

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Lundin Energy ("the Company") is a leading independent oil and gas exploration and production company in Europe, operating offshore on the Norwegian Continental Shelf. Our headquarters are in Stockholm, Sweden, and we also have corporate offices in Switzerland and the Netherlands. Lundin Energy develops oil and gas resources efficiently, responsibly and in a sustainable manner. It recognises the challenges related to climate change as set out by the United Nations Intergovernmental Panel on Climate Change and the role that forward-thinking oil and gas companies must play in addressing it. The Company acknowledges that the global response to climate change should include efforts to limit the temperature increase to 1.5 degrees as set out in the Paris Agreement. The Company further recognises that demand for hydrocarbons is expected to continue rising to meet the needs of a growing global population, with oil still comprising a significant portion of the energy mix in the future. Over this same time frame, to meet climate targets set out in the Paris Agreement, global annual greenhouse gas emissions will need to be halved. Producing hydrocarbons in the upstream oil and gas sector is estimated to contribute around 5% of the world's total footprint. To meet future energy demands and climate targets it is thus critical to decarbonise the production of oil and gas as much as possible. This is a core aim of Lundin Energy's strategy, with a formalised roadmap and Board-endorsed target for carbon neutrality across its operations from 2025. The Company's Decarbonisation Strategy will strengthen its position as one of the most sustainable oil companies, providing the best barrel in the world: Safe, responsible, low cost and low emissions.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Netherlands
- Norway
- Sweden
- Switzerland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain
Upstream

Other divisions

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Lundin Energy's Board of Directors has an overall leadership/supervisory role in all Environmental, Social and Governmental (ESG) and Health and Safety (H&S) matters, including climate change. The Sustainability Committee consists of 3 Board members, and the CEO, COO and the VP Sustainability. The Committee assists the Board in providing updates on the Company's emissions performance and key climate change related risks and opportunities. Its responsibility is to oversee the Company's conduct and performance on all ESG/H&S matters, including climate change, and to inform and to make recommendations to the Board where action or improvement is needed, such as on goals and targets in the climate change strategy. It also makes decisions on how to proceed on climate risks and different strategy options, such as decisions on investing in renewable projects. The Board receives quarterly ESG/H&S reports and bi-annual presentations where climate change risks and opportunities are addressed. An example of a decision made by the Board Sustainability Committee in 2020 was to approve the USD 150 million investment in the 20 turbine, 86 MW Karskrub wind farm project in Sweden, as part of the company's wider Decarbonisation Strategy. This project will help decarbonize electricity consumption across our operations, provide clean energy for thousands of households, and help provide a hedge against our cost of electricity thereby reducing our exposure to electricity price volatility.
Chief Executive Officer (CEO)	As leader of Lundin Energy, the CEO ultimately decides on the Company's climate change strategy. Part of this responsibility is delegated on a day to day basis to the VP Sustainability (see below), and the day to day operational implementation of the climate change strategy is delegated to the COO. The CEO communicates to Company staff and externally on Lundin Energy's climate commitment and Decarbonisation Strategy, and its efforts to be an industry leader in terms of low-carbon performance. An example of a decision made by CEO in 2020 was to approve the recommendation for reporting Lundin Energy's carbon emissions data in line with the SASB Reporting Standards, in order to meet continued expectations of investors and lenders.
Chief Operating Officer (COO)	The COO has an operational responsibility to ensure that work processes, selection of equipment, products and plans of development integrate climate related considerations through the four operational phases, exploration, development, production and marketing. For example, the COO decides ultimately on different emission reduction opportunities to pursue in operations, from electrification to implementation of renewable energy projects. An example of a decision made by COO in 2020 was to investigate the possibility of reducing emissions further from supply and stand-by vessels that support the Edvard Grieg field, which could have the impact of reducing maritime emissions by 10-30%.
Chief Sustainability Officer (CSO)	The VP Sustainability (equivalent role to the CSO) decides on and sets recommendations for the Company's climate change strategy and policy development, for review by the CEO, Board and Sustainability Committee. This involves keeping apprised of new developments in science, policy, and industry to promote climate action, tracking and analysing risks and opportunities related to climate change for its strategy and, together with country management, developing tailor made solutions to conform to the Company's Environmental Policy, and to its target to become operationally carbon neutral from 2025 through its Decarbonisation Strategy. The VP Sustainability is also responsible for corporate climate change risks and opportunities, developing mitigation plans to manage these risks and opportunities, and disclosing climate change performance to external stakeholders aligned with standards such as CDP, GHG Protocol, GRI and the TCFD. In 2020, one example of the VP Sustainability's tasks was a recommendation that Lundin Energy should set an absolute reduction target of 50% by 2025, in line with the Paris agreement's objectives. This target was set in 2020 and is disclosed in detail later in this CDP response.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board of Directors' main role is to set the Company's strategy in consultation with senior management. Through the quarterly Sustainability reports and the bi-annual presentation of the VP Sustainability, it keeps updated both on developments in the sphere of climate change, whether policy issues (Paris Agreement, national and industry commitments) climate related court cases throughout the world, developments in climate science and NGO actions, but also how the Company's performance relates to that of its peers, the Company's emission reduction targets and what it does in order to further minimize its carbon footprint. Its strategic decisions thus are made with an understanding and assessment of climate change issues on Lundin Energy's business. In its yearly work cycle, the Board oversees all strategic issues in relation to Lundin Energy via dedicated sessions with Group management, detailed discussions of strategy issues and an in-depth analysis of the Company's business. As such, the work cycle, by nature, covers those governance mechanisms listed, helping the board oversee climate issues. An example of its implication, covering mechanisms highlighted, is approving budget proposals which include expenditures related to achieving power from shore (electricity from renewables) for its Johan Sverdrup/Edvard Grieg field.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Managing Director)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Environmental, Health, and Safety manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Corporate Risk and Insurance Director)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Formally the responsibility for managing climate change issues rests with the CEO of the Company who has clearly set out the Company's commitment to be a leader in the sector on climate change. The rationale for this is that as with other strategic issues, leadership on climate change needs to come from the top. The approach to decarbonisation is communicated both internally through our Code of Conduct and related policies and staff meetings, and externally, through corporate presentations, interviews and in meetings with shareholders.

The CEO is also part of the Board Sustainability Committee. The other members of this Committee are the COO (details below), the VP Sustainability (details below), and three Board Members. The responsibility of the Sustainability Committee includes monitoring the performance of key climate change risks and opportunities that could impact Lundin Energy, on an ongoing basis, and provide updates to the Board on the same. This involves, among other tasks, reviewing climate change performance and emissions forecasts of Lundin Energy, changes to the external risk landscape, and discussing mitigation strategies such as responding to TCFD disclosures. The rationale for assigning these tasks to the Committee is to ensure that all climate change related risks and opportunities are elevated at Board level, enabling the selected Board members on the Committee to respond and approve strategies to mitigate risks and realize opportunities, as part of Lundin Energy's Decarbonisation Strategy.

On a day to day basis, the responsibility for managing climate change issues is delegated on an operational level to the COO who ensures that throughout the operational process energy efficiency and carbon reduction measures are assessed and implemented as feasible, and on a strategic level to the VP Sustainability (aka CSO). The rationale for this is because the COO is in charge of all operational matters including implementing measures to improve operational performance, while the VP Sustainability monitors external stakeholder expectations and recommends strategies to address climate change that meets these expectations.

Together with corporate management and country based Business Unit Directors, the VP Sustainability helps ensure that climate change strategy and policies are integrated into decision making. Climate change and energy efficiency are addressed in staff induction/on boarding processes, the Sustainability e-learning course, staff presentations and dedicated meetings with all heads of departments. These serve to ensure that all staff are informed of climate change issues and their responsibility to act in a way which promotes stewardship in this field. In addition, emissions performance is integrated in monthly and quarterly reporting from operations to corporate and from corporate to the Board, and a carbon price is used in forward business planning.

In Norway, the overarching responsibility for managing climate change issues sits with the Managing Director, who reports to the CEO on a strategic level and to the COO on an operational level. As per with the CEO, she delegates onto management, namely the HSEQ Director (aka Environmental, Health, Safety and Quality Manager) responsibility for ensuring that operational activities are in line with the Company's climate commitment. The HSEQ Director's role is to manage and maintain the management system for environmental processes and procedures, with authority and responsibility for ensuring the system's quality and accuracy, which is why the HSEQ directly is also in charge of operational climate change issues.

Climate risks and opportunities are a specific item in the Company's risk register and are reviewed on a quarterly basis by the risk owners and reported as risks after a peer review with local management. These risks are further reviewed and reported to the corporate level by the Corporate Risk and Insurance Director and to the Board Sustainability Committee. As such, the Corporate Risk and Insurance Director holds responsibility for reviewing and collating all Company risks, including climate-related risks and opportunities.

As per above, the Board of Directors receives monthly and quarterly reports which address climate change whether through internal developments in this field, i.e. carbon emissions performance, or relevant external events impacting the management of climate change issues within the Company, such as for example the development and formal issue of the TCFD, climate related legislation (Paris Agreement, Norwegian Policy and National Commitments, etc.), industry initiatives (Norwegian Roadmap for 2030 and 2050, etc.) climate related legal cases or NGO campaigns, relevant scientific reports, investor statements or positioning in relation to climate change, ESG rating questionnaires as well as projection of market demands for oil and gas (e.g. from the IEA).

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Company performance against a climate-related sustainability index	The yearly variable remuneration for Group management is assessed against annual performance targets that reflect the key drivers for value creation. These annual performance targets include delivery against specific ESG/H&S and sustainability targets, including environmental performance, carbon performance and ESG ratings. Corporate executive team members (including the CEO) have part of their variable remuneration linked to achievement of the Company's carbon targets for the year. The performance target structure and specific targets are reviewed annually by the Compensation Committee to ensure it aligns with the strategic direction.
Executive officer	Monetary reward	Emissions reduction target	In Norway, the Managing Director, as well as the HSEQ Director and Business Unit Directors also have part of their variable pay linked to achievement of the Company's carbon targets.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Company performance against a climate-related sustainability index	The level of variable remuneration for the VP Sustainability depends upon the fulfilment of the Company's overall Sustainability objectives and achievement of the carbon targets for year. In addition, the VP Sustainability, as the person directly assigned a day to day responsibility for climate change issues within the executive team, has additional specific climate change related targets, including management of climate risks, creation and embedding of the Decarbonisation Strategy, reporting externally and to the Board on climate change performance and issues, and CDP score result. These targets are linked to variable remuneration.
Management group	Non-monetary reward	Emissions reduction target	The Company's Sustainability Assessment Review and Audit questionnaire was modified in 2016 to include a specific reference to climate change under the section on environment. Thus while conducting the Review / Audit, the Managing Director (and relevant heads of departments such as operational and HSE Directors) are required to report on actions taken in relation to climate change. Overall assessment of sustainability performance includes a determination of the extent to which climate change issues are understood, communicated and actioned upon throughout the value chain.
Procurement manager	Non-monetary reward	Environmental criteria included in purchases	The head of the procurement department in Norway, where all major contracts are awarded, as part of his duties, organizes tenders, evaluates and awards contracts to service and supplier companies. Environmental criteria have been included into evaluations of tenderers for main contracts, which, if awarded the contract, must sign the Contractor Declaration, which restates Lundin Energy's recognition of climate change as a global challenge and support for the CDP and includes the following commitment, which contractors agree to: "We will work to achieve energy efficiency and minimize harmful discharge, emissions, and waste production in a life-cycle perspective."

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Industry practice.
Medium-term	3	10	Industry practice.
Long-term	10	30	Industry practice.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Lundin Energy uses a five by five risk matrix to classify the impact based on a range of indicators. The highest risk area in the risk matrix would be considered substantive. The Company defines substantive financial impact as:

- >50 million USD net to the operating company
- Impact due to significant changes in capital markets
- Increased investment and/or financing required due to the risk
- The highest risk in terms of severity and impact would be considered substantive

For strategic risks, other indicators such as a medium-term effect on share price or a high continued attention by a majority of stakeholders at international level would be strategically substantive, as would a long-term limitation to access new licenses. Climate-related and sustainability risks are addressed as strategic for the Company.

