



# Welcome to EnQuest's public statement on environmental management and UKCS environmental performance for 2021.

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## An accountable and responsible approach.

This statement has been prepared to fulfil the regulatory requirement under the OSPAR Recommendation 2003/5 to produce an annual public environmental statement.

It represents an open and transparent representation of our environmental performance across our UK offshore operations for the year 2021.

The statement covers an overview of our HSEA policy, values and Environmental Management System ('EMS'). It also describes our assets and the extent to which we are meeting our environmental goals and outlines our future objectives.

Identifying ways to improve environmental performance and minimise the risk of unplanned environmental non-conformances was a key focus in 2021. The recorded number of unplanned releases (spills) to the marine environment reduced to 11 during 2021 from 26 in 2020.

Emissions performance is an area of great importance to EnQuest as a responsible operator of oil and gas assets through the multi-decade energy transition.

The Group aims to extend asset production life safely, enhance cash flow profiles and reduce costs and emissions on mature assets as society's reliance on hydrocarbons is reduced, thereby contributing towards the achievement of national emissions targets.

In support of the Group's long-term energy transition ambitions, an Infrastructure and New Energy business was established during 2021 with overall responsibility for delivering the Group's emission reduction targets and assessing potential decarbonisation opportunities.

EnQuest remains fully committed to playing its part in the drive towards global decarbonisation. The group has set itself a challenging target to deliver a further reduction in Scope 1 and 2 emissions of c.10% over the next three years from its existing portfolio through the identification and implementation of economic emission reduction opportunities.

During 2021, the Group made excellent progress in reducing its absolute Scope 1 and 2 emissions, with CO<sub>2</sub> equivalent emissions reduced by 14.7%. Since 2018, UK Scope 1 and 2 emissions have been reduced by 43.5%, which is significantly ahead of the UK Government's near-term North Sea Transition Deal targets.

Total CO<sub>2</sub> equivalent emissions resulting from the Group's UK offshore operations amounted to 630,818 tonnes in 2021, with 282,857 tonnes where EnQuest is duty holder.



**Underpinning the Group’s licence to operate is its health and safety performance.**

As such, the Group’s priority is to deliver SAFE Results without compromising standards in order to meet other business objectives.

To achieve this, the business is managed in accordance with the Group-wide Health, Safety, Environment and Assurance (‘HSEA’) policy.

“SAFE behaviours are fundamental to our safety culture and contribute to the delivery of SAFE Results. These behaviours map across all areas of health, safety, environment and assurance to ensure that we contribute positively to the business goals.”

Peter Hepburn – HSEA Director

# HSEA Policy

Health, Safety, Environment & Assurance



EnQuest is a production and development company, with operations in the UK and Malaysia. We are committed to operating responsibly and will not compromise our health, safety or environmental standards to meet our business objectives.

Through respect for our people, our contractors, our customers, our stakeholders and the environment, we will operate to achieve our principal aim: *safe results, with no harm to people and respect for the environment.*

To achieve this, we will manage our business such that we:

**Safety Management**

- Demonstrate strong safety leadership
- Provide trained and competent resources
- Maintain high-quality systems and processes
- Maintain the integrity of our assets over their life cycles
- Recognise, assess and manage HSE risks
- Plan and be prepared for potential emergencies

**Environment**

- Integrate environmental management into all aspects of our operations
- Manage and mitigate our impact on the environment, including emissions

**Wellbeing**

- Maintain safe and healthy workplaces
- Provide wellbeing awareness and support

**Engagement**

- Encourage open and honest communication
- Ensure our contractors and suppliers comply with our policies and procedures
- Comply with all applicable legislation and industry standards
- Recognise, assess and manage change

**Sharing & Learning**

- Investigate and learn from HSE events
- Strive for continual improvement in our HSE performance

Should operational results and this policy ever come into conflict, we all have a responsibility to our principal aim of *safe results, with no harm to people and respect for the environment* over operational results. This includes the responsibility to stop a job whenever activities may conflict with this policy.

Amjad Bseisu  
Chief Executive Officer

Salman Malik  
Managing Director - Infrastructure & New Energy

Bob Davenport  
Managing Director - North Sea

Richard Hall  
Managing Director - Malaysia

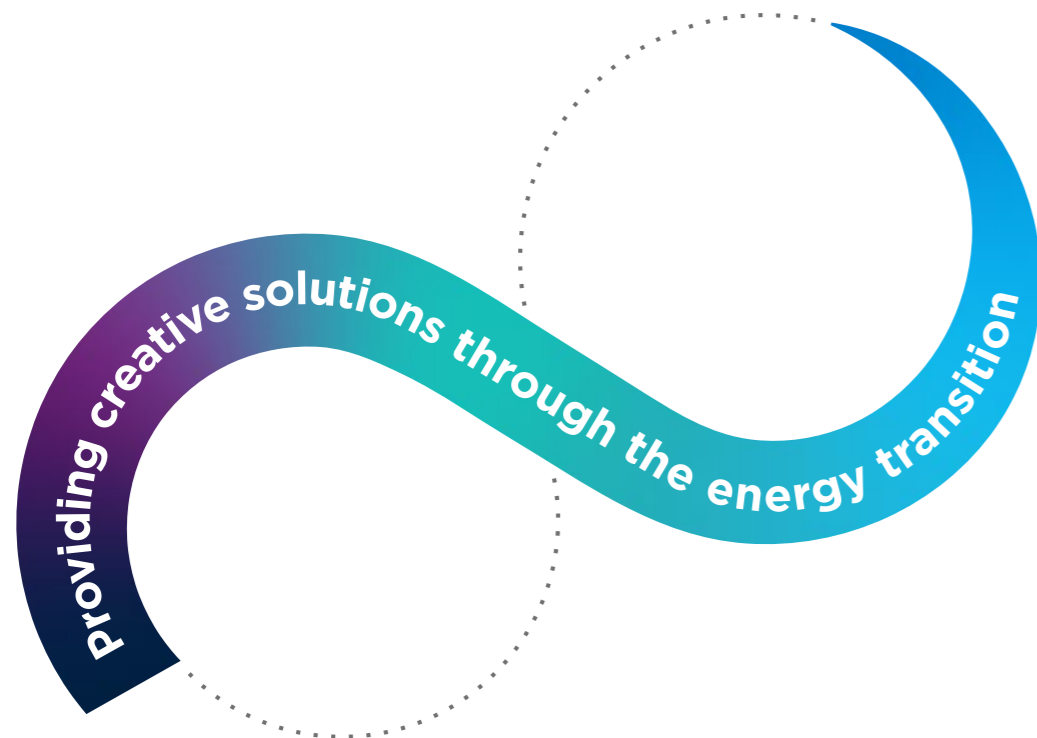
ENQ-COR-HS-POL-0005 Rev C11 January 2022

[www.enquest.com](http://www.enquest.com)

# EnQuest is an independent energy company with operations in the UK and Malaysia. We aim to extend the useful lives of existing infrastructure in a responsible manner, helping fulfil energy demand requirements as part of the transition to a low-carbon world.

Providing creative solutions through the energy transition is what EnQuest focuses on across all its operations.

Through harnessing the creative energy from all its staff, the Group will safely and sustainably produce existing oil and gas resources through established infrastructure, develop a world-class decommissioning capability and advance new energy and other decarbonisation opportunities.



## A Transition Company

EnQuest was transformed in 2020 with a focused portfolio. We continued to make good progress against our strategic objectives of deliver, de-lever and grow. The acquisition of the Golden Eagle asset has further strengthened our portfolio, while the low-cost acquisitions of material resources at Bressay and Bentley provide us with future near-field development opportunities that can utilise our heavy oil expertise and differential capability in subsea drilling and tie-backs.

