Deloitte.

ESG Disclosure assessment and preparedness

ANALYSIS OF RESULTS—OIL & GAS

April, 2023

Contents

Key findings

Executives at Oil & Gas companies are preparing extensively for regulatory changes and see benefits from enhancing their reporting, but challenges still remain.

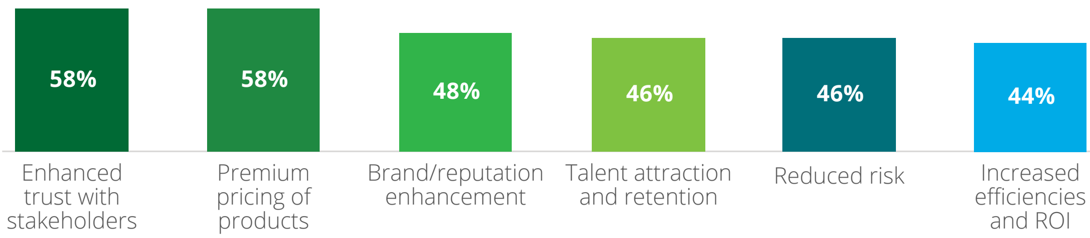
Executives report positive potential outcomes with enhanced ESG reporting, including enhanced trust with stakeholders (58%) and premium product pricing (58%).

Looking ahead, most executives at these companies (62%) say they are very likely to invest in new technology or tools in the next 12 months to enable timely data and high-quality disclosure, and another 36% are at least somewhat likely. This investment can help address the challenges executives are facing, including ESG data quality and review. The steps speak to how the Oil & Gas industry has prepared for new regulatory requirements, as 8% are already fully prepared and another 58% are taking extensive steps to prepare.

Executives identify a range of positive tangible and intangible outcomes as a result of enhanced ESG outcomes

Quantifiable benefits include premium product pricing (58%), attracting and retaining staff (46%), reduced risk (46%) and improved ROI (44%). While more difficult to measure but also important are strengthened bonds with stakeholders (58%) and enhanced brand reputation (48%).

Expected business outcomes due to enhanced ESG reporting
Oil & Gas, top three ranked responses, N=100

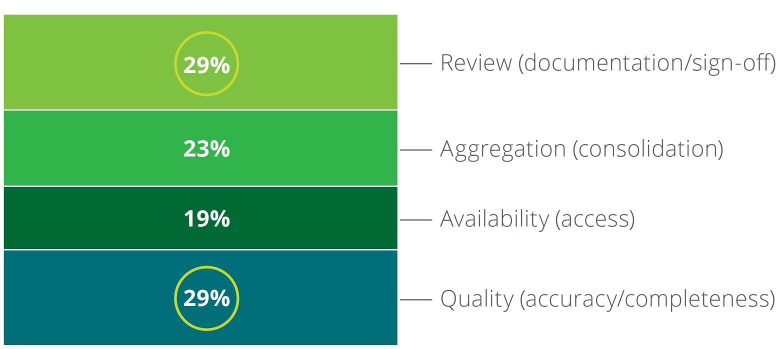


Please rank these business outcomes in terms of your expectations due to your company's enhanced ESG reporting. Top three ranked responses

Quality of data and review are the top ESG data challenges

Nearly a third (29%) mention ESG data quality as their greatest challenge while for another 29% documentation and sign-off are most challenging.

Greatest challenge with ESG data
Oil & Gas, N=100

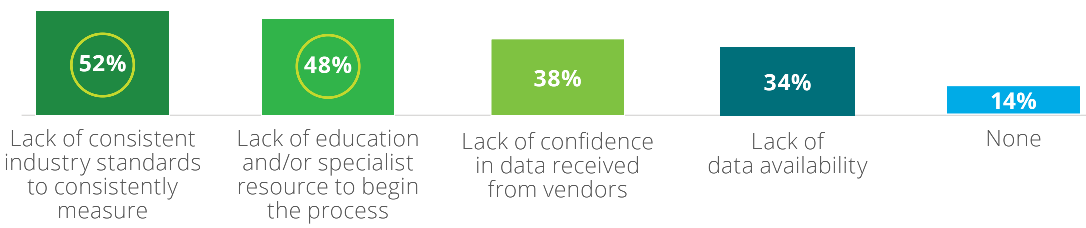


Of the following, what is your greatest challenge with respect to ESG data for your company?

