Task Force on Climate-related Financial Disclosures

The Group welcomes initiatives for increased 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 improved disclosure, such as those recommended by the Task Force on Climate-related Financial Disclosures ('TCFD'). EnQuest PLC has complied with the recommendations of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations except in relation to the disclosure of Scope 3 emissions within the metrics and targets section (items (a) and (b)) given the uncertainty and impracticality in accurately measuring such emissions throughout the value chain. However, this is being considered as part of our Continuous Improvement Plan ('CIP') with alignment to the United Nations-adopted Sustainable Development Goal ('SDG') 12, Responsible Consumption & Production. Until such time as this work is complete, the Group will remain non-compliant in this respect.

	EnQuest disclosures	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. An organogram outlining the Group's Risk Management Framework can be found on page 42.	See pages 30 to 33 (Environmental), 40 to 51 (Risks), 62 to 64 (s172), 78 to 84 (Audit Committee report), 85 to 102 (Directors' Remuneration Report), 103 to 104 (SSRC report) and 106 to 110 (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 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 Safety, Sustainability and Risk 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. Progress in developing these growth opportunities is linked to reward as a component of the Company Performance Contract (see page 94 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 Offshore Energies UK.

(b) Describe management's role in assessing and managing climate-related risks and opportunities.
The Chief Executive Officer has ultimate responsibility for assessing and managing climate-related risks and opportunities and is supported in this endeavour by 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 Chief Financial Officer is responsible for ensuring the Group also applies climate-related risks and opportunities appropriately in its financial statements, including judgements and estimates 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 Safety, Sustainability and Risk 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 disclosures	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 our 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; Infrastructure and New Energy aims to leverage 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. Specifically, a substantive financial or strategic impact would be defined as a risk or opportunity with a potential impact of greater than £50 million NPV, on a post-mitigation basis. 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 Technical and Reserves Committee (a sub-Committee of the Board) if required.	See pages 3 to 11 (KPIs, Chairman and CEO statements), 14 to 15 (Infrastructure and New Energy review, 20 to 26 (Financial review), 30 to 33 (Environmental), 40 to 51 (Risks) and 124 (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 for this one sector and both geographies. Exceptions are detailed in the table on next page.

EnQuest considers within one year to be short-term (which aligns with the Group's budgeting process), one to three years to be medium-term (both of which are in line with the Group's assessment of going concern and viability, respectively, 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).

Risk type	Climate-related risk / opportunity	EnQuest action
Transition	**Market (all 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 46): The Group has substantial existing credit facilities and needs to invest in its asset base and aims to pursue value-accretive M&A • Supply-side constraints due to competing demand for equipment and/or services as supply chain migrates to support alternate sectors could increase costs and/or result in delayed work programmes, ultimately impacting revenue generation (long-term) • M&A opportunities: Noting other industry participants need to dispose of assets to meet their own targets	• Planning and investment decision process caters for low oil price scenarios and includes a carbon cost associated with forecast emissions • The Group actively monitors current and future oil prices (see Oil and gas price risk on page 45) through its Marketing and Trading organisation, which is also responsible for purchases of emissions trading allowances • The Group closely monitors and manages its funding position and liquidity risk throughout the year (see Financial risk on page 46). EnQuest's new energy and decarbonisation opportunities were a significant factor in attracting new investors in the Group's 2022 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-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)	• Targeted emission reductions and assessing opportunities to reduce flaring, for example (see page 109) • The introduction of the UK Energy Profits Levy includes incentives for both oil and gas and decarbonisation investments, which the Group aims to utilise • 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) • Negative perception of the oil and gas industry • Lack of credible transition plan • Failure to adhere to regulatory or legislative requirements. The perception of the oil industry has 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 Infrastructure and New Energy business linked to reward • Clear and credible emission reduction targets linked to reward • 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 NSTA • Formation of an 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 • Regular asset-level emissions measurement, monitoring and reporting with timely corrective action taken if necessary • High standards of business conduct (see page 52)
	Technology (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 • Continued engagement with relevant new energy and decarbonisation stakeholders, including potential strategic and financial partners • Continued engagement with suppliers, requiring provision of services with a lower emissions footprint
Physical	**Acute (short- and medium-term)** • Adverse and/or severe weather resulting in asset downtime and impacting revenue	• Action and response plans, including effective supply change management, to manage risks and extent of downtime to as low as reasonably possible
	Chronic (long-term) • Rising sea levels, tidal impacts and other extreme weather causes extensive/irreparable damage to 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

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 toward decentralised energy generation • Use of supportive policy incentives • Use of new technologies	• Assessing the potential to facilitate the electrification of nearby offshore oil and gas assets and planned developments • Assessing onshore wind potential and a new power solution for SVT • Modifying the Heather asset power generation equipment to minimise emissions
Resilience	• Resource substitutes/diversification (UK-only at present) • Participation in renewable energy programmes and adoption of energy efficiency measures • Access to M&A opportunities	• 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 (all timeframes)
Products and services	• 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 timeframes)	• Use of more efficient production and distribution processes • Use of recycling	• Focused on absolute emission reductions in all operations • 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 10% of the Group's operating costs in 2023.

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.

As part of EnQuest's plans for transitioning to a lower-carbon economy, the Group established an Infrastructure and New Energy ('I&NE') business in 2021, 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. The Group considers emission-reducing facility modifications as part of its operational budget and planning process. New energy and decarbonisation activities are currently being pursued and the Group is engaging with potential strategic and financial partners.

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. 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 using 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 includes all recent major national announcements as of September 2022 for 2030 targets and longer-term net zero and other pledges and is considered to be a scenario achieving an emissions trajectory consistent with keeping the temperature rise in 2100 below 2°c, while the NZE shows an accelerated pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. The Group continues to generate positive free cash flow when using assumptions based on the SDS, although cash flow becomes negative when using assumptions based on the NZE. As outlined in the Group's going concern and viability statements on pages 25 and 26, should oil prices be lower than assumed in its Base Case projections, the Group may be required to undertake mitigating actions to meet its various financial 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 in its I&NE business.

Task Force on Climate-related Financial Disclosures continued

	EnQuest disclosures	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 Safety, Sustainability and Risk 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 42 and cover long-term macro factors and near-term and emerging risks.	See pages 40 to 51 (Risks) and 103 to 104 (Safety, Sustainability and Risk 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 Safety, Sustainability and Risk 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 seeks to contribute positively to net zero across the UK and the industry 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. 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 Safety, Sustainability and Risk 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 Safety, Sustainability and Risk 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, which are considered by the Board to be a more material risk than climate change on a standalone basis (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 disclosures	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 commitment 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 3 (KPIs), 14 to 15 (Infrastructure and New Energy review), 30 (Environmental), 64 (s172), 94, 96 and 102 (CPC and PSP disclosures within the Directors' Remuneration Report) and 109 (GHG emissions disclosures in the Directors' report)

	EnQuest disclosures	
	Metric	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	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 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 109), recognising the impact this metric has on certain risks and opportunities, such as reputation, access to capital and M&A opportunities.
	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 2023, the carbon price is £75 per tonne.

Task Force on Climate-related Financial Disclosures continued

	EnQuest disclosures	
	Metric	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. (continued)	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 the Group's I&NE business, 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.
	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.
(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 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 2022, Group emissions had been reduced by c.23% against the 2020 baseline. 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. As at 31 December 2022, UK emissions had been reduced by c.43% 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 the year, the Group made excellent progress in each of its new energy and decarbonisation opportunities. In 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, 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.	