Production in the year was impacted by a combination of well and topside integrity-related outages at Magnus and natural declines across the portfolio, however, Kraken continued to perform well. We demonstrated our decommissioning project capability with significant levels of activity throughout 2021 and established an Infrastructure and New Energy business with overall responsibility for advancing renewable energy and decarbonisation opportunities.

## Established Infrastructure

With our focus on responsibly managing existing assets, we aim to optimise production, leverage existing infrastructure, deliver a strong decommissioning performance and explore new energy and decarbonisation opportunities.

We have three core offshore producing hubs (one of which we operate), one strategically advantaged onshore processing terminal and are responsible for decommissioning four non-producing assets/fields.

At the end of 2021, EnQuest was the licensee, well and pipeline operator for Magnus, Heather, Thistle, Dons and Alma/Galia, and offshore installation operator for Heather, Thistle and Magnus.

EnQuest is the licensee, well and pipeline operator for the Greater Kittiwake Area. Petrofac became the installation operator of Kittiwake in June 2017.

EnQuest is the licensee, well and pipeline operator of the Kraken field. Bumi Armada is the installation operator of the Kraken FPSO.

The acquisition of material resources at Bressay and Bentley provide EnQuest with future near-field development opportunities.

EnQuest also has a non-operated interest in the Alba and Golden Eagle oilfields.

EnQuest is the onshore operator for the Sullom Voe Terminal ('SVT').

EnQuest is supported by third party exploration and drilling units as and when required.

## Respect for the environment

As a responsible operator, we manage our operations to prevent incidents and minimise our environmental impact.

We aim for SAFE Results with no harm to our people and respect for the environment.

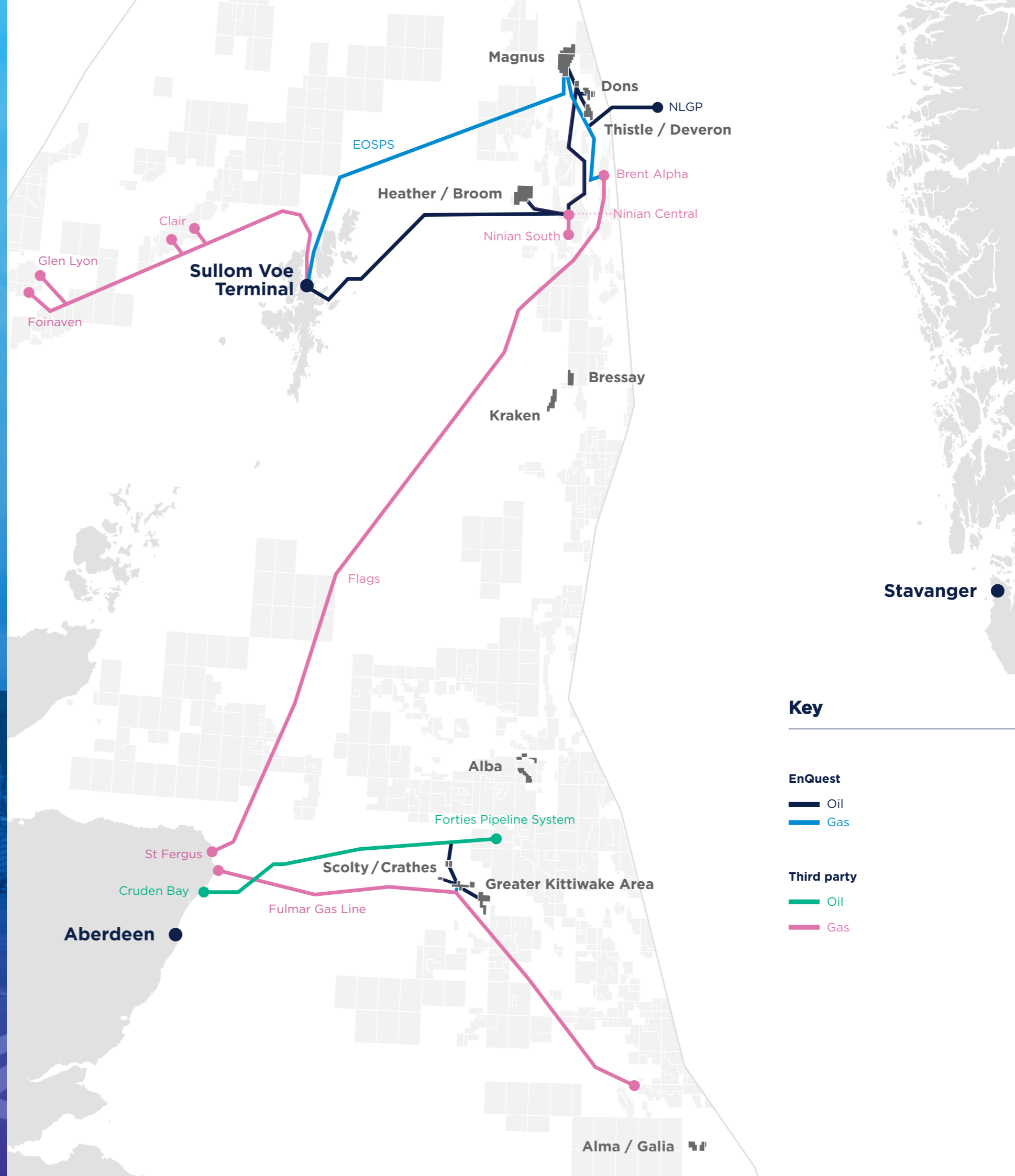
We conduct our business and our relationships with respect and openness, ensuring a diverse range of ideas are shared and considered.

We work collaboratively to achieve exceptional results, driving a focused business to achieve success, always pursuing growth and learning opportunities to unlock our full potential as individuals, teams and the Company as a whole.

## 5 Golden Rules for the environment

- Segregate all waste
- Report any **leaks, weeps, seeps or sheens**
- Report any **blocked drains** and **bunds** containing liquids
- Report any **objects dropped** into the sea
- Do not **dispose** of any **liquids** into drains

At the end of 2021 EnQuest had interests in 19 UK production licences and was the operator of 14 of these licences.



## Upstream

### Magnus

EnQuest's acquisition of an initial interest in Magnus in 2017 and the increasing of its interest to 100% in 2018, was welcomed by all stakeholders as having the "right assets, in the right hands" and reflected our production improvement and life-extension successes at our other assets.

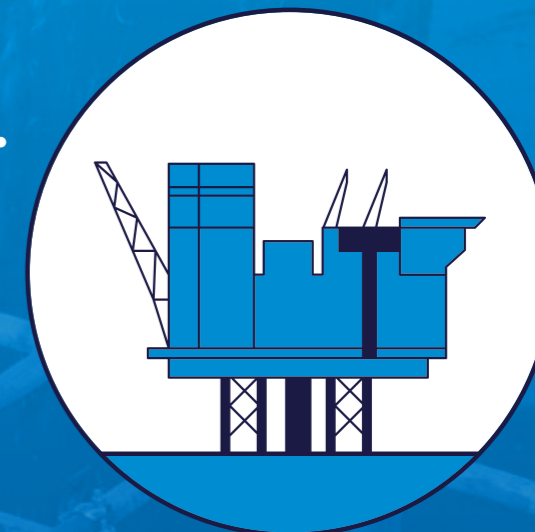
The acquisition has increased production and cash flow through the addition of significant low-cost 2P reserves.

Magnus also has significant potential, with 2C resources of c.35 MMboe, offering the Group significant low-cost drilling opportunities in the medium term, in addition to an estimated c.250 MMbbls of remaining mobile oil in place that requires further evaluation to identify future drilling and tie-back prospects.



### Greater Kittiwake Area

The GKA area comprises five offshore oil fields: Kittiwake, Mallard, Gadwall, Goosander and Grouse. Through successful rejuvenation of the well stock, improving water injection capability and a focus on debottlenecking the production system, significant increases in volume and uptime have been achieved.



