

SPIRIT ENERGY

Climate Change Responsibility Statement

Vision

Spirit Energy believes that the provision of energy in the face of the climate emergency is one of the biggest challenges confronting the world today. We recognise the need for action to address climate change and we aim to play our part in helping to meet energy demand sustainably.

Our vision, as an energy transition company, will lead the way to a sustainable future by achieving Net Zero emissions (Scope 1 and 2 emissions) by 2035, and materially contribute to the wider UK net zero challenge through our Morecambe Net Zero business.

We also intend to explore how our assets can be repurposed to generate net zero carbon energy.

The Challenge

The exploration, production and transportation of oil and gas accounts for ~ 15% of the world's greenhouse gas (GHG) emissions ¹. It means the oil and gas industry has a critical role to play if the climate change goals set out in the Paris Agreement are to be achieved.

As a pioneering energy company with no downstream assets, we do not control how oil and gas we produce is consumed or transformed into other products.

Our assets are in countries with ambitious CO2 reduction targets - the United Kingdom and the Netherlands - where we are fully committed to the relevant National GHG emissions reduction targets and the goals set out in the Paris Agreement.

In pursuit of our 2035 target of net zero operational GHG emissions, we will focus on energy efficiency and ways to reduce our carbon intensity.

While we actively reduce GHG emissions from our existing asset base, we will intensify our work to explore how our assets can be repurposed to generate net zero carbon energy or even negative emissions through projects like carbon capture and storage (CCS).

What we are already doing

United Kingdom and Netherlands

The UK offshore oil and gas industry was one of the first major industrial sectors to respond with a definitive action plan to the report from the Committee on Climate Change (now the Climate Change Committee) and the legally binding government targets of net zero by 2050 at the latest, as defined via the North Sea Transition Deal.

As a member of Offshore Energies UK, we support the Roadmap 2035 – a blueprint for net zero, and as a member of Element NL (formerly the Netherlands Oil and Gas Exploration and Production Association, NOGEPAN) we support the work of Nextstep, the National Platform for Reuse and Decommissioning strategy to promote technology development and the reuse of oil and gas infrastructure.

We have identified several potential projects across our portfolio in the UK and The Netherlands which are at various stages of review. The most developed opportunities relate to the Morecambe Hub – previously one of the largest primary energy suppliers to the UK, and we are studying how it can play a role in our move towards being a lower carbon business but also how it can play a nationally significant role in helping the UK achieve its net zero plans.

- We are developing means to reduce fuel gas consumption at Morecambe Hub
- We are investing in and developing our Carbon Storage Licence for the repurposing of the Morecambe gas fields to provide a 1 billion tonne carbon store, meeting 50% of the UK's 2035 carbon storage target and supporting the world's largest cement and lime decarbonisation project.

We are committed to:

- Establishing realistic and ambitious medium term GHG emission reduction targets and KPIs. We have established both absolute emission reductions and carbon intensity targets.
- Continuing to report our operated emissions by country in accordance with the relevant national GHG trading regulations in the UK and Netherlands.
- Making GHG emissions criteria a formal part of our investment decision-making and how we run our business.
- Stop all routine flaring by 2030 in alignment to the World Bank's Zero Routine Flaring initiative.
- Continuing to minimise our primary production emissions through improved operational efficiency, reduced flaring and fugitive leak detection and repair programmes through our asset emissions reduction action plans (ERAPs).
- Implementing best available technology at all assets to minimise GHG emissions.
- Advocating for low carbon electricity to supply our operations.
- Driving Morecambe Net Zero through our CCS Carbon Capture and Storage (CCS) project development.
- Assessing the viability of CCS at selected assets.

Our Energy Transition Director oversees our work towards net zero. We have also established our emissions and production standard as a framework to reduce our emissions, and work is ramping up across the organisation to support our ambition.