

Lundin
Petroleum



Sustainability Report 2019



Lundin
Norway



Lundin Petroleum is one of the leading independent oil and gas exploration and production companies in Europe. Our operations are focused on Norway, where we develop our resources efficiently and responsibly for a low carbon energy future.

Our Global Compact commitment

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



Global Reporting Initiative (GRI)

Lundin Petroleum's 2019 Sustainability Report is in accordance with the Global Reporting Initiative (GRI) Standard Guidelines.

United Nations Sustainable Development Goals

We promote the Sustainable Development Goals (SDGs) throughout our value chain.



Extractive Industry Transparency Initiative

We support and promote EITI's efforts to combat corruption.



Sustainability Report 2019

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Foreword by the CEO

I am pleased to present Lundin Petroleum's fifth annual Sustainability Report, where we invite readers to understand how we identify, manage and perform in relation to our material environmental, social and governance issues over the calendar year. Our annual disclosure is in line with our commitment to responsible business practice. The Report also serves to recognise stakeholders' demand for transparency, as they seek to gain further understanding of our industry's evolving business, and our role therein. We acknowledge the responsibility of reporting in a transparent, consistent, complete and accurate manner.

At Lundin Petroleum we have yet again experienced an exceptional year. Both operational and financial objectives were achieved, with no material safety or environmental incidents. A stand out moment for us was first oil from the world class Johan Sverdrup Phase 1 project, in October 2019. As an important development, we have sanctioned the full electrification of the Edvard Grieg facility as part of the Utsira High Area power grid, which is being developed together with Johan Sverdrup Phase 2. This means that once the area solution is available, towards the end of 2022, our two key assets Edvard Grieg and Johan Sverdrup, which today account for over 80 percent of the Company's production, will have emissions of below 1 kg of carbon dioxide per barrel of oil equivalent (CO₂/boe) produced, about one-twentieth of world average and indeed one of the lowest of any offshore fields.

This is in line with our Board endorsed Decarbonisation Strategy, which provides the Company with a roadmap to maintain our position as one of the most efficient offshore oil and gas producers in terms of emissions per barrel produced. Our aim is to continue to further reduce our carbon footprint, through energy efficiency initiatives, investments and innovative approaches. We have established a target to become carbon neutral in our exploration and production activities by 2030. In line with this, we have invested in a hydropower project in Norway and a wind farm in Finland. These projects will bring additional renewable energy to the market and help us replace our net electricity consumption from power from shore, with renewable energy. We have also supported a tree plantation project in Spain to offset our annual business and operationally related air travel emissions for 2018 and 2019.

Through continued stakeholder engagement, we have furthered our efforts to address climate change. Research and development projects have been supported, and we have taken part in dialogues intended to share industry best practice. We have followed with interest global debates and rising activism. We share climate related concerns, and as our Report will demonstrate, we strive to address these issues while continuing to provide the energy which the world requires in the most sustainable way.

In recognising the value of maintaining high ethical standards of performance within our Company and across our value chain, we continue to support the UN Sustainable Development Goals (SDGs) and the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption.

At Lundin Petroleum, we have a strong corporate culture of entrepreneurship, innovation, openness, trust, honesty and diversity, with a dedicated, competent workforce. Our success over the years attests to the great people working for us, and to them all, I express my sincerest thanks. Together, I know we can and will continue to make a difference!

Yours Sincerely,

Alex Schneiter
President and CEO



2019 highlights

Production

93.3
Mboepd

Operating cost

4.03
USD/boe

Reserves

693
MMboe

Contingent resources

185
MMboe

EBITDA

1,918
MUSD

CFFO

1,378
MUSD

Free cash flow

1,272
MUSD

Proposed dividend

511
MUSD

Safe operations

Zero
serious injuries

Oil spills

Zero
recordable spills

Carbon intensity

5.4
kg CO₂/boe

ESG ratings

TOP
quartile



About this report

Sustainability Report purpose

The annual Sustainability Report reviews Lundin Petroleum's activities over the 2019 calendar year. We identify material issues resulting from our activities and highlighted as such by our stakeholders, to prioritise pertinent sustainability issues to report on. The latter require active engagement and management to deliver positive outcomes, both for the Company and for society at large. The Report provides clear and comprehensive understanding of our activities and management of material issues, through qualitative and quantitative data.

Material issues are grouped under Environment, Social and Governance (ESG) chapter headings, three central and well-recognised pillars to assess corporate sustainability, responsibility and ethical impact.

As part of our commitment to the United Nations (UN) Global Compact, the Report furthermore acts as our annual Communication on Progress (CoP). We describe practical actions the Company has taken to implement the 10 Principles, and highlight the ways in which we address the UN Sustainable Development Goals (SDGs). The Report also meets the non-financial reporting requirements set out in the Swedish law implementing the EU Directive 2014/95/EU.

Mission statement

Our mission is to explore for, and produce oil and gas in an efficient and sustainable way to meet society's current and future energy needs. We create value by fostering a culture of responsible entrepreneurship, with an organisation dedicated to producing reliable and low carbon intensity energy. We consider the needs and aspirations of our shareholders, employees and contractors, the owners of the resources and the environment.

Reporting boundaries

The Company's corporate head office is located in Sweden. Operational offices and assets are based in Norway. Lundin Petroleum also has employees carrying out corporate functions in Switzerland and in the Netherlands.

Our reporting boundaries are as listed below for ESG categories, our E data being reported for Norway only, as our sole area of operations.

Norway	E ¹	S	G
Sweden		S	G
Switzerland		S	G
Netherlands		S	G

¹ operational/net equity basis

Promoting the Sustainable Development Goals



Lundin Petroleum recognises the urgent call for action to achieve a better and more sustainable future for all, through the 17 UN SDGs, which are at the heart of the 2030 Agenda for Sustainable Development. Throughout the Report, readers will find the SDG symbols for areas we have had an impact on. No poverty (1), good health (3), education (4), gender equality (5), clean energy (7), decent work (8), innovation (9), reduced inequalities (10), responsible consumption (12), climate action (13), life below water (14), life on land (15), institutions (16) and partnerships (17) feature among the showcased goals.

Reporting changes since 2018

This year, the Report has reverted to the common practice of reporting data over the course of three years. The data provided under our Sustainability data section will cover years 2017, 2018 and 2019. This reporting practice enables stakeholders to obtain a comprehensive view of performance trends. As Lundin Petroleum spun off its non-Norwegian assets in 2017, all data stated herein is readily measurable and information comparable. See reporting boundaries for further data clarification.

Scopes 1, 2 & 3 emissions are reported as per GHG Protocol guidelines.

GHG emissions are now reported on both an operational and a net equity basis.

GRI conformity

This Report has been prepared in accordance with the GRI Standards: Core option. It makes further reference to the G4 Sector Disclosure 'GRI Oil and Gas Sector Supplement' issued in 2012, which remains relevant to our activities.

Third party verification

In line with the Swedish law implementing the EU Directive 2014/95/EU and to render the information stated herein credible, external limited assurance is provided by PricewaterhouseCoopers (PwC). The Assurance Report (p. 40) concludes that Lundin Petroleum's 2019 Sustainability Report has been prepared in all material respects, in accordance with the GRI Standards Core reporting level. Sustainability Reporting Guidelines, as well as the criteria defined by the Board of Directors and corporate management, have been met based on the limited assurance procedures performed by PwC.

How to use the GRI content table

Our readers are invited to refer to the GRI Content Index (pp. 38 – 39). The Content Index is divided into 'Standard Disclosure', 'Description' and 'Reference' columns, to help navigate the Report and to identify desired content at quick glance.



Maintain high
**ethical
conduct**



Uphold people's
**health and
safety**



Minimise
**environmental
impact**



Focus on
**carbon
efficiency**



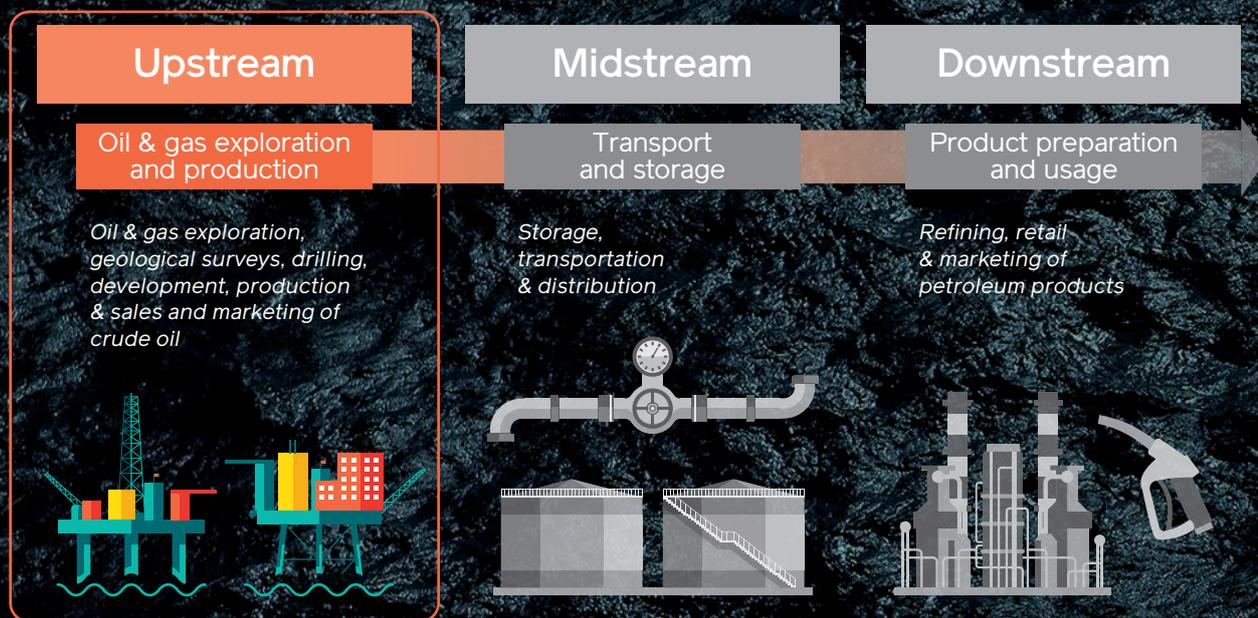
Promote
**Sustainable
Development
Goals**

Partake in
**industry-wide
collaborative
efforts**



**2019
goals**

Business context



Exploration and Appraisal



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

Development



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

Production



The production phase is defined as everything from extraction and processing to delivering the oil or gas for sale. Lundin Petroleum significantly increased its production this year, with Johan Sverdrup on stream since October 2019.

Sales and Marketing



Lundin Petroleum sells and delivers its produced crude oil directly to customers, generally to their own refineries. The sales and marketing activity within Lundin Petroleum, which was established for first oil from Edvard Grieg, is the last part of the crude oil supply chain.

Lundin Petroleum is one of the leading independent upstream oil and gas companies in Europe.

With a strategic focus on Norway, our aim is to develop oil and gas resources efficiently and responsibly for a sustainable and low carbon energy future.



Our ESG approach



The world is moving fast and so is Lundin Petroleum. Since the Paris Agreement there has been a surge in concern around climate challenge and how to address it. Yet, the International Energy Agency's 2019 World Energy Outlook highlights that despite the need for worldwide carbon emissions reductions, energy demand continues to increase. This highlights the gap between the expectations of a fast, renewables driven energy transition and the reality of today's energy system, with a significant reliance on fossil fuel.

Our Sustainability approach, initiated in 2001, seeks to ensure ethical business conduct through our Corporate Responsibility Framework in alignment with international initiatives.

We did not await the ratification of the Paris Agreement to integrate climate change into our business conduct. We issued our first Climate Statement in 2007, which has since undergone two revisions, with the latest update in 2019. Since 2009, we actively report on our climate strategy, management and performance to CDP and have achieved the Nordic Leadership Index twice.

In 2011, as part of our Edvard Grieg Plan for Development and Operations (PDO), we committed to equip our platform to receive power from shore when an area solution becomes available. In 2015, as part of the Johan Sverdrup field development plan, we committed to fully electrify the field. This means that as of first oil production in October 2019, Johan Sverdrup has been using electricity, generated mainly from hydropower, as its sole power source. Full electrification of Edvard Grieg is to be achieved when additional power capacity is available by end 2022.

Our net capital investment in power from shore facilities at Edvard Grieg and Johan Sverdrup will be approximately MUSD 500, 60 percent of which has already been spent by year end 2019. These investments have resulted in Johan Sverdrup producing among the lowest carbon intensity barrels in the world, at below 1 kg CO₂ per barrel of oil produced, compared to a world industry average of 18 kg CO₂ per barrel of oil produced. This leading level will also be achieved on Edvard Grieg, confirming Lundin Petroleum as an industry leader in low carbon footprint.

Our search for innovative solutions has not stopped there. Starting with the Board ESG/H&S Committee then moving on to the full Board of Directors, we have reviewed our current and future carbon footprint strategy and performance, taking into consideration external views and expectations, expressed in such initiatives as the Task Force on Climate Related Financial Disclosure (TCFD). This initiative is increasingly considered as the authoritative guidance in terms of climate change strategy and management.

