

Sustainability Report 2015



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Our Global Compact Commitment

Lundin Petroleum has been a participant of the United Nations Global Compact since 2010. We support the 10 Principles on human rights, labour standards, environment and anti-corruption and participate in the UN Global Compact Nordic Network. We communicate on a yearly basis on our progress in implementing the 10 Principles.

This 2015 Sustainability Report also constitutes our Communication on Progress to the UN Global Compact.

Global Reporting Initiative (GRI)

Lundin Petroleum's 2015 Sustainability Report is the first report in accordance with the Global Reporting Initiative (GRI) G4 Guidelines.



A transformational year

- » First oil produced from the non-operated Bøyla field in Norway
- » First oil produced from the Bertam field in Malaysia
- » First oil produced from the Edvard Grieg field in Norway
- » First Group wide Corporate Responsibility e-learning
- » First stand-alone Sustainability Report

Our vision is to provide society with energy that is being developed in a responsible and efficient way

Responsible business conduct at Lundin Petroleum aims to create social, environmental as well as economic value for all stakeholders.

Revenue
 **MUSD 569.3**
 operating revenue

Safe operations
 **1.76** lost time
 incident rate

Cash flow
 **MUSD 699.6**
 operating cash flow

Oil spills
 **0** recordable
 oil spill

Expenditure
 **MUSD 1,443.3**
 investments

Workforce
 **589** employees
 worldwide

Contribution to society
 **TUSD 818.5**
 donations

Diversity
 **38%** of women on
 Board of Directors

Community benefit
 **1,350** people were
 provided with access to
 renewable energy through
 Lundin Foundation projects

Training
 **87%** of employees
 completed the e-learning
 course on Corporate
 Responsibility

Foreword by the CEO

I am very pleased to present Lundin Petroleum's 2015 Sustainability Report. This is the first time that we report our Corporate Responsibility performance according to an international sustainability standard.

Corporate Responsibility is of course not new at Lundin Petroleum, it is an integral part of our business strategy. Since the Company was created we have been guided by the values and principles expressed in our Code of Conduct and have reported on our ethical performance in the Corporate Responsibility section of our Annual Report.

This year, however, has been a special year for Lundin Petroleum which has put three new fields in production and plays an important part in the most significant oil field development in Norway. All this was achieved and managed in spite of the low oil price environment. In this transformational year, we also innovate in our sustainability reporting based on the Global Reporting Initiative (GRI) G4 guidance.

We have witnessed a growing interest on the part of our stakeholders, be they shareholders, staff, institutional lenders, governments, NGOs and the media, who want to understand how we integrate these values and principles throughout our operations and value chain. While environmental, social and governance (ESG) research institutions rate us positively in comparison to our peers — MSCI has given us an AA rating in 2015 — we believe that enhanced reporting will contribute to a better understanding of how we assess and manage our sustainability risks and opportunities. In this context we would like to thank our stakeholders for their feedback which has helped us to continuously improve our ESG performance and reporting.

We view the protection of the health and safety of people and of the environment as top priorities, and are aware of our responsibilities regarding such issues as human rights, labour standards and anti-corruption. I take this opportunity to reaffirm our commitment to the Global Compact and its 10 Principles on human rights, labour standards, environment and anti-corruption. Being part of the Global Compact has helped us progress on these issues, also through participation in the Nordic Network, which is a good forum to exchange and learn about improving ethical performance on an ongoing basis. This report therefore also constitutes our Communication on Progress to the United Nations' Global Compact.

Some believe there is a trade-off between ethical and commercial considerations. We do not. We believe that doing things the right way is the best way of ensuring our success over time. Working in Norway, a country with high HSE standards, has confirmed that the upfront costs of ensuring that we have competent people and the right processes and systems is good business practice.



I would like to conclude by saying that our vision back in 2001 was to make a positive contribution to society. We feel we are doing so, not only by providing a source of energy in an efficient and responsible way – protecting people and the environment – but also by providing employment and tax revenues in the countries where we work and by supporting good causes through our partnership with the Lundin Foundation. But as I always say, there is always room for improvement, so together with my colleagues, we will continue to strive for excellence.

Yours Sincerely,

A handwritten signature in white ink, appearing to read 'Alex', is positioned above the printed name.

Alex Schneiter
President and CEO



Our Company

Finding and developing oil and gas resources

Lundin Petroleum (the 'Company' or the 'Group') has exploration and production assets focused upon two core areas, Norway and Malaysia, as well as assets in France, the Netherlands and Russia, and offices in Stockholm and Geneva. Lundin Petroleum maintains an exploration focus seeking to generate sustainable value from exploration to production.

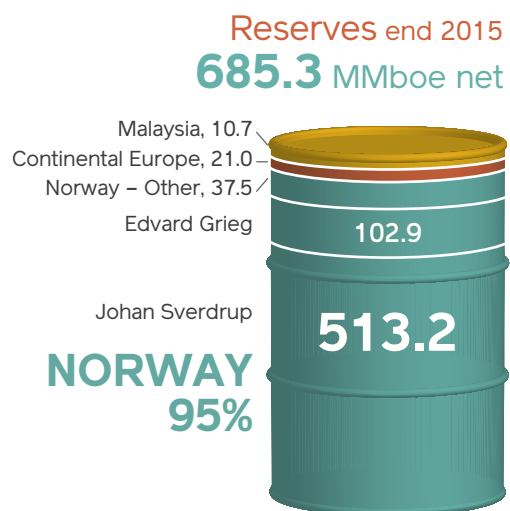
Our **vision** is to grow a profitable upstream exploration and production company, focused on core areas in a safe and environmentally responsible manner for the long-term benefit of our shareholders and society.

Lundin Petroleum is pursuing the following **strategy**:

- Proactively investing in exploration to organically grow its reserve base. Lundin Petroleum has an inventory of drillable prospects with large upside potential and continues to actively pursue new exploration acreage in core areas.
- Growing its existing asset base with a proactive subsurface strategy to enhance ultimate hydrocarbon recovery.
- Acquiring new hydrocarbon reserves, resources and exploration acreage where opportunities exist to enhance value.

Lundin Petroleum is **responsible** towards:

- shareholders, to realise and sustain a good return on investment and a continuing growth of its asset base.
- employees, to provide a safe and rewarding working environment.
- host countries, owners of the resources, to find and produce oil and gas professionally, efficiently and responsibly.
- local communities, to contribute to local development and sustain the well-being of local communities.
- society, to contribute to wealth generation while minimising the impact of our activities on the environment.





Malaysia

Exploration



Lundin Petroleum focuses on building core exploration areas in specific countries and assembles integrated teams of geoscientists and technical experts who have a creative and visionary approach to oil and gas exploration. This has proven very successful and in 2015, Lundin Petroleum drilled 14 exploration wells, resulting in exploration success on the Utsira High with the Luno II North and Rolvsnes discoveries.

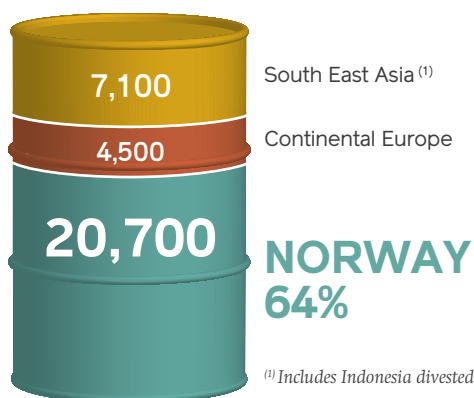
Development



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. In 2015, Lundin Petroleum constructed oil and gas production facilities in Norway and Malaysia, of which completion of the Edvard Grieg platform in the Norwegian North Sea marks a major milestone for the Company.

Production performance 2015

32,300 boepd net



⁽¹⁾ Includes Indonesia divested assets

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 in 2015 due to three new fields coming on stream. This marks the beginning of a transformational increase of Lundin Petroleum's production levels going forward.

About the Report

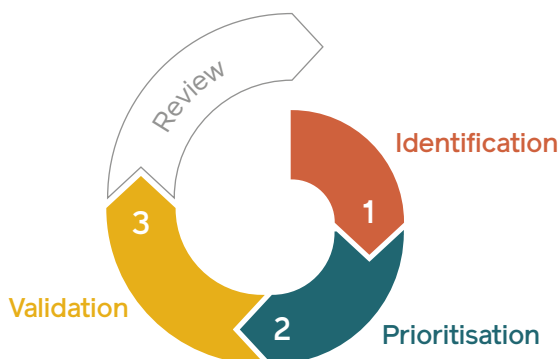
Lundin Petroleum's first Sustainability Report in accordance with GRI G4

The objective of this Sustainability Report is to give our stakeholders better insight into how we conduct our activities by disclosing our management approach and providing relevant qualitative and quantitative data.

The topics covered are those which, through consultations with our stakeholders, were determined to be most relevant and material to our Company. They cover our Corporate Responsibility approach, governance structure, risk management and compliance processes. We also share information on our relations with our employees, contractors and stakeholders and the importance we attribute to ensuring everyone's rights are respected. The report describes how Lundin Petroleum puts into practice its commitment to minimise environmental footprint through climate change and biodiversity initiatives, and how, via projects funded through the Lundin Foundation, we aim to have an overall positive impact on society.

This is Lundin Petroleum's first sustainability report which meets the requirements of the GRI G4 Guidelines' core level, the GRI G4 Oil and Gas Sector Supplement and the UN Global Compact. The report focusses on issues that are determined as material to Lundin Petroleum and its stakeholders, as well as those deemed to be relevant in terms of potential risks and impacts.

Lundin Petroleum's GRI G4 Process



Reporting on material issues

Issues that are material are those that have the greatest potential to impact our responsible business strategy and are the most relevant to our stakeholders. Understanding and prioritising these issues enables us to strengthen our strategy. The materiality, which defines the content of a sustainability report, varies from company to company and depends on the type of activities, geographical location and the sustainability context in which a company operates. The issues defined as material in this report are therefore specific to Lundin Petroleum.

Defining the report content

The GRI G4 Guidelines require a rigorous process to determine materiality, including the following three step process:

- 1. Identification:** Issues relevant to Lundin Petroleum, its stakeholders and the sustainability context in which the Company operates were identified by consulting various sources, such as the Company's Corporate Responsibility policies and guidelines, stakeholder engagement, publications, media reviews, peer reports, sustainability initiatives and ESG assessment reports. A total of 63 issues were identified as potentially relevant for inclusion in the report.
- 2. Prioritisation:** Stakeholder consultations were held to determine the issues deemed most relevant, given the type of activities, geographical presence and particular stakeholder interests. A survey was conducted among internal and external stakeholders to assess the relevance of previously identified issues and various external stakeholders, such as academics, banks, contractors, governmental agencies, industry groups, institutional investors and non-governmental organisations, were invited to participate in the survey. Internal stakeholders included management and key functions in operations. Each issue was ranked according to the relevance to the stakeholder, taking into account its applicability to Lundin Petroleum or to the industry.
- 3. Validation:** Once the survey data was aggregated and analysed, the results were presented for discussion and validation to the management during a workshop facilitated by a third party GRI expert. Management decided on the focus for strategy and reporting by validating 17 material issues. The materiality matrix which resulted from the process (see page 7) is a graphical representation of issues relevant to business success (horizontal axis) and to the Company's stakeholders (vertical axis).

