Chemical Processing.

Chiang has been the company's NITO main trustee since 2019, and has more than 13 years of experience within the oil industry.

Key external appointments:
None

Aker BP shares*:	1,398
Member of the board since:	2023
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1988

Board of Directors (4/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team
*** Though exposure to the Aker BP share price through shareholding in Aker ASA

Marit Dørum

Employee-elected member

Experience, skills and education:
Dørum works as a Senior Geologist. For more than ten years, the Johan Sverdrup field has been her primary focus. She has been following the field closely and has previously represented the company in the Johan Sverdrup license partnership. In addition, Dørum is involved with the Wisting field development in the Barents Sea.

Dørum holds a Master of Science in applied geophysics and has over 25 years of experience within the oil industry both for oil companies and software companies. Her technical experience ranges from seismic processing to reservoir modelling. She currently holds several leader roles and responsibilities as union representative within Aker BP.

Key external appointments:
None

Aker BP shares*:	706
Member of the board since:	2023
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1971

Ingard Haugeberg

Employee-elected member

Experience, skills and education:
Haugeberg serves as a full-time employee representative. Haugeberg is trained as an electromechanical repair technician at the Royal Norwegian Air Force Technical School at Kjevik and has a company-approved bachelor in mechanics.

Prior to his current position, he served as the HSSE Site Lead for the Ula field. Haugeberg has experience from the Royal Norwegian Air Force in Bodø, where he worked as a Technical Grenadier and later as Department Manager for Safelift A/S. He began his career in Amoco Norge as a mechanic on the Valhall field in 1991 and has held various positions in BP p.l.c. Norge since 1998.

Haugeberg has also held several directorships in BP p.l.c. Norge, Industrimaskiner A/S, Global Clean Energy, I/E Media and trippEl A/S.

Key external appointments:
None

Aker BP shares*:	1,257
Member of the board since:	2018
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1962

Thomas Husvæg

Employee-elected member

Experience, skills and education:
Husvæg has been employed by Aker BP since 2018 and is currently responsible for the EPCi delivery of Subsea Production Systems for the Utsira High field development in the Edvard Grieg / Ivar Aasen area. Husvæg has a Master of Science degree in Industrial Economics from NTNU and more than 15 years of industry experience.

Husvæg started his career in Deloitte as a management consultant before moving to GE Oil&Gas / BakerHughes GE and then Aker BP. In Aker BP he has previously held roles as Project Manager in Operations, Business Manager for the Fixed Facilities Alliance, and Finance Manager for Projects.

Key external appointments:
None

Aker BP shares*:	441
Member of the board since:	2023
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1985

Board of Directors (5/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team
*** Though exposure to the Aker BP share price through shareholding in Aker ASA

Tore Vik

Employee-elected member

Experience, skills and education:
Tore Vik has been part of Aker BP since 2013, serving as a full-time trustee. He holds a certification as an electrician from Bergen Maritime School. Prior to his current position, he worked as an electrician on the Ivar Aasen platform. With over 30 years of experience, Tore possesses expertise in both high-voltage and low-voltage systems. His professional background includes roles as an electrician and automation specialist on drilling rigs and vessels.

Key external appointments:
Vik is a member of the Nomination Committee at Kongsberg Automotive.

Aker BP shares*:	5,580
Member of the board since:	2021
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1970

Executive Management Team (1/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team

Karl Johnny Hersvik

Chief Executive Officer

Employment, experience, skills and education:
Karl Johnny Hersvik has been CEO of Aker BP since May 2014.

Prior to joining Aker BP, he served as head of research for Statoil. Hersvik has held a number of specialist and executive positions with Norsk Hydro and StatoilHydro.

Hersvik holds a Cand. Scient. (second cycle) degree in Industrial Mathematics from the University of Bergen.

Key external appointments:
Hersvik is chairman of the board of RunwayFBU, and member of the Board of Directors at Offshore Norway, the International school of Bergen (ISB), and Clara Venture Labs.

Aker BP shares*:	12,528
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1972

David Tønne

Chief Financial Officer

Employment, experience, skills and education:
Tønne has been the Chief Financial Officer of Aker BP ASA since January 2019 after advancing from the position of VP Corporate Controlling. Tønne has been with Aker BP since January 2017.

Prior to joining Aker BP, Tønne worked for the Boston Consulting Group where he co-led the Nordic Energy Practice Area supporting clients in O&G, Private Equity, Shipping and Industrial goods across a wide range of functional topics in Europe, North America and the Middle East.

Tønne holds a master's degree in finance from the Norwegian School of Economics (NHH).

Key external appointments:
None

Aker BP shares*:	24,034
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1985

Per Harald Kongelf

Chief Operating Officer

Employment, experience, skills and education:
Kongelf is responsible for Aker BP's improvement program.

Prior to joining Aker BP, he served as head of Norwegian operations in Aker Solutions. He has more than 30 years of industrial experience from numerous technical and management positions in Aker Solutions.

Kongelf holds a master's degree from the Norwegian University of Science and Technology (NTNU).

Key external appointments:
None

Aker BP shares*:	5,546
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1959

Executive Management Team (2/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team

Marit Blaasmo

SVP People & Safety

Employment, experience, skills and education:
Blaasmo has been the SVP for People and Safety since 1 October 2022. She has been SVP HSSEQ since 2019. Prior to this, she held the position as responsible for the Drilling & Wells performance and improvement agenda. Blaasmo has been with the company since August 2017.

She holds more than 18 years' experience from Equinor and Baker Hughes INTEQ and has held multiple operational and management positions within Drilling & Wells disciplines.

Blaasmo holds a master's degree in Petroleum Engineering from the Norwegian University of Science and Technology (NTNU).

Key external appointments:
None

Aker BP shares*:	7,406
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1975

Paula Doyle

Chief Digital Officer

Employment, experience, skills and education:
Doyle is Chief Digital Officer in Aker BP. She comes from the position as Senior Vice President of Sales and Marketing at Cognite, where she was also part of the Executive Management Team.

Doyle joined Aker BP in 2022. She has held a variety of roles within the oil and gas industry for companies such as ABB and Siemens, in Norway and the Middle East. During her time in the Middle East, Doyle established and ran a non-profit industrial technology organisation.

Doyle has a deep knowledge of industrial software space and digitalisation processes in heavy-asset industries, and holds a PhD in Computer Engineering from the University of Limerick.

Key external appointments:
None

Aker BP shares*:	309
Family relations BoD/EMT**:	No
Citizenship:	Irish
Residency:	Norway
Born:	1979

Knut Sandvik

SVP Projects

Employment, experience, skills and education:
Sandvik has been SVP Projects in Aker BP since July 2019. He has more than 30 years' experience from the oil & gas industry. Throughout his career, Sandvik has held various senior project and leadership positions across Aker Solutions, including four years as a member of the Executive Management Team.

Sandvik holds a degree in Mechanical Offshore Engineering from Heriot-Watt University in Scotland.

Key external appointments:
None

Aker BP shares*:	5,980
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1962

Executive Management Team (3/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team

Tommy Sigmundstad

SVP Drilling & Wells

Employment, experience, skills and education:
Sigmundstad has been SVP Drilling & Wells in Aker BP since 2016. Prior to this, he was Vice President Wells in BP Asia Pacific.

Sigmundstad has broad experience within the oil and gas industry from companies such as Baker Hughes and Philips, before joining BP in 2000. Within BP, Sigmundstad has held various operational, engineering and management positions in Norway, the United Kingdom, Azerbaijan and Indonesia.

Sigmundstad holds a master's degree in petroleum engineering from the University of Stavanger.

Key external appointments:
Sigmundstad is a member of the Board of Directors at Fishbones.

Aker BP shares*:	10,451
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1970

Per Øyvind Seljebotn

SVP Exploration & Reservoir Development

Employment, experience, skills and education:
Seljebotn has been the head of exploration and reservoir development since he started at the company in 2022.

Seljebotn has more than 20 years of experience from exploration activity and oil recovery on the Norwegian shelf and UK shelf. He previously spent 10 years at Lundin in various positions. He was responsible for reservoir development in Lundin starting in 2015, and in 2020 he also took on responsibility for exploration in Lundin. Seljebotn has also worked for Marathon Oil, Noreco and ExxonMobil.

Seljebotn has a master's degree in geophysics from NTNU.

Key external appointments:
None

Aker BP shares*:	619
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1973

Georg Vidnes

SVP Operations

Employment, experience, skills and education:
Vidnes has been SVP Operations since 1 September 2020. Vidnes started working for the company in 2019, where his first role was as project manager for establishing the company's operating model.

Vidnes has more than 25 years of experience from operating companies such as Statoil, Talisman and Repsol Sinopec, with an emphasis on drilling & wells, asset management, operations, and major change projects. He has held positions as OIM, VP of Production, area director, and has been at the helm of major organisational transition projects.

Vidnes has a master's degree in mechanical engineering from the Norwegian Institute of Technology (NTH), now the Norwegian University of Science and Technology (NTNU) in Trondheim.

Key external appointments:
None

Aker BP shares*:	2,857
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1968

Executive Management Team (4/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team

Ine Dolve

SVP Alvheim

Employment, experience, skills and education:
Dolve has been the SVP Operations and Asset Development since July 2020. She comes from the position of VP Operations & Asset development for Skarv in Aker BP. She has worked with the company since 2010 and been involved in various key projects to develop and improve both company and industry performance.

Before joining Aker BP, she worked in management consulting (PwC) within finance, management of change and digitalisation for O&G. She also has several years of experience from the Armed Forces, nationally and internationally.

Dolve holds a master's degree in Finance and International Management from NHH Norwegian School of Economics / ESADE, Barcelona. She is also educated at the Air Force Officer Candidate School and the Norwegian Naval Academy in Bergen.

Key external appointments:
None

Aker BP shares*:	7,425
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1975

Lars Høier

SVP Yggdrasil

Employment, experience, skills and education:
Høier has been SVP and Asset Manager for NOAKA since August 2020. He joined Aker BP in 2019 as VP for Concept Development and Technology.

Høier has more than 20 years of experience from Equinor, with positions as SVP for R&D, as well as production director for several assets, including the Troll field.

Høier holds a Master of Science degree in Physics from the University in Oslo and a PhD in Petroleum technology from the Norwegian University of Science and Technology (NTNU).

Key external appointments:
None

Aker BP shares*:	10,719
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1967

Kari Nielsen

SVP Grieg-Aasen

Employment, experience, skills and education:
Nielsen has been the Asset Manager for Grieg-Aasen since October 2022. She comes from the position of Operations Director in Lundin, a post she has held since 2011.

Nielsen has more than 30 years of experience from various roles within development and production from the oil and gas industry on the Norwegian shelf. She has worked for companies including Norsk Hydro and Norske Shell. Nielsen also spent three years as the chief executive for VEAS (Norway's largest water treatment plant).

Nielsen is an engineer in process chemistry and has a trade certificate in both process and automation.

Key external appointments:
None

Aker BP shares*:	413
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1959

Executive Management Team (5/5)

* Number of shares in Aker BP ASA as of 31 December 2023
** Family relations to other members of the Board or members of the Executive Management Team

Thomas D. Hoff-Hansen

SVP Ula

Employment, experience, skills and education:
Hoff-Hansen has been SVP for Ula since October 2022. He comes from the position of Director for Operations and Field Development for the Alvheim area. Thomas has worked for the company since early 2009 and has broad experience from various technical roles, as well as management roles both offshore and onshore.

Before Hoff-Hansen started at Aker BP, he worked with automation and instrumentation at ExxonMobil.

Hoff-Hansen holds a Master of Science degree in cybernetics from the University of Stavanger.

Key external appointments:
None

Aker BP shares*:	4,631
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1972

Thomas Øvretveit

SVP Skarv

Employment, experience, skills and education:
Øvretveit has been the SVP for Skarv since April 2022.

Øvretveit has more than 25 years of experience from various positions at Equinor, including as head of the process plant at Mongstad Refinery, production manager on Troll and Oseberg, improvements manager, OIM, superintendent and O&M Manager, as well as process engineer and process technician. He started out as an apprentice at Mongstad in 1996.

Øvretveit is a process engineer and skilled worker, and has completed military officer training.

