



Project Value

CO2 Reduction >250,000te/yr

Project Scope

30% reduction target in annual absolute operated-asset CO₂ emissions by 2025 and a 50% reduction by 2028.

In June 2020, recognising the important role that the oil and gas industry plays in attaining the goal of net-zero, Harbour Energy incorporated a Reserve-Based Loan margin adjustment in our financing debt facility, linked to carbon emission reductions.

Harbour Energy is the first independent European exploration and production company to set and adopt such environmental targets within our financing.



Good Practice

As a reflection of the importance of climate change, Harbour Energy has committed to attaining the goal of net-zero no later than 2035, well in advance of the UK Government goal of 2050 by:

- Reducing Scope 1 emissions (i.e. directly related to operated assets)
- Reducing Scope 2 emissions (i.e. from the generation of purchased electricity)
- Purchasing offsets for an increasing portion of residual emissions
- Tracking and target-setting of emissions and emissions intensity (with third-party independently verified results)
- Developing all operated projects on a carbon-neutral basis
- Including emissions-related metrics in the company's incentive compensation programme
- Investment in CO₂ capture and storage initiatives with industry partners as well as in nature-based offset projects
- Incentives incorporated in main debt facility (from 2020) tied to progress in reducing emissions, namely:
 - Applying a discount/premium of up to 5.0 bps (0.05%) based on absolute emission reductions with the margin adjustment each year (this will not consider any margin adjustment from the previous year)
 - Annual testing to encourage achievement of a target of a 30% reduction in direct emissions from operated assets for Scope 1 carbon emissions from gross operated assets by 2025
 - Using a sliding curve mechanism to continually incentivise affirmative actions
 - Basing carbon emissions off the aggregate amount of CO₂ emissions from their operated borrowing base assets
 - Annual independent audit of emissions, performed by ERM Certification and Verification Services and, provided by 31 March each year in relation to the previous calendar year.
 - Subsequent audited, annual testing, and emissions reports.
 - Harbour Energy's lending syndicate will receive an annual summary of results and a compliance certificate