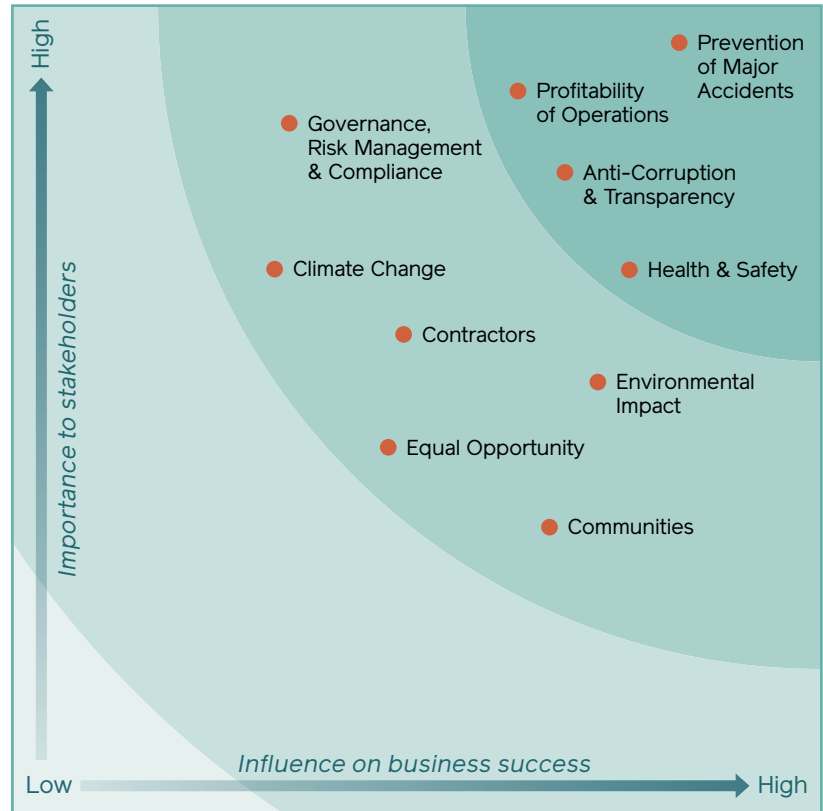
In the future, material issues will be reviewed based on this three step process and the relevance of introducing new issues will be assessed in the event of a change of operational context.

Lundin Petroleum's Materiality Matrix

Materiality

The matrix represents in broader categories the following 17 material aspects:

1. Prevention of major accidents
2. Emergency preparedness
3. Asset integrity & process safety
4. Economic performance & profitability of operations
5. Anti-corruption & anti-fraud
6. Transparency
7. Occupational health & safety
8. Corporate governance
9. Legal compliance
10. Risk management
11. Emissions to air
12. Unplanned discharges to sea or land
13. Planned discharges and disposals
14. Site closure & decommissioning
15. Contractor management & performance
16. Equal opportunity
17. Communities



Information in this report

The scope of reporting was determined by setting the boundaries and selecting indicators for the material issues. Boundaries are set in relation to the impact of material issues and where these impacts occur, as they may vary from one operational environment to another. Offshore activities with no immediate surrounding communities, such as our operations in Malaysia and Norway, differ from our onshore operations in France. Likewise, there is a distinction between operated assets, where the Company has operational control, and non-operated assets, where the Company has oversight but no direct management control.

In line with industry practice, we report on sustainability data for those assets where Lundin Petroleum is the operator, that is where the Company is responsible for managing the operations.

- Economic performance data includes all assets and is reported in the Annual Report.
- HSE performance data is provided for all entities that are under Lundin Petroleum's operational control. We report on health and safety incidents for employees and contractors working on our behalf in our operated assets. Environmental data covers all Lundin Petroleum operated assets.
- People performance data relates to employees in our direct employment.



The GRI Index can be found on pages 42–43.

Our Corporate Responsibility Approach

“I am pleased to report that during 2015 we continued to improve our HSE performance and reinforced the commitment to responsible business conduct of our Board, management and staff”

Christine Batruch
Vice President Corporate Responsibility

Responsible conduct

Lundin Petroleum is committed to ensuring its operations are conducted in a responsible manner, which ultimately secures social, environmental as well as economic benefits for all our stakeholders. The safety of our people and the protection of the environment form an integral part of Lundin Petroleum's strategic decisions and operating activities.

Managing effectively

Lundin Petroleum's commitment to responsible conduct is set out in our Code of Conduct and in specifically tailored Group policies, procedures, guidelines and management systems. These documents establish the requirement for all our countries of operations to integrate Corporate Responsibility into their activities for the health, safety and security of all stakeholders as well as for the protection of the environment.

The implementation of these commitments throughout the organisation is assessed through annual Corporate Responsibility management system reviews conducted in countries of operations, covering compliance with our Code of Conduct as well as with the Company's policies and guidelines on anti-corruption, human rights, labour standards, environment and stakeholder engagement. A separate management system audit is conducted annually for health, safety and the environment.

The reviews and audits have become a valuable tool to assess the level of integration of Corporate Responsibility principles in the Group's operations. They also provide an opportunity to engage in discussions on corporate responsibility issues at different levels of the organisation; they stimulate reflections on issues of relevance given the operational contexts and contractual arrangements, and they provide an opportunity to share best practice across the Group.

Continuous improvement

Lundin Petroleum expects everyone working for, or on behalf of, the Company to continuously improve the way operations are carried out.

In 2015, Lundin Petroleum focused on two specific areas of improvement, raising employee awareness on Corporate Responsibility issues and promoting good standards of corporate citizenship among contractors.

Our employees underwent an e-learning course on Corporate Responsibility (see page 9).

Our contractors sign our Contractor Declaration, which details how third parties working on our behalf are required to abide by the same ethical principles as Lundin Petroleum. The Contractor Declaration is also a means to engage further with contractors on their sustainability performance, demonstrating our interest to contribute to their continuous improvement (see page 23).

2016 Goals

- **Corporate Responsibility:** all new employees to attend e-learning course
- **Health, Safety and Environment:** zero harm to people and the environment
- **Contractor Management:** engage actively with contractors on corporate responsibility and health, safety and environmental issues
- **Stakeholders:** pro-active engagement

Lundin Petroleum's Corporate Responsibility Timeline



E-learning course on Corporate Responsibility

During 2015, the first e-learning course on Corporate Responsibility was progressively introduced in Lundin Petroleum's countries of operations; end of year it had been rolled out Norway, Malaysia, the Netherlands, Switzerland and Sweden. The members of the Board of Directors also completed the course, reflecting their view of Corporate Responsibility as being key to the success of the Company.

A total of 87 percent of all Lundin Petroleum employees completed the course in 2015. We target 100 percent for all employees worldwide in 2016, when the course will be launched in France and Russia.

The aim of this tailor-made course is to raise awareness and understanding of Corporate Responsibility issues, emphasising that ethical conduct is required of everyone at Lundin Petroleum. It also increases everyone's ability to relate issues to their own role and responsibilities.

The course covers the main elements of Lundin Petroleum's Corporate Responsibility framework:

- Code of Conduct
- Health, Safety & Environment
- Anti-Corruption
- Human Rights
- Stakeholder Relations
- Whistleblowing

This e-learning course was one of the activities launched in 2015 that triggered an unprecedented level of engagement on the topic of corporate responsibility throughout the Company. The course was received with a high level of interest as it reinforces our common values of responsible business conduct. Positive and constructive feedback received provides useful guidance to improve our work further.

Feedback

"I was impressed by the e-learning course. It was an excellent reminder that whilst we have all read and understood our corporate policies, Code of Conduct and company ethos, we may not all know them as well as we think... there was a lot of enthusiasm and discussion generated as a result of the subjects and questions raised."

— Andrew Harber, Managing Director in the Netherlands

"This is an excellent way to ensure that employees are informed about the content of our CSR policies."

— Bill Carnahan, Chief Financial Officer in Malaysia

The Sustainable Development Goals

The United Nations General Assembly adopted the Sustainable Development Goals (SDGs) in September 2015, following the expiration of the Millennium Development Goals (MDGs). These 17 goals, commonly called the Global Goals, set priorities for sustainable development through to 2030. They expand the challenges that must be addressed to eliminate poverty and embrace a wide range of interconnected topics across the economic, social and environmental dimensions of sustainable development.

Lundin Petroleum recognises that these goals can only be achieved if public and private actors participate in their advancement. In 2016, Lundin Petroleum plans to review the ways in which the Company can contribute to their fulfilment.

More information on how Lundin Petroleum implemented the SDGs in 2015 through the partnership with the Lundin Foundation on pages 34–37.



Corporate Governance

We are committed to ethical business practices and high standards of corporate governance. Integrity and responsibility are core values at Lundin Petroleum and central to our reputation as Europe's leading independent oil and gas company. Our Code of Conduct sets our commitment to work responsibly, with integrity and respect, and provides guidance for everyone working for, or on behalf of, Lundin Petroleum.

We believe that our business can only be successful in the long-term if corporate responsibility commitments are shared by everyone in the Group. Strong corporate governance, comprehensive risk management and robust internal control are key to achieving our goals.

Lundin Petroleum seeks to generate long-term value for shareholders, as well as other stakeholders, and has, since its creation in 2001, been guided by general principles of corporate governance to:

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

Our corporate governance

Lundin Petroleum maintains an efficient Group structure that currently consists of approximately 30 companies in eight jurisdictions. Lundin Petroleum AB is the Swedish parent company.

As a Swedish public company listed on NASDAQ Stockholm, Lundin Petroleum is subject to the Swedish Companies Act and the Annual Accounts Act and the Swedish Corporate Governance Code, as well as the Rule Book for Issuers of NASDAQ Stockholm. In addition, the Company abides by principles of corporate governance found in a number of internal and external documents.

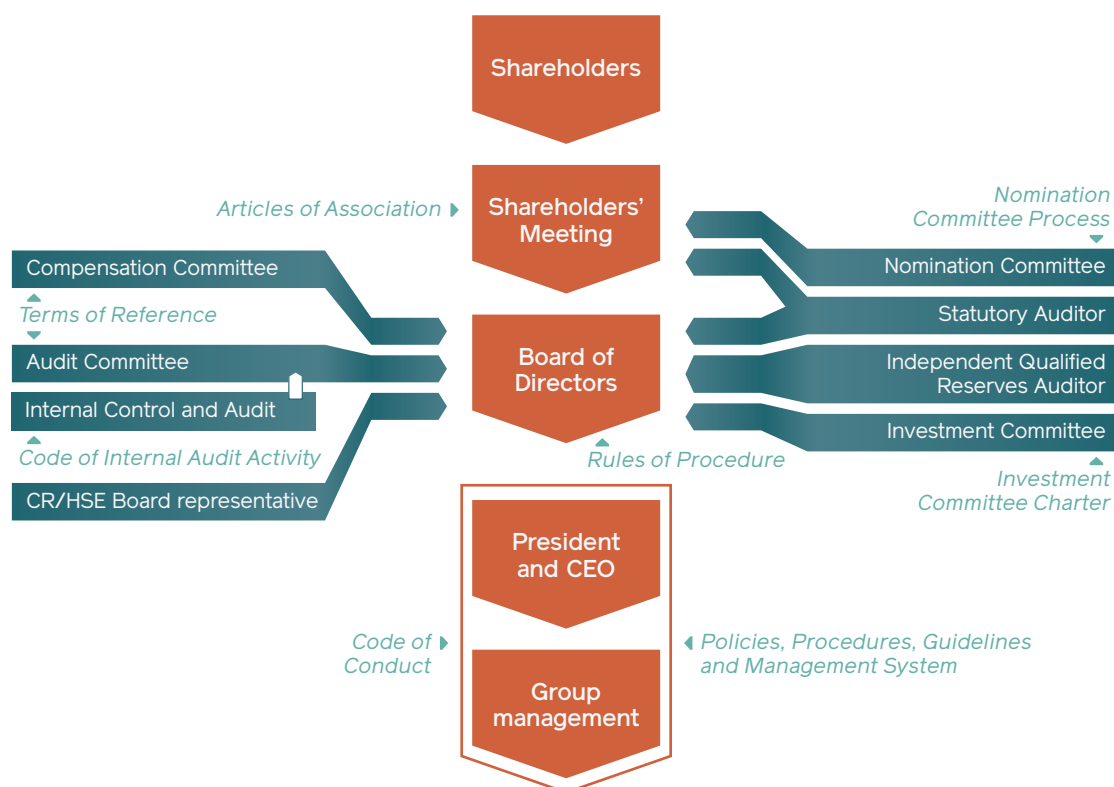
Board of Directors

The Board of Directors of Lundin Petroleum is responsible for the organisation of the Company and management of the operations in the interests of the Company and all shareholders. The Board should at all times have an appropriate composition considering the current and expected development of the operations, with Board members from a wide range of backgrounds who possess both individually and collectively the necessary experience and expertise. An even gender distribution should be pursued and currently 38 percent of the members of the Board of Directors are women, which exceeds the recommendation of the Swedish Corporate Governance Board that larger listed companies should strive to achieve 35 percent female Board representation by 2017.