Key external appointments:
None

Aker BP shares*:	743
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1978

Ole Johan Molvig

SVP Valhall

Employment, experience, skills and education:
Molvig has been the Valhall Asset Manager since 2020, and comes from the role of SVP Reservoir.

Molvig has worked for the company since 2009, and came to Aker BP via Det Norske, where he held the position of VP Subsurface.

Molvig has extensive and varied experience from the oil and gas industry. He has worked for companies such as ExxonMobil, Statoil and Marathon Oil.

Molvig has a master's degree in Mechanical Engineering from NTNU in Trondheim.

Key external appointments:
None

Aker BP shares*:	18,140
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1972

Remuneration Report

1. CONTEXT FOR THE REMUNERATION REPORT

This Remuneration Report outlines the principles governing the remuneration of the Board of Directors (the Board), the Chief Executive Officer (CEO), and members of the Executive Management Team (EMT) at Aker BP ASA, and describes how these principles have translated into actual remuneration.

The Remuneration Policy is designed to attract, retain, and motivate Board members, the CEO, and the EMT at a competitive level. The remuneration structure is designed to align the interests of the executives with those of the shareholders.

The Remuneration Report complies with the requirements stipulated in the Norwegian Public Limited Companies Act § 6-16a and 6-16b.

Organisational Development and Compensation Committee

The Board has established an Organisational Development and Compensation Committee (ODCC), comprising the following three Board members:

- Øyvind Eriksen (Chair)
- Anne Marie Cannon
- Terje Solheim (until 31 October 2023, replaced by Marit Dørum in 2024)

This committee is tasked with ensuring that remuneration arrangements support the business strategy and facilitate the recruitment, succession planning, leadership development, motivation, and retention of senior executives. It is mandated to adhere to the requirements of regulatory and governance bodies, meet shareholder expectations, and align with the expectations of the broader employee population. Additionally, the committee is responsible for ensuring that the overall organisational structure is configured to advance the company's strategy. In 2023, the committee held four meetings.

2. REMUNERATION OF THE BOARD

The remuneration of the Board members is not performance-based but is instead based on a fixed annual fee. None of the shareholder-elected Board members have pension schemes or termination payment agreements with the company. The company does not grant share options to members of the Board.

The General Meeting decides the remuneration for the Board and its sub-committees. The Nomination Committee proposes the Board's remuneration to the General Meeting and ensures that it reflects the responsibilities of its members and the time devoted to Board work. The Board must approve any consultancy work for the company by a Board member and the remuneration associated with such work.

Information about all remuneration paid to individual board members is provided in note 8 to the annual accounts, page 160.

3. REMUNERATION OF EXECUTIVE PERSONNEL

The total remuneration comprises a base salary, a pension contribution, an annual bonus based on company performance, and a long-term share-based incentive plan (LTIP). Members of EMT are covered under the same budget, guidelines, and limitations as other onshore personnel in the company and receive non-monetary benefits such as electronic equipment, yearly health checks, and other company-specific general benefit and welfare programs. Additionally, EMT may participate in customary employee benefit programmes, e.g. employee share programmes. In special cases, the company may offer other benefits to recruit personnel, including compensating for bonus rights earned in previous employment.

Fixed pay – Salary

Base salary levels are determined considering the nature of the individual role, individual considerations, market positioning, and remuneration conditions at Aker BP. The base salary is reviewed annually to ensure that it is set at the right level, and potential annual percentage increases are aligned with those of employees in general, except in specific circumstances. The CEO's base salary is determined by the Board. Adjustment of the base salaries for other senior executives is decided by the CEO within the wage settlement framework adopted by the Board.

Fixed pay – Pension

Pension is based on a defined contribution plan and is capped at twelve times the National Insurance scheme basic amount (12G) for all employees, including the executive management.

Variable pay – Bonus

The company's bonus system is designed to promote performance in line with the company's strategy. For 2023, the bonus for all employees, including the CEO and EMT, was determined by the company's performance on a predefined set of key performance indicators (KPIs), company priorities, and project execution targets agreed upon with the Board, with each component accounting for 30 percent of the overall bonus outcome. The combined score for these three components was scaled to arrive at the mathematical bonus score, which, in turn, could be adjusted at ODCC discretion (the remaining 10 percent) in collaboration with the CEO.

The maximum bonus potential for the CEO and EMT is 60 percent of base salary, while the maximum bonus for employees outside the EMT varies from 10 percent to 30 percent, depending on position level.

Table 12: **Key performance indicators for Aker BP 2023**

Key performance indicator	Actual
Safety (Serious incidents/1 mill hrs)	0.3
Production (mboepd)	457
Production Cost (USD/boe)[1)]	8.2
Net reserve additions (mmboe)	23.0
Relative Shareholder Return	-2.7%
Equity GHG Intensity (kg CO_2/boe - scope 1)	2.8
Value creation (change in Risked NPV)	-3.5%

1) Adjusted to reflect planning assumptions for fx and power prices

Company priorities consist of important improvement initiatives and activities with clear deliverables that are vital for the company's future success. Below is a list of the priorities for 2023:

Operations and decarbonisation

- Strengthen operational discipline through precision in planning and execution, delivering safe, predictable and efficient operations.
- Deliver 1,275,000 boe gross from production optimisation and efficiency improvements.
- Mature Johan Sverdrup IOR targets.
- Deliver roadmap and plan for Aker BP's future operating model.
- Develop detailed decarbonisation strategy with updated forecasts, targets, initiatives, and carbon offset plans.
- Deliver valuable energy efficiency improvements to reduce CO_2 emissions and energy consumption by 4 percent in 2023.

Projects and growth initiatives

- Enable projects and alliances to deliver on scope by securing right capabilities, governance and structure.
- Optimize Skarv topside modifications to enable acceleration of Skarv Satellite Project
- Ensure delivery of portfolio procurement program (including supplier relationships)
- Establish a growth hopper including plan for unlocking stranded resources and a functional IOR/ILX strategy.

Business transformation

- Establish and implement proper governance and execution model to deliver on business transformation initiatives.
- Deliver Digital Twins ecosystem for Yggdrasil, with a "replicate & scale" plan for future brownfield implementation.
- Deliver more efficient well planning and data flow across functions.
- Promote a culture of inclusion and diversity to maximise the potential of our diverse workforce while targeting a better gender balance.

The project execution KPI comprises three equally weighted metrics that track progress on Yggdrasil, PWP-Fenris, Utsira High, Skarv Satellite Project, and Tyrving. Each metric starts at 75 percent and is adjusted based on changes in forecasts or deviations from the plan. In 2023, the KPI ended at 53 percent, based on the following individual scores:

- Key milestone metric: 73 percent performance, with 31 of 36 milestones achieved on or ahead of the target
- Cost (capex) metric: 38 percent performance, reflecting an average increase of ~5 percent in the capex budget, measured in NOK
- Value (NPV) metric: 46 percent performance, reflecting a ~7 percent reduction in calculated NPV, mainly driven by timing adjustments in cost and production profiles and updated tariff assumptions

In 2023, the bonus for the first half was paid in September, while the bonus for the second half was paid in February 2024. The bonus for all employees (including EMT) was set at 70 percent of the maximum potential, based on 66 percent performance on KPI targes, 82 percent performance on company priorities, 53 percent performance on project execution, and discretionary adjustments.

Variable pay - Long-term incentive plan (LTIP)
The long-term incentive plan is strategically designed to incentivise executive directors toward achieving the company's long-term business objectives and maximizing alignment with shareholder value creation. This plan functions as an equity-settled share-based payment scheme with a three-year vesting period,

Grants are made under the program on an annual basis for all members of the EMT, normally on 1 July each year. In 2023, a total of 49,993 shares were awarded with vesting in July 2026 (representing the base number of awards before any performance adjustments, as described below). The number of awards made corresponds to 20 percent of the employee's base salary, divided by the Aker BP share price on the award date, including an adjustment to reflect subsequent dividends.

The award includes a three-year performance condition, at the end of which there will be an assessment of the company's total shareholder return measured against the Oslo Energy Index, Stoxx 600 Europe Oil & Gas index, and the S&P Commodity Producers Oil & Gas Exploration & Production Index (each weighted at 33.3 percent), to reflect the company's business strategy and key ambitions. Based on performance, the number of shares awarded will be adjusted as detailed in Table 14.

The shares convert to ordinary shares upon vesting, followed by a subsequent one-year lock-in period for the employee. The LTIP agreements also include a clawback clause to address instances of serious misconduct by an individual.

As of 31 December 2023, none of the grants had been forfeited.

Other terms and benefits
The CEO and members of the EMT adhere to a six-month mutual notice period, while all other employees have a three-month notice period. In cases where the company requests the resignation of the CEO or the CFO, they are entitled to a severance payment equivalent to six months' salary, which commences after the completion of the six-month notice period.

Table 13: **Adjustment of shares**

Outperformance of the market indexes	Pay-out
30% or above	200%
15%	150%
0%	100%
-15%	50%
Less than -15%	0%

4. TOTAL REMUNERATION OF DIRECTORS

This section provides information regarding the remuneration of executives at Aker BP. As outlined in section 2, the Board of Directors exclusively receives a fixed annual fee, and for a comprehensive overview of the Board's remuneration, reference is made to note 8 to the annual accounts, page 160.

See Table 14: Remuneration of senior executives in 2023 and 2022, page 212 for details.

Comparative overview of remuneration changes and company performance
Table 15: Comparative table over the remuneration and company performance over the last five reported financial years, page 215 provides a comparative overview of the annualised remuneration changes for each individual executive director over the five most recent financial years, along with selected company performance measures and the average remuneration for all employees.

5. GOVERNANCE

Review of Remuneration Report
The Board has the overarching responsibility for reviewing the Remuneration Report. The ODCC is responsible for reviewing and proposing changes to the Remuneration Report.

The ODCC conducts a thorough review of the Remuneration Policy and suggests any amendments for the Board's consideration and subsequent proposal to the Annual General Meeting. The Remuneration Report, reflecting these considerations, will be presented for an advisory vote at the Annual General Meeting. The General Meeting endorsed the Remuneration Report for 2022 in the Annual General Meeting held in April 2023

Authorisation for the Board
In accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board holds the authority to approve temporary deviations from the Policy on any element of remuneration outlined in this Policy. Such deviations undergo evaluation by the ODCC and are presented to the Board for approval. Deviations may only be permitted in specific cases where special circumstances, outside the realm of normal business, necessitate an increase in reward to secure the Company's long-term interests, financial viability, and/or sustainability by acknowledging exceptional contributions.

In 2023, the company's remuneration practices aligned with the policies and guidelines outlined above.

Table 14: **Remuneration of senior executives in 2023 and 2022**

USD (1000)[A]		FIXED REMUNERATION			VARIABLE REMUNERATION									
		Salary	Payments in kind	Other	Bonus[B]	Share based payment[C]	Extra-ordinary items[D]	Pension expense	Total Remuneration	Proportion of fixed and variable remuneration	Proportion of fixed remuneration	Proportion of variable remuneration	Number of grants awarded[C]	Total number of shares[E]
Chief Executive Officer														
Karl Johnny Hersvik	2023	899	32	-	358	93	-	22	1,404	68% / 32%	68%	32%	8,193	12,528
	2022	967	49	15	481	38	2,805	23	4,378	24% / 76%	24%	76%	4,925	10,355
Chief Operating Officer														
Per Harald Kongelf[1]	2023	400	2	-	163	41	-	22	627	68% /32%	68%	32%	3,712	5,546
	2022	417	2	-	167	17	686	23	1,312	34% / 66%	34%	66%	2,125	5,546
Chief Financial Officer														
David Torvik Tønne	2023	404	6	7	167	39	-	21	644	68% / 32%	68%	32%	3,776	24,034
	2022	390	3	6	163	15	620	22	1,219	35% / 65%	35%	65%	1,921	18,935
Chief Digital Officer														
Paula Doyle[2]	2023	312	2	7	146	38	-	22	528	65% / 35%	65%	35%	3,347	309
	2022	182	1	-	87	16	208	11	506	39% / 61%	39%	61%	2,028	-
SVP Projects														
Knut Arne Kristian Sandvik	2023	337	5	-	135	35	-	23	534	68% / 32%	68%	32%	3,081	5,980
	2022	370	3	-	175	14	601	23	1,187	33% / 67%	33%	67%	1,863	5,111

A) All remuneration to senior executives is paid in NOK and converted to USD using a yearly average USD/NOK rate of 10.5647 and 9.6245, respectively for 2023 and 2022. For executives who have been in the EMT only for parts of the year in 2022, the figures include payroll for the full year.

