

Stakeholder engagement and identification of material topics

Introduction

OKEA has conducted a stakeholder and materiality analysis in line with the GRI (Global Reporting Initiative) standard. The analysis shows the economic, social, and environmental significance to the company's operations that have the greatest importance to our stakeholders. The analysis has been conducted with an interdisciplinary group of in-house specialists from relevant areas and is reviewed annually. The results of the materiality analysis are approved by OKEA's Board of Directors annually and are used for defining content and topic boundaries in the Environmental, Social and Governance (ESG) report.

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1.0. Stakeholder engagement

OKEA exercises corporate responsibility by running and developing its operations profitably and in a manner that conforms with fundamental ethical values and respect for individual people, society as a whole and the environment. This approach includes maintaining a dialogue with stakeholders, which is important in our day to-day operations and when decisions are made. We believe a good dialogue with the stakeholders is a valuable means of building trust and understanding of the role the company plays in local communities and society.

1.1. OKEA's most important stakeholders

OKEA has surveyed the groups, organisations and individuals that are either impacted by our company's operations or which, in a variety of ways, have an impact on the company's strategy and goal achievement. Our key stakeholder groups include investors, license partners, business partners and suppliers, employees, employee representatives and labour unions, regulators and authorities, local communities, and industry associations.

1.2. Our stakeholders' expectations

We continuously assess issues that are relevant for the relationship between the company and society. Below is an overview of topics that our stakeholders are concerned with, as well as their expectations with respect to the company.

Table 1. Stakeholder groups, expectations, arenas for dialogue and measures

Stakeholder group	Expectations of OKEA	Arena for dialogue	OKEA's measures
Investors and owners	<ul style="list-style-type: none"> Sustainability reporting Good practices of corporate governance and compliance with laws, regulations Transparent and available information Clear and consistent reporting Quantitative goals 	<ul style="list-style-type: none"> Investor meetings and seminars Quarterly presentations Shareholder general meetings Annual report with sustainability report Third-party analyses and audits The company's website 	<ul style="list-style-type: none"> Sustainability reporting according to GRI standards Availability of information Setting up relevant and quantifiable goals Preparing and highlighting policies Communicating responsibilities Surveying risks and opportunities
Employees, including unions and employee Representatives	<ul style="list-style-type: none"> Safe workplaces Excellent reputation Responsible and attractive workplaces Management and employee participation Compliance with employee rights Qualified and competent workforce 	<ul style="list-style-type: none"> General meetings/departmental meetings Cooperation with trade unions Whistle blowing procedure Employee surveys Intranet Competence programmes and on-the-job training activities 	<ul style="list-style-type: none"> Zero harm ambition Internal and external communication measures Competitive conditions Competence mapping and evaluation
Authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Health, safety and environment, energy, and climate measures Comprehensive risk management 	<ul style="list-style-type: none"> Dialogue meetings and conferences Supervision, audits, and verifications Public consultation Submissions Environmental and climate reporting 	<ul style="list-style-type: none"> Reporting on progress/sustainability reporting Clear goals and ambitions for ESG Proactive dialogue with authorities

Stakeholder group	Expectations of OKEA	Arena for dialogue	OKEA's measures
Suppliers	<p>Defined quality requirements/security of supply/service level</p> <p>Predictability/ long-term perspective</p> <p>Integrity</p>	<p>Supply/service level</p> <p>Predictability/ long-term perspective</p> <p>Supplier meetings</p> <p>Enquiries</p> <p>Negotiation meetings</p> <p>Day-to-day operations</p> <p>Audits and verifications</p>	<p>Enquiries, with a description of requirements and scope</p> <p>Description of selection criteria</p> <p>Act based on a long-term perspective and predictability in the market</p> <p>Qualifying suppliers based on criteria regarding ESG, quality and code of conduct</p>
Local communities	<p>Jobs</p> <p>Support local business</p> <p>Apprentice schemes</p> <p>Transparency on matters that impact local communities</p> <p>Participation in local support and sponsorship measures</p>	<p>Local media</p> <p>Close contact with upper secondary school/ universities</p> <p>Conferences and events</p>	<p>Apprentice programme</p> <p>Sponsorship and partnerships</p> <p>Social media</p> <p>Meetings and discussions</p> <p>Quarterly and annual report</p>
Business partners	<p>Clear communication</p> <p>Compliance with agreements</p> <p>Integrity</p>	<p>Board and owner meetings</p> <p>Coordination and operational cooperation</p> <p>Development projects</p>	<p>Balanced and long-term agreements</p> <p>Integrity</p> <p>Predictable and recognisable</p> <p>Communication and transparency</p>
Licence partners	<p>Responsible operator and partner</p> <p>Long term commitment</p>	<p>Licence meetings</p> <p>Direct management meetings</p>	<p>Predictable and recognisable</p> <p>Communication and transparency</p>

