Harbour Energy

ESG Report 2022

Harbour Energy plc

#WeAreHarbourEnergy

About this report

Harbour Energy is the largest London-listed independent oil and gas company. We have a diversified UK asset base within an attractive global footprint.

This is our first 'full year' Environmental, Social and Governance (ESG) Report, covering our performance for the period 1 January to 31 December 2022. Given the overriding importance of safety in all we do, we also include a separate section in this report on the topic.

This report covers all our operated activities, including our exploration, development, production and decommissioning and, where relevant, those of our non-operated joint venture partners and contractors.

> FIND OUT MORE ONLINE
HARBOURENERGY.COM/SUSTAINABILITY

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01 Introduction

Harbour Energy plays a key role in meeting the world's energy needs through the safe, efficient and responsible production of hydrocarbons.

ESG highlights in 2022

A snapshot of our key ESG achievements during 2022.

Safety

A record year for health and safety performance

0.8

Total Recordable Injury Rate (TRIR) (injuries per million work hours)

> READ MORE

Social

B

Score in CDP climate change questionnaire

28%

Of Board and leadership team from diverse backgrounds (gender and ethnicity)

c.15%

Of UK domestic gas produced by Harbour[1]

1,824

Employees worldwide

$5.5bn

Economic value generated

Engaging and developing our employees

84%

Of employees and contractors participated in our first global engagement survey

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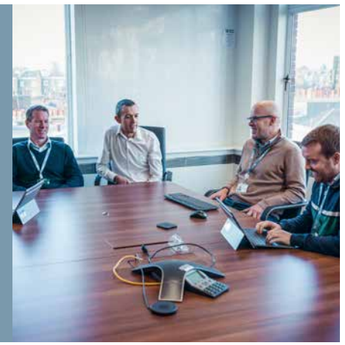

Environment

1.4m tCO_2e

Scope 1 and 2 GHG emissions[2]

12

Hydrocarbon spill incidents (0.01 tonnes released to the environment)

21 $kgCO_2e/boe$

GHG intensity[3]

$292m

Spent on energy transition activities[4]

Making a significant impact on reducing CO_2 emissions

10m tonnes CO_2

Viking planned annual storage volume by 2030

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Governance

$600m

Annual shareholder distributions announced

63%

Of new contracts were made with local suppliers

Zero

Incidents of breach of our Code of Conduct

Zero

Incidents of violation of applicable environmental regulations

1 Data extracted from Wood MacKenzie data analytics platform Lens.

2, 3 In 2022, we revised our GHG emission boundary definitions to focus on the activities over which Harbour has operational control and to better align with industry peer reporting. See page 30 for more information.

4 Energy transition activities include decommissioning ($223 million), offsetting ($20 million), emissions reduction projects ($21 million) and CCS ($28 million).

Message from the CEO
Linda Z. Cook
Chief Executive Officer

Welcome to Harbour Energy's 2022 ESG Report. This report covers Harbour's first full year of operations and, as a signatory to the United Nations Global Compact (UNGC), it represents our UNGC Communication on Progress report.

I'm pleased with the progress made last year. We have improved our reporting and, more importantly, our outcomes in the areas of safety and the environment. We continued to support our employees and local communities and remained committed to the highest standards of corporate governance.

As an upstream producer of oil and gas with employees operating in hazardous environments offshore, safety is a core element of our ESG framework, alongside our commitment to environmental, social and governance standards. This was reinforced by last year's materiality assessment, where safety and climate change remained the top priorities for external stakeholders. Reflecting its importance, we report specifically on safety alongside the traditional ESG pillars in this report.

Safety is our top priority

We materially improved our safety record in 2022, with completion of 12 million work hours without any serious injuries. This reflects a very strong safety culture that was also evident in our first global employee engagement survey, where 92 per cent of our workforce indicated they were confident in challenging unsafe practices. We know we cannot afford to be complacent, however, and when we noted an uptick in the frequency of high potential incidents in the first half of the year, we launched a Back to Basics safety campaign which seems to have had a positive impact.

We continue to invest in and promote process safety, a focus of our Global HSES Day and ongoing training, including for our senior leaders. We are also innovating, for example, by designing a virtual reality process safety programme which was recognised through an external award by the Institution of Chemical Engineers (IChemE). Our ambition is clear: to achieve zero incidents.

Playing our part in the energy transition

We remain committed to playing a role in the energy transition both by reducing our own impact on the environment and by investing in carbon capture and storage (CCS).

Having set an ambition for net zero by 2035, during 2022 we refined our pathway to achieve this, including the establishment of an interim target of 50 per cent reduction by 2030 against a 2018 baseline. During the year we adjusted our emissions definitions to bring them in line with our peers and industry standards, and we are now fully compliant with the Task Force on Climate-related Financial Disclosures (TCFD) framework. We also further embedded our Environmental Hopper process to deliver operational improvements and energy efficiency projects across our assets.

We hope to play a significant role in delivering a lower carbon future through our pursuit of CCS in the UK. We built significant momentum in our flagship project, Viking CCS, which aims to build on our subsea expertise and existing infrastructure to safely and efficiently store CO_2 in depleted North Sea fields. We added multiple new partners to the project's scope during the year, including industrial emitters and a port operator. The Viking project's storage estimate of 300 million metric tonnes of CO_2 was determined fair and reasonable in a report by ERCE based on the Society of Petroleum Engineers Storage Resources Management System standard. We believe this to be the first such independent report submitted for a CO_2 storage project in the UK and the third in the world to have done so. Subject to a satisfactory regulatory framework, we hope to progress the project to a final investment decision in 2024.

Creating value for our stakeholders

In 2022, the invasion of Ukraine meant Harbour's role as a responsible supplier of oil and gas became more important than ever. We delivered c. 15 per cent of the UK's domestic gas production and generated $5.5 billion in economic value, enabling us to support a large value chain including our employees, suppliers and partners, our local communities and society as a whole. This includes our first distributions to shareholders, totalling $600 million in dividends and buybacks approved during the year. We felt this was important, especially given the material impact of the UK Energy Profits Levy on the value of our shares.

We recognise the importance of an engaged and motivated workforce and continued to work to build a 'one Harbour' culture through townhalls, village halls and other communication channels and by supporting our employee networks. We appointed a global head of diversity, equity and inclusion to further strengthen a working environment in which everyone can be themselves and thrive. We also carried out our first global engagement survey. High participation has given us a strong sense of what is working well and where we need to focus our efforts; actions are already underway to address priority topics including, in particular, career development. Recognising the pressures of inflation in the UK including on our employees, we made a cost-of-living payment to all UK employees and core contractors, and a corporate donation to National Energy Action, a national fuel poverty charity.

Maintaining strong governance, ethics and compliance practices

We made good progress integrating the standards, policies, procedures and systems inherited from our legacy companies into a single governance framework and management system. This enables stronger compliance monitoring related to our controls and Code of Conduct. We also matured our risk management system and processes to identify emerging risks. In 2022, these included, for example, complying with EU and UK sanctions as the result of Russia's invasion of Ukraine.

We have a strong governance framework that supports our ESG efforts and our business operations more generally, starting with our Board of Directors, which holds us all to a very high standard. Our goal is to ensure that Harbour remains the responsible corporate citizen we strive to be, accountable for our actions, conducting our business with integrity and creating value for our stakeholders.

> Despite the challenges of extraordinary geopolitical and economic volatility in 2022, we were able to deliver material progress against our commitment to high ESG standards. While producing approximately 15 per cent of the UK's domestic gas volumes, we lowered our Total Recordable Injury Rate by 41 per cent, made progress on our flagship Viking carbon capture and storage project and continued to maintain strong governance practices.

LINDA Z. COOK
CHIEF EXECUTIVE OFFICER

Our ESG priorities

Safety

To ensure our people are safe, well and empowered in their jobs, particularly for colleagues working in hazardous locations offshore, and to achieve process safety excellence.

Environment

To minimise the environmental impact of our operations and to play our role in the transition to a lower carbon economy.

Society

To generate shared value across our stakeholders and supply chains, and create an engaged, diverse and inclusive workforce.

Governance

To maintain the highest business ethics standards, and continuously monitor our Group-wide controls to ensure ongoing business resilience.

How we report

This report has been prepared in accordance with the Global Reporting Initiative (GRI) which requires organisations to report on material topics and related impacts and how they manage these topics.

The report is compliant with the TCFD. We also report against the Sustainability Accounting Standards Board (SASB) indicators, using the Oil & Gas Exploration and Production industry standard.

All figures in this report, unless noted otherwise, relate to Harbour-operated assets. They are reported on a 100 per cent basis regardless of our ownership interest in each asset.

The report covers our material ESG issues as identified by our annual materiality assessment process (see page 7 for more information). It is further supported by an Appendix, which includes a wide range of ESG data points.

This report has been approved and authorised for issue by Harbour Energy's Board of Directors.

> VIEW MORE
IN OUR 2022 ANNUAL REPORT

Our reporting aligns with both GRI and SASB standards indexes for which can be found in our Appendix.

Our ESG framework

As our business continues to grow, we are committed to the highest standards of corporate governance, to keeping safety as our top priority and protecting the environment and local communities.

SAFETY

The health and safety of our people is our top priority. We never compromise on health or safety standards.

> READ MORE

ENVIRONMENT

Committed to minimising the environmental impact of our operations and playing a role in the transition to a lower carbon economy.

> READ MORE

SOCIAL

Generating shared value through socially responsible operations will earn and keep the trust of our stakeholders.

> READ MORE

GOVERNANCE

Our governance goes beyond regulatory compliance and puts the interests of all our stakeholders at the heart of the Board's decision-making.

> READ MORE

How we report continued

Materiality assessment

The materiality assessment is an important element of Harbour Energy's ESG planning and reporting. It helps us focus on the ESG opportunities, risks and impacts that are most material to us and our external stakeholders and identifies emerging issues. It helps us determine what information to include in our reports and ensures we are transparent and using the right indicators.

For an issue to be deemed material it needs to meet two conditions. First, it must have the potential to impact our business significantly in terms of growth, cost or risk. Second, it must be important to our stakeholders and an area where they expect us to act. The outcome of the assessment is the materiality matrix (adjacent) which organises our material ESG topics into low, medium and high materiality categories. This report addresses all the ESG topics in the materiality matrix and provides links to relevant content in other Harbour reports. This includes, but is not limited to, our mainstream financial filings, as well as our ESG data and our SASB and GRI tables, which are in the Appendix of this report.

Materiality assessment process

In 2022, we carried out a materiality assessment to ensure our reporting is focused on issues that matter most to our business and to our stakeholders. This structured process used data and input from a broad range of sources and consisted of four phases:

1. Review: We carried out extensive desk-based research on the ESG topics featured in our inaugural 2021 materiality assessment. This included peer benchmarking, reviewing industry trends, ESG rating agency criteria, as well as current and future ESG reporting frameworks. From this, we determined a list of 22 ESG topics to be scored in the 2022 materiality assessment process.

2. Internal engagement[1]: We engaged with a wide range of internal stakeholders at the corporate and business unit level (North Sea, Indonesia and Vietnam), including subject matter experts across operations, management, health, safety, environment, supply chain, investor relations, company secretary's office, security and human resources. Stakeholders were asked to score each of the 22 ESG topics. Numerical weights were then applied to the stakeholders' scores to ensure the scores provide pragmatic and balanced results. Conversations were held with each stakeholder group to understand the factors and trends influencing their scores.

3. External engagement: We engaged with a number of external stakeholders including shareholders, regulators (both in the UK, as well as Indonesia and Vietnam), top suppliers and contractors (by spend), as well as industry associations. These stakeholders were also asked to score the ESG topics, and follow-up conversations were held to better understand the factors that influenced their scores.

4. Finalisation and mapping: We plotted the internal and external ESG topic scores on a materiality matrix, which will be reassessed annually. We will also seek continuous feedback on our ESG reporting and performance through our regular stakeholder engagement activity.

Key highlights

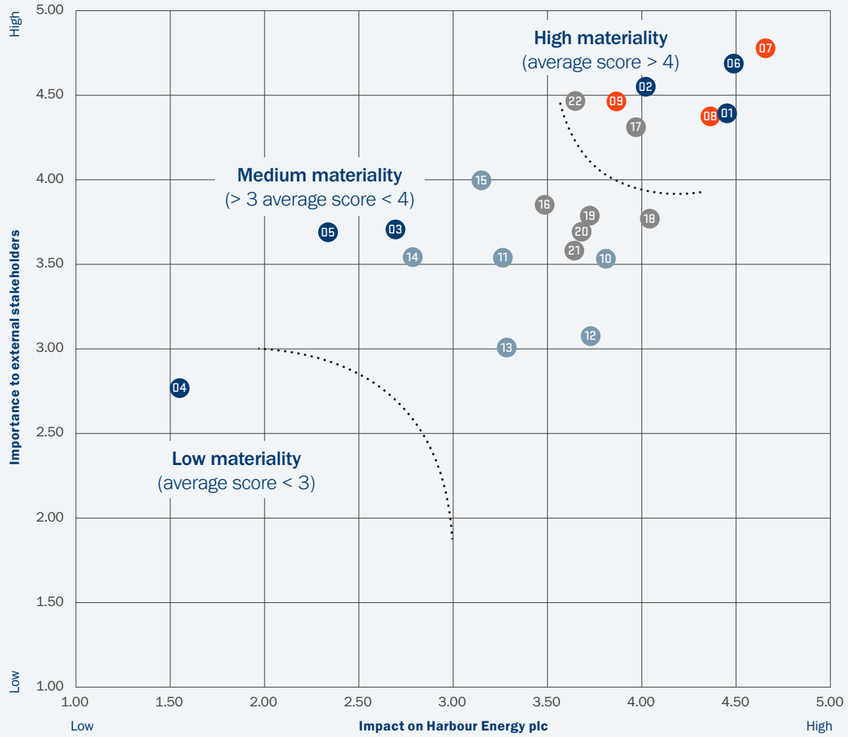
Our 2022 materiality assessment showed that our stakeholders' priorities remain largely unchanged with the highest areas of focus being process safety and asset integrity. We also found the majority of our stakeholders wanted to understand the relative impact of each ESG topic which is why, this year, our materiality matrix groups our ESG topics into low, medium or high materiality.

Several topics have increased in importance over the last year, including:

- **01** **Climate change and energy transition:** as a result of the global momentum on climate change actions and reporting.
- **18** **Public policy and government relations:** as a result of increasing concerns over both energy security and fiscal instability, particularly in the UK.
- **19** **Responsible supply chain:** as a result of increased emphasis on ESG impacts across corporate value chains.
- **21** **Tax:** as a result of the introduction of the Energy Profits Levy (EPL) by the UK Government in 2022.

1 The business unit stakeholders were included in the materiality assessment for the first time in 2022, in our bid to expand the internal engagement process and collect a bottom-up view of ESG impacts, to supplement the top-down view from Group level.

2022 Materiality matrix



Environment

- 01 Climate change and energy transition
- 02 Effluents, spills and waste
- 03 Marine biodiversity and ecosystems
- 04 Water consumption
- 05 Air quality
- 06 Energy and GHG emissions

Safety

- 07 Process safety and asset integrity
- 08 Emergency preparedness and crisis management
- 09 Occupational health and safety

Social

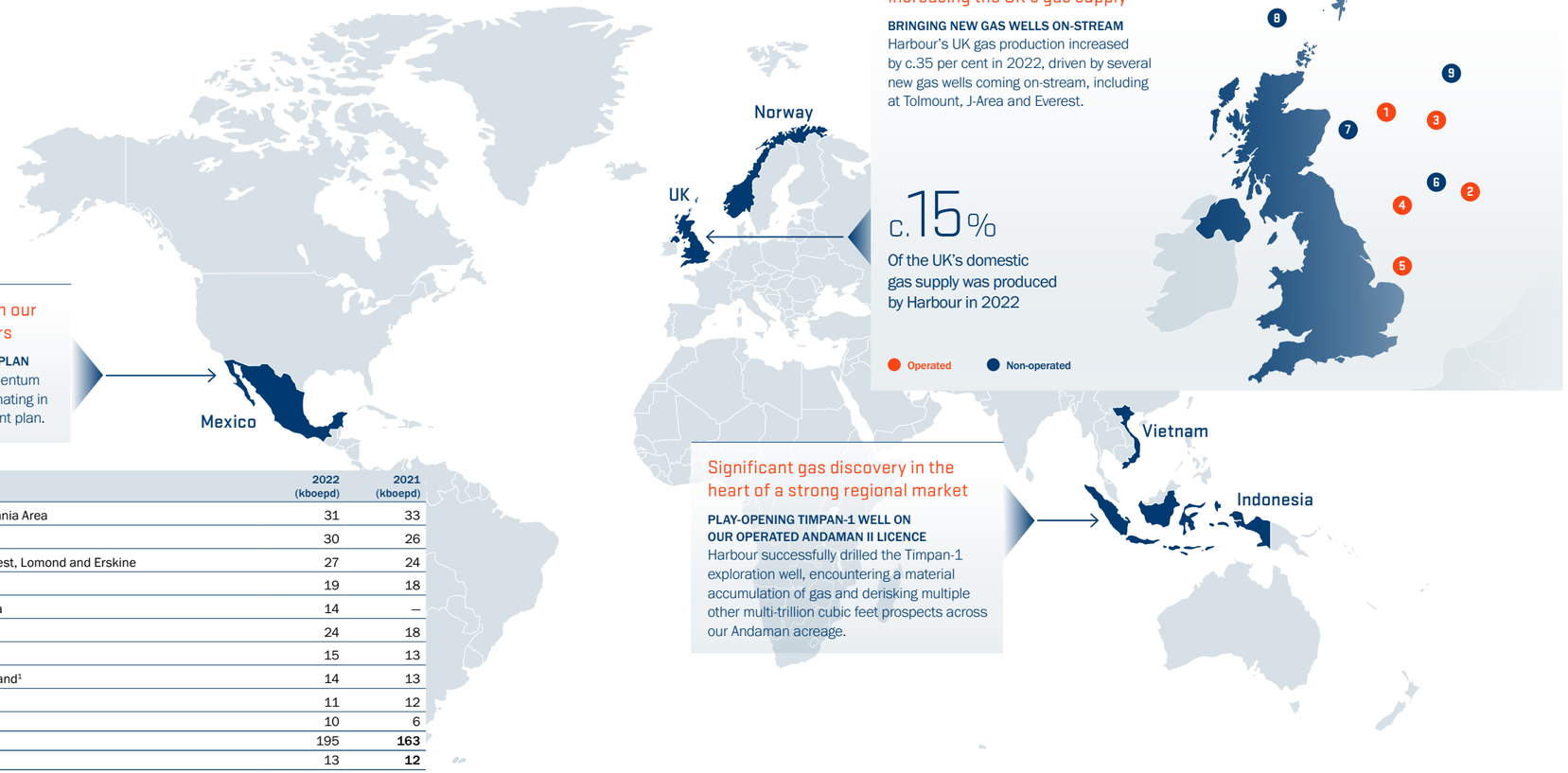
- 10 Employment practices
- 11 Diversity and inclusion
- 12 Employee engagement
- 13 Learning and development
- 14 Local communities
- 15 Human rights

Governance

- 16 Decommissioning
- 17 Value generation and distribution
- 18 Public policy and government relations
- 19 Responsible supply chain
- 20 Security
- 21 Tax
- 22 Governance, risk management and ethics

At a glance

We are the largest London-listed independent oil and gas company with a leading position in the UK as well as interests in Indonesia, Vietnam, Mexico and Norway.



Actively working with our international partners

ZAMA UNIT DEVELOPMENT PLAN
2022 saw increased momentum at our Zama project culminating in an agreed unit development plan.

Increasing the UK's gas supply

BRINGING NEW GAS WELLS ON-STREAM
Harbour's UK gas production increased by c.35 per cent in 2022, driven by several new gas wells coming on-stream, including at Tolmount, J-Area and Everest.

c.15%
Of the UK's domestic gas supply was produced by Harbour in 2022

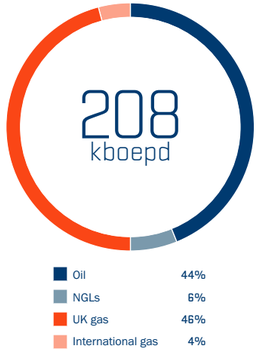
Significant gas discovery in the heart of a strong regional market

PLAY-OPENING TIMPAN-1 WELL ON OUR OPERATED ANDAMAN II LICENCE
Harbour successfully drilled the Timpan-1 exploration well, encountering a material accumulation of gas and derisking multiple other multi-trillion cubic feet prospects across our Andaman acreage.

2022 Group production

We operate c.65 per cent of our production, including five key UK hubs and our assets in Indonesia and Vietnam. Where we have non-operated production interests these are in high quality, long life assets such as Elgin Franklin and Clair which have well established operators.

While more than 90 per cent of our production is from the UK, we have a diversified asset base within that with no single hub accounting for more than 20 per cent of our production or cash flow. We also have a balance of liquids and gas. Our organic growth opportunities are in Indonesia and Mexico.



Asset/hub	2022 (kboepd)	2021 (kboepd)
1 Greater Britannia Area	31	33
2 J-Area	30	26
3 Armada, Everest, Lomond and Erskine	27	24
4 Catcher Area	19	18
5 Tolmount Area	14	–
6 Elgin Franklin	24	18
7 Buzzard	15	13
8 West of Shetland[1]	14	13
9 Beryl Area	11	12
Other North Sea[2]	10	6
North Sea	195	**163**
International	13	**12**
Total	208	**175**

1 West of Shetland comprises Clair, Schiehallion and Solan which is operated.
2 Other North Sea includes East Irish Sea, Galleon, Ravenspurn North and Johnston.

Our purpose, strategy and values

Harbour's purpose – to play a significant role in meeting the world's energy needs through the safe, efficient and responsible production of hydrocarbons, while creating value for our stakeholders – has never been more relevant.

Our purpose is underpinned by four core values...

These values represent who we are, what we stand for, what is important to us, and where we will not compromise. Each value is brought to life by a set of core behaviours which are reinforced through our approach to reward and performance management.

Integrity

We always aim to do the right thing in a professional, respectful and honest way.

We are encouraged to be direct and honest and to challenge one another constructively. We respect the diversity of our colleagues and ensure our policies and procedures are inclusive of everyone. Most importantly, we want people to feel safe, and able to speak up if we fall short of our aspirations.

Responsibility

We believe in personal responsibility and accountability. Safety is a shared responsibility, as is reducing our impact on the environment.

We have a strong set of safety policies and processes and everyone is empowered to stop and challenge any procedure or behaviour that is unsafe. We are encouraged to consider the environmental impact of each decision we make. We also believe in personal responsibility and are expected to take ownership of our decisions and delivery.

Innovation

We encourage our people to be creative to improve our business.

In a fast-changing world, innovation is essential. By harnessing our technical knowledge and skills alongside our creativity, we can solve problems and uncover new opportunities. Innovation is about any change that improves how we operate and delivers value to the business, which is why we aim to foster an environment where new ideas can succeed.

Collaboration

By working together, we can successfully execute our business plans and achieve our strategic goals.

People are at their best when working together as a team to overcome challenges to achieve their goals. We aim to create a shared, collaborative working environment which enables strong relationships to be built. This is particularly important in a new company like Harbour, which has brought together several organisations in a very short period.

...and our focused strategy

Our values are the foundation of our strategy which is to build a global, diversified oil and gas company focused on value creation, cash flow and distributions.

Our four strategic pillars are core to day-to-day decision-making as well as the measurement of our performance.

Ensure safe, reliable and environmentally responsible operations

Maintain a high quality portfolio of reserves and resources

Leverage our full cycle capability to diversify and grow further

Ensure financial strength through the commodity price cycle

Engaging with our stakeholders

Working together to create shared value

We aim to create value for our stakeholders by engaging with them and understanding and responding to the issues that are important to them.

> Harbour's business success depends in part on the support of multiple stakeholders, including our employees, shareholders, governments and regulators. We aim to engage openly and honestly on issues of importance to them, building strong relationships based on mutual respect, so that we can continue to create shared value from our business.
>
> **ADAM NEWTON**
> SVP, GOVERNMENT & EXTERNAL AFFAIRS

Our employees

Our employee engagement survey indicated 84 per cent of our employees had a positive or neutral reaction to engagement with the company; this reflects the impact of a period of intense change following multiple acquisitions. We were very pleased that over 90 per cent of employees and contractors feel empowered on safety issues. We are now creating action plans on areas where engagement was lower, including career development and reward and recognition.

12
Global townhalls led by our CEO or CFO during 2022

Our investors & shareholders

By delivering on the things we can control and meeting or exceeding market expectations, we have built trust with the capital markets. This helped to attract new institutional holders and allowed non-natural holders of our equity to exit. However, this progress and our share price have been materially impacted by the EPL, which has caused investors to reassess their exposure to UK oil and gas.

>350
Investor meetings during 2022

Governments & regulators

We provided constructive inputs to the UK Government on a range of policy areas, from progressing the regulatory environment for CCS to the impact of the EPL on domestic energy security and the energy transition. The extension and increase in the EPL has caused us to reduce our expected 2023 UK oil and gas spend and to take the decision not to participate in the 33rd Licensing Round in the UK North Sea. In Indonesia and Vietnam, we secured approval for a plan of development and infill drilling respectively.

5
Countries in which we are active

Our lenders

We maintained a supportive senior bank lending group which has enabled us to simplify and enhance our RBL facility, including reducing the minimum hedging requirements. We continue to have access to significant debt capacity and credit rating agencies S&P and Fitch reaffirmed our corporate BB credit ratings in 2022.

19
Banks in our main debt facility

1 S&P and Fitch assessment of the creditworthiness of a borrower – in general terms or with respect to a particular debt or financial obligation.

Our JV partners, suppliers & customers

Harbour continues to maintain strong relationships across its supply chain, joint venture partners and customers, with collaborative working relationships that help us manage risk, improve our business processes, minimise our environmental impact and increase operational efficiency.

50
Joint venture partners

>2,000
Suppliers worldwide

Wider society

Harbour contributed around 15 per cent of the UK's energy supplies. We generated c.$5.5 billion of economic value in 2022, through employment, payments to suppliers, tax payments to host governments and social investment in worthy causes. We gave $1 million to worthy causes in our UK and international businesses and a $0.5 million donation to energy poverty charity National Energy Action to help support people in the UK struggling with energy costs.

$1.5m
Donated to charities, community groups and education

02 Safety

Ensuring our people are kept safe and well, and raising awareness of potential dangers, particularly for colleagues working in hazardous locations offshore, is of paramount importance to us.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN SDGs we contribute to through our management practices and performance:

PRIMARY SDGS

SECONDARY SDGS

N/A

FOR MORE INFORMATION

> VIEW MORE IN OUR APPENDIX

Introduction
by Stuart Wheaton

At Harbour, safety is our top priority, and we aim to operate responsibly and securely across all our activities. From occupational health and safety, to process safety which focuses on maintaining the integrity of our physical assets and equipment, we aim to protect our staff, contractors and the environment. In 2022, an important new initiative across the organisation was launched called Process Safety Fundamentals which brings alive to everyone the management of risk to avoid major incidents that could cause severe injuries or even fatalities, or major environmental impacts.

STUART WHEATON
EVP INTERNATIONAL

To find out more about occupational health and safety:

READ MORE

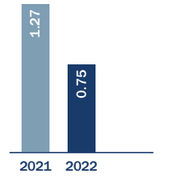
At Harbour, nothing is ever so urgent or important that we cannot take the time to do it safely, with care for the environment and in a way in which we can all be proud.

Reinforcing a strong safety culture across our integrated global organisation is fundamental to Harbour Energy. In 2022, we launched a two-stage safety campaign: Reversing the Trend (focusing on increasing leadership visibility on safety issues), and Back to Basics (an ongoing programme focusing on hazard identification and risk mitigation). We also completed our first global engagement survey across employees and contractors, whereby the safety aspects of the survey (six out of a total 60 questions for employees and 34 questions for contractors) had some of the highest engagement scores. For example, the most highly rated positive response (92 per cent) for both groups was in relation to empowerment to stop the job or challenge unsafe behaviours. Whilst we will not be satisfied until we have zero incidents, the survey results are evidence that we have a strong safety culture across our workforce.

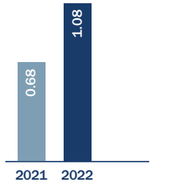
KEY FOCUS AREAS

- Embed process safety thinking into our day-to-day activities
- Reduce risks and ensure the safety of our personnel
- Maintain a trained and prepared emergency response capability

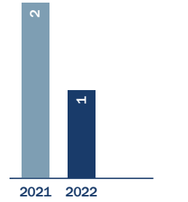
TOTAL RECORDABLE INJURY RATE (TRIR)
(per million hours worked)



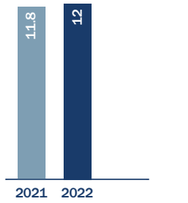
HIGH POTENTIAL INCIDENT RATE
(per million hours worked)



TIER 2 LOSS OF PRIMARY CONTAINMENT (LOPC)



MILLION HOURS WORKED



Zero

Tier 1 Loss of Primary Containment (LOPC) (zero in 2021)

Zero

Occupational illness incidents

Occupational health and safety

Constantly striving to improve our performance

We continually work to reduce risk and ensure the safety of everyone working for us by setting the right tone at the top and then rigorously implementing standards and policies, training, raising awareness, and sharing information.

Approach

Our health, safety, environment and security (HSES) policy is managed through our business management system (BMS) and comprises a comprehensive set of standards and procedures that govern all our business activities.
In 2022, we introduced the Harbour Energy HSES Management System Standard, consisting of 14 elements, which applies across our entire business. This standard is aligned to key external standards and management system models including ISO 14001, ISO 45001, the Energy Institute Process Safety Management Framework and the International Oil and Gas Producers (IOGP) Standard Number 510.
It defines the minimum standards for HSES management at Harbour Energy and has been approved by the CEO and endorsed by the Board via the HSES Committee. The HSES Management System Standard will be supported by a series of new global standards in 2023, using best practices from across the Group.