B) Numbers represent actual ordinary bonus earned in 2023 and 2022.

C) The numbers of grants and related amounts awarded to each EMT member/individual as part of the LTIP described above.

D) Extraordinary items for 2022 reflect in all material respect the payment of the previous LTIP arrangement described in the 2022 Remuneration Report, and settled in connection with the acquisition of Lundin Energy.

E) These shares have been purchased by the individuals and are not part of the remuneration. The numbers include shares held in companies where the senior executives have controlling interest.

1) SVP Digitalisation & Business Transformation until 30.09.2022. Chief Operating Officer since 01.10.2022.

2) Chief Digital Officer since 01.07.2022. Extraordinary items in 2022 include a signing-on fee.

USD (1000)[A]		Salary (Fixed remuneration)	Payments in kind (Fixed remuneration)	Other (Fixed remuneration)	Bonus[B] (Variable remuneration)	Share based payment[C] (Variable remuneration)	Extra-ordinary items[D] (Variable remuneration)	Pension expense	Total Remuneration	Proportion of fixed and variable remuneration	Proportion of fixed remuneration	Proportion of variable remuneration	Number of grants awarded[C]	Total number of shares[E]
SVP D&W														
Tommy Sigmundstad	2023	341	4	0	139	36	-	22	542	68% / 32%	68%	32%	3,179	10,451
	2022	367	3	-	146	15	621	23	1,173	33% / 67%	33%	67%	1,922	10,451
SVP Exploration & Reservoir Development														
Evy Glørstad-Clark[3]	2022	188	1	7	-	-	-	6	201	100% / 0%	100%	0%	-	-
SVP Exploration & Reservoir Development														
Morten Heir[4]	2022	261	2	4	98	-	-	23	387	75% / 25%	75%	25%	-	1,856
SVP Exploration & Reservoir Development														
Per Øyvind Seljebotn[5]	2023	309	3	-	130	28	-	22	491	68% / 32%	68%	32%	2,914	619
	2022	121	1	-	99	10	-	8	239	54% / 46%	54%	46%	1,347	619
SVP People & Organisation														
Brit Tone Bergman[6]	2022	257	3	-	106	-	-	22	389	73% / 27%	73%	27%	-	-
SVP People & Safety														
Marit Blaasmo[7]	2023	286	2	-	118	29	-	23	458	68% / 32%	68%	32%	2,682	7,406
	2022	287	2	-	124	11	477	23	925	34% / 66%	34%	66%	1,468	6,754
SVP Strategy & Business Development														
Jan Rosnes[8]	2022	254	3	2	118	-	-	23	400	70% / 30%	70%	30%	-	683
SVP Operations														
Georg Olav Vidnes[9]	2023	289	5	2	119	28	-	22	466	68% / 32%	68%	32%	2,763	2,857
	2022	269	2	6	77	11	-	23	388	77% / 23%	77%	23%	1,398	1,553

3) SVP Exploration & Reservoir Development until 31.03.2022.
4) SVP Exploration & Reservoir Development from 01.04.2022 until 30.09.2022.
5) SVP Exploration & Reservoir Development since 01.10.2022.
6) SVP People & Organisation until 30.09.2022.
7) SVP Health, Safety, Security, Environment & Quality until 30.09.2022. SVP People & Safety since 01.10.2022.
8) SVP Strategy & Business Development until 30.09.2022.
9) SVP Operations since 01.10.2022.

USD (1000)[A]		FIXED REMUNERATION			VARIABLE REMUNERATION									
		Salary	Payments in kind	Other	Bonus[B]	Share based payment[C]	Extra-ordinary items[D]	Pension expense	Total Remuneration	Proportion of fixed and variable remuneration	Proportion of fixed remuneration	Proportion of variable remuneration	Number of grants awarded[C]	Total number of shares[E]
SVP Alvheim														
Ine Dolve[10]	2023	318	6	7	118	34	-	23	505	70% / 30%	70%	30%	2,903	7,425
	2022	360	3	5	156	14	594	24	1,156	34% / 66%	34%	66%	1,840	6,773
SVP Yggdrasil														
Lars Høier[11]	2023	330	31	-	135	35	-	22	554	69% /31%	69%	31%	3,086	10,719
	2022	349	17	-	150	14	601	23	1,154	34% / 66%	34%	66%	1,850	7,770
SVP Valhall														
Ole Johan Molvig[12]	2023	327	2	1	136	35	-	22	523	67% / 33%	67%	33%	3,113	18,140
	2022	357	2	1	92	15	609	23	1,098	35% / 65%	35%	65%	1,886	15,169
SVP Ula														
Thomas Hoff-Hansen[13]	2023	254	2	3	105	26	-	22	412	68% / 32%	68%	32%	2,388	4,631
	2022	264	2	12	69	11	-	23	381	79% / 21%	79%	21%	1,386	3,110
SVP Edvard Grieg & Ivar Aasen														
Kari Nielsen[14]	2023	264	2	-	109	27	-	22	424	68% / 32%	68%	32%	2,482	413
	2022	78	0	-	88	11	-	6	184	46% / 54%	46%	54%	1,439	413
SVP Skarv														
Thomas Øvretveit[15]	2023	241	43	7	105	25	-	21	442	71% / 29%	71%	29%	2,374	743
	2022	170	18	2	55	10	42	17	313	66% / 34%	66%	34%	1,276	309

10) SVP Operations & Asset Development until 30.09.2022. SVP Alvheim since 01.10.2022.
11) SVP Operations & Asset Development - Yggdrasil until 30.09.2022. SVP Yggdrasil since 01.10.2022.
12) SVP Valhall since 01.10.2022.
13) SVP Ula since 01.10.2022.
14) SVP Edvard Grieg & Ivar Aasen since 01.10.2022.
15) SVP Skarv since 01.10.2022. Extraordinary items in 2022 include a signing-on fee.

Table 15: **Comparative table over the remuneration and company performance over the last five reported financial years**

Annual change (USD 1000)[A]		2019 VS 2018		2020 VS 2019		2021 VS 2020		2022 VS 2021		2023 VS 2022	
		Δ	Δ %	Δ	Δ %	Δ	Δ %	Δ	Δ %	Δ	Δ %
Director`s remuneration											
Chief Executive Officer	Karl Johnny Hersvik[1)]	-623	-31%	360	26%	12	1%	2,635	151%	-2,975	-68%
Special Advisor	Øyvind Bratsberg[2)]	-52	-8%	-19	-3%	817	139%	-	-	-	-
Chief Operating Officer	Per Harald Kongelf[3)]	-17	-3%	-13	-2%	43	7%	690	111%	-685	-52%
Chief Operating Officer	Kjetel Rokseth Digre[4)]	-	-	-714	-49%	-	-	-	-	-	-
Chief Financial Officer	Alexander Krane	-75	-12%	-	-	-	-	-	-	-	-
Chief Financial Officer	David Torvik Tønne[5)]	-	-	-18	-3%	62	12%	649	114%	-576	-47%
Chief Digital Officer	Paula Doyle[6)]	-	-	-	-	-	-	-	-	-256	-33%
SVP HSSE	Jorunn Kvåle	-41	-9%	-	-	-	-	-	-	-	-
SVP People & Safety	Marit Blaasmo[7)]	-	-	16	4%	46	12%	500	118%	-467	-50%
SVP Strategy & Business Development	Lene Landøy[8)]	-	-	-13	-3%	470	98%	-	-	-	-
SVP Strategy & Business Development	Jan Rosnes	-	-	-	-	-	-	90	29%	-	-
SVP Exploration	Evy Glørstad-Clark[9)]	-36	-7%	21	4%	67	13%	-51	-9%	-	-
SVP Exploration & Reservoir Development	Per Øyvind Seljebotn	-	-	-	-	-	-	-	-	-17.6	-3%
SVP D&W	Arne Tommy Sigmundstad[10)]	-32	-6%	7	1%	39	7%	596	103%	-632	-54%

A) All remuneration to Aker BP employees is paid in NOK and converted to USD using a yearly average USD/NOK - rate of 8.1338, 8.8037, 9.4004, 8.5991, 9.6245 and 10,5647, respectively for 2018, 2019, 2020, 2021, 2022 and 2023.

1) 2018 include accrual for LTIP scheme paid in 2019, with related vacation payroll included in 2020. 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
2) 2021 includes payment arising from a mutual agreeement relating to Bratsberg leaving the company.
3) SVP Digitalisation & Business Transformation until 30.09.2022 - Chief Operating Officer since 01.10.2022. 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
4) The main reason for the decrease from 2019 to 2020 is sign on fee received in 2019.
5) 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
6) 2022 includes signing-on fee.
7) 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
8) 2021 includes accrued LTIP payment earned from 2019 to 2021 relating to Landøy leaving the company.
9) Left the company 31 March 2022 and thus not entitled to certain bonus payments.
10) 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.

Annual change (USD 1000)[A]		2019 VS 2018		2020 VS 2019		2021 VS 2020		2022 VS 2021		2023 VS 2022	
		Δ	Δ %	Δ	Δ %	Δ	Δ %	Δ	Δ %	Δ	Δ %
SVP Projects	Olav Henriksen	-130	-15%	-	-	-	-	-	-	-	-
SVP Projects	Knut Arne Sandvik[11)]	-	-	-29	-5%	68	12%	552	87%	-653	-55%
SVP Operations	Svein Jakob Liknes	-75	-14%	-	-	-	-	-	-	-	-
SVP Operations	Georg Olav Vidnes	-	-	-	-	-	-	-	-	0.1	0%
SVP Alvheim	Ine Dolve[12)]	-	-	-	-	101	23%	621	116%	-651	-56%
SVP Valhall	Ole Johan Molvig[13)]	-26	-5%	-13	-2%	-	-	-	-	-575	-52%
SVP Yggdrasil	Lars Høier[14)]	-	-	-	-	84	19%	628	119%	-601	-52%
SVP Ula	Thomas Hoff-Hansen	-	-	-	-	-	-	-	-	31.7	8%
SVP Skarv	Thomas Øvretveit	-	-	-	-	-	-	-	-	-15.7	-3%
SVP Edvard Grieg & Ivar Aasen	Kari Nielsen	-	-	-	-	-	-	-	-	-8.9	-2%
Company Performance											
Total revenues (USD million)		-403	-11%	-368	-11%	2,689	90%	7,341	130%	660	5%
Net profit/loss (USD million)		-335	-70%	-96	-68%	783	1,752%	775	94%	-267	-17%
Average production per day (mboepd)		0.2	0%	54.8	35%	-1.3	-1%	99.8	48%	147.6	48%
Average remuneration of a full-time equivalent basis of employees (USD 1000)[B]											
Aker BP		-15	-7%	-20	-10%	36	21%	-53	-26%	35	24%

B) Average remuneration is based on taxable income for the employees for any given year. Based on this approach, the average remuneration for 2020 is low, as it only includes bonus for 0.5 year (half of 2019) while 2019 includes full year bonus for 2018 and 2021 includes full year bonus of 2020 as well as half year for 2021. Average remuneration for 2022 was impacted by the acquisition of Lundin Energy in the middle of the year, while 2023 include the payment of a stay-on bonus for all employees outside EMT amounting to 10-30 percent of base salary.

11) 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
12) SVP Operations & Asset Development until 30.09.2022. SVP Alvheim since 01.10.2022. 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
13) Molvig was SVP Reservoir Development untill 31.08.2020. 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.
14) 2022 includes payment of LTIP arrangement settled in connection with the acquisition of Lundin Energy.