2.0. OKEA materiality assessment methodology

OKEA regularly assesses stakeholder concerns and expectations, as well as the topics that we believe present the greatest risks and opportunities for our business. Our materiality analysis helps us identify where we can provide the most value and drive our strategy, and where we should focus our efforts, allocate resources, and direct our reporting. In 2021, we reviewed the materiality assessment published in our ESG Report 2020.

Our approach to identifying our material topics was designed using existing guidelines and thought leadership, best practice examples from leading companies and lessons learned from past materiality assessments.

Some of the material topics have been renamed compared to last year to emphasise the importance for OKEA.

2.3. Identification of potentially relevant topics and alignment to relevant SDGs

First, we identified environmental, social, and economic topics that may be considered important for OKEA and our stakeholders. Most of this work was conducted in 2020. In addition, it was performed an alignment of the material topics to relevant SDGs. We used the following information sources to identify these topics:

Table 2. External and internal information sources

External sources	Internal sources
Stakeholder engagement and consultation	Company business model, strategies, and policies
Studies and surveys commissioned by OKEA	Financial and non-financial disclosures
Ongoing dialogue with growers, communities in which we operate, civil society, NGOs, business community, industry associations, governments, regulators, investors, and the media	Enterprise risk management reports
Sustainability topics identified by leaders and peers	Employee surveys
Relevant sustainability standards and reporting frameworks have informed our assessment, such as the GRI Standards (including the Oil and Gas Sector Standard), the Recommendations of the Task Force on Climate-related Financial Disclosures and the UN Global Compact.	Earlier materiality assessments

The table below shows how each material topic is relevant for the company’s economic, social, and environmental impacts. The topics are linked to the SDGs which they influence, and to the relevant GRI standard for reporting. The important topics are within areas where OKEA has responsibility or can influence, the boundary of each topic is shown in the table below. The topics cover different part of the value chain. The results from the indicators we are reporting on are discussed in the Environmental, Social and Governance (ESG) report.

Table 3. Material topic and its relevance for OKEA’s economic, social, and environmental impacts

Material topics identified by OKEA	Reference GRI standards and GRI sector standard ref.	Impact on SDG (Sustainable Development Goal)	Impacted SDGs	Topic boundary
Greenhouse gas emissions Other emissions	305: Emissions S11.1 GHG (greenhouse gas) emissions	Emission reduction ambitions in line with the United Nations (UN) Framework Convention on Climate Change (FCCC) Paris Agreement	SDG 13	Entire value chain
Biodiversity, closure, and rehabilitation	304: Biodiversity S11.4 Biodiversity S11.7 Closure and rehabilitation	Managing and reducing the negative impacts on species and ecosystems of our operations and promoting sustainable ocean management	SDG 14, SDG 11	Own operations
Water and effluents	303 Water and effluents S11.6 Water and effluents	Efficient water use, protection of water courses and reduction of the release of water pollutants Prevention of potential spills and pollution of air and water	SDG 6, SDG 14	
Energy efficiency	302: Energy	Provide energy	SDG 7	Entire value chain
Waste and Circular economy	306: Effluents and waste S11.5 Waste	Making the most of resources while reducing waste and minimizing the impact on the environment.	SDG 12, SDG 9	Entire value chain
Occupational health, safety, and security	403: Occupational health and safety S11.8 Asset integrity and critical incident management	Provide a safe working environment for employees and contractors through a strong health and safety culture Upholding of the principles set out in the International Labour Organization’s core conventions.	SDG 3	Entire value chain Own operations
People development and engagement	403: Occupational health and safety 404: Training and education	Attraction and retention of talent, including programs, such as learning and development, recognition, and work-life balance	SDG 4	Entire value chain Own operations