The quantitative indicators used by the Company to measure and define impact include:

- Potential net impact in MUSD to the operating company due to the risks
- Investment and/or financing required to mitigate risks

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our Risk and Opportunity Management Process: Lundin Energy's risk and opportunity management process is driven by the Board to encourage foresight, pro-activeness and informed decision making. As outlined in the Company's Risk Management Policy, effective management of risk contributes towards the achievement of Lundin Energy's strategic and operational objectives. Key material sustainability issues are reviewed from an operating context locally but are also considered in a broader context at the Corporate level. Emerging trends are identified from internal and external sources and presented to senior management and the Sustainability Board Committee for review and consideration on a bi-annual basis. The Company follows a Three Lines of Defence approach where a) local management has the day-to-day responsibility for risk and opportunity identification, implementing the systems to control risks and opportunities and monitoring their impact; b) Senior management is responsible for ensuring effective processes and for reviewing the mitigation efforts; and c) Internal and External Audit tests the effectiveness of the controls used to mitigate risk and realize opportunities. This process involves local operational accountability and clear responsibility for the continuous identification of risks and opportunities at all levels, as well as ensuring effective reporting. Local risk and opportunity reviews are carried out with management on a quarterly basis in order to raise internal awareness and constantly monitor to mitigate risk and realize opportunities. Determining which risks have a substantive impact: Lundin Energy's risk and opportunity universe falls into three areas: Strategic, operational and financial risks, which include risks to the Company's reputation or the affect that external risks could have on the business. Climate-related risks and opportunities are addressed as strategic for the Company. A standardised 5x5 risk management methodology is used to perform quantitative and qualitative assessments to prioritise control activities and enable the Company to deal effectively with potential opportunities and threats, based on a set of financial, strategic and reputation criteria (as described in section 2.1b). As described in 2.1b, The Company defines substantive financial impact as: - >50 million USD net to the operating company - Impact due to significant changes in capital markets - Increased investment and/or financing required due to the risk The highest risk in terms of severity and impact would be considered substantive Case studies: An example of a transition risk identification process is Lundin Energy's analysis of exposure of increased carbon costs. 1) Identification: The risk was identified through the 5x5 risk management matrix, as an area that could be considered substantive, because of the potential high P&L impact of carbon costs in the future. 2) Assess: The risk of carbon costs was assessed through analysis of the financial impact of different carbon cost scenarios under the Norwegian carbon tax regulations, and EU ETS cost projections. Each asset (Edvard Grieg, Johan Sverdrup, Alvhelm and exploration activity) was modelled to understand the potential impact of carbon costs in USD per year. 3) Respond: To respond to the risk, senior management approved a carbon price projection to be included in all asset business planning going forward. Senior management reviewed the impact of the risk and determined that Lundin Energy's Decarbonisation Strategy would significantly reduce exposure to carbon costs and thus eliminate a large portion of this transition risk. An example of a physical climate risk trend is how changes in ice edge distribution in the Barents Sea could affect Lundin Energy's exploration activities. 1) Identification: This risk was identified through the 5x5 risk management matrix as potentially substantive, because of the high potential impact of sea ice could have on delaying or impacting the exploration strategy, and potential physical storm damage to rigs (which could have significant financial implications). 2) Assess: In line with the risk management process, local management were tasked with identifying different options to reduce risks, such as through sending out tenders for rigs that had sufficient robustness to copy with strong ice winds. 3) Respond: In line with the risk assessments, Lundin Energy took measures consistent with the Petroleum Safety Administration to protect personnel working offshore from potential strong ice winds. For drilling rig engagement, a tender was revised to include a mandatory winterised rig specially designed for operations in cold climates. The Leiv Eiriksson, a semi-submersible drilling facility was used safely by Lundin Energy for the Company's exploration activities offshore Norway in the Southern Barents Sea.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current climate regulation risks could impact Lundin Energy's operations and exploration. The Company's financial metrics may be impacted due to changes in the carbon tax system and framework conditions. Lundin Energy's operations are located in Norway, a country with ambitious emission reduction targets and high carbon prices. Significant increases in national carbon taxes and/or EU-ETS quota prices could affect Lundin Energy's financials, with all its operations concentrated solely within this market. The Norwegian government aims to follow the global response to climate change, including efforts to limit the temperature increase to a 1.5 degree scenario and to reach a global greenhouse gas emissions peak, as set out in the Paris Agreement. Lundin Energy Norway includes increasing carbon cost as a risk and continues to budget for carbon taxes with sensitivity analysis carried out on investment and development concept evaluations. Our industry-leading low carbon intensity means that our exposure to carbon costs is minimal.
Emerging regulation	Relevant, always included	Emerging regulations could potentially impact Lundin Energy's business model of organic growth. Lundin Energy's focus on increasing exploration licenses and potential new projects could be affected by changes to framework conditions. The Company could face reduced access to new acreage and altered development of proven resources in light of poor reputation on climate actions, and/or policy and legal restrictions. Access to new acreage and the development of new discoveries are vital to our business model, which focuses on organic growth through exploration, development and production of oil resources. Lundin Energy's position as an ESG leader, with an ambitious Decarbonisation Strategy, means that we are likely to mitigate such risks better than others in the sector.
Technology	Relevant, always included	The Company could face higher costs of decarbonisation (e.g. electrification) for future exploration and production activities related to implementation of technology development and R&D investment. Norwegian authorities and key stakeholders have staked out ambitious emission reduction targets for the Norwegian Oil and Gas Industry. Emissions shall be cut by 40 percent by 2030 and be near zero in 2050. Through its Decarbonisation Strategy, Lundin Energy has established a goal for carbon neutrality from 2025, hereby implying that all emerging fields and developments need be near carbon neutral, or include carbon offsetting mechanisms. However, the cost of electrification depends upon numerous factors, namely potential geographic, technical and infrastructure barriers. Depending upon the asset, CAPEX and OPEX profiles may increase the cost of production.
Legal	Relevant, always included	Legal climate-related disputes could impact Lundin Energy's exploration in the Barents Sea or other costal and sensitive areas. The Company could face legal challenges with claims to recompense climate-related damage, illness and negative effects, all of which are already taking place in the global arena today. In Norway, NGOs (Bellona case) have filed climate related lawsuits relating to the sea-ice edge which are being evaluated by the Supreme Court. Other similar lawsuits have been ruled in favour of the complainant in other regions of the world. Although increasing legal challenges are considered unlikely to affect Lundin Energy, they may indeed become more time-consuming, costly, with the potential of causing reputational harm in the future.
Market	Relevant, always included	Market climate-related risks could impact Lundin Energy's in the longer term through lower oil demand and prices. Different energy mix scenarios predict increases or decreases in fossil fuel demand through to 2040, based on global growth, political stability, market conditions, technology development, etc. This could have a resulting impact on the market price for crude oil and gas, and potential investor appetite in oil companies. Scenarios range significantly, from a predicted 15-32% reduction in oil demand by 2040 in a "2 degree" scenario, versus a 4-23% increase in oil demand in a "current policies" scenario. Lundin Energy remains well-positioned as delivering oil and gas resources at a very low carbon footprint, and our Decarbonisation Strategy puts us at a strong competitive advantage in our sector, if demand for oil and gas changes in the longer term.
Reputation	Relevant, always included	Reputational climate-related risks could impact Lundin Energy's exploration and operations as an increasing number of lenders embed ESG into their lending criteria (e.g. Sustainability-Linked Loans) as well as factoring ESG into the risk profile of companies. Some lenders such as BlackRock are stopping financing for certain fossil-fuel based investments (namely coal and arctic exploration). A lack of proved progress on climate action may increase costs of capital (through higher interest rates), and/or limit our potential access to capital in the medium term. In the longer term, Lundin Energy's market capitalisation could be affected in light of changing investor reputation, as they could consider the Company to become a higher risk investment, given our sector focus. Additional scrutiny from external stakeholders and non-Lundin Energy targeted NGO actions may lead to sectoral repercussions damaging perceptions of oil and gas, ultimately affecting Lundin Energy's reputation. Due to Lundin Energy's reputation as a leader on climate change, a proportion of this risk can be mitigated through our Decarbonisation Strategy and continued dialogue with investors and lenders.
Acute physical	Relevant, always included	Acute physical climate-related risks could impact Lundin Energy's operations and supply chain. Within acute physical risks we consider the risk of changing weather, including an increased frequency and intensity of extreme weather related events (e.g. storms, hurricanes) which could cause damage to our assets or increased cost. Most fields developed today are engineered to tolerate 100-year storms or equivalent, and should therefore be capable of handling more extreme weather conditions than currently planned for. It is however considered possible that such events may damage infrastructure and cause reduced production, increased costs, implying costly modifications or operational restrictions. This has already occurred within the marine industry where an unexpected wave height hit a drilling rig highlighting lessons to learn for future design scenarios.
Chronic physical	Relevant, always included	Chronic physical climate-related risks could impact Lundin Energy's operations and supply chain. Chronic physical risks factor a changing climate, and with that, a rise in sea level. Changes in weather patterns could impact operation and development areas (OPEX, prioritised development areas). Changes in sea level, temperature, ice occurrences, ocean currents and maritime/fishing routes could affect Lundin Energy's assets and operations in Norway and exploration in the Barents Sea. The Company may need to modify its installation structures and develop new evacuation/emergency response solutions. Safety risk and operating costs may increase as a result. In extreme cases, operations may come to a halt (if the measures are not available for such weather conditions) and certain areas may not allow drilling altogether for a period of time. Changes in ice edge distribution in the Barents Sea, where Lundin Energy has exploration activities, and/or fish spawning areas along the Norwegian coastline are examples of such areas. In the long term perspective the probability of this risk is reduced as technology and solutions will be developed to meet the challenges confronted.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Financial goals (margins, dividends) may be potentially challenged if there are changes to the carbon tax system and framework conditions. Lundin Energy's operations are located in Norway, a country with ambitious emission reduction targets and high carbon prices. An increase in national carbon taxes and/or EU-ETS quota prices could impact Lundin Energy, as we operate solely within this market. Policy changes away from the current trends could result from the current global response to climate change, including efforts to limit the temperature increase to 1.5 degrees and to reach a global peak of greenhouse gas emissions as set out in the Paris Agreement. However, our industry-leading low-carbon profile (aiming for <2 kg CO2/boe by 2023) means that our exposure to carbon costs is minimal. Nevertheless, Lundin Energy Norway includes

increasing carbon cost as a risk and continues to budget for carbon taxes with sensitivity analysis done on investment and development concept evaluations.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1800000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Approach used to calculate financial impact: - The direct impact of the risk will be an increase of the cost of EUAs paid per tonne of CO2. - In order to estimate the impact, given our current portfolio and emissions, we have evaluated a number of scenarios for the evolution of European CO2 EUA prices. - The impact of the risk in this case is the cost difference for the emissions from our current portfolio between the expected CO2 EUA prices scenario and the high increase scenario. - Future potential additions to the current portfolio have the potential to increase the CO2 emissions and therefore the impact of the risk. Figures and assumptions used in the calculation: - Current portfolio represents emissions of 50,000 tonnes CO2 for own operations and an additional 10,000 tonnes CO2 for drilling rigs per year (after electrification of the Edward Grieg and Johan Sverdrup fields). - Expected base scenario for CO2 prices is at 70 USD per ton in 2030. - High case scenario for CO2 prices is at 100 USD per ton in 2030. - 30 USD x 60,000 tonnes CO2 = 1,800,000 USD per year.

Cost of response to risk

100000

Description of response and explanation of cost calculation

Lundin Energy's response is to manage, and mitigate this risk, by: - Funding R&D projects that aim at reducing GHG emissions and improving low emission technologies. - Perform stress tests on our portfolio to evaluate the effects of taxes increase and evaluate relevant mitigations to reduce emissions further. - Communicate the continued need for existing and new oil and gas producing fields to meet the future energy demand and ensure those are a viable part of the future energy mix. Case study: - Lundin Energy faces growing carbon costs as Norwegian regulation is constantly strengthening with respect to decarbonisation. The Norwegian Government recently announced a carbon tax increase to \$240/tonne CO2 by 2030. In order to prepare for the tax increase, Lundin Energy needed to analyse risks associated with the Norwegian carbon tax increase, in terms of resilience of current and future assets and activities. In response, Lundin Energy has built a carbon cost assumption into our forward business planning, with sensitivities, to model the percentage of future operating costs in terms of Norwegian carbon tax and EUA allowances. This analysis is updated on an ongoing basis with our Asset Business Planning Framework, helping us to manage carbon costs and mitigate them. Cost of response to risk: - Lundin Energy actively participate in stakeholder management, in particular with the Norwegian Oil and Gas Association, to understand and help control the impacts of carbon cost risks. - In addition, to control the risk, Lundin Energy applies business intelligence to provide a basis for informed decision making and portfolio management. This involved scenario analysis of carbon cost impacts, which includes purchase of data around carbon costs and projections. This cost includes studies and access to industry databases and analyses. The cost of studies and access to industry databases and analyses is approximately 100,000 USD per year. This was calculated based on average prices paid for such services over the past 3 years.