SIGNATURES – BOARD OF DIRECTORS

The Board of Directors and the CEO of Aker BP ASA
Fornebu, 13 March 2024

ØYVIND ERIKSEN
Chairman of the board

ANNE MARIE CANNON
Deputy chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

KATE THOMSON
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

MURRAY AUCHINCLOSS
Board member

ANI ISABEL CHIANG
Board member

INGARD HAUGEBERG
Board member

MARIT DØRUM
Board member

TORE VIK
Board member

THOMAS HUSVÆG
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

Independant auditor's statement

To the General Meeting of Aker BP ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Aker BP ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

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 with 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.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 13 March 2024
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Board of directors' report on corporate governance

- Implementation and reporting on corporate governance →
- Business →
- Equity and dividends →
- Equal treatment of shareholders and transactions with close associates →
- Shares and negotiability →
- General meetings →
- Nomination committee →
- Board of Directors: Composition and independence →
- The work of the board of directors →
- Risk management and internal control →
- Remuneration of the board of directors →
- Remuneration of executive personnel →
- Information and communications →
- Take-overs →
- Auditor →

Aker BP ASA (Aker BP) aims to ensure the greatest possible value creation to shareholders and society over time in a safe and prudent manner. An effective governance framework with a clear division of responsibility and roles between the owners, represented by the shareholders in the General Meeting, the Board of Directors and the Executive Management Team is crucial to achieve this.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board of Aker BP is responsible for actively adhering to sound corporate governance standards.

Aker BP is a Norwegian public limited liability company (ASA), listed on Oslo Børs and established under Norwegian laws. In accordance with the Norwegian Accounting Act, section 3-3b, Aker BP includes a description of principles for corporate governance as part of the Board of Directors' Report in the annual report or alternatively makes a reference to where this information can be found.

The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian Code of Practice for Corporate Governance (the Code of Practice). The Code of Practice can be found on www.nues.no. Adherence to the Code of Practice is based on the "comply or explain" principle, which means that a company must comply with all the recommendations of the Code of Practice or explain why it has chosen an alternative approach to specific recommendations.

Oslo Børs requires listed companies to publish an annual statement of their policy on corporate governance in accordance with the Code of Practice in force at the time. Issuer Rules for companies listed on Oslo Børs is available at www.euronext.com/en/markets/oslo.

Aker BP complies with the current edition of the Code of Practice, issued on 14 October 2021, unless otherwise specifically stated. The following statement on corporate governance is structured in the same way as the Code of Practice, thus following the 15 chapters included in the Code of Practice.

More detailed reporting on corporate governance issues can be found on our website www.akerbp.com and in this Integrated Annual Report.

Deviations to the code: None

2. BUSINESS

According to Aker BP's Articles of Association article 3, its objective is "to carry out exploration for, and recovery of, petroleum and activities related thereto, and, by subscribing for shares or by other means, to participate in corresponding businesses or other business, alone or in cooperation with other enterprises and interests". The complete Articles of Association is available on the company's website.

Through an annual strategy process, the Board defines and evaluates the company's purpose and objectives, values and main strategies, and risk profiles for the company's business activities such that the company maximises long term value creation for its shareholders. Environmental, social and governance issues are an important part of the Board's annual strategy process. Together with the company's financial status, the objectives of the company are communicated to the market.

Aker BP's vision is to be the E&P company of the future, with safe and efficient operations, low cost, low emissions and a leading role in the transformation of the industry. To achieve this, the company will carry out exploration, development and production activities and be opportunistic in its approach to buying and selling interests in companies, fields, and discoveries.

The company maintains a Code of Conduct to ensure that employees, hired personnel, consultants, and others acting on behalf of Aker BP, operate in a consistent manner with respect to ethics and good business practice. The Code of Conduct clarifies the company's fundamental ethical values and is a guideline for those making decisions on behalf of the company. Aker BP requires that all its employees and consultants complete a mandatory annual Code of Conduct refresher course. In addition, Aker BP also maintains a Human rights policy to clarify its human rights commitments and describe how the company manages human rights impacts in the supply chain and across its operations. The Code of Conduct and the Human Rights Policy are available on the company's website.

The company demonstrates responsibility through actions, the quality of its work, the projects, products and all its activities. The company's ambition is that business activities shall integrate social, ethical, and environmental goals and measures. As a minimum, Aker BP will comply with laws, regulations, and conventions in the areas where the company operates, but the established set of ethical guidelines extends beyond such compliance. Established procurement procedures secure non-discrimination and transparency in the procurement processes, which also include environmental decision criteria. Aker BP has established an anti-corruption compliance program, and it is also stated in the Code of Conduct that no form of corruption is tolerated. Aker BP's Anti-Corruption Policy sets out in more detail the company's expectations regarding the actions of Aker BP representatives and business partners and is available on the company's website.

In addition, the company has a sponsorship policy and program to promote the company and its activities. Guidelines for the use of sponsorships are included in the sponsorship policy and in the Code of Conduct. Aker BP supports measures that improve the company's brand and profile, and measures that can be for the benefit of the employees. Information about ongoing sponsorships is available on the company's website.

The company routinely conducts impact assessments as an integrated part of the sanctioning process of projects, for the purpose of evaluating the effects that a development or a facility and its operation could have on the environment, including cultural monuments and cultural environment, natural resources, and society.

The company integrates considerations related to its stakeholders into its value creation and shall achieve its objectives in accordance with the Code of Conduct. In Aker BP's annual Sustainability Report, the company describes its business activities in terms of sustainability performance and development, its approach to environmental, social and governance (ESG) issues and presents a balanced picture of the opportunities and challenges it encounters in this area and how it works to address them. The report is available in a dedicated section in the annual integrated report.

Deviations to the code: None

3. EQUITY AND DIVIDENDS

The Board seeks to optimise the company's capital structure by balancing risk and return on equity against lenders' security and liquidity requirements. The company aims to have a good reputation in all debt and equity markets. The Board continuously evaluates the company's capital structure to ensure a capital and debt structure that is appropriate to the company's objectives, strategy, and risk profile. This involves monitoring available funding sources and related cost of capital. It is the company's goal that over time, Aker BP's shareholders shall receive a competitive return on their investment through a combination of increased share price and cash dividends.

The company's dividend policy is an integrated part of its overall capital allocation framework, together with and dependent on its financing and investment policies. The ambition is to provide a reliable dividend which grows in line with Aker BP's long-term value creation. Aker BP pays dividends in cash on a quarterly basis.

The Annual General Meeting (AGM) in April 2023 authorised the Board to approve the distribution of dividends based on the approved annual accounts for 2022, to facilitate quarterly dividend payments.

In 2023, the company paid USD 2.2 per share in dividends. For 2024, the Board has resolved to increase the dividend level to USD 2.4 per share.

The company's financial liquidity is strong with cash and cash equivalents of USD 3,388 million and undrawn amounts on committed credit facilities of USD 3.4 billion as of 31 December 2023.

Aker BP is currently rated by three rating agencies, S&P, Fitch, and Moody's, all of which have assigned Investment Grade (IG) credit ratings to the company. S&P Global Ratings and Fitch have both assigned a BBB long-term corporate credit rating with stable outlook, and Moody's has assigned a Baa2 rating with stable outlook.

In the company's capital allocation framework, maintaining financial flexibility and protecting the IG credit profile has the highest priority. This means that, if necessary, the company will adjust its plans for investments and dividends to protect its balance sheet. This was last demonstrated in 2020 at the onset of the Covid-19 pandemic.

At the end of 2023, the company's book equity was USD 12.4 billion, which represents 32 percent of the balance sheet total of USD 39.0 billion. The market value of the company's equity was USD 18.5 billion (NOK 186.8 billion) on 31 December 2022. The company's share capital is NOK 632,022,210, divided into 632,022,210 shares, each with a nominal value of NOK 1.00.

In April 2023, the AGM authorised the Board to increase the share capital by a maximum of NOK 31,601,110, representing up to five percent of the total share capital at the time of such meeting. The authorisation can be utilised for share capital increases to strengthen the company's equity, convert debt into equity and fund business opportunities. At the time of this report, this mandate has not been used.

The AGM in April 2023 also provided the Board with a mandate to acquire treasury shares representing up to five percent of the total share capital at the time of such meeting. The mandate is valid until the AGM in 2024. As per 31 December 2023, the mandate had only been used in part and in connection with the share savings plan for employees. The company's employees subscribed for a total of 862,255 shares (approximately 0.1 percent of total shares outstanding). After delivery of these shares, Aker BP held 728,456 treasury shares at the end of 2023.

Deviations to the code: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company has one class of shares and all shares carry the same rights.

When the company considers it to be in the best interest of shareholders to issue new equity there is a clear objective to limit the level of dilution. Aker BP will carefully consider alternative financing options, its overall capital structure, the purpose and need for new equity, the timing of such an offering, the offer share price, the financial market conditions, and the need for compensating existing shareholders if pre-emption rights are waived. Arguments for waiving pre-emption rights will be clearly stated.

If the Board decides to use its current authorisation to re-purchase company shares, the transactions will be carried out through the stock exchange or at prevailing stock exchange prices if carried out in any other way.

As per 31 December 2023, Aker ASA (Aker) owned 21.16 percent and bp p.l.c. (bp) owned 15.87 percent of Aker BP. Both Aker and bp account for Aker BP in accordance with the equity method.

Aker BP is committed to equal treatment of all shareholders. The Board is of the view that it is positive for Aker BP that Aker and bp assume the role of active owners and are actively involved in matters of major importance to Aker BP and to all shareholders. The cooperation with Aker and bp offers Aker BP access to expertise and resources within upstream business activities, HSSEQ, technology, strategy, transactions, and funding. It may be necessary to offer Aker and bp special access to commercial information in connection with such cooperation. Any information disclosed to Aker's and bp's representatives in such a context will be disclosed in compliance with the laws and regulations governing the stock exchange and the securities market.

Applicable accounting standards and regulations require Aker and bp to prepare their consolidated financial statements to include accounting information of Aker BP. Aker BP is considered an associate of Aker and bp under the applicable accounting standard. To comply with these accounting standards, Aker and BP have in the past received, and will going forward receive, unpublished accounting information from Aker BP. Such distribution of unpublished accounting information from Aker BP to Aker and bp is executed under strict confidentiality and in accordance with applicable regulations for handling of inside information.

Through active investor communication, the company seeks to ensure that any shareholders can contribute, and management will actively meet with and seek the views of shareholders.

Aker BP has no related parties, as defined in the Public Limited Liability Company Act (Allmennaksjeloven). However, according to IFRS, entities controlled by owners with significant influence over Aker BP are deemed related parties from an accounting perspective. The company has established a policy for transactions with such parties, which mandates that any material business acquisitions or agreements with related parties not part of Aker BP's ordinary course of business undergo independent valuation. The Board of Directors and executive management are highly conscious that all relations with Aker and bp, their subsidiaries, and other companies in which Aker or bp have ownership interests or entities they have significant control over, should be premised on commercial terms and entered into on an arm's length basis. Transactions with Aker and bp-controlled companies are detailed in the financial statements' disclosure regarding transactions with related parties.

Deviations to the code: None

5. SHARES AND NEGOTIABILITY

Aker BP's shares are freely negotiable securities and the company's Articles of Association do not impose any form of restriction on their negotiability.

The company's shares are listed on Oslo Børs and the company works actively to attract the interest of new Norwegian and foreign shareholders. Strong liquidity in the company's shares is essential for the company to be viewed as an attractive investment and thus achieve a competitive cost of capital.

Deviations to the code: None

6. GENERAL MEETINGS

The General Meeting of shareholders is the company's highest authority and elects the Board of Directors as the highest governing body. The Board strives to ensure that the General Meeting is an effective forum for communication between the shareholders and the Board and encourages shareholders to participate in the meetings.

The Board can convene an extraordinary General Meeting at any time. A shareholder or a group holding at least five percent of the company's shares can request an extraordinary General Meeting. The Board is then obliged to hold the meeting within one month of receiving the request.

Preparation for General Meetings

The AGM is normally held before the end of April each year, and no later than the end of June, which is the latest date permitted by the Public Limited Liability Companies Act. The date of the next AGM is normally included in the company's financial calendar, which is available on the company's website.

The notice of a General Meeting is sent to shareholders and published on the company's website and the stock exchange, no later than 21 days prior to the meeting.

Article 7 of the company's Articles of Association, about the General Meeting, stipulates that documents concerning matters to be considered by the General Meeting will be made available to the shareholders on the company's website. This also applies to documents that are required by law to be included in or enclosed with the notice of the General Meeting.

The supporting documentation provides the necessary information for shareholders to form a view on the matters to be considered.

Participation in a General Meeting

All shareholders are entitled to participate in the general meeting.

