Task Force on Climate-related Financial Disclosures

The Group supports good governance and transparency in general, and specifically in relation to climate change. The Board recognises the societal and investor focus on climate change, and the desire to understand potential impacts on the oil and gas industry through meaningful disclosure, such as those recommended by the Task Force on Climate-related Financial Disclosures ('TCFD') and those required by the Companies Act via Climate-related Financial Disclosures ('CFD'). Listing Rule 9.8.6R requires companies to include climate-related financial disclosures consistent with the TCFD recommendations. EnQuest has complied with these requirements save for:

- Quantification of risks and opportunities within Strategy (b) and the associated Metrics and Targets; and
- Scope 3 recommendations within Metrics and Targets.

With regard to the quantification of risks and opportunities, through the Group's financial planning and liquidity management processes EnQuest has mature and well-established processes by which it quantifies the impacts of changing commodity prices and cost of emissions trading certificates on its business. These quantification processes are being expanded to assess the potential impact of various other risks and opportunities, details of which are set out below.

For Scope 3 recommendations, EnQuest has made progress towards compliance through the inclusion of certain Scope 3 emissions within the metrics and targets section (items (a) and (b)) on a phased basis. During 2023, the Group has incorporated verified Scope 3 emission category 5 "waste generated in operations" data. In line with both the Group's Continuous Improvement Plan ('CIP') and the United Nations-adopted Sustainable Development Goal ('SDG') 12, Responsible Consumption & Production, EnQuest will commence reporting on this category from 1 January 2023. The Group is also now capturing data per category 4 "upstream transportation and distribution" and is exploring the potential for reporting category 11 "use of sold products". The Group is planning, therefore, to report against three categories of Scope 3 emissions in the 2024 Annual Report and Accounts.

	EnQuest disclosure	Additional/related information
Governance Disclose the organisation's governance around climate-related risks and opportunities	EnQuest's purpose is to provide creative solutions through the energy transition. As such, climate-related risks and opportunities are a core part of the organisation's considerations, from Board level to its operational and functional teams, with emission reductions an important part of both management's and the wider organisation's variable remuneration. During 2022, the Board and Executive Committee approved the enhancement of the Group business model to include a focus on repurposing existing infrastructure to support its renewable energy and decarbonisation ambitions, including targeting carbon capture and storage, electrification and green hydrogen production. This model has been further enhanced during 2023 by the launch of Veri Energy, a wholly owned subsidiary of EnQuest, to provide dedicated management of the Group's new energy and decarbonisation projects. An organogram outlining the Group's Risk Management Framework can be found on page 48.	See pages 36 to 39 (Environmental), 46 to 64 (Risks), 76 to 78 (s172), 92 to 98 (Audit Committee report), 99 to 117 (Directors' Remuneration Report), 118 to 119 (Sustainability Committee report) and 120 to 124 (Directors' report)

(a) Describe the Board's oversight of climate-related risks and opportunities.

The Board takes full responsibility for the governance of climate-related risks and opportunities, building such considerations into several of its processes, including reviewing and guiding strategy and major plans of action alongside setting budgets, plans and objectives and monitoring performance accordingly. The Sustainability Committee (previously named the Safety, Sustainability and Risk Committee), a dedicated sub-Committee of the Board, has specific climate-related responsibilities incorporated into its terms of reference, with these responsibilities including: assessment of the Group's exposure to managing risks from 'climate change' and reviewing actions to mitigate these risks in line with its assessment of other risks; reviewing and monitoring the Group's decarbonisation activities, including reviewing the adequacy of the associated framework; and reviewing targets and milestones for the achievement of decarbonisation objectives. In addition, a designated member of the Committee has responsibility for the Company's decarbonisation activities. The Committee generally meets four times per year and, at each meeting, reviews a report sponsored by a Board member of the Committee which includes a summary of performance against short- and long-term emission reduction targets and outlines future opportunities and updates. The Committee also reviews the Group's Risk Management Framework ('RMF') performance report.

The Board receives a separate summarised version of the above update on climate-related issues as part of the health, safety, environment and assurance ('HSEA') report that is delivered during each of the five scheduled Board meetings by the HSEA Director.