Our Board of Directors oversees health and safety matters through the HSES Committee. This committee monitors HSES risk management, drawing on leading and lagging performance data, discussions with management and various sources of assurance including internal process reviews and audits. It is supported by our CEO, other members of our leadership team, our business units and HSES leaders.

Harbour's leadership team keeps HSES performance under constant review including through weekly updates and monthly and quarterly meetings. The results of these reviews inform our action planning and continuous improvement efforts. Safety targets (one relating to occupational safety and another to process safety) are an integral part of Harbour's company performance scorecard and affect variable compensation for our employees including the executive directors. Safety is also a topic discussed during each of the CEO's monthly company-wide townhalls and is featured regularly on the agendas of village halls and other employee events.

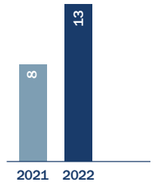
Annually the company holds a Global HSES Day with the main focus on safety and wellbeing. A company-wide competition is also held each year during which teams and individuals are encouraged to submit nominations for the CEO Safety Award. A donation is made from Harbour on behalf of the award winner and finalists to charities of their choice. In addition, we introduced monthly Global Safety Action and Learning Team (SALT) meetings for onshore and offshore leaders and HSE advisers to share lessons across the organisation. To promote development of our HSES professional staff, an HSES technical career ladder has been rolled out.

Performance

In 2022, we recorded 12 million hours worked without serious injuries. There were four lost time injuries resulting in a Lost Time Injury Rate (LTIR) of 0.33 across the Group (our staff and contractors), a decrease of 48 per cent from 2021. There were a total of nine recordable injuries, which resulted in a TRIR of 0.75, a decrease of 41 per cent from 2021. All injuries were amongst our contractor workforce. Each incident is investigated with the aim of determining root causes, sharing learnings and preventing similar events. The results of our 2022 investigations determined root causes which were predominantly the result of poor situational awareness and/or attention to the task.

We also track high potential (HiPo) incidents – those that could have resulted in a serious injury. In 2022, we recorded 13 HiPos compared to eight in 2021.

HIGH POTENTIAL (HIPO) INCIDENTS



Zero

Work-related serious injuries (zero in 2021)

Back to Basics

In response to an increasing number of high potential incidents and concerns arising from audits and incident investigations, we launched a two-stage safety campaign in the North Sea business unit: Reversing the Trend, followed by Back to Basics. Reversing the Trend focused on increasing leadership visibility on safety issues. Senior leaders made offshore safety visits, re-enforcing the 'stop the job' authority. They led briefings to offshore crews at the heliport, joined toolbox talks at worksites and discussed the risks, active monitoring and learning from events. Back to Basics is an ongoing programme, focusing on hazard identification and risk mitigation, control of work simplification, dropped objects and lifting, and contractor engagement. A similar campaign is being run in our international business unit focusing on weak signals, application of procedures, respecting hazards and contractor management as areas of improvement.

"Near miss reporting is a gift and when we saw an increasing trend of high potential incidents, we took it as such and reacted by setting up a systematic response which culminated in the Back to Basics campaign which has had a positive outcome."

BOB FENNELL
EVP NORTH SEA

CEO Safety Award

Open to individuals or teams, staff and contractors, the CEO Safety Award recognises outstanding contributions to health and safety across our global operations. Anyone can nominate individuals or teams for demonstrating good safety behaviours – from extended injury-free performance on an asset, to personal interventions to stop work or raise safety concerns, or the introduction of new ways of working or a change in facilities to reduce health and safety risks.

A total of 35 nominations were submitted for the 2022 award. While all were worthy of recognition, the three finalists were:

1. East Irish Sea (EIS) Decommissioning Campaign, North Sea (Overall Winner)
2. PTSC Thanh Long Emergency Response and Rescue Vessel (ERRV) and PTSC Binh Minh Offshore Support Vessel (OSV) at Chim Sáo Field, Vietnam
3. Joko Susanto, Deck Crew at Anoa floating production storage and offloading (FPSO) vessel, Indonesia

Harbour Energy CEO SAFETY AWARD 2022

Occupational health and safety continued

The overall high potential incident rate has increased from 0.68 per million hours worked in 2021 to 1.08 in 2022. The increase in number of high potential incidents was a serious concern and prompted a management intervention – the launch of a Back to Basics safety campaign (see case study on previous page). While its impact is too early to assess, we experienced a drop in HiPo incidents during the fourth quarter of the year.

As a result of the increase in HiPo incidents, a discretionary reduction to the annual bonus payout for our Harbour Leadership Group was recommended to and approved by the Remuneration Committee of our Board of Directors.

We had no work-related occupational illness incidents during the year.

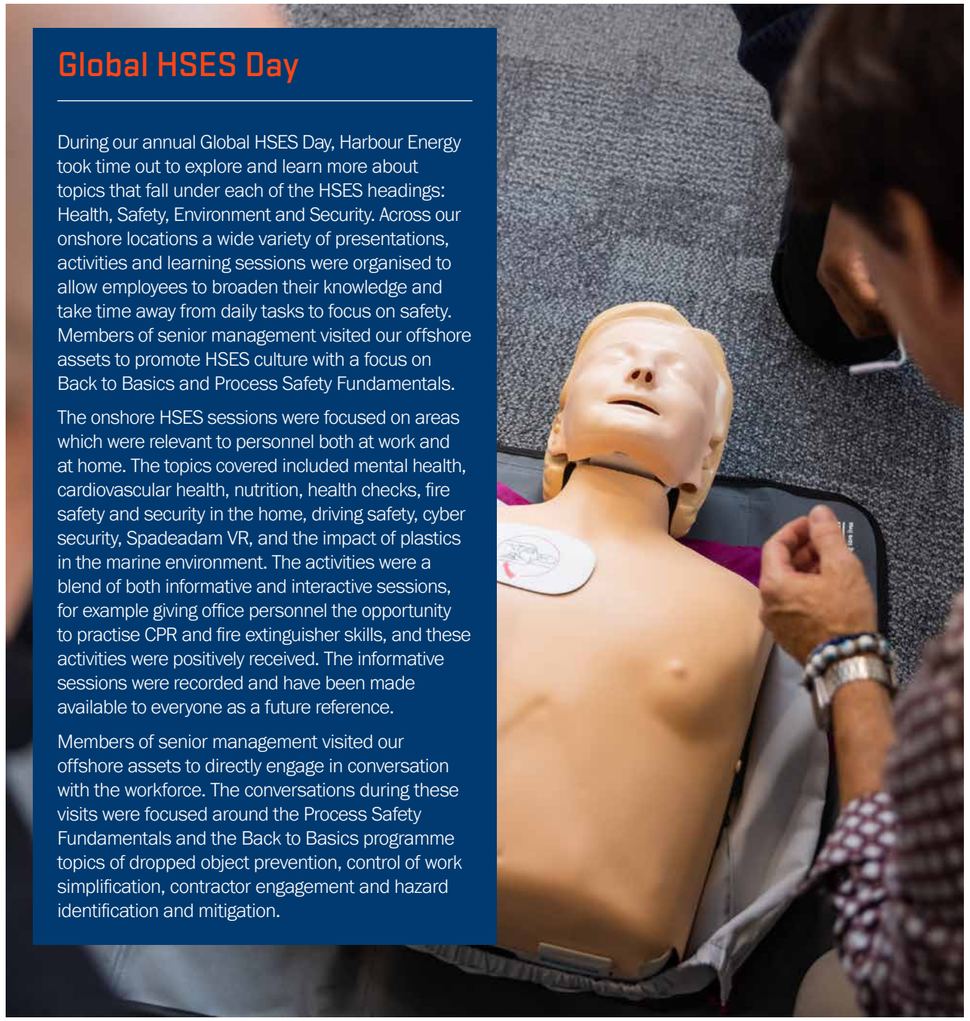
Following a planned inspection, an improvement notice was issued by the UK Health and Safety Executive (HSEx) in relation to the tertiary steelwork on our offshore Armada facility. We are investigating these findings and will respond to the UK HSEx in 2023 and share our findings across the company.

Looking ahead

We will continue to focus on the process safety culture from the Board to the frontline, and to align and standardise the processes and procedures in our BMS to formalise best practice and knowledge sharing.

We will also:

- establish a corporate HSE team to set common policies and standards, oversee functional resourcing and skills, coordinate corporate-level HSE reporting, participate in due diligence related to merger and acquisitions (M&A) activities, and ensure timely and effective post-M&A integration;
- continue to deliver a risk-based three-year rolling audit programme, taking a ‘beyond-compliance’ approach to address findings; and
- develop and implement a mental health awareness programme.

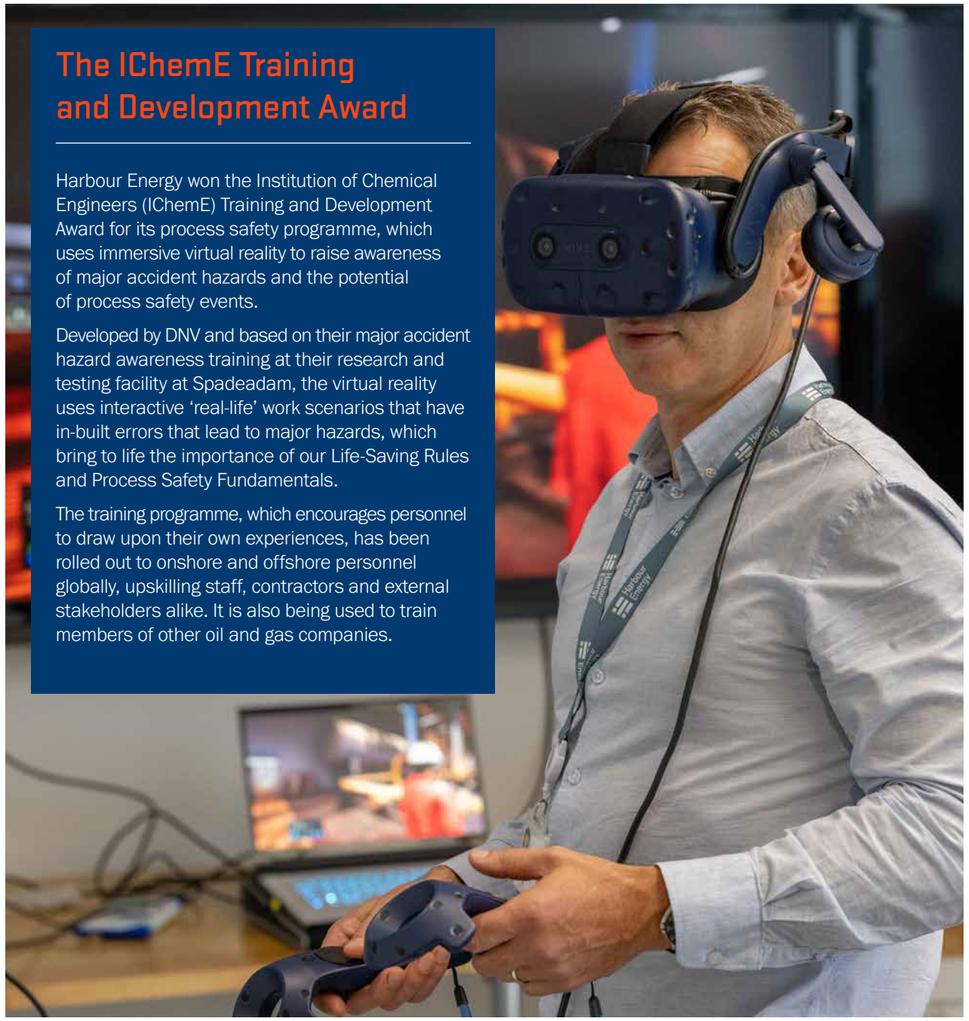


Global HSES Day

During our annual Global HSES Day, Harbour Energy took time out to explore and learn more about topics that fall under each of the HSES headings: Health, Safety, Environment and Security. Across our onshore locations a wide variety of presentations, activities and learning sessions were organised to allow employees to broaden their knowledge and take time away from daily tasks to focus on safety. Members of senior management visited our offshore assets to promote HSES culture with a focus on Back to Basics and Process Safety Fundamentals.

The onshore HSES sessions were focused on areas which were relevant to personnel both at work and at home. The topics covered included mental health, cardiovascular health, nutrition, health checks, fire safety and security in the home, driving safety, cyber security, Spadeadam VR, and the impact of plastics in the marine environment. The activities were a blend of both informative and interactive sessions, for example giving office personnel the opportunity to practise CPR and fire extinguisher skills, and these activities were positively received. The informative sessions were recorded and have been made available to everyone as a future reference.

Members of senior management visited our offshore assets to directly engage in conversation with the workforce. The conversations during these visits were focused around the Process Safety Fundamentals and the Back to Basics programme topics of dropped object prevention, control of work simplification, contractor engagement and hazard identification and mitigation.



The IChemE Training and Development Award

Harbour Energy won the Institution of Chemical Engineers (IChemE) Training and Development Award for its process safety programme, which uses immersive virtual reality to raise awareness of major accident hazards and the potential of process safety events.

Developed by DNV and based on their major accident hazard awareness training at their research and testing facility at Spadeadam, the virtual reality uses interactive ‘real-life’ work scenarios that have in-built errors that lead to major hazards, which bring to life the importance of our Life-Saving Rules and Process Safety Fundamentals.

The training programme, which encourages personnel to draw upon their own experiences, has been rolled out to onshore and offshore personnel globally, upskilling staff, contractors and external stakeholders alike. It is also being used to train members of other oil and gas companies.

Process safety

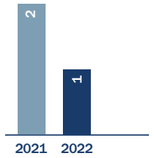
Enabling process safety excellence

We strive to achieve process safety excellence and work continually to reduce the likelihood and potential severity of process safety events. This involves applying best practices in the design, use and maintenance of our equipment and planning every stage of our operations with safety risks and the hierarchy of control in mind.

Zero

Tier 1 loss of primary containment (LOPC) events (zero in 2021)

TIER 2 LOSS OF PRIMARY CONTAINMENT (LOPC) EVENT



Approach

We base our process safety requirements on industry best practice including the Framework for Process Safety Management developed by the Energy Institute, and implement them through our BMS. Our process safety commitments and requirements are set out in our Corporate Major Accident Prevention Policy. We report and investigate all process safety events and identify ways to prevent recurrence, in line with the International Association of Oil and Gas Producers (IOGP) Tier 1 and Tier 2 definitions[1].

Performance

Our goal is to achieve process safety excellence across all our operations. In 2022, we reported zero Tier 1 and one Tier 2 loss of primary containment process safety events, compared to zero Tier 1 and two Tier 2 events in 2021. The 2022 Tier 2 event occurred in our Vietnam operations with an unignited gas release on a floating, production, storage and offtake (FPSO) vessel at our offshore Chim Sáo Field.

Throughout 2022, we continued to standardise our process safety procedures and practices across the company. Following the adoption of the IOGP Process Safety Fundamentals by the business in 2021, we have focused on embedding these across our operations with an emphasis on establishing the primary causes of process safety events in order to prevent future incidents.

Each month in 2022, one of the 10 Process Safety Fundamentals was championed by a function or asset within Harbour; they produced videos and presentations that were made available company-wide, allowing our teams to engage with these safety practices and make them relevant to our activities.

We also continued the roll-out of our major hazards awareness internal training programme, which includes both site-based and virtual reality modules. During the year, over 300 individuals attended the on-site module at Spadeadam in Cumbria (UK) including a dedicated course for senior leaders.

A further 640 individuals completed a virtual reality module in 2022, including in Vietnamese and Bahasa Indonesian languages, thus increasing its reach to our offshore crews in those countries. This programme is planned to continue across the business during 2023.

Seventeen of our senior leaders have undertaken a one-day external process safety leadership and culture training course in 2022. The course was tailored to the needs of senior executives and Board members, offering a clear insight into how to embed process safety management and promote a positive safety culture throughout the organisation and the effective engagement of the workforce. It also meets the standards set by industry and regulators regarding best practice for safety aspects. It provides participants with the tools to develop a detailed understanding of the business case for effective process safety management.

In November 2022, Harbour Energy was inspected by the UK Health and Safety Executive on the Principles of Process Safety Leadership[2]. The inspection was successfully completed with no enforcement actions received from the UK regulator. Several areas were identified for further development including the continued progression of our process safety culture, application of risk management systems and wider use of KPIs within the business; these will be actioned during 2023.

Looking ahead

We will continue to emphasise process safety and major accident prevention. Key actions for 2023 include:

- continuing the on-site module of the major accident hazards awareness programme and the virtual reality module for both onshore and offshore personnel;
- embedding the process safety leadership principles across the organisation; and
- embedding the Process Safety Fundamentals into our key procedures.

Field verifications

Harbour has adopted field verification as a key supervisory assurance process, focused on high-risk work activities. A field verification has greater depth than a permit audit and involves the review of procedures and documentation associated with an activity, followed by an open discussion with the work party about the activity, including planning and execution. Each field verification is linked to the Life-Saving Rules and Process Safety Fundamentals. All onshore senior leaders are expected to carry out field verifications during offshore visits. The process has been embedded in the North Sea business this year and work is underway to develop electronic field verification data analytics to improve leading safety indicators. Field verification procedures and guidance have also been rolled out internationally and these will be embedded in our international operations in 2023.

1 Reported as per the IOGP's Process Safety – Recommended Practice on Key Performance Indicators, report 456, 2018.

2 "The Principles of Process Safety Leadership for the offshore UKCS Oil and Gas Industry" is an agreement subscribed by UK regulators and offshore industry trade associations.

Emergency preparedness and crisis management

Maintaining rigorous emergency response systems

We operate a complex, global asset base that requires us to maintain emergency-preparedness processes, effective response equipment and experienced staff, available to respond when needed.

Approach

Our crisis management team (CMT), comprising members of our leadership team and subject-matter experts, is ready to manage incidents and emerging risks including those related to cyber security. This team retains the capability to respond to incidents across multiple locations using our crisis management information system. We operate an industry-standard three-tier incident management system that is aligned to our organisational design: operational (local), tactical (country) and strategic (global).

We have detailed oil spill emergency plans in place for all our operated assets. Our associate membership with Oil Spill Response Limited provides access to their worldwide network of oil spill response equipment and expertise. They can mobilise equipment rapidly from their regional bases at any time.

Performance

In 2022, the crisis and emergency response (ER) structure was mobilised on several occasions. In the UK, the incident management team (IMT) mobilised to manage a medical event and ensure a rapid and effective response. A second UK incident occurred where the IMT and wider response teams including the internal Harbour environment unit and technical response teams were mobilised to support an incident where a standby vessel became entangled in an offloading line at an operated asset. Both UK incidents were successfully resolved without the need to mobilise the CMT.

There were no incident management or emergency management team mobilisations in 2022 in our Indonesia or Vietnam business units.

Harbour participated in the UK's national contingency plan (NCP) exercise in 2022. The NCP exercise is a significant event held every four years in the oil and gas industry. Over 70 Harbour personnel took part over two days, including the CMT, IMT, environment unit, technical response team, and other subject matter experts. The exercise was a significant test of Harbour UK's recent ER integration activities and our new, purpose-built ER facility and crisis incident management software. The exercise was very successful with Harbour receiving positive feedback from various external parties on its preparedness for a major environmental incident.

As well as the NCP exercise, Harbour completed over 30 emergency response exercises across all business units during the year. Exercise scenarios encompassed a wide variety of events including major accident hazard and environmental scenarios. This ensured regular practice for IMT and CMT responders, with exercise learnings used to further improve preparedness for crisis events.

Looking ahead

We will continue to develop and embed our worldwide crisis and emergency response capability based on the principles of strict procedures, suitable facilities, appropriate equipment and competent personnel. As the largest independent operator on the UK Continental Shelf, we will continue to regularly practise and test our crisis and ER readiness in 2023, including engagement with appropriate third parties.

Assuring safe, continuous operations

The competence and preparedness of our CMT, IMTs and facilities is critical to ensuring both safe, continuous operations and the strategic viability of Harbour Energy.

During 2022 we integrated our UK ER arrangements into a single Harbour incident management team, and retired all legacy arrangements. The integration included moving to a new purpose-built internal ER facility, and the full roll out of the crisis incident management software system across all responders (including international operations and the CMT).

The integration involved the training and familiarisation of new facilities and technologies for over 100 internal responders, and was subsequently tested during the NCP exercise with great success. The investment in new facilities, software and training ensures our ability to address the full range of issues that could affect our North Sea and international businesses. The structure is supported by comprehensive crisis management procedures that support our global operations and emergency teams once activated.

03 Environment

Committed to addressing the environmental impact of our operations and playing a role in the transition to a lower carbon economy.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN SDGs we contribute to through our management practices and performance:

PRIMARY SDGS

SECONDARY SDGS

FOR MORE INFORMATION

> VIEW MORE
IN OUR APPENDIX

Introduction
by Steve Cox

Protecting the environment and supporting the energy transition are central to the sustainable success of Harbour Energy. We take our environmental responsibilities very seriously and are supporting the Paris climate change goals through our Net Zero 2035 initiative. We plan to achieve net zero by reducing our emissions, investing in CCS and implementing quality offsetting where necessary. We are the largest independent operator on the UK Continental Shelf and are leading the viability assessment of UK offshore electrification on behalf of multiple operators.

STEVE COX
EVP HSES, NET ZERO AND CCS

To find out more about our path to net zero:

READ MORE

Through 2022, we have worked to establish an emissions baseline and standardised measurement systems.

We matured our scenario analysis and introduced economic guidelines to prioritise emissions reduction activities and test the resilience of our portfolio to climate change risks. We continue to have incentives to achieve these reductions through our annual bonus scheme as well as in a mechanism embedded in our main debt facility.

We are committed to playing our role in the transition to a lower carbon economy whilst minimising the environmental impact of our global operations. Our ambition is to achieve net zero by 2035 for our gross operated Scope 1 and 2 CO_2 emissions. In 2022, we set an interim target of 50 per cent reduction by 2030 against our 2018 baseline. We also established a new leadership team position, 'EVP HSES, Net Zero and CCS', to take responsibility for our HSES policies, standards and procedures, and drive our net zero and CCS goals forward. During the course of 2022, we also invested in a number of independently verified carbon credit (VERRA) projects in eight different countries, that will collectively provide 800 thousand tonnes of carbon removals and 500 thousand tonnes of avoided carbon emissions.

Beyond our climate-related actions, we have also continued to advance our climate-related disclosures to fully comply with the TCFD. In 2022, we undertook a review of our climate-related risks and opportunities and further matured our scenario analysis to test the resilience of our global portfolio across a range of well-established climate scenarios. The outcomes of this analysis will help inform our future strategic and financial plans.

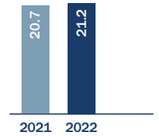
KEY FOCUS AREAS

- Investing in our operations to reduce emissions
- CCS: Viking CCS and the Acorn Project
- Implementing our offsetting strategy

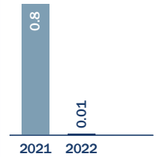
10

Million tCO_2e per annum
Viking planned annual storage per year by 2030

GHG INTENSITY ($KGCO_2E$ PER BOE)[1]



TONNES UNPLANNED HYDROCARBON RELEASED TO SEA



1 In 2022, we revised our GHG emissions boundary definitions to focus on the activities over which Harbour has operational control and to better align with industry peer reporting. See page 30 for more information.

Climate change and the energy transition

Taking a proactive approach to the energy transition

Harbour Energy is committed to playing our role in supplying energy safely and responsibly and facilitating the transition to a lower carbon economy. The importance of these twin goals was heightened in 2022, with Russia's invasion of Ukraine bringing energy security and affordability to the fore, while extreme weather events were a reminder of the need to limit the rise in global temperatures in line with the Paris Agreement.

Harbour has committed to the goal of net zero for our gross operated Scope 1 and 2 CO_2 equivalent (CO_2e) emissions by 2035, with an interim target of 50 per cent reduction by 2030 against our 2018 baseline.

To achieve this, we will continue reducing our own emissions and mitigate the impact of any remaining emissions by acquiring independently verified carbon credits. We are also investing in CCS projects to enable the transportation and storage of captured CO_2 emissions safely underground.

Task Force on Climate-related Financial Disclosures

As an oil and gas company, we support the need for more consistent and comparable disclosure around climate-related risks and opportunities. The following pages of this report align with the recommendations issued by the Financial Stability Board's TCFD and provide greater insight into our approach to assessing and managing the financial risks associated with climate change. We have analysed the impact of transition risks of climate change on our portfolio using scenario analysis, and we are working to fully assess the potential impact of the physical risks of climate change on our assets. For more information on our scenario analysis, see page 22.

For ease of reference, we have included a TCFD Index in the Appendix.

> FOR MORE INFORMATION
SEE TCFD INDEX IN APPENDIX

Climate governance

The Board is responsible for our climate strategy and for ensuring Harbour maintains sound climate risk management and internal control systems, including responsibility for setting and monitoring the company's greenhouse gas (GHG) emission-reduction targets.

The Board has oversight of climate-related risks and opportunities and ensures climate-related considerations are embedded in our decision-making, including the application of strict financial criteria, such as our internal carbon price, across all key investment decisions. At the project level, the assessment of climate topics and related risks is an integral part of the project approval process.

Through the Remuneration Committee the Board ensures climate performance, including performance against our net zero target, is embedded in the corporate scorecard and annual performance KPIs[1].

While responsibility for climate change-related matters ultimately rests with the Board, it delegates the monitoring and review of Harbour's net zero strategy to the Health, Safety, Environment and Security (HSES) Board Committee. The HSES Committee evaluates our policies and systems, the quality and integrity of our HSES reporting, and the suitability of our management system to manage current and emerging HSES risks including climate-related risks.

1 The 2022 scorecard includes a 15 per cent weighting for GHG emissions.

The committee also provides advice and recommendations on setting key performance indicators (KPIs) and targets, and on opportunities to collaborate with industry peers. The HSES Committee reviews progress against our net zero strategy, and other climate-related matters across the business, and updates the Board, at least annually.

The Audit and Risk Committee further supports the Board through considering the impact of the energy transition on Harbour, in particular on the scale and timing of such impacts and implications for the long-term resilience of the business and the impact on the financial statements. Further detail on the work undertaken by the Audit and Risk Committee can be found in our 2022 Annual Report on pages 68-71.

Our CEO has executive responsibility for Harbour's climate change and sustainability policies and how they are implemented across the company.

In early 2022, reflecting the growing importance of net zero and CCS in our business, we established a new leadership team position, EVP HSES, Net Zero and CCS, to take responsibility for our HSES policies, standards and procedures, and for driving forward our net zero and CCS goals.

For more information on our principal risks, including how they are identified, reviewed and managed, see pages 50-59 of our 2022 Annual Report.

Climate change management structure

1 Oversight of climate change risk management.
2 Non-executive directors appointed by the Board to review and advise on sustainability policies and practices including climate change.
3 Non-executive directors appointed by the Board to oversee the effectiveness of the system of risk management and internal control.
4 Non-executive directors appointed by the Board to set remuneration policy in alignment with strategy.
5 Non-executive directors appointed by the Board to review and advise on organisation and succession.
6 Line management supported by functional teams.

Climate change and the energy transition continued

Climate strategy

We will deliver our net zero goal through the implementation of our net zero strategic pillars. The pillars prioritise reducing our emissions by improving operational efficiency and also safely and responsibly decommissioning assets as they reach the end of their commercial life. In order to offset our difficult-to-abate Scope 1 and 2 emissions, we will invest in independently verified carbon credits.

We are investing in CCS projects, as well as leading an industry study to assess the potential for electrification of UK offshore producing assets in the Central North Sea. The preliminary results indicate a large-scale project is unlikely to be viable, but smaller-scale, facility-specific electrification projects may be possible. The study is expected to conclude in 2023–2024.

In 2022, we spent $292 million across our energy transition activities. This includes decommissioning $223 million, offsetting $20 million, emissions reduction projects $21 million and CCS projects $28 million.

Environmental Hopper

In 2022, we further embedded our Environmental Hopper process to support our net zero strategic pillar: Reduce. The hopper is a system in which opportunities for CO_2 emissions reduction across our North Sea and international business units are captured in a central location and assessed against a series of feasibility criteria that include, amongst others, implementation cost and timeframe. The successful opportunities are then taken to development and embedded within the business unit and asset CO_2 emissions reduction plans. A Harbour Environmental Hopper standard has been developed that sets the metrics and criteria for assessing and sanctioning the emissions reduction opportunities, and sets the minimum frequency of formal Environmental Hopper reviews to align with the Group's annual budgeting period. Review of the Environmental Hopper takes place on a quarterly basis.

Net zero strategic pillars

Measure

We measure our emissions in line with the GHG protocol of the World Business Council for Sustainable Development which provides:

- Accurate and consistent emissions measurement, reporting and forecasting
- Alignment with global standards
- Independent verification of progress towards our net zero commitment

Reduce

We have over 123 emissions reduction projects at various stages of maturity across our Environmental Hopper, targeting ~411 ktCO_2e between now and 2035. These include:

- Optimise and improve operations
- Minimise venting and flaring through asset-level strategies that include flare combustion efficiency modelling
- Introduce low carbon designs in new developments
- Reduce emissions safely from mature assets as they approach end-of-life
- Safely and responsibly decommission oil and gas infrastructure as it reaches its end-of-life

Offset

We will decarbonise our onshore and offshore facilities as much as is practical. In addition we will:

- Offset residual, hard-to-abate emissions by investing in independently certified credits, accumulating these credits to be used in later years
- Reduce operational emissions as priority over offsetting
- Review our strategy annually

Continual incentivisation and investment across our strategic pillars

Incentivise and Invest

- Embed emissions reduction incentives in compensation programmes
- Link financing cost incentives in our debt facilities to emissions reduction performance
- Embed net zero impact in investment decisions
- Embed net zero and any associated offsetting impacts in investment decisions
- Screen acquisition (M&A) opportunities for emissions intensity
- Invest in potential UK CCS projects: Viking CCS and Acorn (see pages 27-29 for more information)
- Assess the opportunity for partial electrification in the UK Central North Sea
- Invest in the decommissioning of mature oil and gas producing assets (see page 50 for more information)

Climate change and the energy transition continued

Our journey towards net zero

2022 achievements

- Established an interim net zero target of 50% reduction in emissions by 2030 against 2018 baseline
- Expanded the extent of our Scope 3 emissions disclosures
- Revised and disclosed the outcomes of our climate change scenario analysis
- Completed our flare gas recovery engineering studies
- Standardised the Group emissions reduction opportunities hopper and asset reduction plans
- Realised emissions reduction opportunities and estimated annual savings of 54 $ktCO_2e$

2023 plans

- Roll out the corporate digitised ESG Reporting Database
- Establish a standardised approach for flaring and venting management
- Develop methane reduction plans for all assets
- Expand hopper screening process for emissions reduction opportunities
- Improve and refine assurance cycles of emissions data management
- Embed GHG metrics in key 3rd party contracts

Harbour offsetting strategy

- Continue to selectively acquire high quality credits, certified to globally accepted standards such as VERRA
- Prioritise investments in emissions removal projects, which ensure that atmospheric carbon is actively being captured and removed from the atmosphere, rather than representing avoided emissions

2018

Emissions baseline

Using 2018 as our baseline year aligns to the North Sea Transition Deal (NSTD[1]) – the agreement between the UK upstream oil and gas industry and the UK Government – which sets out supply decarbonisation targets for the industry. The NSTD targets commit the industry to reduce emissions against a 2018 baseline, with the ultimate aim to be a net zero basin by 2050. Our Net Zero 2035 target is further aligned with the wider UK Government binding target, set in 2019, to be net zero by 2050.