Shareholders who are unable to attend a General Meeting are encouraged to vote by proxy or in writing, and instructions for how to do this are included with the notice. Voting and appointment of proxy can also be done electronically through the VPS web portal. Separate voting instructions can be given for each matter to be considered by the meeting. The deadline for registration is set as close as possible to the date of the meeting.

Conduct of a General Meeting and agenda for AGM

The Board proposes the agenda for the AGM. The main agenda items are determined by the requirements of the Public Limited Liability Companies Act.

Before the AGM, the Board will nominate a person who can vote on behalf of shareholders as their authorised representative. Shareholders may cast their votes in writing, including by means of electronic communication, in a period prior to the General Meeting. Appropriate arrangements are made for shareholders to be able to vote on each individual matter.

The chair of Aker BP's General Meetings is elected by the General Meeting itself.

The Code of Practice states that it is appropriate that all members of the Board should attend General Meetings. Representatives from the Board, the nomination committee, the auditor, and the executive management will attend the AGM.

Minutes of General Meetings are published on the company's website and through a stock exchange announcement.

Deviations from the code: The Code of Practice recommends that all members of the Board are present at the General Meeting and that the chairman of the Nomination Committee should attend the AGM. Due to the nature of discussions at General Meetings, Aker BP has not deemed it necessary to require all Board members and the chairman of the Nomination Committee to be present.

7. NOMINATION COMMITTEE

Article 8 in the company's Articles of Association stipulates the composition of and states the main duties of the Nomination Committee.

The company's Nomination Committee shall consist of up to four members elected by the General Meeting. The Nomination Committee should be composed in such a way that it represents a wide range of shareholders' interests, and if possible, both genders should be represented. More than half of the members shall be independent of the Board and the executive management, and the members shall be elected for a period of two years at a time.

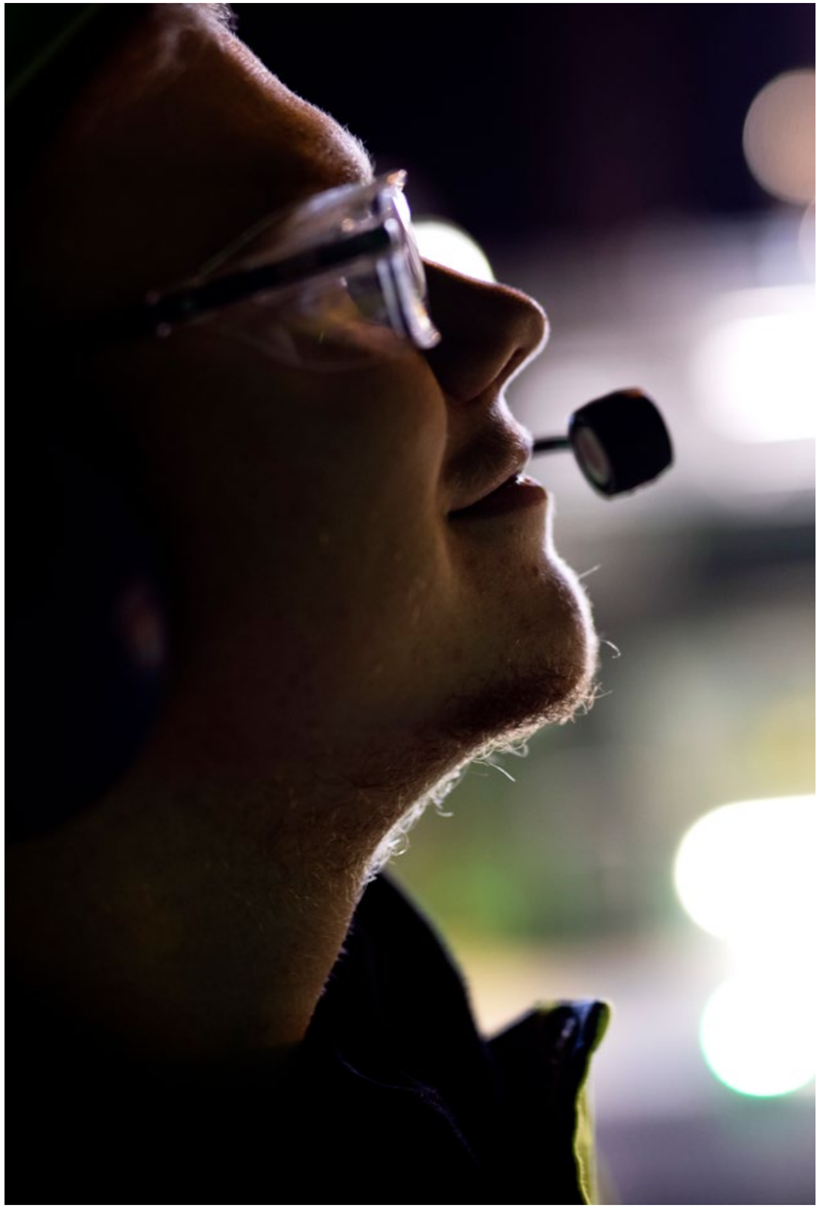
The Nomination Committee shall propose candidates for - and remuneration to - the Board of Directors and the Nomination Committee and justify its recommendation for each candidate separately. The Nomination Committee's recommendations shall be well-grounded. When reporting its recommendations to the General Meeting, the Nomination Committee provides an account of how it has carried out its work.

The Nomination Committee ensures that the shareholder's views are taken into consideration when candidates are proposed. The committee also ensures that the proposed composition of the Board covers all relevant fields of competence, and that the requirement of at least 40 percent of each gender on the Board is met.

Shareholders have an opportunity to submit proposals to the committee. The electronic mailbox for submitting proposals to the committee, with deadlines for submitting proposals where such apply, is accessible through the company's website at https://www.akerbp.com/proposecandidate/.

The Nomination Committee currently consists of Svein Oskar Stoknes (Chair, re-elected 2022), Ingebret Hisdal (re-elected 2022), Donna Riley (re-elected 2022) and Ian Lundin (elected in 2023). No members of the committee are members of the executive management or the Board of Aker BP.

Deviations from the code: None



8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Board of Aker BP consisted of 13 members as of 31 December 2023. The company's Articles of Associations were changed in connection with the Lundin transaction to allow for additional board members and employee representatives. Article 5 stipulates that the Board shall consist of up to 14 members. As required for all Norwegian public limited liability companies, each gender shall be represented by at least 40 percent of the Board members (not applicable to employee representatives).

Five members are elected by the employees. The general meeting elects the other Board members and Chairman of the Board. The term of office for members of the Board is two years at a time.

Among the shareholder-elected Board members, two (Kjell Inge Røkke and Øyvind Eriksen) are affiliated with the company's largest shareholder Aker, and two (Murray Auchincloss and Kate Thomson) are affiliated with the company's second largest shareholder bp. All other Board members are considered independent, defined as individuals who don't have a material or pecuniary relationship with the company either directly or through one of the company's partners, main shareholders, or management members. All Board members are considered independent of the company's executive personnel.

In 2023, the Board conducted a total of 10 Board meetings. Participation was 81 percent.

The Board composition ensures alignment of interests with all shareholders and members of the Board are encouraged to own shares in the company. It is the Board's view that the Board collectively meets the need for expertise, capacity, and diversity. Aker BP's Board members have extensive industrial and managerial experience from the oil and energy sector as well as from the finance industry.

The average tenure of the current shareholder-elected Board members is 6.5 years.

An overview of the expertise of the Board members is available on the website: https://akerbp.com/en/board-of-directors/.

Deviations from the code: None

9. THE WORK OF THE BOARD OF DIRECTORS

The Board has authority over and is responsible for decision-making on, and supervision of, the company's business operations and management, including strategies and targets related to sustainable development, and has adopted a yearly plan for its activities. The Board handles matters of major importance, or of an extraordinary nature and may in addition require management to refer any matter to it. The objectives of the Board's work are to create value for the company's shareholders in both the short and long term and to ensure that Aker BP fulfils its obligations. An important task for the Board is to appoint the CEO and while the CEO is responsible for the day-to-day management of the company's business activities, carried out by the Executive Management Team (EMT), the Board acknowledges its responsibility for the overall management of the company. The Board is responsible for:

1. Reviewing strategic plans and supervising these through regular reporting and feedback,
2. Reviewing significant risks to Aker BP's activities and overseeing the establishment of appropriate systems to monitor and manage such risks,
3. Ensuring that shareholders have access to timely and correct information about financial circumstances and important business-related events in accordance with relevant legislation, and
4. Ensuring the establishment and securing the integrity of the company's internal control and management systems.

The Board recognises the significant risks associated with operations. Consequently, the Board has dedicated significant resources and time to understand and discuss not only general risks facing an E&P company, but also inherent risks connected to organisation, culture, and leadership. For a company like Aker BP, the Board views the risks in taking on an operated development project and meeting the required financing for its entire portfolio as well as taking on operated assets, to be among the most significant risks. Accordingly, this is where the mitigating efforts are concentrated.

In addition to the above-mentioned responsibilities, the Board also develops, approves, monitors, and updates the company's sustainability strategies, policies, and goals. The Board's work in this regard includes, but is not limited to, approval of business plans in which emissions are an important decision criterion, and of initiatives to lower emissions from own operations as well as in the supply chain.

The work of the Board is based on the rules of procedure describing the Board's responsibility including the division of roles between the Board and the CEO. There are specific instructions to guide the work of the CEO. The CEO, CFO and the company secretary attend all Board meetings. Other members of the company's executive management attend the Board meetings by invitation and as necessary due to specific matters. If the Chair of the Board has been personally involved in matters of a material character, the Deputy Chair takes over the tasks of the chair directing the Board's work in the specific matter.

Considering the size of the company and the scope of its activities, the Board finds it appropriate to keep all Board members informed about all Board matters, except for cases where Board members may have conflicting interests with the company.

The Board regularly carries out self-evaluations of its own performance, including evaluations of the Board's competence and potential areas for strengthening this competence. The latest self-evaluation was carried out by the Board towards the end of 2023, and the results of the self-evaluations are communicated to and used by the Nomination Committee in its work.

The Board members and executive personnel are responsible for making the company aware of any material interests that they may have in items to be considered by the Board. The company's Code of Conduct requires all Aker BP representatives to act impartially in all business matters and provides clear guidelines on how to act in situations where there is a risk of conflicts of interest and partiality.

The Board of Directors has three sub-committees: The Audit and Risk Committee (ARC), the Organisational Development and Compensation Committee (ODCC) and the Safety and Environmental Assurance Committee (SEAC).

Audit and Risk Committee

The Board has established an Audit and Risk Committee (ARC) consisting of the following Board members:

- Trond Brandsrud, Chair
- Anne Marie Cannon
- Kate Thomson

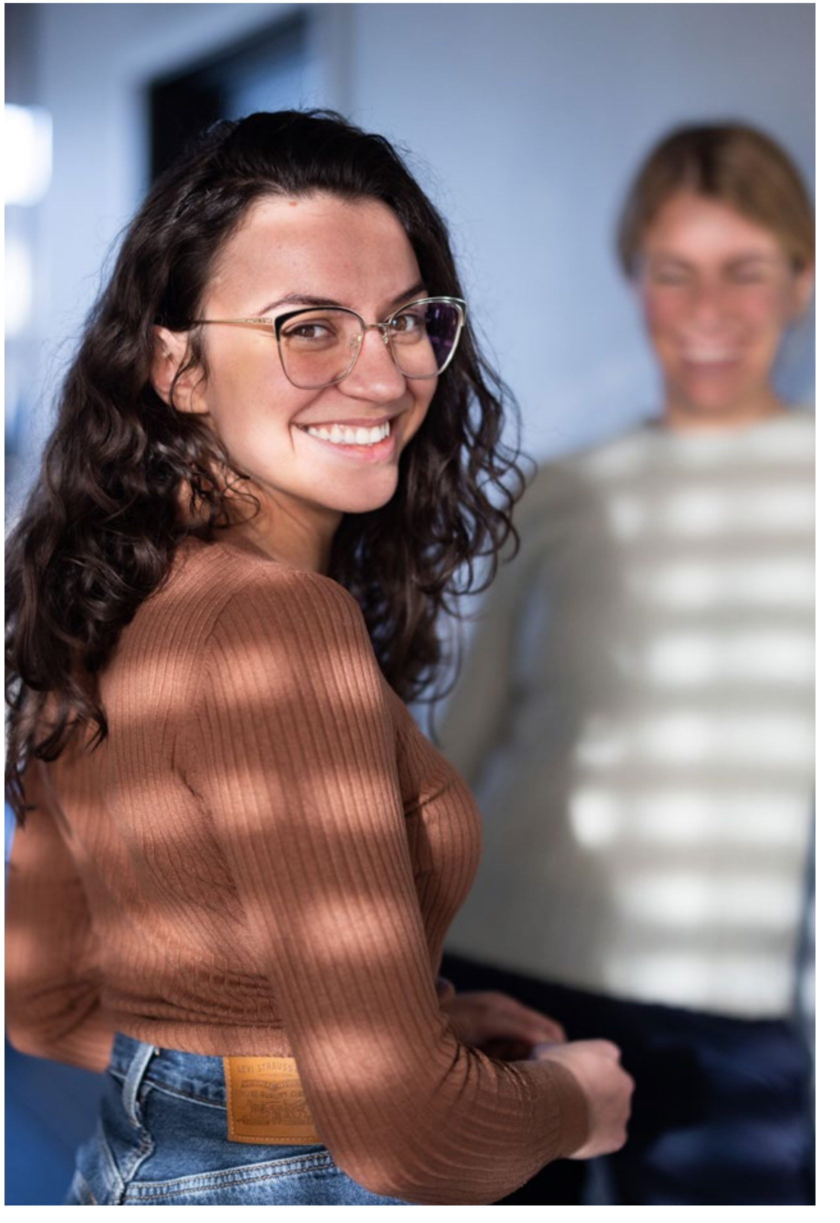
All members are independent of the company's executive management.