The Board also receives reports covering the Group's financial and operational performance, which include the progress being made in developing the Group's new energy and decarbonisation opportunities, and monitors performance against Group emission reduction targets. Progress in developing these growth opportunities is linked to reward as a component of the Company Performance Contract (see page 109 of the Directors' Remuneration Report).

Collectively, the Board and management also keep appraised of the evolving risk and opportunity landscape and its potential impacts on the Company's business by consulting as appropriate with the Group's advisers and appropriate third-party institutions, including fund managers, investors and industry associations such as Brindex and Offshore Energies UK.

(b) Describe management's role in assessing and managing climate-related risks and opportunities.

EnQuest's Chief Executive Officer has ultimate responsibility for assessing and managing climate-related risks and opportunities and is supported in this endeavour by the CEO of Veri Energy (a wholly-owned subsidiary of EnQuest), the Group's Chief Risk Officer and the HSEA Director.

Management, through a combination of the Executive Committee, Operations Committee and the HSEA Directorate, regularly reviews Company performance and the Group's risk registers. The CFO is responsible for ensuring the Group also recognises the impacts of climate-related risks and opportunities appropriately in its financial statements, including judgements and estimates, such as future oil and emission trading certificate prices and the costs and benefits associated with emissions reduction projects, and other relevant disclosures.

The Group also has an energy management system governance document setting out how it approaches the measurement and reporting of emissions and how the Group will assess and select emission reduction opportunities, with a working group dedicated to the identification and implementation of economically-viable emissions savings opportunities across the Group's portfolio of assets. This working group reports to the Executive Committee regularly and the Sustainability Committee at each scheduled meeting.

The Group's legal, commercial, company secretariat, investor relations and communications teams monitor the regulatory, legal, capital markets and competitive/commercial environments, providing reports to management (and the Board) as required.

	EnQuest disclosure	Additional/related information
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	EnQuest's strategic vision is to be the partner of choice for responsible management of existing energy assets, applying its core capabilities to create value through the transition. Its business model covers the full energy transition landscape: Upstream aims to responsibly optimise production to support today's energy needs; Veri Energy aims to leverage repurposed existing infrastructure through repurposing to deliver new energy and decarbonisation opportunities; while Decommissioning aims to manage end of field life and post-cessation of production operations to deliver safe and efficient execution of decommissioning work programmes in a responsible manner. This integrated business model, which incorporates the Group's plans for transitioning to a lower-carbon economy, provides mitigation against each of the potential climate-related transition risks noted below, which have the potential to have substantive financial or strategic impact unless stated to be 'not material'. The financial or strategic impact of a risk or opportunity is assessed and measured based on the potential net present value ('NPV') negative impact of the particular risk. These assessments are made through the Group's annual planning and budgeting process, as well as on an ad hoc basis when assessing specific risks or opportunities that may arise. The Group has an investment committee that reviews investment decisions, with additional support and review provided by the Sustainability Committee if required.	See pages 3 to 13 (KPIs, Chairman and CEO statements), 22 to 23 (Veri Energy review), 26 to 30 (Financial review), 36 to 39 (Environmental), 46 to 64 (Risks) and 138 (Financial statements)

(a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.

EnQuest has offshore oil and gas assets in the UK and Malaysia and has assessed climate-related risks and opportunities jointly for this one sector and both geographies. Exceptions are detailed in the table on the next page.

EnQuest considers within one year to be short-term (which aligns with the Group's budgeting process and assessment of going concern), one to three years to be medium-term (which is in line with the Group's assessment of viability and the period over which the Group prepares detailed plans) and the longer-term to be beyond three years (for which EnQuest tests its life of field estimates against its internal price assumptions and the International Energy Agency's Announced Pledges ('APS'), and Net Zero Emissions by 2050 ('NZE') Scenarios).

Using a mix of quantitative and qualitative measures, the Group has made an assessment of the potential impact and likelihood of the climate-related risks or opportunities set out in the table on the following page. This is in line with common enterprise risk management system practice.