Comment

The cost of mitigation estimate included here is for business analysis. Mitigation costs that include R&D investment and stakeholder management have been included in other risks to avoid double counting.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Market climate-related risks could impact Lundin Energy in the longer term through lower oil demand and prices. Our assets are located solely offshore, and solely in Norway, which makes us unique when compared to other E&P companies who are more diversified. Our cost base is also thus unique when it comes to production and oil and gas, and we have a low break-even oil price of around US\$10/boe. Nevertheless, we are impacted by global market trends, and different energy mix scenarios predict increases or decreases in fossil fuel demand through to 2040, based on global growth, political stability, market conditions, and technology development. This risk is related to the potential for reduced future demand for oil due to shift to alternative energy sources through the energy transition. Different climate change scenarios (e.g. from the IEA) predict increases or decreases in fossil fuel demand through to 2040, based on predicted climate policies and their impacts. Predicted scenarios range significantly depending on the source, e.g. 15-32% reduction in oil demand by 2040 in a 2 degree scenario vs. a 4-23% increase in oil demand in a current policies scenario. Under such scenarios, the IEA has provided a long term oil price outlook, which could impact profitability and also have potential knock-on effects on reserves valuation under a lower oil price scenario. For Lundin Energy specifically, scenarios such as the IEA's Sustainable Development Scenario are unlikely to have a significant effect on our overall resilience, because of our low operating costs (\$3.08 per barrel in 2020) and commitment to carbon neutrality. We expect that we will continue to provide oil and gas in a low-carbon future, and produce in a sustainable and responsible manner, giving us a competitive advantage.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

700000000

Potential financial impact figure – maximum (currency)

1200000000

Explanation of financial impact figure

Approach used to calculate financial impact: We have carried out a rough calculation of the potential revenue impact to Lundin Energy under two different oil price scenarios in 2040. The low-case scenario is based on the difference between the IEA's Sustainable Development Scenario (\$53/barrel in 2040) and our actual achieved oil price in Q1 2021 (\$61.10/barrel), and the high-case scenario is based on the difference between the IEA's Sustainable Development Scenario and a higher oil price of \$70/barrel in 2040. Figures and assumptions used in the calculation: - Our long-term production guidance is minimum 200,000 boepd (minimum 73 million boe per year), as communicated in our Capital Markets Day report in January 2021. - Low-case scenario assumes a potential revenue impact of \$8.10/barrel (the difference between the IEA's SDS price of \$53/barrel in 2040 vs. our achieved price in Q1 2021 of \$61.10/barrel). - High-case scenario assumes a potential revenue impact of \$17/barrel (the difference between the IEA's SDS price of \$53/barrel in 2040 vs. a higher oil price scenario of \$70/barrel). - The resulting range in revenue impact is therefore between 600 million USD and 1,200 million USD in 2040, rounded to the nearest 100 million USD, under these above price scenarios.

Cost of response to risk

250000

Description of response and explanation of cost calculation

Lundin Energy's response is to manage this risk, by: - Pursue efforts to differentiate our oil and gas products to maintain a competitive advantage in the market, for example through low-carbon certification with Intertek (CarbonClear and CarbonZero certification) and engagement with wider industry. - Continually monitor and update our climate scenario modelling each year as new data and scenarios are published, in line with the guidelines from the TCFD. Case study: - In 2020, in order to respond to the growing market trend for low-carbon feedstocks, Lundin Energy obtained carbon certification for its Edvard Grieg field. The certification was awarded by Intertek under their CarbonClear standard, at 3.8 kg CO2e/boe, one of the lowest carbon intensities of any producing field in the world. This certification enabled Lundin Energy to further neutralize the residual CO2 emissions from the field, and as a result we sold the world's first cargo of carbon neutrally produced oil to an Italian refiner (certified by Intertek under the CarbonZero standard). The response from the market was highly positive and the Company will continue to seek carbon neutral certification for our production, to maintain our position as an industry leader and as a supplier of choice for crude oil, tapping into new customer markets for differentiated barrels. Cost of response to risk: - Lundin Energy anticipates costs of up to 200,000 USD/year for low-carbon certification based on current market prices for such services. This helps us manage our risk through obtaining third-party certification. - Lundin Energy anticipates costs of up to 50,000 USD/year to update our climate scenario modelling, based on previous costs paid for such services. This helps us control the risk through gaining a good understanding on potential impacts of changing demand trends for crude oil and gas.

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Stigmatization of sector
------------	--------------------------

Primary potential financial impact

Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

An increasing number of the Company's lenders are factoring in ESG into lending criteria, such as through sustainability-linked loans, as well as factoring ESG into risk profile of companies. In 2020, Lundin Energy refinanced our \$5 billion credit facility, and our lenders expected ESG criteria to be tied to the loan. As a result, we tied two KPIs to the loan: our carbon intensity performance and renewable energy generation. Each KPI contributes to a potential change in the interest rate payable on the loan, depending on over- or under-performance on these two KPIs. Going forward we will continue to utilize liquidity facilities with various lenders, who are becoming increasingly aware of sustainability risks and building these risks into lending decisions. We thus face risks in accessing capital if we are unable to meet our carbon targets. As we currently tie our carbon performance to our existing credit facility, improvements in our carbon emissions will trigger a partial cut in the overall interest rate payable by a few basis points. Conversely, an increase in our carbon emissions (for example if we were not able to electrify our assets in the future) could trigger a change in the interest rate in the opposite direction, increasing our debt repayments and ultimately, access to capital.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1000000

Potential financial impact figure – maximum (currency)

5000000

Explanation of financial impact figure

Approach used to calculate financial impact: Typical sustainability-linked loans tie between 2 and 10 basis points to achievement of ESG or carbon metrics. The financial impact figure is calculated by multiplying this range in basis points to our \$5 bn credit facility, in order to estimate the likely value at stake from our debt, due to potential links with our carbon performance. Figures and assumptions used in the calculation: - Our credit facility is for 5 bn USD - Assumption used is a range in basis points for a sustainability linked loan of between 2 and 10, applied to the full amount of possible debt. - Value at stake is therefore quantified as 0.0002% and 0.001% of the potential debt of 5 bn USD. - This equals a potential financial impact range of 1 - 5 million USD per year.

Cost of response to risk

101000

Description of response and explanation of cost calculation

Lundin Energy's response is to manage this risk, by: - Continue to build in ESG criteria (e.g. carbon intensity) into our debt refinancing to benefit from lower interest rates in future discussions with lenders. - Continue to monitor debt markets and proactively engage lenders on our low-carbon credentials, for example through one-to-one meetings with lenders. - Purchase market intelligence reports on sustainable finance trends and data for the oil and gas industry, from third party data providers and sources. Case study: - A significant proportion of financing is now tied to sustainability KPIs. In order to be ready for this trend, in 2020 Lundin Energy began engaging our top lenders to understand their expectations on structures and approaches to building carbon KPIs into financing arrangements. We took the decision to build in two KPIs into our new loan facility: carbon intensity (in kgCO2/boe) and renewable energy generation (in % replacement). These were accepted by the banks and set into the loan agreement. The result has been positive, as we were able to achieve intermediate milestones by the end of the year, which in turn triggers a cut in the interest rate payable. Cost of response to risk: - We anticipate spending up to 1,000 USD per year on third party market intelligence mentioned above, to help us respond to this risk and control it. This includes reports on the status and trends of ESG financing. - The additional cost of studies and access to industry databases and analyses is approximately 100,000 USD per year, based on quotes we have received from third party providers. This data helps us manage our risks in terms of emissions in the wider value chain, including Scope 3 emissions, and can in turn be used to feed into analysis on future financing metrics.

Comment**Identifier**

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Other, please specify (Lack of access to acreage)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Exploration is an integrated and necessary part of all petroleum activities and a production license giving access to acreage covers all phases of petroleum activity, not merely connected to exploration, development or the production phase. Lundin Energy holds over 90 licenses in Norway for a total acreage of over 33,000 square kilometres for oil exploration activities. The Company could face reduced access to new acreage and altered development of proven resources in light of poor reputation on climate actions, and/or policy and legal restrictions. Access to new licenses and acreage and the development of new discoveries are vital to our business model, which focuses on organic growth through exploration, development and production of oil resources. For example, reduced access to new exploration acreage on the Norwegian Continental Shelf, combined with a potential lack of approval for the development of proven resources, could result in an inability to grow the Company due to lack of exploration opportunities. Lundin Energy's position as an ESG leader, with an ambitious Decarbonisation Strategy, means that we are likely to mitigate such risks better than others in the sector.

Time horizon

Medium-term

Likelihood

Very unlikely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

10000000

Potential financial impact figure – maximum (currency)

40000000

Explanation of financial impact figure

Approach used to calculate financial impact: - To calculate the risk, the Company uses an assumption of one commercial discovery of a mid-size field production over a ten year period. - Mid-size field assumed to potentially produce 100 million barrels of oil equivalent (million boe) for the Company share. Figures and assumptions used in the calculations: - 100 million boe estimated value of 1,000 to 4,000 million USD for a 10 year period. - On an annual basis this equates to approximately 10 to 40 million USD of value at stake (profit), depending on the market conditions and oil price.

Cost of response to risk

1500000

Description of response and explanation of cost calculation

Lundin Energy's response to this risk is to: - Communicate need for energy / new fields to meet the growing energy demand. - Invest in ,and active participation in the development of low emission technology such as the LowEmission Research Center, operated by SINTEF. LowEmission's research in cleaner offshore energy systems and integration with renewable power production technologies contributes to reaching the UN's Sustainable Development Goals. - Continually engage with external stakeholders, including the Norwegian authorities, to communicate the Company's Decarbonisation Strategy and excellent sustainability profile. Case study: In Norway, the authorities award licenses to the oil companies based on the quality of the companies' application and their past performance, including their ability to operate in an energy efficient matter. In 2020, Lundin Energy carried out detailed engineering work to conclude on the modifications needed to fully electrify the Edvard Grieg platform. In addition, the production operations were further optimized to further minimize the greenhouse gas emissions from the Edvard Grieg platform. This included IR measurements to identify and reduce any diffuse methane emissions. The Norwegian authorities recognize Lundin Norway's greenhouse gas reducing efforts by consistently awarding the Company a high number of licenses in the various application rounds. Cost of response to risk: - The cost of mitigation includes the costs of investing in research, and up to 5 man-years annually from our organisation, including top management, working on these responses described above. - This includes campaigns and preparation of communication material to support stakeholder engagement.

Comment

The cost estimate for mitigation is attributable to stakeholder management, see above.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Norwegian authorities and key stakeholders have staked out ambitious emission reduction targets for the Norwegian Oil and Gas Industry. Higher costs of decarbonisation (e.g. electrification) for future E&P activities is considered a potential risk. Emissions reduction targets of cutting 40% by 2030, and be near zero in 2050 is challenging. Through its Decarbonisation Strategy, Lundin Energy has established a goal of being carbon neutral from 2025, implying that all emerging fields and developments need to be near carbon neutral or include ambitious carbon negative offsetting mechanisms. Electrification is a key component of the Decarbonisation Strategy. We are already in the process of electrifying one of our key assets, Edvard Grieg, and another major asset, Johan Sverdrup, is already electrified using power from shore. However the cost of electrification for potential future assets (e.g. in the Barents Sea) depends on many factors, including geographic, technical and infrastructure barriers. Depending on the asset, CAPEX and OPEX profiles may increase the cost of production.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

100000000

Potential financial impact figure – maximum (currency)

200000000

Explanation of financial impact figure

Approach used to calculate financial impact: - Technologies such as wind and energy storage, green hydrogen, etc. may be available for isolated assets but electrification costs would likely be higher in this scenario. - The financial impact of this risk relates to increased CAPEX for full electrification. The cost of electrification depends on many factors, including potential geographic, technical and infrastructure barriers. - The impact also relates to decarbonisation techniques, and OPEX for assets that cannot be directly electrified. Note: Financial impact above is calculated here is total CAPEX potentially needed for a field. Figures and assumptions used in the calculation: - Higher costs of decarbonisation (e.g. electrification) for future oil exploration & production activities up to 200 million USD (example taken from Edvard Grieg field electrification). - Low case estimated to be half this value (100 million USD).

Cost of response to risk

5000000

Description of response and explanation of cost calculation

Lundin Energy's response to this risk includes actions to: - Communicate the need for energy/new fields. - Stress testing the full portfolio. - Business analysis and asset management with carbon costs/electrification costs to be factored into new business planning. - Continue to participate in research and development efforts to support the Decarbonisation Strategy. Case study: - In 2020 Lundin Energy quantified the costs of additional renewable energy capacity that would be needed to ensure all the electricity we consumed would be from renewable power. This analysis has helped us estimate potential future costs of ensuring low-carbon organic growth, and is built into our forward business planning process. Cost of response to risk - The cost of mitigation would involve 3 million USD per year for stakeholder management, business analysis and asset management. - It is estimated that 2 million USD per year for research and development funding would be required based on current spend.

Comment

Other potential financial impacts may include: - Additional costs due to highly ambitious and costly emission reduction targets for the Norwegian Oil and Gas Industry. - Increased OPEX for assets that cannot be directly electrified (1-3 million USD / year from 2023 onwards).

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Within acute physical climate change risks we consider the risk of changing weather, including an increased frequency and intensity of extreme weather related events (e.g. storms, hurricanes) which could cause damage to our assets. Most production fields today such as Edvard Grieg and Johan Sverdrup are state-of-the-art and developed to tolerate 100-year storms or equivalent, and should therefore be able to handle extreme weather conditions. It is still considered possible that storms or other extreme events may damage infrastructure and cause reduced production, increased costs, costly modifications or operational restrictions. For example, at a competitor's drilling rig in Norway, the rig was within regulations but not appropriate for stronger than anticipated storms. The COSL Innovator was hit by a wave of up to 30 meters, which smashed 11 windows on the middle deck and six windows on the lowest deck. The Windows sat at approximately 20-25 meters over the ocean surface. The wave height was unexpected and a lesson to learn for future design scenarios.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Approach used to calculate financial impact: - Severe weather events and the increase of their frequency will challenge the design and safety margins of existing facilities and vessels. The impact will be the cost of material damage and need for repairs, or need for modification of existing facilities and vessels caused by new regulations, standards or risk level. - Performance of the facilities and vessels may also be reduced, due to increase of waiting on weather times, due to longer and more frequent periods of bad weather. Potential additional financial impacts: - Increased costs due to 5 - 10 % increased downtime (Waiting on Weather, WOW) resulting in circa 5-10 million USD in annual value at stake. Note that the financial impact quantified here does not take into account potential injuries related to such severe weather events. Figures and assumptions used in the calculation: - Assumption of up to one-month downtime (in a worst-case scenario) with stop of production to perform repairs or modifications to an installation. For the purposes of this calculation, we assume that this event could potentially happen once in a 10 year period, costing up to 100 million USD per event. This impact includes total cost of the repair including production downtime, damage to and subsequent repairs of production facilities. This equates to approximately 10 million USD on an annualised basis.