The Chair of the Audit and Risk Committee, Trond Brandsrud, is considered to possess the experience and formal background that qualifies him as a "financial expert", as required by the Public Limited Liability Company Act. From 2016 to 2019, he held various CEO and CFO roles in the financial services companies Lindorff, Intrum and Lowell. Additionally, from 2010 to 2015, he served as the Group Chief Financial Officer of Aker ASA. Mr. Brandsrud has also served as Chief Financial Officer at Seadrill and held several key financial positions at Shell for 20 years, both in Norway and globally. Furthermore, he brings extensive experience as a non-executive director, having served as both a member and Chair in other companies' boards and audit and risk committees.

Anne Marie Cannon has more than 40 years' experience in the oil and gas industry and investment banking and is an experienced director, holding executive and non-executive roles. Kate Thomson is employed by bp, where she has had several senior executive positions and is currently serving as the group chief financial officer.

The Audit and Risk Committee supports the Board's responsibilities in ensuring the integrity of financial reporting and the financial reporting process. In recent years, the committee has intensified its focus on monitoring non-financial reporting to adequately address its formal responsibilities related to the Corporate Sustainability Reporting Directive. The committee conducts regular meetings to review the quality of all interim and annual reports before they undergo the Board of Directors' scrutiny and subsequent publication. Additionally, the Audit and Risk Committee reviews the Sustainability report. In 2023, the committee held seven meetings.

The company's auditor PwC, works closely with the Audit and Risk Committee and attended all meetings during the year. The committee informs the Board of the result of the audit, including how the audit contributed to the integrity of the financial reporting. The committee also oversees the company's financial risk management, internal audit, and monitors and reviews the company's business risks. The Audit and Risk Committee oversees Aker BP's anti-corruption compliance program and handling of reports submitted via the company's whistleblowing channel.



The management and the Audit and Risk Committee evaluate the risk management on financial reporting and the effectiveness of established internal controls. Identified risks and effects of financial reporting are discussed on a quarterly basis.

It is the view of the committee that cooperation between the auditor and executive management is good. The Audit and Risk Committee works together with executive management and the auditor to improve the internal control environment according to the principles of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework.

The ARC has oversight over the assurance activity in the company, and the head of internal audit is reporting to the ARC. This is securing that internal audit has independence from the Management of Aker BP.

Organisational Development and Compensation Committee
The Board has an Organisation Development and Compensation Committee consisting of the following three Board members:

- Øyvind Eriksen, Chair
- Anne Marie Cannon
- Terje Solheim (replaced by Marit Dørum from 2024)

The Organisational Development and Compensation Committee is established to ensure that remuneration arrangements support the strategy of the business and enable the recruitment, succession planning and leadership development, and motivation and retention of senior executives. It needs to comply with the requirements of regulatory and governance bodies, satisfy the expectations of shareholders and remain consistent with the expectations of the wider employee population. Further, the committee shall ensure that the overall organisational structure is set up to deliver on the company's strategy going forward. In 2023, the committee held four meetings.

In addition to the above-mentioned committees, the Board may appoint various ad hoc sub-committees when required, with a limited timeframe and scope. The authority of a sub-committee is limited to preparing items and making recommendations to the Board.

Safety and Environmental Assurance Committee
The oversight of health, safety, security, and environmental matters (HSSE) is retained directly by the Board. HSSE issues, including cyber security, is at the top of the agenda in every single Board meeting.

In addition, the Board has established a Safety and Environmental Assurance Committee (SEAC) to strengthen the administration work on health, safety, cyber security, and environmental matters. The committee reports to the Board on a quarterly basis and has in 2023 consisted of the following members:

- Fawaz Bitar, SVP HSE & Carbon, bp – Chair of the committee
- Karl Johnny Hersvik, CEO, Aker BP
- Marit Blaasmo, SVP HSSEQ, Aker BP
- Knut Sandvik, SVP Projects, Aker BP
- Mike Zanghi, VP Safety and Operational Risk assurance, Wells, bp
- Doris Reiter, SVP North Sea, bp
- Tommy Sigmundstad, SVP Drilling and Well, Aker BP
- Kelli Gustaf, Business Advisor, HSE & Carbon, bp
- Gemma Nicolson, North Sea Finance Manager, bp (replaced by Henry Barda in August 2023)
- Georg Vidnes, SVP Operations, Aker BP
- John Nugent, Strategy & Risk Lead, bp

SEAC assures that the HSSE work is adequately and properly organised and addressed throughout the entire company and that the HSSE policy and governing processes are embedded in all operations. In addition, SEAC shall:

- Review all risks related to operating activities, including operational integrity and technical and mechanical integrity of wells
- Review all risks related to cyber security
- Share learnings from incidents by in-depth analysis in the relevant areas of mutual interest or incident follow-up
- Align leadership experiences on common areas of focus in relation to management of safety and operational risk
- Share experiences and practices in the HSSE area
- Review and give advice to management regarding the company's HSSE work
- The committee may conduct visits to all relevant sites, including offshore installations, to ensure that the company's governing processes and proper practices are adhered to.

In 2023, the committee held four meetings.

Deviations from the code: None

10. RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management
Appropriate internal control and risk management contributes to transparency and quality reporting for the benefit of the company, stakeholders, shareholders' long-term interests and operational excellence as an operator on the Norwegian Continental Shelf.

The company continuously and systematically operates a robust and transparent risk management process throughout the organisation. The purpose of the process is to enable the company to maximise opportunities, minimise threats and optimise achievements of business objectives.

Except for two exploration licences on the UK shelf, the company's operational activities are limited to Norway and are subject to Norwegian regulations. All activities taking place in a production licence are subject to supervision and audits from governmental bodies like the Petroleum Safety Authority Norway, the Norwegian Environment Agency, and from licence partners.

The Board considers risk in the context of growing a sustainable business while meeting governance, safety and accountability expected by stakeholders. The Board and the Audit and Risk Committee regularly review major risks identified and communicated through the company Enterprise Risk Management process.

The Business Management System (BMS) is the company's framework for creating and sustaining value, trust, and predictability. BMS describes how Aker BP works, controls risk and improves. The BMS describes approximately 300 business processes supplemented by governing documents, requirements, and descriptions.

Risk-based assurance of conformity to the business management system requirements is governed by the company's "Three lines of assurance" model. An improved framework for Aker BP's "Three lines of assurance" was introduced in 2020 and is continually under improvement with regards to processes and tools to enhance execution. First and second line roles are responsible for delivery and assurance of core activities, by establishing and maintaining appropriate structures and processes for the management of operations and risk, including internal controls to ensure conformity with regulatory and ethical requirements and expectations.

Internal audit is established as the third line of assurance, providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. This is achieved through the application of systematic and risk-based audits. To ensure the independence of the internal audit function, the head of internal audit reports administratively to CEO, and functionally to the board of directors via the Audit & Risk Committee.

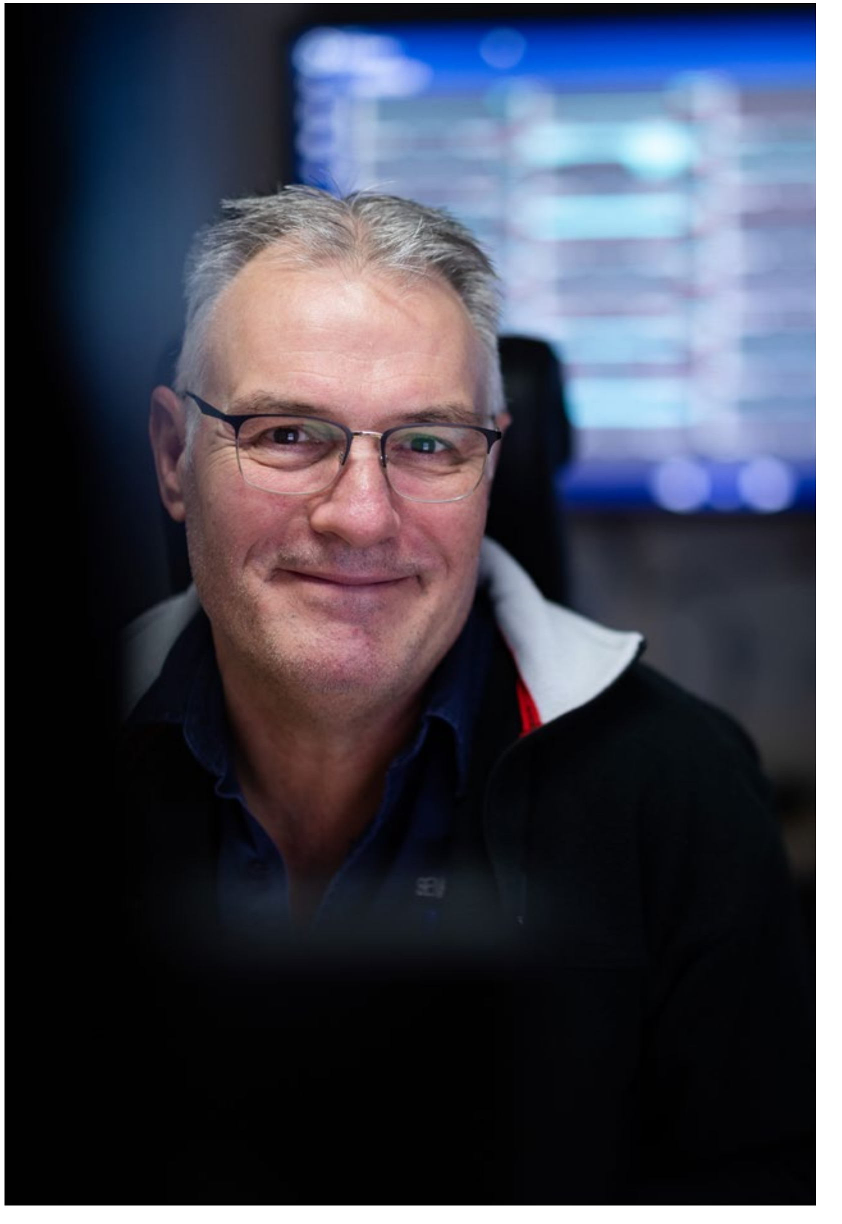
Internal control for financial reporting
Aker BP has established a framework for Internal Control for Financial Reporting based on the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is operationalised as follows:

- Internal Control Environment
- Risk Assessment
- Risk Response and Control Activities
- Information and communication
- Monitoring

The established framework is an integrated part of the company's management system. The company's internal control environment is characterised by clearly defined responsibilities and roles between the Board of Directors, Audit and Risk committee and management. The implemented procedure for financial reporting is integrated with the company's management system, including ethical guidelines that describe how the representatives of the company must act. Aker BP's Anti-Corruption Policy and Speak-up policy provide additional control mechanisms to address and detect deviations.