Task Force on Climate-related Financial Disclosures continued

Risk type	Climate-related risk	EnQuest risk management
Transition	**Market (all geographies and timeframes unless otherwise stated)** • Demand for oil and gas and associated pricing adversely affects the Group's operations and financial condition as the Group's revenue depends substantially on oil prices (long-term) • Emissions trading allowances impact costs (UK only, as Malaysia does not have the same regulatory requirement) • Access to capital (see Financial risk on page 54): The Group has substantial existing credit facilities, needs to invest in its asset base and aims to pursue value-accretive M&A. Wider market forces, including interest rates, investor sentiment and ESG requirements, impact the Group's ability to raise capital • Supply-side constraints due to competing demand for equipment and/or services as supply chain migrates to support alternative sectors could increase costs and/or result in delayed work programmes, ultimately impacting revenue generation (long-term)	• Planning and investment decision process caters for low oil price scenarios and includes a carbon cost associated with forecast emissions (see metrics and targets (a) – Transition risks and carbon prices) • The Group actively monitors current and future oil prices (see Oil and gas prices risk on page 52) through its Marketing and Trading organisation, which is also responsible for purchases of emissions trading allowances (see metrics and targets (a) – Transition risks and carbon prices) • The Group closely monitors and manages its funding position and liquidity risk throughout the year (see Financial risk on page 54). EnQuest's new energy and decarbonisation opportunities were a significant factor in attracting new investors in the Group's 2022 and 2023 refinancing activities • The Group maintains relationships with key stakeholders, including governments, regulators, financial institutions, advisers, industry participants and supply chain counter-parties
	Policy and legal (all geographies) • Regulatory or legislative changes (including emissions trading schemes and flaring allowances, for example): Facility modifications, regulatory sanctions/fines and litigation risk (medium and long-term) • Country policies (including net zero targets): Facility modification investment, regulatory sanctions/fines and litigation risk (long-term) • Increased direct and/or indirect taxes (long-term) • Each of the above could require additional capital investment, potentially at a lower return than traditional projects, or increase costs	• Targeted emission reductions and assessing opportunities to reduce flaring, for example (see page 123) (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity) • The UK Energy Profits Levy includes incentives for both oil and gas and decarbonisation investments, which the Group aims to utilise (see metrics and targets (a) – Climate-related opportunities) • Maintaining relationships with government and regulatory bodies • Engaging with a variety of external advisers and appropriate third-party institutions to ensure awareness, advance planning and integration to ensure ongoing compliance
	Reputation (all geographies and timeframes, unless otherwise noted) • Negative perception of the oil and gas industry • Lack of credible transition plan • Failure to adhere to regulatory or legislative requirements (medium and long-term) • The perception of the oil industry has already impacted access to and the cost of capital. In the longer term, the above risks could impact the willingness of counterparties to transact with EnQuest, increasing costs, the availability of a skilled workforce, leading to higher costs and/or lower revenues, or regulatory or legal action	• Development of Veri linked to reward (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity, Climate-related opportunities, Capital deployment and Remuneration) • Clear and credible emission reduction targets linked to reward (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity, and Remuneration) • Continued engagement with all stakeholders, including participation in credible climate initiatives, such as the CDP survey and submission of Emission Reduction Action Plans ('ERAP') to the North Sea Transition Authority • Emissions Management Team that develops and drives continual improvement on Scope 1 and 2 emission reduction opportunities in line with the Group's overall targets (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity) • Emissions Management Team is also responsible for development of Group reporting on Scope 3, including verified reporting on category 5 "waste generated in operations" for 2018–2023 (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity) • Regular asset-level emissions measurement, monitoring and reporting with timely corrective action taken if necessary (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity, Transition risks and carbon prices and Capital deployment) • High standards of business conduct (see page 65)