Cost of response to risk

100000

Description of response and explanation of cost calculation

Lundin Energy's response to this risk is: - Monitor the evolution of weather patterns, the associated risks and evaluate the industry response. - Implement operational restrictions to maintain the safety levels of personnel, the environment and assets. - Repair and/or upgrade facilities and vessels to ensure robustness towards the new frequency and severity of weather events. Cost explanation: - Ongoing weather monitoring has an assumed cost of 100,000 USD per year. - Implementing operational restrictions will potentially have an impact of productive time, but those are extremely difficult to estimate due to the uncertainty of the changes in frequency and magnitude of those severe weather events.

Comment

Potential additional financial impacts: - Increased costs due to 5 - 10 % increased downtime (Waiting on Weather, WOW) resulting in circa 5-10 million USD in annual value at stake.

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Investors may see Lundin Energy as a higher risk investment given our carbon footprint and sector focus in oil and gas, potentially affecting market capitalisation in the longer term. Additional scrutiny from external stakeholders and current non-Lundin targeted NGO actions and potential lawsuits may damage the oil and gas sector, and thus indirectly affect Lundin Energy's reputation. Furthermore, some investors in the future may not be willing to invest in Lundin Energy due to reputational concerns on investing in fossil fuels. For Lundin Energy, we are managing this risk through our Decarbonisation Strategy, ensuring that we maintain top quartile ESG ratings and industry-leading carbon performance as well as low operating costs per barrel. Compared to our peers, we aim to maintain our reputation as a sustainable and responsible oil and gas producer, with low risk of stranded assets, thereby giving us a competitive advantage and being the investment of choice. We tend to outperform the benchmarks on our share price, which we believe is part due to our strong position explained above.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

It is not possible to provide an exact financial impact figure for this risk, for the following reason: Market cap and share price fluctuate for many reasons, and it is not possible to isolate the specific impact from sustainability or climate change. However, research has shown that companies with strong carbon and ESG performance tend to outperform. Likewise, companies that experience a critical stakeholder issue (such as an oil spill) are very likely to see a share price impact. This type of impact may also apply in the case of lack of climate action or poor carbon emissions performance relative to peers. We believe that if unmitigated within the oil and gas industry, there is a longer term risk that our market cap and share price could be affected negatively if the industry does not act on climate change. Given that we have a strong Decarbonisation Strategy and target for carbon neutrality, we expect to mitigate this risk significantly.

Cost of response to risk

2100000

Description of response and explanation of cost calculation

Our response to this risk is to: - Continue focus on low emission and energy efficiency technology at Edvard Grieg. - Complete ESG and carbon related disclosure reporting for example through the CDP, TCFD and for external ratings agencies like MSCI. - Continue active engagement of our shareholders through one-to-one meetings and roadshows Case study: Focus on investors is key to minimising risk. For example an investor, BlackRock, have publicly stated that they will be moving away from directly investing in arctic drilling projects and some insurers have stated that they no longer insure oil companies for certain liability insurance. Through regular investor engagement, Lundin Energy showcases how our decarbonisation strategy and low emissions profile can reduce long term risk for investors. Cost of response to risk: - The cost of mitigation includes approx 2 million USD/year for investments in R&D in 2020to reduce greenhouse gas emissions, and 100,000 USD per year to manage ESG reporting each year. - This is an estimated total figure that includes costs for CDP Reporter Services, consultancy support for supporting external disclosure, and other third party costs, for example memberships to organisations such as the UN Global Compact.

Comment

Identifier

Risk 8

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Changes in global weather could affect the Company's exploration in the Barents Sea, where drilling rigs need to be specially designed for operations in cold climates. Chronic physical includes increased wave load, changes in sea level, temperature changes, changes in ice occurrences, or changes in ocean currents and maritime/fishing routes. Lundin Energy may thus need to modify installation structures and develop new evacuation and emergency response solutions. The safety risk and operating costs may increase. In extreme cases, operations may be stopped altogether (if the measures are not available to compensate for weather) and certain areas would not allow operations. In the long-term perspective the probability is reduced as technology and solutions are likely to be developed to meet faced challenges.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Financial impacts would involve: - Increased contractor costs from project delays. - Increased costs in supply chain. - Increased operational costs.

Cost of response to risk

1000000

Description of response and explanation of cost calculation

Lundin Energy’s response to this risk is: - Increased robustness to manage events including implementing operational restrictions to maintain the safety levels of personnel, the environment and assets. - Investing in new technology. Case study: - Changes in ice edge distribution in the Barents Sea, where we have exploration activities, and/or fish spawning areas along the Norwegian coastline are examples of such areas where the Company is concentrating its focus. Cost explanation: - The Company expect the cost of new technology to be estimated at 1 million USD.

Comment

Identifier

Risk 9

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation
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Primary potential financial impact

Other, please specify (Increased legal and reputational costs (decreasing share price value))

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Climate related lawsuit(s) emerging on national or international arena could impact the Company finances and reputation. Legal challenges and claims to recompense climate related damage, illness and negative effects are already being observed around the world today. Lundin Energy may be affected specifically in Norway, where a climate related lawsuit relating to the sea-ice edge is currently being evaluated by the Supreme Court, as well as claims based on the oil and gas annual cash refund for exploration cost of companies in the exploration phase. In other jurisdictions, other similar lawsuits have been ruled in favour of the complainant to protect the environment and limit exposure to greenhouse gas emissions. Although considered unlikely to affect Lundin Energy at present, legal challenges may become more time-consuming, costly and may cause increased representational harm to the Company and wider industry in the future.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

It is not possible to provide a financial impact figure for legal risks, due to the uncertainty of the risk and unknown impact on the Company specifically. In a qualitative sense, the financial impacts could be related to increased costs for legal counsel and punitive damages as well as reputational damage, which could also be felt through an impact on the share price and Lundin Energy’s ESG Risk ratings.

Cost of response to risk

0

Description of response and explanation of cost calculation

Lundin Energy’s response to this risk is to: - Closely monitor of climate-related cases in Norway. - Ensure continued dialogue/engagement with stakeholders in the Norwegian Government and Norwegian Oil and Gas Association. Case study: The Company conducts lessons-learned sessions and closely monitors legal challenges affecting Norway. Legal climate-related disputes could impact Lundin Energy’s exploration in the Barents Sea or other costal and sensitive areas. The Company could face legal challenges with claims to recompense climate-related damage, illness and negative effects, all of which are already taking place in the global arena today. In Norway, NGOs (Bellona case) have filed climate related lawsuits relating to the sea-ice edge which are being evaluated by the Supreme Court. Other similar lawsuits have been ruled in favour of the complainant in other regions of the world. Cost of response to risk: - There is no cost to mitigate the risk as the above activities are already carried out regularly, as part of the normal business activity and stakeholder engagement approach.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Lundin Energy has an opportunity to strategically invest in new low-carbon and renewable energy sources as part of our Decarbonisation Strategy and goal to become carbon neutral. This enables us to both reduce our operational footprint, as well as generate good leveraged returns from new renewable energy projects. Lundin Energy's Decarbonisation Strategy includes a commitment to offset and replace 100% of the electricity we consume from shore by adding net new renewable energy capacity to the grid. To date, Lundin Energy has committed to invest in three renewable energy projects: The 132 MW Metsalaminkangas wind farm in central Finland, the 77 MW Leikanger Hydropower Project in Norway and the 86 MW Karskruv wind farm in Sweden.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

24000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Approach used to calculate financial impact: - The business case for the committed renewable energy projects takes into account project total net CAPEX of ca. 313 million USD and annual projected revenues from electricity sales, based on forward looking energy price projections. Figures and assumptions used in the calculation: - Estimated USD 24 million USD/year annualised net revenue possible from committed renewable energy projects, based on a 40 USD/MWh price assumption. - Potential total net electricity generation capability of up to 600 GWh/year. 600 GWh x 40 US\$/MWh = 24 million USD. - The underlying assumptions include projected electricity prices (approx 40 US\$/MWh) and value of Guarantees of Origin (up to 1 EUR/MWh) - however GoO not taken into account in this calculation.

Cost to realize opportunity

314000000

Strategy to realize opportunity and explanation of cost calculation

Lundin Energy's strategy to realise the opportunity: - Invest strategically in future renewable projects in order to match electricity consumption from shore, reduce carbon emissions, support Lundin Energy's carbon neutral goal and provide a natural hedge against electricity prices. Case study: - Lundin Energy has committed to three renewables investments that generate good leveraged returns - the 132MW Metsalaminkangas wind farm, the 77MW Leikanger Hydropower Project, and the 86 MW Karskruv wind farm, all of which when constructed will power 100% equivalent of our electricity consumption from shore. Construction of the Metsalaminkangas wind farm is ongoing and will be completed by end 2021. The Leikanger project is currently in Phase 2, and the Karskruv wind farm shall be completed by end 2023. Each project has an estimated lifetime of 25-35 years. Cost calculation: - The CAPEX figure of 314 million USD is the estimated total net capex for Lundin Energy for the three above-mentioned projects. The breakdown is as follows: 32MW Metsalaminkangas wind farm: 107 million USD 77MW Leikanger Hydropower Project: 53 million USD 86 MW Karskruv wind farm: 154 million USD

Comment

Potential financial impact of 24 million USD is annual potential revenue opportunity (~700 million over 30 years as a conservative total revenue estimate).

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Other, please specify (Low-carbon certification of products)

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

An increased focus on CO₂ per barrel and carbon certification could provide competitive advantage for Lundin Energy with regards to the downstream market. In order to curb carbon emissions in line with the Paris Agreement, and as per the IEA "Sustainable Development" scenario for example, the dominance of coal in the energy mix needs to be reduced dramatically. In this scenario, oil and gas (especially the latter) will start to become a preferable choice. Given that Lundin Energy produces crude oil at one of the lowest carbon intensities in the global oil and gas industry, it could become a supplier of choice for those companies purchasing energy which have a commitment to reduce their own carbon footprint through the value chain. Specifically for Lundin Energy, obtaining third-party certification of our products could potentially enable premiumisation of our barrels for buyers. We explored this opportunity in 2020 and certified both the Edvard Grieg and Johan Sverdrup fields as low-carbon, certified by Intertek. Furthermore, we obtained carbon neutral certification of both fields under the Intertek CarbonZero standard.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

13000000

Potential financial impact figure – maximum (currency)

26000000

Explanation of financial impact figure

Approach used to calculate financial impact: Revenue uplift on certified low-carbon products in the oil and gas upstream business is not yet proven. However, given the increased focus on supply chain decarbonisation of end users (e.g. refiners, consumers, etc.) it may be possible to command a small premium (between 0.5% and 1 % for example) on the price of our barrels, given our Decarbonisation Strategy and industry-leading carbon performance of 2.6 kg CO₂/boe in 2020. Figures and assumptions used in the calculation: - Our total Company revenues for 2020 were 2,564 million USD. - We have assumed a small premium possible for low-carbon certified barrels of 0.5-1%. - This equates to a revenue uplift of approx. 13-26 million USD, assuming revenue levels remain constant at 2020 prices. Thus, this is a conservative assumption as revenue is likely to grow with production.

Cost to realize opportunity

200000

Strategy to realize opportunity and explanation of cost calculation

Lundin Energy's strategy to realise the opportunity: - Discuss the certification opportunity with buyers and investors to determine potential appetite for premiumisation. - Obtain the certification through engaging third party certifiers, such as Intertek, to quantify and verify field-level emissions from Edvard Grieg and Johan Sverdrup. Case study: - Lundin Energy has been actively exploring opportunities to differentiate our barrels in the market, for example through low-carbon certification. Full life of field emissions have been quantified for both our Edvard Grieg and Johan Sverdrup fields, with a view to neutralize residual emissions and market our barrels at a potential premium. This certification was completed by Intertek under their CarbonClear standard, and was the world's first certification for a low-carbon producing oil field. As a result of the certification (which was for 3.8 kg CO₂e/boe) we have sold two cargoes to refiners for carbon neutrally produced oil, under the Intertek CarbonZero standard. Both were new customers. To date, we now have certified approximately 60% of our production annually as carbon neutrally produced, and will continue to grow this portion over the coming years. Cost calculation: - The figure of 200,000 USD/year is an approximate estimated figure for certification per field, from third party carbon certification agencies, in line with the current cost trends for carbon life cycle certification. This was obtained through quotes provided to the Company.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

As an operator on the Norwegian Continental Shelf, the participation in the EU-ETS scheme as well as the Norwegian CO₂-tax regime, is compulsory. These measures make selected energy and emission reduction initiatives highly cost beneficial. As a response to these mechanisms, the Edvard Grieg Field on the Norwegian Continental Shelf has developed ambitious energy management plans, as well as a strict flaring strategy in order to reduce energy consumption, avoid excessive flaring and reduce emissions. Furthermore, with our suppliers, Lundin Energy has developed ambitious fuel and emission incentive plans towards rigs and supply vessels.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

750000

Explanation of financial impact figure

Approach used to calculate financial impact: - Reduced cost of EU-ETS emission allowances, CO2-tax and increased gas sales, based on forecasted improvements in CO2 efficiencies and reductions on our fields. Figures and assumptions used in the calculation: - The Edvard Grieg Energy Management committee has ambitions of identifying and implementing emissions reductions equivalent to more than 1% of annual emissions. - Up to now, the average emissions reduction has been in the order of 1-5 %. Annual CO2-tax, and EU ETS quota costs are currently in the order of 15 million USD annually. 5% of this amount accounts for 750,000 USD per year. This is a conservative estimate as the price of EUAs continues to increase. - The range in financial impact is from 0 to 750,000 USD per year, given that annual emission reduction opportunities vary each year.