Our ESG journey

2019	Decarbonisation Strategy Climate Strategy Statement
2018	Corporate Responsibility E-learning
2017	Diversity Policy New Code of Conduct
2016	Competition Law Policy HSEQ Leadership Charter
2015	First GRI Sustainability Report
2014	Contractor Declaration First Corporate Responsibility E-learning
2013	Biodiversity Statement
2012	UN Call to Action
2011	EITI Supporting Company Stakeholder Engagement Policy
2010	UN Guiding Principles on Business & Human Rights
2009	Human Rights Policy Anti-Corruption Policy
2008	UN Global Compact
2007	Carbon Disclosure Project First Climate Change Statement
2006	Whistleblowing Statement
2005	Sustainable Investment Programme Corporate Donations Policy
2004	Community Relations Policy HSE Management System
2003	Human Rights Primer
2002	Environmental Policy Health and Safety Policy
2001	Code of Conduct

Initiatives / Corporate Governing Documents



“ I am pleased to join the Company at a time it has committed to long-term carbon neutrality.

Zomo Fisher
Vice President Sustainability



“ I am proud that Lundin Petroleum is recognised for its ESG performance and am convinced the Company will continue to find opportunities of producing energy more efficiently.

Christine Batruch
Former Vice President Corporate Responsibility

As a result, the Board endorsed a Decarbonisation Strategy (more information on p. 16), confirming Lundin Petroleum’s focus on its core oil and gas activities, while committing to find and support innovative ways to further reduce its exploration and production related carbon footprint to as low as practicable, with a target for carbon neutrality by 2030.

The Board also sanctioned an investment in a hydropower project in Norway. This investment aims to achieve two goals: to incrementally replace our net electricity consumption on Johan Sverdrup and to hedge possible upward and downward fluctuations in the price of electricity. It also provides a good rate of return on a leveraged basis. In addition, Lundin Petroleum has invested in a wind farm project in Finland, which will not only replace all of its non-renewable energy consumption, but will also provide additional renewable energy to the market.

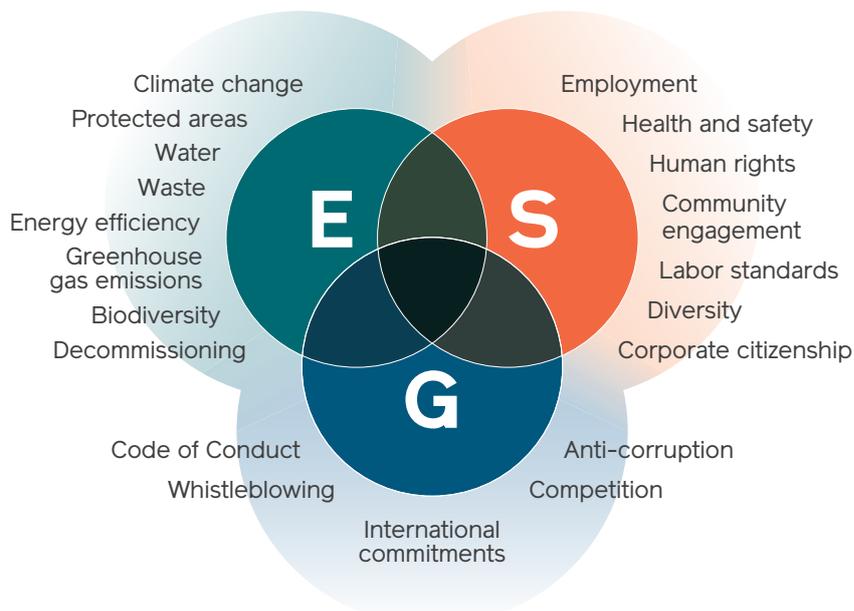
A climate workshop was held with senior corporate and operational management, to seek further ways in which Lundin Petroleum could implement its Decarbonisation Strategy and continue to reduce its direct and indirect emissions. A number of action points resulted from this workshop such as updated environmental goals and targets and the elaboration of a Roadmap for Energy Efficiency.

Christine Batruch has been a valuable employee of the Company for close to 20 years and an appreciated Vice President Corporate Responsibility since 2002.

On 31 December 2019, she stepped down from this position, but the Company will continue to leverage Christine’s competences in the ESG area through her Strategic Advisory role.

As part of our Decarbonisation Strategy we also decided to offset our business and operationally related air travel emissions for 2018/2019 and going forward, through a reforestation project in Spain, led by Land Life Company, an internationally recognised organisation specialising in the natural capture of carbon.

We are proud to provide the energy required to meet the world’s growing demand. We recognise the challenge posed by climate change and the role that forward-thinking oil and gas companies like us must play in addressing it. Through our Decarbonisation Strategy, we will strengthen our position as one of the most sustainable oil companies providing the best barrel in the world: safe, responsible, low cost and low emissions.



Stakeholder engagement

What it means to us

Stakeholders are people or organisations which may be impacted by, or impact Lundin Petroleum’s activities. Stakeholder engagement, a key element of our value creation model, is the process by which information and viewpoints in relation to the Company’s activities are exchanged together with our stakeholders. Close engagement and long lasting relationships are embedded throughout our activities, from exploration and development planning phases through to field operations and ultimately decommissioning. Our Stakeholder Policy and Guidelines outline how to define stakeholders and the method of engagement depending on the nature of the impact, interest and influence of the stakeholder. Our engagement seeks to contribute to the better understanding of the oil and gas industry and the importance and impact of our corporate responsibility on our business conduct.

Better reputation among the youth – an important social responsibility

2019 marks 50 years since the beginning of the Norwegian oil saga. Norway is recognised for its strong social, governance and environmental system. The oil and gas industry has contributed to offering economic stability, acting as a springboard for Norwegian industry and technological innovation.

The Norwegian oil and gas industry has supported the Paris Agreement goals and initiatives leading to it. However, the road to achieve them is a demanding and complex one. Lundin Petroleum believes our most important contribution to the mitigation of climate change is to produce and deliver the oil that will be needed in the future in the most carbon efficient and responsible manner. We are among the world leaders with respect to carbon efficient production and intend to remain an industry leader.

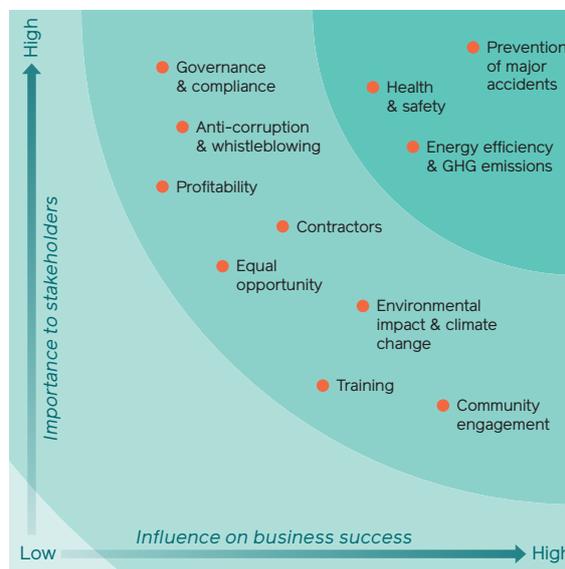
Defining materiality

While no significant changes have occurred in the location – Norway – or the manner – responsible operations – in which we carry out our activities since our 2017 materiality assessment, we are committed to review our material issues on a comprehensive bi-annual basis. We therefore initiated a qualitative materiality analysis revision to help define ESG issues that matter most to our stakeholders and to the Company in 2019. Two methods were used to obtain stakeholder feedback: an online survey and in person meetings. While we did not require respondents to have in-depth knowledge of our previous Sustainability Reports, we did expect them to have a stake in how we conduct our activities, whether as shareholders, staff, authorities or civil society.

The online survey featured a wide-ranging list of potentially relevant material issues to our Company and to our industry, as defined by the GRI Standards and based on ESG rating agencies’ questionnaires. Stakeholders were requested to rank material issues in terms of importance, considering Lundin Petroleum’s exploration and production activities in Norway. Stakeholders were further requested to indicate issues considered relevant to the industry, as these may differ from those considered material to Lundin Petroleum. The survey provided respondents the possibility to raise other relevant issues, capturing any potential emerging or omitted issues.

Additionally, we held interviews with a selected number of stakeholders. The objective was to obtain a qualitative understanding of expectations on Lundin Petroleum. We did not prompt respondents with suggested topics, allowing them to independently raise issues of concern.

The 2019 materiality review confirms the relevance of topics featured within our Sustainability Reports, current and previous.



Following is a highlight of stakeholders we have engaged with in 2019, and main topics addressed.

We value stakeholder feedback, and encourage our readers to provide comments or suggestions. Kindly refer to page 42 for information on how to get in touch with Lundin Petroleum.



Our stakeholders

The big picture

Lundin Norway is contributing to the “big picture” initiative, as part of its affiliation with the Norwegian Oil and Gas Association. Young oil workers, including two from Lundin Norway, are engaged in creating a fact-based and balanced debate about the industry in their workplace, schools and among young politicians. We believe it is important to contribute with good ambassadors in a debate that needs nuance and credible voices. Through the initiative, we can gradually motivate over 200,000 oil workers in Norway to partake in the dialogue. Dialogue is an important tool to help develop a common understanding of societal challenges and how we can be part of the solution towards a low carbon society.

Great idea! The innovation conference that unites the oil industry

To increase understanding and acceptance of our industry in the broader society, Lundin Norway believes it is crucial to highlight the contributions we make in terms of innovation and technology development. As such, the annual Innovation Day at Lundin Norway is an important contribution to stakeholder engagement. The programme committee, which consists of Norwegian researchers, oil and gas experts and members of broader energy industries in Norway, assist in setting the agenda. The conference makes way to future topics of relevance and the development and implementation of potential solutions in the near and long-term. In 2019, themes addressed included offshore hydrogen technology and reservoir modelling.

Risk management

Risk management creates value by enabling Lundin Petroleum to deal effectively with issues which could potentially arise in our operations and business environment.

Through this process, we bring together the identification, assessment and review of possible scenarios in terms of risks and opportunities to increase risk awareness at all levels. This process gives management the ability to make informed decisions to face potential challenges.

Emerging ESG risks and opportunities were reviewed in 2019 in the context of the CDP to re-assess long-term corporate internal and external threats. These risks and opportunities were discussed at local management level, reviewed at corporate and presented to the Board of Directors and its ESG/H&S Committee.

For further information of Lundin Petroleum's primary risks, see Annual Report 2019 (pp. 32 – 35).



Main Sustainability long-term corporate risks

ENVIRONMENT / Climate change

Risk

Lundin Petroleum faces a number of climate risks including but not limited to:

- Stricter regulations related to GHG emissions
- Stranded assets
- Lack of investment towards clean energy
- Stringent emissions policies
- Physical climate risks
- Regulatory costs
- Increased costs of carbon emissions
- Insufficient investment in R&D

Response

Lundin Petroleum has the opportunity to respond to climate change risks. To date, the Company:

- Communicates proactively on its low carbon intensity
- Invests in renewable energy sources to replace its electricity usage in its operations
- Supports the United National Global Compact Principles and the UN Sustainable Development Goal 13 on climate action
- Engages in active stakeholder dialogue
- Invests in climate-related R&D opportunities
- Partakes in industry collaboration
- Discloses to third party ESG raters
- Adoption of its Decarbonisation Strategy

SOCIAL / Stakeholder perceptions

Risk

As the global debate on the energy industry develops, Lundin Petroleum faces the following stakeholder perception risks:

- Increased investment curtailing
- Stakeholder activism
- Negative public opinion

Response

To effectively deal with risks associated to stakeholder perceptions, the Company:

- Engages in extensive stakeholder engagement to show how our ESG approach means we are part of the solution towards a low carbon future
- Invests significantly in actions to reduce our carbon footprint to the lowest possible level (e.g. power from shore)
- Transparently discloses its ethical commitment and performance

GOVERNANCE / Ethical misconduct

Risk

Non-compliance may lead to investigation, litigation and other risks such as:

- Non-compliance of internal controls
- Losing social license to operate or limiting access to acreage
- Not meeting evolving regulatory and policy requirements

Response

To effectively uphold good business conduct, the Company:

- Operates in Norway where there is world leading environmental legislation and governance
- Monitors foreseeable applicable regulation proactively



E

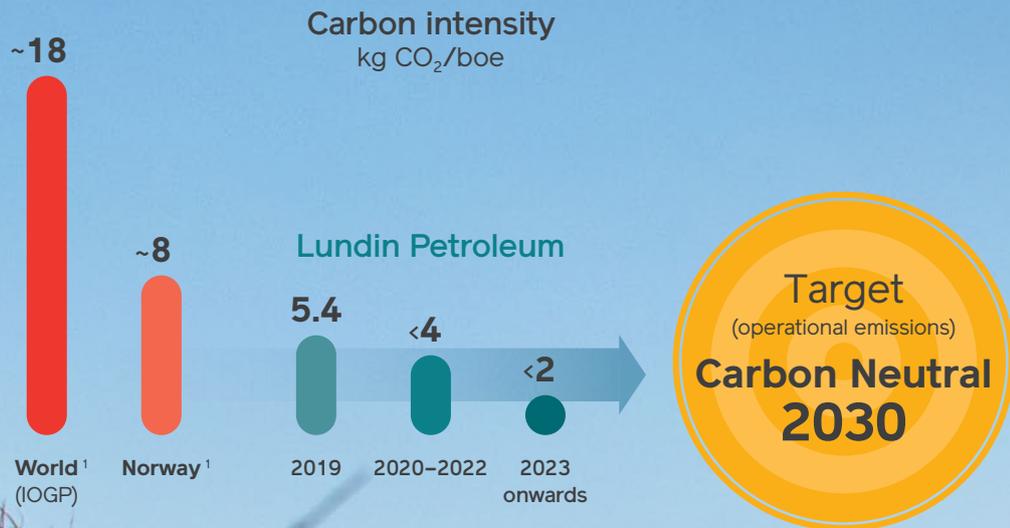
ENVIRONMENT

Lundin Petroleum aims to operate with the highest environmental standards.