Lundin Norway office, Oslo

Lundin Petroleum's Governance Structure



Code of Conduct

Lundin Petroleum's Code of Conduct is a set of principles formulated by the Board of Directors, 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.

As a responsible company, Lundin Petroleum is committed to carry out its operations with the highest standards of ethical business conduct and strives for continuous improvement to ensure safe operations while preserving the environment.

Lundin Petroleum also recognises the importance of contractors' performance in matters related to Corporate Responsibility and aims to ensure that its contractors, suppliers and other business partners abide by the same ethical standards by having them sign its Contractor Declaration. In this process it also seeks to increase awareness of Corporate Responsibility among its contractors (see page 23).

Policies, procedures, guidelines and management system

While the Code of Conduct provides Lundin Petroleum's ethical framework, dedicated Group policies, procedures and guidelines have been developed to outline specific rules and controls. The policies, guidelines and procedures cover areas such as Operations, Accounting and Finance, Health, Safety and Environment (HSE), Community Relations, Anti-Corruption, Human Rights, Stakeholder Engagement, Information Systems, Insurance & Risk Management, Human Resources and Corporate Communications. They are continuously reviewed and updated according to our Group management system.

In addition, Lundin Petroleum has a dedicated HSE Management System (the Green Book), modelled after the ISO 14001 standard, which gives guidance to management, employees and contractors regarding the Company's intentions and expectations in HSE matters. The Green Book serves to ensure that all operations meet Lundin Petroleum's legal and ethical obligations, its responsibilities and HSE commitments (see page 20).

Risk Management

External and internal factors influence the Company's overall risk profile



The objective of risk management is to identify, understand and manage threats and opportunities within the business on a continual basis. This objective is achieved by creating a mandate and commitment to risk management at all levels of the business. This approach actively addresses risk as an integral and continual part of the control activities and decision making within Lundin Petroleum.

Risk identification

As part of Lundin Petroleum's risk identification and assessment process, local management reviews and analyses the risks that affect the business on an ongoing basis. The risks are then assessed, on a quarterly basis with heads of departments, through a standardised methodology based on likelihood and impact. After identifying a risk, local management considers possible changes in the internal and external control environment to better achieve its business objectives. The process identifies the significance of risks and opportunities and determines actions when needed.

Risk management

Even though the Company has a robust process, the oil and gas industry faces numerous strategic, operational, financial and external risks, which even with a combination of experience, knowledge and careful evaluation may not be fully able to eliminate or which are beyond the Company's control.

Today's business landscape is dynamic, fluid and often characterised by rapid change, regional differences and cultural contrasts that lead to significant business risks.

Risk management creates value by enabling management to deal effectively with potential events that create uncertainty. Risk management is a process which is designed to identify potential events that may affect the Company. Through developing knowledge and competence internally to face the challenges of business developments, proactive risk management is encouraged and maintained.

Further information on the Company's strategic, operational, financial and external risks can be found in the Annual Report.



Risk monitoring

To help accomplish Lundin Petroleum's objectives and bring a systematic and disciplined approach to evaluating and improving the effectiveness of risk management and internal control processes, the Company follows a "Three Lines of Defence" approach, described below.

Internal control and audit

Internal audit is concerned with the adequacy and effectiveness of systems of control and whether they are managed, maintained, complied with and function effectively, and performs regular audits according to a risk based internal audit plan which is approved by the Company's Audit Committee established by the Board. Internal control provides independent and objective appraisal of the control environment thereby adding value to the organisation through a continuous improvement process.

Anti-fraud

We seek to prevent fraud and enhance Lundin Petroleum's governance and internal control standards for our business activities to maintain integrity in all business activities, consistent with our Code of Conduct. Internal Audit conducts anti-fraud workshops with local finance departments in countries of operations. Ensuring adherence to all policies and high standards are an integral part of our management to detect, deter and report fraudulent behaviour.

Local Operations

This is provided by local staff and management who own and manage risk and control through adequate design of internal control processes managerial and supervisory controls to ensure compliance with processes and to manage unexpected events.

1st LINE OF DEFENCE

Group Management

This is provided by the oversight functions within the Company, including amongst other financial control, risk management and information security.

2nd LINE OF DEFENCE

Internal Audit

This is provided by internal audit, giving the Board and Group management independent assurance regarding the Group's internal control, risk management and governance.

3rd LINE OF DEFENCE

Compliance, Anti-Corruption and Whistleblowing

Compliance with laws and regulations

Lundin Petroleum emphasises the importance of ensuring that our business activities meet applicable laws and regulations that govern our industry. Legal compliance is the minimum expected from our operations, as we aspire to foster a culture of integrity and corporate responsibility.

In 2015, there were no significant fines, nor non-monetary sanctions for non-compliance with environmental or other laws and regulations in the Group.

Anti-corruption

Lundin Petroleum recognises that corruption has negative effects on business, society and individuals since it interferes with normal market forces and undermines economic development and socio-political stability. We believe that the rule of law and transparency are critical to fight this global challenge.

Our Anti-Corruption Policy and Guidelines were adopted in 2011. Anti-corruption is a topic included in staff presentations at corporate and operational levels on a yearly basis. In 2015, anti-corruption was one of the main topics covered in our Corporate Responsibility e-learning course. In addition to a review of the main tenets of our Anti-Corruption Policy and Guidelines trainees were taken through case studies and a knowledge test. To abide by anti-corruption laws and principles is also a requirement towards our business partners and contractors. Anti-corruption principles are included in contractual clauses, and in the Contractor Declaration we require our contractors to sign.

In addition to tracking internal corruption potential through our financial and Corporate Responsibility reviews and audits, corruption trends are monitored in areas where we work through Transparency International's Corruption Index, media and NGO reports, legislative developments and law enforcement. There were no cases of corruption throughout the Group in 2015 or years prior.

Lundin Petroleum actively promotes anti-corruption also beyond the Group, at conferences, with business partners, as well as with peers. Lundin Petroleum participates in the global fight against corruption by supporting a number of international initiatives that are intended to promote ethical business conduct and reduce levels of corruption in particular locations or industries.

Lundin Petroleum is a:

- participant company to the United Nations Global Compact
- member of the United Nations Global Compact Nordic Network
- signatory of the United Nations Global Compact's Call to Action on Anti-Corruption
- supporting company of the Extractive Industries Transparency Initiative (EITI)

Lundin Petroleum considers transparency of payments made to governments as a way to honour our commitment to contribute to the economic and social development of our host countries. We believe that the EITI is a meaningful initiative for the industry and natural resource rich countries, since it reconciles government's disclosure of cash flows from the extractive industry with the disclosure of payments made to the government. Lundin Petroleum therefore became a supporting company of the EITI in 2013. Since then, we engage on a regular basis with the EITI secretariat and have joined board meetings as observers in order to stay ahead of current and emerging trends and issues.

Lundin Norway has taken part in the annual disclosure process since EITI's inception. Its reports to the EITI include disclosure on the petroleum tax, CO₂ tax, NOx tax, area fees and other payments. An independent third party performs the reconciliation, which is then published in Norway's EITI Report.

Whistleblowing

We believe in trust and openness, and we encourage our people to raise concerns regarding unethical or illegal conduct that may arise in the course of their professional engagements in an open and direct manner.

Lundin Petroleum's Whistleblowing Policy and Procedure encourages anyone working for the Company to raise concerns regarding inappropriate conduct. The suggested process is to raise the concern with the line manager or a supervisor. If the issue is deemed not to be addressed adequately, concerns can be raised formally via whistleblowing@lundin.ch. While everyone is encouraged to raise their concern openly, the whistleblowing procedure provides a confidential channel to submit cases, where employees, former employees, business partners and contractors can report suspected violations of the Company's Corporate Responsibility commitment or applicable laws. Every reported case is investigated, dealt with confidentially and with third party assistance when relevant. Finally and most importantly, we ensure that no one faces adverse consequences for having raised a concern about ethical business conduct. There were no cases of whistleblowing in the Group in 2015.



Our People

“Our people are our greatest single asset and the foundation for our success”

Sean Reddy
Head of Group Human Resources

2015 was a transformational year for Lundin Petroleum in terms of changes to its management and organisation. Alex Schneider was appointed Chief Executive Officer in October 2015, Nick Walker was brought in as Chief Operating Officer, Kristin Faerovik took on the position of Managing Director in Norway and Grace Reksten Skaugen was nominated as the new CR/HSE Board representative. Lundin Norway moved into new office headquarters and offshore organisations were established on the Bertam field in Malaysia and on the Edvard Grieg platform in the Norwegian North Sea.

Our key resource

At Lundin Petroleum we value our people and encourage the development of capable and motivated staff to deliver performance and support our continued development. We have been very successful over the years in attracting and retaining the best possible talent in the industry, thanks to our inclusive working environment and our focus on high-performance.

Acting locally and thinking globally is a guiding principle in our approach to the selection, recruitment and management of our employee base, by ensuring that all employment opportunities are offered on the basis of skills and experience. As the business continues to grow it is our commitment to develop and grow this base of world class employees that will continue to drive our transformational growth.

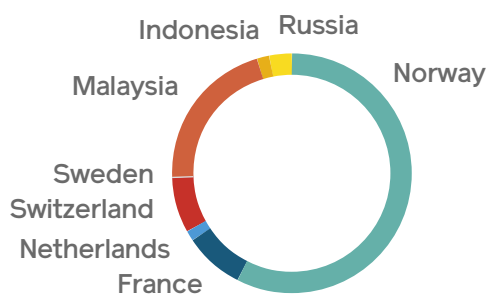
A steady employee base

At the end of 2015, Lundin Petroleum had a total of 589 employees directly employed by the Group in eight different countries. The majority of the workforce is located in Norway representing 57 percent of the total workforce, followed by Malaysia with 21 percent.

