Lundin Energy

Fuelling the energy transition

Sustainability Report 2021

Lundin Energy

is an experienced Nordic oil and gas company that explores for, develops and produces resources economically, efficiently and responsibly. We focus on value creation for our shareholders and wider stakeholders through three strategic pillars:

Resilience, Sustainability and Growth

Our high quality, low cost assets mean we are resilient to oil price volatility, and our organic growth strategy, combined with our sustainable approach and commitment to decarbonisation, firmly establishes our leadership role in a lower carbon energy future.

Sustainability Accounting Standards Board

We report on financial impacts of sustainability on our business and our investors.

UN Global Compact commitment

We support the 10 United Nations Global Compact Principles on human rights, labour standards, environment and anti-corruption.

Global Reporting Initiative

Lundin Energy's 2021 Sustainability Report is in accordance with the Global Reporting Initiative Standard Guidelines.

United Nations Sustainable Development Goals

We promote the Sustainable Development Goals throughout our value chain.

Task Force on Climate-related Financial Disclosures

We promote consistent climate-related financial risk disclosures.

This Report constitutes Lundin Energy's disclosure on non-financial & diversity information in accordance with Swedish law implementing the EU Directive 2014 / 95 / EU

Sustainability Report 2021

2021 highlights

Production
190
Mboepd

Operating cost
3.1
USD/boe

2P reserves
639
MMboe

Contingent resources
380
MMboe

EBITDAX
4.8
BUSD

CFFO
3.1
BUSD

Free cash flow
1.6
BUSD

Proposed dividend
0.56
quarterly USD/share

Lost time incidents
0
per million man-hours

Renewable energy[1]
44%
replacement of consumption

Carbon intensity[2]
2.9
kg CO_2/boe

ESG ratings
TOP
quartile

[1] Percentage of net electricity consumption replaced with net renewable energy production, 2021
[2] Measured on a net equity basis
The numbers in this Sustainability Report refer to the continuing and discontinued operations combined, unless stated otherwise

Foreword by the CEO

I am pleased to present Lundin Energy's seventh annual Sustainability Report. This report provides an overview of our performance against our different sustainability goals and our approach for managing our material environmental, social and governance issues. We invite our stakeholders to review our progress across these topics and welcome engagement and feedback.

Lundin Energy prioritises the health and safety of our people and our management of the ongoing impacts from the COVID-19 pandemic have been successful. Business continuity has not been materially impacted and the Company has continued to adapt successfully in an unpredictable environment. In fact, the Company is in great shape and 2021 has been an outstanding year for us, both from a business and sustainability perspective. Production was at the top of our guidance range at 190 thousand barrels of oil equivalent per day, we generated record USD 1.6 billion in free cash flow and we achieved a net carbon intensity of 2.9 kg CO_2 per boe, which is over five times better than the industry average. These results were achieved without any material safety or environmental incidents. Our success continues to be externally recognised, evidenced by our top performance across all major ESG ratings and our inclusion in the Dow Jones Sustainability Index, for the first time.

Our USD 800 million Decarbonisation Plan underpins how we do business and continue to move forward at pace. It has helped us create real value, not just in terms of reducing risk and carbon tax savings, but also through differentiating our low carbon produced crude. In 2021, Lundin Energy sold the world's first certified, carbon neutrally produced crude from our Edvard Grieg field, and today all of our net production from the Johan Sverdrup field is also certified as carbon neutrally produced. As a result, we have begun to diversify our customer base and have started to achieve a premium in the market.

In 2021, we announced that we would bring forward our carbon neutral target from 2025 to 2023. By 2023, we will have electrified over 95 percent of our production, achieving a carbon intensity of approximately 1 kg CO_2 per boe and reducing our absolute emissions by over 50 percent — a rate of reduction faster than required by the Paris Agreement. In 2021, we made a third renewable power investment in the 86 MW Karskurv wind farm in Sweden, which is now under construction. Finally, in 2021, we planted around half a million trees which will help us achieve carbon neutrality in the longer term.

We continue to uphold the highest level of ethical standards and performance across our business, including support for the UN Sustainable Development Goals and the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption. In addition, this year we have also aligned our reporting with the Sustainability Accounting Standards Board (SASB).

At the end of 2021 we announced that the Board of Directors of Lundin Energy and Aker BP had reached an agreement to combine our two very successful businesses. This deal creates the leading European independent E&P company. The combined business will have significant scale, production growth and strong free cash flow generation into the next decade, while also having industry leading low costs and low carbon emissions. It will continue to develop a leading decarbonisation strategy including a target to become carbon neutral across operations by 2030. For Lundin Energy shareholders, this will deliver an opportunity to become a shareholder in the leading European E&P company and retain an interest in a renewables business that is positioned for growth. We are anticipating that the proposed combination will be completed around the middle of 2022.

I would like to sincerely thank all our stakeholders and employees for their continued support, and our employees for their tremendous efforts in delivering these record sustainability and financial results. It has been an honour for me to serve as the CEO of our fantastic company, second to none in this industry and I will proudly continue to do so until the combination with Aker BP has been completed. As the next chapter in this great story unfolds, I am convinced that we can look forward to many more years of outstanding sustainability performance and value creation.

Yours sincerely,

Nick Walker
President and CEO

About this report

Sustainability Report purpose
This annual Sustainability Report summarises Lundin Energy's activities over the 2021 calendar year. The Report is split by material issues that have been identified by our stakeholders and that have resulted from our activities, and delves into Lundin Energy's management of these issues and our performance, which is evidenced by qualitative and quantitative data.

As part of our commitment to the United Nations Global Compact, the Report also acts as our annual Communication on Progress. It describes practical actions Lundin Energy has taken to implement the 10 Principles and highlights our contribution to the Sustainable Development Goals (SDGs). The Report is in accordance with the Global Reporting Initiative (GRI) Standards Guidelines and meets non-financial reporting requirements as set out in Swedish law implementing the EU Directive 2014/95/EU.

Reporting boundaries
Our Company's head office is located in Sweden, our operational offices and oil and gas assets are based in Norway, and we have employees conducting corporate functions in Switzerland and in the Netherlands. We also have renewable energy assets in Sweden, Norway and Finland. Our reporting boundaries are listed below for each of the sustainability themes in this report.

Joint operating agreements are particularly common in the oil and gas industry. Within each joint venture, one company is assigned the operator status, and each partner has a percentage of owned equity. This distinction is important as the operatorship role manages the operations and has the day-to-day control of the asset, while non-operator partners have a see-to-duty. For all our material topics and metrics, we report on an operated (100%) basis, with the exception of our climate change metrics which are reported both on an operated and a net equity basis.

Promoting the Sustainable Development Goals
Lundin Energy recognises the urgent call for action to help achieve an inclusive sustainable future through the 17 SDGs, at the heart of the 2030 Agenda for Sustainable Development. SDG symbols feature in this Report to flag the relevant areas where we contribute positively.

Reporting changes since 2020
To help institutional investors evaluate how material issues impact companies, we have aligned our reporting with the SASB Standards, ensuring that we provide information on financially material ESG issues that most directly impact long-term value creation.

GRI conformity
This Report has been prepared in accordance with the GRI Standards: Core option.

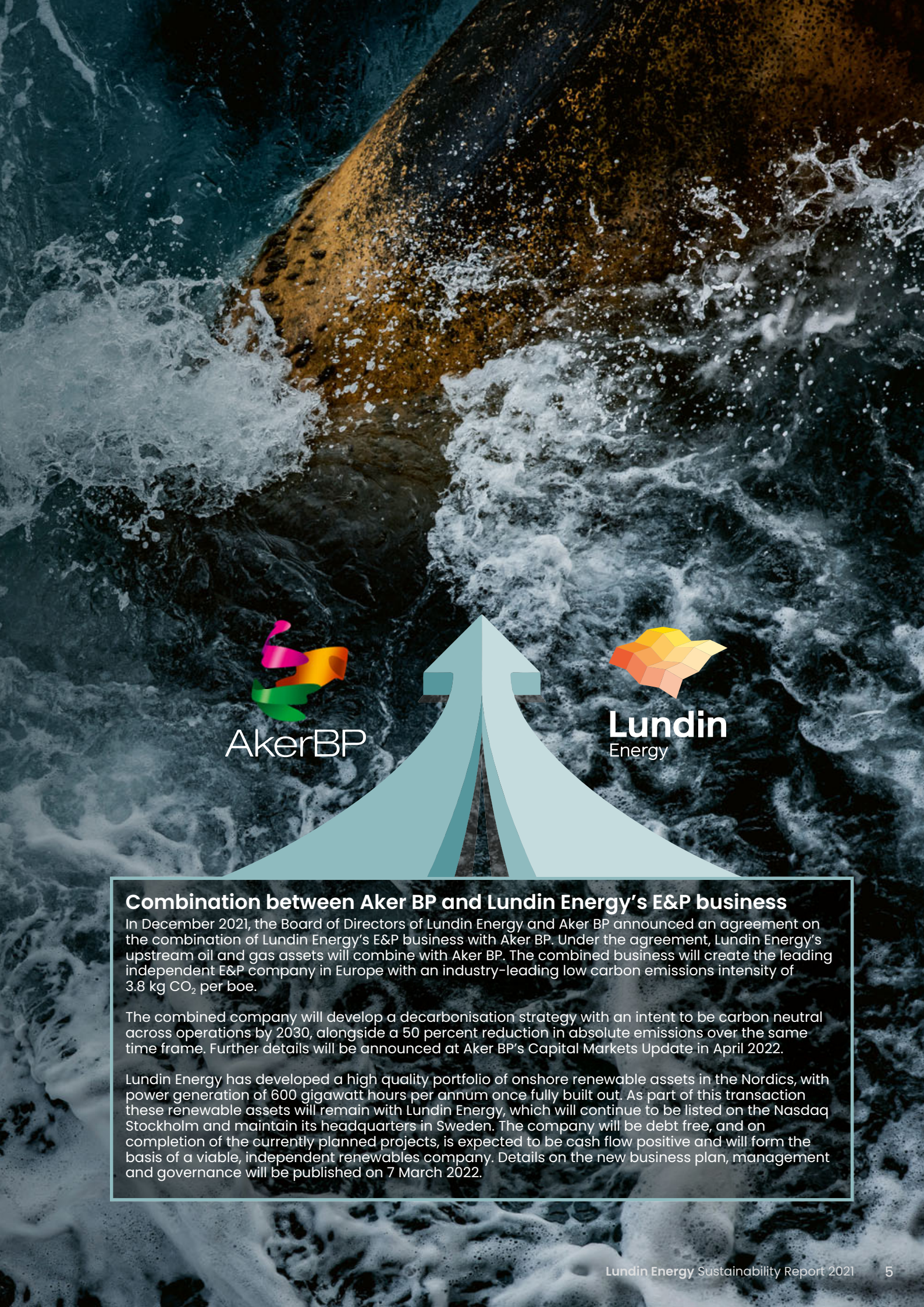
Third party verification
Lundin Energy's auditor EY has expressed an opinion that this statutory sustainability report has been prepared according to the Swedish Annual Accounts Act, and has performed a limited review (p.50) of this sustainability report according to the GRI Standards, core option.

How to use the TCFD, SASB and GRI content tables
We invite our readers to refer to the TCFD, SASB and GRI indices (p.45—49). The purpose of the indices is to help navigate the Report, and to identify desired content at quick glance.

Climate change[1]	SE NO FI
Environmental protection	SE NO FI
Safe operations[2]	SE NO CH NL FI
People & society[2]	SE NO CH NL FI
Governance & ethics[2]	SE NO CH NL FI

[1] Company-wide travel emissions are included on a consolidated basis

[2] Contractors are included in our metrics for health and safety, human rights and certain governance and ethics elements



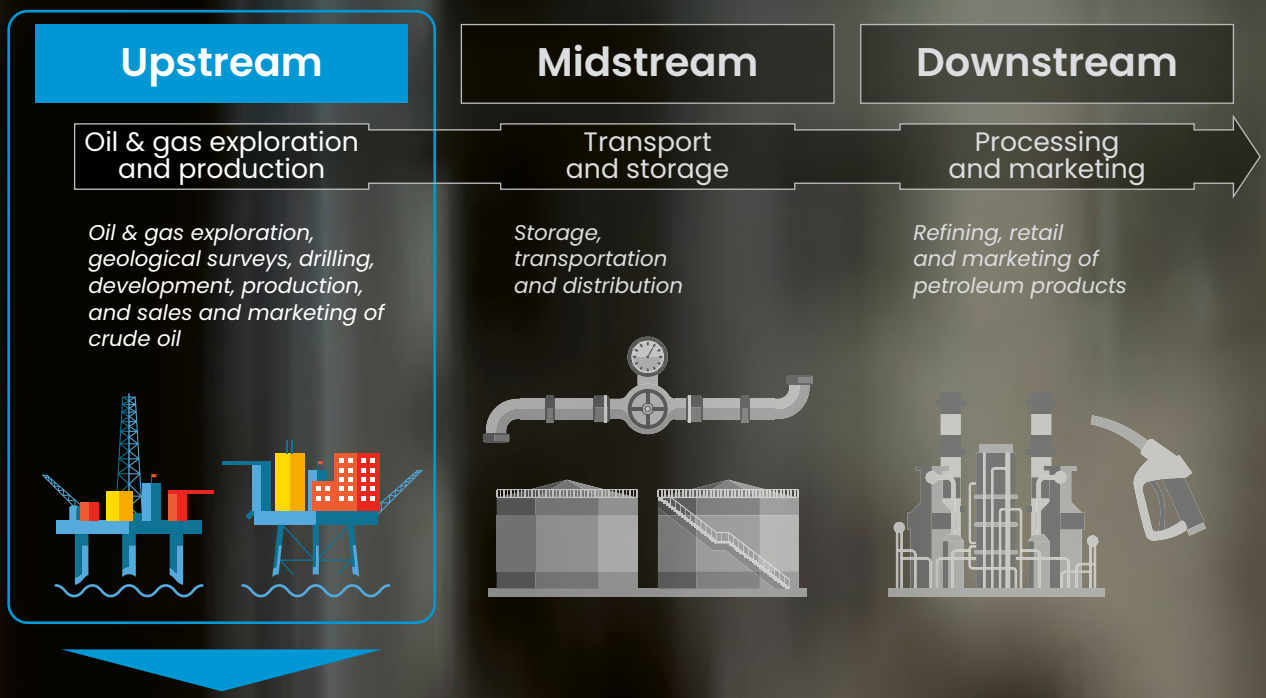
Combination between Aker BP and Lundin Energy's E&P business

In December 2021, the Board of Directors of Lundin Energy and Aker BP announced an agreement on the combination of Lundin Energy's E&P business with Aker BP. Under the agreement, Lundin Energy's upstream oil and gas assets will combine with Aker BP. The combined business will create the leading independent E&P company in Europe with an industry-leading low carbon emissions intensity of 3.8 kg CO_2 per boe.

