

Climate Change 2015 Information Request

Statoil ASA

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please give a general description and introduction to your organization.

Statoil is an international energy company headquartered in Norway with about 23000 employees. Statoil is the leading operator on the Norwegian Continental Shelf (NCS), but since 2000 our business has grown as a result of substantial investments both on the NCS and internationally. Statoil has business operations in some 30 countries, and is present in several of the most important oil and gas provinces in the world.

Statoil has eight business areas: Development and Production Norway (DPN), Development and Production International (DPI), Development and Production USA (DPUSA), Marketing, Midstream and Processing (MMP), Technology, Projects and Drilling (TPD), Exploration (EXP), New Energy Solutions (NES) and Global Strategy and Business Development (GSB).

Statoil is among the world's largest net sellers of crude oil and condensate, and is the second largest supplier of natural gas to the European market. Statoil also has substantial processing and refining operations. We are contributing to the development of new energy resources, have on going activities in offshore wind, and are in the forefront of the implementation of technology for carbon capture and storage (CCS).

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Wed 01 Jan 2014 - Wed 31 Dec 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Brazil
Canada
Denmark
Norway
United States of America
United Kingdom

Select country
Bahamas
Germany
Angola
Faroe Islands
Tanzania

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

NOK

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

The oil and gas module has been completed. Statoil's answer to the CDP questionnaire includes forward-looking statements which are by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. This information relating hereto is to be treated by the Recipient as confidential information and the property of Statoil ASA. Moreover, neither Statoil ASA nor any other company or person presently affiliated or associated with Statoil ASA nor any of their respective advisors, agents, directors, officers, or employees make any representation or warranty, expressed or implied, as to the fairness, accuracy or completeness of the information and forward-looking statements. Accordingly, neither Statoil ASA nor any other company or person referred to above or their respective advisors, associates, agents, directors, officers or employees accepts any liability whatsoever for any loss howsoever arising from any use of this Information or its contents or otherwise arising in connection therewith. For a description of the factors that may affect our business, financial performance or results of operation, please have a look at the attached Risk review included in our 2014 Annual Report on Form 20-F. Statoil has operations in about 30 countries, but is reporting emissions only from the countries where we have oil and gas activities under Statoil operational control. In the remaining countries we have offices supporting our partner operated operations. Emissions from these offices are low compared to the emissions from our oil and gas activities. All the numbers we report on is 2014 numbers. However, there have been some organizational changes in 2015 that we have incorporated in this year's CDP response to reflect the organizational set up of today.

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a**Please identify the position of the individual or name of the committee with this responsibility**

The Board's Safety, Sustainability and Ethics Committee. As of 31 December 2014, the members of the committee were Catherine Hughes (chair) Bjørn Tore Godal, , Lill-Heidi Bakkerud /employee elected board member) and Stig Læg Reid (employee elected board member).

CC1.2**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

CC1.2a**Please provide further details on the incentives provided for the management of climate change issues**

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Monetary reward	Emissions reduction target Efficiency target Other: Emissions to air and water	Members of the corporate executive committee are remunerated based on emission reduction target. The following members of the Corporate executive committee have a climate KPI on their individual scorecard: a)EVP Development and Production Norway: Absolute reduction of emitted CO2 b) EVP Marketing, Midstream and Processing (MMA): Environmental performance; a combined KPI entailing energy efficiency, emissions to air (CO2, NOx, SOx) and emissions to water
Corporate executive team	Recognition (non-monetary)	Emissions reduction target	The following members of the Corporate executive committee are being measured on the KPI CO2 emission reductions: EVP Development and Production International (DPI), EVP development and Production USA (DPUSA), EVP Development and Production Norway (DPN), EVP Marketing, Midstream and Processing (MMA).
All employees	Recognition (non-monetary)	Behaviour change related indicator	Statoil's HSE award is awarded annually, with the purpose of driving and rewarding significant efforts within health, safety and environment, including climate

Further Information

Page: CC2. Strategy

CC2.1**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported ?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	All geographical areas Statoil is operating or have market exposure in	> 6 years	More information is available at our web page http://www.statoil.com/en/EnvironmentSociety/Sustainability/Pages/RiskManagementAndGovernance.aspx

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Our enterprise risk management process provides the holistic, bottom-up and top-down, framework for managing risks across the company. The overall risk owners hold the accountability for our business activities. Responsibility for risk management is cascaded throughout the organisation. Risk management forms an integral part of all business processes: informing strategies, target setting & planning; supporting decision-making for investment projects; in operations to avoid incidents and strengthen performance; and in exploration & projects at both an individual and portfolio level. The corporate risk picture is built up from input from across the organisation, from activity specific, to country, through business cluster to business area level input. We include both the upside (i.e. opportunities) and downside potentials for risks with the objective of value creation. For risks with the objective of avoidance of incidents only the downside potential is considered. The risks are described through the identification and evaluation of the sources and causes of risks (i.e. risk factors), including those related to climate. The influence that these risk factors have on the desired performance level and delivery is first evaluated by the risk owner, with the support of relevant stakeholders providing expertise and advice, and then appropriate management actions are selected and implemented. The reputation effects are also assessed for each of the identified risks. The time-line for our risk management process is typically 12 months ahead. For the longer term the risk issues radar is used and analysis of the long term macro-economic and market outlook. The Corporate risk issues radar is built up from input from across the company from risk owners, heads of functions (e.g. sustainability, safety and people and organisation) and internal service providers (e.g. research and development). Climate related risk issues and the effect of climate on other risk issues are addressed.

CC2.1c

How do you prioritize the risks and opportunities identified?

Risk management includes identifying, evaluation and managing risk (both upside (so called opportunities) and downside) in all our activities in order to support Statoil's principal objectives to create value and avoid incidents. A specific risk is described in terms of the impact, probability and uncertainty (i.e. strength of background knowledge) of a deviation (upside (so called opportunity) or downside) from a specified reference value (i.e. expectation, most likely case, forecast, percentile or target). The need for measures to manage the deviation is then assessed. Desired performance level and delivery (established by the risk owner) together with cost benefit

analysis are used to decide on the actions required to retain or adjust the risk level (i.e. exploit, share/transfer, accept, mitigate, avoid, monitor). The desired performance level and delivery reflect the established strategic objectives and key performance indicators as well as compliance with relevant policy and regulatory and corporate requirements that together support the principle company objectives to create value and avoid incidents. These are managed through our holistic integrated performance process, covering five performance perspectives, namely: people and organisation, health, safety and environment, operation, market and finance. Measures that make a facility or activity inherently safer are given priority. The management measures are established to address the specific risk factors (including climate related risk factors) that are the main sources or causes of the deviation. The time horizon typically used for our risk management process is forward looking 12 months. For consideration of the potential risk picture for the longer term we use the risk issues radar. This enables us to look at emerging issues and risks and risk factors with a high level of uncertainty with respect to the nature and extent of the impact and timing of the affect.

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i) How business strategy has been influenced

Our sustainability strategy is placed to directly support our business objectives of high value growth and increasing efficiency. Reducing carbon emissions will ensure the long-term viability of our position as a leading energy provider.

Statoil believes that stricter climate regulations, cost reduction of low carbon technologies, and changed consumer preference are moving the world in a direction of a low carbon future. To succeed in this future, Statoil will focus on "Low cost – Low carbon", as communicated at our capital markets update 6 February 2015. The EVP of Global Strategy and Business Development has through the last year run a project on Taking Statoil Towards a Low Carbon Future. All business areas have been participating and a main outcome of this project was the establishment of a new business area called New Energy Solutions.

ii) Specific aspects of climate change influencing our strategy

The climate change issue has two main influences on Statoil's business strategy: in the form of activities to help risk management related to the CO2 regulation and potentially changed demand for oil and gas, and; investment in opportunities that could benefit from the transition to a low carbon future.

Our CEO is intensively engaged in the "Paris agenda" where Statoil's main contributions are actions and cooperation with governments, peers and civil society on i) banning production flaring by 2030 (just launched), ii) reducing methane from oil and gas value chains (CCAC), iii) carbon pricing

iii) Influence on short term strategy (5-10 yrs.)