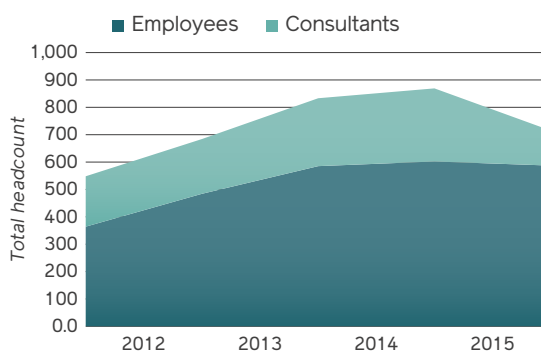
The oil and gas industry, however, is experiencing challenging times due to the volatile macroeconomic environment and low oil prices. Adapting to these challenges required some reorganisation and a focus on cost efficiency. Our main focus has been on trying to reduce costs related to our contractual arrangements, both in terms of services provided and human resources. As a result in Norway, the employee base has remained largely unchanged. The Company engaged in some restructuring activities in Malaysia and Russia to fit the level of activities in those countries, and decided to divest its interests in Indonesia.

Lundin Petroleum also employs a large number of consultants and contractors who provide services for and on behalf of Lundin Petroleum. In 2015, a total of 128 consultants were engaged for services related to exploration, project development and other key start-up and operational activities.

Employees per country



Workforce evolution



Diversity in the workforce

Lundin Petroleum values an open and inclusive working environment and strives to maintain a competent, engaged and experienced workforce. We recruit based on qualifications and irrespective of gender, ethnicity, religion, disability, etc. We are committed to promote equal opportunity and do not accept any kind of discrimination.

Wherever we operate, we actively strive to employ locally so that we can benefit from the local knowledge and experience, while contributing to enhanced expertise within the host country. Our employees are provided with the necessary skills, knowledge and motivation to be successful in their work and for the ongoing success of the Company, which is proven by its strong results and low levels of employee turnover compared to industry norms.

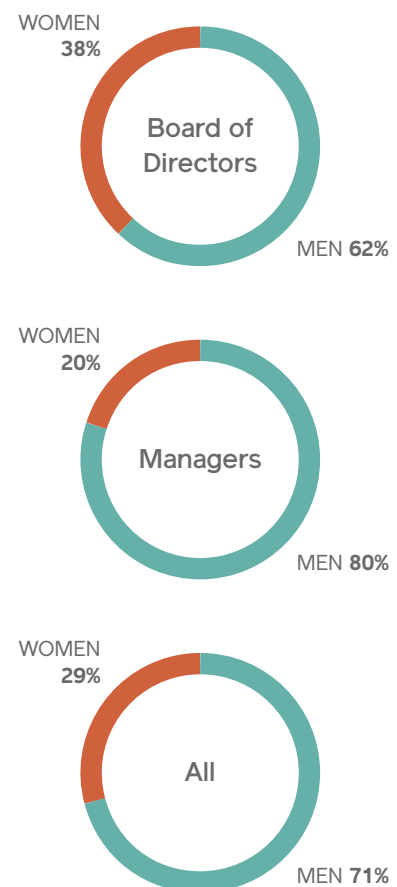
In 2015, a total of 24 different nationalities were employed throughout Lundin Petroleum's global operations. In 2015, women represented 29 percent in the total workforce, and 20 percent in managerial positions. In 2015, the proportion of women in the Board of Directors reached 38 percent.



Employee nationalities



Gender distribution per category



“Lundin Petroleum is indeed very well positioned as we are now entering a new phase of significant growth led by a great team of people”

Alex Schneider
President and CEO

Training youth for tomorrow

Lundin Petroleum aims to be an attractive employer wherever we operate, and we are committed to ongoing training and development of all employees for our benefit and that of the industry.

Our French operations, for instance, welcome on a yearly basis ten students who work at the company part of the week and attend classes the rest of the week. The students can integrate various departments, including health, safety and environment, geology, exploration, production, electricity, maintenance, IT, human resources and accounting. Key to the success of these programmes are our employees who share their expertise and guide the students.

We believe that such work experience enhances young people's ability to find their first job in the industry, and that we thus contribute to the success of their future careers.

Labour relations

We actively engage and promote good employee relations and sound employment practices wherever we operate.

In 2015, Lundin Norway became a member of the Norwegian Oil and Gas Association, which plays a central role in agreements between employers and unions, namely IndustryEnergy, the Norwegian Union of Energy Workers (Safe) and the Norwegian Association for Supervisors (Lederne). The union agreements cover issues relevant to employees such as working hours, work schedule, salary systems, overtime rates, leave of absence and rules for central and local negotiations both on and offshore. Ultimately, the Norwegian Oil and Gas Association ensures that the oil and gas sector offers attractive working conditions in line with practice in Norwegian industry.

Through its membership in the Norwegian Oil and Gas Association, Lundin Norway has the opportunity to share expertise and experience with other oil and gas companies in dedicated working groups.

Lundin Norway – an attractive employer

Lundin Norway appears on the top of the list in the “most attractive employers” survey by Universum, which asked more than 8,000 employed engineers which companies they would prefer to work for.

“It is good to see that a company of our size is able to compete in a league where most of our competitors are considerably larger”

Jørn Kokvold
Human Resources Manager, Lundin Norway



Offshore staff, Norway

Health and Safety

Health and safety always come first

Ensuring safe and responsible operations

As an oil and gas company we operate in an industry exposed to safety risks. In this context, it is our responsibility to provide our staff and contractors with safe and healthy working conditions and we do so by identifying and mitigating potential risks. Specific policies, processes, procedures, training, work practices and equipment have been put in place to ensure that this responsibility is being met and that risks are minimised. Our goal is zero injuries to people.

Managing proactively

The purpose of Lundin Petroleum's Health, Safety and Environment (HSE) management system (Green Book) is to prevent accidents or incidents which could have an impact on people, the environment or on the Company's assets. The Company undertakes risk assessments and uses Key Performance Indicators (KPIs) among its HSE management tools, focusing not only on areas where incidents have already occurred, but also where they could potentially occur. Carrying out investigations after incidents have occurred enables us to ascertain the causes of the incidents and take corrective action to prevent similar incidents from happening again. Sharing experiences, lessons learned and best practice are also important HSE tools and take place informally within the Group on an ongoing basis and formally through regular Group HSE network meetings and management visits to the operations.

Lundin Petroleum also conducts internal HSE audits, in order to identify and mitigate potential safety issues and ensure that sound HSE practices are in place.

Embracing a strong safety culture

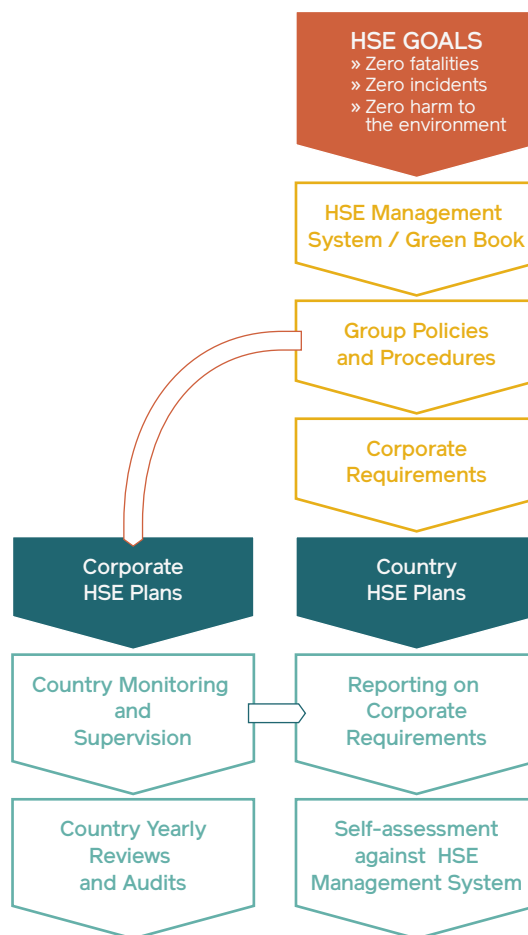
While policies and procedures provide a good and necessary framework, they are not enough to ensure safe operations. A strong safety culture is created when employees are sufficiently empowered to personally take responsibility for performing their work safely and when they have a sense of ownership regarding safe operations and a deep-rooted commitment to that goal. Constant vigilance is essential as well as encouraging staff to identify and openly report unsafe conditions, acts or risks. Lundin Petroleum believes in the sound judgment and capability of its employees and, in addition to our policies, procedures and personal protective equipment, we provide them with the necessary resources, training, advice and guidance to enable them to conduct their work in the safest possible manner.

Since safety is a joint responsibility, the same level of commitment is expected from contractors, suppliers and partners, in order to ensure that the highest standards of safety are followed across all operations.

Planning for safety

Safe design and implementing a systematic approach to risk reduction in all activities is part of any project planning. The design incorporates HSE best practice and best available techniques (BAT principle) to ensure that construction, testing, installation, maintenance and normal production activities can be carried out in an efficient, safe and environmentally sound manner.

Lundin Petroleum's HSE Framework



Systematic reporting

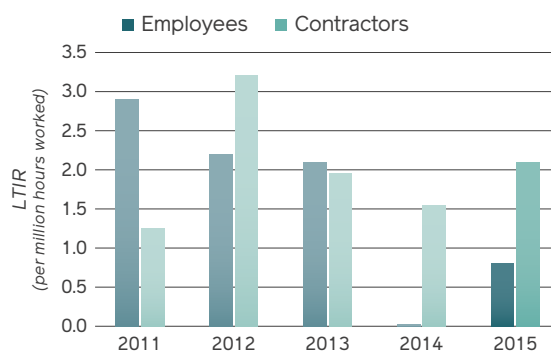
All incidents that occur at Lundin Petroleum's sites are reported and shared at different levels in the Company, with the purpose of increasing awareness and preventing future occurrences. "Near misses with high potential" are treated as importantly as serious incidents since they are deemed to have had potential to cause harm if circumstances had been slightly different.

Health and safety performance

In 2015, the Lost Time Incident Rate (LTIR) for Lundin Petroleum's employees and contractors was 1.76 per million hours worked and the Total Recordable Incident Rate (TRIR) was 3.71 per million hours worked. The incidents to personnel recorded over the year were of low severity. They included a twisted ankle, a finger injury and debris in the eyes which required medical treatment.

The operational environment from a health and safety perspective changed significantly in 2015 with the delivery of two major development projects and the start-up of production from the Bertam and Edvard Grieg fields. As a result, Lundin Petroleum has transformed into a fully-fledged production company. Considering this transformation, the safety performance for 2015 was remarkable as no serious incidents occurred. 2015 will be used as a benchmark year against which future health and safety performance will be assessed.

Lost Time Incident Rate



2015 Incidents employees and contractors



Health and safety committee in France

In France, we have a health and safety committee (Comité d'Hygiène, de Sécurité et des Conditions de Travail, CHSCT), which meets once a month to review risks or concerns raised by personnel, discuss incidents and follow up, conduct site inspections and accident investigations and review regulatory compliance.

The Committee is made up of five voluntary members, as well as the General Manager, the HSE Manager and the Committee's Secretary. With its monthly sessions, it actively contributes to the promotion of employees physical and mental health and safety.

Outstanding Performance in France

904
days

without any lost time incident
among employees in France
reached on 31 December 2015

First oil from Bertam

Lundin Petroleum's operations in Malaysia delivered the Bertam field development project with an outstanding safety performance. During the course of the development, over five million man-hours were recorded for the Bertam field with no lost time or serious incidents.