The combined company will develop a decarbonisation strategy with an intent to be carbon neutral across operations by 2030, alongside a 50 percent reduction in absolute emissions over the same time frame. Further details will be announced at Aker BP's Capital Markets Update in April 2022.

Lundin Energy has developed a high quality portfolio of onshore renewable assets in the Nordics, with power generation of 600 gigawatt hours per annum once fully built out. As part of this transaction these renewable assets will remain with Lundin Energy, which will continue to be listed on the Nasdaq Stockholm and maintain its headquarters in Sweden. The company will be debt free, and on completion of the currently planned projects, is expected to be cash flow positive and will form the basis of a viable, independent renewables company. Details on the new business plan, management and governance will be published on 7 March 2022.

Business context



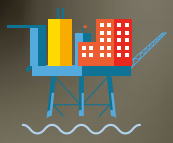
1 Exploration and Appraisal

Lundin Energy focuses on building core exploration areas and on assembling integrated teams of geoscientists and technical experts that have a creative and innovative approach to finding oil and gas resources. Lundin Energy's exploration and appraisal plans target near field, mature basin and frontier prospectivity across its six core areas.

2 Development

Following exploration and appraisal, the strategy is to convert discoveries into reserves and production. After a development plan has been approved, construction of facilities can start, to which wells and infrastructure are connected so that production can begin. Lundin Energy has three projects under development including Phase 2 of the giant Johan Sverdrup field.

3 Production



The production phase is defined as everything from extraction and processing to delivering the oil or gas for sale. Lundin Energy has three main production areas: Edvard Grieg, Johan Sverdrup and Alvheim.

4 Sales and Marketing

Lundin Energy sells its produced crude oil and gas directly to customers, generally to their own refineries. The sales and marketing activity within Lundin Energy is the last part of the crude oil supply chain.


Wisting Area
Metsälamminkangas Wind Farm
Sweden
Norwegian Sea
Finland
Northern North Sea
Leikanger Hydropower Plant
Alvheim Area
Norway
Alvheim
Edvard Grieg
Johan Sverdrup
Utsira High Area
Southern North Sea
Karskruv Wind Farm
3
renewables investments
6
core exploration areas
3
projects underway
5
potential new projects
Producing assets

Our sustainability vision

Our vision is to develop oil and gas resources efficiently and responsibly for a lower carbon energy future

Sustainability at Lundin Energy

Initiated in 2001, our Sustainability Strategy supports the United Nations Sustainable Development Goals, and underpins the way we conduct business and produce energy, ensuring that we deliver lasting value for our shareholders, stakeholders and wider society.

We foster a culture of responsible entrepreneurship to achieve our core goal: to strengthen our position as one of the lowest carbon exploration and production companies, providing some of the best barrels in the world — safely and responsibly produced, at low cost and with low emissions.

Within the Strategy, we aim to decarbonise our business to halve our absolute emissions and become carbon neutral across our operations by 2023, protect the environment and ensure we operate safely. We promote a diverse and engaged workforce and actively support the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption, within our Company and across our value chain. We create positive societal impact by supporting innovation, R&D, education and corporate citizenship and uphold the highest levels of ethical conduct and transparency.

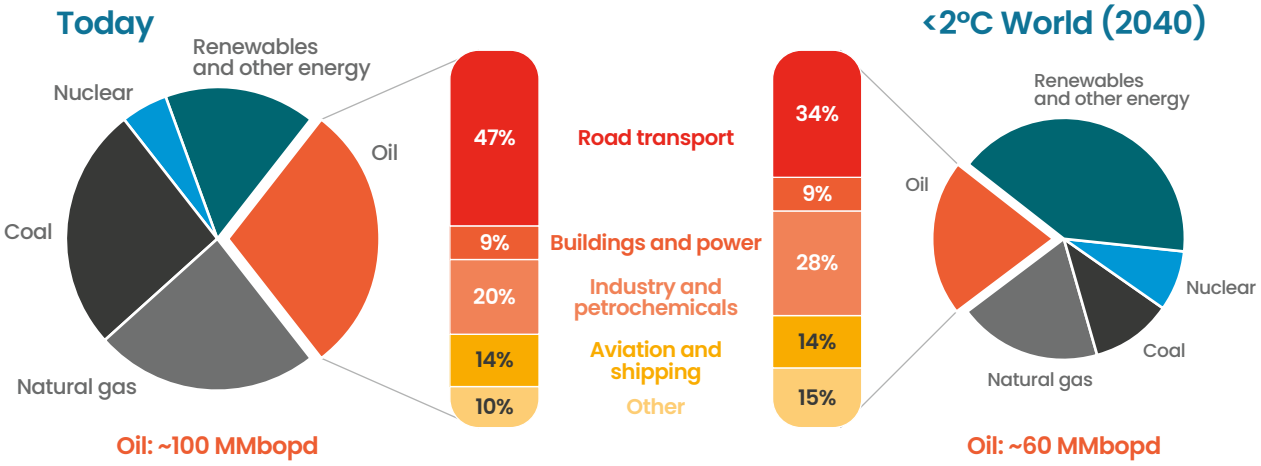
Our role in the energy transition

The impacts of climate change on our planet are significant and undeniable. We have already passed 1°C of warming from pre-industrial levels and, according to the Intergovernmental Panel on Climate Change, this will continue to beyond 1.5°C by 2030 unless we dramatically change course. The Paris Agreement has set a goal to limit the global temperature increase to 2°C, and ideally not more than 1.5°C. We all have a collective responsibility to reduce emissions and decarbonise in line with this target.

The oil and gas industry must be a leader of change in the energy transition. How and where we source our energy plays an important role in a lower carbon energy future. Today, oil and gas contributes approximately half the world's global energy supply. It is also a necessary feedstock for almost every product we use — from packaging to electric vehicles, pharmaceuticals to wind turbines.

However, the world's population and standards of living are rising and access to affordable energy will continue to underpin global economic growth. As a result, the global demand for energy is predicted to increase by around 20% by 2040, in a business-as-usual scenario. The energy transition must not only help us mitigate climate change impacts, but it must be inclusive and no one should be left behind. In a <2°C future, the supply of renewable energy will need to more than double by 2040, with oil and gas having a lower overall contribution to the energy mix. The way oil will be used, and the emissions from its combustion, will also change. With the growth in electric, and potentially hydrogen fuelled vehicles, less oil will be needed for road transportation, and more will go into petrochemicals as a material feedstock for everyday consumer products. Industries that are difficult to electrify will continue to need hydrocarbons, and will have to install carbon capture technology in order to meet their net zero commitments.

Oil and gas will remain important even in a fully decarbonised society, but ~5% of global carbon emissions come from its production. This makes it critical for the oil industry to reduce its operational emissions to the lowest possible level. As a result, we believe that the leaders of our industry will be those who can provide oil responsibly, at a low cost, and with low emissions, and this is Lundin Energy's core strategy.

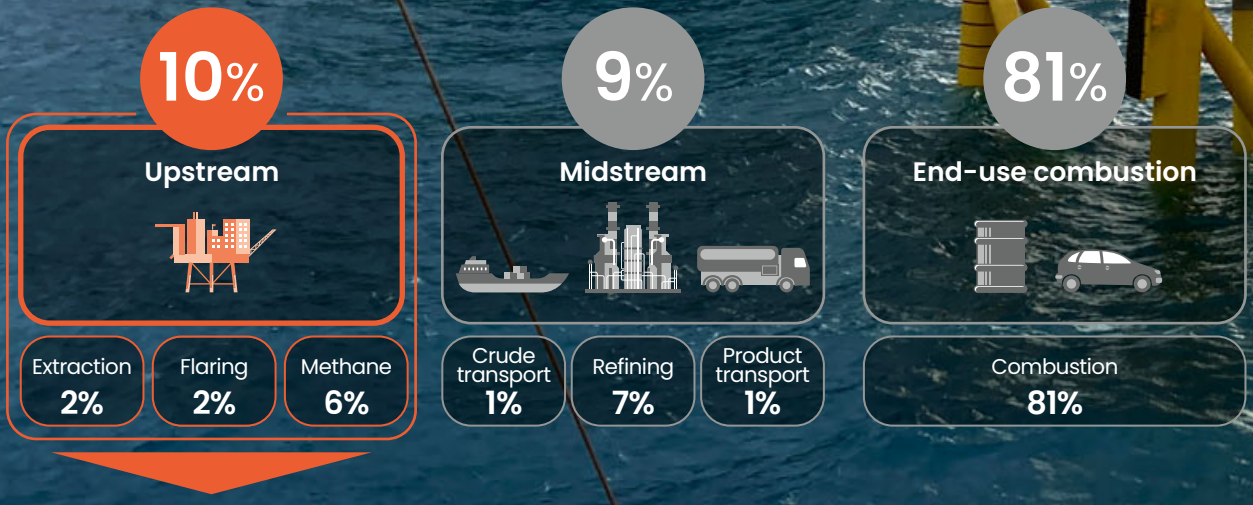


Source: IEA World Energy Outlook 2019 & 2021

Key highlights in 2021

- Advanced our **carbon neutrality target** from 2025 to **2023**
- Set an **absolute emissions** reduction target of **50%** by **2023**, from 2020 levels
- Sold the **world's first certified, carbon neutrally produced oil** from our Edvard Grieg field
- **190 MW** (net) of **renewable energy capacity** installed or in the pipeline
- Leikanger **hydropower plant** (Norway) now **fully operational**
- Planted **~0.5 million trees** in Spain and Ghana to support our **Decarbonisation Plan**
- Became a member of the **Dow Jones Sustainability Europe Index**, for the first time
- All supply vessels installed with **battery hybridization**, with **first ever biogas powered vessel**

Life cycle emissions of a typical barrel of oil



Lundin Energy's core focus

The upstream production of a typical barrel of oil is responsible for 10% of its full life cycle emissions, equivalent to the annual emissions of over 700 million cars. Our role in the energy transition is to bring this down to net zero, starting the decarbonisation of every barrel as it continues down the value chain.

Source: IEA World Energy Outlook 2018

Top quartile performance
ESG ratings

ISS ESG
Prime Status

MSCI
AA Leader
2°C Aligned

CDP
A-

vigeo eiris
Top 3
Industry Leader

SUSTAINALYTICS
2022 Industry
Top-Rated

SAM
Now a Part of S&P Global
93rd percentile

Our industry leading
Sustainability Strategy

	Goals	Targets	SDGs
Climate Change	Decarbonise operations and achieve carbon neutrality by 2023	50% absolute emissions reduction target by 2023, from 2020 levels Best-in-class carbon intensity of ~1 kg CO_2/boe by 2023 100% of net electricity use replaced with renewable energy generation by end 2023	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Environmental Protection	Protect ecosystems, minimise impacts on water and from waste, and ensure responsible decommissioning	Oily water discharges <15 ppm Produced water reinjection volume >95% Waste recovery >90% Zero spills to sea	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER

ESG indices

STOXX Member 2021 / 2022 ESG Leaders Indices

Sustainability Yearbook Member 2022

S&P Global

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

Bloomberg Gender-Equality Index 2022

Lundin Energy becomes a member of the Dow Jones Sustainability Index

Lundin Energy is pleased to announce that it has been included in the S&P Global Dow Jones Sustainability Europe Index (DJSI) for the first time, and ranked as one of the top three Companies in Europe within its industry. The DJSI comprises European ESG leaders and represents the top 20% of ranked companies from the largest 600 companies in the S&P Global Broad Market Index.

Safe Operations

Provide a safe working environment for employees and contractors through a strong health & safety culture

- Zero fatalities
- Zero serious incidents
- Zero lost time incidents
- Zero process safety incidents

People and Society

Promote a diverse and engaged workforce, respect human rights, and positively impact society

- Increase gender balance and diversity
- Maintain robust labour practices and promote human rights
- Create positive societal impact through Lundin Foundation and engage with local communities

Governance and Ethics

Maintain strong governance, ethical conduct and transparency

- Promote our Code of Conduct through our value chain
- Uphold highest anti-corruption standards
- Promote fair competition
- Maintain clear whistleblowing procedures

Enablers

Sustainability Policies | R&D | Industry Collaboration | Sustainability Due Diligence | Training & Development | Risk Management | Stakeholder Engagement

Stakeholder engagement & materiality

Stakeholder engagement is a key element of our value creation process

What stakeholder engagement means to us

Stakeholders are people or organisations which may be impacted by, or impact Lundin Energy's activities. Our Stakeholder Policy and Guidelines outline how to define stakeholders throughout our activities, and the engagement method depending on the nature of the impact, interest, and influence of the stakeholder.

Given the nature of our business, we contribute to society at large as oil continues to be a fuel of choice for industry and transportation, as well as a feedstock for everyday products. Consequently, we have a wide and diverse stakeholder base with whom we seek close engagement and long-lasting relationships. At Lundin Energy, we continuously seek to gain a thorough understanding of stakeholders' views and concerns, and benefit from their knowledge. The dialogue ensures that the Company's Board and management are aware and better able to address relevant emerging issues, material risks and opportunities.

Defining materiality

Lundin Energy reviews its material issues on a comprehensive bi-annual basis. A full review and stakeholder engagement was conducted in 2021.

The engagement was conducted using three methods: online surveys, one-to-one interviews and data analytics. The online survey featured a wide-ranging list of potentially relevant material issues to the Company and the industry, as defined by the GRI Standards. A total of 63 stakeholders were surveyed online, including a selection of employees, lenders, business partners, and other external parties. They were each requested to rank sustainability topics in terms of importance, considering Lundin Energy's business.

Fifteen one-to-one interviews were conducted in an independent investor perception study with current and potential shareholders to understand the importance placed on ESG issues. A further 12 one-to-one interviews were also held with a selected number of other stakeholders, including lenders, representatives from NGOs, contractors, industry peers, authorities, municipalities, unions and media organisations, with the objective to complement our findings with a more in depth qualitative understanding of expectations on Lundin Energy.

Our stakeholders & topics of engagement

Finally, material and emerging topics were identified, ranked and monitored using Datamaran, a data-driven tool capturing real-time analytics on regulatory and reputational risks and opportunities.

All stakeholder inputs were collated and weighted to inform an overall ranking of ESG topics. A senior management session was held to rank the same topics in terms of business importance. The combined results are presented in our materiality matrix.

Projects for biodiversity and local stakeholder engagement

Lundin Energy and OX2 are developing several projects in the area around the Karskruv Windfarm, aiming to increase biodiversity and social benefits for the local community. In 2021, a targeted felling for nature conservation purposes was initiated in the area to increase biodiversity. In addition, a grazing project will begin in 2022 in collaboration with the local farming community. Further projects are being developed in the nearby area.