2025

Methane emissions

Ensure methane intensity is less than 0.2 per cent across our operated sites by reducing flaring and venting activities through our emissions reduction plans.

<0.2%

Methane emissions intensity

2030

Gross operated emissions Scope 1 & 2

Interim target in our net zero journey.

50%

Gross operated emissions reduction vs 2018

Flaring

Harbour Energy is a signatory to the World Bank's 'Zero Routine Flaring by 2030' initiative.

Zero

Routine flaring by 2030

2035

Reaching net zero

Our goal is to achieve net zero for our gross operated Scope 1 & 2 emissions in 2035, ahead of the NSTD goal of net zero by 2050.

Net zero

Gross operated Scope 1 & 2

1 Published NSTD.

Climate change and the energy transition continued

Climate-related risks and opportunities

In 2022, we undertook a detailed review of our climate-related risks and opportunities (CRROs), as well as our overall risk management processes and structures. Furthermore, with the support of an independent party, we undertook a scenario analysis exercise to assess the commercial impact of these CRROs (physical and transitional) on our portfolio. The scenarios helped us assess the impact of possible shifts in the macroeconomic outlook, technology developments, policy and legal implications, and the projected future demand for our products.

This process helped us identify our top CRROs and as well consider the resilience of Harbour's assets over the longer term. An overview of our scenario analysis process and outcomes, including top risks and opportunities, is presented below.

Scenario analysis

The TCFD recommends that organisations use a scenario under which global warming is kept to well below a 2°C increase during this century, compared with pre-industrial levels, to test portfolio resilience. Such scenarios usually feature a reduction in demand for fossil fuels, and a growth in clean technologies.

Scenario selection: In line with TCFD best practice recommendations, our scenarios included:

Transition scenarios:

- **The International Energy Agency (IEA) Net Zero Emissions (NZE)** by 2050 scenario, which is consistent with limiting the global temperature rise to 1.5°C and is commonly used by our industry peers.
- **Two of the latest climate scenarios released by the Network for Greening the Financial System (NGFS)**[1]: Current Policies (>3°C) and Delayed Transition (1.6°C). The NGFS scenarios were selected because they have better representation of a Paris-aligned well-below 2°C scenario for developing economies where we operate (including Indonesia and Vietnam) compared to the IEA scenarios.

Physical scenarios:

The Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) scenarios, namely:

- **SSP1-2.6** (also known as the Sustainable development scenario), with a temperature outcome of +1.7°C by 2050, and +1.8°C by 2100.
- **SSP5-8.5** (also known as the Fossil fuel-driven development scenario), with a temperature outcome of +2.4°C by 2050, and +4.4°C by 2100.

Timeframe selection: The selected climate scenarios were assessed across three timeframes based on the expected operational lifetime of our asset portfolio as well as our Net Zero 2035 goal. These timeframes are: short term (2030), medium to long term (2040) and long term (2050). Physical risks were assessed over the short term (2030) and long term (2050) only due to the granularity of results, whilst transitional risks have been assessed over all three timeframes.

Scenario analysis: To consider the climate resilience of Harbour's portfolio, a shortlist of both physical and transitional CRROs was identified.

To determine this we took into account the principal risks facing the company and the range of CRROs noted by the International Petroleum Industry Environmental Conservation Association (IPIECA), the World Bank, IEA and other common sources for our industry. The shortlisted CRROs were further refined through a risk assessment process that used a consistent methodology to assess the 'consequence severity' (scale of the risk/opportunity posed by a hazard/indicator on Harbour's business and assets) of each risk/opportunity if it was to materialise and the 'likelihood' of that risk/opportunity materialising under the scenarios and timeframes outlined above. Transitional CRROs were evaluated on a regional basis and, where relevant, on a global level to reflect wider socioeconomic drivers. Physical CRROs were assessed on a region by region basis reflecting the localisation of long-term physical risks.

The 'consequence severity' and 'likelihood' ratings provided an overall assessment for each of the CRROs, enabling us to rank the CRROs in order of their potential: Low, Medium, Significant and High, in alignment with the company risk matrix. The tables on pages 23-25 provide our highest rated transitional risks and opportunities and highest rated physical risks, and a description of how these are managed.

1 NGFS Scenarios for central banks and supervisors, September 2022, Network for Greening the Financial System.

Climate change and the energy transition continued

Transition risks

The table below summarises the key transition risks facing the company, identified through the scenario analysis process, and how they are currently being managed. An oil price sensitivity analysis was undertaken for all three transition scenarios to assess the resilience of the business to the prospective impact of these transition scenarios. These scenarios take into account the unmitigated effect of the key transition risks below. In conclusion, while the analysis is inherently uncertain, our portfolio appeared to be generally robust to all scenarios analysed. For further information refer to note 2 in the financial statements on page 124 of the 2022 Annual Report.

Transition risks

Risk		Timeframe	Description	Impact on business, strategy and planning	How the risk is managed
Policy & Legal	Carbon pricing mechanisms applied to direct operations	**Short term (2030), medium to long term (2040) and long term (2050).**	Carbon pricing is expected to be an important instrument to deliver a decarbonised economy. Operational costs are expected to increase as the weight and scope of these mechanisms widen. It is expected that this risk would arise at all time-horizons and would mostly affect UK operations.	Potential for material impact on balance sheet, however sensitivity analysis using a carbon price of $100/tonne indicates that material impairments would not arise. The company may face more demanding regulatory requirements or lose some sources of funding if it is unable to meet such evolving regulatory, investor, lender and societal expectations.	■ Credible emissions reduction plans in place to meet Net Zero 2035 goal, including an interim 2030 emissions reduction target, zero routine flaring commitment, alignment with the regulatory requirements and emissions offset purchase plans. ■ Emissions reduction targets feature in incentive compensation and incorporated into the main reserves-based lending debt facility. ■ Energy transition scenarios and risks, including the cost of carbon, considered in key judgements and estimates within the financial statements, investment decisions, corporate planning and M&A analysis. The current price of carbon used is £80/tCO_2 ($100/$tCO_2$). We also run carbon price sensitivities on our portfolio at $100/$tCO_2$. See page 24 for more information. ■ Constructive engagement maintained with relevant government and regulatory stakeholders. ■ New and emerging ESG reporting regulatory requirements closely monitored to ensure compliance, including independent verification. ■ Carbon hedging conducted to actively manage the company's exposure to carbon pricing in the UK market and meet regulatory requirements.
	Policy incentives and emerging regulation curtailing future fossil fuel demand	**Short term (2030), medium to long term (2040) and long term (2050).**	As governments globally implement the Paris Agreement targets, new or more stringent policies and regulations are being proposed and put in place that may curtail future fossil fuel demand from many end-use sectors (electricity generation, buildings, transportation).		
Market	Reduced customer demand for fossil fuels	**Short term (2030), medium to long term (2040) and long term (2050).**	The risk of a reduction in customer demand for fossil fuel products arising from new or more stringent demand side regulations and changes in consumer preferences.	The company's long-term viability may be in question should Harbour be unable to maintain a strategy and business model that are resilient to evolving market conditions, requirements and expectations. The company may be subject to negative non-governmental organisation or shareholder activism which could affect its reputation and societal 'licence to operate'.	■ Periodic review of corporate strategy and business model in the context of the energy transition, including changing demand for oil and gas, and evolving investor, societal and regulatory expectations. ■ Contribution to industry representation on the role of oil and gas in the energy transition and in promoting energy security. ■ Investment in gas, or gas-rich projects such as Andaman and Tolmount, prioritised over oil only projects, to support our emissions reduction targets. ■ Pursue potential investment in CO_2 capture and storage project, in particular where re-use of idle oil and gas infrastructure can contribute to lower development costs.
Financial	Limitations on our access to capital or increase in our cost of capital	**Short term (up to 2030), medium term (2030–2040) and long term (2040–2050).**	Increasing stakeholder concern could impede Harbour Energy's access to capital or add conditions to financing.	The company may face increased cost of capital, and reduced or more conditional access to capital, if it is unable to meet evolving investor, societal and regulatory expectations. As a result, the company may not have sufficient funds to re-invest in its existing assets or to fund growth through capital investments and M&A as outlined in the strategy.	■ Clear commitment made to the safe, reliable and responsible production of oil and gas. ■ Credible emissions reduction plan in place to meet Net Zero 2035 goal, including interim 2030 emissions reduction target, zero routine flaring commitment, alignment with the regulatory requirements and emissions offset purchase plans. ■ Emissions reduction targets feature in incentive compensation and incorporated into the main reserves-based lending debt facility. ■ Continued monitoring of investor appetite, debt market volatility and bank lending capacity in light of the energy transition.

Climate change and the energy transition continued

Testing our resilience: Oil price[1] sensitivity analysis in the IEA, NGFS and Harbour Scenarios

The energy transition has the potential to significantly impact future commodity and carbon prices which would, in turn, affect the recoverable amount of property, plant and equipment and goodwill.

To test our resilience, the impact of the IEA Net Zero 2050 (NZE) and NGFS climate scenarios has been modelled against our internal Harbour Scenario base case. The sensitivity analysis is based on crude price curves and the modelling assumes that all other factors remain unchanged from the Harbour Scenario. The sensitivities are stated before any management mitigation actions to manage downside risks if the scenarios were to occur.

Scenarios:

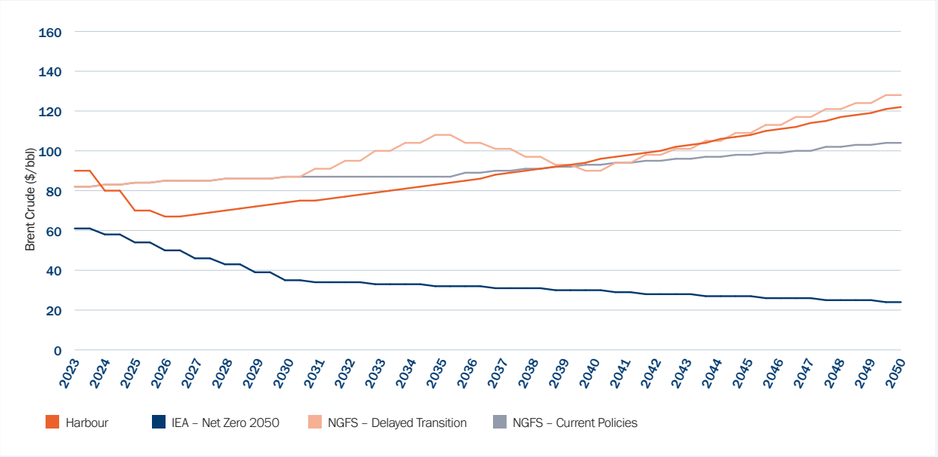
- Harbour Scenario price curve for crude oil used for impairment testing
- IEA Net Zero 2050 reflects low physical risks and low transition risks
- NGFS Current Policies reflects high physical risks and low transition risks
- NGFS Delayed Transition reflects low physical risks and high transition risks

In the current period, the Harbour Scenario real long-term commodity price assumptions, when testing for impairment, were $65/bbl (2021: $65/bbl) and 65 p/therm (2021: 60 p/therm) for Brent crude and UK NBP gas, respectively. Sensitivity analysis using a carbon price of $100/tonne indicates that material impairments would not arise. The Board approves our sensitivity analysis, including the carbon price assumptions.

These carbon price sensitivities do not have a material impact on the income statement. Such assumptions are inherently uncertain and may ultimately differ from the actual amounts.

Sensitivities on the impairment of property, plant and equipment and goodwill have been prepared using various price scenarios to show the possible impact on net book carrying values.

The graph opposite shows the crude oil price curves for the period to 2050 for the Harbour Scenario, NGFS Current Policies, NGFS Delayed Transition and IEA Net Zero 2050. All the scenario price curves are dependent factors covering supply, demand, economic and geopolitical events and therefore are inherently uncertain and subject to significant volatility and therefore unlikely to reflect the future outcome.



Results of our sensitivity analysis

$ million	Carrying value	Crude oil				
		-10% to Harbour Scenario	+10% to Harbour Scenario	NGFS Current Policies	NGFS Delayed Transition	IEA Net Zero 2050
Property, plant and equipment	5,666	(57)	–	–	–	(355)
Goodwill	1,327	–	–	–	–	–

The sensitivity results show that under the -10% to Harbour Scenario an impairment of $57 million would arise on a single North Sea asset. The +10% to Harbour Scenario, NGFS Current and Delayed scenarios show no incremental impairments as these scenarios are all favourable to the Harbour Scenario. Furthermore, under these three scenarios, no reversal of any historic impairment is triggered as there have been no prior crude oil-price related impairments. Under the IEA Net Zero 2050 scenario there would be an impairment in property, plant and equipment of $355 million with goodwill not impacted given sufficient value headroom.

1 Our sensitivity analysis is conducted on oil price only, as there is currently no reliable natural gas price forecast for UK NBP (National Balancing Point).

Climate change and the energy transition continued

Transitional opportunities

An important aspect of mitigating our climate change risks includes evaluating opportunities to apply technological innovation and efficiency to decrease energy use and GHG emissions across our operations, and working with partners to advance the development of a range of low GHG emissions pathways. The table below outlines the focus areas of our key climate-related opportunities.

Key transition opportunities

Opportunity		Description	Impact on business, strategy and planning	How this opportunity is managed
Access to new markets	CCS	CCS is an essential technology for the UK Government and other jurisdictions to achieve their net zero goals.	CCS is expected to rapidly grow under multiple scenarios. Coupled with increased carbon prices, deploying CCS at scale could develop into a significant opportunity to generate long-term revenue while safeguarding jobs.	Harbour is investing in two early-stage CCS projects (Viking CCS and Acorn) that could make a significant contribution to the UK's CO_2 emissions reduction and storage targets. See pages 27-29 for more information.
	Hydrogen	Hydrogen is a highly versatile energy source and is expected to play an important role in the decarbonisation of hard-to-abate sectors.	An opportunity for Harbour may arise as the demand for low-emission hydrogen grows, produced either by water electrolysis or by fossil fuel in combination with CCS.	Harbour's gas business combined with its first steps into CCS would place the company in a good position to enter the market for low-emissions hydrogen. A hydrogen module is present in the Acorn project in which Harbour is a partner. See page 29 for more information.
Use of lower-emission sources of energy	Electrification	Decarbonisation efforts through using lower-emission sources of energy including electrification could reduce operating expenses by reducing carbon tax liability.	Increased use of lower-emissions sources coupled with increased carbon prices expected under multiple scenarios could result in an opportunity for carbon tax savings.	Harbour is assessing the opportunity for partial electrification in the UK Central North Sea. Preliminary results indicate a large-scale project is unlikely to be viable, but smaller-scale, facility-specific projects may be possible. The study is expected to conclude in 2023–2024.

Physical risks

The table below summarises the key physical risks facing the company, identified through the scenario analysis process, and how they are managed. Given our understanding of the physical risks today and the outcomes of scenario analysis described above, we do not expect any one individual risk identified below to be material to the business in the short term (2030), taking into account the geographical diversity of our asset base with the current portfolio split predominantly being UK North Sea. Due to our organic growth opportunities in Indonesia and Mexico, we will continue to assess our CRROs and update our physical-related risks as appropriate.

Key physical risks

Risk	Timeframe	Description	Impact on business, strategy and planning	How the risk is managed
Acute Including the following hazards: ■ Storms and high winds ■ Extreme cold ■ River flooding ■ Extreme rainfall flooding ■ Coastal flooding ■ Wildfires ■ Landslides	**Short term[1] (2030), Long term (2050).** 1 Storms and high winds are a short-term risk for assets in Southeast Asia.	Based on the physical risk scenario analysis a number of acute hazards (onshore and offshore) have the potential to be significant. The most notable of these hazards include storms and high winds and coastal/extreme rainfall flooding in relation to our UK North Sea assets, with additional hazards noted in Southeast Asia relating to the presence of intense cyclone and storm activity within this region.	Impacts could include: ■ damage to assets (with the most significant and impactful damage being associated with offshore platforms) ■ disruption to operations and development activity ■ risks to the health and safety of staff	■ Meteorological and oceanographic studies undertaken for offshore developments include modelling that incorporates assumptions from the latest climate science. ■ Mitigations that address changing storm magnitude are incorporated into the design of our facilities, where appropriate. ■ We maintain severe weather and business continuity plans. ■ We maintain asset and company level emergency response teams and conduct training and exercises against our plans. ■ We assess how climate change may impact water availability and water stress in areas where we operate. ■ We periodically review the long-term physical risk profile across core geographies.
Chronic Including the following hazards: ■ Extreme heat ■ Water stress and drought	**Long term (2050).**	Based on the physical risk scenario analysis there were no chronic hazards identified that are likely to cause material impacts for the UK North Sea business under any timeframes or scenarios. While episodes of extreme heat are encountered in Southeast Asia today, and projections indicate an increase in the intensity/ frequency of extreme heat events, these are not expected to be large enough to increase the materiality of chronic physical risk in the future.	The most notable impacts could be associated with Southeast Asia only being: ■ increases in operating expenses related to cooling	

Climate change and the energy transition continued

Risk management

Energy transition and net zero is classified as a principal risk. As such, the transition risks and physical risks identified on pages 23 and 25 are assessed and managed in line with Harbour's risk management framework. The framework comprises:

- a risk management process through which we set our context for risk, including defining our appetite (or tolerance) for risk, and identify, assess, mitigate, monitor and communicate risk in the business (see 'Risk management process diagram');
- an internal control system to enable risks to be managed in line with our defined risk appetite; and
- an assurance model to check that the controls in place are appropriate and effective given our defined risk appetite.

We record substantive short, medium and long-term climate-related risks and mitigations and these are reported to the CEO, leadership team and ultimately the Board. The overall risk related to the energy transition and net zero is recognised by the Board as a principal risk facing the company and disclosed in the 2022 Annual Report.

For more information on our risk management processes, see page 50-51 of the 2022 Annual Report.

Risk management process

The company follows a structured process to identify, assess, mitigate, monitor and communicate the risks which may prevent it from achieving its strategic objectives.

Top-down

Oversight and monitoring by the Board and its Committees

Risk mitigation

Depending on the nature of the risk, the company may choose to accept or tolerate risk, treat risk with mitigating actions, transfer risk to third parties, or terminate risk by ceasing certain activities.

Risk assessment

Risks are identified and analysed across the company as part of ongoing business reviews. Risks are evaluated based on the likelihood of the risk materialising and the impact of the risk if it was to materialise.

Monitor and review

Risks and risk mitigation measures are monitored through regular business reviews, audits and other sources of assurance. These reviews are used to identify changes in the level of the identified risks, to identify emerging risks, and to assess the effectiveness of control measures in the context of the agreed appetite or tolerance for each risk.

Context

The strategic objectives, purpose and values of the company and the appetite or tolerance for risk set by the Board contribute to the overall context.

Communicate and consult

Risks and measures taken to mitigate them are communicated through regular business reviews, including review of the leadership team risk register and assurance map.

CONTINUOUS LEARNING AND IMPROVEMENT

Bottom-up

Ongoing identification, assessment and mitigation of risk across the business

Metrics and targets

In 2022, we took a refreshed look at our approach to GHG accounting.

We expanded our Scope 3 disclosures to include GHG emissions associated with purchased goods and services, upstream transportation and distribution, waste management, business travel and investments. We recognise that Scope 3 emissions often represent a large component of an organisation's total GHG emissions profile; as a result, we are working to better understand and influence the emissions from our value chain including suppliers and customers.

We also adjusted the Scope 1 emissions boundary definitions to reflect these new disclosures, to better align with industry peer reporting, and to focus on the activities over which Harbour has operational control.

We have aligned our climate-related risks and opportunities to our financial performance. The metrics below reflect the ongoing investments relating to mitigating potential risks, and investing in future opportunities, such as the Viking CCS project (pages 27-28).

Emissions reduction incentives are part of employee remuneration and annual bonus schemes.

Additionally, the cost of borrowing is tied to our gross operated CO_2 emissions performance, with GHG metrics being linked to our reserves-based lending (RBL) interest expense, further incentivising our emissions reduction efforts.

For more information, see the Directors' Remuneration Report on pages 78-99 of our 2022 Annual Report.

Climate change risk-related metrics

21 kg CO_2e/boe
GHG intensity

1.4 m t CO_2e
Scope 1 & 2 emissions

0.3 m t CO_2e
Scope 3 emissions

15%
Remuneration linked to GHG targets

10 m t CO_2e
Viking CCS carbon storage per year by 2030

$292 m
Spend on energy transition activities[4]

$100/tonne
Internal carbon pricing sensitivity

14%
Of total cash flow spend on climate-related risk mitigation[2]

25%
Of total capital spend on climate-related risk mitigation[5]

7%
Of total operational spend on climate-related risk mitigation[1]

3 days
Production downtime related to adverse weather[3]

> VIEW MORE
IN OUR APPENDIX: INDEPENDENT ASSURANCE STATEMENT

1 Emissions reduction projects, carbon credits and CCS ($69 million) divided by operating costs ($1.1 billion).
2 Total energy transition spend ($292 million) divided by free cash flow ($2.1 billion).
3 Global operated assets.
4 Decommissioning spend ($223 million), carbon credits ($20 million), emissions reduction projects ($21 million) and CCS ($28 million).
5 Decommissioning spend ($223 million) divided by total capital expenditure ($907 million).

Climate change and the energy transition continued

Viking CCS

Carbon capture and storage (CCS) is an essential technology for the UK Government to achieve its net zero goals. The UK Climate Change Committee recently noted that there is no route to net zero in 2050 without deploying CCS at scale.

Led by Harbour, Viking CCS (formerly called V Net Zero) is a CO_2 transport and storage network located in the Humber, the UK's most industrialised region. Viking CCS is targeting first CO_2 storage as early as 2027 and a reduction of 10 million tonnes of UK emissions per annum by 2030 and up to 15 million tonnes by 2035. The project is central to establishing a world-leading CCS industry in the UK and meeting the government's net zero emissions targets. Viking CCS will equip the Humber with high-capacity, reliable, low-carbon infrastructure to promote inward investment, attract new industries, and safeguard jobs in the area, with the opportunity to deliver over $4 billion of Gross Value Add across the regional economies.

300

Million metric tonnes of CO_2 storage

> Viking CCS can deliver one-third of the UK Government's 2030 CO_2 storage target. Working together with our key industrial partners we plan to make a nationally significant contribution to the UK's CO_2 emissions reduction targets, while creating and safeguarding low carbon jobs.

GRAEME DAVIES
PROJECT DIRECTOR OF HARBOUR ENERGY'S VIKING CCS PROJECT

2022 achievements

The Viking Project made significant progress during 2022. West Burton Energy, an independent power company, and RWE, one of the UK's leading electricity generators, signed Memorandums of Understanding with Viking CCS to capture, transport and permanently store emissions from the West Burton B and Staythorpe (Nottinghamshire) power stations, respectively. The addition of these new emitters to the Viking CCS cluster further diversifies the range of CO_2 capture projects within the network and extends the project's footprint beyond the Humber region to inland emitters. An agreement was also signed with Associated British Ports (ABP) that aims to enable access by shipped CO_2 – from stranded UK domestic emitters and possibly from continental Europe – to Viking's offshore transportation and storage facilities. In addition, the 300 million metric tonne CO_2 capacity of Viking's offshore storage reservoirs was independently verified against international standards.

2023 plans

The Viking CCS project is eagerly anticipating the UK Government led Track 2 Cluster Sequencing process. Key activities for 2023 include supply chain engagement for project construction from 2025, development consent order submission for the Immingham-to-Theddlethorpe pipeline and award of Track 2 for the project. However, without regulatory certainty, continuing to devote substantial effort and investment becomes increasingly difficult. Provided the government delivers the required regulatory framework, the project will progress into the Front End Engineering Design (FEED) phase in 2023.

This will include working actively with the UK supply chain and key industrial partners in the readiness for a Final Investment Decision (FID) in 2024, subject to meeting internal investment guidelines and approvals by project partners and regulators.

$4bn

Gross Value Add (GVA) from the Viking CCS cluster, including Harbour's Viking Transport & Storage system along with the various partner CO_2 capture projects

120km

Of existing LOGGS pipeline will be reused for offshore transportation of carbon emissions

10

Millions tonnes CO_2 captured per year by 2030

9,000ft

Below the seabed CO_2 store

Over 50%

Of the Humber emissions could be captured and stored

Climate change and the energy transition continued

The Viking project consists of four main components:

CO_2 capture:

Alongside a diverse range of industrial partners, including Associated British Ports (ABP), Phillips 66, VPI, RWE and West Burton Energy, the project will facilitate the capture and delivery of CO_2 emissions into the Viking CCS network. In October 2022, Viking CCS announced an exclusive commercial relationship with ABP to develop a CO_2 import terminal at the Port of Immingham, the UK's largest port by tonnage, which will enable the import of CO_2 emissions from elsewhere in the UK or Europe for transport and storage offshore. The terminal will provide a large-scale facility to connect CO_2 emissions from industrial businesses around the UK to Viking CCS's high-capacity CO_2 storage sites in the Southern North Sea.

River Humber

CO_2 transport (onshore):

The statutory consultation process for a development consent order (DCO) for an onshore pipeline transporting CO_2 from Immingham to Theddlethorpe ran from 22 November 2022 to 24 January 2023 and followed two stages of non-statutory consultation earlier in 2022. This pipeline will be used to gather the captured CO_2 from our industrial partners and transport it to the existing offshore pipeline. This is a Nationally Significant Infrastructure Project (NSIP), and following submission of the DCO application in 2023, the Secretary of State's decision is expected from summer 2024.

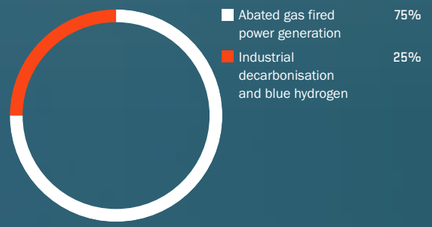
CO_2 transport (offshore):

The Viking CCS project intends to repurpose legacy Harbour Energy gas pipeline infrastructure for the purposes of transporting the CO_2 offshore. Re-use of this infrastructure will lower the cost of deployment, reduce the environmental impacts to sensitive marine and coastal habitats, and reduce the overall CO_2 emissions intensity of the project. Viking CCS has completed detailed engineering to assess the suitability to repurpose the existing Lincolnshire Offshore Gas Gathering System (LOGGS) pipeline for CO_2 service. This existing 120 km pipeline, at 36″ diameter and over 1″ wall thickness, offers an offshore transportation capacity of over 30 million metric tonnes per annum (mtpa) and is projected to save over 70,000 metric tonnes of embedded carbon emissions through the repurposing.

CO_2 injection and storage:

The CO_2 will be stored within the depleted gas reservoir of the offshore Viking fields, 9,000 feet beneath the seabed and 140 km from the Lincolnshire coast. The depth of storage is what makes the reservoir so secure for storing CO_2 with its caprock consisting of layers of salt, hundreds of feet thick. This is a high strength barrier under which the CO_2 will be stored. Harbour commissioned ERCE to complete a Competent Person's Report for the Viking CCS storage capacity based on the Society of Petroleum Engineers (SPE) Storage Resources Management System (SRMS) standard, and to audit Harbour's 2C storage resource estimate. The audit process has confirmed that Harbour's estimate of 300 million tonnes of 2C storage resource is fair and reasonable. We believe this is the first Competent Person's Report to be submitted under the SPE SRMS standard in the UK and Northern Hemisphere and only the third in the world to have done so.

SHARE OF EMISSIONS FROM INDUSTRY PARTNERS MILLION METRIC TONNES PER ANNUM ANTICIPATED BY 2030



Climate change and the energy transition continued

Acorn

Harbour Energy is a partner in the Acorn project, alongside Storegga, Shell and North Sea Midstream Partners. Acorn is developing projects to capture and store CO_2 emissions and establish hydrogen infrastructure, all essential to meeting the UK's net zero targets.

CO_2 emissions will be captured from a range of emitters including the St Fergus gas terminals, Peterhead power station and a National Grid-owned feeder pipeline which will transport emissions from the Grangemouth and Mossmorran industrial areas. Taken together, these form the Scottish Cluster which has Track 1 Reserve status in the UK Department for Energy Security and Net Zero (DESNZ) Carbon Capture Utilisation and Storage (CCUS) Cluster Sequencing Process.

The transport and storage (T&S) system will use the Goldeneye pipeline to transport CO_2 for sequestration in depleted reservoirs initially. Applications for two additional storage licences were submitted to the North Sea Transition Authority (NSTA) in September 2022 to expand the existing storage capacity using the existing Miller pipeline. In-line inspections are planned onshore in 2023, and offshore in 2024.