### Kraken

Kraken is a heavy oil producing asset and is the largest single asset in EnQuest's portfolio. First oil was delivered in June 2017, with the field development plan completed around the end of the first quarter of 2019.

During the fourth quarter of 2021, Kraken production reached the milestones of over 50 million barrels (gross) produced since inception and the 100th cargo offload.

Near-field drilling and subsea tie-back opportunities continue to be assessed. A successful 3D seismic campaign was completed in July, providing valuable data to evaluate the development potential of the western area of the field.

Kraken is expected to have a long field life of over 20 years.



### Scolty/Crathes

The Scolty/Crathes development consists of a single horizontal well drilled into each of the Scolty and Crathes fields.

The fields are tied back to the Kittiwake platform and have greatly extended the useful life of this production hub.

## Decommissioning

### Thistle/Deveron

EnQuest acquired an interest in these fields in 2009 and put in place a program of work to extend their useful lives. Work was carried out on the wells and on the platform itself, which saw the asset's life expectancy increase significantly.

In July 2020, a CoP application was approved by the regulator, with an effective decommissioning date of 31 May 2020.

The first phase of the platform re-habitation was successfully completed in June 2021, in line with expectations. The subsea integrity campaign concluded in September and platform reactivation and hydrocarbon removal was completed in October.



### Heather/Broom

Heather and Broom are adjacent oil fields that were produced through Heather Alpha, a fixed steel offshore platform, with Broom connected via a subsea tieback.

A CoP application for Broom was approved by the regulator in March 2021.

The well plug and abandonment ('P&A') programme continued on schedule, while the topsides decommissioning programme was approved by the Secretary of State.

### Alma/Galia

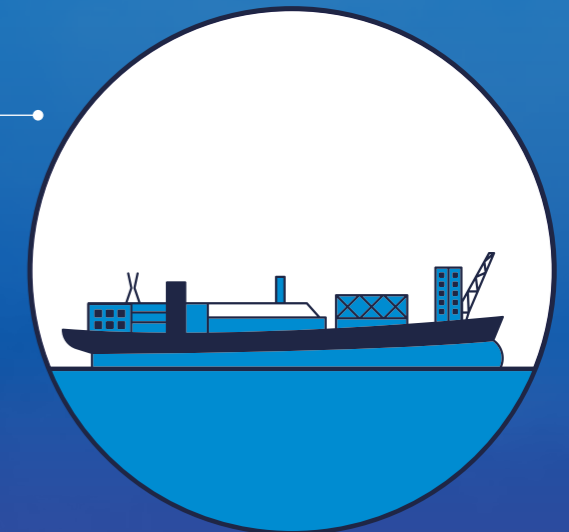
The Alma and Galia fields were re-developed as a single joint development, revitalising reservoirs where production had previously been shut-in, and tied back to the EnQuest Producer Floating Production, Storage and Offloading ('FPSO') vessel.

In September 2020, the EnQuest Producer FPSO moved off station and remains in warm stack at Nigg while the Group continues to evaluate options.

### The Dons

The Dons are a collection of offshore oil fields that produced via subsea tiebacks to the Northern Producer Floating Production Facility. As the first fields owned by EnQuest, the redevelopment of the Dons area was a great example of EnQuest's ability to create value.

Cessation of production occurred in March 2021 following receipt of regulatory approvals.

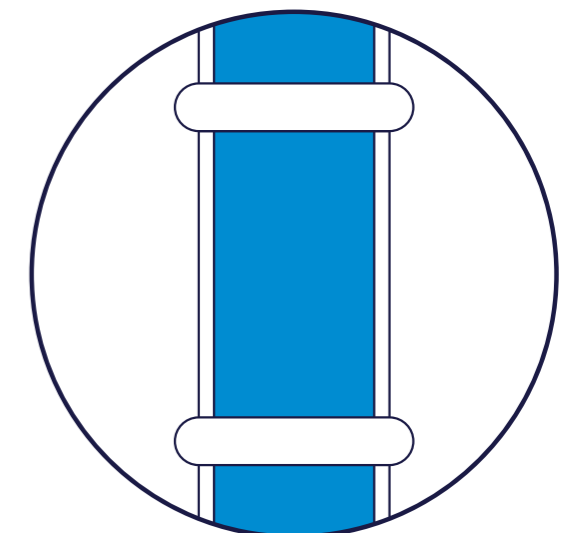


## Infrastructure and New Energy

### Pipelines

When EnQuest acquired the operating interests in the producing Magnus asset and the onshore Sullom Voe Oil Terminal in Shetland, the associated pipelines were also purchased. These pipelines are of strategic importance.

The Ninian Pipeline System, where EnQuest has an 18% share, transports crude oil to Sullom Voe Terminal ('SVT'), the east of Shetland gas pipeline, which is 100% EnQuest owned, provides the route for west of Shetland gas through the Magnus asset to the Northern Leg Gas Pipeline ('NLGP'). The NLGP, where EnQuest has a 51.1% share, delivers natural gas for onward transportation via the Shell-operated FLAGS pipeline and into the UK National Transmission System.





## EnQuest's priority is delivering SAFE Results, with no harm to our people and respect for the environment.

Our Environmental Management System ('EMS') ensures our activities are conducted in such a way that we manage and mitigate our impact on the environment, which includes permitted hydrocarbon releases and discharges.

Non-compliant releases and discharges from the Group's operations carry adverse reputational, financial and other consequences.

As an operator of offshore oil and gas installations on the UKCS, the environmental regulators OPRED (part of BEIS) and SEPA, require companies to have in place an EMS that:

- **Achieves the environmental goals** of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities;
- Maintains and encourages **continual improvement** in environmental performance; and
- Is in accordance with the principles of **internationally recognised standards** such as ISO 14001:2015.

Our EMS provides a framework for the achievement of objectives in order for us to manage risk in accordance with the requirements of Company policies, applicable legislation, national/international standards and contractual or partnership commitments.

The EnQuest Environmental Management System Structure

Policy

Principles

Manuals

Guidelines | Processes | Procedures | Strategies | Plan

Forms | Matrices | Registers | Templates

## Effective management of HSE performance is a key objective for the whole organisation.

EnQuest regularly monitors and reports its environmental performance in relation to these aspects in line with the requirements of UK law.

The following sections outline EnQuest's environmental performance in 2021 with regards to liquid discharges, spills, material waste and atmospheric emissions.



# We use energy in extracting, processing and exporting oil and gas.

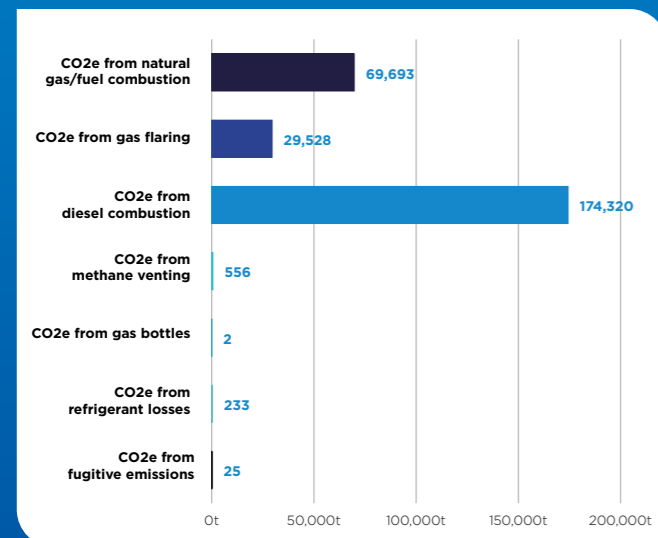
Atmospheric emissions generated by these activities are regulated by the Greenhouse Gases Emission Trading Scheme ('ETS') and the Offshore Combustion Installation (Prevention and Control of Pollution) Regulations 2013.