Risk management

Our risk management process ensures that we respond to and mitigate sustainability issues effectively

Lundin Energy's risk management process is driven by the Board to encourage foresight, pro-activeness and informed decision making. Lundin Energy follows a "three lines of defence" approach where:

- Local management has responsibility for sustainability risk and opportunity identification, implementing the systems to control risks and opportunities and monitoring their impact;
- Senior management are responsible for ensuring effective processes and for reviewing the mitigation efforts; and
- Internal and external audits test the effectiveness of the controls used to mitigate risk and realise opportunities.

Lundin Energy's risk and opportunity universe falls into three areas: strategic, operational and financial risks, which includes risks to the Company's reputation or the impact that external risks could have on the business. Lundin Energy uses a risk matrix to classify and communicate the impact of each risk based on a range of indicators. The highest risk area in the matrix would be considered substantive. Sustainability risks, including climate change related risks, like risks in other categories, are measured quantitatively and qualitatively in order to prioritise them.

Indicators such as international attention due to major litigation, potential for penal action, or a substantial negative effect on share price would be substantive, as would a long-term limitation to access new licences. Quantitative indicators used by the Company to measure and define impact include potential net impact in MUSD, and investment and/or financing required to mitigate risks.

Each sustainability risk on the Company's risk register is reviewed on a quarterly basis by the risk owners and reported after a peer review with local management. These are further reviewed and reported to the corporate level by the Corporate Risk and Insurance Director and to Executive Management and the Board Sustainability Committee on a bi-annual basis.

The ultimate responsibility for managing sustainability issues rests with the CEO of the Company. Responsibility for development of risk management and mitigation plans for each sustainability risk is delegated to different risk owners across the Company, including the VP Sustainability, HSEQ Director and local management.

Lundin Energy's key sustainability risks

Climate change[1]

Risk
- Changing long-term oil demand and price
- Ability to access capital
- Increasing direct carbon costs
- Increasing costs of decarbonisation
- Physical climate impacts

Response
- Industry leading low operating costs and low long-term break-even price
- Carbon neutral operations by 2023 and CarbonZero™ certification
- Integration of carbon costs in business planning to stress-test the portfolio
- Investments in decarbonisation of operations and supply chain (e.g. electrification, renewables, vessel fuel switching) and natural carbon capture
- Continued monitoring of physical climate related risks and the evolution of weather patterns

Environmental protection

Risk
- Oil or chemical spill, or discharges to water, resulting in harm to the environment and biodiversity

Response
- Robust oil spill management system in place
- Oil spill detection radar system installed on Edvard Grieg and drilling stand-by vessels
- Strong standards on effluents and oily discharges

Safe operations

Risk
- Serious permanent injury, fatality or severe health deterioration
- Physical/digital security breach with adverse effect or substantial loss
- Pandemic affecting business continuity in operations and supply chain

Response
- Robust HSEQ management system in place
- Continued deployment of the "Lundin Calling" communication framework to further improve our HSEQ culture
- Regular HSEQ training, drills and audits
- Regular cyber security training and simulated phishing to increase user awareness
- Deployment of Pandemic Management Policies and Procedures

People and society

Risk
- Negative external perception of the industry by investors and stakeholders, and increased stakeholder and shareholder activism
- Indictment by the Swedish Prosecution Authority into past activities in Sudan
- Increasing stakeholder focus on diversity and gender equality

Response
- Transparent disclosure on all material sustainability topics
- Extensive stakeholder engagement to show how our sustainability approach enables us to contribute to a lower carbon future
- Continued transparent and effective management with key stakeholders to ensure an open and informed dialogue as we challenge the legal basis for the Swedish Prosecution Authority's criminal charges
- Roll out of updated Diversity Policy & disclosure of gender pay gap

Governance

Risk
- Ethical misconduct in operations or supply chain, impacting licence to operate and grow
- Non-compliance with legal regulations, Code of Conduct and Policies
- Non-compliance with current or emerging ESG-related regulation

Response
- Mandatory e-Learning for all employees and the Board covering compliance-related topics such as anti-corruption, bribery and whistleblowing
- Contractor Code of Conduct Declaration and Sustainability Due Diligence in place
- Ongoing monitoring of regulatory landscape
- Updated Whistleblowing Policy and new reporting tool

[1] *See pp.20–23 for further details of climate change related risks as part of our TCFD disclosure*

Climate change

We have a clear role in the energy transition and will become carbon neutral by 2023

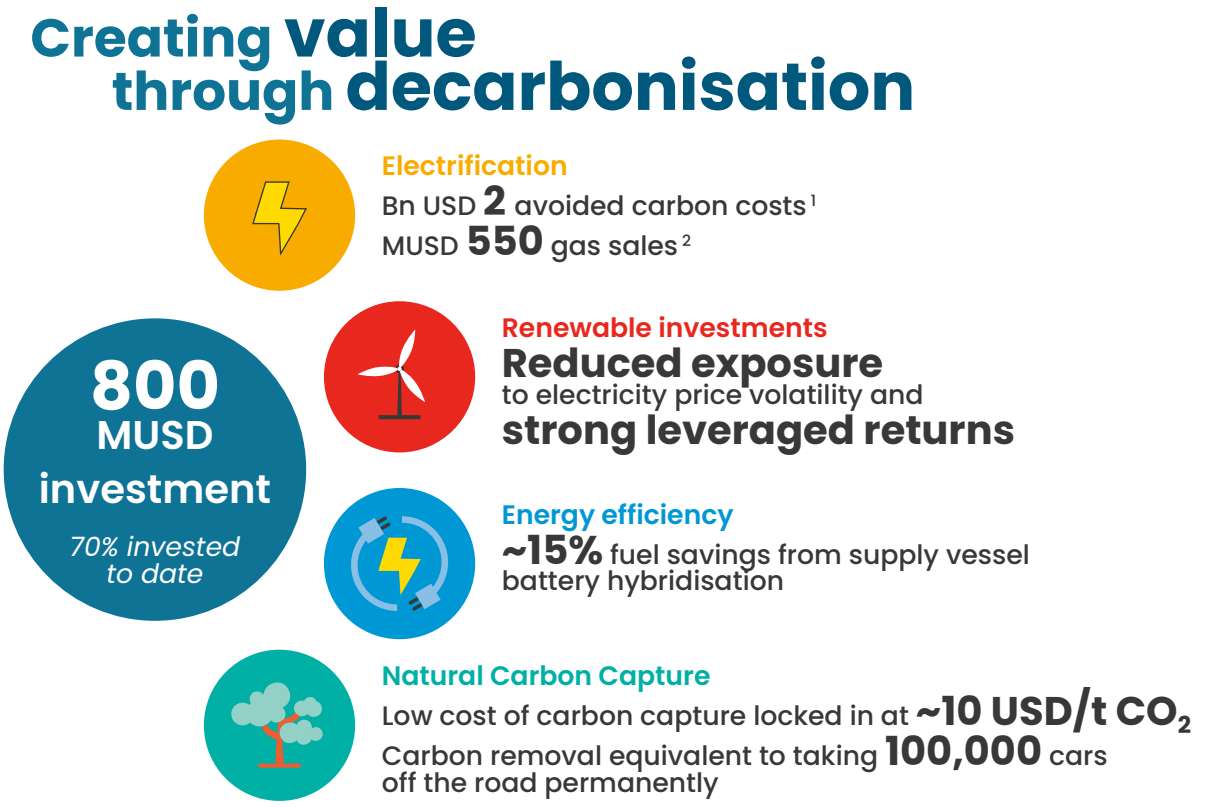
Focus of our Decarbonisation Plan

At Lundin Energy, we recognise the significant challenges posed by climate change that both the world and our industry face. Every player in the value chain has a responsibility to decarbonise in line with the goals of the Paris Agreement. We aim to play a leading role in our industry through the energy transition, focusing on our core areas of influence — our operations and supply chain.

We have adopted a Decarbonisation Plan underpinned by clear actions and milestones. We will:

- Be carbon neutral by 2023 across our operations (Scope 1 and 2 emissions) and our Scope 3 supply chain emissions (logistics, supply vessels and business travel).
- Reduce our absolute emissions by over 50% by 2023 from 2020 levels, achieved through our investments in electrification and renewable energy projects.
- Reduce our Scope 1 and 2 carbon intensity to ~1 kg CO_2/boe by 2023, which will be over 15 times better than the industry average.
- Produce ~600 GWh of renewable energy to replace 100% of our power consumption by end 2023.
- Continue to reduce emissions in our supply chain by fuel switching vessels and sourcing lower carbon and carbon neutral materials such as steel casing.
- Neutralise any residual emissions with the highest quality, natural carbon capture.

We believe our Decarbonisation Plan is a blueprint for how upstream oil and gas companies can contribute to reducing emissions and mitigating climate change, whilst helping to meet growing energy demand and keeping the world moving. This approach underpins all of our strategic, operational, and financial decisions, and has contributed to our ability to operate efficiently and with industry-leading low costs. This makes us a resilient and sustainable business for the long-term, helping to fuel the energy transition.



[1] *Cumulative avoided costs (net Lundin) in carbon taxes under Norway carbon tax regime, and EU allowances, over remaining 2P reserves. Additional maintenance savings not quantified.*

[2] *Additional gas sales (net Lundin) over remaining 2P reserves. Additional value possible from increased uptime.*

Electrification through power from shore

The journey towards electrification of our main assets started in 2012 with the Plan for Development and Operation of Edvard Grieg, which included preparation for its electrification as part of the Utsira High power from shore area solution.

When Johan Sverdrup Phase 1 came on stream in 2019 it was supplied with power from shore through a 200 km cable from Haugsneset, located on the west coast of Norway. A second power cable is being installed as part of the Johan Sverdrup Phase 2 project and will also supply electricity to Edvard Grieg, Ivar Aasen, Gina Krog and Sleipner.

By the end of 2022, 95 percent of the Company's production will be powered from shore, representing a net consumption of 500 GWh per annum of electricity. The power grid is connected to the Nord Pool power market, which is sourced mainly from renewable energy. The project will provide our operations in the Utsira High Area with electricity for the next 50 years which will reduce our CO_2 emissions intensity to a world leading level of ~1 kg per barrel.

Renewable projects

Lundin Energy has committed to three renewable projects, with a combined net power generation of approximately 600 GWh per annum from late 2023. This will cover all of our expected net electricity usage for our offshore producing assets.

Karskruv wind farm project

Lundin Energy fully owns the Karskruv wind farm project in the municipality of Uppvidinge, Kronoberg County, in southern Sweden. Karskruv will generate approximately 290 GWh gross per annum from 20 wind turbines at a hub height of 116 meters, by end 2023. Its total capacity is 86 MW containing 4.3 MW Vestas turbines.

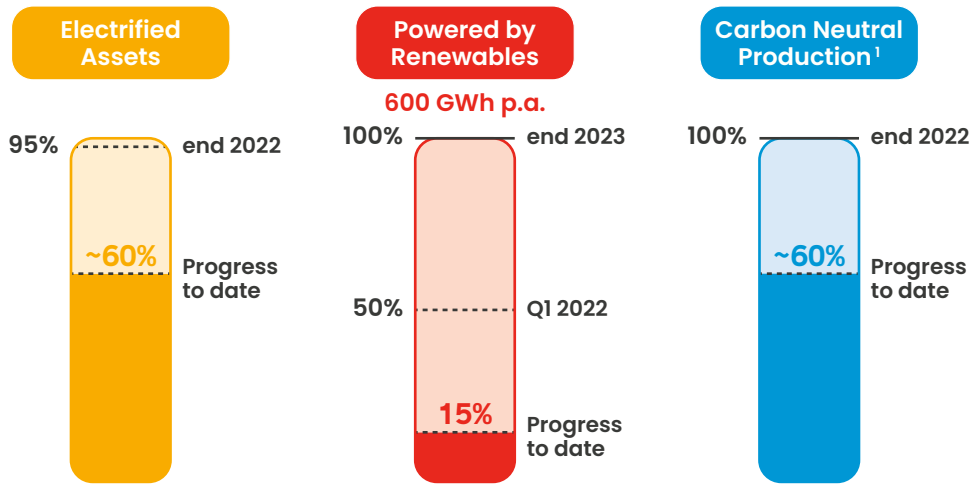
Metsälamminkangas (MLK) wind farm project

Lundin Energy has a 50% interest in the MLK wind farm project, 80 km south east of Oulu, on the west coast of Finland. The remaining 50% interest is held by Sval Energi. MLK produces around 400 GWh per annum gross, from 24 wind turbines, and is expected to be fully operational as of February 2022. The total capacity is 132 MW combining 5.5 MW GE turbines.

Leikanger hydropower project

Lundin Energy has a 50% interest in the Leikanger run-of-river hydropower project north of Bergen in western Norway. The power plant is operated by Sognekraft AS, who own the remaining 50%. The hydropower project became fully operational in March 2021, with power produced from 8 river inlets from the two river systems Grindselvi and Henjaelvi. The capacity of the plant is 77 MW, and yearly production is ~208 GWh per annum gross.

The pathway to carbon neutrality



[1] *Carbon neutral at point of sale*

Investments in **natural carbon capture** projects

We are investing MUSD ~50 in high quality, proprietary reforestation projects on degraded land in Spain and Ghana, with our partners Land Life Company and EcoPlanet Bamboo. Over the lifetime of these projects, the amount of CO_2 removed will be equivalent to taking 100,000 cars off the road permanently.

Native tree reforestation with Land Life Company

With an investment of MUSD ~35 over 5 years, Land Life Company is planting over 7 million trees across 9,500 hectares of degraded land – equivalent to an area almost twice the size of Manhattan. To date ~0.5 million trees have already been planted over 580 hectares. The trees will capture a total of 2.5 million tonnes of CO_2 as they grow to maturity. The reforestation projects will also provide a range of other benefits such as improving air quality, restoring degraded lands and biodiversity, creating local jobs and reinjecting millions of dollars into local communities.

Sustainable bamboo plantations with EcoPlanet Bamboo

On behalf of Lundin Energy, EcoPlanet Bamboo will plant over 1 million bamboo clumps across 2,500 hectares of degraded land between 2022-2024 within the Bandai Hills Reserve in Ghana. The bamboo will capture ~1.7 million tonnes of CO_2 over 10 years, and will form part of a Forest Stewardship Council certified, sustainable plantation, that will help restore healthy soils, protect remaining biodiversity, create hundreds of local jobs and increase income for local communities.

Voluntary market carbon capture credits

As a stop-gap whilst our natural carbon capture projects ramp up, we are sourcing high quality market based carbon credits from reforestation and afforestation projects, which will capture a total of ~300 thousand tonnes of CO_2. Our reliance on these market based credits will decrease annually over the next 5 years, as our own reforestation projects ramp up. We do not anticipate buying any more credits from the market post 2026. All projects are certified under the Verified Carbon Standard or the Gold Standard.

CarbonZero™

CarbonZero™ is the world's first assured standard that certifies the full life carbon footprint of a field as carbon neutral, including emissions from exploration, development and production.