Cost to realize opportunity

100000

Strategy to realize opportunity and explanation of cost calculation

Lundin Energy's strategy to realise the opportunity: - Maintain efficient energy management processes in existing facilities. - Develop fuel and emission incentive plans for rigs and vessels. - Implement power and energy management software and systems, training and campaigns. - Continue flaring strategy. - Continue ambitious fuel and emission incentive plans towards rig and vessel contractors, such as through battery hybridization (already implemented on certain vessels). Case study: - As part of the Edvard Grieg Field Energy Management and Flaring Strategy and measures to obtain annual flaring reductions, Lundin Energy implemented a flaring reduction initiative that reduced emissions by 13,844 tCO2 in 2020. - With our offshore special purpose vessel contractors, we put in place a requirement to maintain "eco-speed" during transit, optimized for fuel consumption. Going beyond the eco-speed requires a written confirmation. In addition, with the rigs contracted, we have initiated an incentive program. Lundin Energy seeks a credit against the day-rate for the amount of fuel supplied, and the Contractor has an incentive to save fuel and CO2 emissions in order to minimize the credit. This is different from industry practice where traditionally fuel is reimbursed at cost regardless of volume. This measure is included in the contract with the West Bollsta rig in Norway. - As a result, we were able to reduce emissions from operations that also directly reduced the EU ETS and Norwegian carbon tax liabilities. Cost calculation: - Implementing and of energy management processes, cost of maintaining power and energy management software and systems is estimated to cost 100,000 USD annually. This is based on current prices of solutions based on experience, and forecasted forwards at a static rate.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

Lundin Energy's operations are located in Norway, a country with emission reduction targets above, or in line with, the EU climate policy. Lundin Energy's own operated assets on the Norwegian Continental Shelf, the Edvard Grieg platform, and our largest development project to date, the two phase development of the Johan Sverdrup field, both have integrated energy efficiency measures and will in 2022 be ready to receive power from shore through electrification. Electrification in particular creates a significant opportunity to not only improve our reputation by reducing carbon emissions significantly in our operations, but to enable cost savings from e.g. fuel consumed and carbon taxes paid.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Approach used to calculate financial impact: Full electrification of our assets includes a range of financial benefits, including but not limited to: - Carbon tax savings. - Fuel use savings. - Additional gas sales. - Lower operating and maintenance costs. - Improved production efficiency. Figures and assumptions used in the calculation: - Future

carbon price forecasts (for both EUAs and Norway Carbon Tax costs) ranging from 100 USD/tonne CO2 through to 230 USD/tonne CO2. - Carbon avoidance of over 80% from electrification. - Existing costs of fuel consumption. - Potential gas sales price (based on internal projections).

Cost to realize opportunity

500000000

Strategy to realize opportunity and explanation of cost calculation

Lundin Energy's strategy to realise the opportunity: - Integrating energy source evaluation in the investment decision process. Case study: - Lundin Energy is modifying our Edvard Grieg asset to receive and use power from shore. This will enable us to realize the benefits outlined above, alongside reducing emissions significantly from the asset. Cost calculation: - The 500 million USD relates to the total approximate net CAPEX investment required to full electrify our assets.

Comment

Lundin Energy's main expenditure will occur in 2021-2022. There is a degree of uncertainty in the cost element.

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Other, please specify (Better competitive positioning)

Primary potential financial impact

Other, please specify (Improvement in market capitalisation)

Company-specific description

Action on climate change, industry-leading carbon intensity and a strong ESG profile reduces our risk return ratio from an investor perspective. This can improve Lundin Energy's competitive positioning in the sector and attract more investment. An example of our actions to realise this competitive advantage is our industry-leading low carbon intensity (2.6 kgCO2/boe in 2020). Continued opportunities to decarbonise, for example through investment in electrification of our assets, to reach carbon neutrality, will further improve our competitive advantage in the future.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

This opportunity would likely impact our market capitalisation through increased long-term share price performance versus benchmark. In the past we have seen and continue to see our share price beat the benchmark, and we anticipate this to continue due to our commercial success as a company and our industry leading position on decarbonisation. However, it is not possible to quantify the impact that our Decarbonisation Strategy has or will have on our share price and market cap, due to the range of factors included, and complexity of analysis required.

Cost to realize opportunity

800000000

Strategy to realize opportunity and explanation of cost calculation

Lundin Energy's strategy to realise the opportunity: - Continued delivery on the Decarbonisation Strategy, with a ca. 800 million USD combined CAPEX investment/commitment on electrification and renewables and natural carbon capture. Cost calculation: - The CAPEX figure of ca. 800 million USD covers both our investments to electrify our assets and renewable energy projects, as well as for natural carbon capture.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	Our low-carbon transition plan, also known as our Decarbonisation Strategy, has already been adopted by the Company as part of a Board Resolution, and is currently in place.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
IEA Sustainable development scenario IEA NPS	Lundin Energy's approach: Lundin Energy extends our existing scenario analysis to include the IEA Sustainable Development Scenario (SDS) and Stated/New Policies Scenario (NPS), in line with the recommendations of the TCFD. We have identified these particular scenarios based on the fact that they are commonly used by our peers in the industry and therefore will help investors and other stakeholders compare our resilience on a like-for-like basis to other companies. When conducting business planning, our analytical method is to model output metrics including EBITDA, opex per barrel, Free Cash Flow and break-even oil prices, under a range of oil price scenarios. When conducting this scenario analysis, we are able to additionally assess the company's resilience under these metrics, under the IEA SDS and NPS oil price scenarios. Furthermore, we consider a range of carbon price scenario assumptions from external third parties such as the IEA on the EUA price, and the carbon tax from the Norwegian authorities, and build these into our forward business planning to assess impact of these carbon costs on the above-mentioned financial metrics. Our core analytical test is whether our breakeven oil price for the full portfolio is under the IEA's long term oil price in the Sustainable Development Scenario. We conduct scenario analysis over a long-term time horizon, through to 2040 onwards to full life of field. This time frame is relevant to our organization because it is in line with the life of our producing assets and our carbon neutral goal. All our operated and non-operated assets in Norway are considered in the scenario analysis. Results: Lundin Energy's results show that our breakeven oil price for our full operated and non-operated portfolio is well below the IEA SDS oil price scenario (53 USD/boe). This reflects our very low operating costs of 2.69 USD per barrel in 2020, and the fact that we can therefore maintain resilience under lower oil price scenarios. Furthermore our full life of field break-even as at end 2020 was 31 USD/boe. These results are used as inputs into the continued development of our business objectives and strategy, including our ideal minimum breakeven oil price as we explore and develop new assets. We continually assess whether these metrics are in line with the IEA's SDS oil price scenario through ongoing modelling of our cost base. Being one of the most efficient operators in the world, while we continue to benchmark our performance compared to oil price scenarios such as the IEA SDS, we find that we continue to be in a very strong position in terms of resilience to potentially lower future oil prices and increased carbon taxes. Case study: Lundin Energy conducted an analysis of carbon cost scenarios from future EUA and Norway Carbon Tax assumptions. The analysis showed how, through electrification of our core assets, we are able to reduce emissions, and ultimately the cost per barrel. This has influenced our business strategy to continue electrifying our key assets and focusing on other emission reduction projects such as energy efficiency and flaring reduction.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change is a material issue for the oil and gas sector. For Lundin Energy specifically, climate change impacts our business from a physical perspective, as well as a market and reputational perspective in terms of our products. Lundin Energy recognizes the need to decarbonise industry in order to meet the Paris Agreement objectives. At the same time, oil and gas will continue to play an important role in the energy mix over the next few decades, in line with the IEA's Sustainable Development Scenario. In order to respond to climate risks and opportunities, Lundin Energy has formalised its Decarbonisation Strategy which sets a target for carbon neutrality from 2025. The strategy sets out our commitment to support and implement innovative ways to further reduce our exploration and production related carbon footprint to the lowest possible level, delivering the market with a cleaner barrel. The Decarbonisation Strategy strengthens Lundin Energy's position as one of the most sustainable oil companies providing the best barrel in the world: safe, responsible, low cost and low emissions. At present, Lundin Energy produces its barrels at circa one sixth of the world average in terms of carbon intensity, with 2.6 kg of CO2 per barrel of oil equivalent (boe) in 2020. Our Decarbonisation Strategy will have a significant impact over the next 2-3 years, for example through electrification of our Edvard Grieg asset, which will bring our net carbon intensity down to <2 kg CO2 per boe by 2023. The decision to electrify this asset was approved by the Board in 2015, and this 500 million USD investment, of which approximately 60% has already been spent, is just one example of a substantive strategic decision made by the Company to integrate climate change risks into our forward strategy. Furthermore, in 2020, the Board approved a substantive investment of 35 million USD in natural carbon capture projects in Spain and Ghana to further support the Company's Decarbonisation Strategy.
Supply chain and/or value chain	Yes	As we continue to decarbonise our direct operations, an increasing portion of our remaining residual emissions fall under our supply chain – such as vessels and other transport. These emissions pose a risk to the sector, and also need to be managed. Lundin Energy can influence our contractors and suppliers, helping them to decarbonise. Therefore, Lundin Energy's carbon neutral goal for 2025 also includes these emissions, which are considered Scope 3 sources. For any such supply chain emissions that cannot be reduced by 2025, Lundin Energy will aim to neutralise these through natural carbon capture mechanisms. Our strategy is to work with our supply chain to engage, help decarbonise and influence through showcasing best practices. Lundin Energy's Contractor Declaration is an example of our strategy in action. The Contractor Declaration is essential element in the Company's approach to selection of contractors, suppliers and other business partners. The Declaration establishes contractors' commitment to work in accordance with certain principles adhered to by Lundin Energy, namely principles concerning the environment. Any violation of the Code or policies therein is subject to an inquiry and appropriate remedial measures. Lundin Energy recognises the importance of contractors' performance in matters related to sustainability, and the Declaration seeks to increase awareness of sustainability, including climate change, among its contractors. In particular, contractors must work to achieve energy efficiency and minimise harmful discharges, emissions and waste production from a life-cycle perspective.
Investment in R&D	Yes	Our R&D programme directly influences our climate strategy as it leads to innovations that will eventually help us achieve our carbon neutral goal as a company, such as innovations that contribute to energy efficiency, carbon capture or electrification. Our R&D strategy in long term, through to 2040 and beyond (in line with the life of fields), and includes carbon reduction solutions, such as fuel cell powered vessels, as a core pillar to supporting our effort to decarbonise our business. Our Environmental Strategy includes a target for 30% of our R&D budget to be allocated to the environment each year, because we see an opportunity to innovate around carbon reductions through investment in new technologies such as hydrogen and ammonia, and many others, across our areas of operation (vessels, production and drilling) to further cut carbon costs and become a resilient investment choice. Lundin Energy is taking part in climate related industry collaboration, namely through its contribution to the Roadmap for the Norwegian Continental Shelf (NCS) which seeks to achieve value creation and reduced greenhouse gas emissions on the NCS towards 2030 and 2050, as well as through supporting the Research Centre for a LowEmission Petroleum Industry on the NCS. The Company also funds and is on the board of the Norwegian Carbon Capture and Storage Research Centre (NCCS). An example of a substantive strategic decision to help drive new innovative opportunities in our sector, was to invest in a brand new R&D project with Ocean Harvesting Technologies in 2020, which focuses on providing wave power to our offshore platform, Edvard Grieg, and to determine viability and economics of such a solution.
Operations	Yes	Our operations currently comprise the majority of our carbon footprint and energy use. Therefore the risk of carbon costs increasing, as well as energy prices rising, are key to our operations strategy and influence how we develop and run the business. Our approach across operations is to decarbonize and this is core to the Company's Strategy, in order reduce climate risks from regulation, policy and energy price volatility. We minimize risk by reducing operating costs relating to carbon taxes and EUA allowances, but also improving our reputation and strengthening our long-term competitive position in the sector. We look at a long term time horizon for these risks and their management, aligned with the life of our fields, which goes beyond 2040. Examples of substantive decisions made to respond to climate change impacts in our operations includes the following: - As part of our phased Decarbonisation Strategy, our strategic approach will be achieved through electrification of our producing fields, thereby achieving a carbon intensity of < 2 kg CO2 per boe by 2023. - The Company will invest in renewable energy projects to match our net electricity consumption with new renewable energy generation - we will be investing over 300 million USD in renewables projects to decarbonize our electricity consumption and reduce risk of exposure to electricity prices. - The Company takes into account a carbon price of around \$100 per tonne today, rising to \$240 by 2030, to ensure that investment decisions and future business planning takes into account carbon cost projections. This applies across all our operations. - The sourcing of high quality carbon offsets, such as natural carbon capture, help compensate for any residual emissions across the Company's operations that cannot be fully eliminated within its operations, in order to achieve carbon neutrality from 2025. To date we invested \$35 million in natural carbon capture projects in Spain and Ghana. The time horizon for implementation of the Decarbonisation Strategy decisions highlighted above is through to 2025.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Access to capital Assets	The impact of climate change risks and opportunities are integrated into our financial planning. Our Asset Business Planning process, which is conducted three times each year, builds in assumptions around our direct costs and revenues that may be impacted by climate change. To provide a case study as an example, this process includes future price projections of carbon costs (e.g. Norway carbon tax and EUA quota prices), in order for the Company to determine the direct cost (or potential savings) from different asset profiles. In practice, this enables the Company to quantify the impact on metrics such as Free Cash Flow and EBITDA from climate-related investments, such as energy efficiency, electrification, renewable energy or other initiatives. Our Asset Business Planning process covers a long-term time horizon, through to 2040 and onwards, and enables the creation of dynamic scenarios which can help us stress-test our portfolio and financials against low and high case assumptions (such as low and high carbon prices, or low and high oil prices based on IEA scenarios). The outputs from the process enable us to communicate our commercial resilience and strength to the market under a reasonable range of scenarios, which is of core interest to our current and future potential investors.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2020