During 2022, Acorn completed a FEED study for its carbon capture plant at St Fergus and is progressing concept select and pre-FEED phase studies for the onshore and offshore T&S infrastructure. Acorn is also completing feasibility studies for a shipping and import scheme using existing port facilities at Peterhead in north-east Scotland to import CO_2 by ship from geographically remote emitters nationally and internationally.

Acorn will continue to mature its decarbonisation projects technically and commercially in 2023. Acorn is preparing to launch a FEED competition to determine the best technical and commercial solution for a blue hydrogen production plant. We expect this to be initiated at the same time as engineering for CCS and import/shipping projects are progressed after the Track 2 sequencing process.

Energy and GHG emissions

Measuring and monitoring our impact

Greenhouse gas emissions

In 2022, Harbour increased the breadth of its GHG emissions reporting by expanding the Scope 3 disclosures to include GHG emissions associated with purchased goods and services, upstream transportation and distribution, waste management, business travel and investments.

We also adjusted the Scope 1 emissions boundary definitions to reflect these new disclosures, to better align with industry peer reporting, and to focus on the activities over which Harbour has operational control.

Scope 1 & 2 net zero commitment

Direct emissions

Scope 1

Our Scope 1 emissions are split between static (i.e. fuel, flare and other production-related emissions) and mobile sources (i.e. aviation, marine, drilling and decommissioning). In 2022, we revised the Scope 1 boundary to better align with industry standards, and now include the gross static GHG emissions from the operations we own or operate, and GHG emissions associated with well testing. As a result, we have restated our Scope 1 GHG emissions data in 2021[1], from 1.6 million tCO_2e (as reported in our 2021 ESG Report) to 1.2 million tCO_2e[1].

In 2022, total Scope 1 emissions amounted to 1.4 million tCO_2e, representing a 14 per cent increase from 2021. The increase was largely driven by the higher production in 2022, with the result being that emissions intensity was essentially flat year-on-year.

Our operations in the UK were responsible for 72 per cent of this, with the remaining 28 per cent coming from our international operations.

Production operations accounted for 99.5 per cent of all emissions, with drilling and decommissioning accounting for the remaining 0.5 per cent.

Only 3.7per cent of our emissions were a result of safety, routine and non-routine flaring (accounted for within our production and drilling activities).

Indirect emissions

Scope 2

Our Scope 2 emissions (from consumption of purchased electricity, heat or steam) account for only a small percentage of our total carbon footprint.

In 2022, our Scope 2 emissions were 4.1 kt CO_2e, less than 0.3 per cent of our combined Scope 1 and 2 emissions.

The consumption of purchased electricity increased marginally in 2022 as a result of the post-pandemic return to work and a greater number of people using our offices.

FOR MORE INFORMATION
SEE THE ESG DATA SHEETS IN THE APPENDIX

Scope 3

Indirect emissions

Scope 3

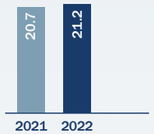
Our Scope 3 emissions (from sources not owned or controlled by the company, but as a consequence of our activities) include emissions associated with goods and services from drilling projects and appointed operator activities, upstream transportation and distribution from logistics, waste generated in operations, Harbour employee business travel and accounting for the static emissions, as a portion of ownership, from its non-operated assets.

In 2022, our Scope 3 emissions amounted to 384 ktCO_2e. This is considerably higher than our reported level of 0.5 ktCO_2e in 2021, due to expanding our Scope 3 emissions categories this year.

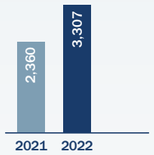
The breakdown of our 2022 Scope 3 emissions is as follows:

- 345 ktCO_2e from purchased goods and services[2]
- 33 ktCO_2e from upstream transportation and distribution[2]
- 3 ktCO_2e from waste management
- 2 ktCO_2e from business travel
- 0.5 ktCO_2e from investments[2]

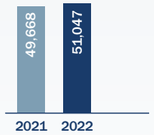
GHG INTENSITY (KG CO_2E PER BOE)



METHANE (TONNES)



FLARING (TONNES)



2021

Scope 1 & 2	1.2 million tCO_2e
Scope 3	0.45 ktCO_2e

2022

Scope 1 & 2	1.4 million tCO_2e
Scope 3	384 ktCO_2e

Investing in carbon removal/avoidance projects

During the course of 2022 we invested in a number of verified (VERRA) projects in eight different countries globally. Each investment was sourced through a partnership directly associated with the project and all were certified independently. We invested in a total of 800 k tonnes of carbon removals, 220 k tonnes of projects with societal benefits as well as carbon avoidance aspects and 280 k tonnes of conservation related carbon avoidance.

We believe that by investing in quality certified carbon removal and avoidance projects we can support local communities where the impacts of climate change are most evident. We aim to continue to invest in high quality projects, partnering with organisations who have dedicated teams assuring and validating all aspects of the intended and completed work scope.

1 The restated 1.2 million tCO_2e for Scope 1 GHG emissions has been used in our 2021 GHG intensity calculation.
2 Previously (i.e. in 2021) reported under our Scope 1 boundary.

Energy and GHG emissions continued

Discharges to air

In 2022, total flaring amounted to 51 k tonnes. This was made up of routine flaring, non-routine flaring (comprising flaring during operational upset conditions), and safety flaring. Compared to 2021 (50 k tonnes), total flaring has increased by 2 per cent.

Flaring from our North Sea operations was 39 k tonnes (76 per cent of the total), compared to our international operations, which totalled 12 k tonnes (24 per cent). Overall, our flaring intensity was 4.8 tonnes per thousand tonnes of production.

Venting reached 3.2 k tonnes of gas globally in 2022 which, on an intensity basis, was 0.3 tonnes per thousand tonnes of production.

In 2021, Harbour publicly endorsed the World Bank's "Zero Routine Flaring by 2030" initiative. In 2022, we commissioned engineering studies to identify opportunities to reduce flaring and inform our own roadmap to zero routine flaring.

Emissions reduction

As part of our journey towards net zero, we are constantly looking for ways to reduce our environmental footprint by operational improvements and energy efficiency projects.

In 2022, we standardised the Environmental Hopper process. We also implemented a new governance process to ensure annual emissions forecasting is aligned with the budget cycle.

During the year we implemented projects that we expect to save 54 ktCO_2e of emissions annually. Key amongst them was a project to reduce fuel demand on the Judy and Britannia assets. This involved:

- Modifications were made to the Long-Term Compressor (LTC) on Britannia to allow for operation closer to the current throughput. Optimising the compressor performance reduced the amount of fuel gas required to compress the gas and therefore the atmospheric emissions generated.
- Fuel gas is utilised within the Triethylene glycol (TEG) process to remove water from the produced gas to meet export specifications. The fuel gas rate has been reduced, reducing the flare rate and reducing associated atmospheric emissions.
- Optimised the number of power generators operating on the platform, reducing the fuel gas usage and therefore the emissions generated.
- The installation of a pump has enabled the recovery of low-pressure gas which can be exported rather than flared.

Internationally, there were further reduction projects implemented, including:

- Natuna reduction project: Block A reduced to single train production.
- Chim Sáo reduction project: Flare tip replacement and reducing the purge/pilot requirements.

Energy consumption

In 2022, our operated assets used 23 million GJ of energy, made up of 21 million GJ of fuel gas and 2 million GJ of diesel. Our North Sea operations accounted for around 74 per cent of our consumption, with the remaining 26 per cent used in our international operations. In 2022, our energy intensity was 2.1 GJ per tonne of production, compared to 2.0 GJ per tonne in 2021[1].

We used 489 k tonnes of fuel in 2022. 92 per cent of this comprised fuel gas produced from our offshore facilities.

As our facilities are located offshore, some constructed as long as 30 years ago, and as they are not located near offshore wind projects, the share of renewables in our offshore energy consumption was zero during 2022.

Looking ahead

Looking ahead to 2023, we have identified a number of priorities to reduce our emissions and improve our reporting:

- Implementing asset-specific emissions-reduction plans including approved projects, with a strong focus on flaring and venting and our roadmap to zero routine flaring[2].
- Integrating GHG performance[3] into our procurement practices.
- Continuing baseline methane emissions surveys[4].
- Continuing to improve measurement accuracy, data quality, analysis and predication of emissions from our operated assets to enable better, information-led decisions.

1 Our 2021 energy intensity value has been restated from 2.14 GJ per tonne of production (as reported in our 2021 ESG Report) to 2.0 GJ per tonne of production (in our 2022 ESG Report), to align with the new GHG accounting boundaries we introduced for our Scope 1, 2 and 3 emissions in 2022.

2 Routine flaring, non-routine flaring and safety flaring defined in accordance with the World Bank Zero Routine Flaring Initiative.

3 Harbour calculates emissions in accordance with the methodology described in the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development. Global Warming Potentials are taken from the Intergovernmental Panel on Climate Change's (IPCC) Fifth Report, 2014.

4 Harbour does not emit the following GHG emissions: Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF6), or Nitrogen trifluoride (NF3).

North Sea business unit flaring and venting minimisation

Further to our endorsement of the World Bank Zero Routine Flaring Initiative, the North Sea Transition Authority (NSTA) expects the UK oil and gas industry to reduce flaring and venting emissions to the lowest possible levels and achieve zero routine flaring and venting by 2030.

Eliminating routine flaring on existing assets is a significant challenge as flaring is an integral part of their design, so significant modifications to our assets are required to achieve this. We commissioned flare reduction engineering studies in 2022 to help us map a pathway to eliminate short and longer-term routine flaring and to reduce non-routine flaring events.

The studies are targeted for completion by the end of 2023. The outcome of the studies will include a high level assessment of opportunities for emissions savings alongside their associated cost estimates and technical feasibility of the modifications required. The studies aim to identify short, mid and long-term solutions for removal of routine flaring and reduction of non-routine flaring.

Effluents, spills and waste

Continually assessing our processes to avoid spills and reduce waste

We work hard to avoid pollution and to continually assess the related risks associated with our production and other activities. These risks mainly relate to planned and unplanned discharges, and the production of waste.

Approach

All our operated assets extract oil and/or gas and formation water from offshore reservoirs. We separate the oil, gas and water using our on-site processing plant. We take a range of precautions to reduce the risk of spills, and continually evaluate spill risks across our operations. We design, operate and maintain our facilities in a manner that protects the environment and reduces our negative impacts to as low as reasonably practicable. Some waste streams are non-hazardous and others potentially harmful, so we use a wide range of technologies to treat and manage them effectively. In terms of decommissioning our operations, a very high proportion of materials are reused or recycled, often in other industries.

We also focus on strengthening our oil spill response capability through our comprehensive approach to emergency preparedness and crisis management (see page 16). All our operations maintain comprehensive spill contingency plans. We also have ongoing contracts with spill-response specialists to provide emergency support in the unlikely event of a major incident. On a day-to-day basis we focus on reducing waste and have robust management programmes in place for the residual wastes generated from our operations and activities.

Performance

Planned discharges

In 2022, we discharged 2.5 million tonnes of treated produced water from our own operations (compared to 2.1 million tonnes in 2021). During 2022, the average amount of oil in produced water was 15.4 parts per million by weight (ppm-wt) (compared to 17.8 ppm-wt in 2021).

Unplanned discharges (spills)

In 2022, we recorded 12 hydrocarbon spills (compared to 28 hydrocarbon spills in 2021), releasing a combined total of 0.01 tonnes to the environment (compared to 0.8 tonnes in 2021).

In 2022, we recorded 27 chemical spills (compared to 19 chemical spills in 2021), releasing a combined total of 207.1 tonnes to the environment (compared to 26.7 tonnes in 2021).

Zero

Environmental fines or sanctions

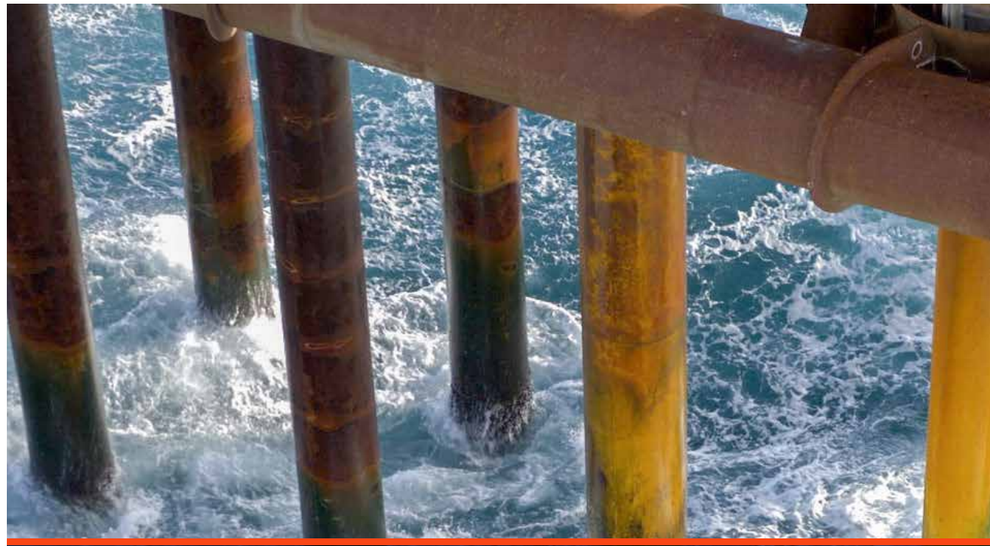
We have not received or had imposed any fines or non-monetary sanctions for non-compliance with environmental laws or regulations.

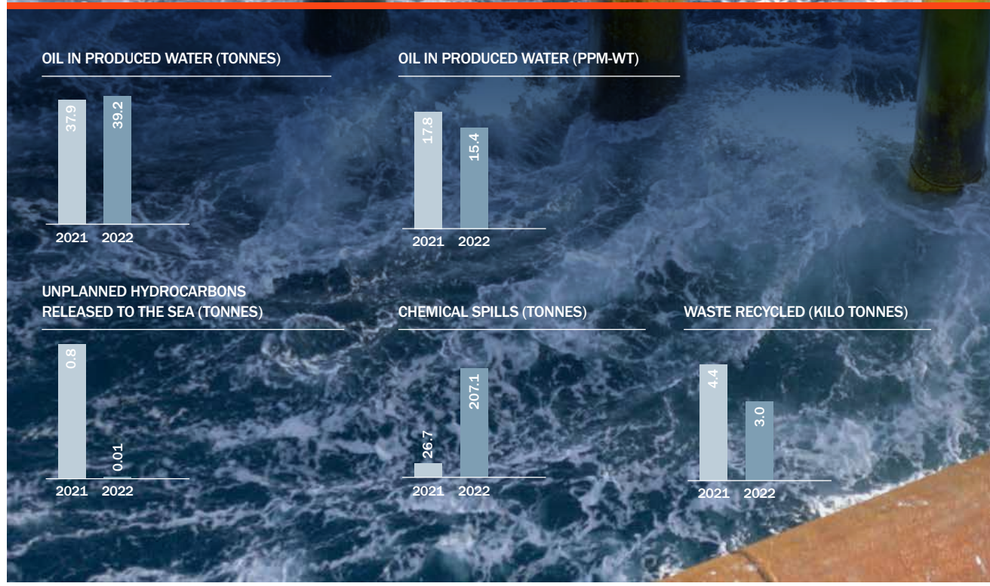
In February 2022, Harbour reported a release of methanol following monitoring of the chemical levels at the Britannia installation offshore UK. Our investigations identified a damaged subsea umbilical, and we mobilised a diving support vessel to repair the damage in July 2022. Methanol is a chemical which is considered to pose little or no risk to the environment. Harbour Energy calculated the total release as 178 tonnes which accounts for 85 per cent of our total chemical releases in 2022.

In August 2022 a subsea release of hydraulic fluid was reported from the Britannia installation. The release quantity has totalled 30 tonnes. Surveys to identify the leak location have not yet been successful (as of February 2023). The operator of the Alder subsea infrastructure is responsible for developing the remediation plan and further offshore works to establish the reason for the release.

Waste generation

Our waste includes oil-derived substances, inorganic chemicals, steel, domestic and other materials including packaging. Some waste is non-hazardous, and some is potentially harmful, so we use a wide range of technologies to treat and manage them effectively. In 2022, we collected a total of 25,329 tonnes of waste materials from our drilling and production operations (compared to 26 k tonnes in 2021) and returned it to shore for treatment and disposal. A total of 14,564 tonnes was hazardous waste, mainly in the form of sludges and liquids. A total of 10,764 tonnes was non-hazardous waste, mostly in the form of tank washings. We recycled 4,472 tonnes of waste returned to shore (compared to 6 k tonnes in 2021).





04 Social

Our culture is based upon our values, building effective working relationships and open engagement with our workforce.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN SDGs we contribute to through our management practices and performance:

PRIMARY SDGS

SECONDARY SDGS

FOR MORE INFORMATION

> VIEW MORE
IN OUR APPENDIX

Introduction
by Gill Riggs

Our focus on employee engagement has enabled us to attract and retain top talent, promote a positive and inclusive work culture and prioritise the wellbeing and professional development of all our employees. Embedding our values and behaviours across all our learning and development processes and our performance management system has reinforced the strong culture that we are building.

GILL RIGGS
CHIEF HR OFFICER

To find out more about our core values:

> READ MORE

Our aim is to create long-lasting positive benefits for all our shareholders and stakeholders, including our local communities and suppliers.

In 2022, we delivered approximately 15 per cent of the UK's domestic gas production, contributing to energy security during a time of significant disruption in energy supply to the country. We were particularly conscious of the impact of increased inflation and rising energy costs on our UK employees' financial situation.

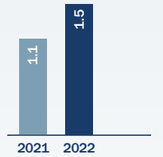
To help our employees at this challenging time, the company made a one-off cost-of-living payment to all UK-based employees below senior management levels and to core contractors.

Our success is undoubtedly underpinned by our employees. In 2022, we launched our first global engagement survey across both employees and contractors, to establish a baseline of metrics across a wide variety of focus areas including communication, safety culture, collaboration and career development. We also appointed a Global Head of Diversity, Equity & Inclusion (DE&I) to help create a comprehensive, long-term DE&I strategy including a near-term plan for the business.

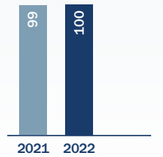
KEY FOCUS AREAS

- Generating and distributing value across our stakeholders, local communities and supply chain
- Improving our employee engagement practices
- Promoting a diverse and inclusive working environment
- Protecting worker welfare across our supply chain

CHARITABLE DONATIONS ($ MILLION)



% OF EMPLOYEES RECEIVED A PERFORMANCE REVIEW



12
Townhall meetings held globally

First
Global engagement survey completed in 2022

Zero
Human rights violations (0 in 2021)

Value generation and distribution

Proud of our role in generating shared value

Value generation and distribution

Our ability to generate long-term sustainable value for our shareholders rests on our ability to identify and execute a successful strategy, and on our ability to deliver tangible and lasting economic benefits to all our other stakeholders.

Approach

First and foremost, we support society by responsibly producing and supplying oil and gas into local energy markets. In 2022, we delivered approximately 15 per cent of the UK's domestic gas production, contributing to energy security during a time of serious concerns as a result of the Russian invasion of Ukraine and the related disruption in energy supply to the country.

In addition to supplying much-needed energy, our operations create value that is distributed throughout our host countries and local communities, and directly supports long-term socio-economic development. This includes payments to:

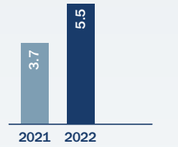
- suppliers and contractors, including locally based companies;
- our employees, including wages and benefits;
- the capital markets, including shareholder dividends, buybacks and interest on debt; and
- host governments, including corporate income taxes, royalties and other payments.

Performance

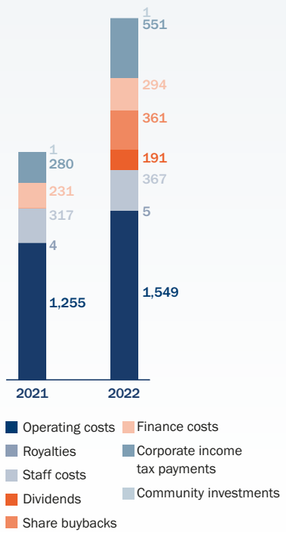
We believe a commitment to shareholder distributions is an important part of Harbour's equity story. In support of that, we announced the introduction of our dividend policy in 2021 of $200 million per year to be paid in equal, semi-annual instalments to our shareholders. In addition, we approved a total of $400 million in share buybacks during 2022.

In terms of investment, we invested $2 billion during the year in capital and operating costs. Tax payments increased substantially during the year to $551 million, an increase of 97 per cent over 2021.

ECONOMIC VALUE GENERATED BY HARBOUR ($BN)



ECONOMIC VALUE DISTRIBUTED BY HARBOUR ($MN)



$907m
Capital costs

$1.5bn
Operating costs

$367m
Staff costs

$5m
Royalties

$551m
Corporate income tax paid

$1.5m
Community investments

$294m
Finance costs

Community investments

Helping to deliver sustainable benefits for local communities and their host governments

Community investments

We provide social-investment contributions and charitable support to organisations and other good causes in line with our strategy and core values, as set out in our Social Investment and Charitable Donations Standard.

We aim to provide support to the local communities where we operate with a focus on the areas of education, affordable energy, health and safety, and the environment. We encourage our employees to support their local communities including through volunteering. Wherever possible, our social investment contributions are consistent with our charitable giving aims.

Performance

In 2022, we provided a total of $1.5 million in charitable donations and social investments (vs $1.1 million in 2021). We were particularly conscious of the impact of increased inflation and rising energy costs on our UK employees. To help our employees at this challenging time, the company made a one-off cost-of-living payment to all UK-based employees below senior management levels and to core contractors. Recipients of the payment had the opportunity to donate part or all of this payment to charity.

Our largest corporate charitable gift was to National Energy Action (NEA). NEA is the national fuel poverty and energy efficiency charity, working to improve the lives of people in fuel poverty, campaigning to ensure everyone can afford to live in a warm and safe home.

Looking ahead

We will continue with our programmes for charitable giving and social investments, in line with our charitable giving priorities.

Community development projects

Indonesia mangrove plantation

As part of Harbour's Global HSE Day in Indonesia, members of the local community and high school students joined staff in our mangrove planting project. This resulted in an additional 1,000 mangrove seedings being successfully planted in Temburun Village, which forms part of the Anambas Islands Regency archipelago, Indonesia. The event included educational sessions that highlighted the importance of Harbour's plantation programmes, and their function in meeting global net zero targets.

Vietnam mangrove plantation

In Vietnam, we invest time and capital in the Ca Mau Forest Plantation Project in partnership with the Gaia Nature Conservation not-for-profit organisation. The project seeks to mitigate climate change, conserve biodiversity and improve life quality of local people through reforesting 40 hectares of mangrove forest in Cape Ca Mau National Park on the southern peninsula of Vietnam. The project will run through to at least 2028 and in addition to sequestering CO_2 from the atmosphere, will improve the other ecosystem services of the site including biodiversity and inland storm protection, combat saltwater intrusion and create a new habitat for wildlife.

Human resources

Promoting a diverse and inclusive working environment

Employee engagement

Our success depends upon our ability to attract and retain talented employees who are engaged by Harbour's purpose and strategy. It is crucial we listen to our colleagues, understand their views and that they in turn know their contribution is valued and appreciated.

Approach

We engage through a variety of ways, including face-to-face meetings, virtual events and digital channels. The CEO, joined by other senior leaders, hosts a global townhall monthly which includes a live Q&A section from staff. Individual functions and business units run their own, more tailored events including village halls and 'lunch and learns'. Our elected local staff forums meet frequently and representatives from these forums meet as a group staff forum with the CEO and other directors. In 2022 we have also created a range of employee-led networks focusing on specific interests, including related to DE&I.

STAFF PARTICIPATION IN OUR FIRST GLOBAL ENGAGEMENT SURVEY

In 2022, we launched a new global performance management process which is centred around more regular engagement between managers and employees. It is heavily linked to the new Harbour culture and values that were also rolled out to all staff at the beginning of 2022.

Performance

During the year we held 12 company-wide townhall meetings, mostly led by the CEO. Each event includes an update on safety, operational and financial results along with special topics. These topics include updates on key projects such as Viking CCS or our new gas discovery in Indonesia, compliance, new HR processes, and other topics of interest to all employees. Each townhall includes a Q&A session where all employees have the opportunity to submit questions to our CEO and other senior leaders.

In addition, numerous other local office or 'village halls' were held, led by local leaders. Members of our Board of Directors joined events in both London and Aberdeen, giving them the opportunity to engage directly with employees.

WORKFORCE TOTAL: (EMPLOYEES & CONTRACTORS)

Female	558
Male	1,663

12
Townhall meetings

Human resources continued

We launched our first global engagement survey for employees and contractors, with a response rate of 84 per cent. The survey established a baseline of metrics across the company in a wide variety of areas including communications, safety culture, collaboration and career development. The high response rate has given us a very good sense of what is working well and where we need to focus our efforts for the future. We had high overall scores in the areas of health and safety, management performance, alignment and involvement. Positive scores were generally more evident outside the UK, where employees have been less impacted by multiple acquisitions and related organisational change.

Following the survey results, we engaged with our staff forums and workforce to consider actions to address the lower scoring areas. Each local forum selected two areas to address and defined actions for improvement. These were predominantly around removing complexity, simplifying systems and processes, and recognition. The group staff forum and leadership team also selected two areas to be addressed company-wide, with the focus on career development and reducing complexity. Identified actions plans are being rolled out in early 2023 and regular updates will be provided to the workforce on their progress.

The company also took the decision to continue with the hybrid working arrangement in the UK following a successful trial in 2021 and positive feedback from employees via the staff forum. We are now exploring hybrid working arrangements in our international offices.

Looking ahead

The focus in 2023 will be to ensure the implementation of action plans designed to address the lower scores from the 2022 engagement survey. Progress will be communicated through our ongoing series of townhalls and village halls and through the local staff forums.

Another engagement survey is planned for 2023.

Human resources continued

A spotlight on our graduate recruitment scheme

Seeking opportunities to gain experience

Martin is a graduate process engineer supporting the North Everest production asset within the Armada, Everest, Lomond and Erskine (AELE) Hub in the UK. Martin recently moved to the role after his first rotation on the graduate programme as a process safety engineer within HSES. Martin joined Harbour Energy after graduating from the University of Aberdeen in 2021, with an MEng degree in Chemical Engineering.

Throughout school I was always interested in the theory of maths and practical elements of chemistry and physics, this alongside a keen interest in problem-solving naturally pushed me towards a career in engineering. Whilst at school, I managed to secure a work placement at Kinneil Terminal in Grangemouth, the receiving end of the Forties Pipeline System (FPS) before entering the refinery, which catalysed my interest in chemical engineering. Working within upstream operations now, it feels like a slight full-circle moment to be supporting an asset which feeds into the FPS.

Working in Harbour, I'm excited by the prospect of continually adding value during our journey to net zero. Joining the graduate programme, it's been important for me to have responsibility from day one. Whilst working with the HSES department, I was part of the team responsible for the rollout and introduction of our Life-Saving Rules and Process Safety Fundamentals. Alongside this, I lead on our Virtual Reality based major accident hazard awareness programme. The initiative focused on hazard identification and risk mitigation to upskill Harbour Energy staff, third parties and stakeholders within the industry. The programme was subsequently rolled out to the Vietnam and Indonesian business units, and was recognised globally, winning the 2022 IChemE Global Award in the Training & Development category. It was a great opportunity to see a newly formed organisation foster a proactive and forward-thinking safety culture.

> I'm eager to contribute to Harbour's future in the energy transition, decarbonising our production in the UK and internationally whilst delivering significant energy security.

MARTIN WARDROPE
GRADUATE PROCESS ENGINEER,
AELE OPERATIONS

Human resources continued

Employment practices

Our success relies on our ability to attract and retain high-calibre employees, while allowing for differentiation within multiple locations.

Approach

Our remuneration strategy allows us to pay competitively for performance, rewarding corporate and individual achievement. Our policies ensure that pay and benefits for all employees are appropriate for the markets in which we operate, and regular global benchmarking maintains our competitive edge.

Our recruitment strategy is paramount to ensuring we attract a high calibre and diverse workforce at all stages of their careers. Focus on graduate recruitment assists with building a pipeline of talent for the future.

We continue to work with trade unions across multiple locations globally. Commitment to freedom of association is critical to ensuring our employees are represented by their choice of union, within the appropriate national laws.

Performance

If we wish to attract and retain the key skills required for the growth of Harbour, we must continue to be competitive in the recruitment market. In 2022, work was undertaken to increase the visibility of our employee value proposition in the external market. Several enhancements were added, utilising tools from LinkedIn, that increased our presence by 21 per cent in three months and increased applications by as much as 800 per cent for some vacancies. In addition, increased presence at university career fairs in 2022 directly corresponded to a higher volume of applicants for our graduate roles.

Recruitment KPIs were designed to drive best practice and are now reported regularly. These include timelines for recruitment from role approval to offer acceptance for both permanent and contract recruitment. DE&I principles are woven into the selection process, including gender balanced shortlists and interview panels, interview question templates and scoring metrics to ensure consistency during the process.

Our competitively positioned base salary is supplemented by incentive compensation programmes and benefits that position us as upper quartile for our total reward package, including our above-market contributions to pension plans. Our benefits package focuses on the health, wealth and lifestyle aspects of employee wellbeing and that of their families.

Our employee salaries are significantly higher than the applicable local minimum wage levels. This is due to the nature of the work, which is generally office-based administrative or highly skilled technical positions.

> FOR MORE INFORMATION
SEE OUR GENDER PAY GAP REPORT

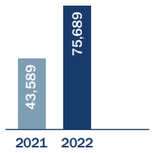
Looking ahead

We will continue to modernise our recruiting processes and ensure a focus on DE&I, utilising new communication channels and targeting new potential recruitment demographics.

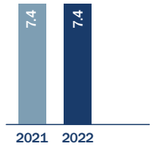
Successful initiatives in the UK are being shared with our overseas offices to ensure best practice and alignment. The framework for graduate recruitment will be rolled out to help attract and hire young professionals within these locations.

We will continue to benchmark our incentive compensation programmes and benefits to ensure we remain in the upper quartile for our total reward package.