More consistent standards and specialists are needed to overcome Scope 3 challenges

More than half (52%*) of executives cite lack of consistent standards as a barrier to measuring Scope 3 GHG emissions and 48%* say that a lack of knowledgeable resources to begin the process is a big challenge.

Challenges in measuring scope 3 GHG emissions
Asked among those prepared to disclose scope in the Oil & Gas industry n=29*

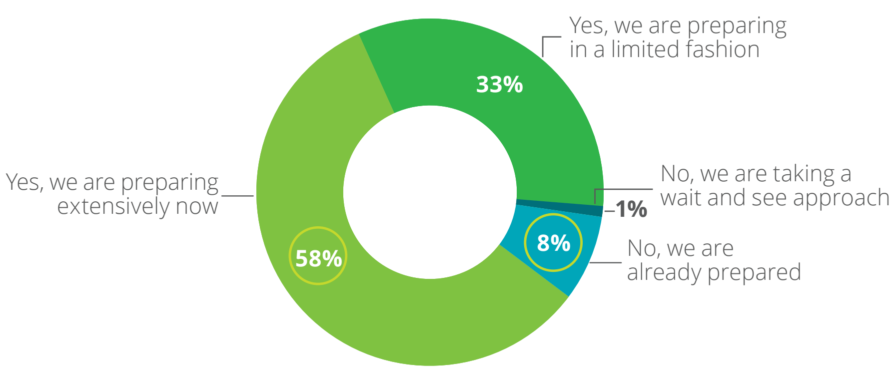


*What are the biggest challenges to your company in measuring Scope 3 GHG emissions? *Small base size; findings are directional.*

Most are preparing for new requirements now

Most (66%) are either already prepared or are actively taking steps to prepare for anticipated new regulatory requirements. Hardly any (just 1%) are taking a wait and see approach.

Preparing for potential increased disclosure requirements
Oil & Gas, N=100

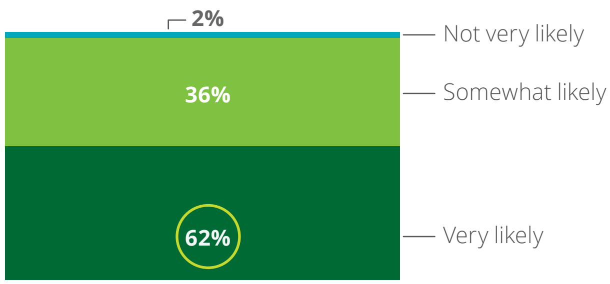


Is your organization taking steps to actively prepare for potential increased ESG regulatory or other disclosure requirements?

Oil & gas companies are investing accordingly

More than 3 in 5 (62%) of executives see their companies making investments in the next 12 months that will improve timeliness and quality of data and disclosures. Another 36% say this is at least somewhat likely to happen.

Likelyhood of investing in new technology/tools
Oil & Gas, N=100



How likely is your company to invest in new technology or tools to enable more timely data and high-quality disclosure in the next 12 months?

Methodology
The Deloitte ESG Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 300 Executives at publicly owned companies with a minimum annual revenue requirement of $500 million or more. Executives are defined as Senior Finance Accounting, Sustainability, and Legal Executives with a minimum seniority of director, or Chief Risk Officers, General Counsels, Chief Legal Officers or Chief Sustainability Officers, as well as oversample interviews to increase the total sample size to 100 in the Oil and Gas industry, conducted between August 30th and September 7th, 2022, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 5.7 percentage points in the main sample, and 9.8 percentage points in the industry-specific oversample, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.