To achieve this, it requires a thorough understanding of, and respect for, the natural environment and the impacts it may have in conducting its activities.

Lundin Petroleum is committed to the precautionary principle, and to minimise risks to the natural environment. To ensure continued success, it must actively manage its environmental impacts. Measures encompassing research and development, environmental assessments and monitoring, as well as the use of new and improved technologies, help fulfill our commitment.

Lundin Petroleum's environmental strategy and targets set the Company's ambitious roadmap for monitoring and handling emissions to air, discharges to sea and waste handling. By focussing on those issues, Lundin Petroleum has succeeded in meeting and even surpassing, all of its environmental targets in 2018 and 2019. As a result, it has revised its targets for 2020 and beyond to ensure a low environmental footprint is achieved.



¹ Sources NOROG/IOGP

Our Governance

Environmental considerations are managed at all levels of the Company. Lundin Petroleum's executive team has a percentage of its annual incentive related to corporate responsibility issues, HSE, CO₂ emissions and maintaining top quartile ESG ratings.

Lundin Petroleum's Environmental Policy sets out the Board of Director's and management's commitment to minimise the Company's environmental impact. The Board's ESG/H&S Committee reviews actions taken to embed these commitments on a bi-annual basis. To help ensure environmental considerations are indeed managed at all levels, including at staff level, senior management has a shared responsibility to raise awareness of guiding policies and ensure effective mechanisms are in place.

Our Environmental Strategy explicitly states environmental protection as a priority and an essential element of operational planning and execution. Lundin Norway's Energy Policy complements the strategy with a framework for optimized production and continuous improvement within energy management.

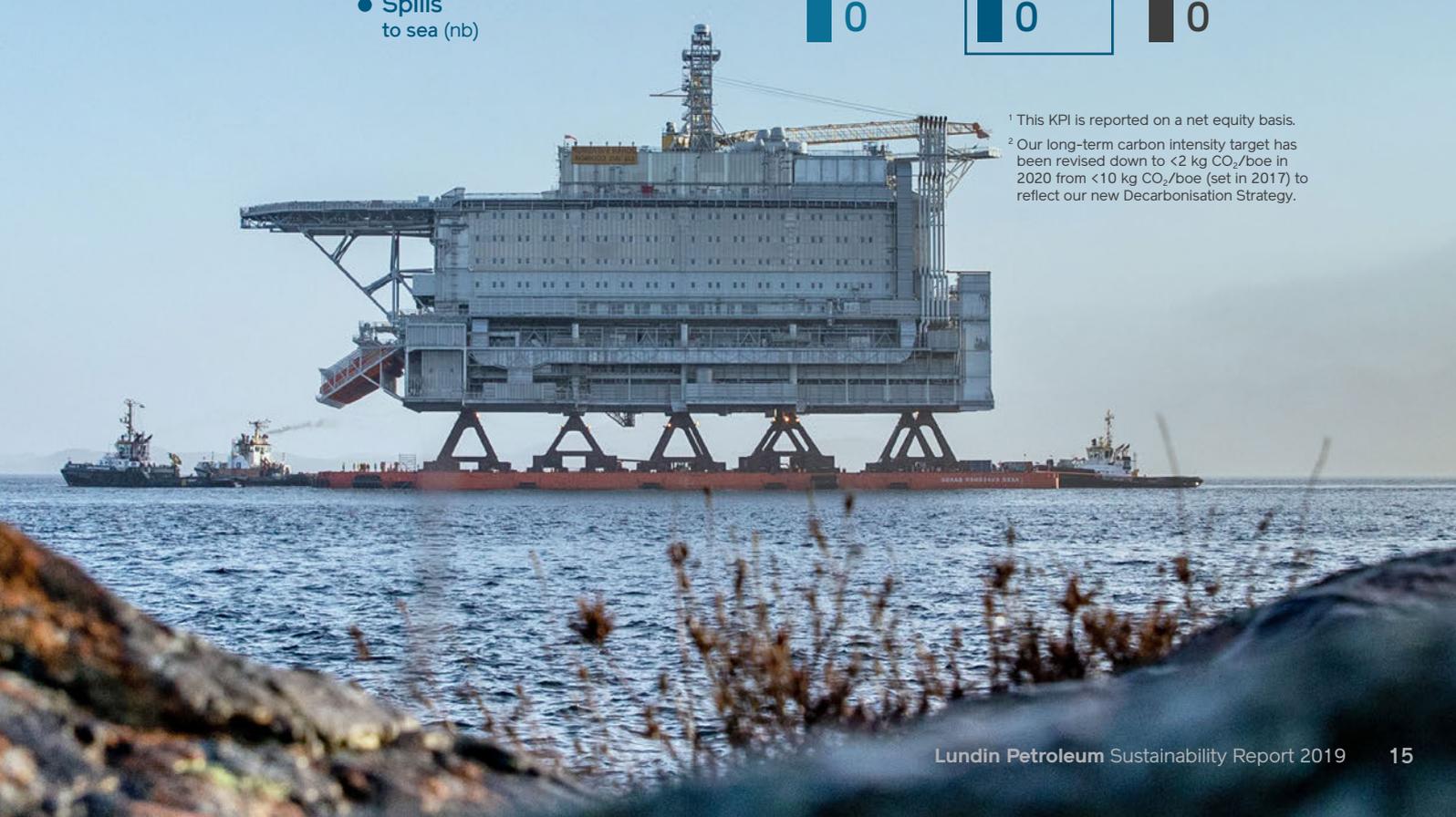
Lundin Petroleum's Decarbonisation Strategy

In 2019, Lundin Petroleum's Board of Directors endorsed a Decarbonisation Strategy, confirming our focus on oil and gas activities, while committing to find and support innovative ways to further reduce our exploration and production related carbon footprint, with a target to become carbon neutral by 2030.

	Long-term environmental target	2020 target	2019 performance
● A lifetime operated portfolio carbon intensity (kg CO ₂ /boe) ¹	<2 ²	<4	5.4
● Oily water discharges (ppm)	<15	<15	9.9
● Lifetime produced water injection regularity (%)	>95	>95	97.4
● Waste sorting (%)	>95	>95	97.5
● Waste recovery (%)	>75	>80	91
● Spills to sea (nb)	0	0	0

¹ This KPI is reported on a net equity basis.

² Our long-term carbon intensity target has been revised down to <2 kg CO₂/boe in 2020 from <10 kg CO₂/boe (set in 2017) to reflect our new Decarbonisation Strategy.



Decarbonisation Strategy

Lundin Petroleum’s target for carbon neutrality as an oil & gas exploration and production company is 2030

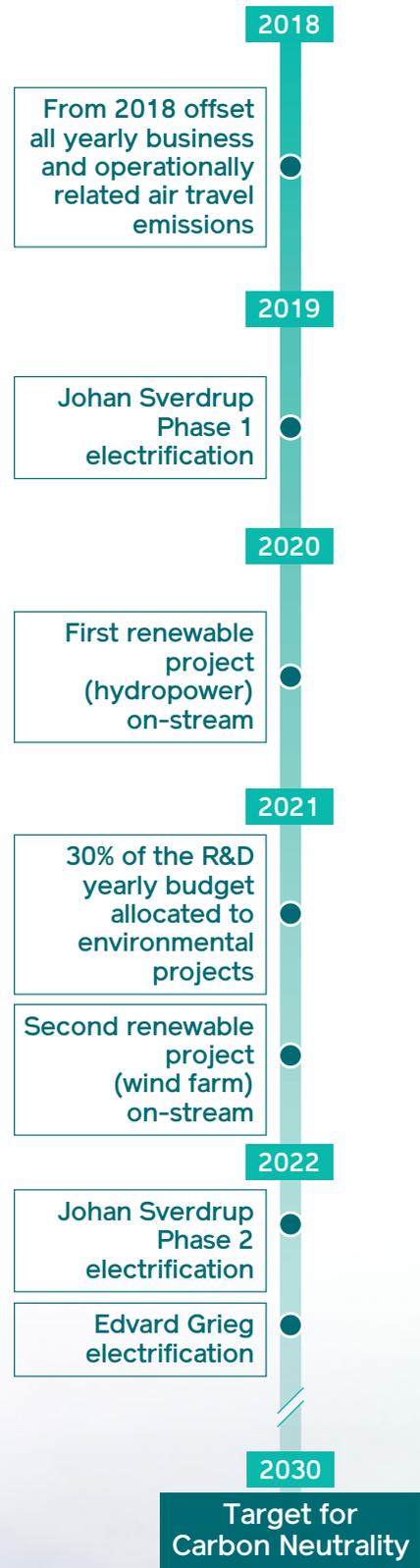
We recognise the challenges of climate change combined with the increasing energy needs linked to a growing global population, the international community’s commitment to reduce global carbon emissions and the role that forward-thinking companies can play in this.

Lundin Petroleum is a leading oil and gas producer in terms of efficient and responsible production but we want to do more.

Our commitment is to reduce our carbon footprint to the lowest possible levels, through an effective combination of emission reductions, energy efficiency, targeted research & development and carbon capture mechanisms. We will also invest in renewable energy projects to replace our net electricity consumption, providing that these projects generate a good rate of return on a leveraged basis.

Roadmap

- From 2018 offset all yearly business and operationally related air travel emissions through natural carbon capture
- In 2019 full electrification of Johan Sverdrup Phase 1
- From 2020 limit our average operated and non-operated portfolio carbon intensity to below 4 kg CO₂/boe, and from 2023 to below 2 kg CO₂/boe
- In 2022 fully electrify Edvard Grieg and Johan Sverdrup Phase 2, to achieve carbon intensity for these assets of less than 1 kg CO₂/boe
- By 2023 replace our net electricity usage from power from shore, through investments in renewable power generation



Climate change and energy transition

Climate change is currently at the frontline of the global agenda. Most nations today support a just transition towards a low carbon economy.

Lundin Petroleum acknowledges the challenge of reaching an energy balance and seeks to contribute, through its high energy efficiency measures, including its power from shore investment and Decarbonisation Strategy, to the transition to a low carbon society. We cooperate closely with authorities, industry research institutions and other stakeholders to further promote carbon efficient practices, to help develop ambitious goals and achieve significant emissions reduction.

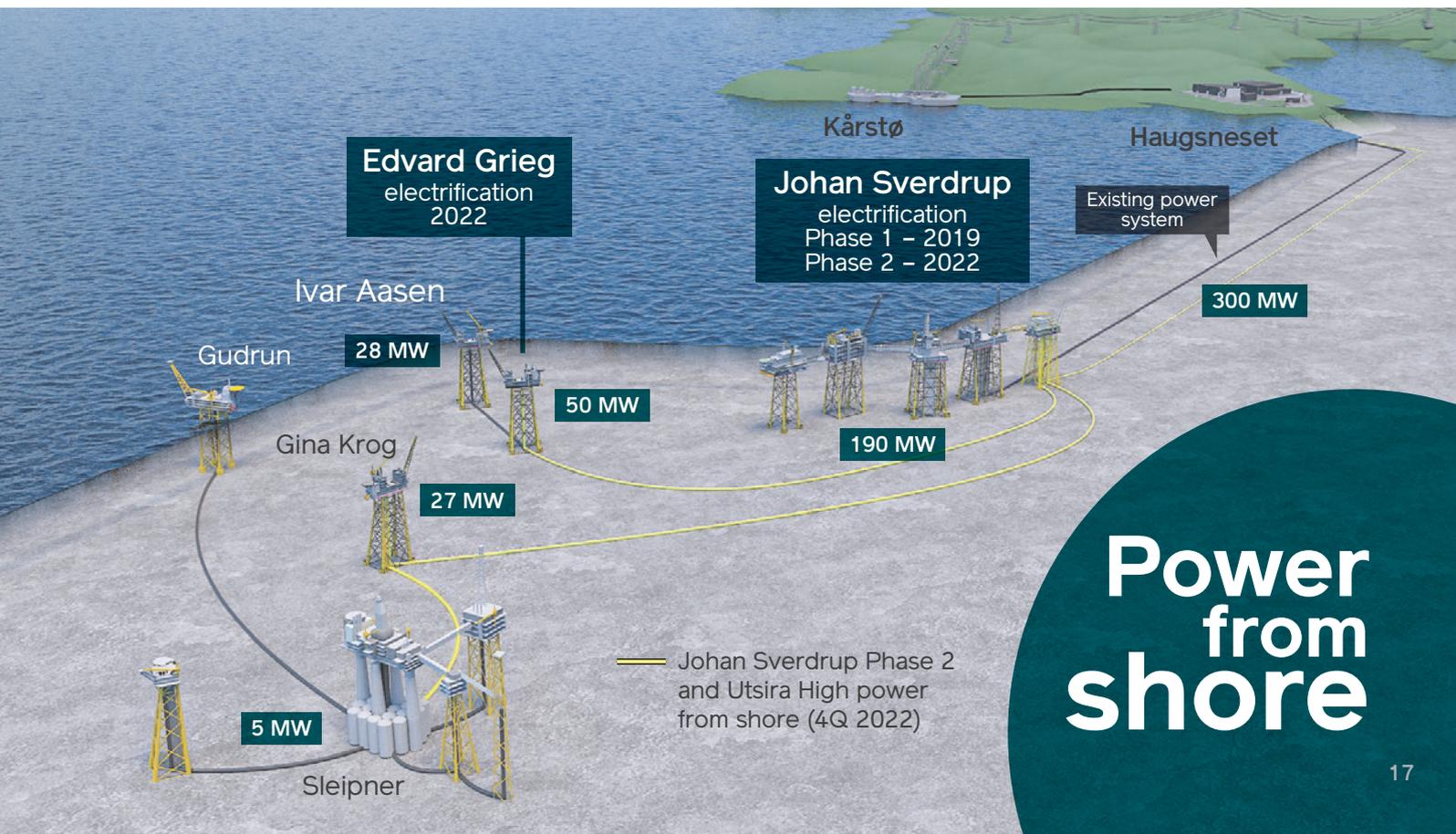
Our goal is to be an industry leader in exploring for and producing oil and gas with a minimal carbon footprint. Carbon pricing and taxes are an effective measure to promote efficient production and consumption patterns. Lundin Petroleum's experience in Norway demonstrates that despite one of the highest carbon tax effective in an oil and gas producing country, in the order of USD 60 per tonne of CO₂ in 2019, we are able to achieve low operating costs together with strong safety and environmental performance.