At Lundin Energy, we sell certified carbon neutrally produced barrels of crude oil from our Edvard Grieg and Johan Sverdrup fields. The crude is independently certified as carbon neutral by Intertek under its CarbonZero™ standard. The independent certification ensures transparency and traceability, as each carbon neutral barrel is tracked by blockchain technology.

Key benefits of certified carbon neutral barrels:

Decarbonisation
CarbonZero™ barrels cut well-to-tank emissions by >50%

Transparency
Demonstrates the provenance of lower-carbon feedstocks

Savings
Up to 50% (2 USD/barrel) savings possible from avoided offsetting costs relative to an industry-average barrel

Leadership
Helps achieve carbon reduction targets and align with the Paris Agreement goals

Integration of ESG in our supply chain

Supply chain due diligence

We conduct sustainability due diligence across our supply chain and other business partners where relevant, to reduce and manage potential sustainability risks while simultaneously identifying opportunities to help decarbonise our wider value chain.

All of our suppliers holding Frame Agreements or one-off contracts are screened against a wide range of ESG topics through a standard industry portal, MagnetJQS. In 2021, approximately 200 suppliers in the portal were assessed against ESG criteria, and 14 new major suppliers were screened and on-boarded.

ESG screening of major tenders follows a risk-based approach that balances supplier spend and supplier dependency. In order to do business with Lundin Energy, all suppliers must also sign our Contractor Declaration to the Code of Conduct. The Contractor Declaration addresses our requirements for governance such as business conduct, human rights, labour standards and HSE.

Decarbonising the supply chain

In 2021, we undertook a carbon footprint mapping of our suppliers identifying four product categories with high carbon intensities: heavy transportation, steel products, chemicals and cement.

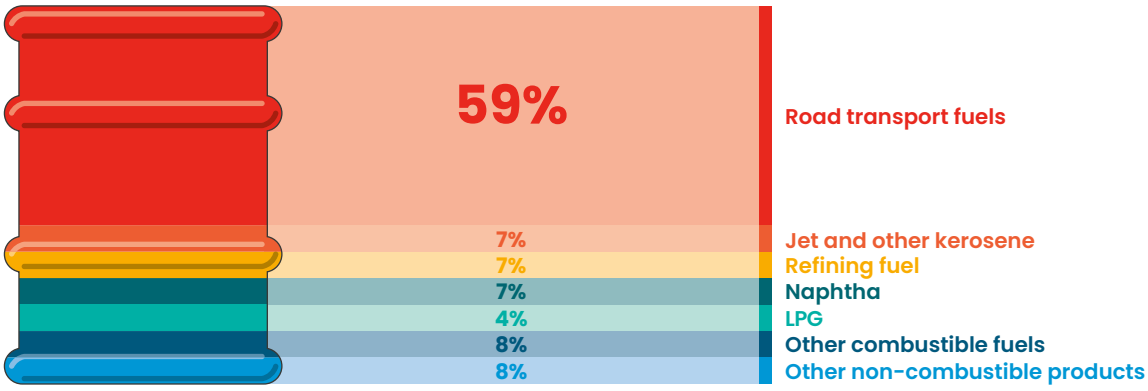
Environmental initiatives that have or will lead to significant emissions savings have been launched within the aforementioned areas, including:

- Introduction of fuel incentive programmes whereby a lump sum for fuel consumption is agreed, incentivising rig owners to reduce consumption in order to pocket any savings. If consumption is exceeded, rig owners have to cover the associated costs. This agreement is in place for new rigs and leads to ~10-15% fuel savings.
- Use of urea scrubbing technology on diesel engines on a semisubmersible drilling rig, which removes ~90% of NO_X emissions, saving MUSD ~1 per year in environmental taxes.
- Fuel-switching supply vessels from LNG to sustainable, carbon neutral biogas sourced from farm and fish waste.
- Retrofitting all supply vessels with battery hybridisation, reducing peak power in head winds and enabling the shutdown of spare engines, leading to ~15% fuel savings.
- Purchase of certified, carbon neutral steel, with emissions from its production neutralised through natural carbon capture.
- Testing a blend of sustainable aviation fuels to reduce helicopter emissions.
- Pool sharing of supply vessels and spare parts inventory with other operators enabling utilisation of excess capacities and avoidance of new purchases.

Where does a Lundin Energy barrel go?

As an upstream oil and gas company, it is challenging to know exactly where our barrels end up, and what eventual products are made from them. Despite these barriers, Lundin Energy conducted an in-depth analysis of its Scope 3 emissions for the first time this year. Leveraging third-party datasets, our analysis considered the different geographies in which we sell our cargoes, as well as the refineries we sell to. To the extent possible, the analysis has provided more transparency on our barrels' downstream journey and the associated emissions across transport, refining and product use. For further details please see our Sustainability data table, p. 40.

Product split of a Lundin Energy barrel[1]



[1] *Based on an analysis of Lundin Energy sales and refinery throughput*

Resilience of our portfolio in the energy transition

Portfolio resilience to climate change

Lundin Energy's focus on low-cost, efficient and low-carbon production means that we can remain profitable, pay back debt and return dividends to shareholders, even at low oil prices. Reducing our absolute Scope 1 and 2 emissions through our Decarbonisation Plan also limits our exposure to carbon costs for the longer term, helping to keep operating costs low. We continue to stress test our portfolio against different risks to ensure we can continue to deliver value to shareholders in the energy transition. Lundin Energy's reporting is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Our TCFD index provided on page 45.

Governance and risk management

Lundin Energy's Board of Directors has an overall leadership and supervisory role in all sustainability matters including climate change. Our Sustainability Committee consists of three Board members, and is supported by the CEO, COO, VP Sustainability, Norway Managing Director and HSEQ Director.

The Committee assists the Board in providing updates on the Company's exposure and management of key climate change-related risks and opportunities, and to make recommendations where action or improvement is needed.

Whereas the Board decides on the Company's climate change strategy, it is the CEO who must ultimately deliver on it, with operational implementation delegated to the COO. The VP Sustainability sets recommendations for the Company's climate change strategy and policy development, for review by the Board and Sustainability Committee, and is responsible for identifying, managing and quantifying corporate climate change risks and opportunities. All members of Group Management, including the CEO, have a portion of their variable executive pay tied to the achievement of the Company's carbon and sustainability targets. The weighting of carbon reduction and sustainability KPIs in variable pay is between 20 and 50%, depending on the role of each individual. The CEO has 10% of variable pay tied to achievement of specific climate change targets.

In 2021, the Sustainability Committee met twice to review the Company's strategic response to emerging climate change risks and external expectations. Group Management also discusses climate change and energy transition issues at regular monthly meetings.

Lundin Energy's
climate related risks & responses

Market (medium to long-term)

Risk
- Changing long-term oil demand and price
- Ability to access capital
- Halted fossil-fuel financing and divestment

Response
- Carbon neutral business from 2023
- Industry leading low operating costs per barrel of ~3 USD/boe and low long-term FCF break-even oil price of 33 USD/boe
- Stress testing investment decision economics under different short, medium and long-term scenarios
- Linking decarbonisation KPIs to our corporate credit facility

Reputation (short-term)

Risk
- Changing stakeholder and investor expectations

Response
- Transparent reporting and communication on our top quartile performance in ESG ratings
- Continued external stakeholder engagement

Policy and legal (medium to long-term)

Risk
- Increasing direct carbon costs

Response
- Embedding direct carbon costs in forward business planning (long-term cost of 240 USD/tonne CO_2)
- Ongoing decarbonisation and operations and supply chain, including electrification of production

Technology (medium to long-term)

Risk
- Increasing costs of decarbonisation

Response
- Targeting 30% of R&D spending on low-emission technology and environmental performance improvement
- Implementation of best available techniques and innovation

Physical (long-term)

Risk
- Extreme weather
- Longer-term climate impacts and sea level rise

Response
- Focus on state-of-the-art technologies and robust asset design
- Continual monitoring of weather and climate patterns and implementation of early-warning systems

Strategic response to climate risks

We face both physical climate change risks as well as energy transition risks. As an efficient offshore operator, we assess physical risks from climate change as essentially non-material to our business, due to the fact that our assets are designed to withstand acute and chronic physical impacts, such as sea level rise and extreme weather. However, transition risks require more focus and active management, with the top risk for Lundin Energy being the changing long-term demand for oil.

Our portfolio is highly resilient under a range of different climate scenarios, including the IEA's Sustainable Development Scenario, which we believe is feasible for industry and society as it balances greenhouse gas emission reductions in line with goals of the Paris Agreement — a pathway well below 2 degrees Celsius — while ensuring affordable energy for all. We have modelled impacts of a lower oil price and higher carbon taxes, both of which do not have any material impacts on the economic resilience of our assets or our reserves volumes.

Cash flow resilience

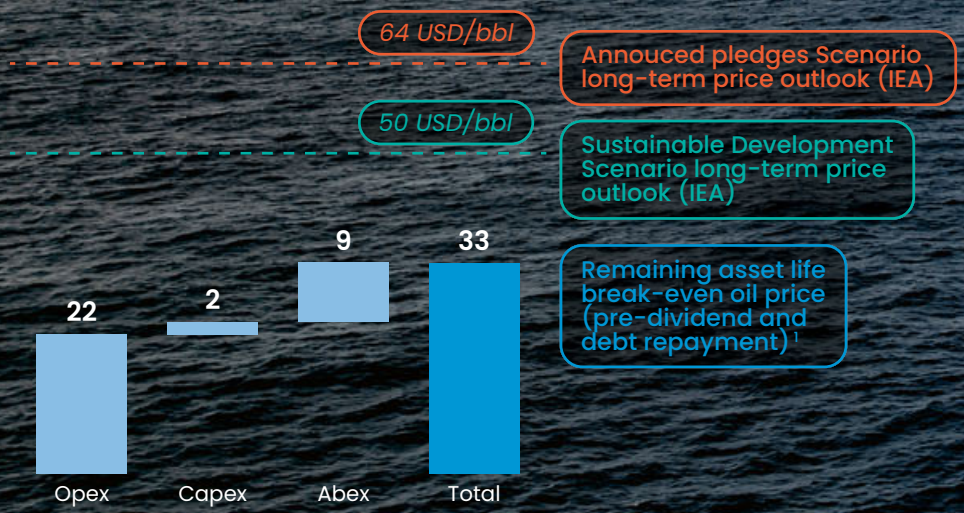
Our industry-leading low operating costs means that our portfolio is highly resilient under lower oil price scenarios, with low oil price free cash flow break-even. Our assets have a remaining life of field break-even of 33 USD/boe (pre-tax, debt repayment and dividend), which is well below the long-term oil price outlook under various IEA scenarios, including the Announced Pledges and Sustainable Development Scenarios, allowing us room to continue to fund growth, reduce debt and pay dividends.

Reserves resilience

The economic cut off of our assets is not materially impacted under lower oil price scenarios. In a world that meets the Paris Agreement goals (Sustainable Development Scenario, <2 degrees C), our 2P reserves estimate is only 1.7% lower than in our base case. In the Announced Pledges Scenario (aligned with a 2.7 degree temperature rise), our 2P reserves are not impacted at all.

Lundin Energy's portfolio resilience in a <2 degree world

oil price (USD/bbl)



[1] *Real 2022 figures, compounded at 6% p.a.*

Scenario	2P reserves estimate	% change from base case
Lundin Energy Base Case (Externally audited)	639 MMboe	
IEA Announced Pledges Scenario	639 MMboe	0 %
IEA Sustainable Development Scenario	628 MMboe	-1.7 %

Operating cost resilience

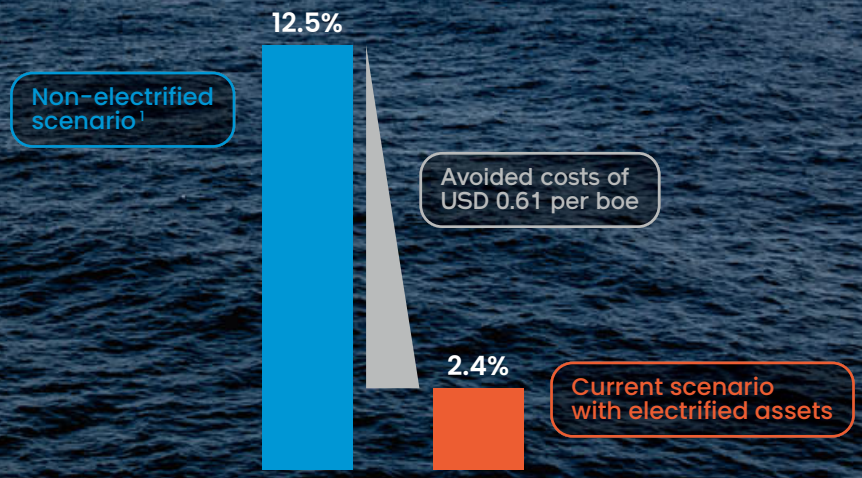
Norway has among the highest environmental taxes in the world, and in addition to these, we also pay for CO_2 quotas under the EU Emissions Trading Scheme (ETS). Lundin Energy's total carbon price (including EU ETS quotas) at end 2021 was 151 USD/tonne CO_2, and our long-term carbon price assumption is 240 USD/tonne CO_2 for 2030, in line with the policy that has been set by the Norwegian Parliament. Our forward business planning takes this carbon price into account when assessing the economic viability of different potential investments.

In 2021, direct carbon costs were 6.6% of our opex per barrel, but once we have electrified our assets, this will drop to 2.4% of opex in 2023. Our Decarbonisation Plan thus eliminates the vast majority of our direct exposure to increased carbon taxes in the longer term.

A detailed explanation of all of our climate change related risks and opportunities is available in our CDP Report 2021.

Impacts of electrification on carbon costs in 2023

% of opex per barrel



[1] Non-electrified scenario assumes both Johan Sverdrup and Edvard Grieg are not electrified

Environmental protection

We protect the environment through all stages of our operations

Lundin Energy is committed to the precautionary principle and to minimise the impact of its activities on the surrounding natural environment. Our material issues and topics of focus, where we have set targets, include protection of biodiversity, discharges to sea and waste management. Our environmental responsibility also includes our contractors, where we have a duty to ensure that they comply with all applicable environmental regulations. This is ensured through audits, periodic contract reviews and external collaboration.

Our Environmental Policy sets out our objectives and expectations applicable to our operations on the Norwegian Continental Shelf (NCS). The primary objective is to prevent and contain any spills and avoid excessive emissions by setting high standards on equipment integrity and resilience. In addition, we have established robust plans to mitigate and manage potential oil spills. All exploration and appraisal wells have approved cessation plans in place, adhering to the highest standards of decommissioning and removal activities following the Convention for the Protection of the Marine Environment of the North-East Atlantic. Our environmental strategy also sets out specific targets for non-GHG emissions (NO_X, SO_X and VOCs) aligned with our discharge permits. Our ISO 14001-certified environmental management software, NEMS, helps us gain a complete overview of emissions and discharges as well as operational insights through instant analytics.