We seek to use energy efficiently within our facilities and continually look to identify opportunities that may reduce emissions from our operations, targeting a 10% reduction in absolute Scope 1 and 2 emissions by the end of 2023 from a 2020 baseline.

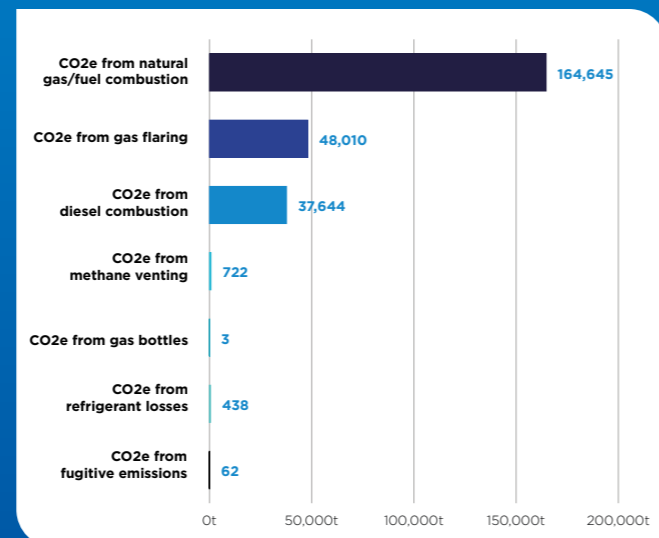
In addition, we report our annual greenhouse gas (GHG) emissions in our Directors' Report as per the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 within the Annual Report and Accounts.

GHG emissions are reported on a Carbon Dioxide (CO<sub>2</sub>) equivalent basis, including CO<sub>2</sub> and methane.