Succeeding with our organisational efficiency programme is both a short and long term strategy and key to succeed in a low carbon future.

Our ambition is to be 'recognised as the most carbon efficient oil and gas producer'. Our activities to support this ambition can be grouped under the following three headings:

- Maintaining a competitive carbon footprint in our own operations

Statoil is one of the world's most carbon efficient oil and gas producers, and our ambition is to maintain this position. To achieve this we have established ambitious carbon intensity targets for 2020, we are actively working to reduce methane emissions and emissions from flaring, and we apply a carbon price of 50 USD/tonne CO2 for all new projects to stimulate emission reductions.

Technology advances for low-carbon energy

We have a strong commitment to environmental and climate R&D aimed at identifying new solutions for reducing carbon emissions. Driving technological innovation also means working with our suppliers and the different sectors involved in the oil and gas value chain to find solutions that can reduce emissions. In particular, we are involved in several technology projects aimed at reducing greenhouse gases from our shipping activity. Together with GE, we have initiated a joint technology-focused programme to pursue industrial solutions designed to reduce the environmental impact of oil and gas production. More information about the collaboration is available at our website (<http://www.statoil.com/en/TechnologyInnovation/PoweringCollaboration>).

- As the second largest supplier of natural gas to Europe, we provide energy that offers a significant opportunity to reduce emissions. Natural gas emits about 50% less CO₂ than coal and can effect significant, immediate emissions reductions when it replaces coal.
- We are investing in offshore wind and carbon capture and storage. We have been a global leader in carbon capture and storage since 1996 and we continue to pioneer research and implementation within this area.

Collaborating and advocating for cost-effective climate and energy policies

We work with governments, companies, peer companies in our industry sector and civil society organisations to facilitate the development of viable global policies and regulatory frameworks.

- We actively advocate international measures that put a price on carbon which reflects the real impact of emissions. In the EU, we have publicly declared our support for the approved 40% greenhouse gas emissions reduction target by 2030 and a significant strengthening of the EU Emissions Trading Scheme.
- We are working with the World Bank and the International Emissions Trading Association through The Partnership for Market Readiness, to contribute to development of well-designed carbon pricing schemes in many countries.
- Recently, we sharpened our focus on collaborative efforts to address global methane emissions.

iv) Influence on long term strategy (10-20yr)

Statoil is preparing itself for a low carbon future.

We are making and applying energy and climate scenarios to 2040, including a 2C scenario, and are forecasting possible energy demand and prices and where possible new climate regulations and changed weather patterns are key factors. For every investment decisions we are including possible future carbon costs in project economy calculations, and we are testing projects' viability in case of significantly changed prices for oil, gas and electricity. Projects that do not stand up to this test is not going further to investment decisions. Furthermore, we have procedures for ensuring that the project is robust to changed weather patterns.

To ensure that our portfolio is resilient in a low carbon world, we apply an internal carbon price of 50 USD/tonne CO₂ for all new projects after 2020 in our investment decisions.

v) Competitive Advantage.

Statoil is building competitive advantage to meet this world by focusing on carbon-efficient oil and gas production (includes focus on reducing methane emissions), elimination of flaring (zero emission 2030 target), CCS (capture and storage of 1.5 million tonnes CO₂ at Sleipner and Snøhvit, 20 % owner share of Mongstad test centre in Norway) and renewables (offshore wind to more than 600.000 households in the UK, looking for new business opportunities)

Statoil views being involved in fossil fuels with low carbon content such as gas is becoming an increasingly competitive advantage. Statoil supplies around 20 % of EUs gas demand.

vi) Substantial Decisions

The most substantial decisions last year has been:

- The establishment of a new business area, New Energy Solutions, to reflect business opportunities related to low-carbon technology. Low-carbon technologies are expected to grow in a low-carbon future.
- The establishment of the Business partnership with GE on focusing on low-carbon solutions, to further enhance carbon efficiency in our operations and thereby our competitiveness and cost-effectiveness in a low-carbon future.

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

Since last year we apply an internal carbon price of USD 50/tonne of CO₂-equivalent (2014 real terms) for expected GHG emissions to all project investment decisions and which we use for portfolio management and strategic considerations. Note that Statoil's projects and operations in regimes already practicing higher carbon costs are evaluated using specific local prices/costs. Thus, for our activities on the Norwegian Continental Shelf the expected sum of the Norwegian CO₂ tax and the ETS price, 500 NOK/tonne (~\$60 per tonne) should be used. To our knowledge, no other companies are applying a higher internal carbon price than we do.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Cap and trade	Support	Submission of Statoil position paper, contributing to position papers from IETA, OGP and Business Europe. Office in Brussels are meeting with policy makers on a regular basis	Supporting strengthening of EU ETS, including support to Market Stability Reserve, and ambitious 2030 GHG target for the EU
Cap and trade	Support	In steering committee of the International Emission Trading Associations B-PMR, which works to do capacity building on carbon markets initiatives around the world	Statoil actively support an international price on carbon and support development and initiatives on carbon pricing and linking of carbon market schemes
Energy efficiency	Support with minor exceptions	Introduction of emission performance standards in the power sector in the USA.	112 d and 112 f power plant rules in the USA
Other:	Support	Norway aims to be included in EUs 2030 climate target of 40 % reduction from 1990 to 2030	Endorsed by Norwegian Parliament March 2015.
Regulation of methane emissions	Support with minor exceptions	Statoil has undertaken a number of activities to respond to regulatory developments in US and possible future regulations in Norway and is progressing on the objectives for methane improvement activities. In response to the Obama Administration's increased focus on methane emissions, Statoil has been actively engaged on two fronts: (1) evaluating operational aspects and implementing reduction measures for our US onshore assets, and (2) engaging with industry and the Administration regarding the development of a voluntary program. In Norway, Statoil is collaborating with Norwegian Environment Agency (NEA) on potential upcoming regulations to find solutions to improve emission identification, quantification methodologies and identify and implement cost effective emission mitigation options Statoil has developed corporate principles on methane regulations: • Wasteful and avoidable methane emissions in the oil and gas	As part of his climate strategy, President Obama introduced a plan to address methane emissions in March 2014. Earlier this year, the White House and Environmental Protection Agency (EPA) signaled their intention to regulate new sources of emissions (i.e. newly permitted operations). The more controversial issue relates to emissions from existing facilities. The Administration is currently developing a voluntary emissions control program (Enhanced Natural Gas Star or ENGS) that seeks to attract industry participation. Draft regulations are expected later this summer and will vastly improve Statoil's and industry in general, overall understanding of the future regulatory landscape. It is expected that the level of regulation will depend on how well the voluntary initiatives work. Through its membership in the Climate and Clean Air Coalition (CCAC), the Norwegian Government has increased its focus on short-lived

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		sector should be eliminated • Target the most significant emissions sources • Harmonisation of relevant monitoring, reporting and verification standards of methane emissions • Build upon industrial experiences and initiatives • Realistic reduction timeframe • Disclosure of methane emissions data	climate pollutants, publishing an action plan for methane in December 2013. As part of this action plan, the Norwegian Environment Agency (NEA) initiated, in close cooperation with industry, a project to improve methane and non-methane volatile organic compounds (NMVOC) management and reporting on the NCS. The NEA project consists of three modules and is expected to conclude in October of 2015. The main outcome of the project will likely be the implementation of new methane and NMVOC reporting regulations for upstream, NCS operations. We anticipate such regulations to come in force from the 2016 reporting year.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
American Petroleum Institute	Mixed	In favor of industry developed standards to reduce emission reductions. Less in favor of federal climate regulations and legislation in the US	Statoil is relatively small company in the US and is usually not in a position to direct API's position on climate. However, we inform API when we disagree in positions they are taking
International Emission Trading Association	Consistent	Promoting market base climate legislations around the world	Actively participating in working groups on different topics. Provide direct input to positions papers
Center for Environment Policy Studies (CEPS)	Consistent	Discussing international climate negotiations and market based climate legislations around the world	Actively participating in working groups on different topics. Provide direct input to positions papers
IPIECA	Unknown	Not advocating on climate change legislation	Not applicable as IPIECA does not do advocacy.
IOGP	Mixed	To represent and advocate industry views by developing effective proposals based on professionally established technical arguments in a societal context.	Has a different view than OGP on EU climate and energy policy and is providing input to position papers to adjust IOGP's position.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

We fund research institutions such as MIT's Joint Implementation Program and CICEP/CICERO. Research focus topics focused upon includes:

- UN climate policy development
- Climate policies development in Norway, EU, US, China, Brazil, India
- Development of regulations in the transport sector
- Development of new policies in the power sector
- Physical impact of climate change,

When choosing a research program to fund we use three criteria 1) Excellence 2) Bring different knowledge or different perspectives than we already have in-house. 3) Independency. The research institutions' work is related to our climate strategy in the sense that they provide insight on important climate issues such as possible new climate policies around the world. An important part of our climate strategy is to understand latest development and insight on such issues.