Our approach to safeguarding biodiversity

We have set objectives and targets related to the conservation of biological diversity, safeguarding ecosystems, species and genetic diversity. Biodiversity mapping, environmental risk analyses and impact assessments are conducted to help us navigate decision-making, namely the time and place of our operations.

The NCS is among the most extensively mapped, analysed and ecologically managed marine areas in the world. Since 2006, Norwegian authorities have applied management plans, which set out the operational conditions for all activities within each area of the NCS, including oil and gas exploration and production. The management plans identify protected areas as set out by the International Union for Conservation of Nature (IUCN), where no industrial activity, or only limited activity, is permitted. Furthermore, area sensitivity is weighed against industrial activities, local interests, international treaties and goals to determine the conditions upon which industrial activities may take place. Operational conditions for licences within the area are then defined, such as periods with drilling restrictions, extended biological monitoring, oil spill response measures and so forth.

All petroleum related activity is subject to public consultation and authority approval, mostly through an environmental permit hearing process. Stakeholders, local communities and interested parties are entitled to comment on environmental and social issues, and give recommendations to the authorities on planned activities. We aim to adhere to these recommendations, provided they are compliant with the government's operational conditions defined in the management plans. In addition, our renewables assets also undergo public consultations and impact assessments. In 2021, no significant actual or potential negative impacts on local communities were recorded.

Our impacts on biodiversity

All of our acreage is assessed with particular attention to areas in proximity of sensitive coastal habitats, fish spawning and seabird breeding or feeding grounds, coral reefs, fisheries, etc. Coral reefs are the most probable red list species that may be present within our areas of interest, although deep-sea sponge aggregations, sea-pen and burrowing megafauna communities may also occur. In order to identify and mitigate for the presence of these, environmental baseline surveys, site surveys and visual surveys are performed prior to any planned activity.

These surveys indicate that we have no ongoing or planned petroleum activities, including proved or probable (2P) reserves, in the immediate presence of stationary endangered species. Migratory endangered species, such as cetaceans and seabirds, may pass closer to our activities, but are neither harmed, nor affected by our operations. In addition, Lundin Energy did not have any activities, acreage or reserves within or adjacent to IUCN protected areas in 2021. The nearest protected area to our operations is over 100 kilometres away from our area of activity.

During the summer of 2021, an environmental field survey of the Edvard Grieg field was performed by DNV, with the purpose of documenting the biodiversity and community health surrounding the installation. The findings are expected in spring 2022. The findings from a previous survey in 2018 showed that there were no environmental impacts from the development and initial production from the field, and similar results are expected from this latest survey.

Local biodiversity enhancement at Corporate office

Bees are essential for food security and biodiversity, as 70% of crops depend on them for pollination. However, bees are in decline due to loss of habitat, change in land use, pollution, climate change and pesticides. Lundin Energy is thus proud to provide bee habitats on the roof of our Corporate office in Geneva, helping to restore natural ecosystems.

R&D
case studies

BASS project: Reducing acoustic impacts on wildlife

This project aims to develop a Broadband Acoustic Seismic Source (BASS) vibration signal, as an alternative to the more conventional hard shock-pulse guns used for seismic acquisition. This technology requires less energy and reduces impacts on marine organisms in close vicinity to the source tool, meaning it can be used in potentially environmentally sensitive areas without harming the ecosystem.

Metabridge project: Intelligent environmental monitoring

Using environmental DNA (eDNA) technology, genetic material can be obtained directly from environmental samples such as sediment and water. This enables efficient, non-invasive sampling in order to characterise the biodiversity and environmental components within an ecosystem. This project will help validate and consolidate the large-scale use of this technology for environmental monitoring of marine sediments in the context of oil and gas activities, allowing for more expedient and higher resolution environmental surveys in the future.

Symbioses project: Understanding impacts of oil spills

The environmental risk analysis tool SYMBIOSES enables the assessment of large scale oil spills on marine fish stocks, specifically on the Northeast Arctic cod population. It was created through a combination of state-of-the-art numerical models from well data and laboratory exposure studies. Based on simulation results for over 150 theoretical oil spills in the main spawning areas of the Northeast Arctic cod population in Lofoten-Vesterålen, the research team concluded that the diverse age distribution and health of the cod stock renders this population resilient to the combined losses from natural mortality, commercial fishing and the simulated oil spills. The tool is now being expanded to assess potential impacts of spills on other fish species relevant for Norwegian marine areas.

Management of water-related impacts

Lundin Energy minimises its impacts on water and from waste, as set out in our Environmental Policy. Given our Norwegian offshore context, water withdrawal and water scarcity are not considered material issues. Freshwater is used for drinking purposes and as process related water, including drilling water. We encourage and facilitate freshwater generation on most of our facilities. We use seawater as a drilling fluid and as cooling water, where it is circulated back to source and is, as such, immaterial insofar as it does not pollute.

Our main water management issue is operational discharges to sea. Produced water and other operational water discharges can have adverse effects on the marine environment, unless properly treated. To minimise these impacts, we have a target to reinject >95% of produced water, and in 2021 we achieved a 99% reinjection rate. Our goal is to limit oily water discharges to less than 15 ppm, half of what Norwegian regulation requires. In 2021, this target was met with a 13.8 ppm oil in water content. Our other water management actions include:

- Continuous online monitoring of produced water discharges to sea.
- Cross checking online oil-in-water analysers used on drilling rigs and installations with onshore laboratory results for improved monitoring and control.
- Installation of separate water treatment systems for handling of start-up water from the Solveig field.
- Prioritised substitution of chemicals with the most adverse properties to less hazardous substitutes.

In 2021, we had 2 minor reportable chemical spills and 2 minor reportable oil spills. None of these caused any material environmental impact.

Reducing waste and promoting a circular economy

Waste generated from our activities includes non-hazardous waste, such as metals, wood and sorted combustible waste, and hazardous waste, such as drilling fluids and cuttings. Waste generation, sorting and recovery are of high focus at Lundin Energy, both at an operational and office level. Facility managers are responsible for ensuring that waste is minimised as much as possible, and handled in an environmentally sound manner. All waste is segregated on-site and is shipped to our logistics bases, where contractors handle it upon arrival. Monthly analytics highlight how much waste has been generated, sorted, reused, recycled, incinerated or sent to landfill.

Approximately one third of our non-hazardous waste is recycled, while the other half is incinerated with energy recovery. Of hazardous waste, approximately half is water that is treated and discharged post oil and chemical removal. The remaining fractions are incinerated with energy recovery, recycled or sent to landfill. Overall, 38% of non-hazardous waste, and 27% of hazardous waste, was sent to landfill. Of the latter, landfill deposits are mainly used for solid residues from slops and drilling waste.

From a Company perspective, we monitor our waste disposal practices to meet and exceed best practice. Our target for non-hazardous waste recovery, including energy recovery, was >90%. Examples of actions in 2021 include:

- Analysis of collected waste fractions, in order to identify potential improvements and fractions that may be better handled.
- Sensitising employees on waste reduction through campaigns for all operated offshore installations.
- Reducing the use of non-renewable materials, single-use utensils and styrofoam packaging where possible.
- Identifying logistical solutions to reduce total waste generation.
- Mapping and analysing the carbon footprint and end-use alternatives for drilling waste streams (cuttings, slops and wastewater).

The above actions helped achieve a non-hazardous waste sorting of 96.7% overall, and 97.9% on Edvard Grieg in 2021.

The waste analysis performed in spring of 2021 identified several fractions that may be isolated for recycling and improved reuse processes. This will be assessed for upcoming operations.

Audits

The Norwegian Environment Agency did not conduct any audits of Lundin Energy Norway in 2021.

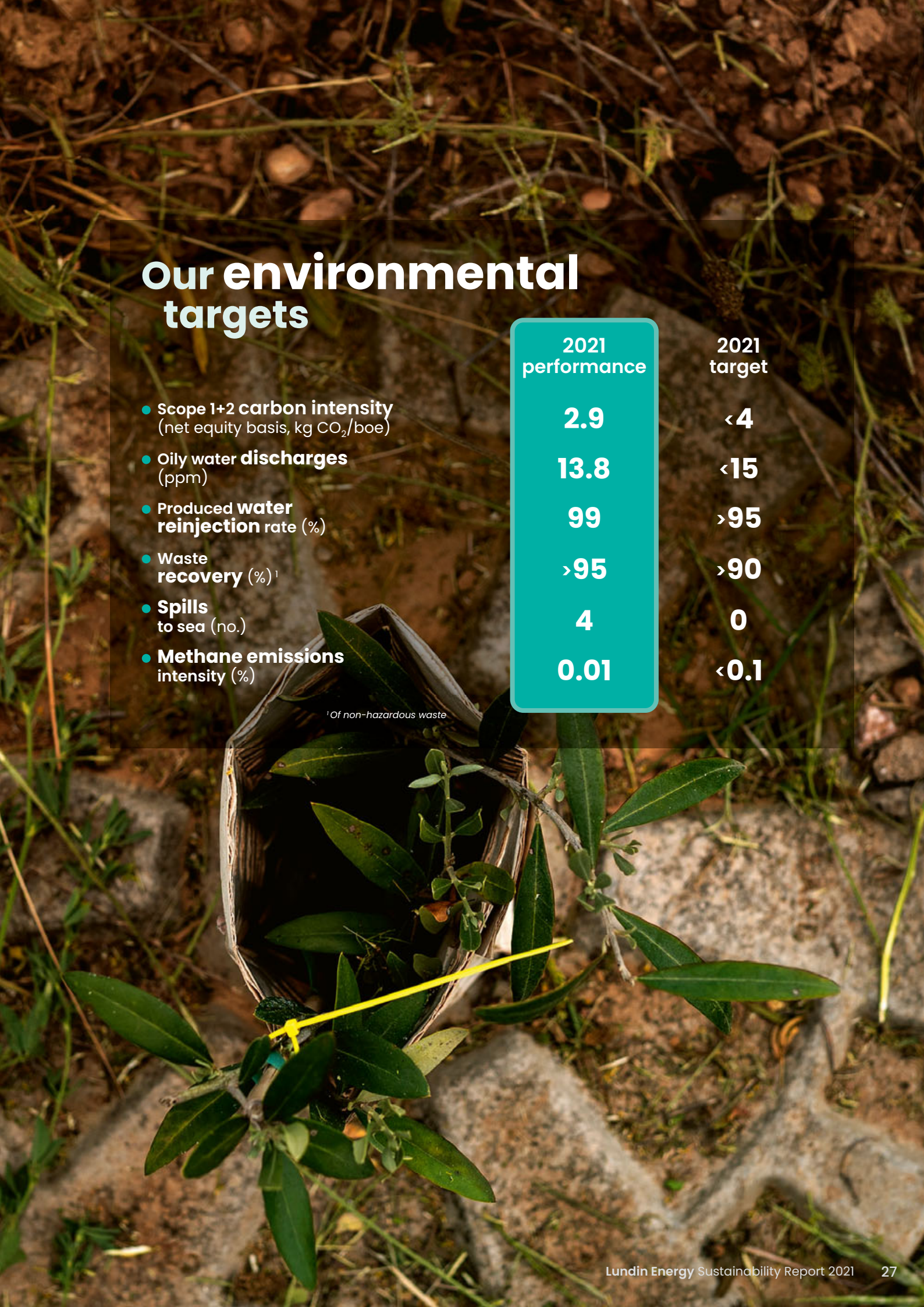
Environmental protection at our wind farm projects

Our wind farm projects are developed by OX2, who have a strong focus on minimizing environmental impacts across the project lifecycle. Their certified environmental management system ensures that construction follows best practice HSE procedures and that that all legal requirements, environmental permits and restrictions are respected. Measures to restore and enhance biodiversity and reduce environmental impacts are put in place at the beginning of each project, for example, by using local quarries in order to reduce transportation of construction materials, or by creating areas of high biodiversity in specific areas.

Our environmental targets

	2021 performance	2021 target
Scope 1+2 carbon intensity (net equity basis, kg CO_2/boe)	2.9	‹4
Oily water discharges (ppm)	13.8	‹15
Produced water reinjection rate (%)	99	›95
Waste recovery (%)[1]	›95	›90
Spills to sea (no.)	4	0
Methane emissions intensity (%)	0.01	‹0.1

[1] *Of non-hazardous waste*



Safe operations

Providing a safe and healthy working environment

Health and safety is a priority for our operations. As an oil and gas company, we operate in an industry exposed to certain safety risks, where accidents can potentially occur anywhere and at any given time. It is thus our responsibility to identify and mitigate potential risks, and to provide our workforce with a safe and healthy working environment. Our target is to achieve zero injuries and incidents, for all our employees and contractors.

Promoting health and safety

Our regularly audited health and safety management approach that covers all employees and contractors, is aligned with legal requirements and standard industry guidelines, and consists of the Health and Safety Policy, the HSEQ Leadership Charter and other specific procedures and work practices.

Our Health and Safety Policy states that priority shall always be given to prevent harm to our workforce. For all operational activities, risk assessments, including identification of potential hazards, have to be performed and recorded within our risk register. Typical injuries in our sector include falling objects, falls and trips, and injuries associated with exposure to toxic substances.

During induction sessions, employees and contractors are informed of the importance to report all incidents. All serious incidents are investigated to identify learnings and improvement actions to prevent re-occurrence. Our Policy ensures that no individuals face reprisal during this process. To complement our health and safety management approach, we encourage and rely on active workforce participation and regular consultation.

Lundin Energy has enrolled all employees into a private health insurance programme. This may accelerate possible medical treatments thereby enabling the employee to return to work earlier than if having to use public health services. Lundin Energy Norway has an Agreement with the Norwegian Church Abroad for follow up of employees and next of kin in a possible emergency situation, available 24/7.

All contractors are assessed with respect to Health, Safety and Environment and Quality, both prior to and after contract assignment. Areas of evaluation include the contractor's management system, HSE records and personnel training/ competence.

Mandatory HSE training is in place for all employees and contractors on offshore installations and additional enhanced training is provided for key positions. Lundin Energy employees received a total of 2,114 hours of HSE training in 2021.

In 2021, there were six reportable safety incidents. None of the reported incidents were categorised as serious.