Risk type	Climate-related risk	EnQuest risk management
Transition	**Technology (all geographies, medium- to long-term)** • Alternative, lower-emission products and services could accelerate the transition away from oil and gas, impacting demand • Costs of new technologies could limit the timing and economics of existing oil and gas and decarbonisation projects	• Carbon capture and storage studies have identified the potential to store up to 10mtpa of CO_2 from stranded emitters in depleted North Sea reservoirs, while EnQuest's electrification and hydrogen ambitions could harness renewable energy to help decarbonise offshore developments and a number of other industries, respectively (see metrics and targets (a) – Climate-related opportunities and Capital deployment) • Continued engagement with relevant new energy and decarbonisation stakeholders, including potential strategic and financial partners (see metrics and targets (a) – Climate-related opportunities and Capital deployment) • Continued engagement with suppliers, requiring provision of services with a lower emissions footprint (see metrics and targets (a) – Climate-related opportunities and Capital deployment)
Physical	**Acute (all geographies, short- and medium-term)** • Adverse and/or severe weather (storms, cyclones, extreme heat or cold) resulting in asset downtime and impacting revenue, or increasing health and safety risk to staff	• Action and response plans, including effective supply change management, to manage risks and extent of downtime to as low as reasonably possible (see metrics and targets (a) – Physical risks)
	Chronic (all geographies long-term) • Rising sea levels, tidal impacts and other extreme weather causes extensive/irreparable damage to assets impacting capital and/or operating costs or early decommissioning of assets	• EnQuest considers these risks to be not material given the Group's focus on asset integrity and the expected remaining life of its assets see metrics and targets (a) – Physical risks)

Task Force on Climate-related Financial Disclosures continued

With EnQuest's business model spanning the entire energy transition spectrum, the Group is well positioned to assess and pursue a number of climate-related opportunities.

Opportunity type	Climate-related opportunities	EnQuest action
Energy source (long-term and UK-only at present)	• Use of lower emission sources of energy • Shift towards decentralised energy generation • Use of supportive policy incentives • Use of new technologies	• Progressing the potential to facilitate the electrification of nearby offshore oil and gas assets and planned developments • Assessing onshore wind potential on Shetland • Commencement of project to deliver new grid-connected power solution for Sullom Voe Terminal ('SVT') • Assessing initial 50MW green hydrogen project at SVT supported by government-backed fund matching worth £1.74 million • Progressing gas tie-back from Bressay to Kraken to displace diesel as Kraken FPSO primary fuel • Completion of modifications to the Heather asset power generation equipment to minimise emissions during decommisioning
Resilience (all geographies and timeframes, unless otherwise stated)	• Resource substitutes/diversification (UK only at present) • Participation in renewable energy programmes and adoption of energy efficiency measures • Access to M&A opportunities: Noting other industry participants need to dispose of assets to meet their own ESG targets	• Strengthened climate change oversight through the introduction of an Energy (Emission) Management System - Structure & Governance procedure. The procedure itself is structured to align with the internationally recognised structure for an energy management system in relation to ISO 50001 • Pursuing carbon capture and storage, electrification and green hydrogen production opportunities at scale at SVT (long-term) • New development opportunities to be assessed in terms of low emission power generation (medium-term) • The Group maintains relationships with key stakeholders, including regulators, financial institutions, advisers and industry participants
Products and services (all geographies and timeframes, unless otherwise stated)	• Development and/or expansion of low emission goods and services (long-term, with the exception of supplier engagement which is all timeframes) • Ability to diversify business activities (long-term)	• Pursuing carbon capture and storage which will store up to 10mtpa of CO_2 from stranded emitters in depleted North Sea reservoirs • Assessing the potential to facilitate the electrification of nearby offshore oil and gas assets and planned developments • Exploring the potential for harnessing the advantaged natural wind resource around Shetland for the production of green hydrogen and derivatives at export scale in order to provide a low-carbon alternative fuel which could help to decarbonise a number of industries • Continued engagement with suppliers, requiring provision of services with a lower emissions footprint to ultimately improve efficiencies and reduce costs
Market (long-term and UK-only)	• Access to new markets • Use of supportive policy incentives	• Pursuing carbon capture and storage, electrification and green hydrogen production opportunities at scale at SVT
Resource efficiency (all geographies and timeframes)	• Use of more efficient production and distribution processes • Use of recycling	• Focused on absolute emission reductions in all operations see metrics and targets section) • Measurement of waste generated in operations, with 2023 reporting in line with Category 5 Scope 3 emissions (see metrics and targets section) • Assessment of options to repurpose existing infrastructure prior to any decision to cease production and begin asset decommissioning • Decommissioning business seeks to maximise reuse and/or recycling

(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The Group considers as part of its strategic, business planning and risk processes how a number of macroeconomic themes may influence its principal risks. The most material risk factor to EnQuest's business model is the oil price, with climate change representing one of many potential influencing factors on the oil price. In the short to medium term, EnQuest reviews the impact of different oil prices in its going concern and viability assessments. The Group's Marketing and Trading team is responsible for optimising sales of the Group's production, including developing and implementing the Group's hedging programme. The potential impact of a change in oil price on the Group's carrying amount of oil and gas assets is outlined in note 2 of the Financial Statements. The Group's Marketing and Trading team is also responsible for purchasing emissions trading allowances in the UK, with the costs of these allowances forecast to make up almost 5% of the Group's operating costs in 2024.