Our operating context

Lundin Petroleum's operations all take place offshore Norway from fields located on the Norwegian Continental Shelf.

Norway has a regulatory regime which requires extensive documentation of best available technology, and a fiscal regime that sets a significant tax on CO₂ emissions. Norway is also a part of the EU-ETS CO₂ quota regime. Lundin Petroleum's carbon intensity on a net equity basis stands at 5.4 kg CO₂/boe in 2019, lower than the Norwegian Continental Shelf industry average which stands at approximately half of the world industry average. Lundin Petroleum sees its low carbon intensity position as a competitive advantage, helping the Company secure a future within the context of the Paris Agreement.

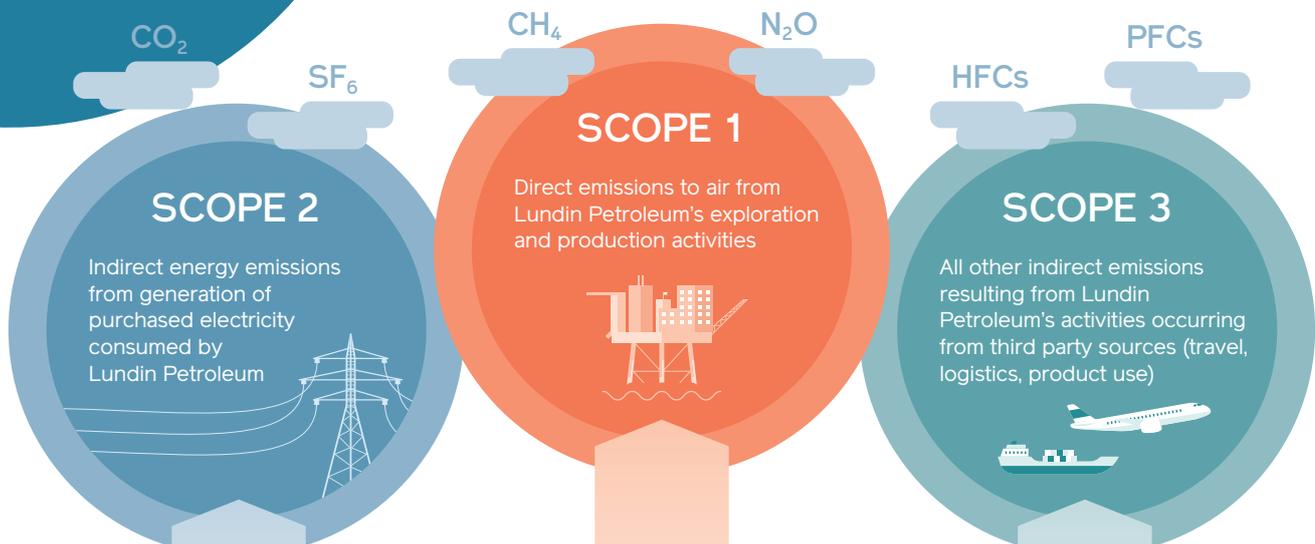
In 2019 the Norwegian Oil and Gas Association revised its 2016 Roadmap to 2030 and 2050, outlining the industry's path to emission reductions in the relevant timeframe, resulting in more ambitious emission reduction commitments by the industry. Lundin Norway actively participated in the work of the Association and in particular its Climate Committee.



Power from shore

Scope 1, 2 & 3

Greenhouse gas emissions



A main area of focus for the Company in 2019 has been to identify measures to reduce emissions in its entire value chain. Setting emissions reduction goals helps ensure effective and innovative carbon emission management.

Our actions

S1

The Company has set ambitious long-term targets in its Decarbonisation Strategy to reduce emissions to air and promote energy efficiency with a target to become carbon neutral by 2030. The combination of world class facilities, high-value assets and ambitious goals help ensure that we will have among the lowest carbon emitting portfolios in the industry.

Norway has a no production flaring requirement. Our flaring strategy for Edvard Grieg describes the Company's commitment to flaring reduction and stipulates that process operations and start-up of new wells shall be performed in such a way that flaring is minimised. Edvard Grieg has a system in place for possible re-injection of gas into the reservoir, allowing for continued production without flaring.

Lundin Norway's Environmental Strategy includes a target of 30% of our R&D budget to be allocated to the environment. In 2019 we funded and were represented on the board of the LowEmission Research Centre. The Centre is a research center for a low-emission petroleum industry on the Norwegian Continental Shelf. It helps develop new technology for offshore energy systems and seeks to integrate renewable power production technologies to accelerate the development and implementation of low-emission offshore technologies. The Centre strives to pave the way for zero-emission petroleum production by 2050, improving the competitiveness of the Norwegian oil and gas industry. We view the Centre as a platform for innovation and interaction, which can generate innovative solutions for the industry.

Starting in 2018, our operations team developed an online energy monitoring system which displays real-time energy consumption at the Edvard Grieg platform. It interfaces energy measurement sensors and analytical tools to understand the energy management and potential for process optimisation. The system can be used to track energy performance of individual process equipment, as well as that of the entire platform.

We fund and are on the board of the Norwegian Carbon Capture and Storage Research Centre (NCCS). The objective of the NCCS is to fast-track CCS deployment through industry-driven, science-based innovation. This includes addressing technical and legal barriers, through targeted research covering the full CCS chain. The NCCS brings together over 100 participants from research, academia and industry, in an ever-evolving R&D portfolio. It has grown to be one of the largest centres of excellence on CCS, in terms of people involved and results produced.

When considering environmental impact within our value chain, our focus is on supply vessels, and integrating specific measures within contracts and incentive schemes. As a result, the semi-submersible drilling rig West Bollsta, which will be on contract for Lundin Norway in 2020, will be the first fully MARPOL Annex VI Tier III compliant rig. This means it will meet the most recent and strict MARPOL requirements, with special emphasis on reduced NO_x emissions. Similar incentives are being evaluated in relation to construction sites, factories, logistic supplies, etc.

S2

Lundin Petroleum signed an agreement with Sognekraft AS to acquire a 50% non-operated interest in the Leikanger hydropower project, in midwest Norway. Once it is fully operational in 2021, Leikanger will produce around 208 GWh per annum gross from a river run off hydropower generation scheme and will help replace our net electricity consumption from power from shore, from Johan Sverdrup.

Lundin Petroleum has acquired a 100% interest (intended to be farmed down to 50%) in the Metsälamminkangas (MLK) wind farm project, in northwest Finland. Managed by our partner OX2, the MUSD 200 MLK project will produce around 400 GWh per annum gross, once fully operational in 2022, from 24 onshore wind turbines. The Leikanger and MLK projects combined will replace around 60% of our net electricity usage from 2023, with renewable energy.

In 2019, together with our licence partners we approved the technical solution and corresponding costs associated with the full electrification of our Edvard Grieg platform. The power from shore project will be implemented in 2022, upon the completion of Johan Sverdrup's Phase 2. The Johan Sverdrup field, in which Lundin Petroleum has a 20% working interest, started production in October 2019. The estimated carbon footprint for both fields will be less than 1 kg CO₂/boe. Edvard Grieg alone will have an estimated 200,000 tonnes per year reduction in CO₂ emissions, as a result of the full electrification.

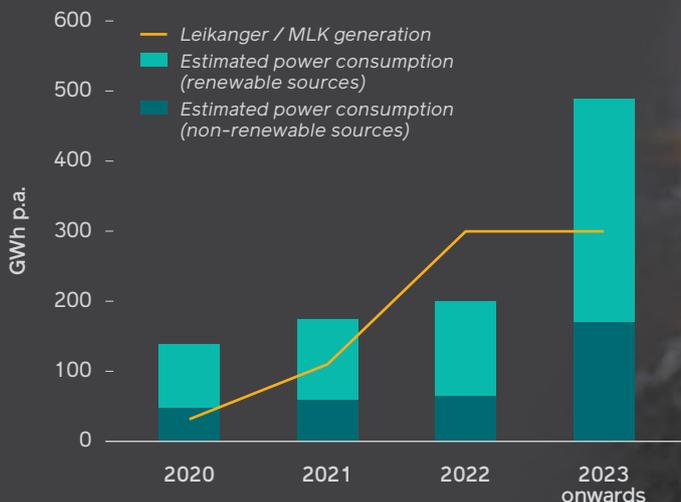
S3

Lundin Petroleum decided to offset annual business and operationally related air travel emissions through natural carbon capture. The Company initiated this effort through a reforestation project in Spain with Land Life Company. The project entails planting over 26,000 trees on 24 hectares of degraded land offsetting our combined 2018 and 2019 travel emissions.

Increased aim to reduce business and operationally related air travel.

Within our value chain, incentives are being evaluated in relation to construction sites, factories, logistic supplies, etc. In 2019, we developed increased requirements for our contracted supply vessels with regards to emissions to air.

Lundin Petroleum (Edvard Grieg & Johan Sverdrup)
Net Power Usage and Replacement



Biodiversity

Lundin Petroleum is committed to the conservation of biological diversity, safeguarding ecosystems, species and genetic diversity. We acquire information and increase our understanding of those ecosystems in which we operate, including potential impacts of our activities. Environmental mapping, risk analyses and impact assessments are conducted to help us make decisions regarding the time and place of our operations.

Our operating context

The Norwegian Continental Shelf (NCS) is among the most extensively mapped, analysed and managed marine area in the world. Norwegian authorities have applied management plans that set out the operational conditions for activities within the area, including for exploration and production of oil and gas. Area sensitivity is weighed against industrial activities, local interests and international treaties. Operational conditions may be imposed upon licence awards, including periodical drilling restrictions, special monitoring, oil spill response measures and so forth. Lundin Petroleum does not have any activities or acreage in the International Union for Conservation of Nature protected areas. All of Lundin Petroleum's activities on the NCS with any potential for affecting the environment undergo public consultation and authority approval.

Biodiversity management is set out in the Company's Environmental Policy, while our Environmental Strategy outlines and defines biodiversity criteria and targets.

All acreage is internally assessed with particular attention to areas in proximity of sensitive coastal habitats, fish spawning and seabird breeding or feeding grounds, coral reefs, fisheries, etc.

The Company has several environmental management processes, including specifications for when and how to perform environmental assessments, acceptance criteria and conditions to operate within production licences. Biodiversity related risks are addressed within risk management processes. Typical risks include potential harm to the ocean, its fauna and flora, due to a major event such as an oil spill.

Our actions

Our studies have an impact on the selection of well locations and other submarine structures locations. In 2019, Lundin Norway relocated a well drilled in the southern Barents Sea, from its preliminary location in order to ensure minimum impact. Anchor lines are also surveyed and relocated where necessary to minimize potential damage to marine life on the seabed.

Through the Barents Sea Exploration Collaboration (BaSEC), Lundin Norway has gained and shared valuable insights regarding the biodiversity in the area and measures which need to be put in place to preserve it. The collaboration has resulted in extensive mapping of birds and fish species, a heightened understanding of seasonal dynamics and the ecological importance of polar fronts. Shared oil spill plans have also been developed.

We have also maintained our participation in studies of seabird migrations from their Northern Atlantic breeding colonies to open waters in the Northern Atlantic oceans. These feed into our environmental risk and impact assessments.

There are extensive efforts invested into rendering analytical tools' capabilities to acquire understanding on the effects of oil spills on the marine environment. OSECA, a joint initiative, aims to advance the proficiency of spill simulation technologies. The Company will use this technology to assess the ecological impact of oil spills on early life stages of six fish species on the NCS. Through our participation in the ERA Acute model development, we will also implement a new generation of environmental risk analysis tool.