The company has established processes, procedures, and controls for financial reporting, which are appropriate for an exploration and production company. The company's documented procedures are designed to provide:

- Effective and appropriate identification and mitigation of financial reporting risks
- Measurement of compliance against procedures
- Appropriate segregation of duties
- Provision of relevant, timely and reliable financial reporting that provides a fair view of Aker BP's business
- Safeguard against fraudulent manipulation of reported figures
- Compliance with all relevant requirements of IFRS



A risk assessment related to financial reporting is performed and documented by management and reviewed by the Audit and Risk Committee, which also performs a quarterly risk review of business risks. The Committee reports any findings or deviations to the Board of Directors. In 2023, the following main risk areas were identified related to financial reporting:

- Impairment of goodwill, tangible and intangible assets – There is a risk that reductions in recoverable values below book values are not identified and recorded in an appropriate manner
- Tax – Complexity in tax regulations and calculation entail risk of error in financial reporting
- Asset retirement obligation (ARO) - There is a risk of errors in the input and calculations during the ARO estimation process

The company seeks to communicate transparently on its activities and its financial reporting based on significant interaction between financial reporting management and management responsible for exploration, development, production, and decommissioning activities in the business.

Key events that may affect the financial reporting are identified and monitored continuously. Judgmental items regarding the financial reporting and tax consideration are presented to the Audit and Risk Committee at least on a quarterly basis.

The Finance Department monitors the compliance with established procedures and reports any material deviations to the Audit and Risk Committee. It also identifies actions to improve procedures and conducts a self-assessment of its performance against objectives, which are then presented and discussed with the Audit and Risk Committee.

Deviations from the code: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board members is not performance-based but based on a fixed annual fee. None of the shareholder-elected Board members have pension schemes or termination payment agreements with the company. The company does not grant share options to members of the Board. Information about all remuneration paid to individual Board members is provided in Note 8 to the annual accounts.

The General Meeting decides the remuneration of the Board and the sub-committees. The Nomination Committee proposes the remuneration of the Board to the General Meeting and ensures that it reflects the responsibility of its members and the time spent on Board work. The Board must approve any Board member's consultancy work for the company and remuneration for such work. No such work was carried out during 2023.

Deviations from the code: None

12. REMUNERATION OF EXECUTIVE PERSONNEL

The Board is responsible for the company's guidelines for executive remuneration, including the CEO's remuneration and other terms and conditions of employment. These guidelines set out the main principles applied in determining the salary and other remuneration of executive personnel and are described in the company's remuneration policy which is subject to approval by the General Meeting.

The total remuneration consists of a base salary, a pension contribution, an annual bonus based on company performance, and a long-term share-based incentive (LTIP). Members of EMT are covered under the same budget, guidelines, and limitations as other onshore personnel in the company.

Information about all remuneration paid to the CEO and the EMT members is provided in the remuneration report included in another section of this annual report.

Deviations from the code: None

13. INFORMATION AND COMMUNICATIONS

Aker BP maintains a proactive dialogue with analysts, investors, and other stakeholders of the company. The company strives to continuously publish relevant information to the market in a timely, effective, and non-discriminatory manner, and has a clear goal to attract both Norwegian and foreign investors and to promote higher stock liquidity. The company complies with the Oslo Børs Code of Practice for IR of 1 March 2021.

All stock exchange announcements are made available on the Oslo Børs' website, http://www.newsweb.no, as well as the company's website at the same time. The announcements are also distributed to news agencies and other online services.

Aker BP publishes its preliminary annual accounts by the end of February, as part of its fourth quarter report. The complete annual report, including approved and audited accounts and the Board of Directors' Report, is available no later than three weeks before the AGM. Information sent to shareholders is published on the website simultaneously.

The company's financial calendar for the coming year is published as a stock exchange announcement and made available on the company's website no later than 31 December each year, in accordance with the continuing obligations for companies listed on Oslo Børs.

Aker BP's presentations of quarterly results are webcasted live through the company's web page and are also made available for replay. At the presentations, executive management review and comment on the published results, market conditions and the company's future activities, and answer questions from the audience.

The company's management gives high priority to communication with the capital markets. Individual meetings are organised for a wide range of existing and potential new investors and analysts. The company also attends relevant industry and investor conferences.

Aker BP will reduce its contacts with analysts, investors, and journalists in the final two weeks before publication of its results. During this period, the company will give no comments to the media or other parties about the company's results and outlook. This is to ensure that all interested parties in the market are treated equally.

With respect to communicating critical concerns to the Board, the company has multiple reporting channels through which concerns may be raised, all of which are highlighted in employee's annual refresher Code of Conduct course. Regardless of the channel used to raise concerns, they are normally first lifted to the Audit and risk committee (ARC) for initial assessment, following which they are lifted to the Board if necessary. The compliance department reports regularly to the ARC and informs the committee about cases received through the company's integrity channel which is also available for external stakeholders. If the ARC considers it critical, the concern would be then lifted to the Board. The number of cases received through the whistleblowing channel is available in the ESG report under the compliance chapter.

Deviations from the code: None

14. TAKE-OVERS

The Board has established a separate set of guidelines for how it will act in the event of a takeover bid, as recommended by the Code of Practice. The overriding principle for review of a takeover bid is equal treatment of shareholders. The principles are based on the Board of Directors and management having an independent responsibility for fair and equal treatment of shareholders in a takeover process, and that the day-to-day operations of the company are not unnecessarily disturbed. It is management's responsibility to ensure that the Board of Directors is made aware of any potential takeover bid, while the Board of Directors is responsible for ensuring that shareholders are kept informed and are given reasonable time to consider the offer.

Unless the Board of Directors has a particular reason, it will not take steps to prevent or obstruct a takeover bid for the company's shares, nor hinder the progress of the bid without approval from shareholders.

If an offer is made for Aker BP's shares, the Board of Directors shall make a statement to the shareholders that contains an assessment of the bid, the Board of Directors' recommendations and the reason for the recommendation. If the Board of Directors is unable to make a recommendation to shareholders, the Board of Directors shall explain its reasoning for this.

Transactions that have the effect of a sale of the company or a major part of it must be decided on by a general meeting.

Deviations from the code: None

15. AUDITOR

The AGM elects the auditor and approves the auditor's fee. The Board of Directors will meet with the auditor annually without representatives of company management being present, to review internal control procedures and discuss any weaknesses and proposals for improvement. The auditor is invited to and participates in the Board meetings to discuss the annual accounts. In these meetings, the auditor reports on any material changes in the company's accounting principles and key aspects of the audit, including matters on which there has been disagreement between the auditor and the executive management of the company.

The auditor participates in all meetings with the Audit and Risk Committee and meets the Audit and Risk Committee without the company's management being present. The Board ensures that the auditor submits the main features of the plan for the annual audit of the company to the Audit and Risk Committee annually. The auditor's independence in relation to the company is evaluated annually. The auditor may carry out certain audit related or non-audit services for the company, providing these are not in conflict with its duties as auditor. The company has established an audit and non-audit service policy.

In the annual financial statements, the auditor's remuneration is split between the audit fee and fees for other services. In the presentation to the AGM, the chair presents a breakdown between the audit fee and fees for other services.

Deviations from the code: None

Reporting of payments to governments

Reporting of payments

Other information required to be reported

Country-by-Country Report

This report is prepared in accordance with the Norwegian Accounting Act Section § 3-3 d) and Securities Trading Act § 5-5 a). It states that companies engaged in activities within the extractive industries shall annually prepare and publish a report containing information about their payments to governments at country and project level. The Ministry of Finance has issued a regulation (F20.12.2013 nr 1682 – "the regulation") stipulating that the reporting obligation only apply to reporting entities above a certain size and to payments above certain threshold amounts. In addition, the regulation stipulates that the report shall include other information than payments to governments, and it provides more detailed rules applicable to definitions, publication and group reporting.

The management of Aker BP has applied judgment in the interpretation of the wording in the regulation with regard to the specific type of payment to be included in this report, and on what level it should be reported. When payments are required to be reported on a project-by-project basis, it is reported on a field and/or licence basis. Only gross amounts on operated licences are reported, as all payments within the licence performed by non-operators will normally be cash calls transferred to the operator and will as such not represent payments to the government.

At year end 2023, Aker BP ASA had one subsidiary within the extractive industry. Reference is made to note 2 to the financial statements for a description the UK subsidiary Aker BP UK limited. The company's activity is limited to two exploration licences on the UK continental shelf. There is no employees or revenue in the company. The financial statements for 2023 have not yet been finalized.

REPORTING OF PAYMENTS

The regulation's Section 2 no. 5 defines the different types of payments subject to reporting. In the following sections, only those applicable to Aker BP will be described.

Income tax

The income tax is calculated and paid on corporate level and is therefore reported for the whole company rather than licence-by-licence. In 2023 the Aker BP group paid NOK 78,948.1 million (including interest) in income tax to Norway and EUR 19.8 million (including interest) in income tax to Netherland and received CHF 0.3 million in income tax from Switzerland. The payments are mainly related to income tax for income year 2022 and 2023.

CO_2 tax

CO_2 tax is to some extent included in the fuel price/rig rental paid to external rig companies. The CO_2 tax paid on the Alvheim field includes the fields tied in to the Alvheim FPSO (Vilje, Volund, Bøyla and Skogul) as Alvheim performs the payment and charges the other fields via opex share.

Table 16: **CO_2 tax paid per field/licence**

Name of field/licence	CO_2 Tax paid in 2023 (NOK)
Alvheim	141,650,182
Edvard Grieg	84,636,313
Hod	3,296,264
Ivar Aasen	10,890,695
PL 212E	10,877,716
Skarv	268,306,229
Ula	108,441,288
Valhall	13,438,041
Total	**641,536,732**

NO_x

The company is a member of the NO_x fund and all NO_x payments are made to this fund rather than to the government.

Area fee

Table 18 specifies the area fee paid by Aker BP on behalf of the various licences in 2023. Licences of which the company has received net refund of area fee are not included in the figures.

OTHER INFORMATION REQUIRED TO BE REPORTED

When companies are required to report payments as the above, it is also mandatory to report on investments, sales income, production volumes and purchases of goods and services in the country in which companies have activities within the extractive industries. As mentioned above, Aker BP operates on the Norwegian Continental Shelf only. This reporting requirement is therefore deemed to be met by the financial statements as specified below:

- Net cash flow from investment activities for 2023 amounted to USD 3,467.9 million, as specified in the cash flow analysis in the financial statements
- Sales income (Petroleum revenues) in 2023 amounted to USD 13,580 million, as specified in Note 5 to the financial statements
- Total production in 2023 was 166.7 million barrels of oil equivalents, see Note 6 to the financial statements
- For information about purchases of goods and services, reference is made to the Income Statement and the related notes

COUNTRY-BY-COUNTRY REPORT

In accordance with OECD requirements and the Norwegian Tax Administration Act § 8-12, multinational groups with total income above NOK 6.5 billion shall report key financial data and economic activity in the countries where the groups operate. Aker BP has provided a Country-by-Country Report (CbCR) to The Norwegian Tax Administration with 2022 data for the group companies, distributed into the following tax jurisdictions: Norway, UK, Netherland and Switzerland. The CbCR provides information per tax jurisdiction of revenue split between third-party and related-party revenues, profit before tax, accrued and paid corporate taxes, capital and earnings, number of employees and tangible assets.