The Group monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management, with variance analysis run to reflect different scenarios. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies as necessary. Specific financial risks of climate change considered include access to, and cost of, capital, insurance and decommissioning surety bonds as investors' and insurers' appetite for exposure to the oil and gas sector reduces across all timeframes. It is difficult to quantify the precise impact on access to and cost of capital given the number of other constituent factors in such transactions, including the state of global financial markets at the time such a transaction takes place. The potential impact of a change in the Group's discount rate, which considers the Group's cost of capital, is outlined in note 2 of the Financial Statements.

The Group has a proven track record of executing value-accretive acquisitions, although the timing of such events is uncertain. As majors and other operators continue to shift their focus from mature basins such as the North Sea and Malaysia, there will be further opportunities for the Company to access additional oil and gas resources, with gas resources offering product diversification into a necessary transition fuel. Where new assets are acquired, there will be a clear emission reductions plan for any such asset for which EnQuest assumes operatorship, relative to the carbon footprint in the hands of the seller, and the Group factors in an associated carbon price into the acquisition economics, even in markets where no carbon trading or pricing mechanism exists.

Following the establishment of the Infrastructure and New Energy ('I&NE') business in 2021 and having progressed three significant new energy and decarbonisation opportunities at Sullom Voe Terminal, the Group launched Veri with responsibility for delivering the Group's short- and medium-term emission reduction objectives and advancing longer-term renewable energy and decarbonisation opportunities. These opportunities are centred around repurposing the strategically advantaged Sullom Voe Terminal, which the Group operates, positioning EnQuest as a credible energy transition company. Veri represents the logical next step in the strategic evolution of EnQuest's new energy and decarbonisation ambitions, enabling the project team to move forward with a focused management structure and the potential to leverage financial and strategic partnerships.

During 2023, EnQuest's Board approved a commitment to reach net zero in respect of Scope 1 and Scope 2 emissions by 2040. The Group set interim targets, linked to reward, to reduce Group-wide Scope 1 and Scope 2 emissions by 10% by 2023 against a 2020 baseline; achieving a 23% reduction. A further 10% reduction target has been set over the next three-year period, 2021-2024. EnQuest is also monitoring progress against the UK North Sea Transition Deal ('NSTD') goals which contribute to the UK Government's target of net zero by 2050 and require reductions against a 2018 baseline of 10% by 2027, 25% by 2030 and 50% by 2030. At the end of 2023, EnQuest had reduced UK Scope 1 and Scope 2 emissions by 41%. All milestones occur in the medium to long term.

(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Group has measured the resilience of its existing portfolio and future development plans again as part of its 2023 full year results process, having previously updated scenario analysis 12 months ago. In its scenario modelling, the Group incorporates the estimated oil price and cost of emissions, with the oil price deemed to be the most influential risk to its business, that would prevail under the International Energy Agency's Announced Pledges ('APS'), and Net Zero Emissions ('NZE') Scenarios. The APS assumes that all rasclimate commitments made by governments and industries around the world by the end of August 2023, for both 2030 targets and longer-term net zero or carbon neutrality pledges will be met in full and on time and shows how close current pledges get the world to the target of limiting global warming to 1.5°c, while the NZE shows an accelerated pathway for the global energy sector to achieve net zero CO_2 emissions by 2050 and is consistent with limiting the global temperature rise to 1.5°c. The Group continues to generate positive free cash flow when using assumptions based on the APS, although cash flow becomes negative when using assumptions based on the NZE. As outlined in the Group's viability statement on page 30, should oil prices be lower than assumed in its Plausible Downside Case projections, the Group may be required to undertake mitigating actions to meet its various obligations. EnQuest's business model enables the Group to adapt to a changing external environment, with short-cycle investments reducing the risk of 'stranded assets' in its upstream business, while the Group is pivoting towards new energy and decarbonisation with the activities being pursued by Veri.