Audits

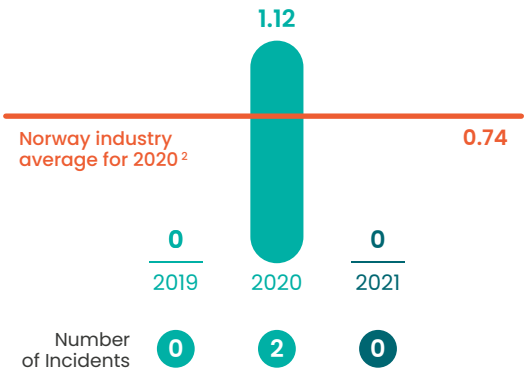
In 2021, the Norwegian Petroleum Safety Authority conducted three audits, and the County Governor of Rogaland conducted one audit of Lundin Energy Norway with no critical findings. Furthermore, five internal audits were performed, reiterating that our management system and processes are adequate and fit for purpose. As part of our see-to-duty, Lundin Energy Norway conducted five audits of the operators of licences, fields and projects not operated by Lundin Energy, and 16 audits of our contractors.

Key highlights in 2021

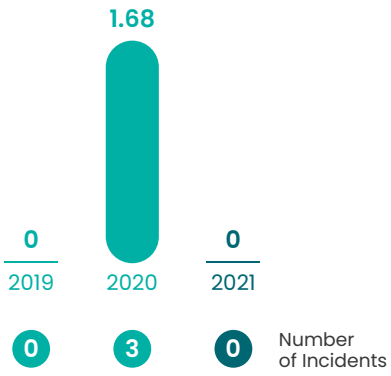
- Continued effort to strengthen HSE risk mitigation measures through the **'Lundin Calling'** communication framework
- Completed comprehensive rig intakes of the **Deepsea Stavanger** and **Rowan Viking** mobile drilling units to verify their readiness for safe operations
- Successful decommissioning of the **Brynhild field**, including safe removal of subsea equipment
- Safe installation of the **power cable** from the **Johan Sverdrup** platform to the **Edvard Grieg** installation in preparation for electrification by **end 2022**
- Successful completion of the **tie-back** of the **Rolvsnes** and **Solveig** subsea production wells to the Edvard Grieg host platform
- **Safety observation** and intervention training performed for personnel on all contracted drilling rigs

Safety performance

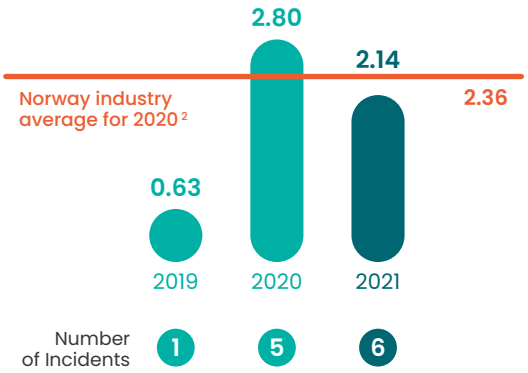
Lost time incident rate (LTIR)[1]



Serious incident rate[1]



Total recordable incident rate (TRIR)[1]

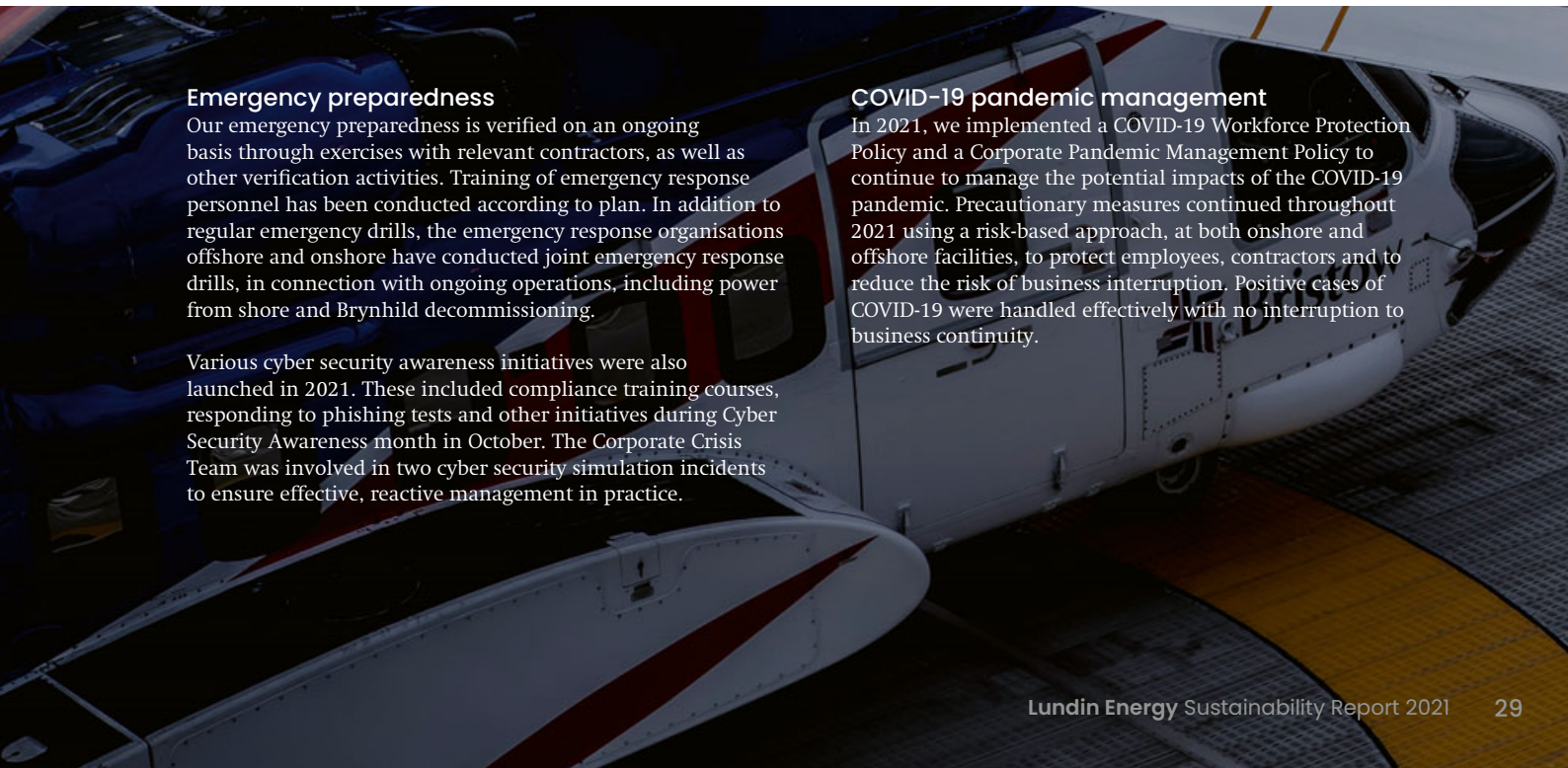


Process safety incidents & fatalities

[1] *Per million hours*

[2] *Source: International Association of Oil & Gas Producers 2020*

All data includes employees and contractors



Emergency preparedness

Our emergency preparedness is verified on an ongoing basis through exercises with relevant contractors, as well as other verification activities. Training of emergency response personnel has been conducted according to plan. In addition to regular emergency drills, the emergency response organisations offshore and onshore have conducted joint emergency response drills, in connection with ongoing operations, including power from shore and Brynhild decommissioning.

Various cyber security awareness initiatives were also launched in 2021. These included compliance training courses, responding to phishing tests and other initiatives during Cyber Security Awareness month in October. The Corporate Crisis Team was involved in two cyber security simulation incidents to ensure effective, reactive management in practice.

COVID-19 pandemic management

In 2021, we implemented a COVID-19 Workforce Protection Policy and a Corporate Pandemic Management Policy to continue to manage the potential impacts of the COVID-19 pandemic. Precautionary measures continued throughout 2021 using a risk-based approach, at both onshore and offshore facilities, to protect employees, contractors and to reduce the risk of business interruption. Positive cases of COVID-19 were handled effectively with no interruption to business continuity.

People and society

Promoting diversity, workforce engagement, respecting human rights and positively impacting society

We create value not only for our shareholders, but for society at large. Oil discoveries are great economic resources, creating wealth and tax revenue, quality employment and positive societal impact across the value chain. Oil and gas products are fundamental to modern society and are present in many aspects of our daily life.

Promoting a diverse and engaged workforce

Consistent with our Code of Conduct, we value diversity and recognise the benefits in attracting a broad pool of quality employees, encouraging employee retention, building high performance teams and enabling more relevant innovation. We offer competitive remuneration and benefit packages that include, amongst others, pension schemes, insurances, non-occupational medical and healthcare services, flexible working conditions, bonuses, fully paid parental leave, additional vacation days, exercise facilities and cultural activities. We secure employee development through on the job training and further educational activities.

As set out in our Diversity Policy we promote equal opportunities and no job applicant or employee shall be discriminated in any area of employment and business regardless of individual characteristics. We actively strive to improve gender balance through recruitment practices, and seek the inclusion of at least one female candidate at the final interview stage.

Gender pay gap analysis

Understanding the gender pay gap across our business can help us to identify whether any biases exist, and if so, to try to address them. In 2021, the Company completed its first gender pay gap assessment covering Norway and Switzerland, where we have a concentration of employees.

Across various levels in the organisation, the ratio of basic salary of women to men varied from 0.88 to 1.02 in 2021. This range is largely explained by two factors. Firstly, the proportion of women in the workforce at each level varies from 13% for Executive Management to 38% in other categories, resulting in fewer available data points available for women at some levels.

Gender pay indicators

	Company-wide *% Women at each level*	Norway *Ratio of basic salary for women to men*	Switzerland *Ratio of basic salary for women to men*
Executive Management	13%	N/A	N.S.
Senior Managers and Senior Specialists	29%	1.02	0.98
Managers and Specialists	23%	0.88	0.88
Professionals and Support Positions	38%	0.94	0.96
Tariff-based (Offshore) Positions	16%	1.00	N/A

N.S.: Not statistically significant due to small sample size *N/A: No employees in either gender*

Secondly, each category consolidates various individuals who are at different sub-categories, with highly variable levels of experience. For example, within the Managers/Specialists category, four different sub-categories exist. There is a higher proportion of men in the upper sub-categories, which inevitably skews the overall ratio.

Continuous employee engagement

Lundin Energy Norway has Working Environment Committees both onshore and offshore. Each Committee consists of an equal number of employee representatives and Company representatives, and the committee chair alternates on an annual basis, between employees and management. In addition, there are elected safety delegates on each offshore shift and onshore office locations.

Our employees enjoy freedom of association. Lundin Energy Norway is a member of the Association of Norwegian Enterprises (NHO) and its subsidiary the Norwegian Oil and Gas Association (NOROG). Central and local salary negotiations are conducted annually, with agreement revisions conducted bi-annually. The level of union participation has been steady over the years, with around 50% of employees in Norway represented by labour unions. During yearly appraisals, managers and all employees discuss career development and define personal strategic goals. We strive for all employees to take active ownership of their performance and development.

Over the last 3 years, our employee turnover and new hire rates have been fairly stable and at a low level of around 4% and 8%, respectively (3 year average). Over 90% of our workforce is local, and our employees are either located onshore, at one of our offices, or on our offshore facilities. At Lundin Energy Norway, circa 20% of staff work in an offshore rotation, which implies a two weeks on, four weeks off rotation scheme, as per standard practice in the Norwegian offshore oil and gas industry.

In 2021, Lundin Energy Norway conducted a working environment survey with a 94% response rate. The overall findings were presented internally, and heads of departments, together with employees, defined a range of improvements areas, with an implementation plan. Examples include ensuring efficient communication, defining clear information flows and encouraging regular feedback.

Protecting and enforcing human rights

We are fully committed to meet our responsibilities towards employees, contractors and other stakeholders in the value chain, including suppliers. We are mindful of potential impacts from our activities across the value chain, and as such, we monitor and report human rights impacts and remedy any negative impacts identified.

Most of our activities are in Norway, where we ensure all human rights requirements are covered in agreements with our contractors and subcontractors, with fabrication sites in Norway and elsewhere.

Our Whistleblowing Policy and procedures allow stakeholders to report any grievances on human rights or other issues in our operations and value chain. In 2021, Lundin Energy established an updated whistleblowing mechanism (provided by WhistleBlower Security) to offer all employees, contractors, suppliers, and other business partners and stakeholders an efficient and robust reporting outlet. Reporting can be done at any time and includes both an online portal and toll-free telephone hotlines — both of which meet global regulatory compliance, data protection and privacy legislation.

As set out in our Human Rights Policy and guidelines, we endorse the United Nations Declaration of Human Rights and the United Nations Global Compact Principles. We are compliant with all relevant human rights, equality and anti-discrimination related regulations in all countries of operation. Our mandatory e-Learning for all employees has a specific focus area on human rights issues.

There were no cases reported involving the rights of indigenous people or child labour in any of our areas of activity in 2021.

Sponsorship

Supporting our communities

Through our sponsorship programme we seek to positively contribute to the communities where we have a presence, and promote the values of Lundin Energy to stakeholders internationally.

Lundin Energy is the main sponsor of the Swiss team in the world's fastest sailing race, **SailGP**. Together, we seek to deliver both an exciting racing experience and one that positively benefits wider society and the environment. Lundin Energy, the **Swiss team** and **SailGP** all seek to achieve carbon neutrality as soon as possible through innovative operations, investments in low-carbon technology and wider sustainability efforts.

Martin Dougoud
professional kayaker

Lundin Energy

Investing for the Future

In Sweden, we are a long-term supporter of the **Good to Great Tennis Academy**, which provides young athletes with the opportunity to train and excel in tennis, while safeguarding health and education.

In Switzerland, we supported **25 young Olympic athletes** as they strived to reach the top within their various sports, as well as offsetting emissions from their travel.

We sponsor the **Norwegian National Ski-jumping team**. This is a joint team for both female and male jumpers. In addition to practicing sports at the highest level in the world, the team is also a promoter of gender equality, fighting for equal opportunities for women and men in the sports arena.

In 2021, we entered into a sponsorship with the tennis Player **Casper Ruud**. The 23-year-old Norwegian is currently ranked 8th in the ATP global rankings.

We are also the main sponsor of the **Norwegian College of Elite Sport** and the **Norwegian Petroleum Society**, and supported **The Norwegian Petroleum Museum** in Stavanger and the **Norwegian Trekking Association** (DNT Oslo og omegn).

Lundin Foundation

LUNDIN FOUNDATION

Creating positive impact through the Lundin Foundation

The Lundin Foundation supports Lundin Energy's transition to a lower carbon energy future through backing high potential, early-stage businesses that advance innovations and solutions to combat climate change. Through our joint investments, we support the development of the most promising decarbonisation technologies while simultaneously seeking positive financial returns to grow our capacity to invest.

In 2021, Lundin Energy provided MUSD 2 in funding to the Lundin Foundation to:

- Invest in pre-commercial companies with a climate solution to accelerate commercial launch and unlock additional capital.
- Provide active management and support to management teams to scale their businesses.
- Launch accelerator programmes to develop the next generation of climate solutions.