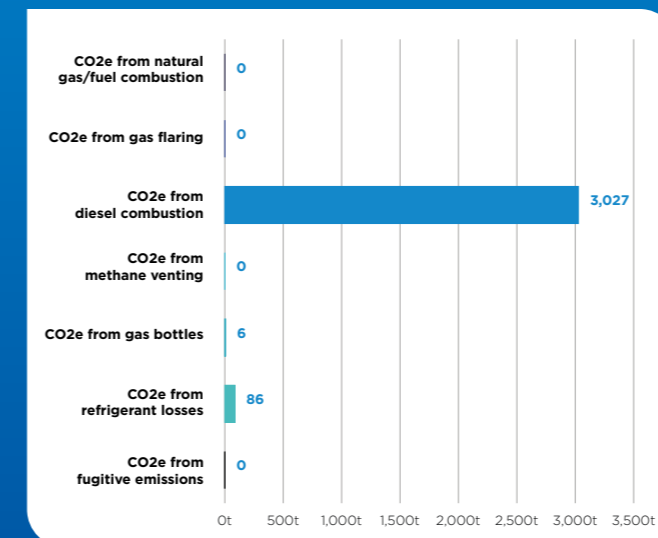
**Kraken** Total: 274,355t



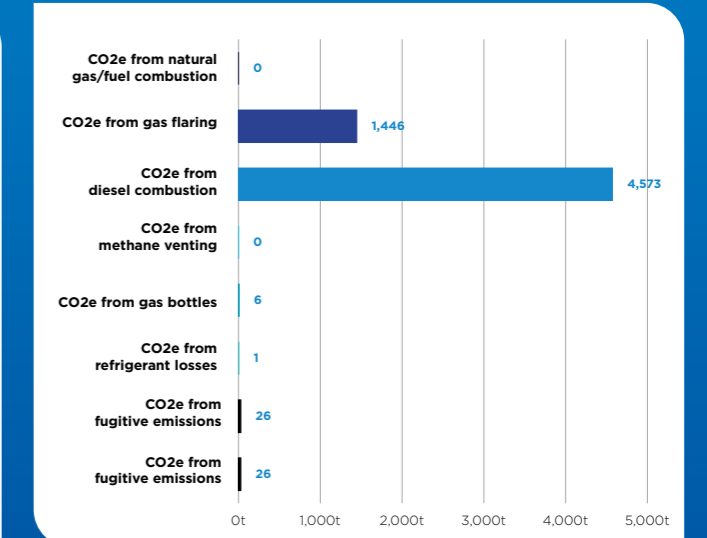
**Magnus** Total: 251,524t



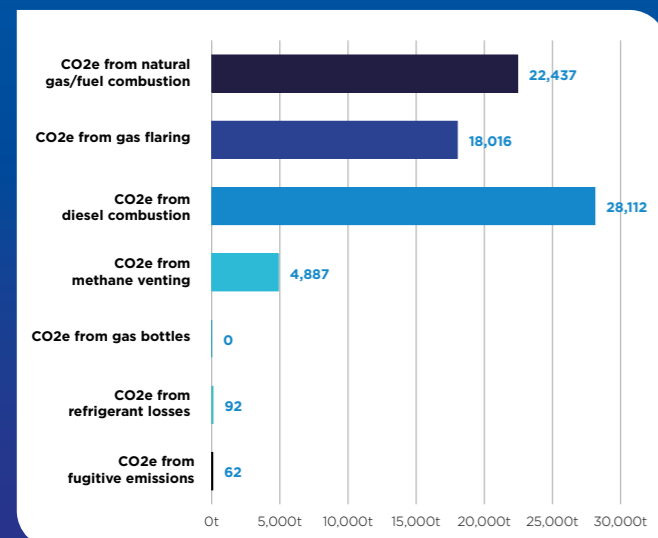
**Thistle** Total: 3,119t



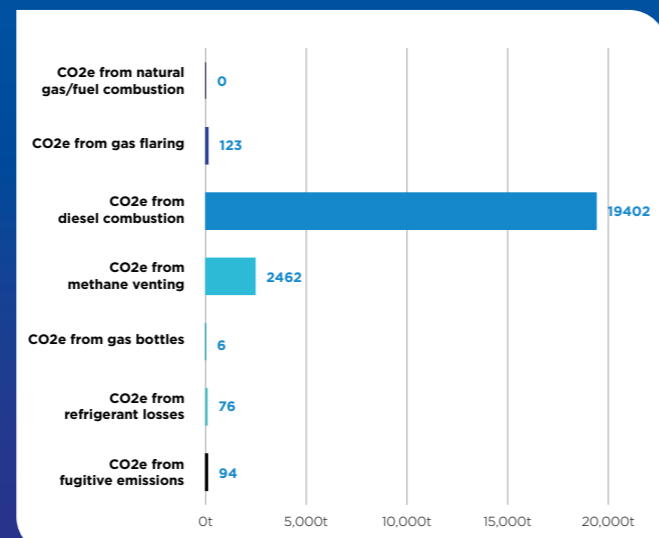
**Northern Producer** Total: 6,051t



**Kittiwake** Total: 73,606t



**Heather** Total: 22,162t

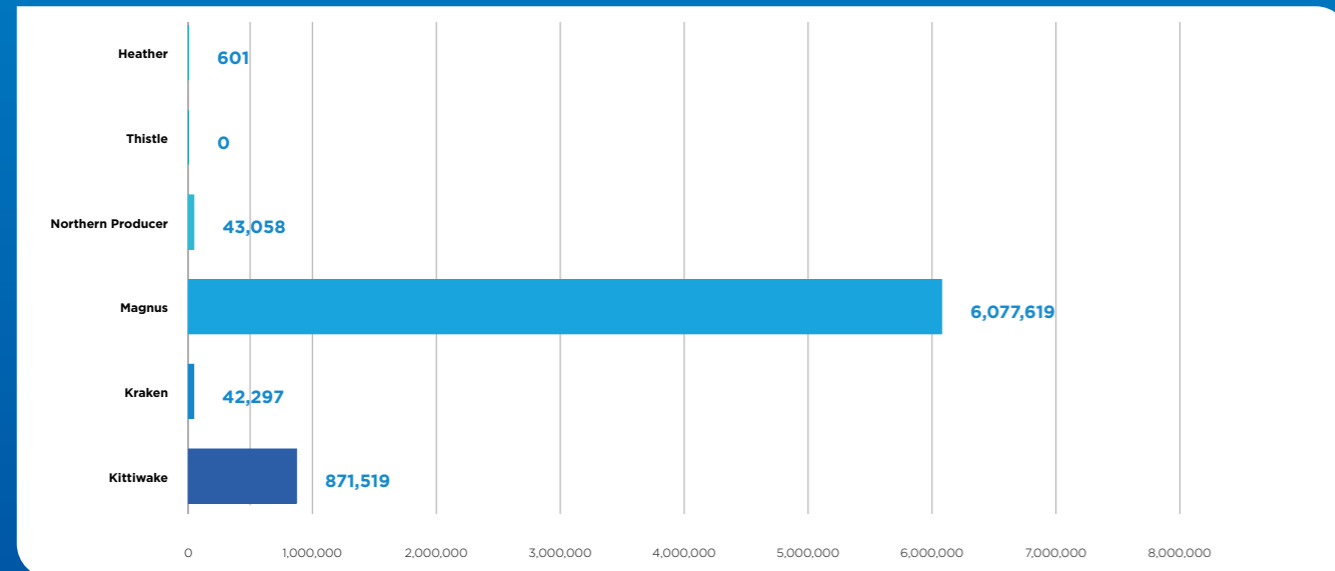


# EnQuest aims to minimise the environmental impact of the discharge of produced water.

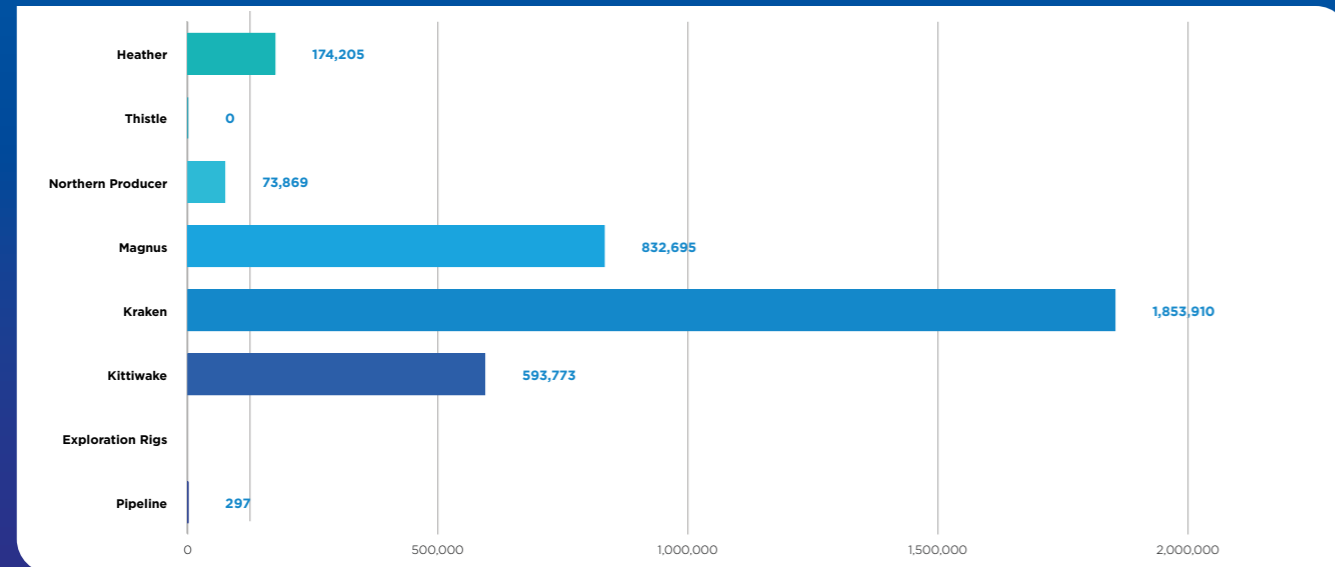
Treatment plants at our assets remove the majority of hydrocarbons and solids present in the produced water stream. All our water is treated and monitored prior to discharge.

As produced water contains traces of hydrocarbon, the Offshore Petroleum Activities (Oil Pollution, Prevention & Control) Regulations 2005 (as amended) sets the monthly permitted average oil content of produced water at 30 mg/l.

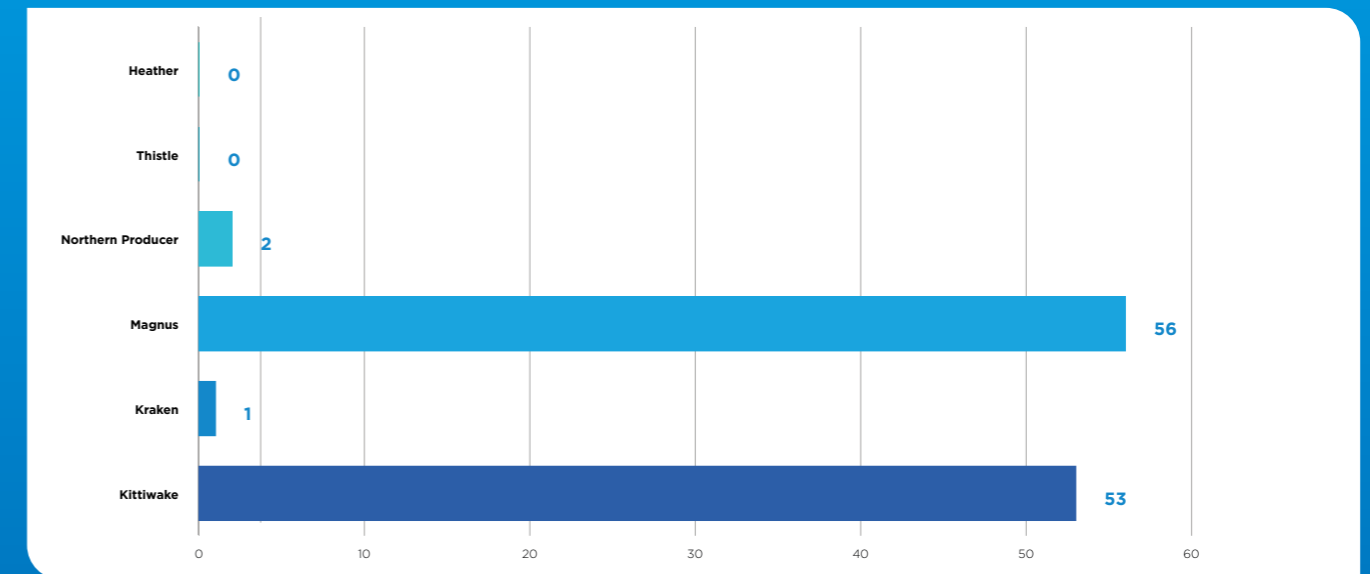
Total produced water discharged to sea (m<sup>3</sup>)