CC2.3h

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

Statoil has developed corporate climate positions that are aligned with our climate change strategy.

The Corporate Sustainability Unit has frequent meetings with the Governmental and Public Affairs team and relevant colleagues in the Business Areas in order to develop and align positions and strategies for influencing policies and regulations globally and regionally/nationally. Furthermore, we have a designated Policy Reference Group which consists of representatives from all Business Areas where the purpose is to make sure that our activities that influence policy are consistent with Statoil's corporate positions on climate change. The policy reference group meets every 6 week.

Statoil employees that engage in dialogue on behalf of the company with industry organizations, policy makers, media or other stakeholders are required to use corporate policies and positions as a basis for the dialogue, according to Statoil's Code of Ethics. Furthermore leaders are trained on the climate change issue and how Statoil approaches this (Climate fluency training)

We upload our policy positions response to consultations on our website. This is because we aim for transparency but also ensuring our employees know what are Statoil's positions on dedicated policy proposals.

There are cases where we have different opinion than the industry organisations we are member of (for example IOGP positions on free allowances for offshore Oil and Gas, API position on US power plant rules). In such cases we are trying to influence the position of the business organization, or, if that is not possible, we will send a letter to the business organizations where we explicitly states that we cannot support the view the business organisations promote.

We have a designated appointee in our global Government Relations team to coordinate advocacy and align it with the positions created by the policy team in Group CO2. That appointee ensures overall compliance through a committee structure.

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

Yes

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

Statoil acknowledges the scientific consensus on human-induced climate change, and supports the efforts of the United Nations and its member states to agree on and implement necessary climate measures to prevent dangerous manmade interference with the climate system. An effective agreement would mean:

- A global emission reduction target of 60% by 2050, backed by an ambition to reach net zero emissions by the end of the century.
- A legally binding agreement, which would ensure emissions reduction, a global level playing field, and provide long term certainty for renewables, gas and investments in low carbon technology, while acknowledging different national circumstances and capabilities
- The new agreement should recognise and provide the basis for transfers of emission allowances ("quotas") for those countries that that decide to develop and link their domestic carbon pricing schemes.

An effective agreement would imply higher emissions costs for Statoil and could imply lower demand for oil in parts of the world, but it would also provide the basis for fuel switching from coal to gas, and long term uncertainty for Statoil to invest in energy efficiency, renewables and other low carbon technologies

Activities we undertake to help deliver this agreement:

We work with governments, business, peer companies in our industry sector and civil society organizations to facilitate the development of viable global policies and regulatory frameworks. Our CEO has recently been participating in the opening panel of the Paris private sector climate summit and has together with 5 other CEOs (Shell, BP, Eni, Total, BG Group) just signed a CEO carbon pricing communique letter that has been submitted to the UNFCCC

We also work to address the climate challenge through our industrial approach to create a resilient company and in support of industrial initiatives contributing to the development of well-designed carbon pricing schemes, efforts to reduce flaring and methane emissions and to pursue industrial solutions designed to reduce the environmental impact of oil and gas production and to stimulate further development in renewables, CCS and other low carbon technologies.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute and intensity targets

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1	58.3%	9%	2007	8867712	2020	Statoil is committed to the Norwegian industry's Konkraft pledge to reduce CO2 emissions from the Norwegian Continental Shelf (NCS) by 1 million tonnes CO2 from 2007 to 2020. Statoil's share of the pledge is 800 000 tonnes CO2 reductions. Status 2014: App. 630.000 tonnes delivered, 79% of the target
Abs2	Scope 1	100%	2%	2014	15000000	2020	In order to measure progress towards our 2020 carbon intensity targets, a new carbon dioxide emissions reductions key performance indicator was implemented in 2014. The indicator measures emissions reductions to be achieved through targeted projects, all with a positive net present value. The purpose of the indicator is to stimulate innovation and enhance the focus on emissions reductions in addition to cost savings. The indicator measures estimated emissions reduction at an early stage in the project decision process. Our experience so far is that most initiatives identified early in the project process are being implemented and emissions reductions realized. In 2014 330.000 tonnes of potential CO2 savings were identified, 80.000 tonnes above the 2014 target of 250.000 tonnes. The emissions reduction related to the Norwegian Continental Shelf (NCS) are included in the Konkraft target in Absolute Target 1.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int1	Scope 1	100%	11%	metric tonnes CO2e per barrel of oil equivalent (BOE)	2011	8.1	2020	The 2020 CO2 intensity target for Conventional oil and gas 11 kg CO2/boe. The 2020 intensity target is higher than intensity in the base year due to maturing fields and enhanced

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
								oil recovery on the Norwegian Continental Shelf NB! "% reduction from base year" is -11% but the form does not accept negative numbers.
Int2	Scope 1	100%	12%	metric tonnes CO2e per barrel of oil equivalent (BOE)	2011	17.0	2020	The 2020 CO2 intensity target for Heavy oil (22.3-10 API) is 17 kg CO2/boe. We revised the target for heavy oil in 2014, because the original target (11kg CO2/boe) was based on inaccurate assumptions.
Int3	Scope 1	100%	8%	metric tonnes CO2e per barrel of oil equivalent (BOE)	2011	26	2020	The 2020 CO2 intensity target for LNG is 24 kg CO2/boe
Int4	Scope 1	100%	18%	metric tonnes CO2e per barrel of oil equivalent (BOE)	2013	44	2020	The 2020 CO2 intensity target for tight oil is 18 kg CO2/boe
Int5	Scope 1	100%	0%	Other: Max 2 tonnes gas flared per 1000 tonnes hydrocarbons produced	2013	4	2020	Flaring intensity target 2020: max 2 tonnes gas flared per 1000 tonnes hydrocarbons produced. 2030 target: Zero continuous (production) flaring
Int6	Scope 1	100%	0%	metric tonnes CO2e per barrel of oil equivalent (BOE)	2013	8	2020	In 2014, we developed a target for our new production segment shale gas: 6kg CO2/boe

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	No change	0	No change	0	The carbon intensity for conventional oil and gas remained stable at 9kg CO2/boe, well below the

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
					2020 target.
Int2	No change	0	No change	0	For heavy oil the carbon intensity increased slightly from 14 kg CO ₂ /boe in 2013 to 15kg CO ₂ /boe in 2014, due to an increase in produced water.
Int3	Decrease	8	No change	0	We achieved carbon intensity for LNG of 24kg CO ₂ /boe due to stable production and consequently more efficient operations.
Int4	Decrease	59	No change	0	For thigh oil, the carbon intensity improved significantly from 46kg CO ₂ /boe in 2013 to 36 kg CO ₂ /boe in 2014, mainly due to more associated gas being captured and consequently less gas being flared.
Int5	Decrease	50	No change	0	We achieved a flaring intensity of 4 tonnes of gas flared per 1000 tonnes hydrocarbons produced.
Int6	Decrease	25	No change	0	The carbon intensity for shale gas was 8kg CO ₂ /boe. Towards 202, the carbon intensity for this segment is expected to decrease due to reduced flaring intensity.