The Fateice project focuses on analysing and assessing the fate and ecological effects of weathered crude oil on ice covered areas. Activities in the southern Barents Sea region, although highly unlikely, may result in spills with a potential to reach ice edges. This project has mapped the migration of hydrocarbons in this environment, and has helped develop and mature oil spill and weathering models.

Water

Lundin Petroleum's water management issue is operational discharges to sea. Produced water, slop and bilge water have adverse effects on the aqueous environment unless properly cleaned.

VesselAdmin

VesselAdmin is a Norwegian technology company that aims to accelerate the green shift in shipping and offshore activity. The company offers a digital platform for transparent, compliant and fair chartering, where charterers and vessel owners connect directly in a friction-free and automated process. The co-founder and CEO of VesselAdmin is a former Lundin Norway employee. "It was during my years in Lundin Norway that it became clear to me that our industry needed a specific procurement system for hiring vessels and rigs. I discussed several times with my colleagues in Lundin Norway how helpful a digital procurement system would be if we could connect it to a live market for rigs and vessels", explains CEO.

A significant share of the environmental impact of oil companies can be traced back to the emissions from vessels and rigs they hire. Most oil companies establish goals to reduce the emissions from the vessels and rigs they use in their operations, but until now it has been challenging for charterers to compile and process this data. With input from Lundin Norway and three other oil companies, VesselAdmin expanded the evaluation criteria for tenders to include information about fuel types and emission reduction measures. VesselAdmin now provides oil companies with the opportunity to integrate these sustainability criteria in their tenders which makes it easy to compare the environmental performance of bidders.

In December 2019, Lundin Norway issued a live tender that required a detailed fuel and emissions evaluation of the bidder's vessels.

Our operating context

Our Company operates exclusively offshore on the NCS. While water scarcity is an issue for the industry, it is not material for our Norwegian offshore operations, where limited freshwater is withdrawn. Our water management includes strict monitoring of discharges to sea.

Our actions

We have implemented internal water related targets of monthly averages of less than 15 ppm oil in water and of more than 95 percent of produced water to be reinjected into our wells. Norwegian regulations state that no stream shall have monthly averages above 30 ppm oil in water. Both targets were met in 2019, with a 9.9 ppm oil in water content, and 97.4 percent of produced water reinjected. For our operated Edvard Grieg platform, an online oil-in-water analyser for produced water has been approved for regulatory reporting. The analyser ensures continuous monitoring of the water-oil separation efficiency.

The other major discharge streams to sea are drill cuttings and drill fluids. In 2019, drilling discharges have occurred from our exploration activity, which has focused on eliminating chemicals with unwanted properties. Our focus for discharge reduction in 2019 has been on chemicals, prioritising the substitution of chemicals with the most adverse properties to less hazardous substitutes.

Waste

Waste disposal is an important responsibility for corporations, which must seek ways to reduce overall amounts of waste produced.

Our operating context

At Lundin Petroleum, our focus on waste management is set at the operational and office levels. From a company perspective, we monitor our waste disposal practices to meet and exceed best practice.

Our actions

A waste reduction campaign was initiated in 2018 for all offshore installations, focusing on reducing the use of non-renewable materials, single use utensils and Styrofoam packaging. At Edvard Grieg, waste generation, sorting and waste recovery is a high focus area. In 2019 the platform has sorted 99 percent of generated waste.

The campaign has been expanded from our fixed platform to include all our operated assets. On-going focus in 2019 has incentivized further waste reduction measures, and identified logistical solutions to reduce our total waste generation.

Well abandonment and decommissioning

Lundin Norway has cessation plans for exploration wells in conformity with Norwegian regulations. In 2019, we drilled 15 explorations wells, three of which were operated by us. Two appraisal wells were also drilled, but are not operated by us. Out of the 17 wells in total, 16 were permanently plugged and abandoned, and one was plugged and will be abandoned as the Frosk/Bøyla fields retire. In addition, one well needed a re-spud and was temporarily plugged, with a view to permanently plug it in 2020. Decommissioning plans must describe a proposal for disposal solutions, while accounting for technical, safety related, environmental, economic factors. Prior to decommissioning, an impact assessment is to be carried out.

In 2019, no decommissioning activity occurred, but plans have been prepared for Gaupe and Brynhild, which in case of the latter will take place in 2020–2021.

Audits

The Norwegian Environment Agency did not conduct any audits of Lundin Norway in 2019. However, 2019 activities included the verification of EU-ETS by authorised third party verifiers.

As part of the rig intake of the mobile drilling unit rigs West Bollsta and Rowan Viking coming into contract with Lundin Norway in 2020, several verification activities were undertaken by Lundin Norway and contracted companies.

The Norwegian system implies a 'see-to-duty', whereby oil companies have a duty to ensure that all contractors and subcontractors comply with applicable regulations. In line with its 'see-to-duty', Lundin Norway has conducted more than 20 audits in 2019. The scope of the audits includes contractors, operators of fields where Lundin Norway is a partner, as well as internal audits. All findings are followed up until closure.

FT Energy Transition Strategies Summit

Lundin Petroleum's President and CEO joined a panel at the FT Energy Transition Strategies Summit to discuss how the low carbon energy transition is changing the nature of the oil and gas industry, redefining what it will take to be successful in the future. He presented Lundin Petroleum's approach to carbon reduction and record low carbon operational footprint. He confirmed our intention to continue to contribute towards a low carbon future.



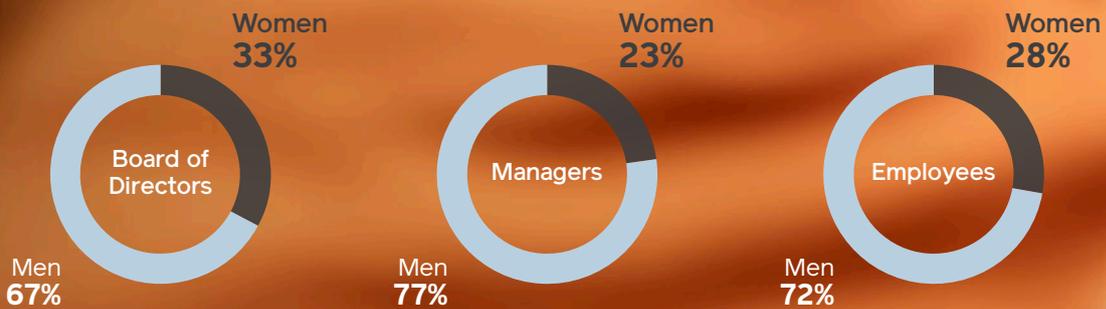
S

SOCIAL

Lundin Petroleum nurtures and protects its most important asset, its people.

We want everyone working on our behalf, whether directly or indirectly, to be safe, to have equal opportunities and to be fairly compensated and respected. We expect all employees to follow our Environment, Social, Governance (ESG) commitments, our Code of Conduct and applicable policies. In doing so, we seek to ensure that everyone working at Lundin Petroleum has a common understanding regarding the uphold of ethical social conduct.

444 year end employees





Our governance

Lundin Petroleum's electronic Employee Handbook outlines terms and conditions complementary to those contained in the Statement of Terms and Conditions of Employment. Our corporate policies, procedures and guidelines are available for all employees. Each affiliate has its own management system, which meets the expectations of the corporate policies. The CEO ensures the implementation of governing documents, while day-to-day responsibility sits with the appropriate heads of departments and with the Vice President Sustainability.

Lundin Norway has an onshore Working Environment Committee (WEC) where employees are represented by an employee elected Main Safety Delegate and an employee representative. The Managing Director and Human Resources Director act as representatives on behalf of the management team. The Committee Chair alternates on an annual basis, between employee and management representatives. WEC meetings are conducted quarterly.

There is also a coordinating WEC for Edvard Grieg, consisting of Lundin Norway and contractor personnel with equal representation from employees and management. Meetings are held on a quarterly basis.

Employment

Our operating context

We actively engage and promote good employee relations and sound employment practices, offering attractive and safe working conditions. In 2019, Lundin Petroleum had 444 permanent employees at year end, and approximately 60 consultants. Our employees are located either at our offices or offshore facilities.

At Lundin Norway, approximately 22 percent of staff work in an offshore rotation, which implies working two weeks on, four weeks off, the standard practice in Norway.

Over the year, Lundin Petroleum hired 53 new employees, of which 40 percent of new hires were women. Women represent 28 percent of the total workforce and 23 percent of our managerial positions. We strive to improve the gender balance through our recruitment practices. The average age of new hires is 37, while the average age of Lundin Petroleum employees is 44. Our retention rate in 2019 is 93 percent.

Lundin Petroleum offers competitive remuneration and benefit packages, such as pension schemes, insurances, bonuses, parental leave, additional vacation days, exercise facilities, cultural activities, etc.

We prioritise employee development through on the job trainings, courses and further educational activities. In 2019, our employees completed 2,324 hours of health, safety and environment (HSE) training and 3,489 hours of other training including Leadership Development training.

Our employees enjoy freedom of association. Lundin Norway is a member of the Association of Norwegian Enterprises (NHO) and its subsidiary the Norwegian Oil and Gas Association (NOROG). NOROG has framework agreements with affiliated unions. We conduct central and local salary negotiations annually, and revise the agreements on a bi-annual basis. The level of union participation has been steady, with around 50 percent of employees in Norway represented by labour unions.

Lundin Petroleum uses competence, experience and personal suitability as the selection criteria for new hires. Candidates are selected in cooperation between relevant department managers and Human Resources. While we seek the inclusion of at least one female candidate at the final interview stage to increase gender balance, we hire the best candidate for the position. We do not tolerate any form of recruitment discrimination.

Our actions

Lundin Petroleum conducts regular town-hall meetings for employees and consultants. In Norway, these meetings are broadcasted to the Edvard Grieg platform and the Harstad office. Town halls serve as an effective tool for management to keep the team up to date and engaged on important information, as well as to reinforce our company culture and values.

Quarterly cooperation meetings are conducted with representative leaders from the unions, ensuring effective cooperation and communication. Additional meetings are held as needed.

As a member of the Norwegian Oil and Gas Association, Lundin Norway participates in its various workgroups in order to contribute to further enhance the quality and performance of our industry. Lundin Norway's Managing Director was the chair of the board of NOROG until November 2019.

Managers are responsible for conducting at least one annual appraisal with all employees. Appraisals include discussing future career development, training requirements and performance reviews.

In 2019, we conducted working environment surveys to understand employees' perceptions at work. The overall response rate (95 percent) shows a high level of commitment and allows for representative interpretation of the results. Aggregated results were presented to employees. Relevant business units used the results to reinforce areas of improvement within their remit. The surveys reflect overall employee satisfaction.



Health and safety

Our operating context

The Norwegian parliament has set as a clear ambition on the petroleum industry to be a world leader in terms of health and safety.

Lundin Petroleum's objective is to provide a safe and healthy working environment for all employees, contractors and other personnel working for us. The control and management of health and safety issues are considered at all stages of operational and commercial activities. We fully recognise the value of the people working for us, and consider their well-being as an important element of our business success. At Lundin Petroleum, we ensure all persons working on our behalf understand our expectations in terms of health and safety.

Our actions

2019 has been an excellent year for Lundin Petroleum with respect to its health and safety results. We have had no serious incidents or injuries resulting in days away from work. There has been one minor injury requiring medical treatment, resulting in an overall total recordable incident frequency of 0.63, well below industry average. Lundin Petroleum has not had any process safety incidents since 2016.

In 2019, we continued to promote Lundin Calling, a framework for fostering a proactive Health, Safety, Environment and Quality (HSEQ) culture launched in 2018. Lundin Calling is specifically tailored to enhance communication relating to risks and mitigating measures. To reinforce the messaging of Lundin Calling, examples are cited and presented in management meetings, town halls and external events.

To assist in the HSEQ culture building efforts, 2019 also saw the production of an interactive HSEQ course. The training material serves as a tool to encourage personnel to reflect upon how daily choices can impact the risks associated with the activities carried out. Building on the Lundin Calling framework, this training is an integral part of our HSEQ induction.

Audits

The Petroleum Safety Authority Norway conducts regular audits on all companies operating on the Norwegian Continental Shelf. In 2019, it conducted 4 audits on Lundin Norway, including:

- Security aboard the Edvard Grieg offshore platform, helicopter base and marine base
- Edvard Grieg working environment
- Edvard Grieg material handling, lifting and maintenance
- Solveig field development project

There were no critical findings from the audits.

Contracts

In 2019, Lundin Petroleum revised its HSEQ requirements within Contracts to ensure increased emphasis on security issues. Examples include the responsibility of the contractor to implement security measures which protect the Company against relevant threats of harm, including systems and processes for information security management and physical security. The Contractor is also obliged to perform security training issued by the Company.

Arctic Offshore Regulator Forum

In 2019, Lundin Norway was invited by the Petroleum Safety Authority to present its mitigating actions to minimise HSE risks related to our Barents Sea operations at the Arctic Offshore Regulator Forum.



Safety highlights

Lost time incident rate

2019
0
per million
hours worked

2018
0.50
per million
hours worked

2017
0.47
per million
hours worked

Total recordable incident rate

2019
0.63
per million
hours worked

2018
1.01
per million
hours worked

2017
3.30
per million
hours worked

Safe operations

2019
Zero
fatalities

2019
Zero
process safety
incidents

2019
2,324
hours HSE
training





Human rights

Our operating context

We actively engage and promote good employee relations and sound employment practices. We respect human rights in all our activities as required by our Human Rights Policy and Guidelines, abiding by the UN Declaration of Human Rights.