Completing the first development project in any country of operations brings challenges. Lundin Malaysia had to select and manage new contractors, and more importantly integrate new operations and maintenance crews, while developing their competence.

Strong safety leadership, with a focus on safety culture played a critical role in the performance of the project. A highly experienced management team developed and rolled out operations and HSE management systems, with constant on-site presence and reinforcement of the safety message. Operations readiness review and an external pre-start-up safety review contributed to this safe and efficient project in Malaysia.

The project was completed in April 2015, when the first oil flowed from the Bertam field. The Bertam project was delivered on schedule, within budget and demonstrates the Company's ability to deliver development projects with a strong health and safety performance.

The Bertam development project was delivered safely, on time and on budget

MALAYSIA



Supervision of the Bertam project, Malaysia

Contractor management

Safety is everyone's responsibility and Lundin Petroleum expects the same high level of commitment from its contractors, suppliers and partners.

Responsible contractor management starts with a due diligence process at pre-qualification stage, during which contractors are screened using HSE criteria. Our agreements with contractors contain clauses on their obligation to abide by the principles of Lundin Petroleum's Code of Conduct, HSE management system, as well as internationally recognised rules and standards on corruption, labour standards and human rights.

In 2015, Lundin Petroleum developed a formal Contractor Declaration which was issued in its countries of operations. The declaration sets out our expectations in relation to the way contractors carry out their activities and by including the declaration in all new awarded contracts, it ensures that contractors are aware of our Corporate Responsibility requirements and their obligations.

Wherever we operate, we engage with our contractors on safety management

Safety forum in France

Lundin Petroleum's expectations of contractors also extend to holding dedicated meetings to highlight the importance of HSE performance.

In France, Lundin Petroleum's HSE team organises every year a safety forum for its contractors. In 2015, more than 100 people representing 90 contractors attended the meeting, including CEOs, general managers, HSE managers and members of health and safety committees.

After a site visit to the Vert-la-Gravelle new production facilities, the forum started with presentations on general safety instructions, experiences and lessons learned from the past year, as well as changes in safety and environmental requirements. The forum offers a unique opportunity to share information on developments in the Company, annual safety statistics, and to emphasise Lundin Petroleum's expectations towards contractors in terms of responsible business practices, as laid out in Lundin Petroleum's Code of Conduct and Contractor Declaration.

At this safety forum, one-to-one sessions are organised with each contractor to perform risk analyses of their activities. This is an effective way to establish individual prevention plans and ensures regulatory obligations are met.



Drilling operations in Paris Basin, France



Safe Operations

” For the success of our operations we need to make sure that all measures are put in place to prevent any type of incidents ”

Daniel Fitzgerald
Group Operations Manager

Ensuring safe and secure operations that protect people, the environment and our assets is fundamental to our business, and we work closely with industry peers on incident prevention and emergency preparedness.

Emergency preparedness

Emergency response plans and blowout contingency plans are key elements of risk management and emergency preparedness planning. These plans are established prior to the commencement of activities, based on environmental risk assessments and oil spill contingency analysis, as well as safety and emergency preparedness analyses.

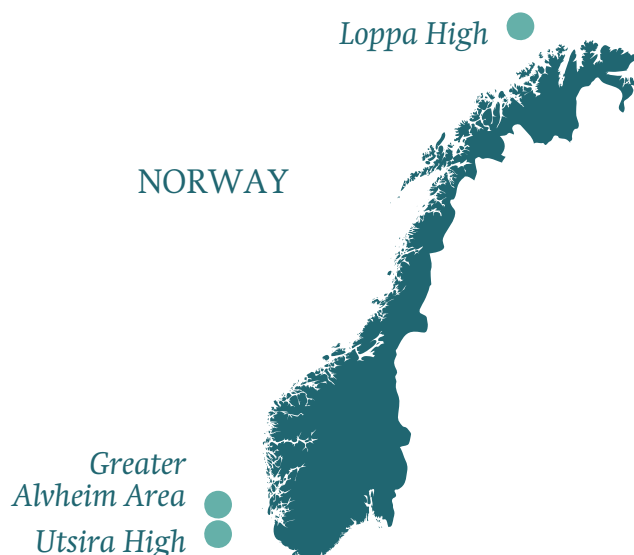
The emergency preparedness is tested on an ongoing basis together with contractors. This is done through regular emergency response drills conducted at field and country level. In addition, there is at least one drill per operation and per year conducted with the corporate crisis management team.

Throughout the year, internal and third party HSE audits and management systems reviews ensure the adequacy of preparedness to deal with emergencies.

Emergency preparedness in the Loppa High

In the fourth quarter 2015, Lundin Norway successfully executed the drilling operation in the eastern part of the Southern Barents Sea. The well was drilled using the semi-submersible drilling rig Transocean Arctic and was completed with an excellent HSE performance. Local employees, which were hired and assigned to the project, brought valuable experience and knowledge into the planning and execution.

In line with our operational strategy for this region, planning and preparation included cooperation and support from local communities and resources to establish a robust solution to handle operational challenges related to infrastructure in place and potential emergency situations. Lundin Norway used the Kirkenes airport, a new infrastructure for the oil and gas industry in the region, which established a heliport especially for regular personnel transport to the installation and for hosting a Search and Rescue (SAR) helicopter for emergency response services.



An oil-spill contingency plan was prepared in close dialogue with the Norwegian Coastal Authorities, focussing on local environmental conditions and potential cross-border pollution. The basis for this plan also included gathering advice from experts on international oil pollution law.

During the preparations, Lundin Norway was audited by the Petroleum Safety Authority which concluded that “Lundin has done thorough planning related to the establishment of a new helicopter base and operation in a new area of the Barents Sea”.



Preventing major accidents

Process safety and well integrity play a critical part in the prevention of major accidents. Process safety involves managing the integrity of operating systems and processes to prevent unplanned releases which could result in a major incident. The prevention and control of events that have the potential to release hazardous materials therefore relies on good design principles and operating practices.

In 2015, Lundin Petroleum introduced new reporting requirements on process safety in line with industry standards. The number of process safety events, as well as the loss of primary containment, resulting in unplanned or uncontrolled releases, are tracked across our operations. Data on process safety performance will be reported in the 2016 sustainability report.

Lundin Petroleum is committed to ensuring that its well construction activities are conducted safely, cost effectively and in accordance with industry best practise while focusing on continuous performance improvement. Well construction operations encompass drilling, completion, workover and well intervention. Through our well integrity management we ensure that our well construction teams design, construct and operate exploration, appraisal and production wells within a defined set of procedures and guidelines, consistent with our HSE commitment.

Safety and emergency response preparedness

Lundin Norway has joined other oil companies in a collaborative venture to find common solutions for safe exploration in the southern Barents Sea.

Through the Barents Sea Exploration Collaboration project (BaSEC), leading oil companies aim to overcome potential challenges posed by exploring the area. BaSEC was originally established by Lundin Norway, Statoil, Eni Norge, OMV and GDF Suez and has expanded to a total of 16 participating companies.

Launched in 2015, the project focuses on increased coordination and cost-effective solutions to ensure high levels of safety and emergency response. In-house experts from the participating companies have formed working groups dealing with five main topics: environment and oil spill response, logistics and emergency preparedness, mobile drilling units, metocean and ice, as well as health and working environment. As one of the founding members, Lundin Norway has been an integral part of all working groups, contributing to industry expertise.

Environment

Managing potential environmental impacts at all stages of operations

Lundin Petroleum is committed to respecting and preserving the natural environment. Our operations are exposed to various environmental settings, from onshore to offshore sites, each with different natural characteristics and sensitivities. Exploring for and producing oil and gas are activities with a potential impact on the environment. Hence, we see it as a priority to have in place measures to minimise the impact of our operations on the surrounding environment and we monitor closely our activities from this perspective.

Environmental assessments

Environmental protection starts with prevention, which is made possible by a good understanding of the particular environmental context. Before any exploration, development or production activities are undertaken, Lundin Petroleum performs or relies on existing environmental baseline or impact studies to determine the potential effects of our activities on the environment. The scope of these studies depends on the nature of the planned activities and existing knowledge of the area and can include the study of relevant literature, visual monitoring as well as sediment and water sampling. Based on the findings, measures may be taken to minimise environmental impact, for example by drilling a deviated well, changing the anchor pattern of the rig or bringing drill cuttings to shore. In all cases, Lundin Petroleum commences drilling activities only after an environmental permit is obtained from national or state authorities.

Protecting biodiversity

The preservation of biological diversity is an integral part of Lundin Petroleum's commitment to protect the environment. Potential biodiversity impact is assessed in baseline and impact studies and sensitive areas that are located in the proximity of our operations (sites which may be covered by national laws or international treaties such as the IUCN Protected Areas and the Ramsar Convention) are mapped to make sure that such areas would not be negatively impacted by our activities.

None of our operations are situated in a protected area, but our Vert-la-Gravelle site in France is located adjacent to a nationally protected area. In order to ensure we would not have an impact on the diverse bird population, an environmental study was commissioned which determined that the potential impact of our planned activities was low and limited in time and would not affect the biodiversity in any lasting way.

Marine environment conservation

Ecosystem protection is considered an important element in mitigating adverse effects of climate change. South East Asia, one of our key areas of operations, hosts some of the world's most biodiverse marine ecosystems with close to 40 percent of the world's reef fish and 76 percent of the world's known coral species. This rich and unique biodiversity is however coming under increasing threat due to overfishing and unsustainable fishing practices.

Through its partnership with the Lundin Foundation, Lundin Petroleum contributes to biodiversity conservation projects in this area. These projects aim to reverse the trend by fostering marine ecosystems which protect habitats and enhance coastal resilience to climate change (see pages 36–37).





Integrating environmental protection in France

Drilling and construction of the facilities for the Vert-la-Gravelle development project in France took place following a period of 20 months of studies and administrative procedures. All project related work including studies, design, process selection, choice of materials and facilities, and monitoring was conducted by our teams. The tasks undertaken included the construction of four platforms, the drilling of two wells, the construction of a 25,000 m² production centre and of a 13 km flowline network.

As the Vert-la-Gravelle area is located near wetlands, the project included a strong environmental management component. Studies were conducted on the surrounding fauna and flora, as well as on the potential archaeological value of the area. A specific study was conducted on the potential impacts of the proposed facilities. Recommendations were implemented to ensure that the development project and activities of the site would have no impact on the surrounding environment.

The development of Vert-la-Gravelle was also remarkable from a health and safety point of view. The construction phase lasted 16 months, during which two HSE supervisors were on site to ensure safe working conditions, and to conduct security coordination meetings, site audits and fire fighting training.

As a result of these measures, our HSE goals of zero accidents and zero harm to the environment were achieved in this project.

Vert-la-Gravelle Development

Key facts

No harm to the environment

No lost time incident

16 months of construction

- 52,820 hours worked
- 1,350 work permits
- 85 prevention plans
- 54 security meetings
- 16 site audits
- 2 fire trainings
- 12 HSE alerts

Waste

Lundin Petroleum aims to reduce the amount of waste generated by applying efficient recycling and disposal methods. We produce different types of waste, such as organic (e.g. food scraps) and inorganic (e.g. scrap metal, paper, plastics, batteries) waste. All waste from our operations is segregated and disposed of properly. Hazardous waste is treated according to industry best practice before being safely disposed of according to local environmental regulations.