Task Force on Climate-related Financial Disclosures continued

	EnQuest disclosure	Additional/related information
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks	The Group has robust risk management and business planning processes that are overseen by the Board, the Sustainability Committee and the Executive Committee in order to identify, assess and manage climate-related risks, while the Audit Committee oversees the effectiveness of the Risk Management Framework. The risk landscape inputs and considerations are outlined on page 48 and cover long-term macro factors and near-term and emerging risks.	See pages 46 to 64 (Risks) and 118 to 119 (Sustainability Committee report)

(a) Describe the organisation's processes for identifying and assessing climate-related risks.

The Group's RMF is embedded in all levels of the organisation with asset, regional and functional risk registers aggregating to an enterprise risk register, as outlined below, identifying relevant threats and how they are mitigated, while the adequacy and efficacy of controls in place are themselves also monitored. This integration enables the Group to quickly identify, escalate and appropriately manage emerging risks, with a quarterly RMF report reviewed by leadership teams and presented to the Sustainability Committee. All risks are assessed based on their estimated potential impact and likelihood with respect to people, environment, asset/business and reputation ('PEAR') on a pre- and post- mitigation basis, with judgements reviewed by peers and/or management as appropriate.

The Group is targeting being net zero by 2040 and seeks to ensure that suitable and sufficient controls are in place to deliver against its environmental, social, governance ('ESG') strategy. EnQuest uses Hurdle Risk as the risk management tool for identification, measurement and mitigation of risks and requires an assessment of value associated with a given risk. The Risk Management Process takes place across four key areas: Group, Region, Asset and Functional:

- Group level - An Enterprise Risk Register and Risk Report provides the Board and executive management with a single view of risk across the Group to aid strategic decision making. This reflects the overall Risk Management Strategy and responses to individual risks, including climate-related risks, with a focus on reporting risks that are critical from a decision-making perspective. Critical risks are those that are assessed as having the greatest potential impact and likelihood with respect to PEAR on a pre- and post-mitigation basis;
- Region level - Risk registers are available for the North Sea and Malaysia. These registers include details of all relevant operational, execution, HSE, organisational, financial, legal and contractual risks facing each of the business units;
- Asset level - Risk registers are developed for all operated assets. These registers include details of all relevant operational, executional, HSEA, organisational, financial, legal and contractual risks facing each asset; and
- Functional level - A risk register is developed for any improvement opportunities and deficiencies in the risk controls for the legal, commercial, HSEA, organisational, financial and business services risk categories. The functional assessments review the effectiveness of policy and management systems in place and identify critical gaps and/or areas of non-compliance within the Group.

Through EnQuest's Environmental Management System, all environmental aspects and risks are identified using EnQuest's Environmental Aspects and Impacts Identification Procedure and are recorded in an Environmental Aspects and Impacts Register. Similarly, the process of developing an asset or project-specific aspects and impacts register entails a systematic review of operational activities, identifying effective control measures, mitigations and/or improvement plans at all stages in the project life cycle from inception, through to abandonment and decommissioning. The people undertaking this process shall be competent with the requisite experience and technical knowledge, so that a high-quality review of an activity, project, process, design or an operation is carried out. Aspects may be identified through workshops, meetings, reviews and audits and separated into two groups; planned and unplanned. EnQuest has also established an Identification and Evaluation of Compliance Obligations Procedure in order to ensure that the organisation is aware of and understands how its activities are (or will be) affected by current and new legislative requirements. This procedure is aligned with the requirements of ISO 14001:2015. Furthermore, the Group strengthened its climate change oversight through the introduction of an Energy (Emission) Management System - Structure & Governance procedure (as noted in the Strategy (a) disclosure). The HSEA team keeps up to date with the identification and maintenance of awareness of compliance obligations through professional subscriptions, by consulting relevant websites, including regulatory and government departments, as well as through training, attendance of seminars, conferences, network forums and meetings. Consultations with government, other regulatory agencies and any other stakeholders may also be required. Other compliance requirements are identified and recorded from the Group's HSEA Policy, licences, permits and authorisations and industry standards and codes of practice. The result of the evaluation of compliance is detailed in the monthly KPI report, while on a routine basis, the HSEA teams review and discuss open non-conformances and any new legal requirements.