Katapult Climate Accelerator

The Katapult Climate Accelerator powered by Lundin Foundation was launched in 2021 to support ground-breaking climate start-ups to accelerate their businesses and deepen their impact. The three-year accelerator programme attracted over 1,000 global companies competing for eight spots. The selected companies receive training, technical expertise, mentoring, equity investment from the fund, and access to an extensive global network to scale-up their businesses.

The Lundin Foundation's support to the Katapult Climate Accelerator and Fund provides Lundin Energy with exposure to a wide selection of promising climate solutions, as well as potential financial returns resulting from these companies' success. For example, **NXT Grid** which enables local mini grid developers with project financing and aggregation, allowing small developers to operate profitable solar mini-grids. Within 5 years, NXT Grid aims to install a total of 25 MW power capacity to deliver reliable, clean energy to nearly one million people.

Current Portfolio

evoy

- Early commercial Norwegian company developing **electric marine propulsion systems** targeting a **zero emissions marine industry**.

trine

- Award-winning Swedish crowd lending platform providing **working capital** to **solar companies** in Africa.

Katapult Ocean

- Accelerator and investment fund with portfolio of 30+ start-ups targeting **ocean impact**, **renewable energy** and **clean transport**.

OCEAN HARVESTING

- Swedish pre-commercial, R&D stage wave energy start-up developing scalable point absorber **wave energy converters**, able to provide **clean and cost efficient energy** on and off grid.

Katapult Climate

- Anchor funder of accelerator programme and investment fund to launch **climate tech** companies. Eight companies in inaugural first programme.

Investment impacts in 2021

2 MUSD annual investment

62 climate businesses supported

424 jobs supported

2.1 MUSD revenue generated

2.7 MUSD wages paid

5 MUSD follow-on funding secured

Portfolio highlight: Ocean Harvesting Technologies (OHT)

OHT is a Swedish company that has developed a unique and patented technology that transforms waves into clean, reliable and cost efficient electric energy. Their solution, the InfinityWEC, is a novel wave energy convertor with an advanced power take-off and control system, which tunes to each individual wave to efficiently extract energy in all wave conditions. It also has an end stop function that ensures reliable power production and survival even in the harshest conditions, and a solid buoy which is very robust, light weight, low cost and easy to manufacture. This results in overall excellent performance and reliability and a modular design, where all critical parts are easily transported, installed and maintained.

Governance and ethics

High transparency and good governance are core to our business

Our governance approach

Since its creation in 2001, Lundin Energy has been guided by general principles of corporate governance. These principles, integrated into our Code of Conduct, and aligned with the Swedish Code of Corporate Governance, form an integral part of Lundin Energy's business model.

Lundin Energy's principles of corporate governance seek to:

- Protect shareholder rights.
- Provide a safe and rewarding working environmental to all employees.
- Ensure compliance with applicable laws and best industry practice.
- Ensure activities are carried out competently and sustainably.
- Sustain the well-being of local communities in areas of operation.

Sustainability Committee

The Sustainability Committee assists the Board to monitor the performance and key risks that the Company faces in relation to environmental, social and governance matters. It also makes recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. The Sustainability Committee's tasks further include reviewing and monitoring sustainability policies, as well as considering sustainability issues, risks, strategies and responses to climate change issues. The Sustainability Committee reviews Group Management's proposals on sustainability targets and goals, monitors the appropriateness of sustainability audit strategies and plans, the execution and results of such plans and reviews and makes recommendations to the Board.

The Sustainability Committee's work during 2021 included:

- Review of material local and corporate sustainability risks and management responses, including risks imposed by COVID-19 and prevention measures.
- Review of new Company policies to protect the workforce against risks posed by COVID-19.
- Review of the Company's Decarbonisation Plan and overall sustainability performance.
- Discussion on strategy for carbon neutrality and actions required, including acceleration of carbon neutrality commitment to 2023, adoption of a 50% absolute emissions reduction target and investments in natural carbon capture projects.
- Discussion on the growing focus of sustainability disclosures and investment landscape in light of evolving stakeholder expectations and increased investor/lender focus on ESG.
- Review of refreshed materiality assessment and investor perception study.
- Discussion on the evolving regulatory landscape to ensure readiness for necessary disclosures, namely the EU Green Taxonomy and the Draft EU Corporate Due Diligence and Accountability Directive.
- Discussion and proposal to align external reporting with the recommendations of the Sustainability Accounting Standards Board.

Our Code of Conduct

Lundin Energy's Code of Conduct is a set of principles that have been formulated by the Board, to give guidance to employees, contractors and partners on how the Company is to conduct its business in an economically, socially and environmentally responsible manner, for the benefit of all our stakeholders and shareholders. Violations of the Code of Conduct will be subject to an inquiry and appropriate remedial measures. In addition, performance under the Code of Conduct is regularly reported to the Board.

In 2021, there were no breaches to the Code of Conduct.

Lundin Energy Governance Structure

ESG screening of counter-parties

Our corporate policies ensure that material sustainability risks within our supply chain and other business relationships are screened and identified, monitored and mitigated. We conduct sustainability due diligence that is proportional to the magnitude and nature of potential risks identified. In Norway, all contracts with a value above USD 50,000 are additionally screened using MagnetJQS, which is the general qualification system for oil and gas companies in Norway that covers ESG criteria. All contractors and suppliers must also sign our Contractor Declaration, and by doing so, commit to adhere to our Code of Conduct. In 2021, the Lundin Energy Counterparty Due Diligence Questionnaire was also updated to incorporate a wider set of ESG questions.

Governing policies

Our Corporate Sustainability Policies outline our commitment to ensure the highest levels of ethical conduct across our operations and wider value chain.

Corporate Whistleblowing Policy

Our Whistleblowing Policy and Procedures provide a means for employees, contractors or other stakeholders to raise legitimate concerns regarding misconduct in the workplace or the wider value chain. Whistleblowers identities are kept anonymous upon request and are protected against retaliation. In 2021, Lundin Energy established a new whistleblowing system (provided by WhistleBlower Security), enabling reporting at any time using a range of methods including online or by phone. All whistleblowing reports are thoroughly investigated, with notification to the Board Audit Committee and Sustainability Committee.

In 2021, there were no reported whistleblowing cases.

Corporate Anti-Corruption Policy

This Policy ensures everyone working for or on behalf of the Company understands what activities constitute corruption and that all forms of corruption are strictly prohibited at Lundin Energy. Information and training is provided throughout our operations, and we encourage alleged cases to be reported. All alleged cases of corruption are to be investigated, and appropriate actions taken. Anti-corruption forms a part of our contractor evaluations, and anti-corruption clauses also feature as part of our Contractor Declaration. In the event of non-compliance and depending on the severity thereof, contracts may be terminated or remedial actions sought. Under our Policy, political donations and lobbying are also strictly prohibited.

In 2021, we had no cases of corruption, facilitation payments, significant fines or non-monetary sanctions for non-compliance. We do not have any contracts with governments and do not have any political involvement or actively take part in lobbying activities. We made no financial contributions to political groups or to lobbying activities.

Other Relevant Governing Policies

In line with ethical best practice and transparency, all of our governing policies are publicly available on our website. These also include the following policies:

- **Corporate Competition Law Policy:** Demonstrates our commitment to business practices compliant with legal requirements and best industry practice around competition.
- **Corporate Tax Policy:** Outlines our commitment to adopt transparent tax practices and comply with applicable laws, regulations and reporting requirements on tax.
- **Corporate Anti-Fraud Policy:** Outlines corporate and local requirements to prevent any fraudulent activities.
- **Corporate Anti-Money Laundering Policy:** Outlines our approach to ensure financial integrity and prevent all forms of potential money laundering.

Sustainability data

Climate change [a, b, c]

	Unit	2021	2020	2019
Greenhouse gas emissions – operated basis [1]				
Direct CO_2 emissions	kt	327	278	296
Direct CH_4 emissions	kt	0.2	0.1	0.2
Scope 1 & 2 CO_2 emission intensity	kg CO_2/boe	5.7	5	5.1
Methane emission intensity [2]	%	0.015	0.013	0.019
Scope 1 emissions		330	281	314
Flaring	kt	16	14	32
Venting & fugitive emissions	kt	2	1	3
Fuel combustion	kt	311	265	279
Other sources	kt	2	–	0
Scope 1 emissions – % methane	%	1.10	0.90	1.60
Scope 1 emissions covered by emissions limiting regulations				
EU ETS	%	91	97	94
Norwegian carbon tax	%	83	94	92
Scope 2 emissions				
Location-based	kt	<0.1	<0.1	<0.1
Market-based	kt	0	0	0
Scope 3 emissions				
Travel and logistic supply [3]	kt	97	56	29
Product use [4]	kt	21,300	20,800	21,300
Greenhouse gas emissions – net equity basis [1]				
Direct CO_2 emissions	kt	198	155	184
Direct CH_4 emissions	kt	0.2	0.2	0.2
Scope 1 & 2 CO_2 emission intensity	kg CO_2/boe	2.9	2.6	5.4
Scope 1 emissions	kt	202	161	189
Scope 2 emissions				
Location-based	kt	1.3	2.4	0.8
Market-based	kt	64	54	21
Scope 3 emissions				
Downstream transportation	kt	282	–	–
Refining and processing [5]	kt	2,596	–	–
Product use [5]	kt	21,936	22,200	12,600
Carbon offset purchases and retirements	kt	51	3	6.7
Flaring and cold-vented hydrocarbons				
Flared emissions	k Sm^3	4,852	3,999	8,113
Cold-vented hydrocarbons	k Sm^3	108	95	188
Flaring during well tests (gas)	k Sm^3	53	0	4
Flaring during well tests (oil)	k Sm^3	1	0	<1
Energy consumption and export				
Total energy consumption within the organisation [6]	TJ	5,287	4,631	4,639
Fuel consumption (from non-renewable sources)	TJ	4,987	4,624	4,632
Grid electricity consumption (operated basis)	MWh	2,170	1,860	1,866
Grid electricity consumption (net equity basis) [7]	MWh	161,861	138,614	41,421
Electricity generated from non-renewable sources	MWh	391,675	385,176	366,496
Electricity generated from renewable sources (net)	MWh	71,921	41,848	0

[a] All KPIs are on a 100% operated basis, excluding GHG emissions and grid electricity consumption, which are reported on both a 100% operated basis and net equity basis.

[b] The Norwegian Environment Agency conduct verifications of all reported environmental data post Sustainability Report publication. This may result in minor variations of the environment data for non-operated assets in Q3 2021.

[c] Emission factors used are sourced from Norwegian Oil & Gas Guidelines.

[1] See 'Carbon KPIs Scope and Calculation' document available on our website for further details of quantification methodology and scope.

[2] Calculated based on tonnes methane emitted divided by total gas exported from all operated assets.

[3] Includes material emissions from supply chain activities where we incur costs: business travel, helicopters and all vessels in relation to petroleum activities.

[4] Fraction of hydrocarbons combusted based on assumption from ENDRAVA.

[5] Emissions calculated based on third party dataset.

[6] Sum of all energy sources consumed during operations, including fuel/flare gas, diesel and electricity, from offshore installations, drilling rigs and office premises.

[7] Net equity electricity consumption from power from shore was 159,691 MWh in 2021, and office-based electricity use was 2,170 MWh.

Environmental protection [a]

	Unit	2021	2020	2019
Unplanned releases to sea				
Oil spills				
Number	no.	2	0	0
Volume	m^3	0.17	0	0
Oil spills within the Arctic Circle	m^3	0	0	0
Oil spills impacting shorelines	m^3	0	0	0
Chemical spills				
Number	no.	2	2	0
Volume	m^3	11	32	0
Hydrocarbon leaks				
Number	no.	0	0	0
Mass	kg	0	0	0
Water withdrawal				
Total water withdrawal [1]	m^3	148,311	84,054	68,702
Freshwater withdrawal (third party water) [2]	m^3	39,588	18,638	30,887
Non-freshwater withdrawal (produced water)	m^3	108,723	65,416	37,815
Water discharge				
Total water discharges [3]	m^3	17,582	17,162	17,154
Produced water discharged to sea	m^3	7,783	3,566	3,302
Produced water reinjection rate	%	99	99	97
Other water discharged to sea	m^3	9,799	7,375	6,852
Water discharged to third parties	m^3		6,221	7,000
Regular discharges of oil in water	t	0.24	0.12	0.10
Discharged drill cuttings	t	10,396	607	4,370
Waste [4]				
Hazardous waste generated	t	27,979	4,536	1,313
Hazardous waste recycled	t	291	47	4
Hazardous waste incinerated with energy recovery	t	2,729	691	229
Hazardous waste sent to landfill	t	7,589	1,357	73
Hazardous waste sent to other type of disposal	t	17,371	2,441	1,008
Non-hazardous waste generated	t	825	266	326
Non-hazardous waste recycled	t	288	130	184
Non-hazardous waste incinerated with energy recovery	t	228	133	110
Non-hazardous waste sent to landfill or other type of disposal	t	310	3	32
Other emissions to air				
NO_x	t	639	316	530
SO_x	t	23	7	8
nmVOC	t	188	103	112

[a] All KPIs are on a 100% operated basis.

[1] Excludes seawater used for cooling purposes.

[2] Freshwater withdrawal is the sum of all potable water loaded onto supply vessels for offshore use, and reported water consumption at office premises.

[3] Sum of all water discharged from operated assets and Lysaker office, excluding runoff water that is not screened or treated for oil content, and cooling seawater.

[4] Waste data scope is offshore operated assets.

Sustainability data
Safe operations [a]

	Unit	2021	2020	2019
Recorded incidents				
Fatalities				
Employees	no.	0	0	0
Contractors	no.	0	0	0
Total	no.	0	0	0
Lost time incidents				
Employees	no.	0	0	0
Contractors	no.	0	2	0
Total	no.	0	2	0
Restricted work incidents				
Employees	no.	0	0	0
Contractors	no.	0	0	0
Total	no.	0	0	0
Medical treatment incidents				
Employees	no.	1	0	0
Contractors	no.	5	3	1
Total	no.	6	3	1
Serious incidents				
Employees	no.	0	0	0
Contractors	no.	0	3	0
Total	no.	0	3	0
Process safety incidents	no.	0	0	0
Incident rates and HSE training [1]				
Lost time incident frequency				
Employees	per million hours worked	0	0	0
Contractors	per million hours worked	0	2.17	0
Total	per million hours worked	0	1.12	0
Serious incident frequency				
Employees	per million hours worked	0	0	0
Contractors	per million hours worked	0	3.25	0
Total	per million hours worked	0	1.68	0
Total recordable incident frequency				
Employees	per million hours worked	1.13	0	0
Contractors	per million hours worked	2.61	5.42	1.3
Total	per million hours worked	2.14	2.8	0.63
Exposure hours				
Employees	hours	887,881	860,529	813,529
Contractors	hours	1,912,902	923,198	770,980
Total	hours	2,800,783	1,783,727	1,584,509
HSE training hours per employee	hours per employee	4.3	4.4	5.2
Non-technical days	no.	0	0	0
Contractor and supplier screening				
New suppliers and contractors screened against ESG criteria [2]	%	100	100	100

[a] As the majority of the organisation is located in Norway, this information is disclosed at Corporate level, rather than per region.