Material topics identified by OKEA	Reference GRI standards	Impact on SDG (Sustainable Development Goal)	Impacted SDGs	Topic boundary
Diversity, equal opportunity, and inclusion	405: Diversity and equal opportunity 406: non-discrimination S11.11 Non-discrimination and equal opportunity	Promote a diverse and engaged workforce	SDG 5, SDG 8	Own operations Entire value chain
Employment practices	102-41 Collective bargaining agreements 401: Employment	Engagement, open discussions, and collaborations with stakeholders to tackle pressing sustainability challenges.	SDG 8	Own operations Own operations
Local community impact	102-4 Location of Operations 103-2 Significant indirect economic impacts	Uphold positive impacts on local communities through taxes, jobs, R&D, supply chain and local content	SDG 4, SDG 8, SDG 11, SDG 17	Community, own operations
Economic impact (direct and indirect)	203-1 Infrastructure investments and services supported 204-1 Proportion of spending on local suppliers			
Research and development	GRI 413: Local Communities S11.17 Rights of Indigenous people 201-1 Direct economic value generated and distributed. 305: Emissions 302: Energy 413 Local Communities			
Sustainable and responsible supply chain	102-9 Supply Chain 102-10 Significant changes to org & supply chain 204: Procurement practices 306: Supplier environmental assessment 306: Supplier social assessment 412: Human rights assessment	Promote our Code of Conduct throughout our value supply chain Uphold the highest anti-corruption standards Promote fair competition Maintain clear whistleblowing procedures	SDG 17	Supply chain

Material topics identified by OKEA	Reference GRI standards	Impact on SDG (Sustainable Development Goal)	Impacted SDGs	Topic boundary
Climate adaption, resilience, and transition risk	201-2 Financial implications and other risks and opportunities due to climate change 306: Emissions S11.2 Climate adaptation, resilience, and transition	Technologies and solutions researched, developed, and brought to market that address the challenges posed by climate change.	SDG 13	Entire value chain
Corporate governance	102-18 Governance structure 205 Anti corruptions 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices 207: Tax S11.21 Payments to governments 307: Environmental compliance 415: Public policy	Good practices of corporate governance and compliance with laws, regulations, and company standards.	SDG 16	Entire value chain
Business ethics and integrity	102-16 Values, principles, standards, and norms of behaviour 102-17 Mechanisms for advice and concerns about ethics	Conduct business with integrity, promoting a speak-up culture free of retaliation, and treating our employees and stakeholders honestly and fairly.	SDG 8, SDG 17	Entire value chain

The illustration below shows the results of the stakeholder and materiality analysis. The axes stand for the impact of the three sustainable dimensions, people, profit, and planet. The analysis guides our main challenges and points out our strategic priorities for improving the positive impact of our main topics in all the sustainability dimensions and the SDGs (Sustainable Development Goals) we have prioritised. Our topics have an impact in various parts of the value chain. We have chosen to use only those parts of the axes that focus on the topics that are the most important, both for OKEA and our stakeholders.



Figure 1. Stakeholder and materiality analysis in the three sustainable dimensions, people, profit, and planet.

2.4. Prioritization of topics important to OKEA and our stakeholders

Second, we assessed the potentially relevant topics identified in the first step to decide the ones that were important to OKEA and our stakeholders. We used the following criteria's:

Table 4. Criteria for assessing significance of issues to stakeholders.

Significant to stakeholders	Impact on environment or society	Level of stakeholder concern	Contribution to sustainability
High	Known to directly cause extensive or severe damage or harm	Widely acknowledged as a major issue or unacceptable situation	An opportunity, with the potential to generate lasting improvement and development
Medium	Known contributor to declining state of ecosystems or socioeconomic conditions	Perceived as important in several locations or by some groups	Opportunities for localized improvement or support for wider initiatives
Low	Known to have measurable but limited effects	Isolated or indirect criticism	Can provide minor but measurable improvement

Table 5. Criteria for assessing significance of issues to the company.