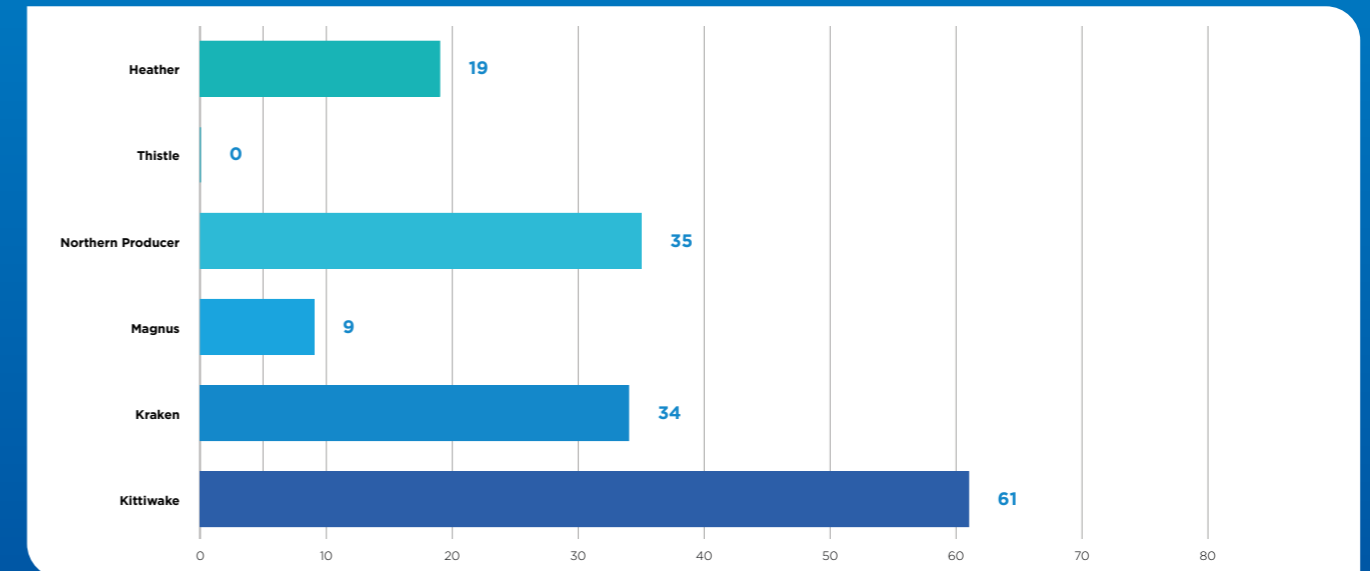
Total chemical use (kg)



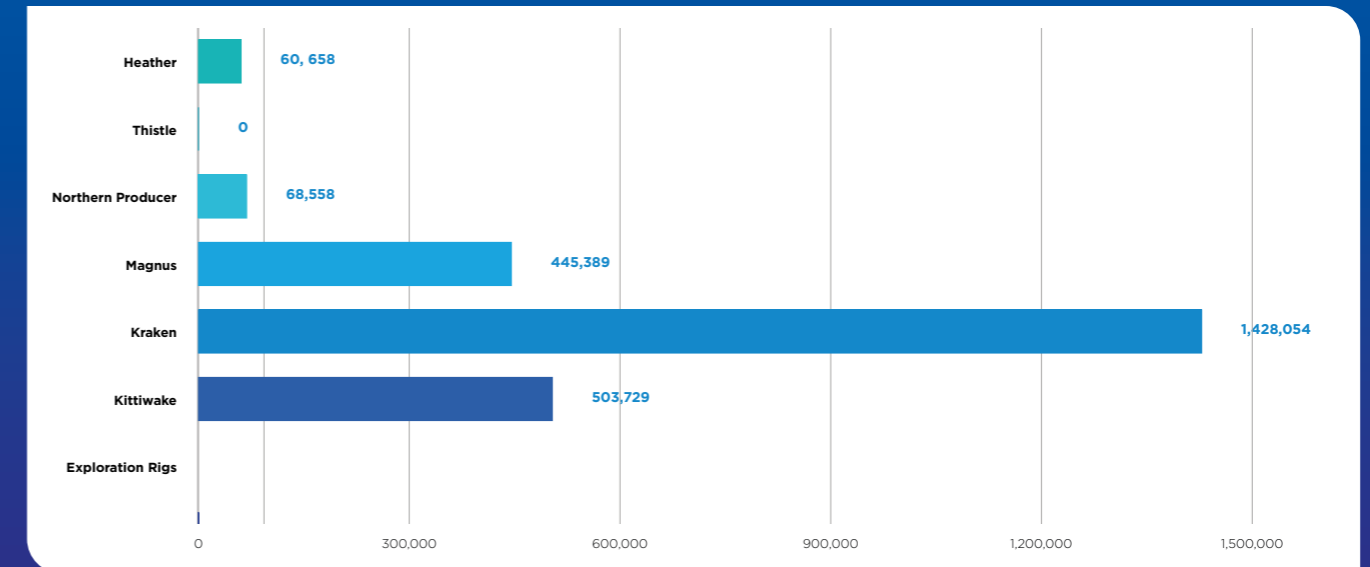
Oil in produced water discharged to sea (tonnes)



Average oil in water (mg/l)



Total chemical discharge (kg)

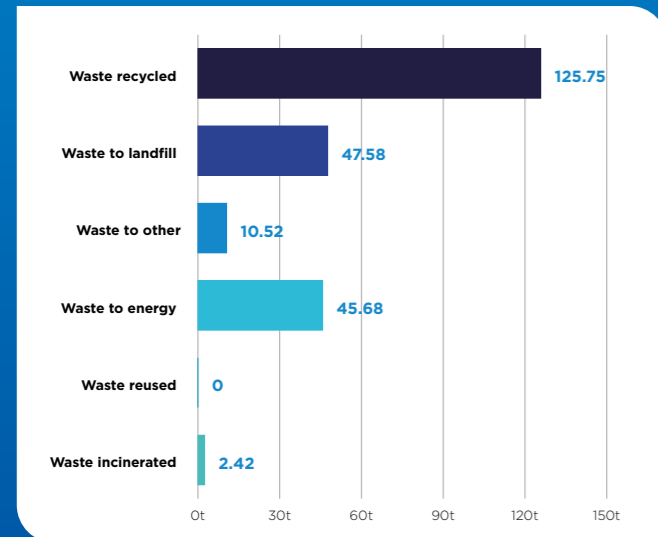


# Our operations consume natural resources and other material which generate a range of wastes.

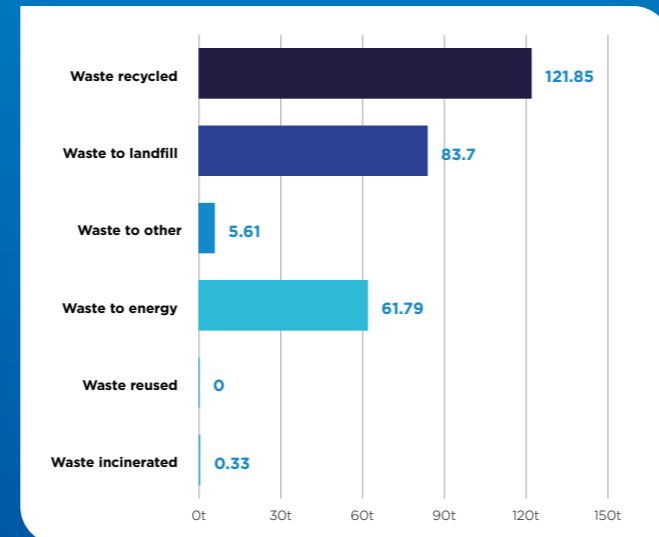
We must ensure that the segregation, transportation and eventual disposal of waste are managed in accordance with legislative requirements.

We work closely with our onshore waste management contractors to identify recycling routes for as much of our waste as possible and conduct regular audits to evaluate waste management practices.