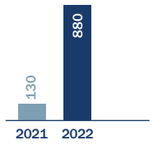
HOURS SPENT ON EMPLOYEE DEVELOPMENT TRAINING



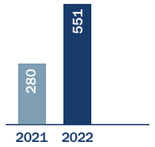
% GLOBAL TURNOVER RATE



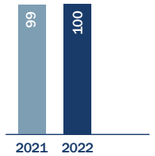
NUMBER OF GRADUATE APPLICATIONS



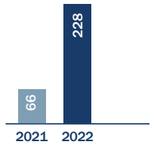
% EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT

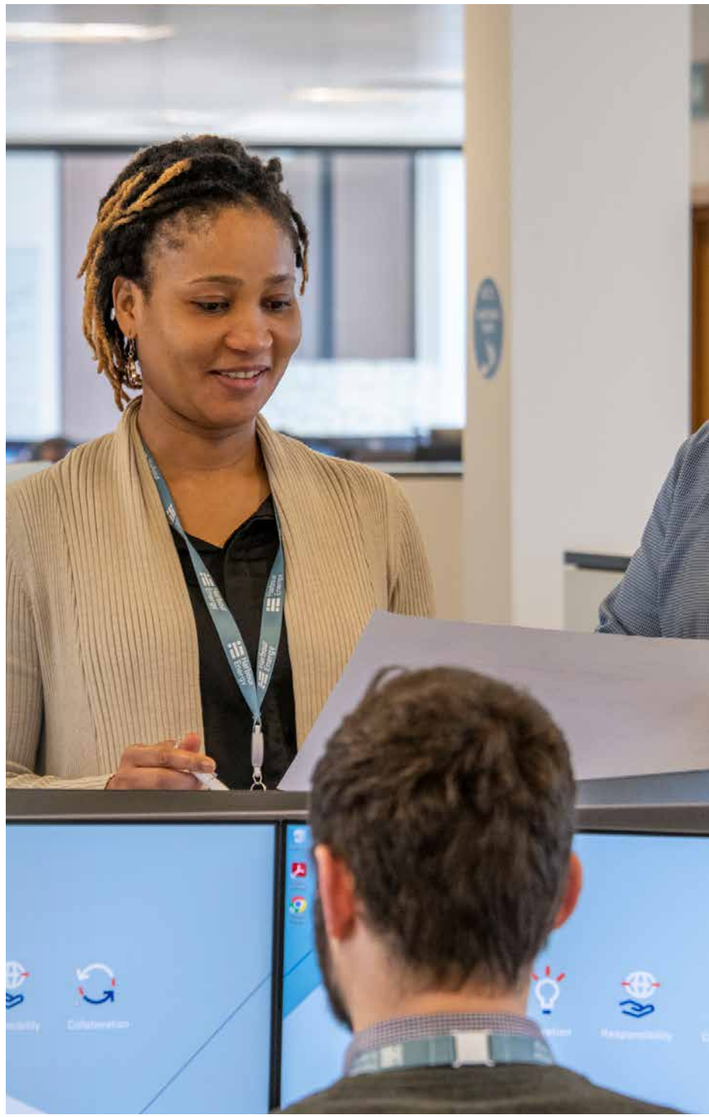


% EMPLOYEES RECEIVED PERFORMANCE REVIEWS



NEW EMPLOYEES RECRUITED EXTERNALLY





Human resources continued

Diversity, equity and inclusion (DE&I)

A diverse and inclusive working environment supports our ability to recruit, retain and promote staff based on competence and regardless of age, disability, gender, marital status, maternity, race, religion and belief, and sexual orientation.

Approach

At Harbour, we work hard to create a culture where everyone can thrive and succeed. Our commitment to building a diverse, equitable and inclusive environment is foundational to our values and behaviours, and is underpinned by the following policies:

- Global Code of Conduct
- People Policy
- Diversity, Equity and Inclusion Policy

DE&I sits at the very heart of our corporate culture. In 2022, we rolled out our corporate values and behaviours, with diversity, equity and inclusion a common theme woven into our identity. Our company values were carefully selected to promote behaviours aligned to promoting an inclusive culture. Also in the year, we updated our DE&I policy in line with international best practices.

We are developing DE&I dashboards that will be rolled out in 2023 to maintain the focus on attracting and retaining diverse talent across the business. An evidence-led approach will support our drive to embed processes and procedures that ensure fair recruitment, advancement and reward for all in Harbour Energy.

Performance

In early 2022, Harbour appointed a Global Head of DE&I who leads the development and supports the execution of a comprehensive, long-term DE&I strategy including a near-term plan for the business.

We remain committed to supporting the recommendations set out in the Financial Times Stock Exchange (FTSE) Women Leaders Review and the Parker Review to promote board-level gender and ethnic diversity. At Board level, 33 per cent of our directors are female and among senior management[1], women represent 35 per cent of the leadership team and their direct reports as of 28 February 2023.

For more information on the composition of our Board, as of 8 March 2023, please see pages 64-67 of our 2022 Annual Report.

By 2030 we are aiming for:

- 40 per cent of our leadership team from diverse backgrounds (gender and ethnicity);
- 30 per cent of women in senior management roles/ across the workforce; and
- 40 per cent of our graduates being female.

Our DE&I framework is focused on building an inclusive culture that creates equal access to opportunity and attracts talent from across our society. In support of this, we set up seven networks in 2022. Each is employee-led and supported by an executive sponsor. Existing networks include:

NETWORK	DIVERSITY FOCUS AREAS
Cultural Network	Ethnic & cultural diversity
Early Careers Network	Age diversity
Gender Balance Network	Gender diversity
Pride Network	Sexual identity/orientation
Menopause Support Group	Age/gender diversity
Neurodiversity Network	Neurodiversity
STEM Ambassadors Network	Socio economic mobility

Questions related to diversity were included in our first global engagement survey, providing a useful benchmark for subsequent surveys. We were encouraged to see that employees and contractors believe we make a visible effort to provide an inclusive work environment and employ people without bias, but found we could do more to make our DE&I efforts and activities more broadly known. The survey was designed so that results can be analysed by gender, by country, and by experience level, providing insights into how our culture is experienced by different employee groups. Where disparities or issues are identified, action plans will be put into place during 2023.

Looking ahead

As we move forward into 2023, our drive to improve diversity, equity and inclusion will continue. Our priorities for the year include:

- developing higher visibility and reporting of our diversity statistics across the business;
- an inclusive recruitment approach; and
- embedded processes to ensure fair advancement and pay for women and ethnic minorities.

1 Definition of senior management level, employee grade 31 and above.

Human resources continued

A spotlight on diversity, equity and inclusion

Understanding the role of diversity in the workplace

Dale is an Offshore Installation Manager (OIM) on one of Harbour's offshore platforms in the UK North Sea, and a proud leader of a diverse team and member of Harbour Energy's gender balance group, where he represents the offshore community.

Diversity has been a constant presence in my life, from working within mixed gender teams in the confines of a ship at sea; with multi-national and multi-cultural teams in conflict and crisis zones; alongside neuro-diverse teams to solve problems effectively; through to serving the diverse communities of the UK as a volunteer police officer.

Leaving secondary school at the age of 16, I commenced my seagoing career in the Royal Fleet Auxiliary and my first appointment found me supporting the humanitarian crisis of the Mozambique floods. I qualified for sea-going command at 27.

Leaving to pursue a more 'normal' life, I moved into commercial shipping before undertaking my first offshore role on a Floating Production, Storage and Offloading installation, and later gained promotion to OIM.

Throughout my career, I have seen the benefit that diversity brings and the negative impacts where diversity is not accepted. Diversity matters to me as, simply, we are the sum of our parts. The more parts we have working together, the more effective our teams, and society, can be.

I am proud to have led a team of OIMs to develop an offshore inclusivity charter to ensure everyone who works on, or visits, our offshore installations feel accepted, welcomed and able to challenge adverse behaviour. Although the charter is still quite new, we have already taken steps to strengthen our delivery of inclusivity offshore, an area which remains under represented. Ensuring that everyone can bring their whole self to work, without fear or favour, enables us to deliver the best we can.

> Diversity matters to me as, simply, we are the sum of our parts. The more parts we have working together, the more effective our teams, and society, can be.

DALE CHEKSFIELD
OFFSHORE INSTALLATION MANAGER (OIM), NORTH SEA

Human resources continued

A spotlight on diversity, equity and inclusion

Supporting the Harbour Pride network

Alison is a reservoir engineer supporting the Catcher offshore producing area in the UK. She joined the company as an economist while studying petroleum engineering through distance learning, becoming a reservoir engineer in 2017. She is Co-Chair of the first Pride Network for Harbour Energy.

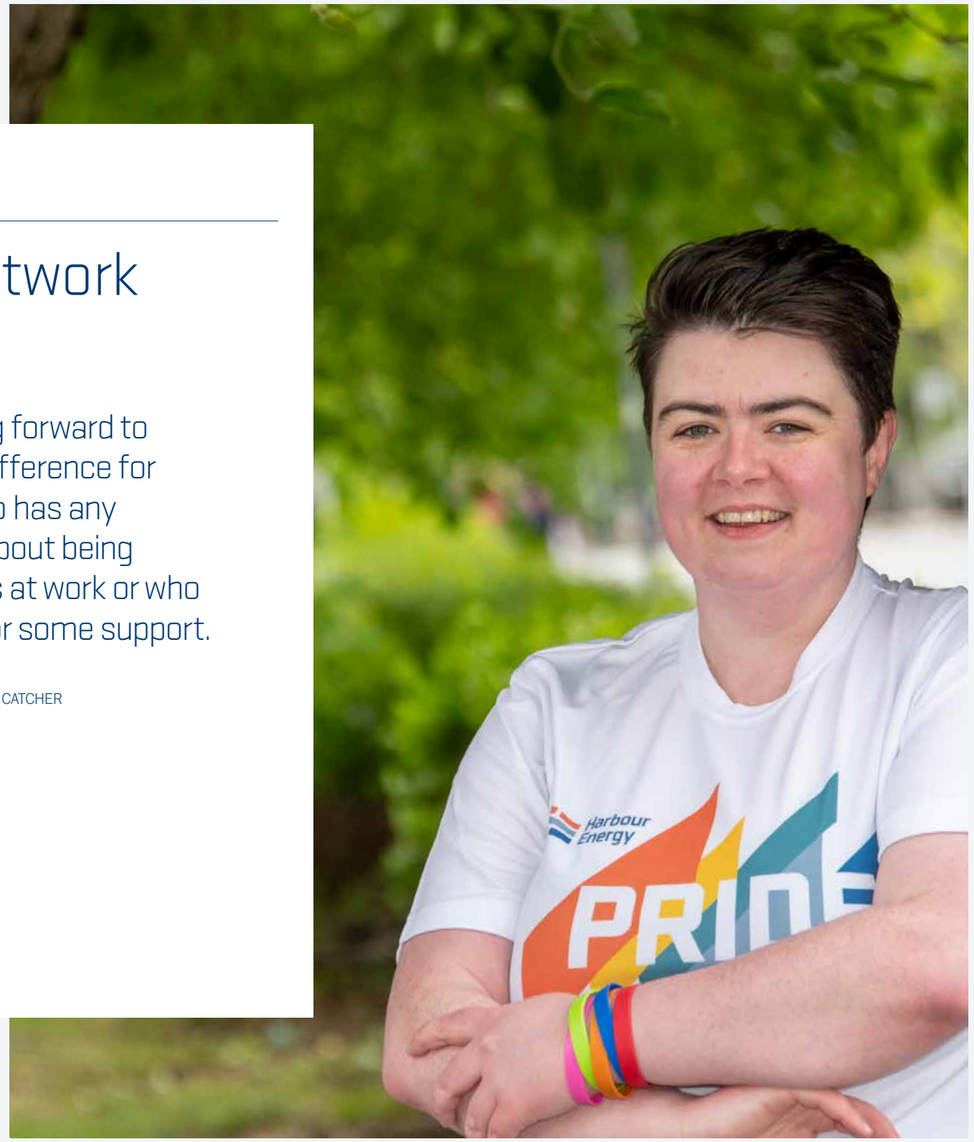
I grew up in the countryside in North Yorkshire, moving to Scotland to do a maths degree in Edinburgh. I didn't initially intend to work in this industry but found a job in Aberdeen working for the UK oil and gas regulator and have been here ever since. Outside of work I can be found doing the garden, attempting some DIY, or training at my local karate club.

I have been a committee member for the cross-industry InterEnergy lesbian, gay, bisexual, transgender and questioning (LGBTQ+) network in Aberdeen since 2013 which was a really important resource for me working at a company without a Pride network, and I hope we can learn from the successes other companies are having in LGBTQ+ inclusion.

I am delighted that Harbour has launched a Pride network for anyone who is part of the LGBTQ+ community or an ally and I am looking forward to making a difference for anyone who has any concerns about being themselves at work or who is looking for some support. Harbour Pride is very new, and we are excited for 2023. Our early plans include working with the local LGBTQ+ charity, Four Pillars, to provide some training in LGBTQ+ topics and provide an opportunity for people to ask questions, and of course we are looking forward to representing Harbour at Grampian Pride in May.

> I am looking forward to making a difference for anyone who has any concerns about being themselves at work or who is looking for some support.

ALISON BOOTH
RESERVOIR ENGINEER, CATCHER



2023 will be my 20th year in the oil industry and I have been fortunate to have worked in the Subsurface, Well Interventions and Drilling disciplines.

The industry has given me the opportunity to make friends from all over the world and has allowed me to experience multiple cultures. I am immensely appreciative of these opportunities.

Harbour Energy (Vietnam) is an example of a success story in terms of gender balance. With a near 50 per cent female to male ratio (same with the BU leadership team), the business is proof of what can be achieved in the absence of bias (conscious or unconscious). I was impressed from my first day in Vietnam and I value all the things I have learnt working in such an environment.

> I was born in Nigeria, spent my formative years in North London, studied in Yorkshire and worked in Aberdeen. Hence, my rather unique accent.

OLU DAINI
EXPLOITATION MANAGER, VIETNAM

Human rights

We work hard to protect worker welfare across our supply chain

Approach

Harbour's activities have the potential to affect human rights and worker welfare directly through our operations, and indirectly through our supply chain and relationships with joint venture partners and third parties.

Our Code of Conduct, core values and related policies including our Human Rights Statement, Supply Chain Policy, Sustainability Policy and People Policy reflect our commitment to upholding human rights, protecting worker welfare standards and preventing modern slavery from taking place in either our business or our supply chain.

All our operated assets are located offshore. The profile of our human rights risks and impact is therefore very different from that of onshore operators. Overall, we consider there to be relatively low risk of modern slavery taking place in our business and supply chains. This is mainly due to the sector we operate in, and because most of our suppliers are staffed with both skilled workers and technical specialists, and have advanced compliance systems.

We expect our contractors and their employees to familiarise themselves with our expectations detailed in our Code of Conduct, act consistently with our policies, standards and procedures relevant to them, and to take all appropriate measures to identify and prevent modern slavery from taking place in their businesses and supply chains.

We have controls and systems in place to help us uphold human rights, protecting workers' welfare standards and preventing modern slavery from taking place including:

- due diligence and engagement prior to onboarding, including screening third parties for any historic human rights or associated breaches or related adverse findings.
- monitoring and periodically refreshing due diligence on third parties throughout the lifecycle of the relationship with them.
- staff training, including risk assessment workshops with relevant personnel and our contractors to reinforce awareness and understanding of the issues and the risks.
- risk-based verification and assurance programmes, which notify legal and compliance teams of any potential issues with contractors throughout the contracting terms. These teams then work to ensure issues are actioned effectively and closed out.

We regularly review the effectiveness of the steps we take to identify and prevent, as far as possible, the risk of modern slavery from taking place in our business and supply chains and to protect worker welfare. Further information is contained in the recent modern slavery and human trafficking statement for the year ending 31 December 2022 which is set out in the link below:

> FOR MORE INFORMATION
SEE OUR MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

For more information on our responsible supply chain management practices, please see page 51 of this report.

Performance

In 2022, we continued to raise awareness of potential modern slavery and worker welfare risks that we could face in our business and the supply chain. We continued a programme of engagement, which we began in 2021, with key contractors to encourage them to improve their engagement with sub-contractors, and to seek to identify whether any of our business activities they support pose enhanced risks in our supply chain.

In 2022, there were no:

- reported violations of our Human Rights Statement, nor any reported incidents of human rights abuses;
- reported security-related incidents with human rights implications;
- operations that restricted workers' rights to exercise freedom of association and collective bargaining; or
- significant negative human rights or labour rights impacts identified in our supply chain.

Zero

Human rights violations in 2022 (zero in 2021)

Looking ahead

We recognise that we must continue to review our work in this area including to:

- undertake audits of and hold discussions with contractors, including providing guidance in respect of lessons learned where we identify any concerns;
- engage with relevant contractors to ensure they have effective grievance mechanisms for concerns expressed by sub-contractors in respect of working conditions;
- ensure that our contracts contain audit and information rights, termination and suspension rights for material breach, and reporting and training requirements relating to worker welfare;
- incorporate an evaluation of worker welfare practices during site visits to contractors' premises where appropriate; and
- consult with our peers and other organisations with a similar risk profile/activity to understand how their approach compares and identify best practices.

05 Governance

Our Board is collectively responsible for the governance of Harbour Energy on behalf of shareholders.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN SDGs we contribute to through our management practices and performance:

PRIMARY SDGS

SECONDARY SDGS

FOR MORE INFORMATION

> VIEW MORE
IN OUR APPENDIX

Introduction
by Howard Landes

Harbour Energy is committed to conducting our operations in line with our core values of integrity, innovation, responsibility and collaboration. Our core values are at the heart of everything we do and we were extremely proud to launch our new Code of Conduct in 2022. The Code contains the fundamental standards by which we conduct our business activities.

HOWARD LANDES
GENERAL COUNSEL

To find out more about our approach to tax:

> READ MORE

The Board is collectively responsible for the governance of Harbour Energy on behalf of our shareholders and is accountable to them for the long-term success of the Group.

The Board governs the Group in compliance with the UK Corporate Governance Code and has established Audit and Risk, Nomination, HSES and Remuneration Committees.

Our governance puts the interests of all our stakeholders at the heart of the Board's decision-making. In 2022, we took steps to further develop our ethics and compliance programme through regular and targeted ethics and compliance training to corporate functions and business units. We also developed new compliance policies, standards and procedures to reflect key compliance risks.

Throughout the year, we continued to review and monitor our Group-wide controls to prevent the facilitation of tax evasion in our wider supply chain. We also participated in several key public policy development issues that included the introduction of the Energy Profits Levy (EPL), the government's new Energy Security Strategy, the new UK sanctions regime introduced after Russia's invasion of Ukraine and the energy transition.

KEY FOCUS AREAS

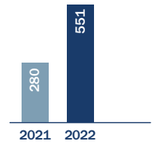
- Maintaining the trust of our stakeholders and the highest standards of business ethics
- Continuously monitoring our Group-wide controls
- Decommissioning our assets the right way
- Nurturing contractor relationships to ensure ongoing business resilience

Zero
Negative environmental, human rights or labour rights impacts in our supply chain (zero in 2021)

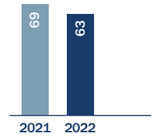
100%
Increase in compliance investigations closed (8 in 2022 and 4 in 2021)

Zero
Significant cyber-attacks or data breaches in 2022 (zero in 2021)

TAX PAYMENTS $MN



% OF NEW CONTRACTS MADE WITH LOCAL SUPPLIERS



Business ethics

Maintaining the trust of our stakeholders

Harbour has zero tolerance for bribery, corruption or fraud and is committed to conducting its activities to the highest ethical standards and in compliance with all applicable laws and regulations. This is consistent with our Code of Conduct and core values, and is critical in maintaining the trust of our stakeholders which underpins both our current and future success.

We strongly encourage everyone to report suspected wrongdoing as soon as possible. We have a Whistleblowing Procedure to provide guidance on how to report confidentially either by using our Speak-Up telephone hotline administered by an external service provider, to a line manager or to our whistleblowing officer, the General Counsel. We always take concerns seriously and investigate them, as appropriate, with confidentiality respected.

Approach

Our Code of Conduct and our core values are at the heart of everything we do. Our four values of integrity, innovation, responsibility and collaboration define what is important to us and what we will not compromise on. These values reinforce a positive, supportive and ethical company culture and conduct.

Our Board and leadership team are responsible for monitoring and managing ethics and compliance activities across Harbour Energy. They work together to raise awareness of ethics and compliance across the business and to involve all employees in ensuring we do the right thing and respect the customs, culture, diversity and regulations of the locations where we do business.

By consistently applying our policies, standards and procedures, and through regular mandatory ethics and compliance training, we ensure we maintain the highest ethical standards. Our training focuses on a range of ethical issues directly relevant to all aspects of our business, regardless of where we work and what we do, and reiterates our determination to develop a culture of openness and accountability.

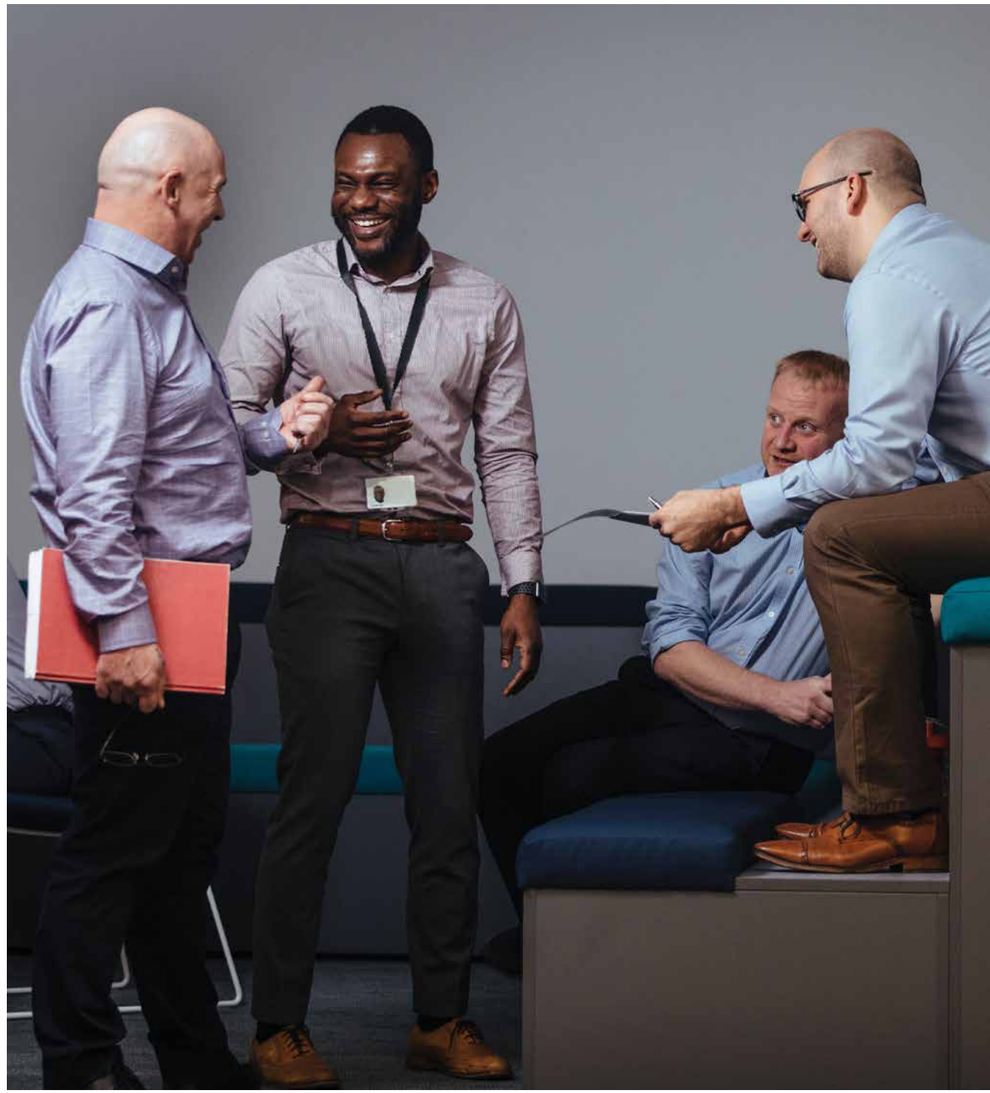
Code of Conduct

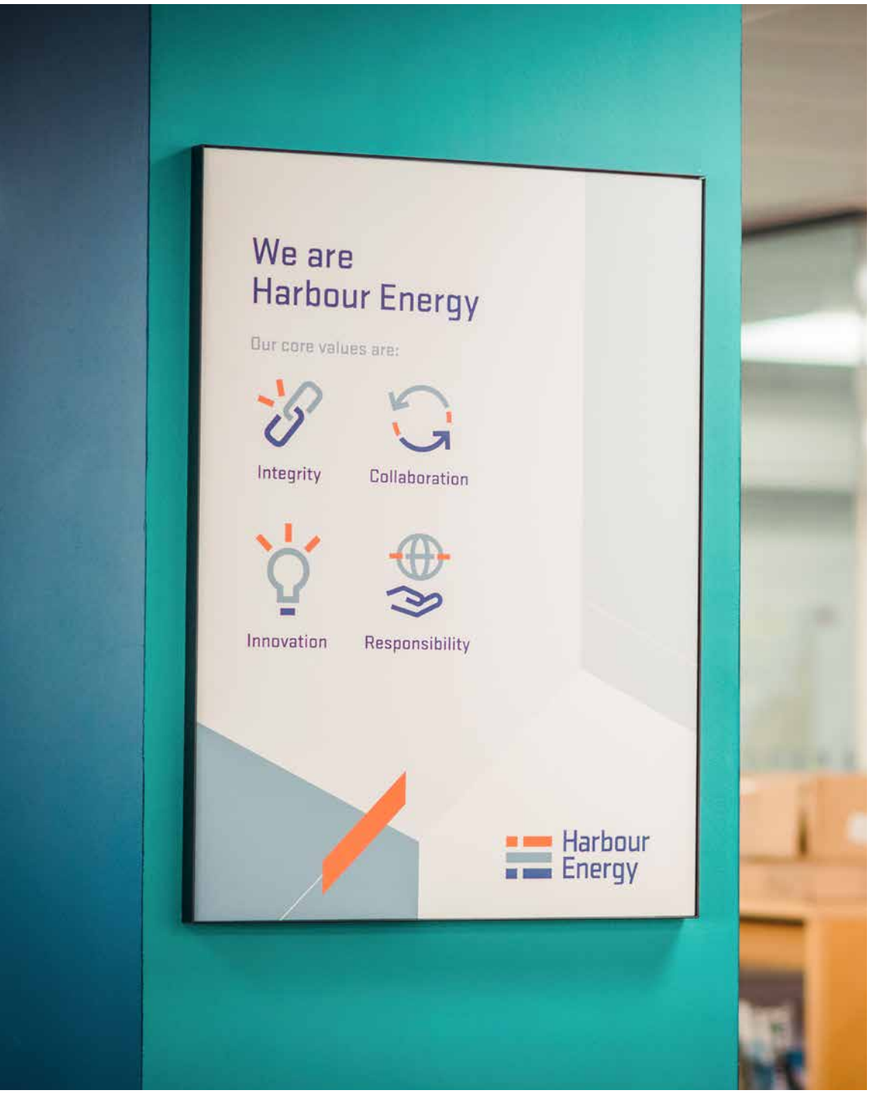
Performance

In 2022, we took steps to further develop our ethics and compliance programme through:

- Regular and targeted ethics and compliance training to corporate functions and business units in respect of key ethics and compliance risks.
- Updates to the compliance risk register to reflect principal compliance risks including fraud, bribery and corruption, economic sanctions, anti-money laundering and anti-tax evasion.
- Development of new compliance policies, standards and procedures to reflect key compliance risks.
- Regular reporting and peer group benchmarking in respect of our Speak-Up and investigations process.

In 2022 we identified zero substantiated allegations of wrongdoing as set out in the Code of Conduct and the Whistleblowing Procedure. Minor technical breaches of process were investigated and appropriate corrective action was taken in response to the findings where relevant. We did not terminate or fail to renew any external business relationships due to breaches of the Code of Conduct. In addition, we were not subject to any significant fines or non-monetary sanctions for legal or regulatory breaches. Finally, we were not subject to any legal actions relating to business ethics, corruption or anti-competitive behaviour.





Tax

Continuously monitoring our Group-wide controls

Approach

We are committed to prompt disclosure and transparency for all tax matters. This includes the disclosures and submissions we make to comply with the requirements of the Reports on Payments to Governments Regulations, the Extractives Industries Transparency Initiative (EITI), and the Country-by-Country Reporting (CBCR) framework developed by the Organisation for Economic Co-operation and Development (OECD).

Harbour's Tax Policy applies to all taxes we are subject to, and covers, among other things: framework, planning, risk management, governance, relationship with authorities and external communications. Throughout the year, we continued to review and monitor our Group-wide controls to prevent the facilitation of tax evasion in our wider supply chain.

For more information on our tax governance, risk management processes and contribution through taxes and mining royalties see:

- The GRI Appendix to this report;
- 2022 Annual Report; and
- Harbour's Tax Policy.

We also participate in the UK Oil Industry Taxation Committee (UKOITC), the Association of British Independent Exploration Companies (BRINDEX) and Offshore Energy UK (OEUK)'s Fiscal Forum, which regularly discuss with tax authorities the technical aspects of taxation relating to the oil and gas industry.

VIEW MORE
About our Tax Policy in our 2022 Annual Report

Performance

During 2022, we made tax payments totalling $551 million, an increase of 97 per cent over 2021. We continue to work in a proactive and collaborative manner with the local tax authorities to conclude appropriately any disputes.

In May 2022 the UK Government introduced the Energy Profits Levy (EPL) to help address the cost-of-living crisis. The increase to and extension of the EPL announced in November[1] necessitated a review of our UK investment levels, with Harbour deciding to scale back activities in certain areas including not participating in the 33rd licensing round. Post period end in January 2023 we initiated a review of our UK organisation to align with lower future investment levels.