(b) Describe the organisation's processes for managing climate-related risks.

The Sustainability Committee also provides a forum for the Board to review selected individual risk areas in greater depth. Climate change is categorised as a standalone risk area within the Group's 'Risk Library', allowing the application of EnQuest's RMF to underpin its approach in this important area. For each risk area, the Sustainability Committee reviews 'Risk Bowties' that identify risk causes and impacts and maps these to preventative and containment controls used to manage the risks to acceptable levels. Climate change-related issues cover both physical and transition risks in accordance with the TCFD framework (as outlined in the Strategy section (a)). They are also considered within the context and review of several other risk areas, such as oil price, (see the Strategy and Risk management sections for the Group's assessment of financial materiality and potential impact and likelihood with respect to PEAR, respectively).

A Continuous Improvement Plan ('CIP') describes EnQuest's improvement initiatives, what the Company will do to achieve them and how it will measure success. Specific objectives, targets and actions are developed and cascaded to all levels within the organisation, including a number related to the management of climate-related risks.

In addition to the CIP, EnQuest has defined Key Performance Indicators ('KPIs'), which are used to monitor performance. They take into account the significant environmental aspects and the Company's compliance obligations.

(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

See the Risk management disclosure (a) for a description of how climate-related risks are integrated into EnQuest's overall RMF. Risks are uploaded to the Group's risk software tools which assign ownership for the risks with associated systemised monitoring of mitigations being closed out. These systems require the risk owner to assess the materiality of each given risk before and after mitigations in accordance with the Group's materiality thresholds (outlined in the metrics and targets section below).

	EnQuest disclosure	Additional/related information
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Absolute emissions and their reduction are a key area of focus for EnQuest given the Group's net zero commitment in respect of Scope 1 and Scope 2 emissions by 2040 and its desire to play its part in the UK's drive towards net zero by 2050 (2045 in Scotland). EnQuest operates offshore in the UK and Malaysia, which are highly regulated mature hydrocarbon provinces. The Group has a well-established HSEA Policy outlining its commitment to integrating environmental management into its operations, with its Environmental Management System ensuring the Group manages and mitigates its impact on the environment and complies with the regulatory requirements in the areas in which it operates. Through this process, the Group has not identified any material risks associated with water, energy, land use, and waste management. EnQuest has considered the climate-related metric categories in Table A2.1 within the TCFD implementation guidance but has not set any other metrics or targets beyond those listed below.	See pages 03 (KPIs), 22 to 23 (Infrastructure - Midstream review), 36 (Environmental), 76 (s172), 109, 110 and 111 (CPC and PSP disclosures within the Directors' Remuneration Report) and 123 (GHG emissions disclosures in the Directors' report)

	EnQuest disclosures	
	Metrics – consistent with prior year unless otherwise stated	Description
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Scope 1, 2 and 3 absolute emissions and emissions intensity Scope 1 and 2 metrics are consistent with prior years. Scope 3 metrics are new additions in 2023.	EnQuest operates in an industry and geography in the UK that has agreed medium- and long-term absolute Scope 1 and 2 emission reduction targets, expressed as percentage reductions in tonnes of CO_2 equivalent emissions. As such, the Group monitors progress against these and its own associated targets (see metrics and targets (c)). The Group has also embarked on the reporting of selected Scope 3 emissions, with verified data on Category 5 "waste generated in operations" included within the 2023 Annual Report and Accounts. The Group is also collating data relating to Category 4 "upstream transportation and distribution" and exploring Category 11 "use of sold products". The Group expects, therefore, to report against three categories of Scope 3 emissions in the 2024 Annual Report and Accounts. The Group has defined criteria for screening and ranking emission reduction opportunities within its existing operations, including: the potential contribution to the Group's targets; economic indicators; the chance of success; time to implement; and any risks to the Group's production. The Group also monitors its emissions intensity ratio (as set out in the Directors' report on page 123), recognising the impact this metric has on certain risks and opportunities, such as reputation, access to capital and M&A opportunities.