We are compliant with the Norwegian Working Environment Act, which addresses human rights issues including whistleblowing and a ban on child labour.

We are also compliant with the Norwegian Equality and Anti-Discrimination Act, which includes the International Convention on the Elimination of All Forms of Racial Discrimination.

Our actions

Lundin Petroleum endorsed the United Nations Guiding Principles in 2012, and remains committed to the promotion of human rights in its sphere of influence.

All our employees and contractors have completed our new Corporate Responsibility e-learning course, including a module on human rights with a compulsory test. 75 percent of the Corporate Responsibility e-learning training is related to human rights policies and procedures.

Our human rights process remains in place and we are mindful of potential impacts from our activities across the value chain. Lundin Petroleum's main activities are in Norway and we ensure human rights requirements are covered in agreements with our contractors and subcontractors with fabrication sites both in and outside of Norway.

In 2019, no cases involving the rights of indigenous people or of discrimination have been reported. There were also no cases of whistleblowing or child labour in any of our areas of activities.

Sudan

In June 2010, the Swedish Prosecution Authority began a preliminary investigation into alleged complicity in violations of international humanitarian law in Sudan during 1997–2003. The Company has cooperated extensively and proactively with the investigation by providing information regarding its operations in Block 5A in Sudan during the relevant time period. We remain convinced that Lundin was a force for good for the development in Sudan. Ian H. Lundin and Alex Schneider have been interviewed by the Swedish Prosecution Authority and have, together with the Company, been notified of the relevant suspicions and have received final notice of the investigation, which is being reviewed by the defence. No new final notice deadline has yet been set by the Swedish Prosecution Authority.

In 2018, the Company was notified by the Swedish Prosecution Authority that the Company may be liable to a corporate fine of SEK 3 million and forfeiture of economic benefits from the alleged offense in the amount of SEK 3,282 million, based on the profit of the sale of the Block 5A asset in 2003 of SEK 720 million. Any potential corporate fine or forfeiture could only be imposed after the conclusion of a trial, should one occur.

In 2018, the Swedish Prosecution Authority began a preliminary investigation into alleged interference in a judicial matter as a result of allegations of witness harassment. The Company and its representatives are not aware of any details of the alleged actions, despite several requests for information, and reject any knowledge of, or involvement in, any wrongdoing. Ian H. Lundin and Alex Schneider have been interviewed by the Swedish Prosecution Authority and have been notified of the suspicions that form the basis for the investigation.

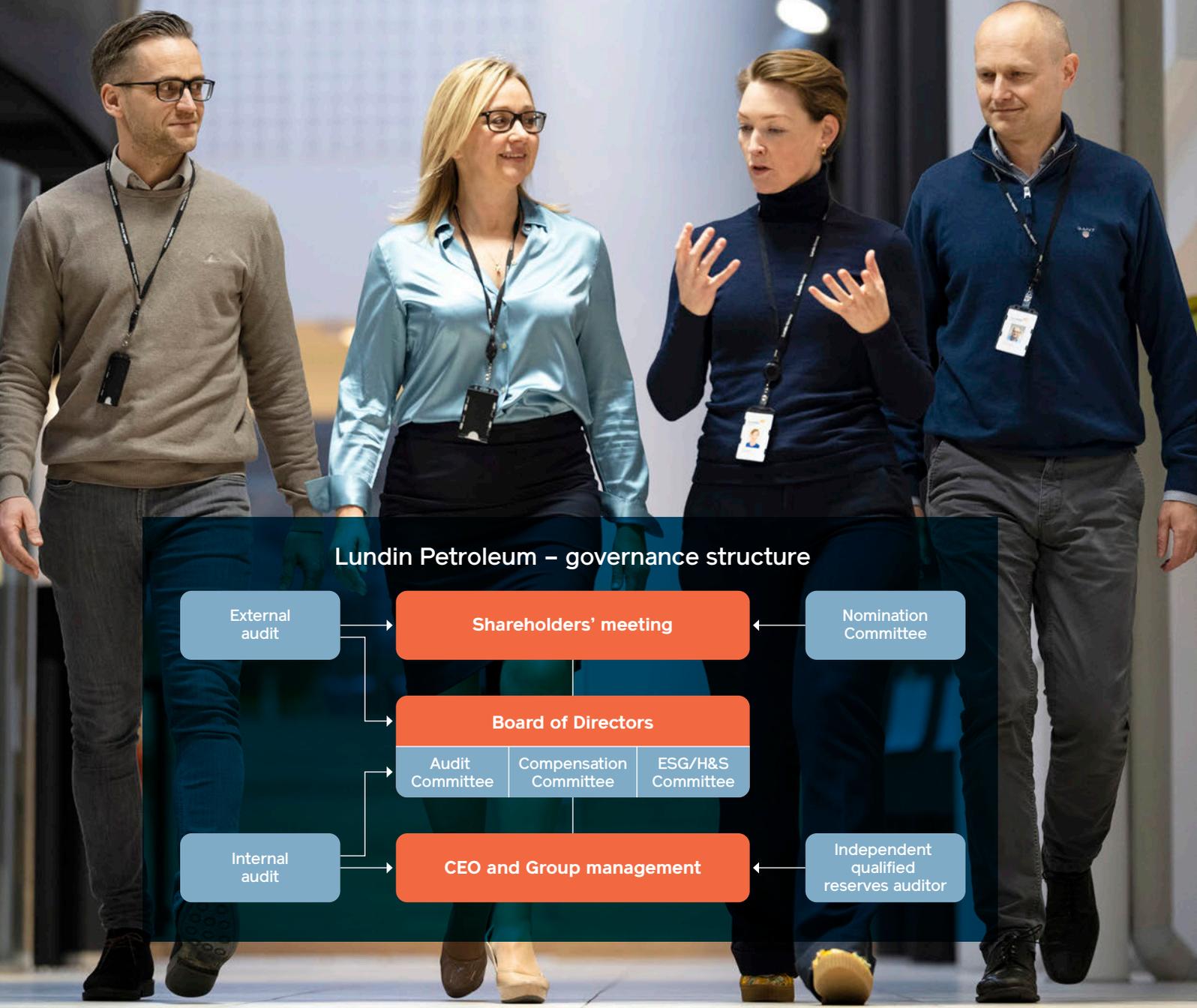
Neither investigation mean that charges have been, or will be, brought against any individuals or the Company. Lundin Petroleum knows that there are absolutely no grounds for any allegations of wrongdoing by the Company or any Company representatives in respect of any of these allegations. More information regarding the past operations in Sudan during 1997–2003 can be found on www.lundinsudanlegalcase.com.

G

GOVERNANCE

Good governance is critical to ensure ethical behaviour across the Company.

It requires having in place relevant policies and practices which set out the conditions under which the Company carries out its activities and continuous monitoring of their implementation. Governance is essential to all branches within the wider remit of ESG.



Lundin Petroleum – governance structure





Our corporate governance structure is fundamental for achieving our ambition of being one of the most sustainable oil and gas companies in the world.

Ian H. Lundin
Chairman of the Board

Our governance

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

Lundin Petroleum's principles of corporate governance seek to:

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

Lundin Petroleum adheres to principles of corporate governance found in both internal and external rules. In doing so, Lundin Petroleum decreases the risks associated with unclear allocation of responsibilities. It also enables the Company to manage its responsibilities clearly as well as to avoid conflicts of interest between its shareholders, management and the Board of Directors. Abiding to corporate governance principles builds trust in Lundin Petroleum, which results in increased shareholder value. By ensuring the business is conducted in a responsible manner, the corporate governance structure ultimately paves the way to increased efficiency.

Our operating context

Lundin Petroleum aims to create value for its shareholders through an organic growth strategy, while operating in a responsible way for the benefit of all its stakeholders. To achieve this, Lundin Petroleum applies a governance structure that favours straightforward decision making processes. It also provides the necessary checks and balances for the control of the activities, both operationally and financially. The standard practice within the oil and gas industry is to operate through joint ventures, which emphasises the need for a clear division of responsibilities not only within Lundin Petroleum but also between Lundin Petroleum and its partners. In each joint venture, one of the parties is designated as the operator in charge of the day-to-day operations, in accordance with a Joint Operating Agreement. All key decisions, including approval of yearly budgets, work programmes, where and how operations shall be conducted, are decided at joint committee meetings between the joint venture parties. The joint venture partners have on-going audit rights to ensure that the necessary checks and balances are in place to monitor compliance with the Joint Operating Agreement and legal requirements.

ESG/H&S Committee

The Environmental Social Governance/Health and Safety Committee (ESG/H&S Committee, renamed from CR/HSE Committee) assists the Board to monitor the performance and key risks that the Company faces in relation to environmental, social, governance and health and safety matters. The ESG/H&S Committee's responsibility is to oversee the Company's conduct and performance on ESG/H&S matters, to inform the Board and make recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. The ESG/H&S Committee's tasks further include reviewing and monitoring ESG/H&S policies and the effectiveness of compliance, as well as considering ESG/H&S issues, risks, strategies and responses to climate change issues. The ESG/H&S Committee reviews Group management's proposals on ESG/H&S targets and goals, monitors the appropriateness of ESG/H&S audit strategies and plans, the execution and results of such plans and reviews and makes recommendations to the Board in relation to the Company's Sustainability Report.

ESG/H&S Committee's work during 2019:

- Review of ESG/H&S Committee terms of reference
- Review of policies and conduct of the Company in respect of ESG/H&S matters
- Review of major ESG/H&S issues or risks of public concern and the Company strategy to address them
- Assessing current status of international climate initiatives and stakeholder expectations on Board oversight
- Review of the Company's strategy and response to climate change issues and the Company's Decarbonisation Strategy
- Review of ESG/H&S performance and monitoring of potential and/or large reputational risk for the Company with particular focus on corrective actions
- Monitoring the appropriateness of ESG/H&S audit strategies and plans, and the execution and results of such plans
- Review of the cyber security risks and awareness programme
- Review of the 2020 ESG/H&S plan
- Discuss third party ESG rating assessments of Lundin Petroleum
- Discuss the change of name of the Committee to the ESG/H&S Committee

Our actions

Corporate Responsibility e-learning

Corporate responsibility is an evolving sphere, as such it is important to refresh our knowledge and understanding of the systems in place, and to challenge our critical thinking on such matters. With this in mind, Lundin Petroleum issued a revised Corporate Responsibility e-learning course in 2019. The latter is mandatory for all staff, including the Board. The course is split into various modules covering our Code of Conduct as well as our policies, commitments and requirements in relation to HSE, anti-corruption, anti-competition, human rights, diversity and stakeholder engagement. Each module is followed by a compulsory test.

Code of Conduct

Lundin Petroleum's Code of Conduct is a set of principles formulated by the Board to give overall guidance to employees, contractors and partners on how the Company is to conduct its activities in an economically, socially and environmentally responsible way, for the benefit of all stakeholders, including shareholders, employees, business partners, host and home governments and local communities. The Company applies the same standards to all of its activities to satisfy both its commercial and ethical requirements and strives to continuously improve its performance and to act in accordance with good oilfield practice and high standards of corporate citizenship. The Code of Conduct is an integral part of the Company's contracting procedures and any violations of the Code of Conduct will be the subject of an inquiry and appropriate remedial measures. In addition, performance under the Code of Conduct, sustainability and corporate responsibility is regularly reported to the Board. The Code of Conduct is available on the Company's website.

Whistleblowing

Our Whistleblowing Policy and Procedure provides a means for legitimate concerns regarding misconduct in the workplace to be raised without reprisals or victimisation. People working on behalf of Lundin Petroleum are encouraged to voice concerns regarding possible unethical or illegal conduct. Whistleblowers' identities are kept anonymous upon request, and are protected against retaliation. Concerns can be submitted to line managers, supervisors, anonymously via e-mail, or through an independent third party, at any time. Reported complaints are notified to the Board Audit Committee and follow-up actions depend upon the nature of the concern.

In 2019, there were no cases raised through the whistleblowing procedure.

For information on our Remuneration Policy, see the Annual Report 2019. For details concerning taxes paid, see Sustainability data (p. 37) and the Annual Report 2019.

Anti-corruption

All forms of corruption are strictly prohibited at Lundin Petroleum. To ensure everyone working for or on behalf of Lundin Petroleum understands their responsibilities, information and training is provided throughout our operations. We encourage alleged cases to be reported. All alleged cases of corruption are to be investigated, and appropriate actions taken. Anti-corruption forms a part of our contractor evaluations. Anti-corruption clauses also feature as part of our Contractor Declaration, revised in 2019, outlining ethical criteria and expectations. In the event of non-compliance and depending on the severity thereof, contracts may be terminated or remedial actions sought.

In 2019, Lundin Petroleum had no cases of corruption, significant fines or non-monetary sanctions for non-compliance.

Lundin Petroleum participates in the following global initiatives promoting anti-corruption:

- The United Nations Global Compact
- The United Nations Global Compact Nordic Network
- The Extractive Industries Transparency Initiative (EITI)

Competition

Lundin Petroleum's Competition Law Policy demonstrates our commitment to business practice compliant with legal requirements and of best industry practice. Competition laws, including in Norway, prohibit agreements, practices and conduct with a damaging effect on competition. Breach of the Competition Law can lead to criminal and corporate liability and can severely damage company reputation and standing. We seek to ensure integrity is maintained in all business dealings and set out employee responsibility and requirements within our Competition Law Policy.