From an operational point of view, the largest share of waste produced is generated during drilling. Drill waste includes drill mud and cuttings. Drilling muds are fluids generally water based, but sometimes oil based, which are used to transport drilled cuttings from downhole to surface, to stabilise the rock being drilled and to ensure that the well remains under control at all times. During the drilling process, cuttings are transported from the hole to the surface and segregated from the drilling mud. Once the process is complete, the cuttings are disposed of and the drilling fluid either re-used or disposed of, depending on operational requirements.

Disposal methods vary from reinjection, recycling, onshore disposal to controlled sites, and offshore disposal, and can be with or without pre-treatment according to their composition and regulatory requirements.

Water

The sustainable use of water resources is becoming an increasingly important global sustainability issue. Water scarcity is indeed a growing challenge in many regions. While sustainable water management is material to the industry in general, it is not a material risk for Lundin Petroleum insofar as none of our operations is located in a water scarce area. Nevertheless, we recognise the importance of sound water management practices and continue to improve our water management approach.

The water used in our drilling and production activities comes mostly from non-fresh water sources, such as seawater for instance in our operations in Norway and Malaysia. Fresh water may be withdrawn in our French operations from reservoirs or underground aquifers but only with regulatory approval and in such quantities as not to have any impact on water availability.

As part of its management of daily operations the Company manages wastewater by on-site treatment and discharge, re-injection into the oil or gas reservoirs or disposal in a safe and regulated manner.

Decommissioning

Decommissioning is an intrinsic part of the life cycle of any asset and must be done safely and with due respect to the natural environment. Oil and gas projects can have a lifespan of several decades, and hence planning early in the entire project life cycle is part of our responsible approach. It also enables us to make the required cost allocation in respect of our rehabilitation commitment.

In our exploration activities, decommissioning is integrated in the original well design and is an integral part of the well construction process. The objective of an exploration well is to establish the presence of commercial quantities of oil, thus it is a short term activity and under normal circumstances the well is decommissioned once the well objective is achieved. During decommissioning the well is cut under the seabed eliminating all protruding elements. The natural environment is therefore restored to its original condition. In 2015, Lundin Petroleum decommissioned the Krabbe well for which it inherited the abandonment liability.

All producing assets under ownership and control of Lundin Petroleum have a decommissioning plan in place, in line with the Group policy. As the majority of our assets have just been put into production, Lundin Petroleum did not carry out any decommissioning activities in 2015.

In the company's existing portfolio the only decommissioning activities for producing assets may take place in France, where the practice is to restore the site back in its original form or in a manner suitable to the land owners, who may request existing infrastructure to be left for their own activities.

Oil spill prevention

We aim to prevent any oil spill and plan for effective response in the unlikely event of a spill. Through our oil spill management system we ensure that risks are properly assessed and that we have the competence and capacity to prevent and, if need be, to manage oil spills. Elements of the management system include oil spill contingency plans and training of staff to prevent and remediate spills.

Every country of operations has arrangements with national oil spill response organisations in order to obtain their assistance in the event of a spill. As an additional precautionary step, Lundin Petroleum has a contract with the world's largest oil spill preparedness and response organisation, Oil Spill Response (OSRL), to ensure an effective response in case of need. In 2015, the Company recorded no reportable oil spill throughout the Group.

Six chemical spills took place in Norway, however due to their low chemical component none had a lasting impact on the environment.

Oil spill detection

Our Edvard Grieg platform in Norway is the first to have installed for a full-scale trial, a newly-developed radar designed to detect oil on the sea surface. This new radar has a remote sensing system for detection and mapping of potential pollution.

Compared to conventional oil spill detection systems, the new radar utilises an enhanced sensing method, which allows it to detect oil with far better precision and range. It can potentially measure the thickness of an oil spill and thus estimate the volume of oil in the spill.

The development and qualification of this new oil spill detection radar is the result of the collaboration between Lundin Norway, Statoil and ISPAS, and has received funding from the Research Council of Norway.



Edvard Grieg platform, Norway

Climate Change

Climate change represents a global challenge that has an effect on the way we do business

Lundin Petroleum's ambition is to continue to expand its existing asset base and to explore, develop and produce oil and gas resources in the most efficient way from emissions perspective. To meet this objective, we have developed over the years systems and processes that increase energy efficiency and reduce greenhouse gas emissions throughout our global operations.

The majority of Lundin Petroleum's activities are located in Norway, the area in the world which over the past ten years has had the lowest carbon intensity levels in the industry. It also represents an area with high standards and costs for emissions. By including climate change considerations in operational activities and in the selection of installation designs, products and equipment, we have minimised both our carbon footprint and our operational costs.

Greenhouse gas emissions

Lundin Petroleum manages greenhouse gas (GHG) emissions through operational energy efficiency, by reducing flaring or venting, and by factoring a carbon cost into the economic planning and engineering design of new projects. We also apply the latest available technique principle (BAT) for new activities in order to benefit from ever increasing energy efficient equipment or processes.

Lundin Petroleum's direct GHG emissions were 109 million tonnes in 2015. The Company's GHG emission levels are influenced by shifts in business activity. With the start-up of two operated production sites we have significantly increased our production. 2015 emissions are therefore not comparable with those of previous years.

Meeting the energy needs of the future

Oil and gas provide nearly 60 percent of the world's energy and will continue to make up a large part of the demand for decades to come. The challenge that lies ahead will be to develop and produce these resources in the most energy efficient and environmentally responsible way.

In addition to operational measures, Lundin Petroleum monitors and actively participates in the debate on climate change and, through engagement with environmental organisations and other stakeholders, we stay informed of the latest developments on international climate policy. As part of our risk and environmental management, we analyse upcoming climate policy measures and how they will affect the energy market and take this into account in our strategic planning to make sure that our asset base is robust and sustainable, now and in the future.

Through the Lundin Foundation's projects on renewable energy and forest conservation we contribute to climate change resilience (see pages 35–36).



Exploration drilling rig, Norway



Low carbon innovations on Edvard Grieg and Johan Sverdrup

Major development projects, such as Edvard Grieg and Johan Sverdrup, demonstrate how innovative technical solutions can lead to increased energy efficiency and a significant reduction of greenhouse gas emissions.

The Edvard Grieg platform, located west of Stavanger in the North Sea, has been constructed using the Best Available Technique principle (BAT) which was applied in the three most carbon emitting processes: flaring, power generation and energy management.

The nearby Johan Sverdrup field, which is scheduled to come onstream in late 2019, will receive power from shore from the start. As a result, offshore emissions from Johan Sverdrup are estimated to be reduced by 80 to 90 percent compared with a standard development.

Over the lifetime of the Johan Sverdrup field, savings of **19 million tonnes of CO₂** are expected due to the power from shore solution

80% of Lundin Petroleum's operations are located in Norway, the most energy efficient oil and gas producing country in the world



Human Rights

Respect for human rights is part of our business

Lundin Petroleum is committed to ensure that no matter where we operate our activities do not have a negative impact on human rights. The majority of Lundin Petroleum's assets are located in Europe with operations offshore. The Company is therefore in a low risk environment with respect to human rights.

From commitment to implementation

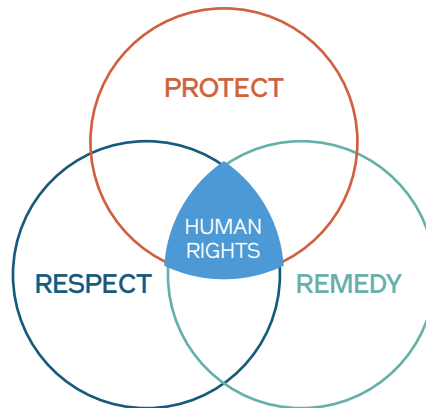
Our commitment to respect human rights was first set forth in our Code of Conduct which defines Lundin Petroleum's vision, values, responsibilities and principles.

As a participant in the United Nations Global Compact, Lundin Petroleum commits to respect human rights as embodied in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the International Labour Organization's (ILO) Conventions.

Lundin Petroleum's Board of Directors recognises the Company's responsibility not to infringe on individuals' human rights and the moral duty to promote human rights in our sphere of influence. The Board therefore has endorsed the UN Guiding Principles on Business and Human Rights, which set a milestone by clarifying businesses' responsibility to respect human rights. Following the endorsement, Human Rights Policy and Guidelines have been adopted, detailing the human rights due diligence to be conducted throughout the Company's global operations.

The human rights due diligence is a process by which potential human rights risks are identified, assessed over time, and where measures to prevent or mitigate these risks are determined. Human rights due diligence is reviewed during our Corporate Responsibility management system audits which are conducted annually in our operations.

Since the vast majority of Lundin Petroleum's operations take place offshore in developed parts of the world, the main human rights risk related to operations is the potential temporary interference with fishing activities during offshore seismic operations. To address this risk, we have in place a process to ensure that we do not cause undue interference and that any losses are fully compensated. The compensation scheme is pre-agreed with fishermen's representatives and relevant authorities.



In 2015, our human rights screenings, which review potential human rights issues in relation to planned or existing activities, have found, in view of the type of activities and geographical areas in which the Company operates, that there were no salient issues. The conduct of formal human rights impact assessments were therefore not required.

However, it is important to raise our employees' awareness of human rights issues even beyond the operational context. We trained them on the issue of human rights at work, through a dedicated module on human rights in our Corporate Responsibility e-learning course.

Promoting human rights

Lundin Petroleum seeks to contribute to the advancement of human rights in the business sector. We expect our business partners, contractors and suppliers to respect human rights and to observe the highest standards of professional integrity. In 2015, these expectations were further formalised by rewording the contractual clauses in relation to human rights and through a Contractor Declaration.

Beyond our value chain, we seek to engage with stakeholders at the local and international level. Lundin Petroleum's Vice President Corporate Responsibility joined the Advisory Board of the Business School of Lausanne's Platform for Business and Human Rights, which was launched in 2015 in order to provide an industry perspective on the importance of human rights to the corporate world.

Furthermore, since the adoption of the UN Guiding Principles in 2011, we have followed the evolution of the business and human rights field closely and participate every year in the Annual Forum on Business & Human Rights at the United Nations in Geneva. This gathering provides a unique opportunity to assess the state of advancement of the implementation of human rights in business practices, to meet with experts and to exchange views and practice in this field.

Stakeholders

We engage with a wide range of stakeholders to understand their views and expectations

Lundin Petroleum recognises the importance of understanding the context in which we operate. Expectations vary according to the type of activities, whether seismic, drilling or production, and where these activities take place, onshore or offshore, in a developed or remote area.

The level of engagement with stakeholders depends on the nature of their interest or their link to our activities. We also tailor the type of engagement required to ensure we properly assess and address genuine needs and expectations.

We are committed to honesty and transparency and to openly communicate with people and organisations which may be impacted by or impact our activities. Our ability to identify and address these expectations are key in fostering constructive and long-term relationships and in enabling us to carry out our activities.

Shareholders

Shareholders are informed of Lundin Petroleum's strategy and ongoing activities through public disclosure in the form of financial reports, press releases, presentations and through the Company website. Engagement with shareholders also takes place in individual or joint meetings and at the Annual General Meeting.

Employees

Engagement with staff takes place on a daily basis. Corporate management visit country operations on a regular basis and hold individual meetings to discuss Group strategy and local implementation and to track progress on all issues impacting the Company (see staff feedback, page 9).

Business partners

Engagement with business partners takes place at all operational stages. Meetings with contractors can be on an individual basis or at grouped meetings (see safety forum in France, page 23).

Host governments

Contact with host governments takes place prior to the acquisition of a licence and the engagement continues at national and local levels throughout the lifetime of the licence period.