[1] Employee and contractor frequency data is obtained by inserting the number of injuries as the numerator and the hours worked as the denominator.

[2] All new suppliers and contractors with an annual spend of USD 50,000 on-boarded for Lundin Energy Norway during the reporting period.

People & diversity [a]

	Unit	2021	2020	2019
Employees and diversity				
Total employees [1]	no.	494	448	444
Number of men	no.	362	327	320
Number of women	no.	132	121	124
Gender diversity				
Women in workforce	%	27	27	28
Women in management	%	31	23	23
Women in the Board of Directors	%	30	33	33
Employees by age group				
< 30 years	%	4	5	8
30 – 50 years	%	51	54	55
> 50 years	%	45	41	37
Board of Directors by age group				
< 30 years	%	0	0	0
30 – 50 years	%	10	0	0
> 50 years	%	90	100	100
Employee hire and turnover [2]				
New hire rate	%	7.9	4.7	11.9
Employee turnover rate	%	4.0	3.8	4.0
Incidents of discrimination				
Confirmed incidents	no.	0	0	0

[a] As the majority of the organisation is located in Norway, all employee-related data is disclosed at Corporate level, rather than per region.

[1] The Sustainability Report accounts for permanent and fixed employees by end of year paid directly by the Company, whereas the Annual Report accounts for average numbers for the year.

[2] New hire and turnover rates are not disclosed by age groups/gender due to the size of the organisation.

Sustainability data
Governance & ethics

	Unit	2021	2020	2019
Anti-corruption				
Communication of Anti-Corruption Policy				
Board of Directors	%	100	100	100
Employees	%	100	100	100
Training on anti-corruption [1]				
Board of Directors	%	90	100	100
Employees	%	91	100	100
Confirmed incidents of corruption				
Number of incidents	no.	0	0	0
Confirmed incidents with employees impacted	no.	0	0	0
Confirmed incidents with contractors impacted	no.	0	0	0
Corruption-related public legal cases	no.	0	0	0
Confirmed breaches to the Code of Conduct	no.	0	0	0
Compliance (fines and non-monetary sanctions)				
Significant fines	no.	0	0	0
Significant fines value	TUSD	0	0	0
Environmental fines	no.	0	0	0
Environmental fines value	TUSD	0	0	0
Non-monetary sanctions	no.	0	0	0
Envrionmental non-monetary sanctions	no.	0	0	0
Corporate donations and contributions to initiatives				
Corporate sponsorships & charitable giving	TUSD	1,288	1,592	400
Contribution to the Lundin Foundation	TUSD	2,010	1,700	1,713
Contributions to sustainability initiatives				
UNGC	TUSD	15	15	15
CDP	TUSD	1	1	1
Total	TUSD	16	16	16
Payments to governments				
Taxes	TUSD	1,402,417	442,690	145,565
Royalties	TUSD	N/A	N/A	N/A
Fees	TUSD	3,474	18,798	30,382
Production entitlement	TUSD	N/A	N/A	N/A
Total	TUSD	1,405,891	461,488	175,947

[1] Business partners are not included in this data.

Units abbreviations

t = metric tonnes
kt = thousand metric tonnes
boe = barrel of oil equivalent
k Sm^3 = thousand standard cubic metres
TJ = terajoules
MWh = megawatt hours
TUSD = thousand USD

TCFD index

TCFD recommendation	Reference to LE disclosure SR	AR	CDP
Governance			
Disclose the organisation's governance around climate-related risks and opportunities			
a) Describe the board's oversight of climate-related risks and opportunities	14–15, 20–21	26	C1
b) Describe management's role in assessing and managing climate-related risks and opportunities	14–15, 20–21	26	C1
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	21	18	C2
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	20–23	18	C2
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	20–23	18	C2, C3
Risk management			
Disclose how the organisation identifies, assesses, and manages climate-related risks			
a) Describe the organisation's processes for identifying and assessing climate-related risks	14–15, 20–21	16	C2, C3
b) Describe the organisation's processes for managing climate-related risks	14–15, 20–21	16	C2, C3
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	14–15, 20–21	26	C2, C3
Metrics and targets			
Disclose the metrics/targets used to assess and manage relevant climate-related risks and opportunities where such information is material			
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	40	7–8	C3
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks	40	7–8	C6, C7
c) Describe the targets used by the organisation to manage climate-related risks	8, 11	7–8	C4

SASB index

Code	Accounting metric	Reference	Notes / data points
Greenhouse gas emissions			
EM-EP-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	SR40	
EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	SR40	
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	SR16—17	
Air quality			
EM-EP-120a.1	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	SR41	PM10 not disclosed due to low relevance
Water management			
EM-EP-140a.1	"(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress"	SR41	Note: Lundin Energy has no water withdrawal or consumption in areas of water stress
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	SR41	
EM-EP-140a.3	"Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used"	—	Not applicable
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	—	Not applicable
Biodiversity impacts			
EM-EP-160a.1	Description of environmental management policies and practices for active sites	SR24	
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	SR41	
EM-EP-160a.3	"Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat"	SR24	
Security, human rights & rights of indigenous peoples			
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	—	Not applicable
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	—	Not applicable
EM-EP-210a.3	"Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict"	SR32	
Community relations			
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	SR24	
EM-EP-210b.2	Number and duration of non-technical delays	SR42	

Code	Accounting metric	Reference	Notes / data points
Workforce health & safety			
EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	SR29,42	Note: Training hours consolidated across the Company
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	SR28 – 29	
Rerserves valuation & capital expenditures			
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	SR22 – 23	
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	–	194 million tonnes CO_2 (1P reserves)
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	AR12 – 13	Renewables: Capex MUSD 73.1 Revenue MUSD 5.9
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	SR20-23	
Business ethics & transparency			
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	–	Not applicable
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	SR32,39	
Management of the legal & regulatory environment			
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	SR39	
Critical incident risk management			
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	SR42	
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	SR28 – 29	

Code	Accounting metric	Reference	Notes / data points
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	AR5 – 6	
EM-EP-000.B	Number of offshore sites	SR7	
EM-EP-000.C	Number of terrestrial sites	SR7	

GRI index

Standard Disclosure	Description	Reference
GENERAL DISCLOSURES		
1. Organisational profile		
102 – 1	Organisation name	SR front/back cover
102 – 2	Activities, brands, products, services	SR 6 – 7
102 – 3	HQ location	SR back cover
102 – 4	Operations locations	SR 7
102 – 5	Ownership and legal form	SR back cover
102 – 6	Markets served	SR 6
102 – 7	Scale of the organisation	AR 1
102 – 8	Information on employees and other workers	SR 30 – 31, 43
102 – 9	Supply chain	SR 6
102 – 10	Significant changes to the organisation and its supply chain	SR 6
102 – 11	Precautionary Principle or approach	SR 24
102 – 12	External initiatives	SR inside cover
102 – 13	Membership of associations	SR inside cover, 30
2. Strategy		
102 – 14	Statement from senior decision-maker	SR 3
102 – 15	Key impacts, risks and opportunities	SR 11 – 15
3. Ethics and integrity		
102 – 16	Values, principles, standards, and norms of behaviour	SR 38 – 39
102 – 17	Mechanisms for advice and concerns about ethics	SR 32, 39
4. Governance		
102 – 18	Governance structure	SR 39
102 – 19	Delegating authority	SR 39
102 – 20	Executive-level responsibility for ESG topics	SR 20, 38
102 – 21	Consulting stakeholders on ESG topics	SR 12 – 13
102 – 22	Composition of the highest governance body and its mechanisms	AR 22 – 24
102 – 23	Chair of the highest governance body	AR 28
102 – 24	Nominating and selecting the highest governance body	AR 23
102 – 25	Conflicts of interest	AR 28 – 29, 33
102 – 26	Role of highest governance body in setting purpose, values, strategy	AR 24
102 – 27	Collective knowledge of highest governance body	AR 28 – 29
102 – 28	Evaluating the highest governance body's performance	AR 26
102 – 29	Identifying and managing ESG impacts	SR 14, 38
102 – 30	Effectiveness of risk management processes	SR 14 – 15
102 – 31	Review of ESG impacts	SR 11 – 12
102 – 32	Highest governance body's role in sustainability reporting	SR 38 – 39
102 – 33	Communicating critical concerns	SR 39
102 – 35	Remuneration policies	AR 32 – 35
102 – 36	Process for determining remuneration	AR 32 – 35
102 – 37	Stakeholders' involvement in remuneration	AR 32 – 35
5. Stakeholder engagement		
102 – 40	List of stakeholder groups	SR 13
102 – 41	Collective bargaining agreements	SR 32
102 – 42	Identifying and selecting stakeholders	SR 12
102 – 43	Approach to stakeholder engagement	SR 12
102 – 44	Key topics and concerns raised	SR 13
6. Reporting practice		
102 – 45	Entities included in the consolidated financial statements	AR 44
102 – 46	Defining report content and topic boundaries	SR 4
102 – 47	List of material topics	SR content page, 11
102 – 48	Restatement of information	SR 4
102 – 49	Changes in reporting	SR 4
102 – 50	Reporting period	SR 4
102 – 51	Date of most recent report	SR 52
102 – 52	Reporting cycle	SR 4
102 – 53	Contact point for questions regarding the report	SR 52
102 – 54	Claims of reporting in accordance with the GRI standards	SR 4
102 – 55	GRI content index	SR 48 – 49
102 – 56	External assurance	SR 4, 50
103 – 1	Explanation of the material topic and its boundary	SR 4
103 – 2	Management approach and its components	
	Overview of targets	SR 11
	Climate change	SR 16 – 19
	Biodiversity	SR 24 – 26
	Water	SR 26 – 27
	Waste	SR 26 – 27
	Health & Safety	SR 28 – 29
	Diversity	SR 30 – 31
	Human Rights	SR 32
	Governance	SR 38 – 39
103 – 3	Evaluation of the management approach	SR 38

Standard Disclosure	Description	Reference
ECONOMY AND ANTI-CORRUPTION		
Anti-corruption		
205—2	Communications and training about anti-corruption policies and procedures	SR 15, 32, 44
205—3	Confirmed incidents of corruption and actions taken	SR 43
ENVIRONMENT		
Energy		
302—1	Energy consumption within the organisation	SR 40
Water and effluents (2018)		
303—3	Water withdrawal (Sea water, Third-party water)	SR 41
303—4	Water discharge (Sea water, Produced water, Third-party water)	SR 41
Biodiversity		
304—1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 24
Emissions		
305—1	Direct (Scope 1) GHG emissions	SR 40
305—2	Energy indirect (Scope 2) GHG emissions	SR 40
305—3	Other indirect (Scope 3) GHG emissions	SR 40
305—4	GHG emissions intensity	SR 40
305—7	Nitrogen oxides (No_x), sulfur oxides (So_x), and other significant air emissions	SR 41
Waste (2020)		
306—1	Waste generation and significant waste-related impacts	SR 26
306—2	Management of significant waste-related impacts	SR 26
306—3	Waste generated	SR 26, 41
306—4	Waste diverted from disposal	SR 26, 41
305—5	Waste directed to disposal	SR 26, 41
Environmental compliance		
307—1	Non-compliance with environmental laws and regulations	SR 44
SOCIAL		
Health and safety		
403—1	Occupational health and safety management system	SR 28
403—2	Hazard identification, risk assessment, and incident investigation	SR 28—29
403—3	Occupational health services	SR 28—29
403—5	Worker training on health and safety	SR 30
403—6	Promotion of worker health	SR 28—29
403—7	Prevention and mitigation of occupational and safety impacts directly linked by business relationships	SR 28—29
403—8	Workers covered by an occupational health and management system	SR 28
403—9	Work-related injuries	SR 29, 42
Employee related data		
401—1	New employee hires and employee turnover	SR 32, 43
404—3	Percentage of employees receiving regular performance and career development reviews	SR 32
405—1	Diversity of governance bodies and employees	SR 30, 43
406—1	Incidents of discrimination and corrective actions taken	SR 43
412—2	Employee training on human rights policies or procedures	SR 32
Local communities		
413—1	Operations with local community engagement, impact assessments, and development programmes	SR 24
413—2	Operations with significant actual and potential negative impacts on local communities	SR 24, 44
Socioeconomic compliance		
419—1	Non-compliance with laws and regulations in the social and economic area	SR 44
Suppliers		
308—1	New suppliers that were screened using environmental criteria	SR 39, 42
414—1	New suppliers that were screened used social criteria	SR 39, 42

AR: Annual Report / SR: Sustainability Report

Auditor's Assurance Report on Lundin Energy AB (publ)'s Sustainability Report and statement regarding the Statutory Sustainability Report

To Lundin Energy AB (publ), corp id 556610-8055

Introduction
We have been engaged by the Board of Lundin Energy AB (publ) to undertake a limited assurance engagement of Lundin Energy AB (publ)'s Sustainability Report for the year 2021. The scope of the Sustainability Report has been defined on pages 48-49. The scope of the Statutory Sustainability Report is defined on page 4.

Responsibilities of the Board and Executive Management
The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 4 in the Sustainability Report and consist of the GRI Sustainability Reporting Standards, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor
Our responsibility is to express a conclusion on the Sustainability Report based on our limited assurance procedures and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented in this document and does therefore not include future oriented information.

We have conducted our engagement in accordance with ISAE 3000 *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. A limited assurance engagement and an examination according to RevR 12 are different from and substantially less in scope than reasonable assurance conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Lundin Energy AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review and an examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. The conclusion based on limited assurance procedures and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on reasonable assurance.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria de¬fined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 25 February 2022

Ernst & Young AB

Anders Kriström
Authorized Public Accountant

Outi Alestalo
Expert member of FAR

These materials do not constitute an offer of securities for sale or a solicitation of an offer to purchase the securities described in such materials in the United States. In particular, any securities referred to in these materials have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of securities in the United States.

This information is information that Lundin Energy AB is required to make public pursuant to the Swedish Securities Markets Act. The information was submitted for publication at 08.00 CET on 1 March 2022.

Forward-looking statements

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including Lundin Energy's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and Lundin Energy does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), productions costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading "Risk management" and elsewhere in Lundin Energy's Annual Report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.

Lundin Energy

References to "Lundin Energy" or "the Company" pertain to the corporate group in which Lundin Energy AB (publ) (company registration number 556610—8055) is the Parent Company or to Lundin Energy AB (publ), depending on the context.

Tell us what you think

We welcome any questions, comments or suggestions you might have about this report and our performance.

Please send your feedback to
info@lundin-energy.com

Previous sustainability reports are available at
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