Table 17: **Area fee paid per field/licence**

Name of field/licence	Area fee paid in 2023 (NOK)
Alvheim	14,480,000
Bøyla	17,897,213
Edvard Grieg	2,534,000
Hod	2,450,000
Hugin	32,538,450
Munin	26,721,953
Skarv	23,487,000
Skogul	362,000
Solveig	2,896,000
Symra	1,883,093
Tambar	509,000
Troldhaugen	14,231,033
Tyrving	4,706,000
Ula	1,341,698
Valhall	8,624,000
Vilje	931,000
Volund	905,000
PL 102C	5,973,000
PL 146	17,738,000
PL 159D	1,267,000
PL 212E	2,534,000
PL 261	5,697,000
PL 492	10,860,000
PL 609	20,815,000
PL 782SB	23,157,172
PL 784	19,757,062
PL 815	14,796,229
PL 867	4,475,410
PL 942	12,356,558
PL 1008	36,487,500
Total	**332,411,371**

Appendix

Cautionary statement →
Lists of figures and tables →
Definitions and abbreviations →

Cautionary statement

FORWARD-LOOKING STATEMENTS

This report (including all appendices) contains forward-looking statements that includes uncertainties and risks. Forward-looking statements may be identified in the report (including all appendices) by the use of words such as "aim", "aligned", "ambition", "anticipate", "believe", "commit", "could", "estimate", "expect", "goal", "intend", "may", "milestone", "objective", "outlook", "plan", "projected", "risks", "seek", "should", "target", "will", and other similar words or expressions. All statements other than those containing historical information are regarded as forward-looking and should as such be interpreted with caution. Such statements are, among others, related to Aker BP's strategies, ambitions and targets, including those referring to achieving 50 percent reduction in operational control scope 1 and 2 GHG emissions by 2030 compared with our 2017 baseline, net zero for our equity share scope 1 and 2 GHG emissions from 2030, and carbon removal offsets, among others included in this report (including all appendices).

Forward-looking statements reflect our current view about future events, derived from management's assumptions, estimates, expectations and forecasts. These are by nature subject to significant uncertainties and risks that could affect their outcome. Factors that may alter forward-looking statements in this report (including all appendices) to materially deviate from actual future results, include the demand for oil and gas, price fluctuations in oil and gas, estimates of remaining reserves and results of drilling and production, both national and international regulatory and legal changes, such as those related to climate change, technological advances, including those related to renewable energy, physical risks on assets and environmental compliance, operational delays or halts due to issues in the value chain or infrastructure, unforeseen macroeconomic and geopolitical events, such as the war in Ukraine and the Covid-19 (coronavirus) pandemic, timing on, inability or will to exploit growth or investment opportunities, competitive landscape, attraction and retainment of skilled labour, as well as other unpredictable or unknown factors mentioned or not in the report (including all appendices). Hence, forward-looking statements contained in this report (including all appendices) should be used with caution in any form of decision-making, including but not limited to, those related to investment decisions. Forward-looking statements have not been assured by a third-party and Aker BP takes no responsibility for the accuracy and completeness of these statements.

Historical information is limited to facts Aker BP is aware of at the time this report (including all appendices) was issued. Unless legally required, Aker BP does not undertake the obligation to provide updates or additional information which may impact the statements made in this report (including all appendices), whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION

In this report (including all appendices), Aker BP reports on emissions related to use of products sold in accordance with the GHG protocol (Scope 3 category 11). These emissions are estimates to provide transparency for the reader to better understand the lifecycle of our products. Our reporting on use of products sold should in no way be regarded as an admission of responsibility of the emissions caused by the use of our products.

From the Lundin Energy acquisition, Aker BP has updated its baseline year and included GHG emissions for the full year (including those related to energy) as per the GHG protocol. GHG emissions and energy usage has also been adjusted for the historical years 2020 and 2021. All other sustainability-related information resulting from the acquisition of Lundin Energy has been included from 1 July 2022 when the integration was complete, with no adjustments in historical data.

Lists of figures and tables

LIST OF FIGURES

03 Figure 1: Our assets and offices

26 Figure 2: Key figures 2023

27 Figure 3: Our vision: The E&P company of the future

28 Figure 4: Strategy in numbers

28 Figure 5: Aker BP's value creation and distribution

29 Figure 6: How Aker BP's tax payments in 2023 contribute to society at large

32 Figure 7: Organisational chart

34 Figure 8: Double materiality assessment

35 Figure 9: Key stakeholders

36 Figure 10: Our material topics

39 Figure 11: Aker BP's responsible tax principles

43 Figure 12: Our climate strategy

44 Figure 13: GHG emissions across the value chain (in tonnes CO_2e)

45 Figure 14: Operational control scope 1 and 2 GHG emissions

46 Figure 15: Equity share scope 1 and 2 GHG emissions

47 Figure 16: Equity share scope 1 and 2 GHG emission intensity

48 Figure 17: Our current portfolio of carbon credits

50 Figure 18: Summary of the IEA world energy outlook (WEO-2023) scenarios

51 Figure 19: Portfolio robustness under the IEA scenario's

52 Figure 20: Resilience towards to higher carbon prices

52 Figure 21: NPV10 of CO_2 costs as percentage of Aker BP valuation

57 Figure 22: Operational control scope 1 GHG emissions

58 Figure 23: Fraction electrified production

58 Figure 24: Scope 2 Location-based emissions

59 Figure 25: Scope 3 emissions

64 Figure 26: NO_x emissions

64 Figure 27: SO_x emissions

64 Figure 28: Non-methane VOC emissions

65 Figure 29: Oil spills and chemical spills

67 Figure 30: The mitigation hierarchy

70 Figure 31: Circular economy hierarchy

72 Figure 32: Resource inflows

73 Figure 33: Drilling waste (muds and cuttings)

74 Figure 34: Waste handling hierarchy

74 Figure 35: Waste handling fate

83 Figure 36: Aker BP employee benefits

84 Figure 37: Career and competence development during employment

85 Figure 38: The people of Aker BP

86 Figure 39: Ratio of payment of women to men for each employee category

88 Figure 40: Our areas of work

89 Figure 41: Internal training

90 Figure 42: Work related illness employees

90 Figure 43: Safety related frequencies

91 Figure 44: Safety performance vs targets

95 Figure 45: Aker BP emergency response

98 Figure 46: Countries in which supplier human rights audits have been undertaken

99 Figure 47: Selected examples of the origin of supplies we remain dependent on

100 Figure 48: Our human rights due diligence process

101 Figure 49: Findings 2023 – nonconformities and improvement areas

101 Figure 50: Overview of findings from audits in 2023

107 Figure 51: Compliance indicators

109 Figure 52: Supplier integrity due diligence process

110 Figure 53: HSEQ audits conducted in 2023

LIST OF TABLES

09 Table 1: Production per asset in 2023 and 2022

31 Table 2: Contribution to the sustainable development agenda

37 Table 3: Material topics and related impacts, risks and opportunities

53 Table 4: Climate-related risks and opportunites

62 Table 5: Note on exposures to nuclear and fossil gas related activities

65 Table 6: Spills in 2023

75 Table 7: Outcome of the disposal works

76 Table 8: Sustainability data: Environment

96 Table 9: Safety performance last three years

138 Table 10: Potential risks identified in human rights workshop:

139 Table 11: Overview of findings from audits in 2023

210 Table 12: Key performance indicators for Aker BP 2023

211 Table 13: Adjustment of shares

212 Table 14: Remuneration of senior executives in 2023 and 2022

215 Table 15: Comparative table over the remuneration and company performance over the last five reported financial years

232 Table 16: CO_2 tax paid per field/licence

233 Table 17: Area fee paid per field/licence

Definitions and abbreviations

TERM	DEFINITION
ARC	Audit and risk committee - subdivision of the Board
BAT	Best available technique
Boe	Barrel of oil equivalent
Carbon offsets	Voluntary carbon offsetting. Payment to receive credit for a certified unit of emission reduction or removal carried out by another actor
CCS	Carbon capture and storage
CDP	The CDP is an international non-profit organisation that helps companies disclose their climate and environmental impact
CEO	Chief executive 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
Contractor	Any person employed by a contractor company or employed by a contractor company's subcontractor who is directly involved in execution of prescribed work under a contract with Aker BP
DSHA	Defined situations of hazard and accident. These are predefined situations which contribute to the dimensioning of our emergency preparedness
Employee wages and benefits	Employee wages and benefits include payroll expenses, pension and other personnel cost for employees in Aker BP
EMT	Executive management team
Energy consumption	Energy consumed by operated assets, including fuel gas and diesel consumption, power supplied from shore, and electricity consumed at office locations
Energy Intensity	Energy consumed per produced barrel of oil equivalent
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
ESG	Refers to reporting topics environmental, social and governance, and represents a holistic approach to sustainability

TERM	DEFINITION
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
Exposure hours	Hours worked. For contractors, only hours worked under Aker BP's control of work and/or control of workplace are included
Flared hydrocarbons	Hydrocarbons burned in the flare
Freshwater	Freshwater is either withdrawn or produced. Withdrawn freshwater is third party water from onshore public water supply. Produced freshwater is made from seawater on the individual assets
FPSO	Floating production, storage and offloading vessel
GHG	Greenhouse gases. Reported GHGs are CO_2, CH_4 and N_2O
GHG emission intensity	Emissions of greenhouse gases (in kg CO_2e) per barrel of oil equivalent produced
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
HSSEQ	Health, safety, security, 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
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
KPI	Key performance indicator
Lost Time Injury (LTI)	A personal injury which results in the person being unfit for work the day after the injury
Lost Time Injury Rate (LTIR)	Number of lost time injuries per million work hours
Medical Treatment Injury	A personal injury that is not severe enough to be reported as a lost time injury but is more severe than requiring a simple first aid treatment, for example if prescription medicine is given, sutures are needed, etc
Methane emission intensity	Volume methane emitted as share of saleable gas production
N_2O	Nitrous oxide

TERM	DEFINITION
NCS	The Norwegian continental shelf
NEA	Norwegian Environmental Agency
Near Miss with high potential	A safety event which has a severity level potential ≥ 8, where Aker BP's severity level ranges from 1 to 12, excluding safety events which have resulted in actual serious consequences
Net zero	Net zero refers to the balance between anthropogenic GHG emissions and carbon offsets
NGO	Non-governmental organisation. A non-profit organisation that operates independently of any government, typically one whose purpose is to address a social or political issue
nmVOC	Non-methane volatile organic compounds
NO_x	Collective term for nitric oxide (NO) and nitrogen dioxide (NO_2)
NPV	Net present value
OECD	The Organization for Economic Co-operation and Development
OECD Guidelines	The OECD Guidelines for Multinational Enterprises, available at: http://mneguidelines.oecd.org/guidelines/
Operational control	Under the operational control approach, we account for 100 percent of the emissions from operations over which we have full authority to introduce and implement our operating policies
Payments made to governments	Payments made to governments, including income tax, CO_2 tax, area fee and social security tax
PDO	Plan for development and operation of a petroleum deposit
Produced water	Produced water is a by-product in the oil and gas well-stream, containing oil residues and other organic compounds
Protected areas	Protected areas are defined where no industrial activity, or only limited activity, is permitted
PSV	Platform supply vessels
ROV	Remotely operated underwater vehicle
Return Rate	Employees who had parental leave and returned to work at either Aker BP or other employers
Scope 1	Direct emissions from owned or controlled sources
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

TERM	DEFINITION
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
SEAC	Safety and environmental assurance committee. An initiative from the Board of Directors, whose purpose is to support and strengthen management's work on issues related to security, cybersecurity, and the environment
Sensitive areas	Particularly valuable and sensitive areas ("Særlige verdifulle og sårbare områder" (SVO)) identified on the Norwegian continental shelf
Serious incident	An incident with actual and/or potential consequence classification A as defined by Aker BP, e.g. fatality or oil spill to sea greater than 1000 m^3
Serious Incident Frequency (SIF)	The number of serious incidents per million work hours
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
Serious Injury Frequency	Number of serious injuries per million working hours
SO_x	Collective term for compounds consisting of sulfur and oxygen, most notably sulfur dioxide (SO_2) and sulfur trioxide (SO_3)
TCFD	Task Force for Climate-related Financial Disclosures
The Norwegian Transparency Act	Norwegian act relating to enterprises' transparency and work on fundamental human rights and decent working conditions
Tier 1 and 2 process safety events	As per the API recommended practice 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries
Total Recordable Injury Frequency (TRIF)	The number of recordable injuries (lost time + medical treatment) per million work hours. Same definition as SASB's TRIR except the calculations are done per million hours instead of per 200,000 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
Work-related fatalities	Fatalities taking place while working for Aker BP
Work-related illness	Illnesses related to work performed for Aker BP
Work-related injuries	Injuries such as medical treatments and above (excluding first aid injuries) taking place while working for Aker BP

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Rudolf Svensen: 69

Brage Rønningen: 71

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