Local communities

Engagement with local communities takes place prior to and during operational stages, comprising informal engagement as well as formal meetings together with local authorities.

International initiatives

Lundin Petroleum engages with a variety of organisations such as NGOs and industry groups to exchange views and best practice and to report on its commitment to responsible business conduct. It is member of industry associations such as the Norwegian oil and gas association. Lundin Petroleum also supports and participates in meetings of international initiatives that promote principles of corporate citizenship: the UN Global Compact, the UN Guiding Principles on Business & Human Rights, the Extractive Industries Transparency Initiative (EITI) and the CDP.

Engaging with communities

Lundin Norway carried out a detailed programme of stakeholder engagement, in relation to its 2015 drilling operations in the southern Barents Sea. Company representatives held meetings and were in dialogue with prioritised stakeholders well ahead of the commencement of drilling.

As local host for our drilling operations on the Loppa High, the Hammerfest municipalities were important to engage with, as were the Kirkenes and Sør-Varanger municipalities for the Ørnen field located further east.

Mayors of the municipalities were the key stakeholders in this process. Their main interest was to understand and learn about our views on the potential for a field development in the Loppa High, plans for rig operations in 2015–2016, and finally which ripple effects could be expected on the local economy in the short and long term, namely the possibility for local content and contracts with local suppliers. We addressed these interests in an open dialogue and shared our ambitions and near term plans. Of particular importance was to show a true willingness to make a difference in the area.

Stakeholder engagement was also conducted with the local industry by meeting with local partners and potential suppliers. Engaging with them was important for Lundin Norway to map and understand local competence and delivery capabilities.

Finally, representatives of the Company met with representatives of the hospital, the local hotel and the police force in order to be able to rely on good relations and count on their support in case of an emergency situation.

Sustainable Investments

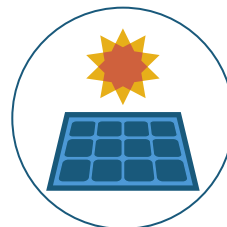
Accelerating social wellbeing through impact investment in social or environmental enterprises

Lundin Petroleum supports, through its partnership with the Lundin Foundation, innovative solutions to key economic, social and environmental challenges which are relevant to the energy sector and occur in its areas of operations.

Through its impact investments, the Lundin Foundation aims to address the needs of small and medium size enterprises (SMEs) facing limited access to financing. It provides fit for purpose capital, in the form of accelerator grants, debt and equity, to help refine and scale early stage ideas. Investment criteria are financial viability of the project, innovative business models, but most importantly measurable social or environmental impact.

Since the start of the partnership in 2013, the Foundation's work has focussed on access to energy, biodiversity conservation and sustainable fisheries, themes which are aligned with specific United Nations Sustainable Development Goals (SDG) as highlighted in the Meeting the SDGs sections below. To date, the projects have taken place in Indonesia and Malaysia where the Company had an active exploration programme at the time. Overtime, as the Company's activities evolve, so will the geographical focus of future projects.

Access to Energy

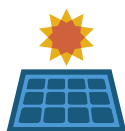


Biodiversity Conservation



Sustainable Fisheries





Access to Energy

Over one billion people worldwide still lack access to energy. This not only has significant negative health impacts, but also impedes income opportunities and economic growth.

Micro-grids powered by renewable sources present a unique solution to countries in South East Asia, where the cost of extending the grid to remote areas is extremely high. Despite its impact potential, few micro-grid businesses have reached meaningful scale or attracted investor interest due to, in part, the challenges of establishing sustainable business models. Innovative and early stage businesses require capital to refine business models and strengthen commercial viability of the projects.

Penampang Renewable Energy (Sabah, Malaysia)

Penampang Renewable Energy (PRE) is a business spun off of a local organisation with deep roots in local communities that installs micro-hydro energy systems to remote communities along the western coast of Sabah. Its business model presents an opportunity to further develop and ensure long-term sustainability of the business.



Lundin Foundation has provided an accelerator grant to strengthen PRE's manufacturing capacity, provide training on hydro installations and further expand access to renewable energy to new sites.

PRE's micro-hydro systems, ultimately owned by the communities, are particularly relevant to the sustainable development of Sabah, where access to energy remains a major challenge for rural communities. In light of increasing deforestation and loss of environmental biodiversity, renewable energy products such as micro-hydro systems can provide a viable option with minimal environmental footprint.

Through the Foundation's grant, PRE was able to triple its manufacturing capacity in a time span of two years. Today, PRE produces hydro turbines at 20 percent of the cost of international competitors.

During 2015, PRE trained 15 technicians in key skills such as welding and electrical wiring, as well as 35 village operators enabling them to manufacture, operate and maintain micro-hydro systems. With the accelerator grant, PRE also installed four new hydro systems, connecting over 1,100 people to renewable energy.

Meeting the SDGs



Goal 7:

Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 9:

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Electric Vine Industries (Indonesia)

Electric Vine Industries (EVI) is an early stage renewable energy company that has developed an innovative solar micro-grid system, which provides access to energy to remote communities in eastern Indonesia on a pay as you go model.



EVI meets an urgent need for access to affordable electricity in Indonesia's rural areas. Although recent economic growth in Indonesia has seen a surge in access to energy, over 60 percent of households in eastern Indonesia still lack access to electricity. Households with access to energy rely on diesel generators, leaving them susceptible to fluctuating fuel costs.

The Foundation's grant has enabled EVI to develop a pilot programme in Papua to gather critical market data on energy usage, pilot an appliance leasing programme, and determine commercial viability and pathways to scale. The pilot programme launched in mid-2015 has connected over 250 people to renewable energy available on a 24 hour basis. The appliance leasing of food processing equipment and freezers was fully repaid ahead of schedule.

The success of the pilot has enabled EVI to refine its business model, expand its activities to three new locations in Indonesia and attract new financial supporters.



Biodiversity Conservation

South East Asia, with its tropical climate and proximity to the equator, holds a wealth of biodiversity both onshore and offshore. Indonesia for example, has the second highest level of biodiversity in the world, with over 10 percent of the world's animals and over 25 percent of the world's fish population. However, due to demands related to economic development, this unique biodiversity is coming under threat with direct implications on local livelihoods and biodiversity.

Fauna and Flora International (Indonesia)

Borneo is a highly biodiverse landscape that is home to over 15,000 plant species and 1,400 mammals, amphibians, birds and fish. Fauna and Flora International (FFI) works both within and around the forested landscape of Gunung Palung and Danau Sentarum National Parks. This area is comprised of undisturbed peat moss forests which serve an important role in keeping carbon locked in and aid recovery. It is also an important habitat for the Borneo Orangutan, a designated endangered species by the International Union for Conservation of Nature. FFI's project works in close partnership with local communities to develop comprehensive forest management practices that generate climate and livelihood benefits while protecting biodiversity and wildlife.



The project focuses on the important role village forests play in carbon capture. It is implemented in close partnership with local communities as community based REDD+ projects to ensure long term sustainable management of the forests. Included in the project are the villages of Laman Satong, a validated project under Plan Vivo standard which produces 4,258 tonnes CO₂e (carbon offsets) per annum; Nanga Betung village which produces 15,000 tonnes of CO₂e (carbon offsets) per annum. Finally, the Pematang Gaung landscape which has been maintained as a peat forest, stopping the planned conversion into a palm oil plantation, and preventing the release of approximately 190,000 tonnes of carbon per annum. FFI's work gained international recognition for this carbon offsetting project at the Word Parks Congress in 2014.

The project also supports local communities to develop vegetable and chicken farming enterprises, benefitting 400 people through alternative economic activity and minimising the need to encroach on the sensitive forest land.

In partnership with local communities, agricultural and commercial concessions, FFI was able to designate 'high conservation value forests' and strengthen community ownership over local forests by upgrading community customary forests to a legal recognition of a Village Forest. The project helps communities secure land tenure for 20 community forests, covering over 60,000 hectares of land and benefitting approximately 25,000 people.

Meeting the SDGs



Goal 13:

Take urgent action to combat climate change and its impact

Goal 15:

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



Forest preservation, Indonesia



Sustainable Fisheries

A major challenge to marine biodiversity and food security is widespread unsustainable fishing practices. The Food and Agriculture Organization (FAO) estimates that 11 of the world's 15 major fishing areas face this challenge. The challenge is to keep fish production on the rise, while at the same time allowing overfished species to recover.

The Coral Triangle, centre of tropical marine biodiversity hosting one of the most diverse marine habitats, sits within the waters of Indonesia and Malaysia. It is home to over 3,000 species of fish and more than half of the world's coral reefs.

With over 130 million people living along the coastlines, fishing is a central aspect of local activities, which is being threatened by current levels and methods of harvesting fish, imperilling fragile reefs and posing a material threat to community livelihoods. A coordinated approach to promoting sustainable fishing practices and fish recovery zones which are supported by policy and market incentives, can help to reverse the decline.

RARE Conservation (Indonesia)

RARE developed the 'Fish Forever' programme to promote sustainable near shore fisheries while improving livelihoods, protecting habitats and enhancing coastal resilience to climate change.



To protect key habitats where fish stocks can rebuild, Fish Forever establishes spatial property rights for fishing areas known as Territorial Use Rights for Fishers (or 'TURF') reserves, where there are established no-take zones. The pilot funded by the Lundin Foundation enabled RARE to expand this programme in three locations in Indonesia: Karimunjawa National Park (Central Java), Demak (Central Java), and Teluk Mayalibit (West Papua). The Foundation's support also helped to develop a clear pathway to scale.

Through close partnerships with local governments, customary leadership and community groups, RARE has designed TURF reserves models for each pilot site and are developing local management bodies to provide oversight on the TURF reserves. This is a significant step in structuring long term fisheries management as it provides formal recognition of ownership of fisheries for the 4,000 fishermen in the pilot sites. RARE is also working closely with entrepreneurs and fishermen in Karimunjawa National Park to develop seaweed farming businesses and improve quality of fresh fish, a means to provide economic incentives to local fishermen to adhere to the TURF reserves and adopt improved management practices.