Significant to stakeholders	Societal License to operate	Media, public or political impact	Impact on business strategy
High	Global, regional, or irreversible loss in societal license to operate	Strong criticism or anger expressed at an international level	Fundamental business change, including new opportunities
Medium	Substantive enforcement, fines, or regulatory action	Prolonged coverage or local criticism (e.g., National)	Alteration to stated intentions or commitments
Low	Minor non-compliance without penalties	Short-term coverage or local complaints	Modifications to positions or systems

The list of relevant topics was given a score related to importance to stakeholders and significance of OKEA's economic, environmental and social impacts.

2.5. Classification of topics as material and monitored

Finally, the topics that were identified as important to OKEA and our stakeholders, were classified as material topics or monitored topics:

- **Material topics:** Material topics are those that have been classified on the far right in materiality matrix.
- **Monitored topics:** Monitored topics are the remaining topics are important for us to be a responsible business.

All material topics and monitored topics are identified in our updated materiality matrix.

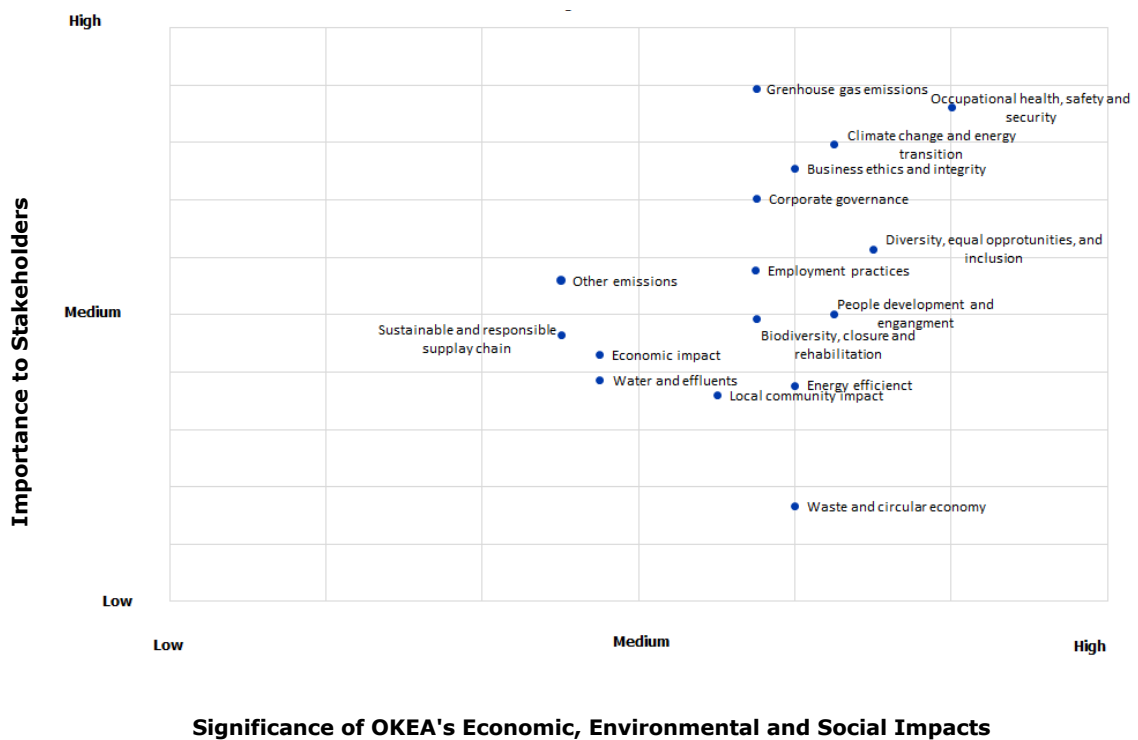


Figure 2. Materiality matrix