Task Force on Climate-related Financial Disclosures continued

	EnQuest disclosure	
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. (continued)	Metrics – consistent with prior year unless otherwise stated	Description
	Transition risks and carbon prices	The Group primarily produces oil from its offshore installations and so deems the oil price and costs of emissions to be the most material risks to its business, particularly as these metrics are impacted by other of the identified transition risks and opportunities outlined in Strategy (a). As such, the Group actively monitors the price of oil and cost of emissions trading allowances, hedging a proportion of its exposure to oil prices to ensure a minimum price is received for its production. EnQuest uses oil and carbon prices in its internal planning and investment (including M&A) decision-making processes. The Group's forward-looking oil prices are disclosed in note 2 of the financial statements, while the carbon price is set in relation to the UK Emissions Trading Scheme forward price curve. For 2024, the Group's forecast carbon price is £40 per tonne.
	Physical risks	All of the Group's assets are in offshore environments and so subject to physical risks, as outlined in Strategy (a).
	Climate-related opportunities	Within Veri, EnQuest is assessing opportunities that could deliver operations at scale in the long term. For example, the Group's carbon capture and storage opportunity has identified the potential to store up to 10mtpa of CO_2 from stranded emitters in depleted North Sea reservoirs, potentially taking the Company beyond net zero, in comparison to the Group's reported Scope 1 and 2 emissions footprint. During 2023, the Group was awarded four licences across two licence areas in the NSTA's first UK carbon storage licensing round, while in 2024 the Group secured £1.74 million of funding from the UK government's Net Zero Hydrogen Fund to initiate study work for a 50MW green hydrogen project at SVT.
	Capital deployment	The Group's new energy and decarbonisation projects are at an early stage. As such, EnQuest is currently allocating less than 2% of its operating and capital expenditure budget to such activities to minimise regret costs. Such expenditures are reset on an annual basis.
	Remuneration	The Group's emission reduction targets and progress of its energy transition and decarbonisation strategy development and execution are linked to short-term and long-term remuneration, as set out in the Directors' Remuneration Report (see pages 109 to 112).
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.	As outlined in the Directors' Report, EnQuest discloses Scope 1 and 2 emissions and associated intensity outcomes on an operational control basis. The Group also discloses limited Scope 3 emission data, aligned to Category 5 "waste generated in operations" and has plans to collate additional Scope 3 data in 2024. The Group's GHG emissions data disclosed in the Directors' report and throughout the ARA is verified by Lucideon. The Group is cognisant of the risks of access to capital and people, rising emission costs and reputational and regulatory risks associated with failure to adhere to policies and guidelines or missing targets.	

(c) Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.

The Board's goal is to be as ambitious as it can in setting decarbonisation targets, while balancing the economic realities of operating late-life assets. As such, in 2021 the Board approved a targeted 10% reduction in EnQuest's absolute Scope 1 and 2 emissions from its existing portfolio over three years, from a year-end 2020 baseline. As at 31 December 2023, Group emissions had been reduced by c.23% against the 2020 baseline. In both 2022 and 2023, further emission reduction targets over a three-year period were set as part of the Group's Performance Share Plan measures (see page 110 of the Directors' Remuneration Report).

Discrete targets for emission reductions compared to 2021 associated with diesel use and flaring were also set, for which performance was assessed as being between target and stretch (see the Directors' Remuneration Report in the Group's 2022 ARA).

As at 31 December 2023, UK emissions had been reduced by c.41% against the 2018 baseline, significantly ahead of the North Sea Transition Deal targets of achieving a 10% reduction by 2025 and close to the 50% reduction targeted by 2030.

During 2023, the Group committed to reach net zero in terms of Scope 1 and Scope 2 emissions by 2040.

In 2023, the Group made excellent progress in each of its new energy and decarbonisation opportunities. In carbon capture and storage, the Group was awarded carbon storage licences which are intended for use in delivering the potential to store up to 10mtpa of CO_2 from stranded emitters in depleted North Sea reservoirs. Further, EnQuest's electrification ambitions, as well as plans to produce green hydrogen and its derivatives could harness renewable energy to help decarbonise offshore developments and a number of other industries, respectively. The Group secured £1.74 million of funding from the UK government's Net Zero Hydrogen Fund to initiate study work for a 50MW green hydrogen project at SVT, with ambitions to produce around one million tonnes of green hydrogen annually. These opportunities remain at an early stage and require further regulatory and fiscal development before appropriate financial targets can be considered.