Looking ahead

The heightened fiscal instability in the UK requires us to consider the implications on our strategy and investment plans, and to adapt to potential future legislative changes and further fiscal risk.

We are also considering the implications of the OECD Base Erosion and Profit Shifting (BEPS) Pillar 2.0 initiative and associated Global Anti-Base Erosion (GloBE) Rules which in the UK will apply for accounting periods beginning on or after 31 December 2023. We will look to ensure that any potential impacts are understood and that any necessary process, procedure or system enhancements are appropriately implemented.

1 On 21 November 2022, HM Revenue & Customs released a Policy Paper outlining the changes to the Energy Profits Levy, with plans to boost the EPL on oil and gas companies from 25 per cent to 35 per cent, bringing the total tax rate on the sector to 75 per cent. The EPL will also be extended to 31 March 2028.

Security

Continually assessing our cyber and information security capabilities

Cyber-security

Cyber-attacks are a material risk for Harbour, presenting a significant threat to our Group IT infrastructure including operational technology environments. In recent years, threats have increased in complexity, frequency and intensity. In addition, geopolitical tensions have altered the risk and threat landscape exponentially with the increasing trend of ransomware attacks, including double extortion and supply chain attacks. Harbour takes these threats very seriously.

Approach

Our business processes depend on safe, secure and reliable IT operations. We continually assess and develop our cyber and information security capabilities to respond faster and work more efficiently to protect our business. We conduct regular penetration tests, run monthly phishing simulations and also ensure staff receive appropriate security awareness training. In addition, our cyber-security services enable us to quickly identify and address emerging threats. To protect Harbour from new and disruptive technologies, we correlate threat data from multiple sources to equip the cyber and information security team with the intelligence required to detect and manage cyber threats effectively.

Performance

Despite an increase in the threat landscape and intrusion attempts, we had no significant cyber-attacks or system or data breaches during 2022.

Harbour's cyber-defence capabilities are constantly improving, including the significant expansion of the cyber and information security function and enhancing our round-the-clock security operations centre. We have also increased the number of cyber-security audits, tabletop exercises, penetration tests, and continuous scanning and event-monitoring services. In addition, cyber-security and data privacy training is mandatory across the Group and includes monthly phishing awareness campaigns. Procedures to assist us to recover from a cyber event are embedded in our business continuity plans.

In 2022, we undertook a review of our preparedness capabilities in the event of security breaches across our UK onshore offices. The lessons learnt will be incorporated into our processes and then tested in annual assessments and audits.

Zero

Significant cyber-attacks or data breaches in 2022 (zero in 2021)

Physical security

Security risks and threats at facility or asset level across the oil and gas industry can arise because of terrorism, armed conflict, insider actions, protester activity, sabotage, theft or other criminal activity. Protecting Harbour personnel and assets from such activity is crucial to safe operations.

Approach

The assessment of our risk profile indicates that the likelihood of being impacted by a direct security event remains low. However, the dynamic nature of physical security threats necessitates proactive risk management and ongoing vigilance. In this context, we carry out assessments covering both our workforce and assets, and monitor global security activity. These assessments focus on the security risks posed by location, operational activity as well as incident trends.

Performance

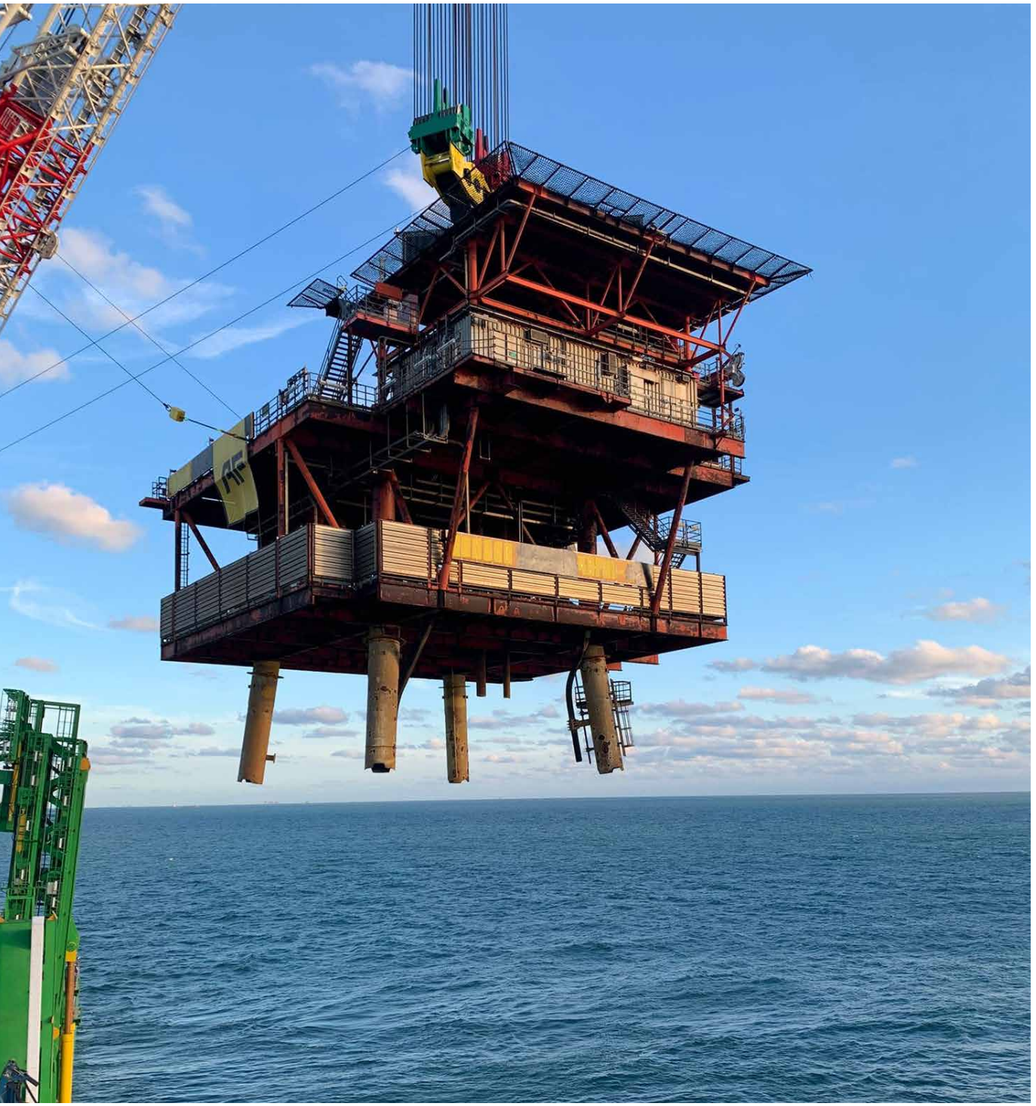
We did not record any direct security incidents in 2022. Preparedness activities are carried out to ensure processes are in place in the event of directed security activity impacting Harbour Energy.

Zero

Direct security incidents in 2022 (zero in 2021)

Looking ahead

Ongoing preparedness activities will continue to ensure a robust response to directed security activity. During 2023, security reviews will be commissioned from external specialists to identify areas of improvement within the current Harbour Energy security processes, procedures and facilities. We will also roll out an integrated Harbour Energy physical security standard.



Decommissioning

Decommissioning our assets in the right way

Approach

Decommissioning oil and gas infrastructure no longer in use is a key element of our business activities and plans, and a natural part of the energy transition. Demonstrating the ability to undertake this work safely and efficiently is increasingly important as the world advances towards a lower carbon-intensive future.

We decommission our operated assets in a sequential, cost-effective and efficient manner. In doing so, we focus on protecting the environment, ensuring the safety of the workforce and minimising the impact on communities during and after closure. This applies to all phases from pre-planning through execution and post-removal monitoring, incorporating full engagement plans with all stakeholders concerned.

Our experienced in-house personnel manage these activities and are guided by our HSES policy and standards.

Our UK decommissioning activities are aligned with the North Sea Transition Authority's Decommissioning Strategy and Stewardship Expectations and comply with the decommissioning guidance notes prepared by the UK Department for Energy Security and Net Zero (DESNZ). As part of this, Environmental Appraisals have been submitted, in conjunction with the field Decommissioning Programmes, to assess the potential environmental impacts that may result from undertaking the decommissioning activities at each field.

We undertake decommissioning activities outside the UK in full compliance with national statutory requirements, or, in circumstances where these are not in place, we apply the same high standards we follow in the UK.

Performance

In 2022, we removed four satellite platforms from the Lincolnshire Offshore Gas Gathering System (LOGGS) and removed the Murdoch complex in the UK Southern North Sea. All structures were transported onshore for dismantlement and recycling. During the year, plug and abandon programmes have continued on Southern North Sea wells.

In the UK Central North Sea, we removed subsea equipment in the Balmoral area in preparation for well plug and abandonment. Dismantlement of the Balmoral Floating Production Vessel is ongoing.

Following approval of these Decommissioning Programmes and Environmental Appraisals in the Southern North Sea and Central North Sea areas, the environmental team have submitted a variety of permits to BEIS to allow for the removal of platforms and subsea infrastructure, and the plug and abandon activities. These activities span the entire UK portfolio. These permits document the environmental impact assessments applicable to the specific operations at each location.

We continue to explore solutions that would allow us to repurpose our assets at end of field life, for example through projects such as Viking CCS in the UK where we are examining the reuse of redundant pipeline facilities and depleted fields for the transport and storage of CO_2.

For more information on the Viking CCS project, please refer to the case study on pages 27-28.

Responsible supply chain management

Nurturing contractor relationships to ensure ongoing business resilience

At Harbour Energy, a significant proportion of business activity is outsourced to contractors. Effective management of these outsourced activities and the contractors who manage them, particularly in light of macroeconomic shocks like a return to normality after Covid-19, the ongoing Russia/Ukraine war and the cost-of-living crisis, is a critical activity in safeguarding business continuity and operational excellence.

Approach

A key component of our ongoing efforts to ensure responsible supply chain management is the review and consolidation of existing contract portfolios especially in the UK Continental Shelf where these have been largely inherited through acquisitions over the past five years – in order to streamline and subsequently enable the development of robust contractor partnerships that have at their core the obligation of mutual benefit. We continue to work closely with our contracting base to ensure the health and safety of all resources employed in support of Harbour Energy business plans, as well as ongoing business resilience for Harbour and our contractors.

There has been a growing focus on the resilience of our contracting base as material macroeconomic factors create and enable market instability across key activities but also in entire economies. The focus of many of our critical contractors is no longer solely on upstream hydrocarbon extraction; the refocusing of large parts of the core contracting capability towards energy transition activities in itself creates further market flash points as relevant supply and capacity are removed. The contracting capability that remains will be in greater demand than for more than a decade and the task for Harbour is to act and be seen as a 'client of choice' for many.

We manage our contractors under seven key performance indicators – HSES, cost, schedule, quality, greenhouse gas emissions management, value-add and relationships. Furthermore, we subject all new contractors to an initial risk-based HSES assessment via either prequalification, bidding or review, and then again during contract commencement. Many of our contractors will also be subject to relevant contract audits, with a focus on quality and HSES issues, throughout the contract management period.

Our Contractor Due Diligence Process also screens all new contracting entities regardless of commitment type (Contract or Purchase Order) for human rights, labour rights, corruption, and financial and business ethics risks. This screening activity is also a precursor to ongoing monitoring for all third parties. This initial screening is followed up by a risk-based questionnaire process that enables the contract teams to focus on materially high-risk contracts.

Harbour has all relevant onboarding requirements in place across all business units.

Performance

Over the last 18 months we have updated our global supply chain business management system (BMS) documentation including policy, standards, procedures and resources. We will now support this consolidation activity with internal audits and internal assurance reviews to ensure successful implementation by our business units. For more information on how we identify and prevent the risk related to modern slavery and protection of worker welfare across our supply chain, refer to the human rights section on page 44.

In 2022, we identified zero negative environmental, human rights or labour rights impacts in our supply chain.

During 2022, 63 per cent of our new supplier contracts were with locally owned entities and operated entities. 29 per cent of new contracts were signed with local entities owned by foreign parent companies, whilst the remaining 8 per cent were with foreign companies.

Looking ahead

In 2023 we will introduce updated due diligence procedures that will require all new contracting entities to complete the new screening activity, as well as to be subject to ongoing monitoring. This improves our risk mitigation from previous years when only the most material contracts were subject to robust due diligence. For the first time in 2022, we introduced several of our most material contractors to our ESG materiality process. In 2023 we will continue to invite more of our most material contractors to take part.

A new tool, the Dow Jones Risk Centre (DJRC) system, will be used to review our contracting entities and their performance across a range of ESG issues. Auditing of our key contractors will also continue, applying a risk-based approach.

Integrating Scope 3 emissions into our sustainable procurement practices

Sustainable procurement is a key initiative that supports functional excellence. For Harbour, this means using our contracts and procurement (C&P) model to support Harbour's net zero strategy, with particular reference to Scope 3 emissions. The C&P model has three phases:

1. Plan: category management and development of individual contract strategies;
2. Source: going to the market with the approved contract strategy;
3. Manage: ongoing contract and relationship management covering the execution of the contract.

Integrating emissions assessment into this model will help us make a first assessment of our supply chain Scope 3 emissions in 2023, and enable us to develop plans for reducing these in the future.

The model we have developed to incorporate 'net zero' into the C&P model will be used as the standard for incorporating other ESG reporting activity, e.g. on DE&I, into Harbour's outsourced activities.

Public policy and government relations

Working closely with our partners

Our host governments are crucial partners in our work to safely provide reliable, secure energy, and to support the energy transition.

Approach

As a leading oil and gas company, we participate in working groups, taskforces and consultations on public policy and legislation in the countries in which we operate. We do so directly and through our membership of trade, industry and other professional associations. We carry out all such engagements in accordance with our applicable policies. Our policies do not permit the use of our funds or resources as contributions to any political campaign, political party, political candidate, or any such affiliated organisations.

Performance

During 2022, several key public policy development issues became the focus of our attention and engagement in the UK. These included, but were not limited to, the introduction of the Energy Profits Levy (EPL), the government's new Energy Security Strategy, the new UK sanctions regime introduced after Russia's invasion of Ukraine and the energy transition. We also engaged in climate-specific public policy developments including the introduction of a new climate compatibility checkpoint for the North Sea basin, the UK Government's upcoming Track 2 process to support CO_2 capture and storage (CCS), electrification and the North Sea Transition Deal (NSTD).

We are working with the UK Government, public bodies and industry partners to support the UK's net zero ambitions through our participation in projects aiming to capture, transport and store CO_2, including through our Viking CCS project (see pages 27-28).

Meanwhile in 2022, we delivered approximately 15 per cent of the UK's domestic gas production.

In Harbour's international offices, we routinely take part in industry working groups surrounding updates to waste management aspects, oil spill response planning and atmospheric administration. This also extends to working with local regulators to consult and support on changes to environmental law. Furthermore, in Indonesia we received the 'green' classification, for a third year in a row, through the Program for Pollution Control, Evaluation and Rating (PROPER).

$604k

Total spending on fees paid for memberships in trade, industry and other professional associations in 2022

Looking ahead

We continue to engage the UK Government in relation to the EPL and the impacts of this material tax increase on our business, our employees and contractors.

We look forward to the launch of the UK Government's Track 2 process for the deployment of CCS: the next phase of the government competition rounds for CCS clusters in the UK. In parallel, the government continues to develop business models and regulatory frameworks needed for the deployment of this new industry. We will continue to cooperate with the government on any future consultations and processes for the rollout of CCS in the UK. We will also continue to engage with local stakeholders, who will be impacted by the construction of key sites for the cluster, such as through the development consent order process.

We actively participate in host government working groups and joint industry projects such as the Net Zero Technology Centre methane monitoring programme, including those under the NSTD, the Offshore Energies UK (OEUK) methane action group and atmospheric working group. Harbour is also a member of the Carbon Capture and Storage Association (CCSA).

06 Appendix

External review of our ESG reporting

Verisk Maplecroft was commissioned by Harbour Energy plc to:

- Conduct an ESG materiality assessment to help inform the ESG content of Harbour Energy's 2022 ESG Report (see below).
- Support the overall content development of Harbour Energy's 2022 ESG Report, and its alignment to the GRI Standards and other applicable standards (see below).
- Ensure the accuracy of disclosures made against material ESG topics in Harbour Energy's 2022 ESG Report.

This statement is made in our capacity as an ongoing service provider to Harbour Energy on this assignment. Verisk Maplecroft did not directly verify the data relating to the Environment, Safety, Social and Governance (ESSG) aspects of the report. We did, however, confirm the existence of Harbour Energy policy statements, the veracity of management systems and the rigour of internal reporting/review processes.

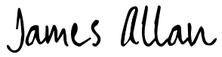
Methodology

Verisk Maplecroft's review of Harbour Energy's ESG performance involved the following activities between September 2022 and March 2023:

- Internal engagement: This included interviewing subject matter experts across key disciplines (including HSES, human resources, legal, audit and risk management, investor relations, and others) at both Group level and business unit level, to gather information for the 2022 ESG Report and to update scoring for the materiality assessment process.
- Standards and recommendations: This included supporting Harbour Energy with the alignment of its 2022 ESG Report to international best practice reporting standards and recommendations. These standards included (1) GRI Standards (including the latest GRI 11: Oil and Gas Sector 2021 Standard); (2) UN Global Compact Principles; (3) Task Force on Climate-related Financial Disclosures (TCFD); and (4) Sustainability Accounting Standards Board (SASB).
- In addition, our work involved engagement with Harbour Energy on the potential for further public reporting to meet the emerging expectations of external stakeholders.
- Materiality assessment process: Verisk Maplecroft assisted Harbour Energy with the scoring and outputs of its structured materiality assessment process to help identify its material ESG issues. This included engaging with internal and external stakeholders. The overall process is aligned with the requirements of the GRI Standards.
- Gap analysis: A high-level gap analysis was carried out to identify and, where feasible, address gaps in Harbour Energy's existing reporting practices.
- Performance enhancement: The outcomes from the review of standards and gap analysis were used, where possible, to enhance Harbour Energy's level of reporting.

Materiality and completeness

Verisk Maplecroft believes that the narrative and data presented in this report are an accurate representation of Harbour Energy's material ESG issues. Verisk Maplecroft is also satisfied that Harbour Energy's GRI Core 'in-accordance' claim is fairly stated. Harbour Energy has reported on its management approaches towards its material issues and on relevant disclosures.



JAMES ALLAN
VP, HEAD OF CONSULTING

10 MARCH 2023
VERISK MAPLECROFT, 1 HENRY STREET,
BATH BA1 1JS, UNITED KINGDOM

Independent assurance statement

ERM Certification & Verification Services Limited ('ERM CVS') was engaged by Harbour Energy Plc ('Harbour') to provide limited assurance in relation to the selected information set out below and presented in Harbour's ESG Report 2022 (the 'Report').

Engagement summary	
Scope of our assurance engagement	Whether the following 2022 selected information are fairly presented in the Report, in all material respects, in accordance with the reporting criteria: ■ 11.1.2 (302-1 Energy consumption within the organisation) ■ 11.1.3 (302-2 Energy consumption outside of the organisation) ■ 11.1.4 (302-3 Energy intensity) ■ 11.1.5 (305-1 Direct (Scope 1) GHG emissions) ■ 11.1.6 (305-2 Energy indirect (Scope 2) GHG emissions) ■ 11.1.7 (305-3 Other indirect (Scope 3) GHG emissions – Category 1 (Purchased goods and services), Category 4 (Purchased Goods and Services), Category 5 (Waste), Category 6 (Business travel) and Category 15 (Investments) only. ■ 11.1.8 (305-4 GHG emissions intensity) ■ 11.3.1 (305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions) ■ 11.5.2 (306-1 Waste generation and significant waste-related impacts) ■ 11.5.3 (306-2 Management of significant waste-related impacts) ■ 11.5.4 (306-3 Waste generated) ■ 11.5.5 (306-4 Waste diverted from disposal) ■ 11.5.6 (306-5 Waste directed to disposal) ■ 11.6.4 (303-3 Water withdrawal) ■ 11.6.5 (303-4 Water discharge) ■ 11.6.6 (303-5 Water consumption) ■ 11.8.2 (306-3 Significant spills) ■ 11.8.3 (Tier 1 and Tier 2 process safety events) ■ 11.9.10 (403-9 Work-related injuries) Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Reporting period	1st January 2022 – 31st December 2022
Reporting criteria	GRI 11: Oil and Gas Sector 2021 (including applicable GRI Topic Standards)
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial issued by the International Auditing and Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	Harbour is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the selected information. ERM CVS' responsibility is to provide conclusions to Harbour on the agreed scope based on our engagement terms with Harbour, the assurance activities performed and exercising our professional judgement. We accept no responsibility, and deny any liability, to any party other than Harbour for the conclusions we have reached.

Independent assurance statement continued

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the selected 2022 information listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the selected information, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Assessing the appropriateness of the reporting criteria for the selected performance data.
- Interviews with management representatives responsible for managing the selected issues.
- Interviews with relevant staff to understand and evaluate the relevant management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the year-end data submitted by all locations included in the consolidated 2022 group data for the selected information which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- Confirming conversion and emission factors and assumptions used.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of Parts A & B of the IESBA Code relating to assurance engagements.

The team that has undertaken this assurance engagement has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Harbour in any respect.

GARETH MANNING
PARTNER, CORPORATE ASSURANCE
LONDON, UNITED KINGDOM

7 MARCH 2023

ERM Certification and Verification Services Limited
www.ermcvs.com | post@ermcvs.com

Appendix contents

GRI: General disclosures

This document aims to provide a consolidated overview of Harbour Energy reporting against the Global Reporting Initiative (GRI), including the supplement for the Oil & Gas Industry. We have included a note to highlight whether a topic is material for Harbour Energy. Furthermore, each disclosure point has been marked using the following legends:

ORGANISATIONAL PROFILE		DISCLOSURE	ESG	APP	DATA	AR	WEB
102-1	Name of the organisation	●					LINK
102-2	Activities, brands, products and services	●					LINK
102-3	Location of headquarters	●				123	LINK
102-4	Location of operations	●				22–29	LINK
102-5	Ownership and legal form	●				186	LINK
102-6	Markets served	●					LINK
102-7	Scale of the organisation	●					LINK
102-8	Information on employees and other workers	●			Soc. Data		
102-9	Supply chain	●	51		Gov. Data		
102-10	Significant changes to the organisation and its supply chain	●				1–54	
102-11	Precautionary principle or approach	●		Notes below		1–54	
102-12	External initiatives	●		Notes below			
102-13	Membership of associations	●	52	Notes below			
NOTES	*Harbour Energy is member of a number of industry associations, where we often sit on committees and other task forces. The membership of associations include: IOGP, Energy Institute, Oil & Gas UK, EETRTAG, FABIG, Step Change in Safety, DROPS, EPOL and BEIS (OPRED). We disclose total fees associated with membership of associations in our ESG Report. Examples of external initiatives include UN Global Compact and Global Reporting Initiative. 102-11: Refer to GRI 307.*						

STRATEGY		DISCLOSURE	ESG	APP	DATA	AR	WEB
102-14	Statement from senior decision-maker	●	5			2–3	
102-15	Key impacts, risks and opportunities	●				54–59	
NOTES							

ETHICS AND INTEGRITY		DISCLOSURE	ESG	APP	DATA	AR	WEB
102-16	Values, principles, standards and norms of behaviour	●				4	
102-17	Mechanisms for advice and concerns about ethics	●	47				
NOTES							

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted

ESG ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI: General disclosures continued

GOVERNANCE		DISCLOSURE	ESG	APP	DATA	AR	WEB
102-18	Governance structure	●				60–127	LINK
102-19	Delegating authority	●				60–127	
102-20	Executive-level responsibility for economic, environmental, and social topics	●				60–127	
102-21	Consulting stakeholders on economic, environmental, and social topics	●				60–127	
102-22	Composition of the highest governance body and its committees	●				60–127	
102-23	Chair of the highest governance body	●				60–127	
102-24	Nominating and selecting the highest governance body	●				60–127	
102-25	Conflicts of interest	●				60–127	
102-26	Role of highest governance body in setting purpose, values, and strategy	●				60–127	
102-27	Collective knowledge of highest governance body	●				60–127	
102-28	Evaluating the highest governance body's performance	●				60–127	
102-29	Identifying and managing economic, environmental, and social impacts	●				60–127	
102-30	Effectiveness of risk management processes	●				60–127	
102-31	Review of economic, environmental, and social topics	●				60–127	
102-32	Highest governance body's role in sustainability reporting	●		Notes below			
102-33	Communicating critical concerns	●	46–47				
102-34	Nature and total number of critical concerns	●	46–47				
102-35	Remuneration policies	●				78–99	
102-36	Process for determining remuneration	●				78–99	
102-37	Stakeholders' involvement in remuneration	●		Notes below			
102-38	Annual total compensation ratio	●		Notes below		78–99	
102-39	Annual total compensation ratio	●		Notes below		78–99	
NOTES	*102-34: Partly reported as we do not disclose the nature of critical concerns that were communicated to the highest governance body for confidentiality reasons. 102-37: We engage our major shareholders when designing our remuneration policies, but not our broader stakeholder group. 102-38 and 102-39: Partly reported. We provide the ratio of the CEO's pay to the lower quartile, median, and upper quartile pay in our Annual Remuneration Report for the last three years, but we do not report data on highest-paid individual in each country of significant operations to the median annual total compensation for all employees, nor the percentage increase. The Board of Directors approves the ESG Report.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI: General disclosures continued

STAKEHOLDER ENGAGEMENT		DISCLOSURE	ESG	APP	DATA	AR	WEB
102-40	List of stakeholder groups	●	10			14–17	
102-41	Collective bargaining agreements	●	40		Soc. Data	14–17	
102-42	Identifying and selecting stakeholders	●	10	Notes below		14–17	
102-43	Approach to stakeholder engagement	●	10	Notes below		14–17	
102-44	Key topics and concerns raised	●				14–17	
NOTES	*Our stakeholders are selected for engagement on the basis of: a) Their actual and/or potential impact on Harbour, and the achievement of our business objectives, and b) our actual and/or potential impact, both positive and negative, on them. We have identified a number of key stakeholder groups, and these include: shareholders and lenders, JV partners, our workforce (incl. contractors), government and regulators, suppliers and customers. Approach: engagement with stakeholders takes place at different levels: Corporate level (i.e. for strategic issues) and Business unit level (i.e. for both strategic and operational issues). Furthermore, the frequency of our engagements (daily, weekly or monthly), and the mechanism by which we engage (direct engagement, virtual meetings, annual reports etc), depends on who we are engaging with.*						

REPORTING PRACTICE		DISCLOSURE	ESG	APP	DATA	AR	WEB
102-45	Entities included in the consolidated financial statements	●				108–175	
102-46	Defining report content and topic boundaries	●	2			108–175	
102-47	List of material topics	●	7				
102-48	Restatements of information	●				108–175	
102-49	Changes in reporting	●				108–175	
102-50	Reporting period	●	2			108–175	
102-51	Date of most recent report	●	2			108–175	LINK
102-52	Reporting cycle	●	2			108–175	
102-53	Contact point for questions regarding the report	●				204	
102-54	Claims of reporting in accordance with the GRI Standards	●	6				
102-55	GRI content index	●		Notes below			
102-56	External assurance	●	55–56			108–175	
NOTES	*102-55: This GRI Table is our GRI content index.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 200: Economic

GRI 201: ECONOMIC PERFORMANCE (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●				1	
201-1	Direct economic value generated and distributed	●			Gov. Data		
201-2	Financial implications and other risks and opportunities due to climate change	●	22–27	Notes below		1–54	
201-3	Defined benefit plan obligations and other retirement plans	●				134	
201-4	Financial assistance received from government	●			Gov. Data		
NOTES	*We provide a wide range of data and supportive narrative concerning risks and opportunities related to climate change in both the Annual and ESG Reports. However, we do not report on 201-2 a – v.*						

GRI 202: MARKET PRESENCE (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	●		Notes below			
202-2	Proportion of senior management hired from the local community	●			Soc. Data		
NOTES	*202: Not applicable. Our employees receive salaries that are significantly higher than applicable local minimum wage levels. This is due to the nature of employee roles at Harbour Energy, which are generally office-based administrative roles or highly skilled technical roles. Entry grade salary levels in our international operations are significantly higher than the applicable local minimum wage. 202-2: We provide data for nationals (locals) in senior management (including grade applied) in the Data Sheets (although not broken down by location).*						

GRI 203: INDIRECT ECONOMIC IMPACTS (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	35–36				
203-1	Infrastructure investments and services supported	●	35–36	Notes below			
203-2	Significant indirect economic impacts	●	35–36	Notes below			
NOTES	*203-1 (a), (b) and (c): Partially reported. 203-2 (a) and (b): Partially reported. Impacts through value generation and distribution are reported in a general context and not on a project basis or in context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.*						

GRI 204: PROCUREMENT PRACTICES (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	51				
204-1	Proportion of spending on local suppliers	●	51		Gov. Data		
NOTES							

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 200: Economic continued

GRI 205: ANTI-CORRUPTION		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	47				LINK
205-1	Operations assessed for risks related to corruption	●	47				
205-2	Communication and training about anti-corruption policies and procedures	●	47				
205-3	Confirmed incidents of corruption and actions taken	●	47				
NOTES							

GRI 206: ANTI-COMPETITIVE BEHAVIOUR (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	47				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	●	47	Notes below			
NOTES	*No legal actions for anti-competitive behaviour, anti-trust, and monopoly practices were brought against Harbour Energy in 2022.*						

GRI 207: TAX (2019)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	48	Notes below			LINK
207-1	Approach to tax	●		Notes below			LINK
207-2	Tax governance, control and risk management	●		Notes below			LINK
207-3	Stakeholder engagement and management concerns related to tax	●	48	Notes below			LINK
207-4	Country-by-country reporting	●		Notes below		178–179	
NOTES	*We provide a wide range of tax related data throughout our Annual Report. Tax is audited every year by an independent external auditor as part of the annual audit for the financial statements. For more information regarding approach, governance, control and risk management related to taxation, please refer to our Tax Policy and Annual Report.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 300: Environmental