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	54%	78.8%	Status 2014: App. 630.000 tonnes delivered, 78,8% of target
Abs2	17%	20%	330.000 tonnes of potential CO ₂ savings were identified, above the 2014 target of 250.000 tonnes.
Int1	38%	100%	The carbon intensity for conventional oil and gas remained stable at 9kg CO ₂ /boe. Target exceeded already
Int2	38%	100%	For heavy oil the carbon intensity increased slightly from 14 kg CO ₂ /boe in 2013 to 15kg CO ₂ /boe in 2014, due to an increase in produced water. The carbon intensity is expected to increase over the next years due to an increase in produced water at Peregrino (Brazil) and the start-up of Mariner (UK) in 2017.
Int3	38%	100%	We achieved carbon intensity for LNG of 24kg CO ₂ /boe due to stable production and consequently more efficient operations.
Int4	38%	31%	For thigh oil, the carbon intensity improved significantly from 46kg

ID	% complete (time)	% complete (emissions)	Comment
			CO2/boe in 2013 to 36 kg CO2/boe in 2014, mainly due to more associated gas being captured and consequently less gas being flared
Int5	17%	0%	We achieved a flaring intensity of 4 tonnes of gas flared per 1000 tonnes hydrocarbons produced.
Int6	17%	0%	The carbon intensity for shale gas was 8kg CO2/boe. Towards 202, the carbon intensity for this segment is expected to decrease due to reduced flaring intensity.

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

1) Low Carbon Electricity (Offshore wind) in UK

Production of electricity from the 317MW Sheringham Shoal Offshore Wind Farm, located off the coast of North Norfolk in the UK, comprises 88 wind turbines and generates around 1.1TWh per annum. Providing clean energy to households substituting electricity from coal plants or gas power plants. Lower Emission Factor (gr CO2eq/KWh) than average UK Grid.

This is enough clean energy to power almost 220,000 British homes and reduce CO2 emissions by about 450,000 tonnes every year based on the current UK generation mix (443 g/kWh CO2e, DUKES 2013) . Over the lifetime of the project (20 years) this would reduce about 9,7 million tonnes CO2.

2) Fuel switch: Exporting Gas to Europe

Through Statoil's export of gas to Europe consumers get access to cleaner energy supply compared to use of coal and indirectly enable customers to avoid CO2 emissions.

Norwegian natural gas accounts for more than 20 % of Europe's total natural gas consumption. In 2014 Norway exported 101 billion cubic meters of natural gas to Europe, about two-thirds of this being delivered by Statoil.

Europe's natural gas is used by industry (28%), for power production (26%), heating of households and business buildings (41%) and other purposes (5%).

Switching from coal to natural gas in the EU represents a carbon emission reduction potential of minimum 450 million tonnes (The EU's coal-driven power plants emit some 800 million tonnes of CO2 per year.), about 9 times Norway's total carbon emissions. Norwegian natural gas will play an important role in realizing such a reduction.

Natural gas exports from Norway holds the potential of substituting coal (and lignite) in electricity generation and thereby provide CO2 emissions reductions. A gas fired power plant emits about 50% less CO2 per kWh electricity than a coal fired power plant.

Theoretically natural gas could reduce CO2 emissions in Germany alone by as much as 280 million tonnes if all lignite and coal power plants were substituted with gas power plants (that would amount to more than 25% reduction in total German CO2 emissions)

Statoil's yearly export of gas to Europe varies from year to year, but is in the order of 400 TWh. This excludes gas that Statoil sells on behalf of others such as the Norwegian State.

A significant amount of this gas is used in the power sector, where the natural replacement would have been coal. Assuming that the share of Statoil's gas used for power generation is around 25%*, this amounts to 100 TWh. 100 TWh gas can generate 50 TWh of power with emissions of around 20 million tonnes. To generate a similar amount of power from coal, emissions would have been 45 million tonnes, giving savings of around 25 million tonnes.

The remainder of the gas, 300 TWh, can be assumed to be used for heating or in industry. When combusted, this gas will emit around 60 million tonnes of CO₂. The alternative fuel for these applications would be mainly oil products, but also to a certain degree electricity or coal. Oil products have around 35-40% higher emissions than gas per energy unit. Electricity can have higher or lower emissions depending on the marginal source of generation, while coal has much higher emissions. Assuming that it is predominately oil that is replaced, it can be estimated that Statoil's gas saves more than 20 million tonnes of emission outside the power sector, giving total emission savings of at least 45 million tonnes.

*25% corresponds to the share of gas used for power generation in North West Europe in recent years.

CC3.3

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

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO₂e savings

Stage of development	Number of projects	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	76	604000
To be implemented*	15	293905
Implementation commenced*	5	132000
Implemented*	18	264753
Not to be implemented	132	189000

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO ₂ e savings (metric tonnes CO ₂ e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Processes	Reduced fuelgas use in CO boilers, due to improved heat	14000	Scope 1	Voluntary	560000	2800000	4-10 years	16-20 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	exchange with the gas power plant.								
Energy efficiency: Processes	Pressure reduction in distillation column reduces fuel gas usage. New operation mode is implemented in the procedures.	5260	Scope 1	Voluntary	200000	100000	1-3 years	16-20 years	
Fugitive emissions reductions	Flare reduction Compressors are adjusted to contain the gas longer before flaring during a trip. An estimate of reduced flaring is given.	290	Scope 1	Voluntary	12000	100000	4-10 years	16-20 years	
Energy efficiency: Processes	Installation of frequency rotation control system at two pumps will reduce electricity consumption .	600	Scope 1	Voluntary	6000	100000	16-20 years	16-20 years	
Energy efficiency: Processes	Reduce preheating of air supply to boilers will reduce fuel gas consumption .	1200	Scope 1	Voluntary	50000	100000	4-10 years	16-20 years	
Energy efficiency: Building services	Reduced lighting at the plant using the photocells in auto mode instead of	1400	Scope 1	Voluntary	56000	100000	1-3 years	16-20 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	manual operation								
Energy efficiency: Processes	Optimal operation of the LPG compressor.	700	Scope 1	Voluntary	28000	100000	1-3 years	16-20 years	
Energy efficiency: Processes	Flare reduction	440	Scope 1	Voluntary	2244000	4000000	4-10 years	16-20 years	
Energy efficiency: Processes	Optimize processes	800	Scope 1	Voluntary	408000		4-10 years	6-10 years	
Energy efficiency: Processes	Flare reduction	900	Scope 1	Voluntary	459000	1000000	4-10 years	16-20 years	
Energy efficiency: Processes	Revamp of precompressor	23700	Scope 1	Voluntary	12087000	32000000	4-10 years	6-10 years	
Energy efficiency: Processes	Revamp of precompressor	23700	Scope 1	Voluntary	12087000	32000000	4-10 years	6-10 years	
Energy efficiency: Processes	Optimizing anti-icing system SLA 8 turbines	19000	Scope 1	Voluntary	9690000	20000000	4-10 years	6-10 years	
Energy efficiency: Processes	Machine	9500	Scope 1	Voluntary	4845000	20000000	4-10 years	6-10 years	
Fugitive emissions reductions	Fugitive emissions repair	348	Scope 1	Voluntary	31214	18845	4-10 years	1-2 years	Investment cost \$3000 USD/NOK : 7,9597
Energy efficiency: Processes	Vacuum insulated tubing	674	Scope 1	Voluntary	454577	10984386	4-10 years	1-2 years	Investment costs \$1,38MM
Energy	More	3029	Scope	Voluntary	0	68453420	4-10	11-15	Investme

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
efficiency: Processes	production and less injection		e 1				years	years	nt costs: \$8,6MM
Fugitive emissions reductions	Flaring reduction. Building pipeline infrastructure.	152000	Scope 1	Voluntary		74500000	1-3 years		Flaring reductions for our US onshore operations.
Energy efficiency: Processes	Second stage temperature reduction onboard Peregrino FPSO. Reducing the temperature on the second stage from 130oC to 127oC.	2993	Scope 1	Voluntary				21-30 years	Second stage temperature reduction onboard Peregrino FPSO