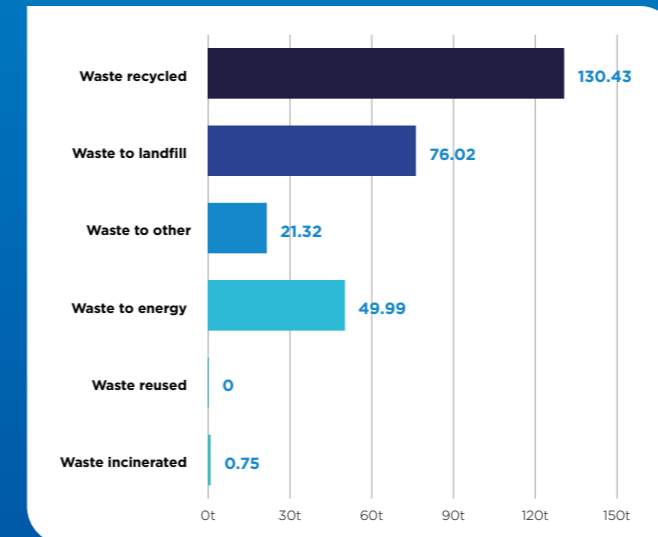
**Kraken** — Total: 232t



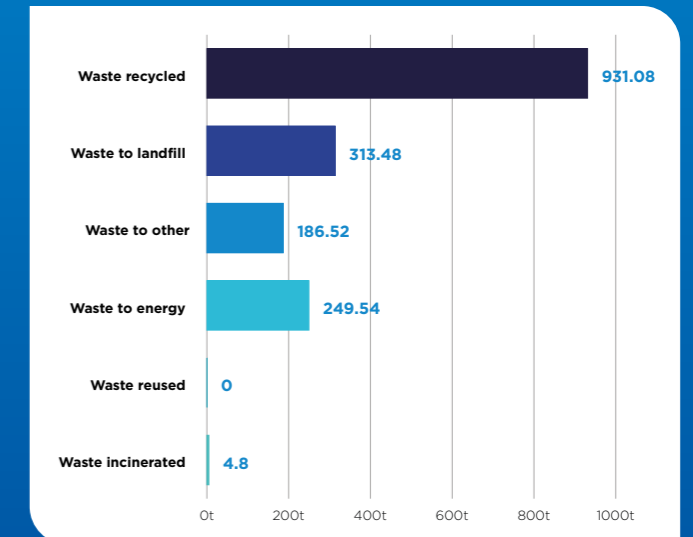
**Magnus** — Total: 273t



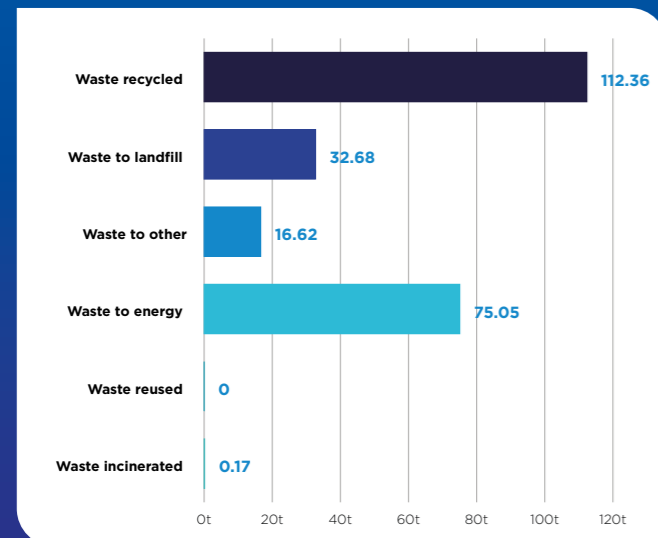
**Thistle** — Total: 279t



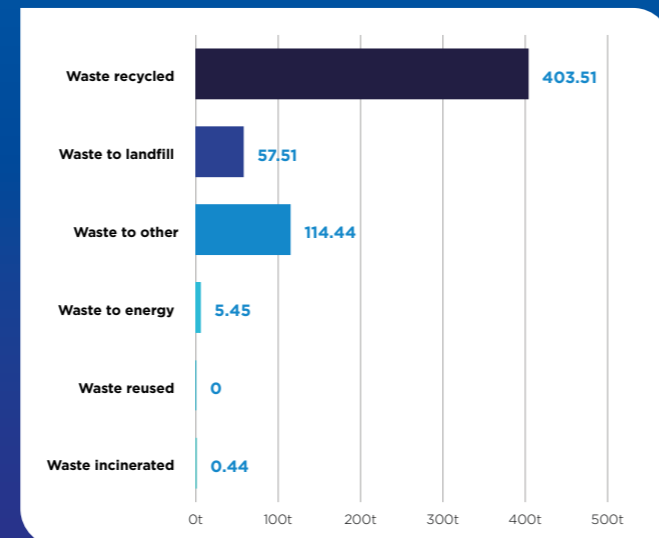
**Company Total** — Total: 1,685t



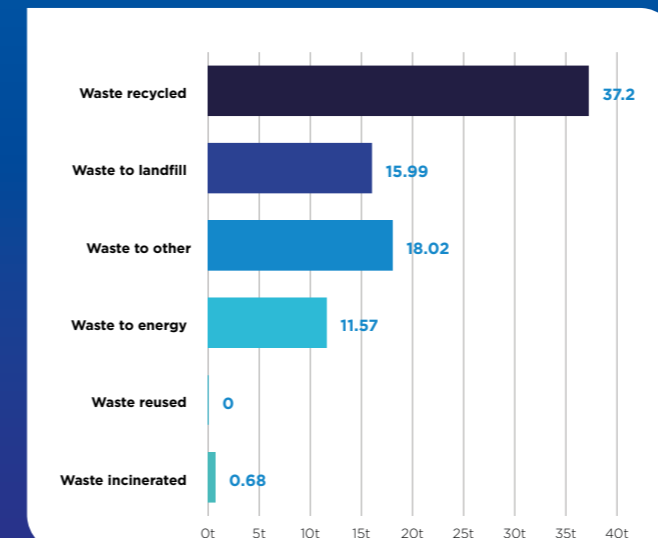
**Kittiwake** — Total: 237t



**Heather** — Total: 581t



**Northern Producer** — Total: 83t

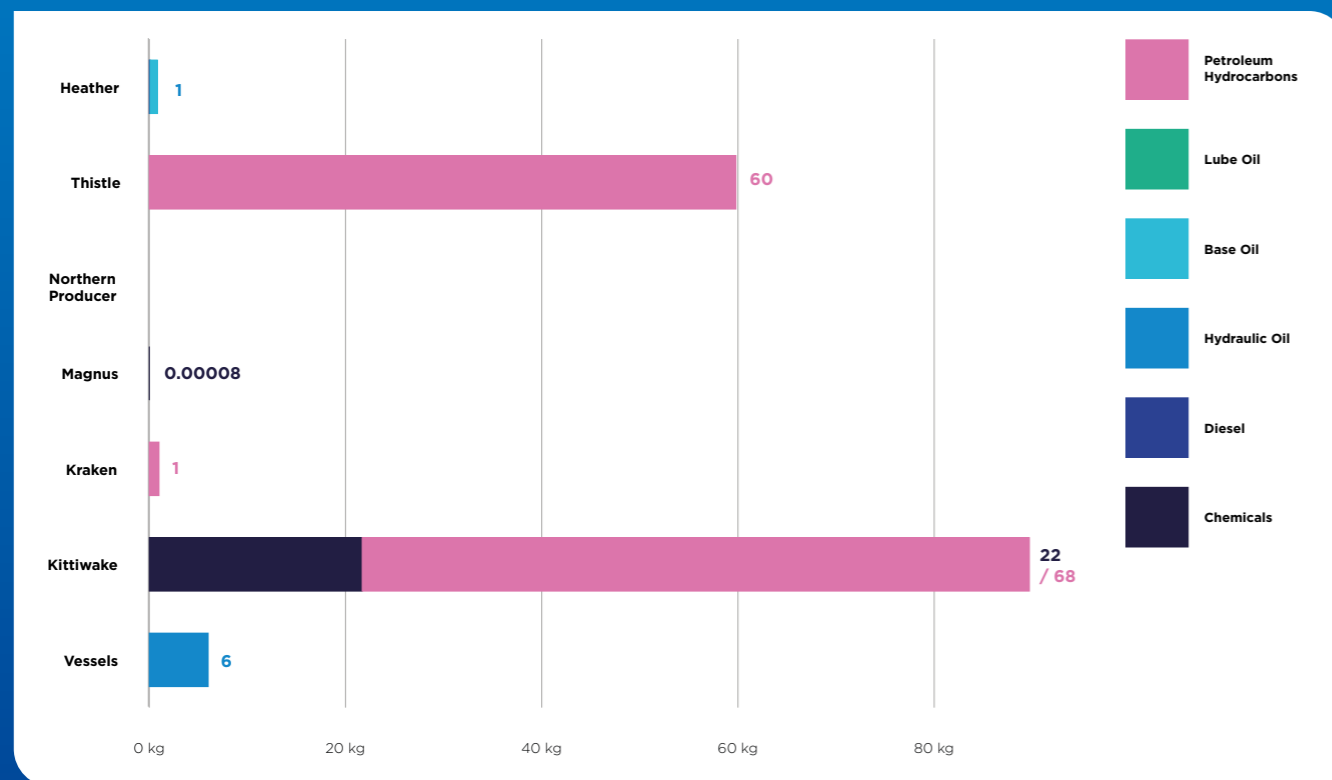


# As spills at sea can have consequences for the marine environment, we work to minimise the risk with a focus on prevention.

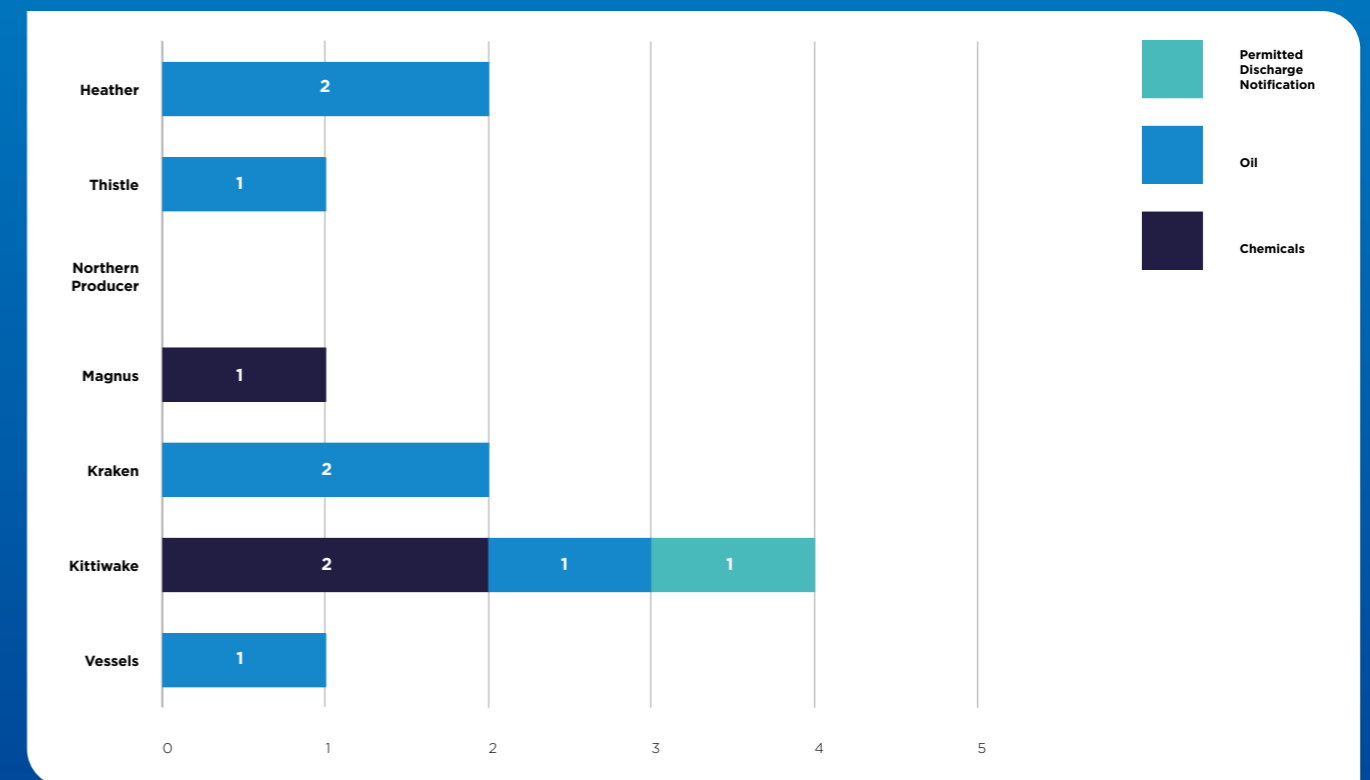
We have OPRED-approved Oil Pollution Emergency Plans ('OPEP's') in place across all our assets and are a member of Oil Spill Response Limited, the world's largest spill response organisation.

All spills to the marine environment, regardless of volume, must be reported to OPRED via a PON1 ('Petroleum Operations Notice No.1').

Spills to sea (mass)



Number of spills to sea



Environmental, Social and Governance ('ESG') factors continue to grow in importance for companies, reflecting the focus on company purpose, widespread concerns about climate change, the importance of stakeholder considerations and the emphasis on long-term value enhancement.

The identification, measurement and management of relevant ESG factors enables companies to demonstrate they are operating in a responsible and sustainable manner. EnQuest has reviewed the extensive ESG landscape and identified those factors which are relevant and applicable to its purpose and business model, ensuring its approach is clear, appropriate and easily understood by its stakeholders.

The Group concluded that its core ESG areas of focus are: health and safety, including asset integrity; the pursuit of emission reduction opportunities in order to contribute positively towards the achievement of national emissions targets; looking after our people and positively impacting the communities in which we operate; and upholding our robust risk management framework while acting with the highest standards of integrity in all that we do.

EnQuest recognises that industry, alongside other key stakeholders such as governments, regulators and consumers, must contribute to reducing the impact on climate change of carbon-related emissions. The Group is committed to playing its part in the achievement