ESG ratings

Shareholders and other stakeholders want to understand how the oil and gas sector is evolving. They seek disclosures on business impacts looking at how companies address risks, opportunities, considering business and societal trade-offs. We have observed a surge in interest within the investor community regarding the way in which companies integrate Environmental, Social and Governance (ESG) issues into their business model and how this impacts their performance. An increasing number of banks and investment institutions have become signatories to the UN Principles of Responsible Investment, an explicit commitment to integrate ESG considerations into investment decisions. This heightened attention underscores the need for best in class ESG performance, as assessed by external ESG rating agencies and/or by internal ESG professionals within the investment community. ESG ratings are pushing for better quality reporting and greater transparency, leading to enhanced business value and clarified purpose, improved operations and increased credibility.

Lundin Petroleum welcomes the heightened interest in sustainability, as it confirms the Company's belief that ESG stewardship and business success go hand in hand.

Lundin Petroleum has been reporting publicly about its ESG approach since 2001 through various outlets. Initially, our corporate responsibility approach was described in our Annual Reports. Since 2015, in addition to the Annual Report, Lundin Petroleum has been publishing an annual Sustainability Report, which provides qualitative and quantitative ESG data, in accordance with the Global Reporting Initiative (GRI). The Company also discloses annually to international initiatives such as the United Nations Global Compact, the CDP and various rating agencies.

ESG assessments

Investor related ESG assessments are conducted by the investment community. These assessments rely on internal resources and often involve dialogue with the Company. They also rely on rating agencies, which can help determine the level of material sustainability-related risks and opportunities linked to potential investment decisions.

We welcome rating agencies' assessments of Lundin Petroleum, and disclose our existing ESG scores to contribute to the shaping of investor-relevant decision-making processes. While investor ratings of Lundin Petroleum are not publicly communicated, some rating agencies communicate their evaluations publicly.

Lundin Petroleum has noted the following themes of interest by ESG rating agencies over the course of 2019:

- Climate change management
- Sustainability linked executive compensation
- Health and safety
- Human capital development
- Employee diversity
- Supply chain management

We are pleased that the Company is ranked in the top quartile among the main rating agencies. We are also proud to have received the Nasdaq ESG Transparency Badge for our engagement in market transparency and raising environmental standards.

Following engagement with Bloomberg in 2019, it included the Company in its Gender-Equality Index (GEI) 2020. The GEI seeks to set an example to advance women in the workplace through measurement and transparency.

ESG Ratings 2019

vigeo eiris
Top 10 ESG in Europe
Top 5 on human rights globally

ISS ESG
Prime Status

SUSTAINALYTICS
Outperformer

2020 Bloomberg Gender-Equality Index

NASDAQ ESG TRANSPARENCY PARTNER

MSCI AA

CDP B
DISCLOSURE INSIGHT ACTION

Corporate citizenship



Lundin
Petroleum



Investing for the Future

Societal Contributions

As a responsible corporate citizen, Lundin Petroleum seeks to have a positive impact on society, in particular in areas it has presence, at national and local levels. The Company is proud to support individuals and institutions who share common values of innovation, entrepreneurship and team spirit. Lundin Petroleum believes in investing for the future and in supporting talent.

Partnership with the Lundin Foundation

The Lundin Foundation, established in 2005, elevates environmental and social governance practice across the Lundin Group of Companies to deliver lasting economic, environmental and social benefits to local communities. Since its inception, the Foundation has disbursed over MUSD 65 to initiatives that enable local employment, nurture small business growth and support financially viable social and environmental solutions.

The Lundin Foundation has been recognised by the UN Global Compact in 2018 and 2019, for its contribution to the UN Sustainable Development Goals in relation to its partnership with Lundin Gold.

Operational context

Lundin Petroleum has partnered with the Lundin Foundation to reinforce its actions in support of its commitments to the UN Sustainable Development Goals and the transition to a sustainable, low carbon energy future. The partnership supports the growth of innovative start-ups tackling climate change, healthy oceans, and inclusive communities. Through the Foundation, the Company makes direct impact investments into promising start-ups and strengthens the Scandinavian impact investing ecosystem by funding innovative business incubators and accelerators. The support provided includes business coaching, mentoring, access to industry experts and investors as well as early stage financing for high potential start-ups.

Our actions

In 2019, our efforts focused on three accelerator programmes, Katapult Ocean, the Arctic Accelerator and Charge, as well as two direct investments into leading enterprises in Scandinavia, Evoy and Trine. Our partnership has helped contribute to the development of 51 innovations, with 76 percent of them launched onto the market, MUSD 1.9 generated in revenues and a further MUSD 8.3 in funding secured from third party investors.



Katapult Ocean (Oslo, Norway) was launched in 2019 by Katapult, a leading Norwegian business incubator, and WWF with the goal of developing solutions to preserve the health of our oceans. Based in Norway, the 12 week accelerator programme and seed investment fund supports promising early stage ocean technology companies from around the world. In its inaugural year, 23 companies were accepted into the programme, from over 800 applicants. The results of the first cohort are promising, with 55 percent of businesses launching into the market, and 64 percent having secured funding from third party investors.

Arctic Accelerator (Tromsø, Norway) promotes Arctic Norway as an attractive location for innovative and sustainable business. Lundin Foundation is a founding partner of the accelerator, which supports early stage start-ups focused on clean energy, circular economy and sustainable use of Arctic resources. Since its inception in 2016, it has grown into a unique programme serving Arctic Norway, recognised for its pipeline of promising start-ups. In 2019, MedSensio, a health technology company, which had gone through the accelerator programme was awarded “Founder of the Year” in Agenda Nord-Norge. In 2019, the accelerator programme supported 15 start-ups engaged in a range of sectors including ocean technology, sustainable agriculture, sustainable clothing and health. 80 percent of the start-ups have launched into the market, and 40 percent have secured funding from third party investors.

Charge (Oslo, Norway) supports first generation immigrants to launch and grow businesses as a strategy to improve integration and employment outcomes. Charge is unique insofar as it embeds start-ups within established businesses to enhance learning opportunities for first-time entrepreneurs. Lundin Foundation provided a strategic grant for the launch of the inaugural 2019 programme, supporting 11 start-ups addressing a range of social and environmental issues, of which 55 percent were led by female founders. 91 percent of supported businesses launched into the market, generated revenues. Lundin Petroleum, via Lundin Foundation, will support an expanded Charge programme in 2020 that will include a seed fund for the most promising businesses.

Evoy (Bergen, Norway) is an award-winning start-up that develops high-speed electric engine and propulsion systems for small and medium sized commercial boats. It was part of the Katapult Ocean accelerator programme, and investments therein help achieve the goal of zero emission commercial boats along the Norwegian coastline and beyond.

Trine (Gothenburg, Sweden) is an award-winning company that supports renewable energy for households in developing countries. It is a funding platform that enables investors to lend working capital to clean energy companies, addressing a major constraint along clean energy value chains. Lundin Foundation has made a debt investment with Trine to scale household access to clean energy in Africa.

Corporate sponsorship

Lundin Petroleum is a long-term sponsor of the Good to Great Tennis Academy in Sweden, which supports young athletes by providing them with the opportunity to train and excel in tennis. In 2019, our contribution covered 15 scholarships for elite juniors, eight girls and seven boys, and an after-school programme aimed at supporting health and education. Our contribution also enabled the employment of a school mentor and a sports psychologist, to ensure the well-being and health of the young athletes.

In 2019, Lundin Norway sponsored the women’s national ski jumping team. The team has achieved impressive results, including a bronze medal in the first-ever team competition for women in the world championship last winter. The team has been working on promoting equality in sport. Efforts to promote gender equality resonate with us and we are therefore proud to support these values in other parts of society as well.

Lundin Norway continues to support the Norwegian College of Elite Sport, which enables youth to participate in international sports competition while pursuing their schooling. It has also sponsored the Astrup Fearnley Museum of Modern Art in Oslo. The museum exhibits leading artists from around the world and has found an innovative way of rendering contemporary art more accessible by having young experts respond to any queries related to an art piece or its author. Finally, Lundin Norway has an extensive R&D programme, supporting over a hundred projects which look at new technology and equipment to increase the effectiveness of oil and gas operations and low carbon emission technology.



Sustainability data

Indicator	Unit	2019	2018	2017
Environment^{1 2 3}				
Unplanned releases to sea or land				
Oil spills				
Number		0	0	0
Volume	m ³	0	0	0
Chemical spills				
Number		0	1	2
Volume	m ³	0	31	16.38
Hydrocarbon leaks				
Number		0	0	0
Mass	kg	0	0	0
Fresh water use				
Freshwater withdrawal	m ³	5,157	4,155	4,417
Total water withdrawal, incl. potable water ⁴	m ³	30,887	34,694	—
Withdrawal from areas with high water stress	m ³	0	0	0
Effluents				
Produced water discharged to sea	m ³	3,302	1,164	5,668
Total water discharges ⁵	m ³	10,147	11,933	16,335
Regular discharges of oil to water	t	0.10	0.12	0.27
Drill cuttings	t	4,370	7,938	13,859
Waste				
Hazardous waste generated	t	1,313	8,036	16,612
Hazardous waste recovered	t	232	596	426
Non-hazardous waste generated	t	326	585	603
Non-hazardous waste recovered	t	294	507	500
Energy consumption				
Total energy consumption ⁶	TJ	3,348	4,778	3,805
Energy consumption from renewable sources	TJ	6.7	6.8	7.1
GHG emissions – operated				
Direct CO ₂ emissions ^a	t	294,597	392,093	328,668
Direct CH ₄ emissions ^a	t	198.8	125.4	104.3
Emission intensity ⁷	kg CO ₂ /boe	5.1	6.6	5.9
Scope 1 GHG emissions ^{8 a}	t CO ₂ e	299,567	395,227	331,275
Scope 2 GHG emissions ⁹	t CO ₂ e	35.3	31.0	37.0
Scope 3 GHG emissions				
Product use ¹⁰	MT CO ₂	21.3	21.7	20.7
Travel and logistic supply ¹¹	MT CO ₂	0.029	0.045	0.048
GHG emissions – net				
Direct CO ₂ emissions ^{12 a}	t	174,136	157,978	167,948
Direct CH ₄ emissions ^{13 a}	t	191.8	114.2	207.8
Emission intensity ¹⁴	kg CO ₂ /boe	5.4	5.3	5.3
Scope 1 GHG emissions ^{15 a}	t CO ₂ e	178,931	160,833	173,143
Scope 2 GHG emissions ^{16 a}	t CO ₂ e	782.9	31.0	37.0
Scope 3 GHG emissions				
Product use ¹⁷	MT CO ₂	12.6	10.9	11.6
Other emissions to air				
NO _x	t	530.1	1,198	1,137
SO _x	t	8.2	25.8	25.8
nmVOC	t	111.7	249.1	121.0

Indicator	Unit	2019	2018	2017
Environment (continued)				
Flared emissions				
Edvard Grieg (gas)	Sm ³	8,112,735	10,021,602	13,456,445
Cold vented hydrocarbons¹⁸				
Edvard Grieg (gas)	Sm ³	187,643	52,618	45,770
Flaring during well tests				
Gas	Sm ³	4,000	13,584,350	112,354
Oil	Sm ³	26	8,308	1,132
Social¹⁹				
Health and safety				
Fatalities				
Employees		0	0	0
Contractors		0	0	0
Total		0	0	0
Lost time incidents				
Employees		0	0	1
Contractors		0	1	0
Total		0	1	1
Restricted work incidents				
Employees		0	0	0
Contractors		0	0	0
Total		0	0	0
Medical treatment incidents				
Employees		0	0	1
Contractors		1	1	5
Total		1	1	6
Lost time incident rate²⁰				
Employees (per million hours worked)		0	0	1.30
Contractors (per million hours worked)		0	0.83	0
Total (per million hours worked)		0	0.50	0.47
Total recordable incident rate²⁰				
Employees (per million hours worked)		0	0	2.61
Contractors (per million hours worked)		1.30	1.67	3.69
Total (per million hours worked)		0.63	1.01	3.30
Exposure hours				
Employees (hours)		813,529	785,916	767,609
Contractors (hours)		770,980	1,200,314	1,355,856
Total (hours)		1,584,509	1,986,230	2,123,465
Near misses with high potential				
		0	0	1
Contractor screening using HSE & CR criteria²¹				
New contractors (%)		100	100	100

Indicator	2019	2018	2017
Social (continued)			
People			
Employees			
Total ²²	444	412	411
Employee turnover (%) ²³	3.99	4.10	1.89
New hire rate (%) ²³	11.94	7.90	6.35
Gender diversity			
Number of men	320	298	298
Number of women	124	114	113
Women in workforce (%)	28	28	25
Women in management (%)	23	26	27
Women in the Board of Directors (%)	33	33	38
Employees by age groups (%)			
< 30 years	8	5	5
30 – 50 years	55	56	60
> 50 years	37	39	35
Board of Directors by age groups (%)			
> 50 years	100	100	100
Incidents of discrimination	0	0	0
Governance²⁴			
Society			
Communication of Anti-corruption Policy			
Board of Directors (%)	100	100	100
Employees (%)	100	100	100
Training on anti-corruption²⁵			
Board of Directors (%)	100	100	100
Employees (%)	100	100	100
Confirmed incidents of corruption			
Number of incidents	0	0	0
Impact on employees	0	0	0
Impact on contractor relations	0	0	0
Legal cases	0	0	0
Report to the EITI	Norway	Norway	Norway
Anti-corruption			
Disputes associated with operations ²⁶	0	0	0
Actual impacts on local communities	0	0	0
Corporate donations (USD)			
Sustainable investments / corporate sponsorships	400,473	33,063	103,129
Contribution to the Lundin Foundation	1,713,064	1,693,500	1,159,900
Total	2,113,537	1,726,536	1,263,029
Contributions to initiatives (USD)			
United Nations Global Compact	15,000	15,065	10,000
Extractive Industries Transparency Initiative (EITI)	40,000	40,000	40,000
CDP	9,121	9,444	2,795
Land Life Company	143,667	–	–
Total	207,788	64,509	52,795

Indicator	2019	2018	2017
Governance (continued)			
Compliance			
Significant fines			
Number	0	0	0
Value (USD)	0	0	0
Environmental fines			
Number	0	0	0
Value (USD)	0	0	0
Non-monetary sanctions			
Number	0	0	0
Environmental non-monetary sanctions			
Number	0	0	0

Payments to governments (TUSD) ²⁷	Taxes	Royalties	Fees	Production entitlement	Total 2019
Norway	145,565	n/a	30,382	n/a	175,947

¹ The Environment data boundary represents operational emissions from Norway, with the exception of energy consumption and GHG emissions which are at Corporate level. Apart from GHG emissions which are presented on both a net equity and operational basis, all data presented is on an operational basis (100% basis).