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Minimum requirements for energy efficiency, non- production flaring or evaluation requirements for CO2 reduction projects are included with our corporate technical requirements/ corporate policies. Non-compliance with the internal requirement requires a formal dispensation and a mitigation plan. TR10009: Technical environment for onshore plants TR10011: Technical Environment standard for design, modification and operation of offshore plants Corporate Recording requirements on * CO2 and CH4 reporting. Monthly for Statoil Operated and Quarterly for Partner Operated Installations * CO2 and CH4 Forecasting Compliance with legislation such as EU-ETS, Norwegian CO2 tax, etc. where applicable to our operations TR10009: Technical environment for onshore plants TR10011: Technical Environment standard for design, modification and operation of offshore plants Corporate Recording requirements on * CO2 and CH4 reporting. Monthly for Statoil Operated and Quarterly for Partner Operated Installations * CO2 and CH4 Forecasting Compliance with legislation such as EU-ETS, Norwegian CO2 tax, etc. where applicable to our operations All operating fields and installations in Europe have a discharge permit and a permit for climate quota bound CO2 emissions given by national authorities. The permits include requirements i.a. on energy efficiency, energy management and use of BAT (ref IPPC directive). The requirements are followed up locally and are continuously under investigation by the authorities during frequent audits.

Method	Comment
Dedicated budget for energy efficiency	Statoil's internal requirements demands that annual Energy Management Plans are established for each facility/installation. This plan should contain an energy efficiency target and the list of potential initiatives to achieve the target. When approved by the facility/installation manager, budget will be allocated. Plan and expenditure are closely monitored during the year.
Dedicated budget for low carbon product R&D	Statoil total R&D investment has been app. 2.7 billion NOK (\$460 million) per year for the last three years. Investments in R&D for carbon reduction technologies such as energy efficiency programme, CCS, offshore wind technologies, second generation biofuels and geothermal has received a significant part of the investments.
Dedicated budget for other emissions reduction activities	Budget for CO2 / Energy consumption reduction in buildings and living quarters, from increase of building energy efficiency to usage of renewable paper coffee cups
Employee engagement	Encouraging cycling to work, arranging for Company buses for transportation between airport and offices and providing bus transportation for commuters between hotel and offices (for larger offices) to reduce use of individual taxi
Internal price of carbon	We consider the potential cost of a project's CO2 emissions in all investments decisions. Our internal price of carbon assume major increase of CO2 price both in Europe and in the rest of the world towards 2040
Internal incentives/recognition programs	Annual HSE Awards, of which large CO2 Emission Reductions could be proposed by anyone in the organization.
Lower return on investment (ROI) specification	Yes, Konkraft commitment. Target ID: Abs.1 (Listed in question 3.1a)
Marginal abatement cost curve	We have developed Marginal Abatement Curve for evaluating our emissions reduction projects and for communicating with Statoil's management. These provide a method of evaluating potential emissions reductions activities by comparing the largest equity CO2 Reduction Measures.
Partnering with governments on technology development	In cooperation with Gassnova (which represents the Norwegian government in CCS matters), Norske Shell and Sasol, Statoil started up the Carbon dioxide Technology Centre Mongstad (TCM) in 2012. The 6 billion NOK test centre is unique in the global context, two different technologies can be tested on two different exhaust gas sources (Combined heat and power plant and refinery). This makes the findings from TCM relevant to both gas- and coal-fired power plants.

Further Information

Page: CC4. Communication

CC4.1

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

Publication	Status	Page/Section reference	Attach the document
In voluntary communications	Complete	Sustainability report 2014	https://www.cdp.net/sites/2015/32/23132/Climate Change 2015/Shared Documents/Attachments/CC4.1/Sustainability_report_2014.pdf
In mainstream financial reports but have not	Complete	Statutory report 2014. Pages 14-15	https://www.cdp.net/sites/2015/32/23132/Climate Change 2015/Shared Documents/Attachments/CC4.1/Statutory_report_2014.pdf

Publication	Status	Page/Section reference	Attach the document
used the CDSB Framework			

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other regulatory drivers	The Norwegian government is in the process of developing regulatory and potential market mechanisms for methane management on the Norwegian continental shelf (NCS). It is anticipated that this	Increased operational cost	1 to 3 years	Direct	Very likely	Medium	It is difficult to have an accurate picture of potential future additional operational costs. However, for a potential methane tax, assuming that the cost is determined on a CO2 equivalent basis using the current CO2 tax	Statoil joined the Climate and Clean Air Coalition (CCAC) Oil and Gas Methane Partnership in 2014; As a member company, Statoil is committed to surveying selected assets and evaluating emissions reduction opportunities	Costs incurred are mainly related to asset-specific emissions identification and reduction activities. In 2014, to date, management costs related to participation in the CCAC and Norwegian Environment Agency projects were about 2 million NOK.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	may result in increased requirements for methane monitoring and control measures, and the potential introduction of a methane tax regime.						level. Statoil's annual methane tax for the NCS could amount to NOK 220 million, on the basis of reported 2014 production figures (operated) and CO2 tax.	es. In addition Statoil is actively participating in a project led by the Norwegian Environment Agency to improve emission identification, quantification methodologies and identify and implement cost effective emission mitigation options on the Norwegian Continental Shelf.	Costs for implementation are not included here.
Other regulatory drivers	New field developments on the Norwegian continental shelf (NCS) must assess the cost/benefit of electrification in the design phase and, if profitable, implement it. If this was to change, and electrification were to become a	Increased capital cost	1 to 3 years	Direct	About as likely as not	Medium-high	Costs related to electrification are asset/field-specific. For example, the investment cost for power from shore electrification solution for the Johan Sverdrup (first phase) is estimated to NOK 6 billion (2013) (Ref: impact	Statoil is working with Norwegian authorities and other partners to develop a cost-effective policy framework for future oil and gas operations on the Norwegian Continental Shelf that will allow Norway to reach its climate targets while ensuring that the	Costs associated with stakeholder engagement activities towards our peers and policy makers are limited. As an example in 2014, the budget for the strategy and position team in the corporate sustainability unit was approximately NOK 20 million, which included

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	mandatory requirement irrespective of the level of investment cost, this would result in increased investment costs for some new projects and could result in decisions by operators not to invest in some future projects. Electrification for power generation (power from shore) solution for the Johan Sverdrup field is already decided.						assessment study, Power solutions for Johan Sverdrup Field).	development of the Norwegian oil and gas resources will be economically viable in the coming years.	policy and strategy work related to climate and other sustainability issues. Investments in energy efficiency and emission reduction efforts represent significant costs.
Uncertainty surrounding new regulation	In our 2015 Energy Perspectives report, we describe a potential 'Rivalry' scenario, characterized by a lack of multinational collaboration, and a consequent lack of	Reduced demand for goods/services	3 to 6 years	Direct	About as likely as not	Medium-high	Main financial implications could be linked to (i) lower economic growth, ii) higher operating costs and/or (ii) lower demand for oil, which could impact our	Measures to manage the risk include: a) incorporating sensitivity analysis of potential impact on prices and demand for our products, b) scenario analysis (Energy Perspectives), c) a	The management method includes items with very different cost and investment impacts. Internal risk management process and advocacy are expected

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	ambitious global climate agreement. This creates an unpredictable business environment with uncertainties about timing and scope for future energy and climate policies, as well as lower growth in GDP in the long term (towards 2040). This could impact the supply of and demand for our products.						revenues. The 'Rivalry' scenario describes a potential reduction of the oil share of total primary energy supply in nearly every region of the world, going from 31% to 27%.	robust natural gas portfolio which is less likely to be impacted by potential changes in fuel demand; and d) advocating for strong international climate agreements and a global price on carbon.	to have a relative low costs whereas building a robust natural gas portfolio entails a much higher cost of investment, with returns on investment.