Covered emissions in base year (metric tons CO2e)

163400

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

81700

Covered emissions in reporting year (metric tons CO2e)

163400

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Lundin Energy has set an absolute target of 50% by 2025 from a 2020 base. This is a new target that we have set this year. It covers 100% of our net equity share Scope 1 and 2 emissions. Note that total Scope 1 and 2 emissions disclosed later in this CDP response are provided on an operational (100%) basis, but we also report on a net equity basis, which this absolute target is based on. Our approach to reach this is through our Decarbonisation Strategy, which prioritizes absolute emission reductions through electrification and renewable energy investments. We believe that our target is a science-based target and will seek approval from SBTi once the methodology for oil and gas companies is published. At present, SBTi is not approving targets from O&G companies while the guidance for the sector is still being finalized.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO2e per barrel of oil equivalent (BOE)

Base year

2017

Intensity figure in base year (metric tons CO2e per unit of activity)

5.3

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2023

Targeted reduction from base year (%)

62.26

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

2.00022

% change anticipated in absolute Scope 1+2 emissions

55

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

2.6

% of target achieved [auto-calculated]

81.823636727297

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

We have set a CO2 intensity target of <2 kg CO2/boe across Scope 1 and 2 emissions by 2023, on a net equity share basis across all operated and non-operated assets, including emissions from drilling. The target was originally set in 2017, when our carbon intensity was 5.3 kg CO2/boe. In 2020 our performance was 2.6 kg CO2/boe. By 2023, we aim to reach our target of <2 kg CO2/boe, equivalent to an absolute reduction in emissions of over 55% across Scopes 1 and 2 over the 6 year target period (2017-2023). We believe that our target is a science-based target and will seek approval from SBTi once the methodology for oil and gas companies is published. At present, SBTi is not approving targets from O&G companies while the guidance for the sector is still being finalized.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to reduce methane emissions

Net-zero target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Methane reduction target	Total methane emissions in m3
--------------------------	-------------------------------

Target denominator (intensity targets only)

Other, please specify (Total gas put onto the market (m3))

Base year

2017

Figure or percentage in base year

0.01

Target year

2030

Figure or percentage in target year

0.1

Figure or percentage in reporting year

0.013

% of target achieved [auto-calculated]

3.33333333333333

Target status in reporting year

Achieved

Is this target part of an emissions target?

This is a separate emissions target for methane intensity. We have set a long-term methane intensity target of 0.1%. Our performance in the reporting year was 0.013 %, and thus well under this target already.

Is this target part of an overarching initiative?

Other, please specify (Norwegian Oil and Gas Roadmap)

Please explain (including target coverage)

The Norwegian Oil and Gas Roadmap defines the need for methane reduction measures. The annual emissions from Lundin Energy Norway's activities are well below the national averages and within the annual target.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2025

Is this a science-based target?

Yes, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain (including target coverage)

We believe that our target is a science-based target and will seek approval from SBTi once the methodology for oil and gas companies is published. At present, SBTi is not approving targets from O&G companies while the guidance for the sector is still being finalized.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	1	1937
Implementation commenced*	2	216381
Implemented*	3	14565
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Flaring reduction)
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Estimated annual CO2e savings (metric tonnes CO2e)
13844

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
200000

Investment required (unit currency – as specified in C0.4)
100000

Payback period
<1 year

Estimated lifetime of the initiative
21-30 years

Comment
Part of Edvard Grieg Field Energy Management and Flaring Strategy and measures to obtain annual flaring reductions. The estimated savings are only the commitments from the energy management committee, and are very conservative.

Initiative category & Initiative type

Fugitive emissions reductions	Oil/natural gas methane leak capture/prevention
-------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)
10

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
3000

Investment required (unit currency – as specified in C0.4)
6250

Payback period
1-3 years

Estimated lifetime of the initiative
21-30 years

Comment
Part of Edvard Grieg field infrared monitoring and leak detection strategy to reduce fugitive methane emissions.

Initiative category & Initiative type

Low-carbon energy generation	Hydropower
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Estimated annual CO2e savings (metric tonnes CO2e)

711

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2000000

Investment required (unit currency – as specified in C0.4)

53000000

Payback period

4-10 years

Estimated lifetime of the initiative

21-30 years

Comment

We produce renewable electricity from our Leikanger hydropower plant in Norway.

C4.3c**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Internal incentives/recognition programs	Group management have a portion of variable pay linked to achievement of the Company's carbon targets. Furthermore, the Company audits the Sustainability management on a yearly basis in its operations. As climate change is one of the issues reported on, there is a recognition of activities which result in a positive impact on emission reductions.
Compliance with regulatory requirements/standards	Norway represents the majority of the Company's business. The regulatory regime is strict and there is a commitment in Norway to reduce emissions locally by 40% as per Paris commitment. The Company is in full compliance with the CO2 tax, NOx tax and the CO2 quota regime. In addition, through our participation in NOROG's Road Map initiative, we are committed to assist the government in fulfilling its 40% reduction commitment and have adopted a Decarbonisation Strategy which includes a goal of carbon neutrality from 2025.
Dedicated budget for energy efficiency	A dedicated energy management task force has been established for the Edvard Grieg platform. This task force follows up Lundin Energy's energy management policy, identifies energy reduction measures, and is mandated with a budget and authority for implementing identified measures.
Dedicated budget for other emissions reduction activities	Fugitive methane emissions are regularly measured annually on the Edvard Grieg platform. Furthermore, all drilling related NOx emissions are regularly measured and followed up. By 'regularly' we mean that all new rigs coming into operation for Lundin shall have regulatory approved NOx measurements performed. These are by Norwegian authorities considered valid until any changes are made to the engine configuration. Any such changes will trigger a new NOx measurement.

C4.5**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

C4.5a**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.****Level of aggregation**

Product

Description of product/Group of products

Renewable energy generation

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year

0.1

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Revenue from generation of renewable electricity at Leikanger hydropower plant.

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Description: At Lundin Energy we have closed flare during normal operations thus virtually eliminating methane emissions during normal operations at Edvard Grieg. Maintaining a closed flare and avoiding venting and emissions is a key priority for the Edvard Grieg platform. The regularity of the closed flare system was > 99 %, thereby ensuring a methane emission intensity of less than 10 % of the global average.

In addition to minimising flaring and venting due to process interruptions, we perform annual inspections of the process plant to identify potential leaks and minimise methane seeps. The Edvard Grieg survey was performed in September 2020, in the form of monitoring of fugitive emissions with an infrared camera on our Edvard Grieg platform. Similar inspections are performed on all formation test projects, with the overall goal of reducing methane and nmVOC emissions as far as possible. In 2020, no formation tests were performed and no such survey were necessary.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

Description: We conduct an annual infrared inspection of the Edvard Grieg process facilities and when conducting extended well tests., see also section 4.6. The inspection is carried out by a third party contractor in order to ascertain the existence of methane leaks and means to address them.

Example: The annual survey was performed between 4th and 11th of September 2020. The survey identified 3 new potential methane leak paths, all of which were taken care of during the survey period. Also, 9 previously identified methane leak paths were surveyed and verified gone. Insofar as Edvard Grieg is a new facility and has a thorough maintenance program in place, no material methane leaks were found in the last exercise carried out. We continue to carry out regular infrared campaigns to detect fugitive flaring which indicate that results show such fugitive emissions are below industry level and considered not material.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

Flaring (non-routine) is relevant to our operations insofar as it constitutes around 5 % of our total CO2 emissions. Flaring has been strictly regulated in Norway since the start of oil production in the 1970s. Flaring is in general prohibited and is only allowed for safety reasons and in conjunction with start-up of activities. The Edvard Grieg platform has been designed with a closed flare system to minimise flaring and emissions. The platform has established a flaring strategy, describing relevant requirements and routines to minimize flaring. The main measures to reduce flaring and eliminate emissions are: Fine tuning of well start-ups, establishing criteria for reduced production during upsets in production or other situations (compressor trips, export line obstacles, gas injection problems, etc.) that may necessitate flaring.

Lundin Energy adopts a fugitive emissions and cold venting target that is in line with the set limits as per the national authority's requirements in Norway. This target is set at < 150 tonnes of methane, and in 2020 we met this target as we only emitted 141 tonnes methane. Reducing flaring is already covered in our carbon intensity of target <2 kg CO2/boe by 2023. In 2020 Lundin Energy stayed well below the permitted emission levels, flaring 54% of the permitted gas levels. The emissions were reduced by 13,844 tonnes CO2e compared to 2019.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

331275

Comment

The data here shown is on a 100% operated basis

Scope 2 (location-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

37

Comment

The data here shown is on a 100% operated basis. The data here shown here relates to our office-related emissions.

Scope 2 (market-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

37

Comment

Our emissions factor for Scope 2 emissions for location and market based emissions is the currently same in the base year.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

281725

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Includes emissions from production, exploration drilling and decommissioning activities, from CO2 and CH4.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

32.2

Scope 2, market-based (if applicable)

0

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The location-based emission factor is from The Norwegian Water Resources and Energy Directorate's annual summary of emissions of power consumed in Norway (17 g CO₂/kWh). All own-operated power consumed from the grid in 2020 was supplied with Guarantees of Origin (GOs) and is thus zero emissions.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

There are no significant goods or services that are not accounted for already. For example, we purchase contractor services which in turn use hydrocarbon fuels (cars, vessels, etc.) and these fuels are already accounted for in the 'use of sold products' category, to avoid double counting (as per IPIECA's Scope 3 Accounting Guidelines). Therefore 0 emissions are associated with this Scope 3 category (purchased goods and services).

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no capital goods that are relevant for emission purposes. They are considered negligible in relation to our total scope 3 emissions. The vast majority of our emissions relate to use of sold products (combustion of our products). Furthermore, any emissions related to capital goods, such as the energy used to manufacture infrastructure, are already accounted for in the 'use of sold products' category, to avoid double counting (as per IPIECA's Scope 3 Accounting Guidelines). Therefore, 0 emissions associated with this Scope 3 category of capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

48791

Emissions calculation methodology

Norwegian national standard factors for fuels have been applied (<https://www.miljodirektoratet.no/sharepoint/downloaditem?id=01FM3LD2QLIGIQCJM6JZB3MG3ZNZPRQ6FC>). Emission factor for helifuel (kerosene) is 3.15 t CO2e/t jet fuel. Emission factor for MGO is 3.16785 t CO2e / t MGO. Emission factor for LNG is 2.76 t CO2e/ t LNG.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

These emissions are the sum of helicopter transport from shore to offshore installations (1,599 tonnes CO2) and fuel consumption on marine installation, support and stand-by vessels during operations (41,686 t CO2), as well as idle rigs on contract (5 506 tonnes CO2). All registered vessels and helicopters on hire for us have been accounted for.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

6874

Emissions calculation methodology

Norwegian national standard factors for fuels have been applied (<https://www.miljodirektoratet.no/sharepoint/downloaditem?id=01FM3LD2QLIGIQCJM6JZB3MG3ZNZPRQ6FC>). Emission factor for MGO is 3.16785 t CO2e / t MGO

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This is the sum of emissions reported from oil tankers carrying products from shipment ports in Norway to customer under Lundin Energy responsibility.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Waste emissions are insignificant (<0.1%) in the context of our Scope 3 emissions, and thus not relevant to our organisation. We generate very little waste in our operations and the vast majority is recovered and/or recycled. The amount sent to incineration in 2020 amounts to 452 t CO2, according to Norwegian emission factors for energy recovery.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

383

Emissions calculation methodology

Reported by the various travel agencies, based on industry standards

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

All our corporate travel agencies report air travel emissions annually.