Meeting the SDGs



Goal 2:

End hunger, achieve food security and improve nutrition, and promote sustainable agriculture

Goal 12:

Ensure sustainable consumption and production patterns

Goal 14:

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Sustainable fishing, Indonesia

Lundin Petroleum Sustainability Data

Health and Safety ¹	2015
Fatalities	
Employees	0
Contractors	0
Total	0
Lost time incidents	
Employees	1
Contractors	8
Total	9
Restricted work incidents	
Employees	0
Contractors	0
Total	0
Medical treatment incidents	
Employees	1
Contractors	9
Total	10
Lost time incident rate (million hours worked)	
Employees	0.78
Contractors	2.08
Total	1.76
Total recordable incident rate (million hours worked)	
Employees	1.55
Contractors	4.43
Total	3.71
Exposure hours	
Employees	1,286,396
Contractors	3,841,243
Total	5,127,639
Near misses with high potential	6
Contractor screening using HSE criteria²	
New contractors (%)	100

Environment	2015
UNPLANNED RELEASES TO SEA OR LAND	
Oil spills (>0.1m³)	
Number	0
Vol. (m ³)	n/a
Chemical spills (>0.1m³)³	
Number	6
Vol. (m ³) ³	59.88
Hydrocarbon leaks (>0.1 kg/s)	
Number	0
Mass (kg)	n/a
EMISSIONS	
Direct GHG (CO ₂ e, tonnes) – CDP Scope 1	108,996
Indirect GHG, CO ₂ e (tonnes) – CDP Scope 2	1,735
Other indirect GHG (CO ₂ e) (tonnes) – CDP Scope 3	143,823
GHG emissions intensity (CO ₂ e) (kg/boe)	12.2
NO _x (tonnes)	499
SO _x (tonnes)	45
Flared hydrocarbons (m ³)	19,629,132
Vented hydrocarbons (tonnes)	
Methane	482.81
nmVOC	470.19
Energy consumption (MWh) – CDP Scope 1+2	145,392
Renewable energy consumption (MWh) – CDP Scope 1+2	5
WATER	
Freshwater withdrawal⁴	
Surface water (m ³)	0
Ground water (m ³)	3,756
Rainwater (m ³)	100
Produced water (m³)	1,841,535
Disposal of produced water	
Reinjected water into the reservoir (m ³) (France)	1,026,818
Percentage of total water volume disposed (%)	55.8
Injection into disposal wells (m ³) (France)	562,495
Percentage of total water volume disposed (%)	30.5
Discharge to sea (m ³) (Norway, Malaysia) ⁵	252,222
Percentage of total water volume disposed (%)	13.7
Hydrocarbons discharged to sea within produced water (m ³) ⁶	4.2
Total (m³)	1,841,535

Environment (continued)	2015
WASTE	
Drill waste using aqueous drilling fluid (by disposal method)	
Onshore disposal to controlled sites	
<i>Drill cuttings (tonnes)</i>	291
<i>Water based mud (tonnes)</i>	15,856
Offshore disposal with pre-treatment	
<i>Drill cuttings (tonnes)</i>	13,128
<i>Water based mud (tonnes)</i>	59,561
Drill waste using non-aqueous drilling fluid (by disposal method)⁷	
Onshore disposal to controlled sites	
<i>Drill cuttings (tonnes)</i>	2,049
<i>Oil based mud (tonnes)</i>	6,841
Offshore disposal with pre-treatment	
<i>Drill cuttings (tonnes)</i>	2,863
<i>Water based mud (tonnes)</i>	0
People	2015
Employees	
Total ⁸	589
Employee turnover (%)	6.5
New hire rate (%)	2.2
Gender diversity	
Number of men	420
Number of women	169
Women in workforce (%)	29
Women in management (%)	20
Women in senior management (%)	19
Women in the Board of Directors (%)	38
Employees by age groups (%)	
< 30 years	8
30 – 50 years	60
> 50 years	32
Incidents of discrimination	0
Society	2015
Disputes associated with operations	0
Actual impacts on local communities	0
Corporate donations (USD)	
Sustainable investments	33,300
Contribution to the Lundin Foundation	785,200
Total	818,500
Contributions to initiatives (USD)	
United Nations Global Compact	5,000
Extractive Industries Transparency Initiative (EITI)	35,000
CDP	3,440
Total	43,440

Anti-corruption	2015
Communication of anti-corruption policy	
Board of Directors (%)	100
Employees (%)	100
Training on anti-corruption	
Board of Directors (%)	100
Employees (%)	87
Confirmed incidents of corruption	
Number of incidents	0
Impact on employees	0
Impact on contractor relations	0
Legal cases	0
Report to the EITI	Norway
Compliance	2015
Significant fines	
Number	0
Value (USD)	n/a
Environmental fines	
Number	0
Value (USD)	n/a
Non-monetary sanctions	
Number	0
Environmental non-monetary sanctions	
Number	0

¹ IOGP definition and methodology.

² We report on main contractors which are determined based on the scope of work, contract duration, contract value and/or relevant risk factors.

³ The volume represents the total amount of the spill of which the chemical component represents only a small percentage.

⁴ Quantities of freshwater utilised during onshore operations (France), excluding municipal water consumption for offices.

⁵ Produced water is only released to sea if the water quality conforms with national regulation.

⁶ Volume of hydrocarbons discharged within produced water corresponds to an average of 14.1 parts per million (ppm) of oil in water, which is below the OSPAR Convention's 30 ppm threshold recommendation.

⁷ Prior to any offshore disposal of non-aqueous drilling fluid, drilled cuttings are treated to reduce the amount of residual oil, to ensure that levels are below regulatory defined amounts.

⁸ Permanent and fixed term employees paid directly by the Company.

Note: Lundin Petroleum sold its Indonesian business effectively as of October 2015, with completion expected during the second quarter of 2016. Therefore, we include relevant sustainability data such as HSE Key Performance Indicators until the effective date of the sale and number of employees as of 31 December 2015.

GRI Index

Lundin Petroleum's 2015 GRI index, in accordance with the GRI G4 "core" level, provides references to the GRI G4 indicators the Company reports on.

Standard Disclosure	Description	Reference
GENERAL STANDARD DISCLOSURES		
Strategy and analysis		
G4-1	Statement from the CEO	SR 2
Strategy and analysis		
G4-3	Name of the organisation	AR 51
G4-4	Primary brands, products, and services	SR 3-4
G4-5	Location of headquarters	AR 51
G4-6	Name of countries where the organisation operates	SR 3-4
G4-7	Ownership and legal form	AR 51
G4-8	Markets served	SR 3-4
G4-9	Scale of the reporting organisation	AR 71
G4-10	Number of employees	SR 16
G4-11	Employees covered by collective bargaining agreements	SR 18
G4-12	Description of supply chain	SR 3-4
G4-13	Significant changes during the reporting period	SR 16
G4-14	Precautionary approach or principle	SR 26
G4-15	Subscription to externally developed economic, environmental and social charters, principles, or other initiatives	SR 33
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	SR 33
Identified material aspects and boundaries		
G4-17	List of entities included in financial statement	AR 73
G4-18	Process for defining the report content	SR 6-7
G4-19	Material Aspects (referred to as material issues)	SR 6-7
G4-20	Aspect Boundary within the organisation	SR 6-7
G4-21	Aspect Boundary outside the organisation	SR 6-7
G4-22	Restatement of information	n/a
G4-23	Significant changes from previous reporting periods	n/a
Stakeholder engagement		
G4-24	Stakeholder groups engaged	SR 6 and 33
G4-25	Basis for selection of stakeholders	SR 33
G4-26	Approach to stakeholder engagement	SR 33
G4-27	Topics and concerns raised through stakeholder engagement	SR 33
Report profile		
G4-28	Reporting period	SR 1
G4-29	Previous reporting date	n/a
G4-30	Reporting cycle	SR 6-7
G4-31	Contact point	SR 45
G4-32	GRI option, Content Index, and references	SR 6 and 42
G4-33	External Assurance	n/a
Governance		
G4-34	Governance structure	SR 10-11
Ethics and integrity		
G4-56	Code of conduct	webite
SPECIFIC STANDARD DISCLOSURES		
CATEGORY: ECONOMIC		
Economic performance & profitability of operations		
G4-DMA	Disclosures on management approach	AR 90-95
G4-EC1	Direct economic value generated and distributed	AR 79-89
G4-OG1	Volume and type of estimated proved reserves and production	AR 18, 80, 91
CATEGORY: ENVIRONMENTAL		
Energy		
G4-DMA	Disclosures on management approach	
G4-EN3	Energy consumption within the organisation	SR 6-7
Water		
G4-DMA	Disclosures on management approach	SR 28
G4-EN8	Water withdrawal by source	SR 39
G4-EN9	Water sources significantly affected by withdrawal of water	SR 28
Biodiversity		
G4-DMA	Disclosures on management approach	SR 26
G4-EN11	Operational site in or near protected areas	SR 26-27
G4-EN12	Significant impact on biodiversity in protected areas	SR 26

Standard Disclosure	Description	Reference
SPECIFIC STANDARD DISCLOSURES (continued)		
CATEGORY: ECONOMIC (continued)		
Emissions		
G4 – DMA	Disclosures on management approach	SR 30
G4 – EN15	Direct greenhouse gas emissions (Scope 1)	SR 39
G4 – EN16	Energy indirect greenhouse gas emissions (Scope 2)	SR 39
G4 – EN17	Other indirect greenhouse gas emissions (Scope 3)	SR 39
G4 – EN18	Greenhouse gas emissions intensity	SR 39
G4 – EN21	NOx, SOx, and other significant air emissions	SR 39
G4 – OG6	Volume of flared and vented hydrocarbon	SR 39
Compliance		
G4 – DMA	Disclosures on management approach	SR 14
G4 – EN29	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	SR 41
Supplier environmental assessment		
G4 – DMA	Disclosures on management approach	SR 23
G4 – EN32	New suppliers (referred to as contractor) that were screened using environmental criteria	SR 38
Effluents and waste		
G4 – DMA	Disclosures on management approach	SR 28
G4 – EN22	Water discharge	SR 39
G4 – OG5	Volume and disposal of formation or produced water	SR 39
G4 – EN24	Number and volume of significant spills	SR 39
G4 – OG7	Drilling waste	SR 40
Decommissioning		
G4 – DMA	Disclosures on management approach	SR 28
G4 – OG11	Decommissioned sites and sites that are in the process of being decommissioned	SR 28
CATEGORY: SOCIAL		
Employment		
G4 – DMA	Generic disclosures on management approach	SR 16
G4 – LA1	Employee hires and turnover	SR 40
Occupational health and safety		
G4 – DMA	Disclosures on management approach	SR 20 – 21
G4 – LA6	Type of injuries and injury rates	SR 21 and 38
Diversity and equal opportunity		
G4 – DMA	Disclosures on management approach	SR 16 – 17
G4 – LA12	Diversity in composition of governance bodies and among employees	SR 17 and 38
Supplier assessment for labour practices		
G4 – DMA	Disclosures on management approach	SR 23
G4 – LA14	New suppliers that were screened using labour practices criteria	SR 38
Non-discrimination		
G4 – HR3	Total number of incidents of discrimination and corrective actions taken	SR 40
Human rights		
G4 – DMA	Disclosures on management approach	SR 32
G4 – HR9	Human rights reviews or impact assessments	SR 32
Local communities		
G4 – DMA	Disclosures on management approach	SR 33
G4 – SO2	Operations with significant actual and potential negative impacts on local communities	SR 40
G4 – OG10	Significant disputes with local communities and indigenous peoples	SR 40
Anti-corruption		
G4 – DMA	Disclosures on management approach	SR 14
G4 – SO4	Communication and training on anti-corruption policies and procedures	SR 41
G4 – SO5	Confirmed incidents of corruption and actions taken	SR 41
Compliance		
G4 – DMA	Disclosures on management approach	SR 14
G4 – SO8	Significant fines and non-monetary sanctions for non-compliance with laws and regulations	SR 41
Emergency preparedness		
G4 – DMA	Disclosures on management approach	SR 24
Asset integrity and process safety		
G4 – DMA	Disclosures on management approach	SR 25
G4 – OG13	Process safety events ⁽¹⁾	n/a

⁽¹⁾ The information is currently unavailable at Group level. It will be reported in the 2016 Sustainability Report.

AR: Annual Report

SR: Sustainability Report

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 the Company’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.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), productions costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading “Risks and Risk Management” and elsewhere in the Company’s annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.

Lundin Petroleum

References to “Lundin Petroleum” or “the Company” pertain to the corporate group in which Lundin Petroleum AB (publ) (company registration number 556610–8055) is the Parent Company or to Lundin Petroleum AB (publ), depending on the context.

Tell Us What You Think

Your feedback is valued

We welcome any questions, comments or suggestions you might have to this report and our performance.

Please send your feedback to:

info@lundin.ch



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.



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