CC5.1b

Please describe your inherent risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Changes in precipitation patterns impacting the availability of water (e.g. prolonged)	Reduction/disruption in production capacity	1 to 3 years	Direct	More likely than not	Medium	Potential for reduction in revenue as a consequence of requirement for temporary	Statoil has clear requirements for water management and for when to develop a dedicated	Cost of water management is asset specific. Technology development for water

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	drought). This in turn could impact the development costs, schedule and production reliability for our onshore unconventional activities in the USA for example in the Bakken (North Dakota).						y shutting-in of production or slow-down in development activities. It is difficult to have accurate numbers of potential implications; however as an illustrative example in an hypothetical case that 30% of the production in the Bakken was shut-in, this would amount to a loss of revenues of about NOK 10 million per day (assuming an oil price of 93USD/bl which was the 2014 WTI average)	water management plan. Statoil is working with several industry partners on finding industrial solutions to reduce freshwater consumption and increase freshwater reuse and recycling rates. In 2014, Statoil conducted a successful pilot using 100% returned water in the hydraulic fracturing of two wells at Bakken. Using wastewater in these two pilot wells could save approximately 6.5 million US gallons of freshwater. As part of its "Sustainability collaboration" with GE,	management is financed through the total R&D budget (NOK3.0 billion in 2014). Such investment can enable substantial operational cost savings in the long run.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Statoil is also looking at reducing water usage through CO2 stimulation.	
Change in precipitation extremes and droughts	Increasing frequency of extreme weather events leading to production upset and increased waiting on weather in drilling and maintenance operations for our offshore installations (e.g. in Gulf of Mexico and Norway)	Reduction/disruption in production capacity	1 to 3 years	Direct	Likely	Medium	Increased operational costs. Reduction in revenue as a consequence of production interruption.	Factored into costs and schedule estimates and in production forecasts.	Included in normal operating costs

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Disruptive technologies such as large battery	Reduced demand for goods/services	3 to 6 years	Direct	About as likely as not	High	The main financial implications would be linked to lower European demand for gas which could lower our revenues and could lower gas prices. Low gas prices might also impact development of future projects. Price risk sensitivities at the end of 2014 and 2013 have been calculated assuming a reasonably possible change of 40% in natural gas prices, see Annual Report on Form 20-F (2014) page 189-190. This sensitivity analysis includes estimated financial implications, available at page 190. see http://www.statoil.com/no/InvestorCentre/AnnualRe	Measures to manage the risk include: a) monitoring	Significant investment being directed towards offshore

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	technologies could distort the demand for our products, as it may allow more intermittent renewables to be used in the power sector and could for example compete with the market share for natural gas. This could especially have impact of						port/AnnualReport2014/Documents/DownloadCentreFiles/01_KeyDownloads/20-F_2014.pdf	g the development of competing technologies; b) looking into business opportunities within new energy, including setting up a new business area responsible for new energy solutions; and c) focusing on increased efficiency to remain cost competitive	ore wind and low carbon technologies. Statoil currently offshore wind portfolio is located in the UK, Sheringham Shoal has been in operation since 2009 and Dudgeon is planned to be in full operation by the end of 2017. The Dogger Bank development was recently

Risk driver	Description	Potential impact	Time frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Stat oil's gas sales in Europe.								granted consent for the first two projects with a total generating capacity of 2.4GW. Each project costs more than NOK 12 billion. In addition, we plan to use the Hywind technology for a small wind farm off the coast of Scotland, and we are involved in

Risk driver	Description	Potential impact	Time frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									ongoing feasibility studies for the use of this technology off the coast of Japan.

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Time frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Strengthened EU Emissions	Increased demand for existing products/ser	1 to 3 years	Direct	About as likely as not	High	The indicative full-year effect on the financial result for 2015 given an increase in average invoiced gas price of + NOK 0.5/scm would result in a net operating income effect before tax of NOK21 billion compared to 2014 (source: Annual report on Form 20-F 2014 page 102). See here: http://www.statoil.com/no/InvestorCentre/Annual	Advocacy efforts towards Euro	Advocacy costs are relatively low.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>ns trading scheme with higher CO2 price could drive a shift from coal to gas in the European power sector.</p>	<p>rvices</p>					<p>Report/AnnualReport2014/Documents/DownloadCentreFiles/01_KeyDownloads/20-F_2014.pdf Increased CO2 price in European market could favour natural gas in comparison to coal and increase Statoil's market share in the European power sector. Natural gas can also be used as back-up energy solutions for a growing share of intermittent renewables.</p>	<p>pean policy makers through direct meetings and industry associations such as International Emissions Trading Association to support strengthening of the EU ETS. Statoil's position on EU 2030 package is available on our webpage : "Statoil supp</p>	<p>It is difficult to estimate as our regulatory work in Brussels goes beyond focusing on EU ETS Estimate NOK 1 million. As an example the annual membership fee for the International Emissions Trading Association amount to NOK 140 000.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								orts the definition of a clear, simplified and predictable energy- and climate policy framework that should comprise a single economy-wide and ambitious GHG reduction target (40%) with a reformed EU ETS to deliver on it".	
International	A stringent	Increased demand	3 to 6 years	Direct	Unlikely	High	Establishment of a global carbon pricing mechanism and linking of regional carbon markets is likely to drive demand for gas in	Main management	Advocacy

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
agreements	international agreement on climate applicable for all countries at COP21 may present an opportunity for Statoil as it would create a level playing field and create predictable long-term policy framework.	and for existing products/services	rs				comparison to coal. Pricing on CO2 could also stimulate offshore wind projects and efforts to bring Carbon Capture and Storage to the market. This would have implications both in terms of increased demand for our products but also potential new low carbon opportunities.	management methods include our advocacy efforts towards an ambitious climate agreement. Statoil's CEO has over the last months expressed very clear messages on our support for global price on carbon. At the same time, we make sure our portfolio	costs on climate are relatively low. See examples mentioned above.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								is resilient by including an internal cost on carbon in the assessment of all new projects. In Norway, we use an internal cost of USD 65 per tonne of CO ₂ -equivalent, and everywhere else a carbon cost of USD 50 per CO ₂ e for projects after	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications			Management method	Cost of management
										2020	

CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Snow and ice	Melting of the ice in the Arctic is opening new opportunities for transportation routes particularly interesting for LNG (Liquefied Natural Gas) vessels, especially for our Northern Norway fields	Reduced operational costs	3 to 6 years	Direct	About as likely as not	Medium	There might be some important potential cost savings achieved through use of the Northern Sea route for accessing Asian markets. Based on early experiences it seems that LNG vessels could save up to 20 days sailing time from Hammerfest (northern Norway) to Asia using the Northern Sea Route. Statoil had its first ship going from Hammerfest to	Our approach to access to the Arctic is not to move faster than technology and appropriate infrastructure allows. We are developing new tools relevant for operations in the far North and Arctic region, such as simulator-based training courses for navigation in ice and for ice management. Another focus area is the design of durable structures and vessels	Statoil has ambitious R&D programme regarding Arctic and harsh condition environment, including programmes focusing on materials and vessels. This is included in Statoil's overall R&D budget NOK 3.0 billion. As an example of collaborative R&D efforts in the Arctic, Statoil Canada announced in 2014 a collaborative investment in three new R&D projects with the potential to improve Arctic and

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							Japan through the Northern Route in 2012. Based on some public assumptions that long-term charters costs around \$80,000 a day, this could amount to a \$160 000 saving.	for Arctic environments, with the emphasis on reliable prediction of ice loads on both fixed and moored offshore structures.	harsh-environment offshore oil and gas operations in Labrador and Newfoundland. The total value of the projects is \$3.9 million, including \$2.4 million from Statoil Canada and \$1.5 million from RDC (Research and Development Corporation).

CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Statoil's climate performance and profile could help the company being seen as the preferred company by young professionals looking for job opportunities.	Increased production capacity	3 to 6 years	Direct	Likely	Low-medium	It is very difficult to estimate financial implications, however attracting and retaining talent is important in order to remain competitive.	Statoil has taken a thought leader position within the industry on climate issues and is recognised as one of the world's most carbon efficient oil and gas producers. We continuously	The costs of management include communication and recruitment campaign towards future employees, in addition to more significant investments in carbon efficiency and development

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>to strive to improve its carbon footprint and look for low carbon technology development. Recent communication campaign such as "the Power of Possible" is conveying the image of an innovative and sustainable company to attract young professionals.</p>	<p>ment of low-carbon technologies. The total amount of Statoil's sponsorships in 2014 was NOK 168 million. A large part of our sponsorship fall in under Academia programme, entailing long-term partnerships with academic institutions, and the Heroes of Tomorrow programme, focusing on support to science, education, culture, arts and sports. Our sponsorships also include support to Teach First Norway and many of Norway's science centres as part of the Heroes of Tomorrow programme and STEM (science, technology, engineering, mathematics)</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management strategy.

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Mon 01 Jan 2007 - Mon 31 Dec 2007	15222876
Scope 2	Mon 01 Jan 2007 - Mon 31 Dec 2007	106674

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011
US EPA Mandatory Greenhouse Gas Reporting Rule
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1
Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003
American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009
Energy Information Administration 1605B
Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Norwegian Oil and Gas Association - Guideline for annual emissions and discharge report
 EU Emission Trading Scheme
 Brazil National/Local reporting requirements (IBAMA)
 Norwegian Directorate of Tax and Excise - emissions of NOx
 ISO standard ISO 6976:1995 "Natural gas - Calculation of heating values, density, relative density and Wobbe index from composition"
 US EPA Technology Transfer Network Clearinghouse for Inventories and Emissions Factors, Emission Factors and AP42, Fifth Edition
 European Commission (EC) Eurostat: EC Statistics
 2006 IPCC Guidelines for Natural Greenhouse Gas Inventories
 US Energy Information Administration
 eGRIDweb (Emissions and Generation Resource Integrated Database)

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: Liquid	3.17	metric tonnes CO2 per metric tonne	Klif (Norwegian Climate and Pollution Agency)
Electricity	12	kg CO2 per MWh	Norway: IEA Statistics. CO2 Emissions from fuel combustion (2014 Edition)
Electricity	810	kg CO2 per MWh	Canada: 2014 Canada National Inventory Report (1990-2012)
Natural gas	2.8	metric tonnes CO2 per metric tonne	Klif (Norwegian Climate and Pollution Agency)
Electricity	827	kg CO2 per MWh	US onshore (Bakken): REF: EPA United States Environmental Protection Agency
Electricity	471	kg CO2 per MWh	Germany: IEA Statistics. CO2 Emissions from fuel combustion (2014 Edition)
Electricity	1040	kg CO2 per MWh	Bahamas
Electricity	189	kg CO2 per MWh	Denmark
Electricity	601	kg CO2 per MWh	US onshore (Eagle Ford)
Electricity	698	kg CO2 per MWh	US onshore (Marcellus)

Further Information

The emission factors above are used for our Scope 2 and scope 3 calculations. Our Scope 1 emissions are calculated on a site by site basis, and the emissions factors used are often governed by local regulations. While some sites may use standard factors from published guidelines, other use fuel composition and flow rates in a daily/monthly basis to calculate their emissions. Some of our refinery operations use continuous flue gas flow rates and stack measurements for their calculations. The diversity in methodologies, units, accuracies and calculation frequencies makes it impractical (and uneconomic) to present our emission factors on a corporate level. Our Scope 2 emission factor for CO2 depends on the region in question. The most important ones are given. Energy intensity for our product under scope 3 is simplified and divided into liquid and gas.

Page: CC8. Emissions Data - (1 Jan 2014 - 31 Dec 2014)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

16347226

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

268873

CC8.4

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

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Scope 2 CH ₄ from all operations	Emissions are not relevant	Emissions are not relevant	CH ₄ emission factors from imported energy are not easily available.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Assumptions	There is monthly internal reporting of data and follow-up on trend and variances on a corporate level. Most of the CO ₂ reported for Norway and Canada is based on data from continuous sampling and metering (CEMS) which is imported into our environmental accounting system. These calculations are considered to have a higher level of accuracy. Other data are based on a lower-tier approach using standard factors from published or local regulatory guidelines. Data accuracy will vary across the company, but an overall uncertainty higher than 5% is not expected, our Scope 1 CO ₂ emissions are externally verified.
Scope 2	More than 2% but less than or equal to 5%	Assumptions	Data accuracy will vary across the company, but an overall uncertainty higher than 5% is not expected, our Scope 2 CO ₂ emissions are externally verified.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/32/23132/Climate Change 2015/Shared Documents/Attachments/CC8.6a/Sustainability_report_2014.pdf	Refer to section 11 - Independent assurance report. The reasonable assurance level requires a minimum of 80 % of scope 1 emission to be verified. However, KPMG had access to all our data and went beyond the 80 % requirement. The range of verified data is 90-100 %, but as we have to state one figure we have chosen to report the most conservative approach (90 %).	ISAE3000	90

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/32/23132/Climate Change 2015/Shared Documents/Attachments/CC8.7a/Sustainability_report_2014.pdf	Refer to section 11 - Independent assurance report. The reasonable assurance level requires a minimum of 80 % of scope 1 emission to be verified. Section 3 (page 16) relates to our scope 2 emissions which are covered by the verification process. However, KPMG had access to all our data and went beyond the 80 % requirement. The range of verified data is 90-100 %, but as we have to state one figure we have chosen to report the most conservative approach (90 %).	ASAE3000	90

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year emissions intensity figure	Intensity figures are published in our annual sustainability report, externally verified.
Year on year change in emissions	Our scope 3 emissions are published in our annual sustainability report,

Additional data points verified	Comment
(Scope 3)	externally verified.
Other: Hydrocarbon flared	Externally verified

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Norway	13724672
Canada	399355
Brazil	445815
United States of America	1095537
Denmark	570189
Tanzania	62536
Australia	818
Germany	8480
Faroe Islands	14609
Angola	24257
Bahamas	957

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division
By GHG type

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
DPN	9895350
DPNA	1494893
DPI	444994

Business division	Scope 1 emissions (metric tonnes CO2e)
EXP	169462
MPR	4342464
GBS	62

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	15333435
CH4	1013791

Further Information

Statoil reports GHG emissions for assets where we have operational control, aligned with the industry reporting practice I (11 countries).

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
Norway	46131	3819150	0
Canada	67471	200813	0
United States of America	80122	99581	0
Denmark	67532	394354	0
Germany	5191	16611	0
Bahamas	2426	3623	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
DPN	6775
DPNA	147593

Business division	Scope 2 emissions (metric tonnes CO2e)
MPR	113051
TPD	215
GBS	1239

Further Information

Statoil have operations in more than 30 countries, but is reporting emissions only from countries we have oil and gas activities under operational control (11 countries). In the remaining countries we have offices supporting production or commercial offices. Emissions from these offices are insignificant. Statoil has scope 2 emissions from 6 countries only.

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

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

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	60749309
Electricity	4280872
Heat	149698
Steam	0
Cooling	370

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	45147379
Diesel/Gas oil	4348670
Butane	158961
Coke oven coke	2149392
Propane	2958
Refinery gas	7970246
Other: GoLGO	11733
Other: Condensate	3656
Other: Fuel oil	2061
Other: LOFS	2757
Other: Not assigned	444866
Other: Purge gas	314183
Other: Sour gas	119
Other: Spill gas	89137

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0	We calculate the emissions associated with any type of electricity, heat, steam or cooling purchased. Emission factors are also applied towards electricity from the Norwegian grid, which is mostly based on hydropower.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.7	Decrease	Last year 117358 tonnes CO2e were reduced by Our emissions reduction Projects, and Our total Scope 1 and Scope 2 emissions in the previous year was 16443826 tonnes CO2e, therefore we arrived at 0,7 % through $(117358/16443826)*100=0,7\%$
Divestment	0.9	Decrease	Statoil sold shares and gave up operatorship of the Brage field during 2013. The production at Huldra was ceased in September 2014
Acquisitions	0.6	Increase	Acquisitions of the Us assets Eagle Ford and Marcellus (2013, first time reported in 2014)
Mergers			
Change in output	1.4	Increase	The start-up of two new fields on the Norwegian Continental Shelf (Gudrun and Kvitebjørn) in 2014, and acquisitions of Eagle Ford and Marcellus in the USA (2013, first time reported in 2014) lead to increased emission compared to last year. Production increase on several assets on the Norwegian Continental Shelf and somewhat increased diesel usage (Norway and Brazil) also yield to increased emissions.
Change in methodology	0.6	Increase	Troll B (the Norwegian Continental Shelf) had increased emissions due to new requirement for flare calculations, whereas Bakken (US asset) had a decrease in emission due to more accurate use of flare efficiency figures. Revision of fugitive sources gave an increased air emission on some of the Norwegian offshore assets.
Change in boundary			