of national emissions reduction targets and the drive to 'net-zero'.

The Group aims to reduce absolute Scope 1 and 2 CO<sub>2</sub> equivalent emissions from its existing operations by 10% over the period 2021 to 2023. This target has been included as a key performance metric in the Group's long-term incentive scheme for Executive Directors and applicable employees.

As majors and other operators continue to shift their focus from mature basins within various geographies, it is expected there will be further opportunities for the Group to access additional oil and gas resources. However, time and careful consideration will be taken to find the right opportunities where EnQuest can deliver incremental emission reductions relative to the carbon footprint in the hands of the seller. The Group also factors in an appropriate associated carbon price into the acquisition economics, even in markets where no carbon trading or pricing mechanism exists. The Group can make a positive contribution towards the future of North Sea oil and gas through doing its part in ensuring that each asset is in the right hands.

**The UK Decommissioning directorate continues to work with the supply chain, industry participants and decommissioning workgroups to identify creative ways, such as alternative power generation options, in which emissions associated with decommissioning activities can be kept to a minimum.**

EnQuest's Infrastructure and New Energy business is assessing renewable energy and decarbonisation opportunities that would leverage the Group's existing infrastructure at the SVT. The Group is working with the Shetland Islands Council, Project ORION, the Net Zero Technology Centre ('NZTC') and other stakeholders on initiatives focused on carbon capture and storage, renewable electricity and hydrogen.

EnQuest continues to engage with entities such as Offshore Energies UK ('OEUK'), the NZTC and the North Sea Transition Authority ('NSTA'), to better understand how it can contribute further to the industry approach to achieving net-zero, whilst remaining aligned with EnQuest's strategy and Values.

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