GRI 301: MATERIALS (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			
301-1	Materials used by weight or volume	●		Notes below			
301-2	Recycled input materials used	●		Notes below			
301-3	Reclaimed products and their packaging materials	●		Notes below			
NOTES	*Energy is the dominant input and output of our operations, therefore the value of reporting total materials by weight or volume for our sector is limited.*						

GRI 302: ENERGY (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	31				
302-1	Energy consumption within the organisation	●	31		Env. Tab		
302-2	Energy consumption outside of the organisation	●		Notes below			
302-3	Energy intensity	●	31		Env. Tab		
302-4	Reduction of energy consumption	●	31				
302-5	Reduction in energy requirements of products and services	●		Notes below			
NOTES	*302-2: Energy consumption outside of the organisation is currently not reported. We do not report reduction of energy consumption broken down by types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam. 302-5: Reduction in energy requirements of products and services is not applicable to our operations.*						

GRI 303: WATER AND EFFLUENTS (2018)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●					
303-1	Interactions with water as a shared resource	●		Notes below			
303-2	Management of water discharge-related impacts	●		Notes below			
303-3	Water withdrawal	●		Notes below	Env. Tab		
303-4	Water discharge	●		Notes below	Env. Tab		
303-5	Water consumption	●		Notes below	Env. Tab		
NOTES	*Our materiality assessment has shown that water is a less material topic for Harbour Energy. All of our operated assets are offshore and we have a limited impact on local water availability. We do not operate in regions with high or extremely high baseline water stress, where access to water may cause operational disruptions and/or conflicts with local communities over scarce resources. Nor do we operate in areas where there is a risk of aquifer contamination. We monitor water produced alongside our offshore operations and treat it to reduce the concentration of oil in water to permitted levels, before discharging it to the marine environment. Globally, we do not extract any water directly from freshwater sources (e.g. springs, streams, rivers, freshwater lakes etc.). Most of the water we use is seawater as all our operations are located offshore. We disclose several Effluents and Waste KPIs in our Data Sheets. 303-3: We do not break down total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megalitres by category nor by the unit of metric: ≤1,000 mg/L Total Dissolved Solids. GRI 303-4: We do not disclose water discharge to all areas in megalitres, and a breakdown of this by points i. ii. iii. iv.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 300: Environmental continued

GRI 304: BIODIVERSITY (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●		Notes below			
304-2	Significant impacts of activities, products, and services on biodiversity	●		Notes below			
304-3	Habitats protected or restored	●		Notes below			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	●		Notes below			
NOTES	*Harbour Energy takes consideration of biodiversity risks within our decision-making and the systems and controls when undertaking activities within protective or sensitive areas (all our operating sites undergo biodiversity risk assessments as part of the EIA process). We have no operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. We have therefore limited impact on areas of high biodiversity value. 304-3 and 304-4 not reported as these are not applicable.*						

GRI 305: EMISSIONS (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	19–30		Env. Tab	32–39	
305-1	Direct (Scope 1) GHG emissions	●	19–30		Env. Tab		
305-2	Energy indirect (Scope 2) GHG emissions	●	19–30		Env. Tab		
305-3	Other indirect (Scope 3) GHG emissions	●	19–30	Notes below	Env. Tab		
305-4	GHG emissions intensity	●	19–30		Env. Tab		
305-5	Reduction of GHG emissions	●	19–30				
305-6	Emissions of ozone-depleting substances (ODS)	●	19–30		Env. Tab		
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	●		Notes below	Env. Tab		
NOTES	*The vast majority of our GHG emissions are emitted in our UK operations. We are obliged under the UK Government's Energy Savings Opportunity Scheme (ESOS) to calculate our total energy consumption in the UK, identify areas of significant energy consumption in the UK, and provide this information to the UK Environment Agency. Efficient energy use helps us reduce our GHG emissions and lower operating costs. 305-3 Partly reported: Harbour Energy discloses Scope 3 GHG emissions data purchased good and services (Cat 1), upstream transportation and distribution (Cat 4), waste generated in operations (Cat 5), business travel (Cat 6) and investments (Cat 15). Disclosure of other Scope 3 related emissions throughout our value chain is currently under consideration. 305-7 Partly reported. Air quality (air emissions) has been considered non-material given that, as an offshore operator, we have limited impact on nearby communities. However, we do provide a wide range of air emissions data. Nitrogen oxides (NOx), sulphur oxides (SOx) and PM are currently not disclosed. Disclosure of additional air emissions data is under consideration.*						

GRI 306: WASTE (2020)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	32				
306-1	Waste generation and significant waste-related impacts	●	32				
306-2	Management of significant waste-related impacts	●	32				
306-3	Waste generated	●	32		Env. Tab		
306-4	Waste diverted from disposal	●	32		Env. Tab		
306-5	Waste directed to disposal	●	32		Env. Tab		
NOTES	*We began disclosing waste related data using the GRI 306 (2020) standard for our 2021 ESG Report.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 300: Environmental continued

GRI 307: ENVIRONMENTAL COMPLIANCE (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	Throughout report	Notes below		76–77	
307-1	Non-compliance with environmental laws and regulations	●	32	Notes below	Env. Tab		
NOTES	*Our Health, Safety, Environment and Security (HSES) Management System helps us manage our environmental impacts across our operations and projects. We prepare environmental impact assessments (EIAs) and social impact assessments (SIAs) for all our operated activities. The assessments are designed to consistently identify and mitigate our impacts (physical, environmental and socio-economic), and thereby reduce or avoid negative impacts on the environment (precautionary principle). Where applicable, we submit our EIAs and SIAs to the respective regulatory bodies in our host countries for approval prior to conducting our operated activities. We have not identified any non-compliance with environmental laws and/or regulations, nor have we been subject to any fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations during 2022.*						

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	51	Notes below			
308-1	New suppliers that were screened using environmental criteria	●	51	Notes below			
308-2	Negative environmental impacts in the supply chain and actions taken	●	51	Notes below			
NOTES	*We subject all new contractors to an initial risk based HSES (Health, Safety, Environment and Security) assessment either by pre-qualification, bidding or negotiation, and then again during contract commencement. In 2022, we identified no significant negative environmental impacts in our supply chain.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 400: Social

GRI 401: EMPLOYMENT (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	37–40	Notes below			
401-1	New employee hires and employee turnover	●			Social Data		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●		Notes below			
401-3	Parental leave	●		Notes below	Social Data		
NOTES	*We supplement employees' base salaries with additional benefit packages. These vary depending on national employment law and local circumstances, but typically include: life insurance, healthcare, disability and invalidity coverage, parental leave, retirement provisions and stock ownership. Identical benefits are provided irrespective of employment type (full-time and part-time employees) in our European operations (UK and Norway). As for our international operations (these refer to Indonesia and Vietnam), part-time employees enjoy broadly the same access benefits provided to full-time employees, with the exception of a smaller number of benefits (e.g. stock ownership). We do not disclose points c, d and e under 401-3. Disclosure of these indicators is under consideration.*						

GRI 402: LABOUR/MANAGEMENT RELATIONS (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	37–40	Notes below			
402-1	Minimum notice periods regarding operational changes	●		Notes below			
NOTES	*Typically, we will provide employees and, where relevant, their elected representatives with at least one month's notice of any significant operational changes that might affect them.*						

GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	11–16	Notes below			
403-1	Occupational health and safety management system	●	11–16	Notes below			
403-2	Hazard identification, risk assessment, and incident investigation	●	11–16	Notes below			
403-3	Occupational health services	●	11–16	Notes below			
403-4	Worker participation, consultation, and communication on occupational health and safety	●	11–16	Notes below			
403-5	Worker training on occupational health and safety	●	11–16	Notes below			
403-6	Promotion of worker health	●	11–16	Notes below			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	11–16	Notes below			
403-8	Workers covered by an occupational health and safety management system	●	11–16	Notes below			
403-9	Work-related injuries	●	11–16		Social Data		
403-10	Work-related ill health	●	11–16		Social Data		
NOTES	*Our Health, Safety, Environment and Security (HSES) Policy supports our commitment to continually improve our HSES performance. The Policy is endorsed by our Chief Executive Officer and sets out our overarching commitment. Our HSES Policy is supported by and implemented through our HSES Management Systems (Legacy Premier Oil HSES MS is certified to ISO45001 and 14001, and legacy Chrysaor HSES MS is certified to ISO14001). Our HSES Management System is monitored and reviewed on an ongoing basis to ensure its effectiveness and to support continuous improvement of operations. Offshore employees (all production and drilling activities are located offshore) are engaged and consulted on HSES Policy and practice; additionally, employee groups are selected to form safety forums or safety representatives. Elective safety representatives and safety forum groups meet every quarter, with the exception of those occurring across the Covid-19 pandemic (virtual meetings). Occupational health and safety training is provided across the organisation for all staff. This training includes generic training (e.g. induction) as well as more specific work-related OHS training (e.g. work related hazards, or hazardous activities/situations), depending on the employee and the activity performed (e.g. offshore staff). A comprehensive audit programme is structured for HSES management across the organisation (covering employees and contractors). We have processes for identifying workplace health and safety hazards and for assessing risks. Employees and contractors can report workplace hazards and hazardous situations, and are required (instructed) to remove themselves from work in situations which could cause injury, and are likewise instructed to intervene in situations which could cause injury. All workers (employees and contractors) are equipped with a stop work authority. Additionally, neither employees nor contractors are allowed to resume their activity in cases where potential hazards have not been addressed and risks have not been mitigated. All workers are protected against reprisals. We report and investigate all our incidents and near misses. High consequence injury rate data is reported and investigated at each instance. 403-2: a. (i and ii), and d not reported. 403-6 a: Not reported, 403-6 b: Partially reported. 403-9: We disclose the total number of hours worked, but we do not disclose the split between employees (403-9 a.v.) and contractors (403-9 b.v.).*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 400: Social continued

GRI 404: TRAINING AND EDUCATION (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●					
404-1	Average hours of training per year per employee	●			Social Data		
404-2	Programmes for upgrading employee skills and transition assistance programmes	●					
404-3	Percentage of employees receiving regular performance and career development reviews	●			Social Data		
NOTES							

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	37–43			72–74	
405-1	Diversity of governance bodies and employees	●	37–43		Social Data	40, 72–74	
405-2	Ratio of basic salary and remuneration of women to men	●	37–43	Notes below		72–74	
NOTES	*For details concerning gender pay gap, refer to our Gender Pay Report 2022 – https://www.harbourenergy.com/careers/gender-pay-reporting/*						

GRI 406: NON-DISCRIMINATION (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	37				LINK
307-1	Non-compliance with environmental laws and regulations	●	44		Gov. Data		
NOTES	*No incidents of discrimination were registered in 2022.*						

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	44				LINK
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●		Notes below			
NOTES	*No operations or suppliers were identified where the right to exercise freedom of association and collective bargaining may be violated or at significant risk in 2022.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted | **ESG** ESG Report | **APP** Appendix | **DATA** ESG Data Sheets | **AR** Annual Report | **WEB** Website

GRI 400: Social continued

GRI 408: CHILD LABOUR (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			LINK
408-1	Operations and suppliers at significant risk for incidents of child labour	●		Notes below			
NOTES	*No operations or suppliers were identified where the right to exercise freedom of association and collective bargaining may be violated or at significant risk in 2022.*						

GRI 409: FORCED OR COMPULSORY LABOUR (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			LINK
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	●		Notes below			
NOTES	*No operations or suppliers were identified where the right to exercise freedom of association and collective bargaining may be violated or at significant risk in 2022.*						

GRI 410: SECURITY PRACTICES (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	49				
410-1	Security personnel trained in human rights policies or procedures	●		Notes below			
NOTES	*We do not typically employ or contract security personnel, although landlords at some of our office locations do provide their own security personnel. Accordingly, we do not typically conduct human rights training for internal or external security personnel. For human rights related training to contractors, refer to GRI 412.*						

GRI 411: RIGHTS OF INDIGENOUS PEOPLES (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			
411-1	Incidents of violations involving rights of indigenous peoples	●		Notes below			
NOTES	*Not applicable. None of our activities are located in or near indigenous land as all of our reserves are located offshore. No incidents of violations involving rights of indigenous peoples were registered in 2022.*						

GRI 412: HUMAN RIGHTS ASSESSMENT (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	44, 46, 51				
412-1	Operations that have been subject to human rights reviews or impact assessments	●	44	Notes below	Gov Data		LINK
412-2	Employee training on human rights policies or procedures	●	44				
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	●	44, 51		Gov Data		
NOTES	*All our operated assets are located offshore. The profile of our human rights risks and impact is therefore very different from that of onshore operators. However, each year we conduct a Human Rights and Business Ethics Risk Screening Tool in cooperation with an external consultant.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 400: Social continued

GRI 413: LOCAL COMMUNITIES (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●					
413-1	New suppliers that were screened using social criteria	●		Notes below			
413-2	Negative social impacts in the supply chain and actions taken	●		Notes below			
NOTES	*Our materiality assessment has shown that this is not a material topic for Harbour Energy. All of our operations are located offshore and we have relatively limited interaction with local communities compared to companies with onshore operators.*						

GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	51	Notes below			LINK
414-1	New suppliers that were screened using social criteria	●	51	Notes below	Gov Data		
414-2	Negative social impacts in the supply chain and actions taken	●	51	Notes below			
NOTES	*We subject all new contractors to an initial risk based HSES assessment either by pre-qualification, bidding or negotiation, and then again during contract commencement. Our Supply Chain Contractor Due Diligence Process also assesses all material new contracts for human rights, labour rights, corruption, financial and business-ethics risks. In 2022, we identified no significant negative environmental, human rights or labour rights impacts in our supply chain.*						

GRI 415: PUBLIC POLICY (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	52				
415-1	Political contributions	●	52	Notes below			
NOTES	*In 2022, Harbour Energy did not make any political donations or contributions.*						

GRI 416: CUSTOMER HEALTH AND SAFETY (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			
416-1	Assessment of the health and safety impacts of product and service categories	●		Notes below			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	●		Notes below			
NOTES	*Harbour solely sells crude oil and gas to energy and utility companies, traders and refiners. We do not sell any products to the general public. As such, the health and safety impacts of any products/services or the nature of information on products/services are of limited relevance to our business. Material Safety Data Sheets are prepared for our crude oil and gas products where relevant.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 400: Social continued

GRI 417: MARKETING AND LABELLING (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●		Notes below			
417-1	Requirements for product and service information and labelling	●		Notes below			
417-2	Incidents of non-compliance concerning product and service information and labelling	●		Notes below			
417-3	Incidents of non-compliance concerning marketing communications	●		Notes below			
NOTES	*Non-applicable. See notes for GRI 416: Customer health and safety.*						

GRI 418: CUSTOMER PRIVACY (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	49				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	49	Notes below			
NOTES	*Cyber-security is a material topic for Harbour. Harbour Energy did not register any significant data breaches in 2022. For more information, refer to the cyber-security section of the ESG Report (page 49).*						

GRI 419: SOCIOECONOMIC COMPLIANCE (2016)		DISCLOSURE	ESG	APP	DATA	AR	WEB
103	Management approach	●	Throughout report			Throughout report	LINK
419-1	Non-compliance with laws and regulations in the social and economic area	●		Notes below			
NOTES	*We have not identified any non-compliance with laws and/or regulations, nor have we been subject to any fines and non-monetary sanctions for failure to comply with laws and/or regulations in the social and economic area in 2022.*						

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted

ESG ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 11: Oil and gas sector 2021

TOPIC		REFERENCE TO GRI STANDARDS	ESG
11.1	GHG emissions	**GRI 302: Energy (2016)** **GRI 305: Emissions (2016)**	31
11.2	Climate adaptation, resilience, and transition	**GRI 201: Economic Performance (2016)** **GRI 305: Emissions (2016)**	19–29
11.3	Air emissions	**GRI 305: Emissions (2016)** **GRI 416: Customer Health and Safety (2016)**	31
11.4	Biodiversity	**GRI 304: Biodiversity (2016)**	Appendix only
11.5	Waste	**GRI 306: Waste (2020)**	32
11.6	Water and effluents	**GRI 303: Water and Effluents (2018)**	32
11.7	Closure and rehabilitation	**GRI 402: Labour/Management Relations (2016)** **GRI 404: Training and Education (2016)**	50
11.8	Asset integrity and critical incident management	**GRI 303: Water and Effluents (2020)** **GRI 306: Waste (2020)**	15–16
11.9	Occupational health and safety	**GRI 403: Occupational Health and Safety (2018)**	37–40
11.10	Employment practices	**GRI 401: Employment (2016)** **GRI 402: Labour/Management Relations (2016)** **GRI 404: Training and Education (2016)** **GRI 414: Supplier Social Assessment (2016)**	37–44
11.11	Non-discrimination and equal opportunity	**GRI 202: Market Presence (2016)** **GRI 401: Employment (2016)** **GRI 404: Training and Education (2016)** **GRI 405: Diversity and Equal Opportunity (2016)** **GRI 406: Nondiscrimination (2016)**	51
11.12	Forced labour and modern slavery	**GRI 409: Forced or Compulsory Labour (2016)** **GRI 414: Supplier Social Assessment (2016)**	44
11.13	Freedom of association and collective bargaining	**GRI 407: Freedom of Association and Collective Bargaining (2016)**	23–27, 35–36 & 51–52
11.14	Economic impacts	**GRI 201: Economic Performance (2016)** **GRI 202: Market Presence (2016)** **GRI 203: Indirect Economic Impacts (2016)** **GRI 204: Procurement Practices (2016)**	34–36
11.15	Local communities	**GRI 413: Local Communities (2016)**	34–36

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

GRI 11: Oil and gas sector 2021 continued

TOPIC		REFERENCE TO GRI STANDARDS	ESG
11.16	Land and resource rights	**GRI 413: Local Communities (2016)** **GRI 411: Rights of Indigenous Peoples (2016)**	34–36
11.17	Rights of indigenous peoples	**GRI 411: Rights of Indigenous Peoples (2016)**	Appendix only
11.18	Conflict and security	**GRI 410: Security Practices (2016)**	49
11.19	Anti-competitive behavior	**GRI 206: Anticompetitive Behavior (2016)**	47
11.20	Anti-corruption	**GRI 205: Anticorruption (2016)**	47
11.21	Payments to governments	**GRI 207: Tax (2019)**	48
11.22	Public policy	**GRI 415: Public Policy (2016)**	52
NOTES	*GRI 11 also contains a list of disclosures for organizations in the oil and gas sector to report in relation to each likely material topic. We have mapped these disclosures to the respective GRI Standards, and included the page numbers in the ESG Report where each can be found. Additional information on these disclosures is also included in the GRI Standard tables (located in the ESG Report Appendix), as well as in the ESG Data Sheets (also located in the ESG Report Appendix).*		

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **APP** Appendix **DATA** ESG Data Sheets **AR** Annual Report **WEB** Website

SASB: Accounting

This section aims to provide a consolidated overview of Harbour Energy reporting against the Sustainability Accounting Standards Board (SASB) Standard for the Oil & Gas – Exploration & Production industry. We have included both the Sustainability Disclosure Topics & Accounting Metrics (under Table 1), and the Activity Metrics (under Table 2). Furthermore, we have included references to where the relevant information can be found, as well as supportive narrative explaining why a topic is not material for Harbour Energy, and whether a specific metric has not been disclosed.

TABLE 1: SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

GREENHOUSE GAS EMISSIONS		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
EM-EP-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	🟡	ESG p. 19–30
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	🟡	ESG Data Sheets
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	🟢	ESG p. 19–30
SUPPORTIVE NOTES	*Harbour provides a range of GHG Scope 1 and 2 emissions data and supportive narrative. However, we do not currently disclose (break down) Scope 1 emissions from combustion process and fugitive emissions, nor do we disclose percentage covered under emissions-limiting regulations. Disclosure of these metrics is under consideration.*		

AIR QUALITY		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	🟡	ESG Data Sheets
SUPPORTIVE NOTES	*Our materiality assessment has shown that this is a medium material topic for Harbour Energy. Air emissions from our operations have relatively limited impact on local communities given that all of our operations are located offshore. However, we do provide a wide range of air-emissions data in our ESG Data Sheets. We currently do not disclose NOx, SOx, and PM. Disclosure of these metrics is under consideration.*		

WATER MANAGEMENT		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
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	🟢	ESG Data Sheets
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	🟡	Comments below
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	🟢	Comments below
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	🟢	Comments below
SUPPORTIVE NOTES	*Our materiality assessment has shown that water is a low material topic for Harbour Energy. All of our operations are located offshore. We do not operate in regions with high or extremely high baseline water stress, therefore we do not consume or withdraw water from regions with high or extremely high baseline water stress. Nor do we operate in areas where there is a risk of aquifer contamination. We monitor water produced alongside our offshore operations and treat it to reduce the concentration of oil in water to permitted levels, before discharging it to the marine environment. Our activities do not involve hydraulic fracturing. We provide water related data in our ESG Data Sheets.*		

LEVEL OF DISCLOSURE:

🟢 Full 🟡 Partial 🔴 Omitted

SASB: Accounting continued

SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	●	Comments below
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	●	Comments below
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	●	Comments below
SUPPORTIVE NOTES	*None of our 1P or 2P reserves are located in or near areas of conflict. None of our 1P or 2P reserves are located in or near indigenous land as all of our reserves are located offshore. Harbour provides a range of security and human rights data and supportive narrative. For approach to security and human rights, ESG Report pages 44 & 49 and our Slavery and Human Trafficking Statement on our website: https://www.harbourenergy.com/about-us/our-policies/*		

COMMUNITY RELATIONS		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	●	Comments below
EM-EP-210b.2	Number and duration of non-technical delays	●	Comments below
SUPPORTIVE NOTES	*Our materiality assessment has shown that community relations is a medium material topic for Harbour Energy. All of our operations are located offshore and we have relatively limited interaction with local communities compared to companies with onshore operations.*		

WORKFORCE HEALTH & SAFETY		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
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	●	ESG Report p. 11–14 ESG Data Sheets
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	●	ESG Report p. 11–14
SUPPORTIVE NOTES	*Harbour provides a range of safety data and supportive narrative. Currently, Harbour does not disclose the following indicators: near miss frequency rate (NMFR), and average hours of health, safety, and emergency response training. In 2022, the fatality rate was zero. Furthermore, Harbour does not disclose the number of short-service employees, only the number of full-time and contract employees. Disclosure of these metrics is under consideration.*		

RESERVES VALUATION & CAPITAL EXPENDITURES		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	●	AR p. 124–125
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	●	Comments below
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	●	Comments below
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	●	Comments below
SUPPORTIVE NOTES	*Harbour provides a range of GHG emissions data. Currently, Harbour does not disclose the estimated carbon dioxide emissions embedded in proved hydrocarbon reserves. Disclosure of this metric is under consideration. Currently Harbour's energy portfolio does not include renewable energy, therefore no revenues are generated by renewable energy sales. Our Strategic Report inside our Annual Report & Accounts, alongside our capital market related materials cover a wide range of issues concerning our capital expenditure strategy: https://www.harbourenergy.com/investors/*		

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted

SASB: Accounting continued

BUSINESS ETHICS & TRANSPARENCY		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
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	●	Comments below
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	●	ESG Report p. 47
SUPPORTIVE NOTES	*None of our 1P or 2P reserves are located in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index. The majority of our 2P reserves are located in the North Sea (UK and Norway).*		

MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
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	●	ESG Report p. 52
SUPPORTIVE NOTES	*Harbour provides a range of safety data and supportive narrative. Currently, Harbour does not disclose the following indicators: near miss frequency rate (NMFR), and average hours of health, safety, and emergency response training. In 2022, the fatality rate was zero. Furthermore, Harbour does not disclose the number of short-service employees, only the number of full-time and contract employees. Disclosure of these metrics is under consideration.*		

CRITICAL INCIDENT RISK MANAGEMENT		DISCLOSURE	REFERENCE
CODE	**ACCOUNTING METRIC**		
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	●	ESG Report p. 11–16
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	●	ESG Report p. 11–16
SUPPORTIVE NOTES			

SASB: Activity

TABLE 2: ACTIVITY METRICS

ACTIVITY METRIC	UNIT OF MEASURE	CODE	DISCLOSURE	REFERENCE
	Thousand barrels per day (Mbbl/day)	**EM-EP-000.A**	●	AR p. 1
Production of (2) natural gas	Thousand barrels per day (Mbbl/day)	**EM-EP-000.A**	●	AR p. 1
Production of (3) synthetic oil	Million standard cubic feet per day (MMscf/day)	**EM-EP-000.A**	●	Notes below
Production of (4) synthetic gas	Million standard cubic feet per day (MMscf/day)	**EM-EP-000.A**	●	Notes below
Number of offshore sites	Number	**EM-EP-000.B**	●	AR p. 22–29
Number of terrestrial sites	Number	**EM-EP-000.C**	●	Notes below
SUPPORTIVE NOTES	*Our global portfolio includes only production of oil and natural gas. Harbour is not involved in the production of synthetic oil or synthetic gas. Number of producing fields can be found in our Annual Report & Accounts page 23.*			

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted

TCFD Index

The following index provides an overview of Harbour Energy's disclosures on climate-related risks and opportunities as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). Disclosures included in this index cover our activities during the period 1 January to 31 December 2022.

GOVERNANCE		DISCLOSURE	ESG	AR	DATA
a	Describe the board's oversight of climate-related risks and opportunities	●	19	33	–
b	Describe management's role in assessing and managing climate-related risks and opportunities	●	19	33	–

STRATEGY		DISCLOSURE	ESG	AR	DATA
a	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	●	20–26	34–38	–
b	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	●	20–26	34–38	–
c	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	●	20–26	34–38	–

RISK MANAGEMENT		DISCLOSURE	ESG	AR	DATA
a	Describe the organisation's processes for identifying and assessing climate-related risks	●	20–26	34–38	–
b	Describe the organisation's processes for managing climate-related risks	●	20–26	34–38	–
c	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	●	26	38	–

METRICS AND TARGETS		DISCLOSURE	ESG	AR	DATA
a	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	●	20–30	34–39	Env. Data
b	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	●	30	32	Env. Data
c	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	●	20–30	33–38	–

LEVEL OF DISCLOSURE:

● Full ● Partial ● Omitted **ESG** ESG Report **AR** Annual Report **WEB** Website

UN SDGs

Through our work, management systems, practices and performance, we contribute to a number of UN SDGs. This index presents the linkages between our activities and the individual goals.

HOW WE CONTRIBUTE TO SDGS:

We have identified Goals 3, 7, 8 and 13 as those where we can make the most meaningful contribution – both in terms of maximising positive impacts on the achievement of the SDGs, as well as actively managing and/or minimising our negative impacts.

HOW WE SUPPORT OUR SECONDARY SDGS:

We contribute to a series of secondary SDGs through the policies and operating practices we adopt, particularly in relation to safety, environment, human rights, community relations and investments, diversity and inclusion, business ethics and wider governance practices.