Reason	Emissions value (percentage)	Direction of change	Comment
Change in physical operating conditions			
Unidentified			
Other			

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000025	metric tonnes CO2e	unit total revenue	1.9	Increase	There has been an increase in emissions (1 %), but there was also a 2 % decrease in revenue from 2013 to 2014. The main reason for the decrease in revenues was a decrease in prices of oil and gas and a decrease in volumes of oil and gas sold.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
713	metric tonnes CO2e	FTE employee	9.5	Increase	There has been an increase in emissions (1 %), and a decrease in FTE (8 %) from previous year, due to Statoil's efforts to increase efficiency.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
12.1	metric tonnes CO2e	Other: million boe	3.4	Increase	Due to nature of our business, only our upstream business is relevant to this intensity, Refineries and exploration activities are excluded. The changes in intensities are monitored on a segment to segment basis within our organization.

Further Information

For the conventional oil and gas segment, which represent over 90 % of our total share of production from operated assets, the carbon intensity remained stable at 9 kg CO₂/boe. The carbon intensity for extra heavy oil improved by 10.5 % (decrease in CO₂ emission intensity from 2013 to 2014). For the heavy oil segment carbon intensity increased by 17 % from 2013 to 2014 mainly due to an increase in produced water. The carbon intensity for heavy oil is expected to increase over the next years due to an increase in produced water at Peregrino (Brazil) and the start-up of Mariner (UK) in 2017. For the LNG segment we achieved an 18 % reduction in carbon intensity from 2013 to 2014 due to stable production and consequently more efficient operation. The carbon intensity for Shale gas was 8 kg CO₂/boe, towards 2020, the carbon intensity for this segment is expected to decrease due to reduced flaring intensity. For the tight oil segment carbon intensity decreased significantly by almost 40 %, mainly due to more associated gas being captured and consequently less gas being flared.

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

Yes

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO ₂ e	Details of ownership
European Union ETS	Wed 01 Jan 2014 - Wed 31 Dec 2014	6252591	5645000	11542097	Facilities we own and operate

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

Our first objective is to ensure that we are in compliance with the schemes in which we participate, and in addition transaction cost is minimized. Statoil operates facilities which are subject to Norwegian and European climate legislation. The company must each year submit quotas corresponding to the entire (oil and gas production on the Norwegian continental shelf) or parts (other activities) of its carbon emissions. Emission allowances are purchased in the market to meet these compliance obligations. The emission trading group is responsible for compliance related CO₂ trading for all Statoil operated licenses. Statoil has been active in the carbon market since 2005, and was the first company to execute a contract on the first carbon exchange in the world. In addition to European carbon allowances (EUAs) Statoil is using Certified Emissions Reductions (CERs), generated by CDM projects, for compliance purposes. Statoil supports the developments of new emission trading scheme in different part of the world as the most cost-efficient way to cut emissions. Allowances purchased are subject to third party verification.

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Origination	Other: Prototype Carbon Fund	Prototype Carbon Fund	CDM (Clean Development Mechanism)	134019	134019	Not relevant	Other: Compliance and voluntary
Credit Origination	Other: Community Development Carbon Fund	Community Development Carbon Fund	CDM (Clean Development Mechanism)	11023	11023	Not relevant	Other: Compliance and voluntary

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Capital goods	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Upstream transportation and distribution	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Waste generated in operations	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Business travel	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Employee commuting	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					emissions
Upstream leased assets	Not relevant, explanation provided				No upstream leased assets
Downstream transportation and distribution	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Processing of sold products	Not relevant, explanation provided				Our own processing of sold products is included in scope 1 and 2. The rest of oil and gas products are sold worldwide, making it impossible to analyse the processing of our products.
Use of sold products	Relevant, calculated	288000000	Based on gas and liquids sold and applying emission factors based on Klif guidelines.	100.00%	Based on gas and liquids sold and applying emission factors based on Klif guidelines.
End of life treatment of sold products	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions. It is assumed that all sold products are burnt or oxidized; therefore, no end-of life treatment of sold products is needed.
Downstream leased assets	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Franchises	Not relevant, explanation provided				Not applicable to our operations
Investments	Not relevant, explanation provided				Not applicable to our operations
Other (upstream)	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions
Other (downstream)	Not relevant, explanation provided				Assumed to be insignificant compared to the total of Scope 3 emissions

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/32/23132/Climate Change 2015/Shared Documents/Attachments/CC14.2a/Sustainability_report_2014.pdf	Refer to section 11 - Independent assurance report. The reasonable assurance level requires a minimum of 80 % to be verified. However KPMG had access to all our data and went beyond the 80 % requirement. The range of verified data is 90-100 %, but as we had to state one figure we have chosen to report the most conservative approach (90 %)	ASAE3000	90

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Use of sold	Change in	1	Decrease	This is related to a general

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
products	output			decrease in equity production since 2013.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Statoil's main priority within the value chain is working with emission reduction in shipping and transport of oil and gas products. The reason for this priority is that shipping and transport of our products is a significant source of CO2 emissions, and it is also an area where we have long term charter contracts with suppliers and where we can work together with suppliers over time to reduce emissions and increase fuel efficiency.

We follow-up progress in meetings with suppliers and measure success through clearly stated emission reduction goals. Our approach is based on our environmental strategy, and the management teams within the logistics and emergency preparedness functions are responsible for prioritising engagements and actions.

In 2014 we continued our "Green logistics" improvement programme to achieve more efficient vessel transport and helicopter services on the Norwegian Continental Shelf. Our goal is to reduce CO2 emissions from these activities by 10% within 2015, compared to 2011. In 2011, the emissions from the activities in scope were approximately 460,000 tonnes CO2. Adjusted for activity level, emission reductions of about 10% have been achieved so far.

We work with 25 suppliers on long term chartering contracts for oil and gas transportation. We follow these to increase energy efficiency through optimized operation and for example implementation of hull washing. We measure fuel used and calculate CO2 emissions for our ships used in long term chartering. Approximately half of the fleet that transports our products is on long-term charters. This is the basis for calculations.

We have around 90 vessels in daily operation for oil and gas transportation. Energy efficiency is becoming increasingly important for us when selecting suppliers and vessels for product transportation, and we have entered into long term charter contracts for 14 new so-called "eco-design" vessels to be delivered in the next few years. We work closely with our suppliers to be prepared for stricter environmental regulations and explore new technologies for improved energy efficiency. The majority of our shipping needs are covered under long-term contracts, allowing us to seek energy efficient solutions together over time.

The world's first LNG driven product tanker, Bit Viking, first sailed in 2011. The vessel supplies products to the Norwegian coast. In 2013, we agreed with Bergen Tankers AS to convert the vessel Bergen Viking to run on LNG, aiming for completion in the spring 2015. Two new shuttle tankers with low fuel consumption exhaust emission cleaning and ballast water treatment systems are planned to serve the North and Barents Sea by 2015. Energy efficiency and low emissions are important criteria for the ongoing renewal of our fleet.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
25	50%	The % of total spent is an average number and will vary over time, also the number of long term contracts.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	We measure the quantity of fuels used for vessels which is the basis for emission data. Those data are again used for prioritizing actions and setting KPI targets for emission reductions in the value chain.

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
John Knight	Executive Vice President of Global Strategy and Business Development, Statoil ASA	Board/Executive board