Employee commuting

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Commuting emissions are insignificant in the context of our Scope 3 emissions, and thus we do not consider them relevant to our organisation. The total emissions from these activities are expected to be less than 0.1 % of the total Scope 3 emissions. Furthermore, any emissions from fuel combustion due to employee commuting would already be accounted for in "use of sold products", to avoid double counting (as per IPIECA's Scope 3 Accounting Guidelines). Note that commuting from home to the offshore installation, is included under "business travel" and "fuel and energy related activities".

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no upstream leased assets. Therefore, 0 emissions associated with this Scope 3 category.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lundin Energy does not have downstream operations. Any emissions from fuel combustion due to transport of our products downstream are already accounted for in "use of sold products", to avoid double counting (as per IPIECA's Scope 3 Accounting Guidelines). Therefore, 0 emissions associated with this Scope 3 category.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lundin Energy sells crude oil, hence this is not relevant for us. Any emissions from fuel combustion due to processing and refining of our products downstream are already accounted for in "use of sold products", to avoid double counting (as per IPIECA's Scope 3 Accounting Guidelines). Therefore, 0 emissions associated with this Scope 3 category.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

22200000

Emissions calculation methodology

Emissions from our net sales of hydrocarbons by end users have been estimated using National emission factors (Norwegian regulations, EU ETS guidelines), along with assessments on the fate of our products aligned with Endrava (2019). The fractions of hydrocarbons combusted is based on a national inventory report (Endrava, 2019), where 86% of oil and 97% of natural gas is assumed combusted for energy utilisation.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

38% of our net product sales come from our Edvard Grieg field, the remaining 62% are non-operated assets where Lundin Energy owns a share. Note that our Scope 3 emissions are based on emissions from all our net sales volumes, i.e. including our sales from Lundin Energy non-operated assets.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category of emissions is not relevant for the produce we sell (crude oil and gas). Any emissions from fuel combustion due to end of life treatment are already accounted for in "use of sold products", to avoid double counting (as per IPIECA's Scope 3 Accounting Guidelines). Therefore, 0 emissions associated with this Scope 3 category.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no downstream leased assets. Therefore, 0 emissions associated with this Scope 3 category.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no franchises. Therefore, 0 emissions associated with this Scope 3 category.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no investments that generate emissions. We do have joint ventures with other oil and gas companies, but the emissions from these assets has already been included in the 'use of sold products' category, as we report these emissions on a net equity share basis. Therefore, 0 emissions associated with this Scope 3 category (investments).

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no upstream assets. Our business operates upstream already, but these emissions are classified as Scope 1 and 2. Therefore, 0 emissions associated with this Scope 3 category.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Lundin Energy has no downstream assets. Therefore, 0 emissions associated with this Scope 3 category.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00011

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

281725

Metric denominator

unit total revenue

Metric denominator: Unit total

2564400000

Scope 2 figure used

Location-based

% change from previous year

8

Direction of change

Increased

Reason for change

Our absolute Scope 1 and 2 emissions decreased by 6% from 2019 to 2020, due to reduced exploration activity and improved energy efficiency and flaring intensity on the Edvard Grieg field. However, due to lower oil prices induced by the COVID-19 pandemic, our revenue decreased by 13% over the same time period. This had the impact of increasing emissions intensity slightly. However, on a per barrel basis, which is a more relevant intensity metric, we improved our emissions intensity by 3% over the time period, reflecting the reduction in absolute emissions that was achieved.

Intensity figure

5

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

281725

Metric denominator

barrel of oil equivalent (BOE)

Metric denominator: Unit total

56122000

Scope 2 figure used

Location-based

% change from previous year

3

Direction of change

Decreased

Reason for change

The main reason for change in emission intensity is improved energy efficiency and flaring intensity on the Edvard Grieg field. Furthermore, reduced exploration activity also contributes to the change. The production (denominator) is mostly unchanged, while the emissions from the Edvard Grieg field were reduced by 5%, and emissions from exploration activity was reduced by near 50% (approx. 9,000 t CO2e). On the Edvard Grieg field, flaring was reduced by approximately 35% and accounted for the majority of the field's reduction. Decommissioning activity in 2020 increased overall emissions by approximately 5,000 t CO2.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Other, please specify (Barrel oil equivalent)

Metric tons CO2e from hydrocarbon category per unit specified

5

% change from previous year

3

Direction of change

Decreased

Reason for change

The main reason for change in emission intensity is improved energy efficiency and flaring intensity on the Edvard Grieg field. Furthermore, reduced exploration activity also contributes to the change. The production (denominator) is mostly unchanged, while the emissions from the Edvard Grieg field were reduced with 5%, and emissions from exploration activity was reduced by near 50% (approx. 9,000 t CO2e). On the Edvard Grieg field, flaring was reduced with approximately 35% and accounted for the majority of the field's reduction. Decommissioning activity in 2020 increased overall emissions by approximately 5,000 t CO2.

Comment

No comment.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

0.013

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

0.002

Comment

The methane emission factor is reported for our gross exports with exported gas as a denominator. The equivalent net equity emission factor for methane is 0.029% of exported gas and 0.002 % of total exported hydrocarbons.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	278191	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	3534	IPCC Fourth Assessment Report (AR4 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

248809

Gross Scope 1 methane emissions (metric tons CH4)

81.25

Total gross Scope 1 emissions (metric tons CO2e)

250840.3

Comment

These emissions are from the Edvard Grieg platform and constitute emissions from combustion of diesel and gas from engines and turbines for power and heat production.

Emissions category

Flaring

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

14000

Gross Scope 1 methane emissions (metric tons CH4)

0.96

Total gross Scope 1 emissions (metric tons CO2e)

14024

Comment

These emissions are from all flaring from the Edvard Grieg field.

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

9212

Gross Scope 1 methane emissions (metric tons CH4)

0

Total gross Scope 1 emissions (metric tons CO2e)

9212

Comment

these emissions are from combustion of diesel from the drilling rig West Bollsta during exploration drilling in 2020.

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

6170

Gross Scope 1 methane emissions (metric tons CH4)

0

Total gross Scope 1 emissions (metric tons CO2e)

6170

Comment

These emissions are from combustion of diesel from the decommissioning of the Brynhild field using the drilling rig Rowan Viking.

Emissions category

Venting

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

0

Gross Scope 1 methane emissions (metric tons CH4)

58.15

Total gross Scope 1 emissions (metric tons CO2e)

1453.8

Comment

This is the total venting and diffuse emissions of hydrocarbons from the Edvard Grieg Field.

Emissions category

Venting

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

0

Gross Scope 1 methane emissions (metric tons CH4)

1

Total gross Scope 1 emissions (metric tons CO2e)

25

Comment

This is diffuse emissions of hydrocarbons from P&A of the Brynhild wells.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Norway	281725

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

By activity

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Edvard Grieg platform, Norway.	266318	58.5	2.25
Brynild Field, decommissioning activities	6195	57.5	2.3
Exploration well 7219/11-1 S in PL 533B	1488.6	72.2	19.6
Exploration well 7221/4-1 in PL 609	7723.6	58.9	21.3

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Exploration activity on the NCS (Lundin Norway Exploration activity)	9212
Emissions from the Brynhild and Edvard Grieg fields (Lundin Norway Production field activity)	272513

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	281725	<Not Applicable>	All Lundin Energy's Scope 1 emissions are related to upstream oil and gas activities.
Oil and gas production activities (midstream)	0	<Not Applicable>	No midstream activities
Oil and gas production activities (downstream)	0	<Not Applicable>	No downstream activities
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Norway	32.2	0	1892.95	1892.95

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.
By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Norway office	32.2	0

C-CE7.7IC-CH7.7IC-CO7.7IC-MM7.7IC-OG7.7IC-ST7.7IC-TO7.7IC-TS7.7

(C-CE7.7IC-CH7.7IC-CO7.7IC-MM7.7IC-OG7.7IC-ST7.7IC-TO7.7IC-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	32.2	0	We report on both a location and market based approach.
Oil and gas production activities (midstream)	0	0	
Oil and gas production activities (downstream)	0	0	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	3.1	Decreased	0.001	Scope 2 power consumption remained virtually unchanged between 2019 and 2020. Consumption of power was 1866 MWh in 2019 vs. 1893 MWh in 2020. However, the location-based emission factors for power purchased in Norway was reduced from 18.9 g CO2/kWh in 2019 to 17.0 g CO2/kWh in 2020. Therefore the reduction from 35.3 t CO2 in 2019 to 32.2 t CO2 in 2020, giving a reduction of 3.1 t CO2 overall. This accounts for < 0.1 % of the overall emissions from Scope 1+2 emissions, stated to be 299 603 t CO2 in 2019.
Other emissions reduction activities	13827	Decreased	4.621	Energy efficiency measures, monitoring routines as well as improved flaring routines, resulted in significant reductions in emissions from the Edvard Grieg field. Flared gas volumes were reduced by 18 066 t CO2e, from 32 091 t CO2e to 14 025 t CO2e, between 2019 and 2020. Emissions from turbines increased slightly, with 6404 t CO2e, while emissions from engines decreased with 694 t CO2e. Fugitive emissions were reduced with 1471 t CO2e in the period. Overall change is therefore a decrease of emissions of 18 066t CO2e + 1471 t CO2e + 694 t CO2e -6404 t CO2e = 13827 t CO2e between 2019 and 2020. This accounts for a 4.621 % reduction of the baseline emissions of 299 603 t CO2e in 2019.
Divestment	0	No change	0	No divestments in reporting year.
Acquisitions	0	No change	0	No acquisitions in reporting year.
Mergers	0	No change	0	No mergers in reporting year.
Change in output	3998	Decreased	1.334	There was a significant decrease in exploration activity from 2019 to 2020. One rig was in operation for three months in 2020, drilling one well and initiating another. This is a significant drop in activity compared to 2019 where three wells were drilled. The reduction in activities resulted in a reduction in emissions from 18364 t CO2e to 9 212 t CO2e in 2020, a reduction of 9 152 t CO2e. Other operational changes in output: Brynhild Decommissioning project had no activity in 2019, but significant activity in 2020 (6 195 t CO2e increase in emissions), while there was no activity on Solveig in 2020 while there was some activity in 2019 (1 041 t CO2e decrease). The resulting change in output (9152 t CO2e +1041 t CO2e - 6 195 t CO2e = 3 998 t CO2e) accounts for 1.334% of the baseline emissions of 299 603 t CO2e in 2019.
Change in methodology	0	No change	0	No changes in methodology in the reporting year.
Change in boundary	0	No change	0	No changes in boundaries for the reporting year, see change in output.
Change in physical operating conditions	0	No change	0	No changes in physical operating conditions in reporting year.
Unidentified	0	No change	0	NA
Other	0	No change	0	NA

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	1216851	1216851
Consumption of purchased or acquired electricity	<Not Applicable>	1892.95	0	1892.95
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	1892.95	1216851	1218743.95

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Marine Gas Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

84548

MWh fuel consumed for self-generation of electricity

84548

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

3.16785

Unit

metric tons CO2e per metric ton

Emissions factor source

EU ETS Emissions factors as applied in Norwegian standard legislation.

Comment

Fuels (excluding feedstocks)

Fuel Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

1132303

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

1132303

Emission factor

0.0271

Unit

metric tons CO2 per m3

Emissions factor source

Measured and calculated based on daily analysis of natural gas composition and subsequent calculation of heating value.

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	427024	236192	41848	0
Heat	87600	87600	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Norway

MWh consumed accounted for at a zero emission factor

1892.95

Comment

The power consumed at our offices in Norway is purchased with Guarantees of origin, stating that it is carbon neutral and documenting the same.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	55.9	Total net crude oil production in million boe
Natural gas liquids, million barrels	2.1	Total NGL production in million boe.
Oil sands, million barrels (includes bitumen and synthetic crude)	0	n/a
Natural gas, billion cubic feet	25.9	Total net natural gas production, billion standard cubic feet.

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

Reserves are categorised according to methodology and uncertainty under the 2018 Petroleum Resources Management System (SPE PRMS guidelines of the society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and society of Petroleum Evaluation Engineers.

All oil and gas reserves (P1 (Proven) + P2 (Probable) + P3 (Possible)) and about 50% of the Contingent Resources, have been audited by an external third party.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1	691	826	946	Net total resource base defined as 2P reserves + contingent resources of 275 million BOE as at end 2020.

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids	93	95	91	Includes crude oil and NGLs
Natural gas	7	5	9	Natural gas production.
Oil sands (includes bitumen and synthetic crude)	0	0	0	No reserves in oil sands.

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Shallow-water

In-year net production (%)

100

Net proved reserves (1P) (%)

100

Net proved + probable reserves (2P) (%)

100

Net proved + probable + possible reserves (3P) (%)

100

Net total resource base (%)

100

Comment

All our reserves and production are in shallow water.