STANDARD SDGs

UN SDG	NOTES	ESG REPORT
3 GOOD HEALTH AND WELL-BEING	We work to keep our employees and contractors safe and well, with a goal of zero harm to people. We work to reduce occupational risks, and protect workers, staff and community members against diseases. We work to prevent and mitigate the health impacts of air emissions and effluent discharges. Additionally, we seek to design and offer attractive benefits programmes for all employees.	**Safety**
7 AFFORDABLE AND CLEAN ENERGY	As an energy company, we seek to ensure access to affordable and reliable energy, whilst improving energy efficiency in operation and production.	**Environmental**
8 DECENT WORK AND ECONOMIC GROWTH	We strive to promote local employment and workforce development. We encourage local procurement and supplier development as we seek to contribute to the socio-economic development of the regions where we operate.	**Safety, Governance, Social**
13 CLIMATE ACTION	We have a strategic plan for a net zero emissions future, as we seek to reduce emissions within our operations. We work to strengthen the resilience and adaptive capacity to climate change impacts.	**Environmental**

SECONDARY SDGs

UN SDG	NOTES	ESG REPORT
5 GENDER EQUALITY	We support the participation of women at all levels of our decision-making. Additionally, we seek to increase employment opportunities for women across our organisation, and promote female representation in management. We are actively monitoring diversity and working to develop women's careers and improve our gender balance.	**Social**
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Applying global standards to manage our environmental performance and seeking to reduce the amount of waste we generate.	**Environmental**
14 LIFE BELOW WATER 15 LIFE ON LAND	We apply global standards to a) manage our environmental performance and have plans in place to respond to hydrocarbon and non-hydrocarbon spills, and b) manage our environmental performance and conduct environmental impact assessments, including biodiversity considerations, when we plan our projects. We incorporate environmental assessments into management plans and we work towards accident prevention, preparedness and response.	**Environmental**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We believe our policies and performance contribute to the sustainable development of the regions where we operate. We strive to build an effective, accountable and inclusive company at all levels, and integrate human rights and anti-corruption risk in our operations and our supply chain.	**Governance**

ESG Data Sheets contents

Environment[1]

ENERGY USE	UNIT OF MEASURE	2019	2020	2021	2022
Energy used in operations – Total Group	million GJ	7.8	13.8	18.0	22.8
o/w Fuel gas	million GJ	7.4	13.4	16.0	20.9
o/w Diesel	million GJ	0.4	0.4	4.3	1.8

FUEL USE	UNIT OF MEASURE	2019	2020	2021	2022
Fuel gas – Total Group	tonnes	154,738.7	289,687.9	342,171.7	450,437.5
Diesel (platform/rig/logistics)	tonnes	9,036.3	25,033.0	47,827.9	38,605.4

ENERGY INTENSITY	UNIT OF MEASURE	2019	2020	2021	2022
Energy intensity – Total Group	GJ per tonne of production	2.0	1.8	2.0	2.14

DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1)	UNIT OF MEASURE	2019	2020	2021	2022
GHG emissions operated facilities and drilling – gross operated[2]	000 tonnes CO_2e	535.7	957	1,210.8	1,384.7
o/w Production	000 tonnes CO_2e	493.4	957.3	1,210.8	1,377.9
o/w Drilling	000 tonnes CO_2e	42.2	0.0	0.0	6.8
GHG intensity – gross operated[3]	kg CO_2eq per boe	20.3	19.5	20.7	21.2
GHG emissions (equity share) – operated + non-operated	000 tonnes CO_2e	890.8	1,125.5	1,391.2	877.7
Carbon price					
Internal price on carbon	$ per tonne of CO_2	–	–	–	80.0

Environment[1] continued

AIR EMISSIONS	UNIT OF MEASURE	2019	2020	2021	2022
CO_2 (Carbon dioxide)	tonnes	531,362.4	917,004.2	1,484,964.1	1,362,601.0
CH_4 (Methane)	tonnes	525.5	1,031.0	2,360.9	3,307.9
HFC (Hydrofluorocarbons)	tonnes	0.0	0.0	0.01	0.61
PFC (Perfluorocarbons)	tonnes	0.0	0.0	0.0	0.0
SF_6 (Sulphur hexafluoride)	tonnes	0.0	0.0	0.0	0.0
NF_3 (Nitrogen trifluoride)	tonnes	0.0	0.0	0.0	0.0
N_2O (Nitrous oxide)	tonnes	38.2	69.0	120.0	101.5
VOCs (Volatile organic compounds)	tonnes	157.4	250.2	8,643.2	1,786.9
NO_2 (Nitrogen Dioxide)	tonnes	1,856.2	2,940.0	7,083.9	4,891.8
SO_2 (Sulfur dioxide)	tonnes	26.1	28.3	1,044.8	1,014.2
CO (Carbon monoxide)	tonnes	1,182.0	2,100.4	3,358.8	2,770.0

INDIRECT GREENHOUSE GAS EMISSIONS	UNIT OF MEASURE	2019	2020	2021	2022
Scope 2[4]	tonnes CO_2eq	1,065.75	3,659	3,910.6	4,400.0
Scope 3 (GHG Protocol Scope 3 category)	tonnes CO_2eq			447.6	383,987.4
o/w Purchased goods and services (Cat 1)	tonnes CO_2eq	–	–	–	344,732.4
o/w Upstream transportation and distribution (Cat 4)	tonnes CO_2eq	–	–	–	33,700.3
o/w Waste generated in operations (Cat 5)	tonnes CO_2eq	–	–	–	3,169.1
o/w Business travel (Cat 6)	tonnes CO_2eq	317.3	317.3	447.6	1,910.4
o/w Investments (Cat 15)	tonnes CO_2eq	–	–	–	475.1

INTENSITY OF DISCHARGES TO AIR	UNIT OF MEASURE	2019	2020	2021	2022
Flaring	tonnes of gas	21,578.0	36,621.7	49,667.9	51,047.2
o/w Routine	tonnes of gas	0	0	23,509.8	27,145.3
o/w Non-Routine	tonnes of gas	1,647.6	7,004.3	12,387.1	16,623.1
o/w Emergency	tonnes of gas	19,930.4	29,617.4	13,771.1	7,281.0
Flaring per tonne produced	tonnes per 000 tonnes of production	5.6	4.8	4.7	4.8
Venting	tonnes of gas	7.3	7.32	206.9	3,171.5
Venting per tonne produced	tonnes per 000 tonnes of production	0.002	0.001	0.020	0.298

Environment[1] continued

EFFLUENTS AND WASTE	UNIT OF MEASURE	2019	2020	2021	2022
Planned discharges					
Discharged produced water	million tonnes	1.01	2.66	2.1	2.5
Oil in produced water	parts per million by weight (ppm-wt)	18.42	11.08	17.8	15.4
Oil in produced water	tonnes	18.64	29.5	37.9	39.2
Unplanned discharges					
Hydrocarbon spills	#	13	4	28	12
Hydrocarbon spills	tonnes	0.51	0.02	0.9	0.10
o/w Released to the environment	tonnes	0.51	0.02	0.8	0.01
Chemical spills	#	2	17	19	27
Chemical spills	tonnes	0.77	1.68	26.7	208.6
o/w Released to the environment	tonnes	0.77	1.68	26.7	207.7
Gas release incidents	#	3	8	18	15
Gas release incidents	kg	1.73	671.12	1101.1	719.3
Gas release incidents	tonnes CO_2e	0.06	21.48	53.1	703.7
o/w Released to the environment	tonnes	0	0.67	10.5	0.7

Environment[1] continued

WATER	UNIT OF MEASURE	2019	2020	2021	2022
Total water consumption from all areas	tonnes	28,434	19,324	2,650,343.5	367,241.0
o/w Municipal (potable) water	tonnes	28,434	19,324	107,420.1	97,616.6
o/w Seawater (re-injection only, excludes cooling water)	tonnes	0	0	2,542,923.4	269,324.4
Total water withdrawal from all areas with water stress	tonnes	0	0	0	0
Total water withdrawal from freshwater sources	tonnes	0	0	16,120	19,067.9
Total water abstracted	tonnes	0	0	0	0
Water intensity – Total Group	tonne (water) per tonne of production	–	–	–	0.03

WASTE[5]	UNIT OF MEASURE	2019	2020	2021	2022
Waste generated	**tonnes**	**5,904.9**	**36,921.4**	**25,708.3**	**25,328.6**
o/w Hazardous waste	tonnes	4,438.7	13,775.1	10,254.7	14,564.4
o/w Non-hazardous waste	tonnes	1,466.2	23,146.3	15,453.6	10,764.2
Waste generated	**tonnes**	**–**	**–**	**25,708.3**	**25,328.6**
o/w Diverted from disposal	tonnes	–	–	5,708.6	20,460.6
o/w Directed to disposal	tonnes	–	–	19,999.7	4,855.4
Waste generated	**tonnes**	**–**	**–**	**25708.3**	**25,328.6**
o/w Drilling	tonnes	–	–	–	0
o/w Scale and sludge	tonnes	–	–	–	0
o/w Tailings	tonnes	–	–	–	0

Environment[1] continued

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATION	UNIT OF MEASURE	2019	2020	2021	2022
Onsite Hazardous Waste Total	**tonnes**	**–**	**–**	**0.0**	**0.0**
o/w Preparation for reuse	tonnes	–	–	0.0	0.0
o/w Recycling	tonnes	–	–	0.0	0.0
o/w Other recovery operations	tonnes	–	–	0.0	0.0
Onsite Non-Hazardous Waste Total	**tonnes**	**–**	**–**	**0.0**	**0.0**
o/w Preparation for reuse	tonnes	–	–	0.0	0.0
o/w Recycling	tonnes	–	–	0.0	0.0
o/w Other recovery operations	tonnes	–	–	0.0	0.0
Off-site Hazardous Waste Total	**tonnes**	**–**	**–**	**1,133.4**	**1,309.5**
o/w Preparation for reuse	tonnes	–	–	1.54	0.2
o/w Recycling	tonnes	–	–	1,107.4	1,287.4
o/w Other recovery operations	tonnes	–	–	24.4	22.0
Off-site Hazardous Waste Total	**tonnes**	**–**	**–**	**1,133.4**	**1,309.5**
o/w Drilling	tonnes	–	–	–	758.16
o/w Scale and sludge	tonnes	–	–	–	54.185
o/w Tailings	tonnes	–	–	–	0
Off-site Non-Hazardous Waste Total	**tonnes**	**–**	**–**	**4,575.2**	**3,215.2**
o/w Preparation for reuse	tonnes	–	–	21.8	52.3
o/w Recycling	tonnes	–	–	4,472.2	3,005.2
o/w Other recovery operations	tonnes	–	–	81.2	157.7
Off-site Non-Hazardous Waste Total	**tonnes**	**–**	**–**	**4,575.2**	**3,215.2**
o/w Drilling	tonnes	–	–	–	0
o/w Scale and sludge	tonnes	–	–	–	0
o/w Tailings	tonnes	–	–	–	0

Environment[1] continued

WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATION	UNIT OF MEASURE	2019	2020	2021	2022
Onsite Hazardous Waste Total	**tonnes**	**–**	**–**	**0.0**	**0.0**
o/w Incineration with energy recovery	tonnes	–	–	0.0	0.0
o/w Incineration without energy recovery	tonnes	–	–	0.0	0.0
o/w Landfilling	tonnes	–	–	0.0	0.0
o/w Other Disposal Operations	tonnes	–	–	0.0	0.0
Onsite Non-Hazardous Waste Total	**tonnes**	**–**	**–**	**0.0**	**0.0**
o/w Incineration with energy recovery	tonnes	–	–	0.0	0.0
o/w Incineration without energy recovery	tonnes	–	–	0.0	0.0
o/w Landfilling	tonnes	–	–	0.0	0.0
o/w Other Disposal Operations	tonnes	–	–	0.0	0.0
Off-site Hazardous Waste Total	**tonnes**	**–**	**–**	**9,121.3**	**7,632.8**
o/w Incineration with energy recovery	tonnes	–	–	447.0	287.8
o/w Incineration without energy recovery	tonnes	–	–	250.1	345.0
o/w Landfilling	tonnes	–	–	3,442.5	570.1
o/w Other Disposal Operations	tonnes	–	–	4,981.6	6,429.2
Off-site Non-hazardous Waste Total	**tonnes**	**–**	**–**	**9,121.3**	**7,632.8**
o/w Drilling	tonnes	–	–	–	236.929
o/w Scale and sludge	tonnes	–	–	–	6,390.815
o/w Tailings	tonnes	–	–	–	0
Off-site Non-hazardous Waste Tota	**tonnes**	**–**	**–**	**10,878.4**	**13,171.1**
o/w Incineration with energy recovery	tonnes	–	–	296.6	415.2
o/w Incineration without energy recovery	tonnes	–	–	5.3	413.1
o/w Landfilling	tonnes	–	–	875.2	6,181.4
o/w Other Disposal Operations	tonnes	–	–	9,701.2	6,161.5

Environment[1] continued

WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATION (CONTINUED)	UNIT OF MEASURE	2019	2020	2021	2022
Off-site Hazardous Waste Total	**tonnes**	**–**	**–**	**9121.3**	**13,171.1**
o/w Drilling	tonnes	–	–	–	7,787.7
o/w Scale and sludge	tonnes	–	–	–	4468.1
o/w Tailings	tonnes	–	–	–	0

MANAGING ENVIRONMENTAL PERFORMANCE	UNIT OF MEASURE	2019	2020	2021	2022
Environmental protection measures/expenditure	USD mn	11.3	14.9	15	3.6

ENVIRONMENTAL COMPLIANCE	UNIT OF MEASURE	2019	2020	2021	2022
Environmental or safety fines	USD mn	0	0	0	0

Social – Safety[6]

OCCUPATIONAL HEALTH AND SAFETY	UNIT OF MEASURE	2019	2020	2021	2022
Worked hours – Total Group	million	7.56	5.1	11.76	12.04
o/w Employees – Total Group	million	–	–	–	3.67
o/w Contractors – Total Group	million	–	–	–	8.37
Recordable injuries – Total Group	**#**	**7**	**6**	**15**	**9**
Fuel gas – Total Group	#	0	0	0	0
Diesel (platform/rig/logistics)	#	3	2	8	4
o/w Employees – Total Group	#	1	0	4	4
o/w Contractors – Total Group	#	3	4	3	1
Total Recordable Injury Rate (TRIR) – Total Group	**cases/mn worked hours**	**0.93**	**1.17**	**1.27**	**0.75**
o/w Employees – Total Group	cases/mn worked hours	1.47	0.54	0.31	0.75
o/w Contractors – Total Group	cases/mn worked hours	0.73	1.53	1.63	1.08
High Potential Incidents (HiPos) – Total Group	**#**	**–**	**10**	**8**	**13**
o/w HiPos related to production – Total Group	#	–	8	4	10
o/w HiPos related to drilling – Total Group	#	–	1	2	2
o/w HiPos related to construction – Total Group	#	–	0	2	1
o/w HiPos related to travel – Total Group	#	–	0	0	0
High Potential Incident Rate (HiPoR) – Total Group	**# cases/mn worked hours**	**–**	**1.96**	**0.68**	**1.08**
Near Miss – Total Group	**#**	**–**	**–**	**–**	**446**
Near Miss Frequency Rate (NMFR) – Total Group	**cases/mn worked hours**	**–**	**–**	**–**	**37.04**
Occupational health and wellness – Total Group					
Work-related occupational illness cases – Total Group	#	0	0	1	0
Non-work related occupational illness – Total Group	#	0	0	4	1

Social – Safety[6] continued

PROCESS SAFETY[7]	UNIT OF MEASURE	2019	2020	2021	2022
Loss of Primary Containment events total	**#**	**1**	**1**	**2**	**1**
o/w Tier 1 process safety events	#	0	0	0	0
o/w Tier 2 process safety events	#	1	1	2	1

Social – HR[8]

WORKFORCE PROFILE[9]	UNIT OF MEASURE	2019	2020	2021	2022
Workforce total	**#**	**1,292**	**1,249**	**2,211**	**2,221**
o/w Employees	#	1,045	1,042	1,771	1,824
o/w Contractors	#	247	207	440	397
o/w Male	#	984	950	1,668	1,663
o/w Female	#	308	299	543	558
	#				
Employees by gender and age	**#**	**1,045**	**1,042**	**1,771**	**1,824**
o/w Male	#	809	805	1,333	1,358
o/w Female	#	236	237	438	466
o/w Age <30	#	87	67	79	55
o/w Age 30–50	#	675	666	1,219	1,225
o/w Age >50	#	283	309	473	544
Employee recruitment (new employees) by gender, age and BU[10]	**#**	**81**	**52**	**66**	**228**
o/w Male	#	60	36	45	152
o/w Female	#	21	16	21	76
o/w Age <30	#	20	9	14	19
o/w Age 30–50	#	48	32	43	179
o/w Age >50	#	13	11	9	30
o/w International BU (Vietnam and Indonesia)	#	–	–	–	36
o/w UK BU (North Sea)	#	–	–	–	192

Social – HR[8] continued

WORKFORCE PROFILE (CONTINUED)	UNIT OF MEASURE	2019	2020	2021	2022
Employee departures by gender, age and BU	**#**	**29**	**47**	**131**	**131**
o/w Male	#	24	36	95	98
o/w Female	#	5	11	36	33
o/w Age <30	#	2	2	7	4
o/w Age 30–50	#	15	17	53	70
o/w Age >50	#	12	28	71	57
o/w International BU (Vietnam and Indonesia)	#	–	–	–	16
o/w UK BU (North Sea)	#	–	–	–	115
Employees made redundant	#	8	25	47	32
Redundancy rate	#	0.76	2.4	2.1	1.8
Employee net gain/loss by gender	**#**	**24**	**5**	**-65**	**97**
o/w Male	#	36	0	-50	54
o/w Female	#	16	5	-15	43
Turnover rate[11]	**%**	**2.8**	**4.5**	**7.4**	**7.4**
o/w Male	%	3	4.5	7.1	7.4
o/w Female	%	2.1	4.6	8.2	7.5
Contractors by gender	**#**	**247**	**207**	**440**	**397**
o/w Male	#	175	145	335	305
o/w Female	#	72	62	105	92

Social – HR[8] continued

LOCAL EMPLOYMENT	UNIT OF MEASURE	2019	2020	2021	2022
Total Employees	**#**	**1045**	**1,042**	**1,771**	**1,824**
o/w Nationals in employees (excl. contractors)	#	1,045	1,042	1,755	1,810
o/w Expatriate employees	#	0	1	16	14
Total senior management (Grade 31 and +)	**#**	**171**	**203**	**324**	**426**
Nationals (locals) in senior management (Grade 31 and +)	#	171	203	315	415
Percentage of nationals (locals) in senior management	%	100	100	97.22	97.42
Total National Employees full time – by gender	**#**	**982**	**992**	**1,691**	**1,729**
o/w Male	#	804	800	1,314	1,330
o/w Female	#	188	192	377	399
Total National Employees part time – by gender	**#**	**63**	**49**	**64**	**47**
o/w Male	#	5	4	4	6
o/w Female	#	48	45	60	41
Total National Employees fixed term – by gender[12]	**#**	**1**	**0**	**22**	**2**
o/w Male	#	1	0	11	1
o/w Female	#	0	0	11	1

Social – HR[8] continued

DIVERSITY AND INCLUSION	UNIT OF MEASURE	2019	2020	2021	2022
Employees (excl. contractors)	**#**	**1,045**	**1,042**	**1,771**	**1,824**
o/w Male	#	809	805	1,333	1,358
o/w Female	#	236	237	438	466
o/w Male	%	77	77	75.27	74.45
o/w Female	%	23	23	24.73	25.54
Gender balance at senior management level (Grade 31 and +)	**#**	**171**	**203**	**324**	**426**
o/w Male	#	137	164	260	329
o/w Female	#	34	39	64	97
o/w Male	%	80	80	80.24	77.23
o/w Female	%	20	20	19.76	22.77
Diversity of Board by gender	**#**	**10**	**11**	**11**	**9**
o/w Male	#	9	10	7	6
o/w Female	#	1	1	4	3
o/w Male	%	89	90	63.6	66.6
o/w Female	%	11	10	36.4	33.3
Diversity of Board by age and nationality	**#**	**10**	**11**	**11**	**9**
o/w Age <30	#	0	0	0	0
o/w Age 30–50	#	1	1	1	1
o/w Age >50	#	9	10	10	8
o/w British	#	–	–	5	3
o/w United States	#	–	–	4	4
o/w Norway	#	–	–	2	2
Diversity of Board by ethnicity	**#**	**–**	**–**	**11**	**9**
White	#	–	–	11	8
Executives	#	–	–	3	2
Non-executives	#	–	–	8	6
Mixed/Multiple ethnic groups	#	–	–	0	0
Asian/Asian British	#	–	–	0	0
Black/African/Caribbean/Black British	#	–	–	0	0
Other ethnic group	#	–	–	0	1

Social – HR[8] continued

DIVERSITY AND INCLUSION (CONTINUED)	UNIT OF MEASURE	2019	2020	2021	2022
Diversity at Board level tenure	**#**	**–**	**–**	**11**	**9**
Less than one year (<1)	#	–	–	11	0
o/w Executives	#	–	–	3	0
o/w Non-executives	#	–	–	8	0
Between 1–3 years	#	–	–	0	0
o/w Executives	#	–	–	0	2
o/w Non-executives	#	–	–	0	7
Between 3–5 years	#	–	–	0	0
o/w Executives	#	–	–	0	0
o/w Non-executives	#	–	–	0	0
Between 5–7 years	#	–	–	0	0
o/w Executives	#	–	–	0	0
o/w Non-executives	#	–	–	0	0
Between 7–9 years	#	–	–	0	0
o/w Executives	#	–	–	0	0
o/w Non-executives	#	–	–	0	0
More than 9 years	#	–	–	0	0
o/w Executives	#	–	–	0	0
o/w Non-executives	#	–	–	0	0
Diversity of leadership team by gender and age (exec. management)[13]					
o/w Male	#	–	–	7	9
o/w Female	#	–	–	2	3
o/w Male	%	–	–	77.78	75%
o/w Female	%	–	–	22.22	25%
o/w Age <30	#	–	–	0	0
o/w Age 30–50	#	–	–	3	5
o/w Age >50	#	–	–	6	7
o/w British	#	–	–	7	10
o/w Others	#	–	–	2	2

Social – HR[8] continued

PERFORMANCE MANAGEMENT	UNIT OF MEASURE	2019	2020	2021	2022
Employees received performance reviews against individual performance	%	100	100	99	100
Annual discretionary bonuses to eligible employees	%	99.9	99.8	100	99.18

EMPLOYEE ENGAGEMENT[14]	UNIT OF MEASURE	2019	2020	2021	2022
Participation rate of Group-wide employee engagement survey	#	0	0	0	84
Number of concerns raised by employees that resulted in a formal grievance	#	0	0	3	5
Total number of employees that took parental leave by gender	#	6	10	20	12
o/w Men	#	3	8	11	9
o/w Women	#	3	2	9	3
Percentage of employees entitled to take parental leave	#	100	100	99.9	95.1

ORGANISED LABOUR	UNIT OF MEASURE	2019	2020	2021	2022
Employees covered by collective bargaining agreement	#	0	0	479	466
Employees covered by collective bargaining agreement	%	0	0	27.0	25.5

LEARNING AND DEVELOPMENT	UNIT OF MEASURE	2019	2020	2021	2022
Total hours spent on employee development training	hours	24,745	20,412	43,589	75,689
o/w how many are related to safety and emergency preparedness	hours	–	–	–	31,562

Governance[15]

SUPPLY CHAIN AND LOCAL PROCUREMENT	UNIT OF MEASURE	2019	2020	2021	2022
Significant negative human rights or labour rights impacts identified in the supply chain	number	–	–	0	**0**
Percentage of new material contracts that were subject to the Supply Chain Contractor Due Diligence Process	%	–	–	100	100
Local Procurement (new contracts signed in 2022)					
o/w Locally owned	%	–	–	69.4	62.5
o/w Local-entities owned by foreign parent companies	%	–	–	24.9	29.2
o/w Foreign company	%	–	–	5.7	8.3

PUBLIC POLICY AND GOVERNMENT RELATIONS	UNIT OF MEASURE	2019	2020	2021	2022
Political donations or contributions	number	–	–	0	**0**
Receive significant financial assistance from governments	number	–	–	0	0

SECURITY	UNIT OF MEASURE	2019	2020	2021	2022
Significant (physical) security incidents that directly affected our workforce or assets	number	–	–	0	**0**
Significant (cyber) security incidents that directly affected our cyber infrastructure	number	–	–	0	0

GLOBAL CODE OF CONDUCT	UNIT OF MEASURE	2019	2020	2021	2022
Current employees and core contractors trained on the Code	%	–	–	99	99
New employees and core contractors receiving induction training on the Code	%	–	–	100	100
Number of substantiated allegations of wrongdoing as set out in the Code of Conduct and Whistleblowing Procedure	number	–	–	1	0
Significant legal sanctions in relation to business ethics	number	–	–	0	0
Termination or failure to renew any external business relationships due to breach of the Code	number	–	–	0	0
Number of disciplinary actions or dismissals for wrongdoing as described in the Code of Conduct and Whistleblowing Procedure	number	–	–	1	2

Governance[15] continued

HUMAN RIGHTS	UNIT OF MEASURE	2019	2020	2021	2022
Operations that have been subject to human rights reviews or human rights impact assessments, by country	%	–	–	100	100
Reported violations of the Slavery and Human Trafficking Statement	number	–	–	0	0
Identified incidents of human rights abuse within our organisation	number	–	–	0	0
Security-related incidents in our business units with human rights implications	number	–	–	0	0
Operations that restrict freedom of association and/or collective bargaining	number	–	–	0	0
Identified incidents of discrimination reported within our organisation	number	–	–	0	1
Identified incidents of human rights abuse in the supply chain	number	–	–	0	0

ECONOMIC CONTRIBUTIONS					
Economic value generated	USD mn	–	–	3,677.0	4,408.0
Economic value retained	USD mn	–	–	1,578.8	2,189.0
Economic value distributed	USD mn	–	–	2,088.2	3,319.0
Economic distribution by type					
Operating cost	USD mn	–	–	1,255.4	1,549.0
Royalties	USD mn	–	–	3.8	5.0
Staff costs	USD mn	–	–	317.1	367.0
Dividends	USD mn	–	–	0	191.0
Share buybacks	USD mn	–	–	0	361.0
Finance costs	USD mn	–	–	231.1	294.0
Corporate income tax payments	USD mn	–	–	279.8	551.0
Community investments	USD mn	–	–	1.096	1.0

Notes to data

1 2019–2020 data includes only legacy Chrysaor Energy operations (includes ConocoPhillips acquisition of UK assets by Chrysaor Energy in Q4 2019). For previous years' Premier Oil environmental data refer to our website.

2) 2021 data includes data for legacy Chrysaor Energy for Q1-Q4 2021 assets, and Q2-Q4 2021 data for legacy Premier Oil assets. In 2022, we revised our Scope 1, 2 and 3 emissions boundary definitions to focus on the activities over which Harbour has operational control and to better align with industry peer reporting. Based on this, we have restated our Scope 1 GHG emissions in 2021 to 1210.8 '000 tonnes CO_2eq (we reported 1600.6 '000 tonnes CO_2eq in 2021) Calculation based on assumed GHG emission Global Warming Potentials (GWPs) with the Intergovernmental Panel on Climate Change (IPCC) 6th report, 2021.

3) On a reported basis. Includes production from legacy Chrysaor Energy assets for the period of Q1-Q4 2021, and production from legacy Premier Oil assets for the period of Q2-Q4 2021. In line with our 2022 revised Scope 1, 2 and 3 emissions boundary we have also restated our 2021 GHG intensity figures.

4) Scope 2 calculations are based on emission factors supplied by the UK Department for Business, Energy and Industrial Strategy ('BEIS').

5) Data collected for Waste diverted from disposal by recovery operation and Waste directed to disposal by disposal operation began in 2021 in line with GRI 306: WASTE 2020.

6) 2019–2020 data includes only legacy Chrysaor Energy operations (includes ConocoPhillips acquisition of UK assets by Chrysaor Energy in Q4 2019). For previous years' Premier Oil data refer to our website.

7) 2020 data includes legacy Chrysaor Energy for Q1-Q4 2021 assets, and Q2-Q4 2021 data for legacy Premier Oil assets. Includes both own staff and contractors.

8) We classify significant process safety LOPC events as either 'Tier 1' or 'Tier 2' process safety events based on IOGP Report 456: Process Safety – Recommended practice on Key Performance Indicators.

9) 2019–2020 data includes only legacy Chrysaor Energy operations (includes ConocoPhillips acquisition of UK assets by Chrysaor Energy in Q4 2019). For previous years' Premier Oil data refer to our website.

10 Workforce profile: data as per 31 December 2021.

11) Accounts as new employees those hired following the creation of Harbour Energy (31 March 2021). Employees from legacy organisations (Premier Oil and Chrysaor Energy) not included as new employees.

12) Number of departures divided by employees at the end of the reporting period.

13) Definition of executive management: The executive committee or most senior executive or managerial body below the Board, including the Company Secretary but excluding administrative and support staff.

14) No Group-wide employee engagement survey was undertaken in 2021 due to the merger.

15) 2019–20 data not included given differences in data collection and policies/codes.

Glossary and definitions

ACRONYM	DEFINITION
AELE	Armada, Everest, Lomond and Erskine
BRINDEX	Association of British Independent Exploration Companies
BU	Business Unit
C&P	Contracts & Procurement
CBCR	Country-by-country reporting
CCS	Carbon capture and storage
CCUS	Carbon Capture Utilisation and Storage
CDP	Formerly the Carbon Disclosure Project the CDP runs an annual global environmental disclosure system
CH4	Methane
CMT	Crisis Management Team
CO	Carbon monoxide
CO_2	Carbon dioxide
CRRO	Climate-related Risks and Opportunities
DE&I	Diversity, equity & inclusion
DESNZ	UK Department for Energy Security and Net Zero
DJRC	Dow Jones Risk Centre
EIS	East Irish Sea
EITI	Extractives Industries Transparency Initiative
EPL	Energy Profits Levy
ER	Emergency Response
ERRV	Emergency response and rescue vessel
ESG	Environmental, social & governance
ETS	Emissions Trading Scheme
FEED	Front end engineering design
FID	Final Investment Decision
FPSO	Floating production storage & offloading
FTSE	Financial Times Stock Exchange
GHG	Greenhouse Gas Emissions
GloBE	Global Anti-Base Erosion
GRI	Global Reporting Initiative
GVA	Gross Value Add
HFC	Hydrofluorocarbons

Glossary and definitions continued

ACRONYM	DEFINITION	
HiPoR	High potential incident rate	An incident not causing loss or damage but under different circumstances would result in an accident
HiPos	High potential incidents	Any incident or near miss that could, in other circumstances, have realistically resulted in one or more fatalities
HSES	Health, safety, environment & security	
HSEx	Health & Safety Executive	
IChemE	Institution of Chemical Engineers	
IEA	International Energy Agency	
IOGP	International Association of Oil and Gas Producers	
IPCC	Intergovernmental Panel on Climate Change	
IPIECA	International Petroleum Industry Environmental Conservation Association	
LGBTQ+	Lesbian, gay, bisexual, transgender and questioning	
LOGGS	Lincolnshire Offshore Gas Gathering System	
LOPC	Loss of Primary Containment	An unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials
LTIR	Lost Time Injury Rate	
M&A	Mergers and Acquisitions	
NCP	National Contingency Plan	
NEA	National Energy Action	
N_2O	Nitrous oxide	
NF_3	Nitrogen trifluoride	
NGFS	Network for Greening the Financial System	
NGO	Non-governmental organisation	
NO_2	Nitrogen Dioxide	
NSIP	Nationally Significant Infrastructure Project	
NSTA	North Sea Transition Authority	
NSTD	North Sea Transition Deal	
PFC	Perfluorocarbons	
PROPER	Pollution Control, Evaluation and Rating	
SALT	Safety Action and Learning Team	
SASB	Sustainability Accounting Standards Board	
Scope 1		Emissions are direct emissions from owned or controlled sources
Scope 2		Emissions are indirect emissions from the generation of purchased energy
Scope 3		Emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions

Glossary and definitions continued

ACRONYM	DEFINITION	
SF_6	Sulphur hexafluoride	
SO_2	Sulphur dioxide	
SPE	Society of Petroleum Engineers	
SRMS	Storage Resources Management System	
SSP	Shared Socioeconomic Pathways	
TCFD	Task Force on Climate-related Financial Disclosures	
T&S	Transport & Storage	
TRIR	Total Recordable Injury Rate	Number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked
UKOITC	UK Oil Industry Taxation Committee	
UN SDG	United Nations Sustainable Development Goals	
VERRA	Independently verified carbon credits	
VOCs	Volatile organic compounds	

#WeAreHarbourEnergy

Registered Office

Harbour Energy Plc
4th Floor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Registered No. SC234781

Head Office

Harbour Energy Plc
23 Lower Belgrave Street
London
SW1W 0NR
Tel: +44 (0)20 7730 1111

Email: info@harbourenergy.com

Further reading

HARBOURENERGY.COM

CODE OF CONDUCT

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