² The Norwegian Environment Agency conducts verifications of all reported environmental data post Sustainability Report publication. This may result in minor variations of the environment data for non-operated assets in Q3 2020.

³ Emission factors used are sourced from Norwegian Oil & Gas Guidelines.

⁴ The total freshwater withdrawal is the sum of all potable and drilling water loaded onto supply vessels for offshore use, and reported water consumption at office premises.

⁵ Total water discharges is the sum of produced water and treated drainage water from Edvard Grieg platform and drilling rigs. Only water treated for oily water content is reported.

⁶ Sum of all energy sources consumed during operations, including fuel/flare gas, diesel and electricity, from offshore installations, drilling rigs and office premises. Energy indicators follow the CDP methodology of reporting.

⁷ Emission intensity includes Scope 1 and Scope 2 CO₂ emissions. Based on production at Edvard Grieg hub.

⁸ Scope 1 on an operated basis accounts for all direct emissions to air from operated assets, including drilling rigs.

⁹ Scope 2 on an operated basis accounts for indirect emissions from electricity consumption at the Lundin Norway office.

¹⁰ Based on total production from operated assets.

¹¹ Includes emissions from supply vessels, helicopters, export tankers and business travel. 2018 and 2017 figures excluded tanker emissions.

¹² Excludes exploration drilling emissions in 2018 and 2017.

¹³ Exploration drilling emissions in 2018 and 2017 not available.

¹⁴ Emission intensity includes Scope 1 and Scope 2 CO₂ emissions. Excludes exploration and drilling emissions in 2018 and 2017. Based on net sales.

¹⁵ Scope 1 on a net basis takes into account our net equity of operated and non-operated assets, including drilling.

¹⁶ Scope 2 emissions on a net basis includes emissions from head office in Oslo and power consumption from Johan Sverdrup (net basis) from 2019.

¹⁷ Based on net sales. Emissions factors used sourced from Norwegian Oil and Gas Guidelines. Fraction of hydrocarbons combusted based on assumption from ENDRAVA. 2018 and 2017 figures have been restated due to a change in calculation methodology.

¹⁸ 2019 data increase is due to a revised emission factor, not performance.

¹⁹ The Social data boundary includes Norway, Switzerland, Sweden and the Netherlands. As the majority of the organisation is located in Norway, the information is disclosed at Corporate level rather than per region.

²⁰ Employee and contractor frequency data is obtained by inserting the number of injuries as the numerator and the hours worked as the denominator.

²¹ We report on main contractors which are determined based on the scope of work, contract duration, contract value and/or relevant risk factors.

²² The Sustainability Report accounts for permanent and fixed term employees by end of year paid directly by the Company, whereas the Annual Report accounts for average numbers for the year. Data is not broken down by gender (only total) and employment type due to our size.

²³ Employees are not broken down by age group, gender and region due to our size.

²⁴ The Governance data boundary includes Norway, Switzerland, Sweden and the Netherlands.

²⁵ Since the introduction of the e-learning course, everyone working in the Company has completed the training, including new hires and Board members. Business partners are not included in this data.

²⁶ The data covers the full scope of our operations.

²⁷ The report on payments to governments with details of payments is available on www.lundin-petroleum.com.

^a The official data verification and approval process was finalised in April 2020 by the Norwegian Environment Agency, resulting in minor verifications, corrected June 2020.

GRI index

Lundin Petroleum's 2019 GRI index, in accordance with the GRI Standard Guidelines "core" level, provides references to the indicators the Company reports on.

Standard Disclosure	Description	Reference
GRI 102: GENERAL DISCLOSURES (2016)		
1. Organisational profile		
102-1	Name of the organisation	SR front/back cover
102-2	Activities, brands, products, and services	SR 6-7
102-3	Location of headquarters	SR back cover
102-4	Location of operations	SR 7
102-5	Ownership and legal form	SR back cover
102-6	Markets served	SR 6 & 9
102-7	Scale of the organisation	AR 56, 60 & 86
102-8	Information on employees and other workers	SR 22-25 & 35-36
102-9	Supply chain	SR 6
102-10	Significant changes to the organisation and its supply chain	SR 10
102-11	Precautionary Principle or approach	SR 14
102-12	External initiatives	SR inside cover
102-13	Membership of associations	SR inside cover & 23
2. Strategy		
102-14	Statement from senior decision-maker	SR 2
102-15	Key impacts, risks and opportunities	SR 5 & 12-13
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	SR 3
102-17	Mechanisms for advice and concerns about ethics	SR 30
4. Governance		
102-18	Governance structure	SR 28
102-19	Delegating authority	SR 9 & 29
102-20	Executive-level responsibility for economic, environmental and social topics	SR 9 & 19
102-21	Consulting stakeholders on economic, environmental and social topics	SR 10-11
102-22	Composition of the highest governance body and its committees	AR 42-43
102-23	Chair of the highest governance body	AR 42
102-24	Nominating and selecting the highest governance body	AR 40
102-25	Conflicts of interest	AR 42-43
102-26	Role of highest governance body in setting purpose, values, and strategy	AR 41
102-27	Collective knowledge of highest governance body	AR 41 & 46
102-28	Evaluating the highest governance body's performance	AR 46
102-29	Identifying and managing economic, environmental and social impacts	SR 9-10 & 29
102-30	Effectiveness of risk management processes	SR 12-13
102-31	Review of economic, environmental and social impacts	SR 10
102-32	Highest governance body's role in sustainability reporting	SR 2
102-33	Communicating critical concerns	SR 29
102-35	Remuneration policies	AR 47-54
102-36	Process for determining remuneration	AR 44 & 47-54
102-37	Stakeholders' involvement in remuneration	AR 39 & 47-54
5. Stakeholder engagement		
102-40	List of stakeholder groups	SR 11
102-41	Collective bargaining agreements	SR 23
102-42	Identifying and selecting stakeholders	SR 10
102-43	Approach to stakeholder engagement	SR 10
102-44	Key topics and concerns raised	SR 11
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	AR 97
102-46	Defining report content and topic Boundaries	SR 4
102-47	List of material topics	SR content page & 9
102-48	Restatement of information	SR 4
102-49	Changes in reporting	SR 4
102-50	Reporting period	SR 4
102-51	Date of most recent report	SR 42
102-52	Reporting cycle	SR 2
102-53	Contact point for questions regarding the report	SR 42
102-54	Claims of reporting in accordance with the GRI Standards	SR front cover & 4
102-55	GRI content index	SR 38-39
102-56	External assurance	SR 40-41
103-1	Explanation of the material topic and its Boundary	SR 4
103-2	The management approach and its components	SR 15, 23 & 29
103-3	Evaluation of the management approach	SR 29
GRI 205: ANTI-CORRUPTION (2016)		
205-2	Communications and training about anti-corruption policies and procedures	SR 30
205-3	Confirmed incidents of corruption and actions taken	SR 30
GRI 302: ENERGY (2016)		
302-1	Energy consumption within the organisation	SR 35
302-3	Energy intensity	SR 14 & 35
GRI 303: WATER AND EFFLUENTS (2018)		
303-3	Water withdrawal	SR 34
303-4	Water discharge	SR 34

Standard Disclosure	Description	Reference
GRI 304: BIODIVERSITY (2016)		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 20
304-3	Habitats protected or restored	SR 20
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR 20
GRI 305: EMISSIONS (2016)		
305-1	Direct (Scope 1) GHG emissions	SR 34
305-2	Energy indirect (Scope 2) GHG emissions	SR 34
305-3	Other indirect (Scope 3) GHG emissions	SR 34
305-4	GHG emissions intensity	SR 34
305-7	Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions	SR 34
GRI 306: EFFLUENTS AND WASTE (2016)		
306-1	Water discharge by quality and destination	SR 34
306-3	Significant spills	SR 34
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)		
307-1	Non-compliance with environmental laws and regulations	SR 37
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)		
308-1	New suppliers that were screened using environmental criteria	SR 35
GRI 401: EMPLOYMENT (2016)		
401-1	New employee hires and employee turnover	SR 36
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)		
1. Management approach disclosures		
403-1	Occupational health and safety management system	SR 24
403-3	Occupational health services	SR 24
403-4	Worker participation, consultation, and communication on occupational health and safety	SR 24
403-5	Worker training on occupational health and safety	SR 25
403-6	Promotion of worker health	SR 24
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 24
2. Topic-specific disclosures		
403-8	Workers covered by an occupational health and management system	SR 24
403-9	Work-related injuries	SR 25 & 35
GRI 404: TRAINING AND EDUCATION (2016)		
404-2	Programs for upgrading employee skills and transition assistance programs	SR 23 & 30
404-3	Percentage of employees receiving regular performance and career development reviews	SR 23
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)		
405-1	Diversity of governance bodies and employees	SR 22-23
GRI 406: NON DISCRIMINATION (2016)		
406-1	Incidents of discrimination and corrective actions taken	SR 27 & 36
GRI 408: CHILD LABOUR (2016)		
408-1	Operations and suppliers at significant risk for incidents of child labour	SR 27
GRI 411: RIGHTS OF INDIGENOUS PEOPLES (2016)		
411-1	Incidents of violations involving rights of indigenous peoples	SR 27
GRI 412: HUMAN RIGHTS ASSESSMENT (2016)		
412-1	Operations that have been subject to human rights reviews or impact assessments	SR 27
412-2	Employee training on human rights policies or procedures	SR 27
GRI 413: LOCAL COMMUNITIES (2016)		
413-1	Operations with local community engagement, impact assessments, and development programs	SR 10 & 32-33
413-2	Operations with significant actual and potential negative impacts on local communities	SR 36
GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)		
414-1	New suppliers that were screened used social criteria	SR 35
GRI 419: SOCIOECONOMIC COMPLIANCE (2016)		
419-1	Non-compliance with laws and regulations in the social and economic area	SR 37
G4: OIL AND GAS SECTOR DISCLOSURE (2012)		
G4-OG1	Volume and type of estimated proved reserves and production	SR 3, AR 20 & 110
G4-OG5	Volume and disposal of formation or produced water	SR 34
G4-OG6	Volume of flared and vented hydrocarbons	SR 35
G4-OG7	Drilling waste	SR 34
G4-OG10	Significant disputes with local communities and indigenous peoples	SR 36
G4-OG11	Decommissioned sites and sites that are in the process of being decommissioned	SR 21

AR: Annual Report / SR: Sustainability Report



Auditor's Limited Assurance Report on the Sustainability Report

To Lundin Petroleum AB (publ), corporate identity number 556610-8055

Introduction

We have been engaged by Lundin Petroleum AB (publ) to undertake a limited assurance engagement of Lundin Petroleum's Sustainability Report for the year 2019, which also constitutes the company's statutory sustainability report in accordance with the Swedish Annual Accounts Act.

Responsibilities of the Board and Management

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on the inside front cover. The criteria consist of the *GRI Sustainability Reporting Standards*, as well as the Annual Accounts Act, and the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a sustainability report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the procedures we have performed, and to make a statement on the statutory sustainability report.

We have conducted our limited assurance engagement in accordance with *ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB and our examination of the statutory sustainability report in accordance with RevR 12 *Auditor's report on the statutory sustainability report* issued by FAR.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, and applying analytical and other limited assurance procedures. Such an engagement is different and substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The audit firm applies ISQC 1 *International Standard on Quality Control* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We confirm that we are independent in relation to Lundin Petroleum according to generally accepted auditing standards in Sweden, and have fulfilled our professional ethics responsibility according to these requirements.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

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

A statutory sustainability report has been prepared.

Stockholm, March 2, 2020

PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant

Fredrik Ljungdahl
Sustainability Expert Member of FAR

Forward-looking statements

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

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Lundin Petroleum

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