Development type

Arctic

In-year net production (%)

0

Net proved reserves (1P) (%)

18

Net proved + probable reserves (2P) (%)

19

Net proved + probable + possible reserves (3P) (%)

21

Net total resource base (%)

18

Comment

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	We invest in a range of low-carbon R&D projects, totaling 1.8 million USD

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Other energy efficiency measures in the oil and gas value chain	Applied research and development	≤20%	1800000	Approx 1.8 million USD spend in applied R&D across a range of energy efficiency and low carbon R&D projects, in 2020.

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

10

Approximate free cash flow breakeven pre-dividend based on the 2P reserves production profile.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EY_verification_letter_CDP_Lundin_Energy_2020.pdf

LUNE Sustainability Report 2020.pdf

Page/ section reference

See page 42 of the attached Sustainability Report 2020 for the Assurance Statement from EY. Please also see the letter from EY attached confirming the assurance on 100% of operated emissions data (Scope 1, 2 and 3).

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EY_verification_letter_CDP_Lundin_Energy_2020.pdf

LUNE Sustainability Report 2020.pdf

Page/ section reference

See page 42 of the attached Sustainability Report 2020 for the Assurance Statement from EY. Please also see the letter from EY attached confirming the assurance on 100% of operated emissions data (Scope 1, 2 and 3).

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**Scope 3 category**

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statementEY_verification_letter_CDP_Lundin_Energy_2020.pdf
LUNE Sustainability Report 2020.pdf**Page/section reference**

See page 42 of the attached Sustainability Report 2020 for the Assurance Statement from EY. Please also see the letter from EY attached confirming the assurance on 100% of operated emissions data (Scope 1, 2 and 3). Please note that Scope 3 emissions verified by EY as stated in their confirmation letter (20,856 ktCO₂) comprise the total for the following relevant categories: Fuel and energy-related activities, Upstream transportation and distribution, business travel, and use of sold products.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statementEY_verification_letter_CDP_Lundin_Energy_2020.pdf
LUNE Sustainability Report 2020.pdf**Page/section reference**

See page 42 of the attached Sustainability Report 2020 for the Assurance Statement from EY. Please also see the letter from EY attached confirming the assurance on 100% of operated emissions data (Scope 1, 2 and 3). Please note that Scope 3 emissions verified by EY as stated in their confirmation letter (20,856 ktCO₂) comprise the total for the following relevant categories: Fuel and energy-related activities, Upstream transportation and distribution, business travel, and use of sold products.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statementEY_verification_letter_CDP_Lundin_Energy_2020.pdf
LUNE Sustainability Report 2020.pdf**Page/section reference**

See page 42 of the attached Sustainability Report 2020 for the Assurance Statement from EY. Please also see the letter from EY attached confirming the assurance on 100% of operated emissions data (Scope 1, 2 and 3). Please note that Scope 3 emissions verified by EY as stated in their confirmation letter (20,856 ktCO₂) comprise the total for the following relevant categories: Fuel and energy-related activities, Upstream transportation and distribution, business travel, and use of sold products.

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

EY_verification_letter_CDP_Lundin_Energy_2020.pdf

LUNE Sustainability Report 2020.pdf

Page/section reference

See page 42 of the attached Sustainability Report 2020 for the Assurance Statement from EY. Please also see the letter from EY attached confirming the assurance on 100% of operated emissions data (Scope 1, 2 and 3). Please note that Scope 3 emissions verified by EY as stated in their confirmation letter (20,856 ktCO2) comprise the total for the following relevant categories: Fuel and energy-related activities, Upstream transportation and distribution, business travel, and use of sold products.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance LUNE Sustainability Report 2020.pdf	Progress against emissions reduction target	ISAE3000	All data points related to carbon emissions performance and targets within our Sustainability Report 2020 have been assured by EY, as per their assurance statement on page 42 of the Sustainability Report (attached).

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

Norway carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

96.7

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

268979

Allowances purchased

268979

Verified Scope 1 emissions in metric tons CO2e

268979

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

We are EU-ETS compliant for all emissions from oil and gas producing assets, including assets closed and in the process of being decommissioned. Thus we are compliant for the Edvard Grieg field, the Brynhild field (currently being decommissioned) and the Solveig Field (no activity here in 2020). The Brynhild field had 6 170 tonnes of EU ETS allocated and verified allowances in 2020. The Edvard Grieg field had 262 809 tonnes of EU ETS allocated and verified allowances in 2020. Remaining Scope 1 emissions were from exploration drilling activity, which is not subject to EU ETS regulations and allowances. Our Scope 2 emissions were related to office power consumption which is not EU ETS compliant in Norway.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Norway carbon tax

Period start date

January 1 2020

Period end date

December 31 2020

% of total Scope 1 emissions covered by tax

97.8

Total cost of tax paid

12285646

Comment

Cost in USD. All emissions, including cold venting emissions of natural gas, is subject to CO2 taxes on the Edvard Grieg field (92 961 954 Sm3 of combusted natural gas, 2560.7 m3 of diesel and 88 597 m3 of vented natural gas). Diesel combustion is subject to CO2 taxes from exploration drilling (3401 m3 diesel).

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Lundin Energy strategy is to allocate the required financial and human resources to the planning, forecasting, monitoring, verification and reporting of carbon dioxide emissions, both during the development and production phases of our projects. The main purpose of the effort is to achieve best energy efficiency in our operations, ensure we plan for EU ETS allowance and Norwegian carbon tax costs, and thus set appropriate budgets for carbon costs within our business planning.

Case study: In 2020 we extended our emissions forecasting capabilities using an internal tool that was developed, in order to get a more accurate future view of potential carbon tax and EUA costs, to support our strategy for complying with these regulations in Norway. The tool enabled us to better forecast emissions under different low, medium and high case scenarios, and thus help us effectively plan for carbon budgets internally and for external regulations - notably the EU ETS and Norwegian carbon tax.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

Vichada climate reforestation project, Colombia. Gold Standard ID 4221. Details: <https://registry.goldstandard.org/projects/details/1806>

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

1982

Number of credits (metric tonnes CO2e): Risk adjusted volume

1982

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Stress test investments
Identify and seize low-carbon opportunities
Supplier engagement

GHG Scope

Scope 1
Scope 2

Application

The internal carbon pricing is applied in all aspects of planning, designing and communicating current and future field developments and operations. Variations in carbon pricing are also applied to assess the sensitivity of decisions made.

Actual price(s) used (Currency /metric ton)

100

Variance of price(s) used

Price includes CO2 fee (Norwegian taxation) and expected EU-ETS Quota prices with sensitivities. We apply differentiated pricing.

Type of internal carbon price

Implicit price

Impact & implication

Lundin Energy operates in a regulated and highly priced carbon environment. The way we use the internal carbon price is as follows: - Compensation for emissions is made through purchasing carbon quotas within the EU-ETS trading scheme and a carbon tax to the Norwegian state. - A carbon price, based on the combined cost of the quota and the tax, is factored into the economic planning and engineering design of new projects. - The price fluctuates based on foreign exchange and the EU-ETS costs, but a base figure of \$100 is used with upward costs projections. - The price will vary according to national regulation and the EU-ETS trading scheme. - The internal carbon price, based on what the Norwegian government set as regulated price, is incorporated into Lundin Energy's economic planning models approved by the CFO. - Investment decisions are made on a wide range of factors, which includes current and forward looking pricing of emissions.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Offer financial incentives for suppliers who reduce your operational emissions (Scopes 1 & 2)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

This engagement applies to Lundin operated drilling rigs, thus covering 100% of Scope 1 emissions, not directly under Lundin Energy Norway ownership. Part of Lundin Energy's sustainability commitment is to ensure the Company acts in a responsible manner. Recognising climate change as a global issue requiring global action, Lundin Energy engages with those actors within its supply chain who can positively contribute to reducing GHG emissions. Drilling rigs are a key, material source of emissions and thus working with these suppliers is critical to achievement of our Carbon Neutral target.

Impact of engagement, including measures of success

A part of Lundin Energy's strategy is to adopt best available techniques where available, and to set the same expectations from its suppliers through contractor requirements. By setting best available techniques as a primary requirement in its tendering process, Lundin Energy reinforces its encouragement towards suppliers to provide energy and emissions efficient solutions. The measures of success from this type of engagement are the total emissions reduced from the relevant supplier initiatives, which are monitored over time. Suppliers are prompted to establish carbon KPIs that can be tracked, measured and disclosed to Lundin Energy. These emissions KPIs are reported to us and we can help define appropriate projections and expectations. Examples on how we have engaged with our suppliers to create impact include working closely with our main Edvard Grieg field development contractor, Aker Solutions, to ensure an optimised hydrocarbon process. The contractor was engaged to minimise emissions in conjunction with flaring, both with respect to the percentage of time the flare is lit as well as limiting the greenhouse gas emissions resulting from it. A TFMC field development contract for Solveig further highlights the importance of documentation of best available technique solutions, providing as low emissions as practicable. Lundin Energy has also entered rig contracts where financial emission reduction incentives have been implemented. Impacts on total emissions reduced from the engagement have been calculated by Lundin Energy and feed into our overall decarbonisation roadmap.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

1

Rationale for the coverage of your engagement

Lundin Energy recognises the global challenges associated to climate change, and acknowledges that the global response should include efforts to limit the temperature increase to 1.5 degrees and to reach a global peak of greenhouse gas emissions as soon as possible. As such, Lundin Energy engages with various actors across the value chain who have the potential to help contribute to the reduction of emissions. Fuel related emissions for supply and stand-by vessels are one example of such an engagement, given that they are a material sources of supply chain emissions for the Company.

Impact of engagement, including measures of success

Lundin Energy has a strategy seeking to implement the best available techniques throughout its operations, including setting the same expectations for its suppliers. As set out in its Contractor Declaration, having best available techniques as a primary requirement in tendering processes encourages suppliers to provide energy and emission efficient solutions. We put particular focus on supply vessels in our supply chain, given their material source of emissions. The measures of success in this instance are the emissions and cost savings from switching to LNG and hybrid vessels, and these KPIs can be monitored over time. Each supplier is prompted to establish emissions KPIs that can be tracked, measured and disclosed to Lundin Energy. The KPIs are then reported to us and we can help the suppliers to define appropriate projections and expectations. Lundin Energy has entered into long-term contracts with the LNG powered supplier/standby vessel, Island Contender, because of its lower carbon footprint. Other LNG vessels have been used for shorter periods of time, for the same reason. We have also committed to installing battery hybridization on all fixed contract supply and standby vessels. As a result, emissions from certain supply and standby vessels on fixed contracts have been reduced by up to 30%, delivering cost savings for the Company. These two KPIs are measured on an ongoing basis.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Lundin Energy engages closely with other relevant license partners in our value chain and industry associations on climate change topics. These partners are other oil and gas companies active in Norway that have a shared working interest in assets and licenses that we may or may not operate, as well as the Norwegian Oil and gas Association.

An example of our strategic engagement with these partners both in license committees and in industry association groups, is on developing a common framework and understanding on emission reductions and other climate change related issues. Engagement with the Norwegian Oil and Gas Association focuses on the elaboration (upon inception) of a Roadmap to 2030 and 2050, where industry partners have agreed to reduce emissions within their proportionate share, to help Norway meet its Paris Agreement Commitment. Furthermore, we started working with these partners in 2020 to develop a common framework for obtaining climate-related information from common suppliers, as part of a wider strategy to reduce supply chain emissions across the Norwegian Continental Shelf.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support with minor exceptions	Engagement in Norway with the government and the Parliament, on the topic of power from shore.	Power from shore on the Norwegian Continental Shelf is an issue that has been under discussion in Norway for a few years. The issue is how Norway can effectively meet its commitment to reduce its emissions by introducing efficiency measures locally, such as having offshore installations powered from shore rather than using produced gas. Johan Sverdrup is a good example of how the issue can be resolved, as it receives power from shore.
Regulation of methane emissions	Support with minor exceptions	Engagement in Norway on the topic of monitoring, measuring and reporting of fugitive emissions.	Interaction with the authorities on the details related to requirements for monitoring and reporting of fugitive emissions.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Through its Sustainability Management System Review and Audit processes, Lundin Energy reviews on an annual basis how climate change issues are integrated into its strategies and operational activities, including contractors' activities and supplier engagement. The audit programme and review of the Sustainability Management System focuses on each country of operations and business division separately, but aims to identify where discrepancies may exist between different climate engagement activities in Norway, Sweden, the Netherlands and Switzerland, and by function (e.g. exploration, operations, communications, etc.) It should be noted, however, that the majority of our operations are in one country (Norway). The reviews/audits are carried out with general managers, the Sustainability Vice President and the HSE Director, and include individual discussions with other heads of departments such as exploration, drilling and operations. Therefore, if any engagement activities related to climate change arise that may influence policy, these are identified and reviewed in relation to whether they are consistent with our publicly documented Decarbonisation Strategy (i.e. our climate change strategy). This is done through a gap analysis and cross-check against the publicly stated vision, mission and targets associated with our climate change strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

ar_2020_e (7).pdf

Page/Section reference

pg 1, 7-8, 18, 26

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

Our Annual Report contains information on our Decarbonisation Strategy at a high level.

Publication

In voluntary sustainability report

Status

Complete

Attach the document

LUNE Sustainability Report 2020.pdf

Page/Section reference

Throughout

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Our Sustainability Report provides full details of our climate change approach and strategy, including targets, metrics, risks, governance, etc.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Nick Walker, Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms