

2013

Sustainability
report



Statoil

2013

Sustainability report

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Cover photo: Harald Pettersen

2013 Sustainability report

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Find out more

Other relevant sources of information:

- Statoil.com
- Annual Report on Form 20-F
- Statutory Report
- Statoil Canada Oil Sands Report

Feedback

Your feedback is important. You can contact the corporate sustainability reporting team at sustainabilityreport@statoil.com.

Photography

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1 Sustainability at Statoil

Sustainability must go to the core of our business. Our values guide us as we develop society's natural resources. Our economic, environmental and social performance is driven by effective long-term relationships, technology and efficient use of resources and capital.

We live in a fast-moving, highly interconnected and complex world. Breakthrough technologies, demographic shifts, societies in transformation and economic volatility are re-shaping the communities in which we do business.

According to the International Energy Agency, world energy demand is likely to grow by some 35% by 2035. This means that the energy systems of tomorrow are still not in place. Some USD 350 trillion of investments in urban infrastructure alone will be needed in the next three decades. Investments of this scale cannot be met without substantial capacity expansion, technological progress and innovation.

Our industry has an important role to play through technological innovation and partnerships with industry, civil society and governments. In a world with shrinking carbon budgets, Statoil needs to operate with high carbon efficiency and support policy makers in addressing climate change. In a world with increased pressure on land and water, we need to drive resource efficiency in all our operations. To create trust and foster a predictable business environment, we need to promote transparency and accountability.

In 2013, we merged the environment, climate and social performance functions in Statoil into a new function and renamed it "Sustainability". This gave us the opportunity to further develop our framework and aspirations for a holistic approach to carbon, natural resource efficiency, environmental protection, local value creation, human rights and transparency positions in Statoil. The approach is based on our fundamental belief in the business case for sustainability - efficiency in resources and therefore costs, a long-term social licence to operate and technology that will secure future business opportunities. Our sustainability report for 2013 is centered around these topics.

A board committee for Safety, Sustainability and Ethics assists the Board in its supervision of the company's safety, sustainability and ethics policies, systems and principles. For a more detailed description of the objectives, duties and composition of the committee, see the instructions for the committee at Statoil.com.



2 Materiality and scope

Our report focuses on the sustainability issues that significantly affect business performance and matter most to our key stakeholders.

We have conducted a thorough content selection process for this report based on the Global Reporting Initiative (GRI) technical protocol "Applying the report content principles", which recommends that content is selected on the basis of a materiality analysis. The materiality assessment process consisted of three steps:

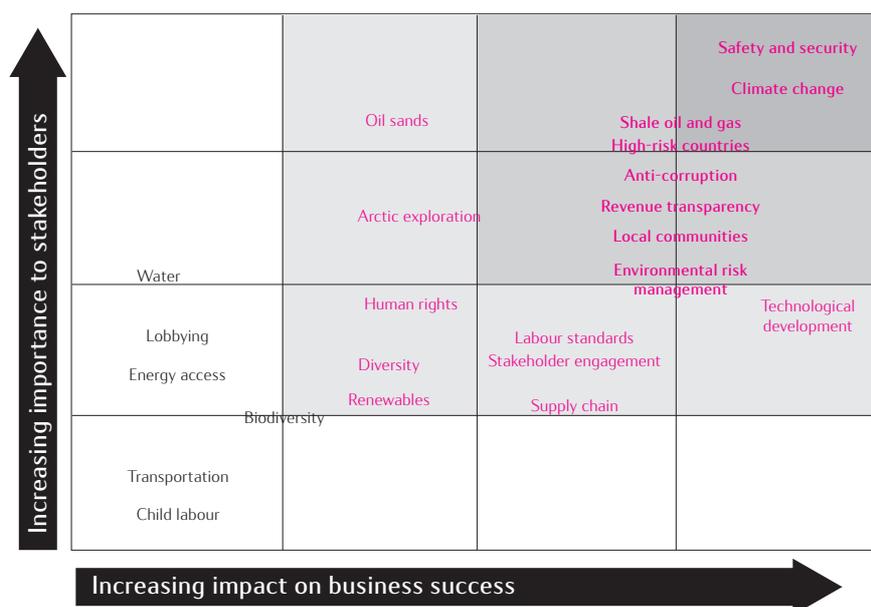
- **Identification** - we identified relevant topics that should be assessed for potential inclusion in the report, based on sustainability context, stakeholder expectations and business impact.
- **Prioritisation** - we prioritised content based on an assessment of the significance to stakeholders and potential impact on Statoil.
- **Validation** - we assessed the completeness of the material aspects identified in terms of scope, boundary and time.

We identified relevant sustainability topics through media analysis, document studies, peer review and input from key stakeholders. The topics were prioritised based on significance to external stakeholders and impact on Statoil. The assessment of significance to stakeholders was based on stakeholder dialogues, media analysis and our reputation study. Key stakeholder groups were investors, including our majority owner (the Norwegian government), host governments, civil society and employees. Our prioritisation of the topics reflected business priorities and potential financial and reputational impact.

In order to make the sustainability report concise and relevant at a corporate level, we focus primarily on topics of high materiality. Aspects identified as having very high materiality to both Statoil and our stakeholders include safety and security, climate change, shale oil and gas, high-risk countries, anti-corruption, revenue transparency, local communities and environmental risk management. These issues are covered in depth in the report. Cross-cutting topics such as high-risk countries and environmental risk management are addressed in several articles. Issues related to high-risk countries are addressed in the *Transparency, Safety and security* and *Human rights* articles. Environmental risk management is addressed in the *Safety and security, Climate change, Resource efficiency* and *Environmental impact* articles.

Materiality map

The illustration provides a high-level overview of the materiality of topics at corporate level in 2013, based on stakeholder expectations and potential impact on Statoil. All issues in the plot are relevant to and managed by Statoil, however the report focuses primarily on topics of high materiality. Topics of low materiality at corporate level can be significant at a local level. Further information about a wider range of sustainability related topics can be found at Statoil.com.



3 Safety and security

The safety and security of people who work for us is our first priority. In 2013 Statoil experienced the worst terrorist attack in the history of the oil and gas industry.

In Amenas

Forty innocent people were killed, including five Statoil employees, in the brutal terrorist attack on In Amenas 16 January. Following the attack, on 26 February 2013 the Board of Directors commissioned an investigation into the attack. The main objectives of the investigation were to clarify the chain of events and to facilitate learning and further improvements within risk assessment, security and emergency preparedness.

The investigation team submitted its report on 9 September 2013. The report was discussed by the Board of Directors on 11 September and made public the following day. The main conclusions of the investigation were:

On the attack:

- The sum of outer and inner security measures failed to protect the people at the site from the attack on In Amenas on 16 January. The Algerian military were not able to detect or prevent the attackers from reaching the site. Security measures at the site were not constructed to withstand or delay an attack of this scale, and relied on military protection working effectively.
- Neither Statoil nor the joint venture could have prevented the attack, but there is reason to question the extent of their reliance on Algerian military protection. Neither of them conceived of a scenario where a large force of armed attackers reached the facility.
- The joint venture incident management team led the civilian crisis response, supported by Sonatrach and many other agencies on the ground. Statoil's contribution to the overall emergency response was effective and professional. The investigation team has not identified areas where a different response by Statoil could have changed the outcome.

On security in Statoil:

- Statoil has established a security risk management system, but the company's overall capabilities and culture must be strengthened to respond to the security risks associated with operations in volatile and complex environments.

The report made 19 recommendations within the following areas: security at In Amenas and other facilities in Algeria; organisation and capabilities; security risk management systems; emergency preparedness and response; and cooperation and networks. A new corporate unit for *Security and emergency preparedness* and a security improvement programme with a dedicated programme manager has been established in order to strengthen the security area and implement the report's recommendations. The company will now ensure that the recommendations are prioritized and integrated into the security improvement programme that has been initiated. The Board of Directors has endorsed the improvement programme, and will continuously monitor the implementation and consider the need for further measures. The investigation report is available on Statoil.com.

Our approach

We strive to ensure safe and secure operations that protect people, the environment, communities and material assets. The In Amenas incident in 2013 demonstrated our vulnerability and the importance of building a strong and robust safety and security culture. We also recognise that the industry is facing high scrutiny and public concern about the safety and security of its activities. It follows that sound safety performance is a prerequisite for our long-term success. We aim to be recognised for our safety performance and to be a driving force for improving safety and security standards in our industry.

We are working closely with industry peers on prevention and emergency preparedness. Our industry is determined to learn from incidents and accidents to prevent similar occurrences in the future. By analysing our own incidents along with those of the energy industry at large, we ensure a dynamic approach to safety performance management. We do believe that accidents can be prevented. However, we recognise the risks associated with our business and are prepared to handle situations that require immediate action to save lives and protect the environment, facilities, equipment and any third parties who may be affected. As such, Statoil holds regular emergency response drills and training courses, as well as travel security and hostage survival courses.

Everyone working for us, and in the joint ventures we operate, is required to comply with our safety and security standards and intervene in unsafe situations. We also actively engage with companies we contract with, as well as with the joint ventures we do not control, in order to encourage them to embed a strong safety and security culture in their workforces.

We are committed to ensuring a healthy working environment for our people and make systematic efforts to design and improve the working environment in order to prevent occupational accidents, work-related diseases and sickness absence. We emphasise the psychosocial aspects of the working environment and promote the good health and well-being of all of our employees.

Strategic focus areas within safety

Our ambition is to be an industry leader in safety. Our efforts to prevent major accidents are based on four focus areas that have guided our safety work in 2013:

Compliance & Leadership

This programme represents a structured way of working that focuses on understanding tasks, risks and requirements, to ensure a safe and efficient performance of any task. Team planning, risk management and learning are important elements. The compliance & leadership model is considered to be one of the most important tools for improved safety performance in the company. Both employees and suppliers have been given training in this programme. More information about the programme is available in the Statoil Book, available at Statoil.com.

Simplification of the management system

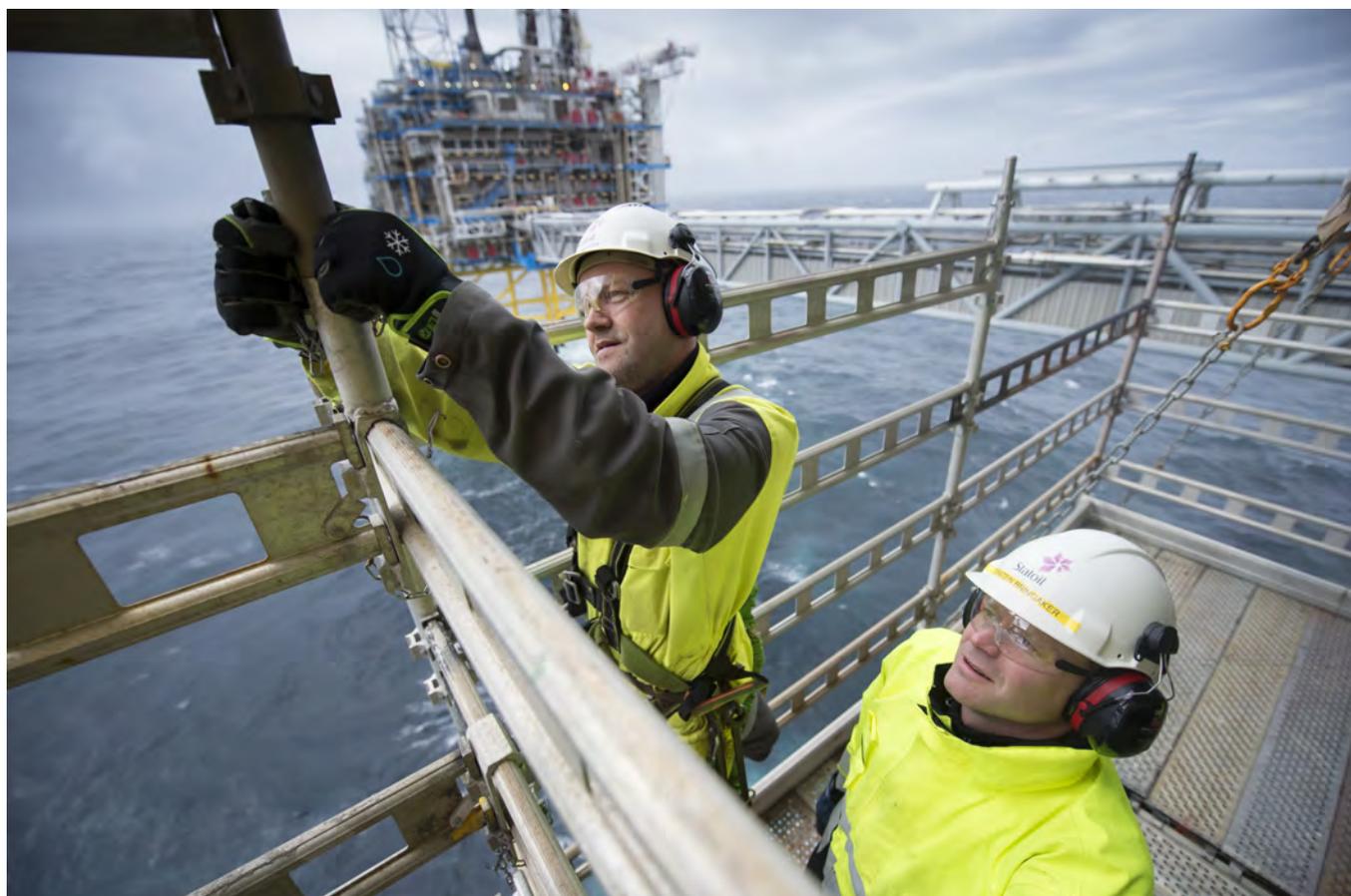
A new management system tool was implemented in 2012 and it has resulted in simplification and improvement for end users. Several of the most widely used work processes have been simplified and globalised in order to ensure safe and efficient operations.

Risk management

Further strengthening of risk identification and risk management has been given priority in 2013. The internal major accident forum is an arena where the corporate executive committee, key process owners, corporate audit and employee representatives convene to review and discuss major accidents affecting the industry and Statoil. In 2013, the forum focused on well integrity and safety critical maintenance.

Technical integrity

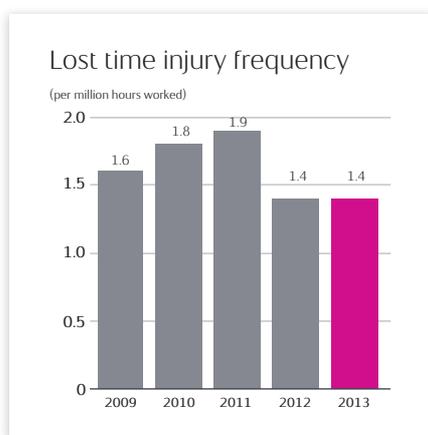
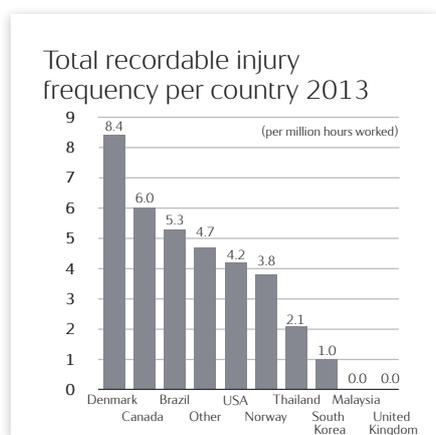
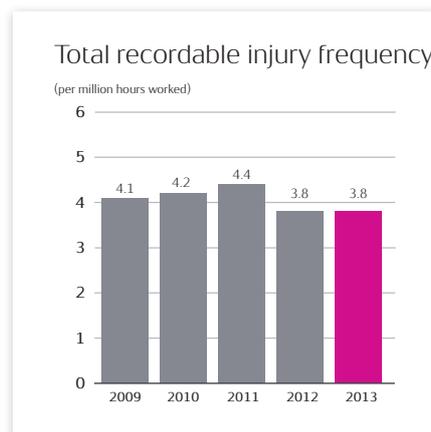
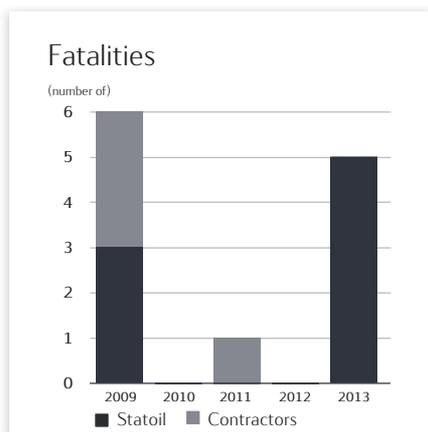
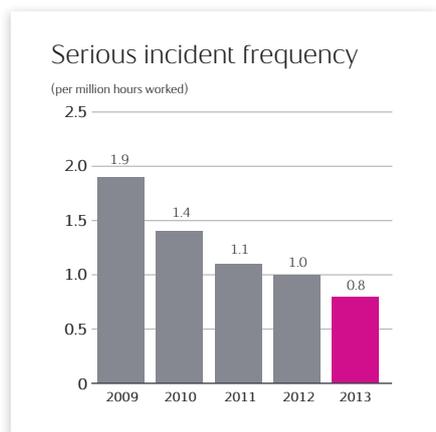
We recognise that the integrity of technical safety barriers on our offshore installations and at our onshore plants is essential for managing major accident risk. We have implemented the technical integrity management programme (TIMP) across the majority of Statoil-operated facilities. The system gives an up-to-date, comprehensive, systematic and easily accessible overview of plant integrity. By focusing on strengthened planning, maintenance of safety critical equipment, and the continued implementation and development of TIMP, we have reduced the backlog of maintenance of safety critical equipment and improved well integrity management.



Health and safety performance

Our long-term safety target is to achieve a serious incident frequency (SIF) of 0.5 or below by 2015. The SIF indicator (including both Statoil employees and contractors) combines actual consequences of incidents and the potential for incidents to develop into serious or major accidents. In 2013, our serious incident frequency performance improved, with a decrease from 1.0 in 2012 to 0.8 in 2013. Analysis of the serious incidents indicates that work practices and technical conditions are the most common causes of incidents.

Sadly, we lost five highly respected colleagues in the brutal terrorist attack at In Amenas in 2013, where forty innocent people were killed. The number of total recordable injuries per million work hours (TRIF) remained stable at 3.8 in 2013, and the lost-time injury frequency remained stable at 1.4. A further breakdown shows that the TRIF for our employees decreased from 2.7 in 2012 to 2.0 in 2013, whereas the TRIF for our contractors increased from 4.3 in 2012 to 4.7 in 2013. There were no fatalities among our contractors working at Statoil-operated assets in 2013.



Oil and gas leakages

Oil and gas leakages are a main contributor to major accident risk. As part of our risk management, we closely monitor the key performance indicator "Oil and gas leakages" (leakages above 0.1 kg/sec). Following a period of decrease from 2008 to 2012, the number of oil and gas leakages increased in 2013. The main causes of leakages were technical failure and human error. Key focus areas going forward will be to further enhance technical integrity and to continue implementing the *Compliance and Leadership* programme, which focuses on strengthening safety culture and behaviour.

Safety is our first priority - example from Njord

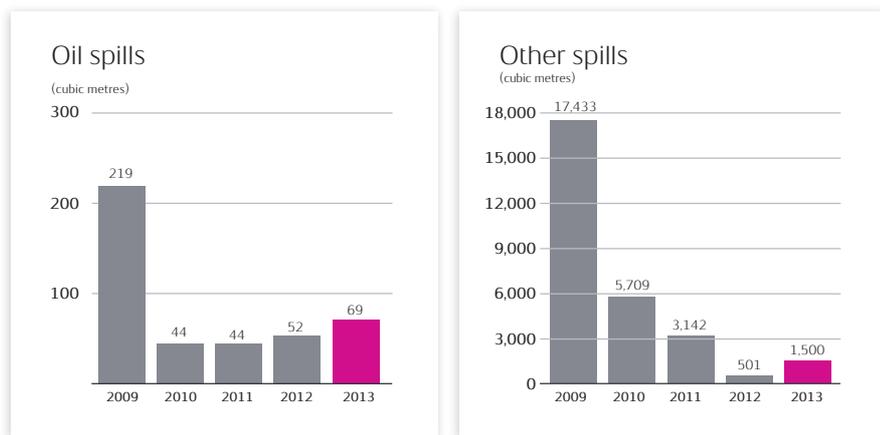
In July 2013, a planned maintenance shutdown at the Njord offshore facility was conducted. At the time, the plan was to resume production in mid-September. Extensive analysis and inspection work carried out during the shutdown revealed the need to reinforce a number of beams in the platform structure before resuming production. It is now anticipated that this work may need to continue towards the summer of 2014. In connection with this ongoing reinforcement work taking place on board the platform, de-manning was undertaken as a precautionary measure in November 2013, as Njord was affected by adverse weather. This was a proactive measure designed to safeguard the personnel on board in challenging weather conditions during the reinforcement process.

Accidental spills

The number of unintentional oil spills was 219 in 2013, compared to 306 in 2012. The volume of oil spills increased from 52 cubic metres in 2012 to 69 cubic metres in 2013. The main contributor to the overall volume for 2013 was a discharge of 20 m³ diesel oil from the Glitne field, due to a malfunctioning valve combined with human error.

The number of other unintentional spills was 181 in 2013, compared with 180 in 2012. The volume of other unintentional spills in 2013 was 1,500 cubic metres compared with 501 cubic metres in 2012. The largest spill was from injected chemicals from Statfjord B, accidentally discharged following the loss of integrity in an injection well.

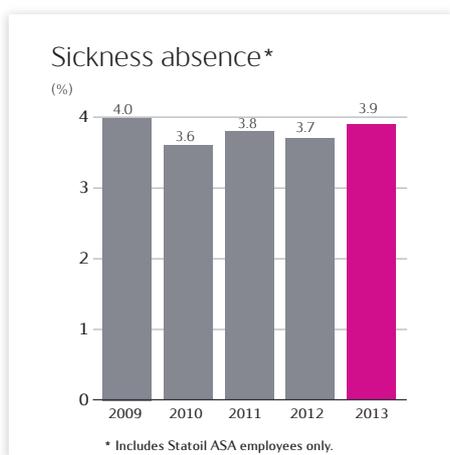
In 2013, it was discovered that chemicals had been leaking into the Norwegian Sea from an injection well at the Njord field over a period of six years (2000-2006). We have completed an internal investigation of this incident. A dialogue with the Norwegian Environment Agency has been established in connection with the close monitoring of these discharges and future operations on the Njord field. To reflect this leak, the volume of other spills reported for 2011 has been updated from 134 m³ to 3,142 m³.



Fines

In 2013, we accepted three fines related to safety. These included a NOK 30 million fine following the well control incident on the Gullfaks C platform in 2010 and a NOK 10 million fine for sending 180 cubic metres of wash water with chemicals and scale, stored on board the Oseberg C platform, with the oil flow to Sture in May 2011. In addition, we accepted a NOK 11 million fine for non-compliance pertaining to operational safety issues at Peregrino.

Health and working environment



Our priority areas within health and working environment are travel-related health risks, workload and the psycho-social work environment, ergonomics, noise and exposure to chemicals. We are also concerned with the possible impact of our presence on health in the local communities in the vicinity of our activities. We focus on the proactive management of risks and risk-based health surveillance, as well as analysing and monitoring work-related illness cases.

Hearing reduction, ergonomic strains and psychosocial factors were the most significant types of exposure causing work-related illnesses in 2013. These illness categories are monitored using specific tools. The sickness absence rate increased from 3.7% in 2012 to 3.9% in 2013.

In 2013, specific attention was given to collaboration with contractors to reduce the noise burden. Statoil continued to fund noise research projects on hearing protection and noise exposure. Furthermore, Statoil is committed to sharing knowledge and tools via a noise project, initiated by the Norwegian Petroleum Safety Authority (PSA) and the Safety Forum. This project is chaired by the Norwegian Oil and Gas Association.

Future challenges

Our increasing global presence and operations in challenging environments, along with our extended cooperation with contractors, represent safety and security challenges that require attention and direction going forward. One such challenge is safety in the Arctic.

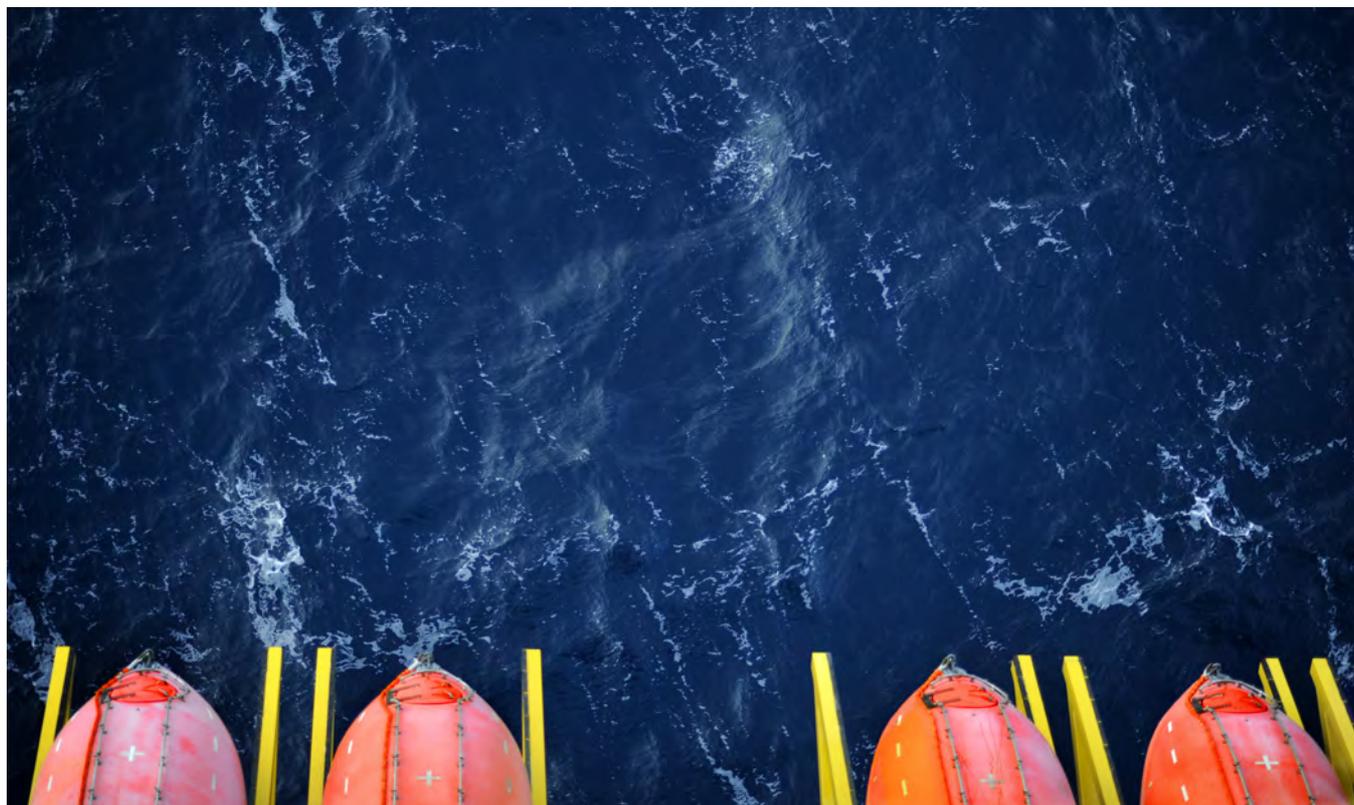
Safety in the Arctic

Our limited operational activity in the Arctic and sub-Arctic is currently focused on the relatively ice-free areas in the Norwegian Barents Sea and offshore Newfoundland, Canada. We have taken long-term positions in other Arctic basins and these are being matured for future exploration.

We pursue a step-wise approach to our Arctic activities. We have divided our offshore Arctic approach into three separate categories: the workable, the stretch and the extreme. The workable category covers completely ice-free areas. The stretch category comprises seasonally ice-free areas, such as the Beaufort Sea in Canada and western Greenland, where some level of new technological development is needed. The extreme category is a distant future option. It comprises the part of the Arctic covered in ice most of the year.

Oil spill response challenges in the Arctic are related to extreme cold, ice-covered waters, the darkness of winter, and limited access to clean-up resources. Prevention is our primary focus, but, in the event of an oil spill, we strive to ensure that the response is robust, efficient and well-adapted to local conditions. To strengthen the oil and gas industry's oil spill response capabilities in the Arctic, a key stakeholder concern, Statoil is one of nine companies participating in the Arctic Response Technology Joint Industry Programme that aims to further build on existing research and improve the technologies and methodologies applying to Arctic oil spill response.

We are conducting several long-term industrial research projects with universities and institutions focusing on developing innovative technologies for the safe and sustainable exploration and production of oil and gas in the Arctic. We are developing new tools relevant for operations in the far North and Arctic region, such as simulator-based training courses for navigation in ice and for ice management. Another focus area is the design of durable structures and vessels for Arctic environments, with the emphasis on reliable prediction of ice loads on both fixed and moored offshore structures.



4 Climate change

Our business decisions are being shaped in the light of climate change. We are expecting and preparing for an increased carbon price and stricter climate regulations.

Energy realities

The world will depend on oil and gas as primary energy sources for decades to come. This energy is vital for human well-being and for countries' economic development. Energy access is essential for clean water, sanitation and healthcare and for the provision of reliable and efficient lighting, heating, cooking, mechanical power, transport and telecommunications services.

In its *World Energy Outlook 2013* the International Energy Agency (IEA) projects global energy demand to rise one-third by 2035. Fossil fuels presently comprise 82% of world energy demand and renewable energy will reduce our reliance on fossil fuels to 76% by 2035. We are preparing for a future of growing energy needs and an ever-increasing focus on efficiency and emission reductions.

External benchmarks, such as the Carbon Disclosure Project *Global 500 Climate Change Report 2013*, document that Statoil is currently one of the most carbon efficient international oil and gas companies. This is due in part to twenty years of regulation on the Norwegian continental shelf, geological conditions in the Norwegian sector and close proximity to markets. However, the emissions from our activities are expected to grow, driven by production growth and maturing assets on the Norwegian continental shelf (NCS). Our ability to manage this development will be a critical success factor for our business.

Our position on climate change

In 2012, we publicly shared our positions on climate change, available at Statoil.com. Our major contribution is the supply of clean, affordable and abundant natural gas. As the second largest supplier of natural gas to Europe, we provide energy that offers a golden opportunity to reduce emissions. Natural gas emits about 50% less carbon dioxide than coal and can effect significant, immediate reductions in emissions when it replaces coal.

As part of our response to the climate challenge, we have established a strategic objective to be an industry leader in carbon efficiency and are monitoring and routinely reporting on greenhouse gas emissions, including CO₂ and CH₄.

Beyond our core operations, we work with governments, businesses, peers and civil society to facilitate the development of viable global policies and regulatory frameworks. As a main sponsor of the International Emission Trading Associations (IETA)'s *Business Partnership for Market Readiness* programme, we are working with governments and businesses on implementation of carbon pricing tools. In 2013, we joined the World Resource Institute's *Corporate Consultative Group*, addressing responses to water and climate related challenges.

We advocate a global price on carbon reflecting the real impact of emissions, in order to stimulate technologies that can deliver energy with minimum carbon footprint. An important climate policy issue in 2013 has been the low price of carbon in the European Union's Emission Trading Scheme (EU ETS). We work with peers and business organisations to convince policy makers that the EU ETS needs to urgently deliver a price signal that will stimulate fuel switching from coal to gas and investments in low carbon technologies.

Natural gas consists primarily of methane, CH₄. It is a valuable commodity in which we have a strong global portfolio, based on both onshore and offshore operations. When leaked, methane is also a potent greenhouse-gas (GHG). However, in contrast to CO₂, methane is a short-lived GHG with a net lifetime of 12.4 years in the atmosphere. It has a considerable effect for a brief period, which implies that both short and long-term strategies for reducing methane and carbon dioxide emissions are important. Methane emissions in the oil and gas industry make up 20% of global emissions and are primarily related to emissions from flaring and fugitive emissions.

Recently we have increased our focus on methane emissions. We partner with the Norwegian government as an associate member of the Global Methane Initiative. We are participating in a collaborative study to measure emissions from the onshore production of natural gas, led by the University of Texas in the United States. This will give us a better understanding of potential leakage points and help implement meaningful policy solutions. This kind of collaborative effort is essential to meet what is an industry-wide challenge.

More information about our climate strategy and position is available at Statoil.com.

"Unburnable" carbon?

In 2013, there was increased interest from investors and other stakeholders in "unburnable" carbon. They asked whether new regulations could increase the costs of emitting greenhouse gases and thereby reduce the demand for and price of fossil fuels, and they wanted to know how oil and gas companies evaluate and manage these risks. Statoil replied comprehensively to a letter from investors addressing this concern. Our full response can be found at Statoil.com. Key points are addressed below.

We assess the impact on our projects and portfolio of shrinking carbon budgets, i.e. potentially lower oil and gas prices, significantly higher emission costs and new climate regulation. This guides our strategy and our investment decisions. Our assessment is aligned with the IEA's view that oil, and in particular gas, will be less impacted than coal in a carbon constrained world. According to the IEA, the demand for gas within the 2°C climate change scenario will be 20 % higher in 2035 than today, while oil demand will be almost as high as today. With declining production from existing fields, significant new capacity for both oil and gas is needed to meet this energy demand.

The carbon price included in all our projects across the world does vary in accordance with policies already in place and our expectations for future policies. We expect carbon costs in the EU ETS to increase towards 2020 in anticipation of a tightening of the emission allowance market. By 2020 we expect carbon costs to have reached a level that will make unabated coal-fired power generation unattractive. Thereafter we expect the EU ETS carbon price to continue to increase, and we also expect carbon pricing to be introduced in other regions of the world - with prices gradually approaching the carbon price in the EU.



2020 CO₂ intensity targets

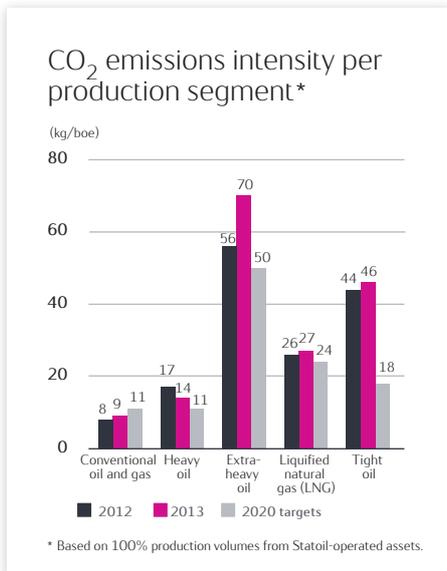
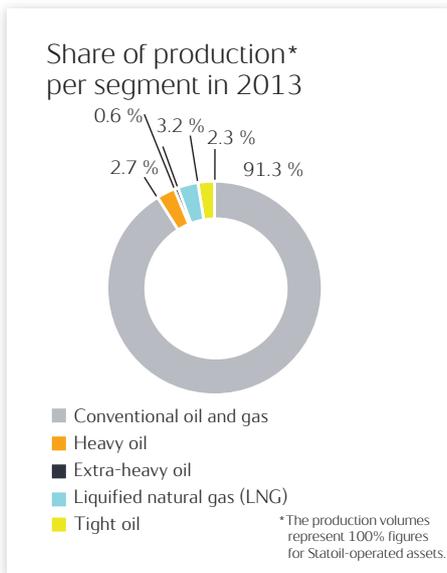
Our 2020 carbon intensity targets per production segment were established and communicated externally in 2012. A segment-based approach to measuring carbon intensity was chosen in order to make industry comparisons possible and because there are significant differences in carbon intensities between the production segments. In 2013, the targets were reviewed. We increased our ambition for heavy oil and established a target for the production segment tight oil. The targets are valid for Statoil-operated assets.

In order to measure progress towards our 2020 carbon intensity targets, a new CO₂ emissions reductions indicator was piloted in 2013. The indicator measures reductions achieved at Statoil-operated assets through targeted projects.

Our climate targets are long-term and reflect our ambition to be an industry leader in carbon efficiency. Initiatives to reduce carbon intensity may take years to mature and implement. For some segments, we expect that emissions intensities will remain stable or even increase before reduction initiatives yield results. It should also be noted that changes in our asset portfolio and production disturbances can affect the result for a particular year. This is particularly relevant in segments where we have few assets. Our targets are subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

| Production segment | 2020 target | Comments |
|--|----------------------------|--|
| Conventional oil and gas - includes all Statoil-operated assets and installations on the Norwegian Continental Shelf (NCS). | 11 kg CO ₂ /boe | <p>We expect the CO₂ intensity for conventional oil and gas to increase slightly towards 2020. The increase is due to maturing fields and enhanced oil recovery on the NCS.</p> <p>We are committed to delivering energy efficiency measures for our NCS operations, achieving a total effect of 800 000 tonnes CO₂ saved from 2008 up to 2020, as part of the industry's collaborative Konkraft target. More than 500 000 tonnes accumulated reductions of CO₂ have been achieved by 2013.</p> <p>Annual energy efficiency plans are, and will be, established in order to achieve the target in 2020. In addition to local improvements on existing installations, technology developments such as seabed compression on Åsgard and Gullfaks are expected to reduce CO₂ emissions. Carbon capture and storage (CCS) has been installed at Sleipner since 1996, and the Hammerfest LNG facility is the world's first LNG plant with CO₂ capture and storage.</p> |
| Heavy oil (22,3-10 API) - includes the Peregrino asset in Brazil. | 11 kg CO ₂ /boe | In 2013, the intensity target for the heavy oil segment was revised from 17 to 11 kg CO ₂ /boe due to continued performance improvement of Peregrino, improved forecasts, and fields in development. |
| Extra-heavy oil, including oil sands (<10 API) - includes the oil sands operations at Leismer, Canada. | 50 kg CO ₂ /boe | <p>The 2020 CO₂ intensity target for extra heavy oil is a projection for the portfolio of assets we expect to have within this segment, and not only for current assets such as the Leismer Demonstration Project. The Leismer Demonstration Project is the first phase of our oil sands development and is the only producing asset in the extra heavy oil portfolio today. The demonstration project is intended to pilot new research and technologies on a manageable scale. The experience gained will be applied to new projects that we expect to commence production before 2020.</p> <p>In 2013, we continued to work with government, academia and other oil sands operators to evaluate and identify technologies that we believe could result in a step-change in our oil sands performance. We have identified a group of 14 technologies to evaluate and test in order to reduce the volume of steam used to produce a barrel of bitumen.</p> <p>In the near term, the CO₂ intensity for Leismer may be higher than the projected segment target. Key factors to reaching the segment target include: promoting operational efficiency, understanding and responding to well maturity and production profiles and success in testing and deploying new technologies.</p> |
| Liquefied Natural Gas (LNG) - includes the Hammerfest LNG asset in Northern Norway. | 24 kg CO ₂ /boe | The CO ₂ intensity target is based upon best expected performance of the Hammerfest LNG facility, located in an Arctic climate. The intensity for this segment may be increased if new assets located in a milder climate are added to the portfolio. |
| Shale gas - no relevant operations in this segment 2013. | NA | <p>In 2012, we announced a shale gas intensity target of 6 kg CO₂/boe, based on equity share. This target was based on limited experience of shale gas activities. A revised target for assets under operational control will be established in 2014, based on more mature information about this production segment.</p> <p>We took on the operatorship for Eagle Ford and for one well-pair at Marcellus during the course of 2013. The new assets will be included in the carbon intensity reporting for 2014.</p> |
| Tight oil - includes the shale oil operations in the Bakken, US. | 18 kg CO ₂ /boe | <p>Reduced flaring is a key success factor in achieving the intensity target for tight oil. We have a strategy in place to reduce flaring in the Bakken. The most important element in this strategy is the timely development of a midstream infrastructure that allows for the offtake of associated gas. We are working with our midstream partners to address these infrastructure needs.</p> <p>More information is available in the Shale oil and gas article.</p> |

CO₂ emissions intensity performance



For **conventional oil and gas**, which represents over 90% of our total share of production from operated assets, carbon intensity increased from 8kg CO₂/boe to 9kg CO₂/boe in 2013. The increase was driven by more energy intensive production at mature assets. In addition, planned maintenance and unplanned production stops in 2013 impacted production while CO₂ emissions were not proportionally reduced.

For **heavy oil**, the carbon intensity decreased from 17kg CO₂/boe in 2012 to 14kg CO₂/boe in 2013. The reduction was a result of successful implementation of CO₂ emission reduction initiatives combined with an increase in production from 2012 to 2013.

For **LNG**, unplanned shutdowns during the first two quarters of 2013 resulted in reduced production with a subsequent energy intensive start-up of cold facilities. This resulted in an increase in CO₂ emission intensity from 26kg CO₂/boe in 2012 to 27kg CO₂/boe in 2013.

In 2013, there was an increase in CO₂ intensity levels for the **extra heavy oil** segment compared to 2012. We anticipated this increase in intensity due to two primary operational factors: First, more steam was utilised in 2013 to support our current production levels. This was mainly due to the age of the wells. As a Steam Assisted Gravity Drainage (SAGD) well matures, the chambers enlarge, requiring more steam to maintain production levels. We added an additional steam generator in 2013 to service existing wells and support future production. When introducing more steam, CO₂ intensity increases, because the resulting emissions are not balanced by a proportional increase in production. Second, planned maintenance resulted in a temporary suspension of production from the facility. Production was suspended to ensure regulatory compliance and to add components for piloting new technologies. As a result, production levels were lower and this impacted our overall CO₂ intensity rate.

Over time, as production increases, the CO₂ intensity level for the extra heavy oil segment is expected to improve as operations normalise and technological improvements yield results. However, in the near term, the CO₂ intensity for Leismer may be higher than the projected segment target. Our technology plan remains on course and is expected to continue to yield environmental benefits as projects in this segment mature.

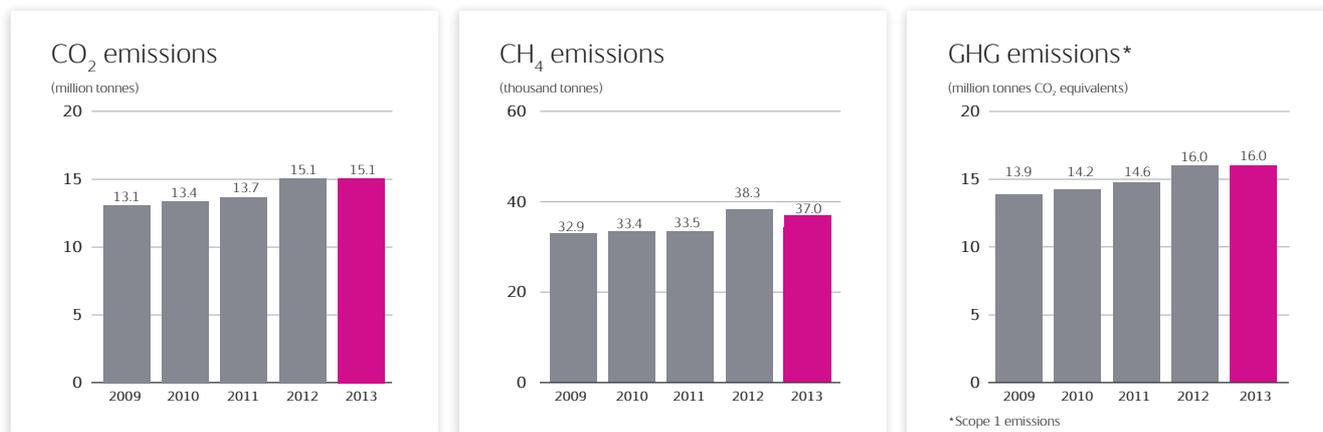
For **tight oil**, the CO₂ emissions intensity increased from 44kg CO₂/boe in 2012 to 46kg CO₂/boe in 2013 due to increased production and higher flaring volumes. The new, higher efficiency flares are more CO₂ intensive, but emit considerably less nmVOC and CH₄ emissions per flared unit. More information is available in the *Shale oil and gas* article.

CO₂ emissions

Emissions of CO₂ were 15.1 million tonnes in 2013, in line with 2012 emissions. The emissions in 2013 were mainly impacted by reduced production on the NCS, offset by an increase in CO₂ emissions from our onshore activities in the US and Canada.

In 2013, energy and heat production represented approximately 81% of the total CO₂ emissions, while flaring accounted for approximately 12%.

The total direct CO₂ emissions from our operations in Europe in 2013 were approximately 13 million tonnes. We will purchase climate quotas according to the EU Emissions Trading System (EU ETS) for these emissions.



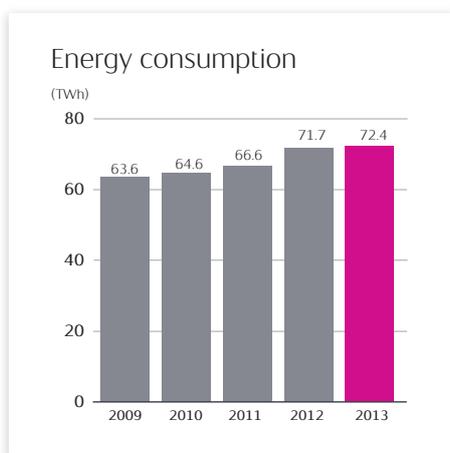
Methane emissions

Methane emissions decreased from 38.3 thousand tonnes in 2012 to 37.0 thousand tonnes in 2013. The decrease was mainly driven by reduced methane emissions per unit of gas flared in our US onshore operations.

The CH₄ emissions for 2012 have been updated from 34.4 thousand tonnes to 38.3 thousand tonnes. The update is due to new calculation methods that better reflect Statoil's actual performance.

Greenhouse gas emissions

Greenhouse gas (GHG) emissions include scope 1 emissions of CO₂ and CH₄. Other greenhouse gases are negligible for Statoil. GHG emissions remained stable at 16.0 million tonnes of CO₂ equivalents from 2012 to 2013.



Energy consumption

Energy efficiency has a strong legacy in Statoil and is directly linked to reducing emissions of greenhouse gases. In 2013, total energy consumption was 72.4 TWh, an increase of 0.7 TWh compared to 2012. The increase was mainly driven by an increase in energy consumption at our onshore assets in the US and Canada, partially offset by a decrease in energy consumption at our offshore operations on the Norwegian Continental Shelf as a result of planned maintenance and unplanned production stops.

Energy-efficient shipping

We work with our suppliers to limit emissions and air pollution. The majority of our shipping needs are covered under long-term contracts, allowing us to seek energy efficient solutions together over time. In 2013 we continued our "Green logistics" improvement programme to achieve more efficient vessel transport and helicopter services on the Norwegian Continental Shelf. Our goal is to reduce CO₂ emissions from these activities by 10% within 2015, compared to 2011. In 2011, the emissions from the activities in scope were approximately 460,000 tonnes CO₂. Adjusted for activity level, emission reductions of about 8% have been achieved so far.

The world's first LNG driven product tanker, *Bit Viking*, first sailed in 2011. The vessel supplies products to the Norwegian coast. In 2013, we agreed with Bergen Tankers AS to convert the vessel *Bergen Viking* to run on LNG, aiming for completion in the spring 2015. Two new shuttle tankers with low fuel consumption, exhaust emission cleaning and ballast water treatment systems are planned to serve the North and Barents Sea by 2015. Energy efficiency and low emissions are important criteria for the ongoing renewal of our fleet.

Through our 'carbon pact' with Maersk Tankers, we develop measures to improve the energy efficiency of our contracted fleet. The pact's focus is on reducing the carbon footprint. Our partner Maersk monitors and evaluates energy efficiency and CO₂ emission reduction developments in every single voyage performed for Statoil, providing a customer scorecard every six months.



Carbon Capture and Storage (CCS)

Carbon capture and storage (CCS) represents a key technology for reducing CO₂ emissions. We have many years of experience of underground CO₂ storage at several of our oil and gas production facilities, including the Sleipner Field off the Norwegian coast and the Hammerfest LNG facility located in northern Norway.

The planned CO₂ project at Mongstad was initiated by the Norwegian government in order to develop a technology centre for carbon capture technology and to develop a full scale carbon capture plant for the combined heat and power plant at the refinery. A unique technology centre for CO₂ capture technology (TCM) was officially opened in 2012. Statoil was the developer of the TCM and responsible for project execution of the full-scale CO₂ capture project (CCM). In September 2013, the Norwegian government decided to stop further work on the CCM project. The CCM project and the TCM have provided new knowledge of carbon capture technology and tools for measuring and analysing emissions related to health risks. The knowledge and tools have been widely shared with the industry and research organisations.

We intend to continue developing CCS as an integrated part of our business and support deployment of CCS globally, with focus on technology development. We will continue to explore opportunities to apply this knowledge commercially in future CCS value chains. In addition, we make active advisory contributions to the EU, national governments and international organisations for developing an expedient regulatory and commercial framework for CCS.

Offshore wind

Renewables are an important part of the future energy mix. According to the International Energy Agency (IEA) *World Energy Outlook*, the share of renewable energy in the global energy mix is expected to increase to 18% by 2035. Wind power continues to expand in markets where support regimes and government policies provide incentives for investment. Statoil's renewable energy strategy focuses on establishing market positions where the company can leverage its competencies from its core oil and gas business. Offshore wind is one such area that builds on our expertise in marine operations and managing large, complex offshore projects.

The Sheringham Shoal Offshore Wind Farm is now in full production with 88 turbines and an installed capacity of 317 megawatts (MW). Statoil also acquired a 70% shareholding in the Dudgeon wind farm project in October 2012 together with Statkraft. The project, which received consent in 2013, is located not far from Sheringham in the Greater Wash Area off the English east coast. Engineering studies are currently being undertaken to optimize the development concept. Expected installed capacity is 402MW, pending a final investment decision in 2014. Once in operation, the wind farm will provide renewable energy to approximately 400,000 households in the UK market.

The cutting-edge Hywind demonstration facility, 10km off the Norwegian west coast, features the world's first full-scale floating offshore wind turbine. The technology needs to be tested in a small park with several units as a next step towards building large commercial parks.

We are participating in and maturing the Hywind Scotland Pilot Park, off the North East coast of Scotland. Engineering and environmental studies are being carried out. In October 2013, we have also prolonged an agreement with Hitachi Zosen for a feasibility study of the deployment of Hywind technology off the coast of Japan.

Statoil was awarded a 25% share in the UK Third Round Dogger Bank concession in 2010 together with Forewind consortium partners RWE, SSE and Statkraft. In 2013 we have applied for consent for the first two Dogger Bank projects, Creyke Beck, with a total installed capacity of up to 2.4 gigawatts (GW), after more than three years of surveys and research, reporting and stakeholder engagement. More information is available at www.forewind.co.uk.

5 Resource efficiency

Using less resources to produce more makes sound business sense, especially in a world in which competition for natural resources is increasing. It is also imperative for strong environmental performance.

Our approach

Ensuring an efficient use of natural resources is an important part of our environmental performance management. The efficient use of natural resources is about how we use water, energy and other natural resources to produce oil and gas. By using these resources more efficiently, we can save costs and reduce environmental impact. The sharper focus of investors on issues such as water, energy and land management reflects concerns about emerging costs, shortages and regulatory risks.

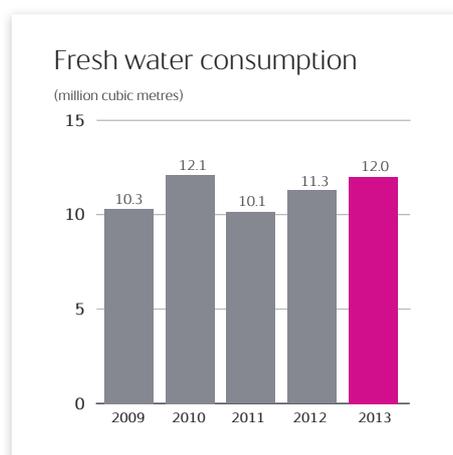
We have a strong legacy of energy efficiency and are now increasing our efforts regarding water and land management. We are committed to responsible water management. This includes reducing the use of fresh water, preserving water quality, recycling and reusing water, and preventing water pollution. We recognise the specific water use challenges related to oil sands and shale oil and gas and have set ambitious targets aimed at reducing the water intensity of our oil sands operations. We are also seeking ways to limit the use of fresh water in our shale oil and gas operations through measures such as water recycling.

We are an active member of the IPIECA Water Working Group. We have participated in joint industry projects led by IPIECA and the Global Environmental Management Initiative (GEMI) that resulted in the development of the Global Water Tool and the Local Water Tool. Both tools support the identification of water-related risks and measures to avoid or mitigate these risks for the oil and gas sector.

With an increasing share of our activities onshore, optimising land management is becoming a strategic issue for Statoil. The interface between water, energy and land, and related potential efficiency gains, is a focus area going forward. Our efforts within this area are currently mainly related to our onshore operations in the US and Canada.

More information about our approach to water management and land stewardship is available in the *Shale oil and gas* article and in the *Oil Sands Report*.

Water use



Most of our operations are located offshore, where desalinated water is used to a large extent. The fresh water consumption at our onshore and offshore assets increased from 11.3 million cubic metres in 2012 to 12.0 million cubic metres in 2013, with our manufacturing and processing operations in Denmark and Norway accounting for more than 60% of the total consumption. Fresh water is abundant where these facilities are located.

Our onshore operation at Bakken in the US was the second largest contributor to the total fresh water consumption. The fresh water use at Bakken was approximately 3.3 million cubic metres in 2013, with hydraulic fracturing generating the greatest demand. More information about water use in our shale oil operations is available in the *Shale oil and gas* article.

The total fresh water consumption for the oil sands activities at Leismer, Canada, was approximately 0.4 million cubic metres in 2013. For our oil sands operations, we have established a target to reduce water intensity by 45% by 2020. We have installed equipment to recover more process water - thereby reducing the fresh water requirements. Detailed information about water use in our oil sands operations is available in the *Oil Sands Report*.

6 Environmental impact

We safeguard the environment by reducing emissions and discharges. We protect biodiversity through research, improved cleaning technologies and risk and impact management.

Our approach

Statoil applies a combination of corporate requirements and risk-based local solutions to manage environmental performance. Our corporate standards play an important role in driving technology innovation. By mapping environmental baselines, planning and monitoring our activities, we seek to minimise impacts and conserve biodiversity and important ecosystem functions.

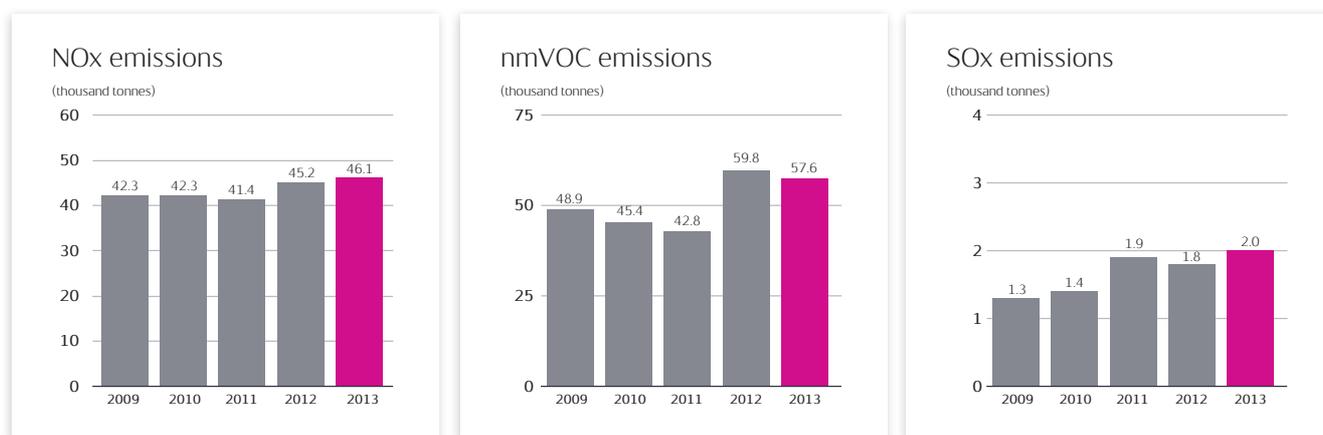
The condition of the environment around our installations is monitored through regular programmes. Statoil continues to be an active participant in a joint Biodiversity Working Group of IPIECA and the Oil and Gas Producers Association (OGP). This cooperation has resulted in the development of specific tools and recommendations for industry best practice. We support the maintenance and development of the World Database on Protected Areas and other GIS-based databases containing information on high-value biodiversity areas through the Proteus programme, which is run by the United Nations Environment Programme (UNEP) World Conservation Centre. We use these databases actively in environmental risk and impact evaluations.

More information about our environmental management approach is available at Statoil.com.

Environmental performance

Environmental performance data represent 100% figures for Statoil-operated assets. The Statoil-operated activities that had the most significant impact on our overall environmental performance in 2013 were our offshore production installations on the Norwegian continental shelf (NCS), where the majority of our producing assets are located.

Air emissions

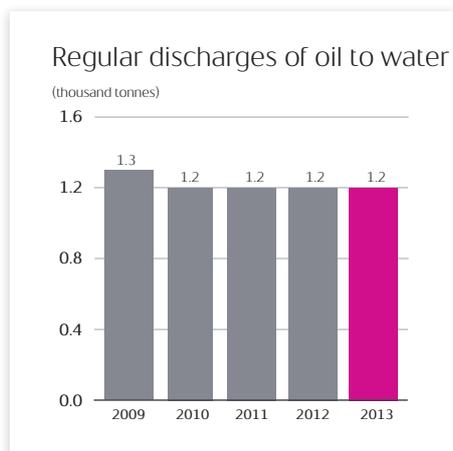


Nitrogen oxide (NO_x) emissions from Statoil-operated assets increased from 45.2 thousand tonnes in 2012 to 46.1 thousand tonnes in 2013. The increase was mainly caused by an increase in exploration activities in 2013 compared with 2012 and an increase in the production from our US onshore operations.

Total emissions of non-methane volatile organic compounds (nmVOC) decreased from 59.8 thousand tonnes in 2012 to 57.6 thousand tonnes in 2013. The decrease was mainly attributed to the installation of more efficient flares at our US onshore operations in 2013. The addition of our US onshore operations in late 2011 explains the increase in nmVOC emissions from 2011 to 2012.

The total volume of sulphur oxide (SO_x) emissions from Statoil-operated assets increased from 1.8 thousand tonnes in 2012 to 2.0 thousand tonnes in 2013. The increase was largely caused by operational challenges at our refining facilities and increased diesel usage in our oil sands operations. The main reason for the increase in SO_x emissions from 2010 to 2011 relates to the addition of Peregrino, where diesel is used as an energy source.

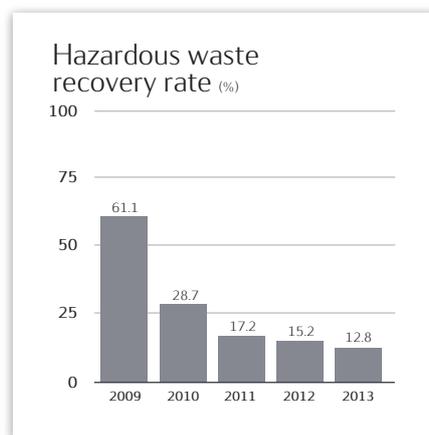
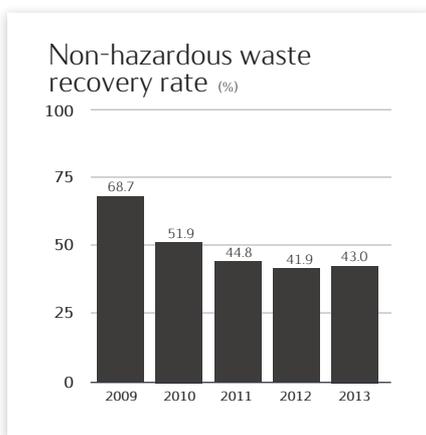
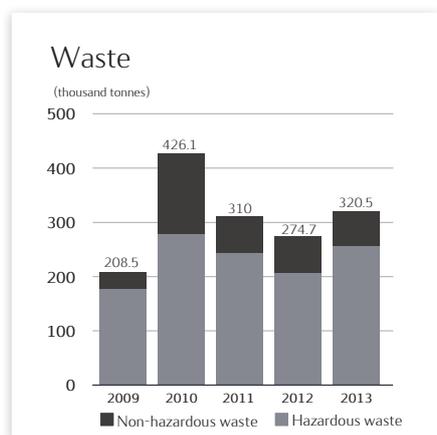
The SO_x emissions for 2011 have been updated from 3.4 thousand tonnes to 1.9 thousand tonnes and the SO_x emissions for 2012 have been updated from 3.5 thousand tonnes to 1.8 thousand tonnes. The nmVOC emissions for 2012 have been updated from 51.7 thousand tonnes to 59.8 thousand tonnes. The updates are due to new calculation methods that better reflect Statoil's actual performance.



Discharges of oil to water

Regular discharges of oil to water remained at a stable level between 2012 and 2013. The principle source of discharges of oil to water is the residual oil in produced water discharged to the sea from our offshore installations on the NCS. This makes up approximately 99% of the total volume discharged. We have an ongoing research and development programme focused on reducing the volume of residual oil in our produced water discharges.

Waste



In 2013, the volume of total waste increased from 274.7 thousand tonnes to 320.5 thousand tonnes. This was mainly due to higher drilling activity and an increase in hazardous waste, predominantly from our operations at the NCS.

The non-hazardous waste recovery rate increased slightly from 41.9% in 2012 to 43% in 2013. The hazardous waste recovery rate decreased from 15.2% in 2012 to 12.8% in 2013. The decrease was attributed to increased amounts of non-recovered drilling wastes. The overall reduction in the recovery rate over the past five years is a consequence of Statoil's decision to re-classify the discharge to sea of treated water from onshore processing of hazardous wastes as disposal rather than recovery.

Our US onshore operations generate wastes in the form of drill cuttings and produced and flow-back water. In the United States, these exploration and production wastes are exempt from regulation as hazardous wastes. Consequently, these wastes have not been included in the corporate waste and waste recovery figures, but are disclosed separately in the *Shale oil and gas* article.

Biodiversity

We are concerned with valuing and protecting biodiversity and the ecosystem. Statoil follows precautionary rules and regulations to minimise potential negative effects of our activities, especially during seismic data acquisition. We also support research programmes to increase knowledge about ecosystems and biodiversity.

Environmental monitoring activities undertaken and research programmes supported in 2013 included:

- Developing an integrated environmental monitoring concept pilot in collaboration with Kongsberg Maritime, Kongsberg Oil and Gas Technologies, IBM and Det Norske Veritas.
- Sensor-based monitoring of cold-water coral structures at our Hyme field during the drilling of production wells.

- Developing and delivering technology to monitor calcareous habitats in the Peregrino field off the coast of Brazil, and implementing a pilot monitoring programme.
- Installing infrastructure for a permanent ocean observatory to monitor natural marine processes off the coast of Vesterålen in northern Norway.
- Improving the habitat of, and mitigating the impacts of our Canadian oil sands development on woodland caribou.
- Co-funding, together with other oil companies, an ongoing four-year study in Australia of the behavioural reactions of humpback whales to sound from air guns used for seismic exploration.
- Supporting the Oden Arctic Technology Research Cruise, which carried out cross-disciplinary research in the ice off East Greenland, gathering data on marine mammals, multi-year ice data and metocean data.
- Continued support to a research programme initiated by Statoil in 2012 to increase knowledge about the physics and ecology of the Lofoten/Vesterålen area, building on the results of the six-year Statoil ARCTOS Arctic Research Programme, which ended in 2011. The ARCTOS programme elevated basic knowledge about Arctic ecosystems, including sensitivity to petroleum components.

More information about Statoil Canada's wildlife activities is available in the *Oil Sands Report*.

Environmental fines

At Bakken, the North Dakota Department of Health fined Statoil NOK 0.5 million in 2013 for lack of historical air registration compliance. Fines related to incidents and spills are disclosed in the *Safety and Security* article.

Cleaning technologies

Over the past ten years, we have qualified and implemented new technology to improve the cleaning of produced water. Our research and development portfolio includes activities to further improve our expertise and transfer this to the operational units on the NCS in order to improve the performance of the cleaning technologies.

Subsea installations that produce oil and gas from facilities installed on the seabed, rather than on conventional platforms, are examples of technological innovation that offer safety advantages in harsh environments, such as the icy waters in the Arctic. In addition subsea separation of produced water from the well stream, and the injection of water into geological formations beneath the seabed, reduce discharges of potentially harmful waste products. Statoil has substantial experience in this area and is planning to strengthen its position even further in the coming years.

We work together with our suppliers to limit emissions and air pollution, minimise invasive aquatic species, and reduce risks pertaining to accidental spills related to shipping transportation.



7 Transparency and anti-corruption

We believe that transparency is a cornerstone of good governance. It allows businesses to prosper in a predictable environment, contributes to a level playing field and enables citizens to hold governments accountable. We have zero tolerance for corruption.

Our business generates significant revenues for governments. In 2013, we paid NOK 118 billion in direct taxes, NOK 38.1 billion in profit oil in kind, NOK 6.4 billion in indirect taxes and NOK 2.7 billion in signature bonuses. Transparency is vital to ensuring that the wealth derived from the energy we produce is put to effective and equitable use. More information about our production volumes, operations and financial performance can be found in the *Annual Report on Form 20-F*.

Payments to governments - our position

"Open" is one of our four company values. We were one of the first major oil and gas companies to voluntarily start disclosing all revenues and payments to governments in the countries where we operate. It is a practice we intend to continue. Our aim is to work with industry, governments and civil society to fulfil our commitments in the countries where we operate. We also have a corporate partnership with Transparency International.

We welcome initiatives to strengthen and harmonise global revenue transparency legislation, including project-by-project disclosure of payments, as laid out in the EU Directive and a similar Norwegian legislation that is effective from 1 January 2014. However, a global standard for revenue disclosure would be even more welcome. For Statoil, it is important that revenue transparency regulation applies globally, is effective, and creates a level playing field for all companies, communities and governments. We support international law-based regulations of revenue disclosure, with public reporting at company level and with no exceptions for local or national conflict of law situations.

Country-by-country reporting of payments

Provided below is a country-by-country overview for 2013 of investments, revenues, signature bonuses, taxes, profit oil in-kind, community investments and employee benefits. Not all exploration activity is successful, and if a discovery is made, a long time may elapse from discovery until production. There are therefore examples of countries on the list in which we have investments and other activities, but where we do not yet pay taxes.

Authorities in certain host countries demand payment in advance of exploration activities for the right to develop an exploration area. This type of payment is called a signature bonus. The size of the signature bonus is based on the exploration licence's presumed recovery potential and value, and the market's interest in the rights. In 2013, Statoil paid NOK 2.7 billion in signature bonuses to governments, of which NOK 453 million was paid in the US, NOK 268 million in Australia, NOK 535 million in Brazil and NOK 1.4 billion in Angola.

The Extractive Industries Transparency Initiative (EITI)

We have supported the Extractive Industries Transparency Initiative (EITI) since its inception, and we respect and promote the EITI principles. The EITI is a coalition of governments, companies, civil society groups, investors and international organisations working together to promote globally developed standards for revenue transparency at the local level. The EITI standard implies that companies report what they pay to governments, and governments disclose receipts of payments. Tax and other relevant payments are reconciled in an EITI country report by an independent third party. EITI country reports are available at www.eiti.org.

We continued to be a supporting company for the EITI and represented the national oil company pillar on the EITI Board as an alternate board member in 2013. We operated in the following EITI-implementing countries in 2013: Azerbaijan, Indonesia, Kazakhstan, Mozambique, Nigeria, Norway and Tanzania. In addition to disclosing the requested financial information in these countries, Statoil provided support in-kind to the EITI, including a secondment to the EITI International Secretariat. We are represented in the national EITI multi-stakeholder groups in Norway and Azerbaijan.

Twelve months ended 31 December 2013

| Overview of activities by country (in NOK million, except number of employees) | Investments ⁽¹⁾ | Revenues ⁽²⁾ | Purchase of goods and services ⁽³⁾ | Indirect taxes paid ⁽⁴⁾ | Direct taxes paid ⁽⁵⁾ | Profit oil in kind ⁽⁶⁾ | Voluntary social investments ⁽⁷⁾ | Contractual social contributions ⁽⁸⁾ | Signature bonuses ⁽⁹⁾ | Pay and social benefit ⁽¹⁰⁾ | Number of employees ⁽¹¹⁾ |
|--|----------------------------|-------------------------|---|------------------------------------|----------------------------------|-----------------------------------|---|---|----------------------------------|--|-------------------------------------|
| Algeria | 1,460 | 3,662 | 28 | 2 | 1,207 | 4,076 | 0 | 0 | 0 | 22 | 26 |
| Angola | 9,526 | 24,961 | 97 | 20 | 5,526 | 21,617 | 5 | 121 | 1,447 | 28 | 40 |
| Australia | 0 | 0 | 44 | 0 | 0 | 0 | 0 | 0 | 268 | 0 | 0 |
| Azerbaijan | 3,381 | 9,246 | 40 | 0 | 1,176 | 9,050 | 0 | 0 | 0 | 27 | 48 |
| Bahamas | 85 | 195 | 85 | 0 | 0 | 0 | 1 | 0 | 0 | 47 | 65 |
| Belgium | (4) | 0 | 59 | 5 | 105 | 0 | 0 | 0 | 0 | 119 | 93 |
| Brazil | 3,280 | 8,916 | 4,193 | 797 | 249 | 0 | 8 | 3 | 535 | 485 | 272 |
| Canada | 4,422 | 7,267 | 5,378 | 53 | 0 | 0 | 18 | 6 | 0 | 638 | 524 |
| China | (6) | 0 | 23 | 3 | 0 | 0 | 0 | 0 | 0 | 10 | 24 |
| Denmark | 155 | 30,929 | 1,123 | 51 | 0 | 0 | 0 | 0 | 0 | 320 | 406 |
| Faroe Islands | 28 | 6 | 157 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 8 |
| Germany | 79 | 523 | 847 | 198 | 28 | 0 | 0 | 0 | 0 | 69 | 42 |
| India | 0 | 0 | 158 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Indonesia | (16) | 4 | 73 | 8 | 0 | 0 | 0 | 0 | 0 | 23 | 23 |
| Ireland | 1,194 | 171 | 157 | 0 | 2 | 0 | 0 | 0 | 0 | 9 | 4 |
| Kazakhstan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 3 |
| Libya | 101 | 1,760 | 5 | 0 | 1,101 | 829 | 0 | 0 | 0 | 13 | 19 |
| Mozambique | (10) | 0 | 399 | 77 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Netherlands | 642 | 1,718 | 5,014 | 56 | 159 | 0 | 0 | 0 | 0 | 15 | 11 |
| Nigeria | 885 | 4,587 | 24 | 36 | 1,188 | 1,793 | 1 | 0 | 0 | 20 | 31 |
| Norway | 60,657 | 511,180 | 126,983 | 4,217 | 106,954 | 0 | 121 | 0 | 0 | 29,329 | 20,336 |
| Russia | 1 | 1 | 49 | 147 | 128 | 755 | 3 | 0 | 0 | 29 | 34 |
| Singapore | 0 | 6 | 169 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 37 |
| South Korea | 0 | 0 | 7,526 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sweden | 584 | 19,103 | 785 | 0 | (32) | 0 | 0 | 0 | 0 | 0 | 0 |
| Turkmenistan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| United Arab Emirates | 0 | 0 | 122 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 4 |
| United Kingdom | 4,446 | 1,432 | 4,831 | 46 | 172 | 0 | 2 | 0 | 0 | 571 | 337 |
| United Republic of Tanzania | 1,176 | 0 | 1,219 | 61 | 0 | 0 | 0 | 0 | 0 | 4 | 24 |
| United States of America | 25,186 | 105,027 | 7,341 | 656 | 4 | 0 | 21 | 0 | 453 | 2,044 | 970 |
| Venezuela | 1 | 0 | 28 | 7 | 0 | 0 | 0 | 0 | 0 | 32 | 31 |
| Rest of Europe | 108 | 0 | 2,012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rest of the World | 0 | 7 | 691 | 2 | 11 | 0 | 0 | 0 | 0 | 5 | 0 |
| Corporate social contributions | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 0 |
| Eliminations* | 0 | (111,281) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 117,361 | 619,420 | 169,660 | 6,442 | 117,978 | 38,120 | 203 | 130 | 2,703 | 33,927 | 23,413 |

* Elimination of intra-group sales. Sales between Statoil companies within same country have been excluded.

- (1) Investments include non-cash effects of entering into capital lease agreements and exclude sales of assets. Negative numbers represent reversal of previous years' estimates or other adjustments.
- (2) Sales revenues by company location, excluding share of net income of affiliates.
- (3) Purchase of all goods and services are allocated based on invoice address. Part of the cost is charged to partners in activities we operate, including those we conduct as a technical service provider. Does not include the purchase of petroleum products, or goods and services other operators have purchased on our behalf.
- (4) Indirect taxes are taxes levied on consumption, sales, expenditure, privilege or right rather than directly on income or property. They include customs duties, excise duties, energy duties (excluding value-added tax). For Norway area fee is included with the gross amount we pay as an operator, part of which is re-charged to partners.
- (5) Income taxes paid for the fiscal year 2013, but also taxes for earlier fiscal years paid in 2013. Includes taxes paid in-kind. We do not pay income tax in a number of countries because we have no production or other income-generating activities there.
- (6) The host government's share of production after oil production has been allocated to cover costs and expenses under a production-sharing agreement (PSA). The total amount of NOK 38,120 million represents a volume of 67.2 million barrels of oil equivalent (mmboe), split as follows: Algeria 11.2 mmboe; Angola 34.3 mmboe; Azerbaijan 16.4 mmboe; Libya 1.3 mmboe; Nigeria 2.8 mmboe; Russia 1.2 mmboe.
- (7) The voluntary investments made by the company in local communities, including relevant sponsorships and donations. The company's own costs in conjunction with following up activities are excluded. Please see the *Local value creation* article for further information.
- (8) Contractually required social contributions. Please see the *Local value creation* article for further information. The contractual social contributions in Angola include contributions to social projects, the Sonangol Research and Technology Center and Sonangol's personnel training programmes.
- (9) A one-off payment made to the government of the host country once awarded a licence.
- (10) Includes pension and payroll taxes paid by the company.
- (11) Number of employees per location at the end of the year, based on where the employing company is registered. Expatriated staff are registered in home country and since there is a net expatriation from Norway, actual staff working in some countries can be higher than stated, and lower for Norway. Table only includes permanent employees.

Ethics and anti-corruption - our approach

Statoil is against all forms of corruption, including facilitation payments. We believe that ethical conduct is a necessary condition for a sustainable business. Our Ethics Code of Conduct reflects the high ethical standard that we are committed to wherever we operate.

Ethics Code of Conduct

The Ethics Code of Conduct describes our commitment and requirements connected to ethical issues related to business practice and personal conduct. It requires Statoil to comply with all applicable laws and regulations and to act in an ethical, sustainable and socially responsible manner. The Ethics Code of Conduct applies to the whole organisation and its employees, including the chief executive officer, board members, hired personnel and consultants, and to intermediaries, lobbyists and others who act on Statoil's behalf. The Ethics Code of Conduct is available at Statoil.com and in local languages in all countries where we have operations.

Anti-corruption compliance programme

We have implemented a company-wide anti-corruption compliance programme. Compliance officers, who are responsible for ensuring that ethics and anti-corruption considerations are integrated into our business activities, constitute an important part of the programme. The programme manual is available at Statoil.com.

Integrity due diligence (IDD)

We seek and develops relations with suppliers and partners that uphold a commitment to our values and operational integrity. New investments, partners, suppliers and contractors are screened for material integrity risks, and may also, based on risk, be subjected to a more extensive IDD review. The IDD requirements cover integrity, human rights and labour standards. The follow-up of the specific contract or investment shall include any required mitigating measures. Our company-wide IDD process helps us to understand potential partners and suppliers, how their business is conducted and their values. With the possible reputational and financial impact and liability that can result from the actions of business partners, IDD is an effective preventative tool.

More information about our policies and requirements related to ethics and anti-corruption, including the IDD process, the Ethics Code of Conduct and the Anti-corruption programme manual, is available on Statoil.com/Ethicsandvalues.

Training and compliance

Our main focus in 2013 was the continued development of our anti-corruption compliance programme to ensure alignment with external legal requirements and to reflect international best practices, as well as to provide training and raise awareness among our employees. We implemented an internal requirement for all employees to certify their knowledge of the Ethics Code of Conduct and to make a commitment to comply with the code.

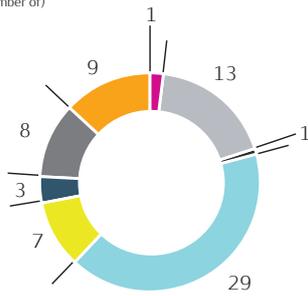
Twenty-four full-day ethics and anti-corruption workshops for selected employees were held in 2013, involving more than 600 employees. More than 1,000 employees completed e-learning courses on ethics and anti-corruption, and more than 1,700 employees completed a one-hour integrity due diligence (IDD) e-learning course targeting, among others, employees with procurement responsibilities. In addition, approximately 100 employees with procurement, trading and business development responsibilities completed integrity due diligence (IDD) specific in-person training sessions.

Fines and sanctions

In 2013, the EFTA Surveillance Authority (ESA), assisted by the Norwegian Competition Authority (Konkurransetilsynet), initiated an investigation into Statoil. The ESA is investigating alleged anti-competitive agreements and/or concerted practices related to the Platts' Market-On-Close (MOC) price assessment process, which is used to report prices in particular for crude oil, refined oil products and biofuels. The investigation has not concluded. Statoil is cooperating fully with the ESA in its investigations.

Ethics helpline cases in 2013*

(number of)



- Corruption
- Conflict of interest
- Gift/hospitality
- Human resources
- Health, safety and environment
- Theft/fraud
- Other
- Advice

* Categorized based on reporter's allegation.

Ethics helpline

We actively remind all Statoil employees of their responsibility to ask questions, raise concerns or report any suspected or potential breach of the Ethics Code of Conduct or the law. Suspected violations can be reported through the Ethics helpline, or to the employee's manager, his/her manager's manager, any member of the compliance network or to the Legal department.

Statoil's ethics helpline is available around the clock in local languages in all countries where Statoil has operations. Calls may be made anonymously.

In 2013 we received a total of 71 cases via the Ethics helpline. Human resources related issues were the most commonly represented cases. In addition, there were several cases pertaining to conflict of interest. The category "Other" refers to other issues in the Ethics Code of Conduct such as relations to suppliers, partners and customers.



8 Local value creation

We contribute to economic development locally through the taxes and contributions that we make to governments, the staff that we hire and develop, the services and goods that we buy from local suppliers, and the community investments we make in our host societies and communities.

Our approach

Our operations have a substantial economic impact on the communities in which we operate. Energy-rich countries expect to participate in oil and gas-related activities. Through our core business activities and the resulting benefits, we aim to build trusting relationships and create benefits for both our shareholders and the countries and communities in which we operate. We aim to recruit locally and provide attractive training opportunities that build local capacity and skills.

We also contribute to local communities through community investments - i.e. social investment projects, sponsorships and donations. We make social investments to strengthen local capacities, address social risks, and promote transparency and respect for human rights. A large part of our sponsorships fall in under the "Academia" programme, entailing long-term partnerships with academic institutions, and the "Heroes of Tomorrow" programme, focusing on support to science, education, culture, arts and sports. More information about these programmes is available at Statoil.com.

An overview of economic impact per country, including payments to governments and other information such as community investments, number of employees and procurement per country, is provided in the *Transparency* article.

Local procurement and supplier development

Hiring and buying goods and services locally creates jobs, and builds and enhances local capacity and capabilities. We make substantial purchases in connection with the development and operation of our activities. In 2013, the invoiced value of goods and services purchased was NOK 170 billion. Procurement spend per country is disclosed in the *Transparency* article. The share of local procurement (in-country procurement spend) per country is available in the table below.

Share of local procurement per country in 2013*

| In-country procurement (%) | Countries |
|----------------------------|---|
| 0-25% | Faroe Islands, United Kingdom |
| 25-50% | Angola, Bahamas, Mozambique |
| 50-75% | Brazil, Denmark, Tanzania |
| 75-100% | Algeria, Australia, Azerbaijan, Belgium, Canada, China, Indonesia, Ireland, Libya, Nigeria, Norway, Russia, Singapore, USA, Venezuela |

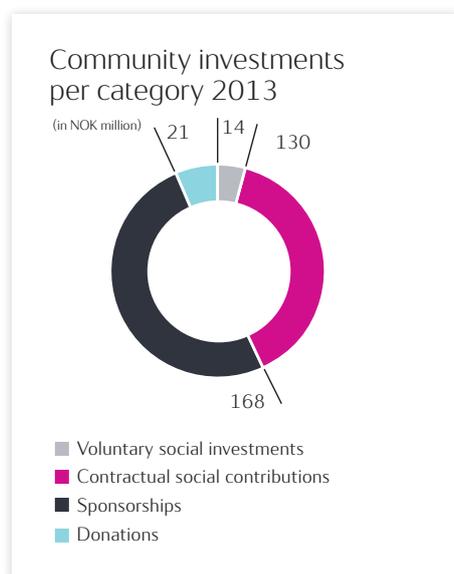
* Based on supplier (invoicing party) country address.

The list represents countries where Statoil has significant business activities.

In the countries where Statoil has business activities, various supplier events and meetings were hosted throughout 2013. Other key initiatives included annual supplier days in relation to projects and operations. Selected examples from 2013 are provided in the table:

| Country | Supplier development initiatives |
|----------|--|
| Angola | In Angola, mapping of companies that can contribute to delivering local content has been a key driver in the contracting processes. This has included mapping of potential local yards to support future field development activities. A close dialogue with the authorities has been established to leverage local market capacity. |
| Brazil | In Brazil, local content is included as a supplier evaluation criteria for all Statoil's bidding processes, as far as possible. We have a close dialogue with the authorities to understand the strategies, policies, opportunities and risks of the local content framework. Together with other operators, we sponsor the CadFor initiative, a supplier register for Brazilian companies interested in supplying the oil and gas industry. Currently there are approximately 800 companies registered in CadFor, aiming to reach 3,000 within next years. For the Peregrino II project, Statoil coordinated a local familiarisation process with four potential local suppliers regarding the construction of a wellhead platform. The objective was to better enable local suppliers to compete on equal terms with more experienced, international suppliers. Visits have been used to attract interest from local Brazilian suppliers. |
| Canada | The Local Opportunity Centre (LOC) is located in Conklin, Alberta. While building a contract-ready workforce, the LOC provides local individuals, businesses and entrepreneurs with access to economic opportunities. More information about the LOC is available in the <i>Oil Sands Report</i> . |
| Norway | Statoil supports industry incubators in northern Norway, financially and through involvement in local activities. The goal is to help create the foundation for local business, recruitment and development. One example is the LUNN programme, established by Statoil and Innovation Norway to develop the local supplier industry in northern Norway to be able to deliver to the oil and gas industry. More than 40 local companies participate in the programme, which entails HSE inspections, mentoring and classroom courses. |
| Tanzania | Work has been initiated to enable a sustainable level of local content in potential future developments. Arenas for communication with authorities on local content in the supply chain have been established, and procurement processes are actively used to encourage local content, both short term and through early identification of the longer term local content potential. Approximately 70 % local content was achieved for the new Statoil office in Tanzania. |
| Globally | In 2013, Statoil continued to work on the industry collaborative initiative «Find Contracts» to communicate new and upcoming contracts to the supplier market through the Find Contracts website, thus increasing market transparency. |

Community investments



Statoil has a broad portfolio of community investments in the countries where we operate. Community investments entail social investment projects (voluntary and mandatory), sponsorships and donations. In 2013, we spent NOK 333 million on community investments, of which NOK 203 million were voluntary contributions, donations and sponsorships and NOK 130 million were contractual obligations. The split between voluntary social investments, contractual social contributions, sponsorships and donations is provided in the accompanying chart.

Building local capacity and supporting science and technology education are key drivers for several of our community investments. Some illustrative examples of social investment projects, sponsorships and donations are provided below, focusing on Angola, Brazil and Norway. More examples can be found in the *Oil Sands Reports*. Information about our efforts in support of science is available at Statoil.com/Careers.

An overview of community investments per country is provided in the *Transparency* article.

Social investment projects in Angola

Our voluntary social investment projects largely focus on local education and competency development, and include collaboration with higher education and vocational training centres. We support initiatives that help build self-sustaining activities in host communities.

In Angola, we focus on building capacity and competence, enabling us to draw on the skills of the local workforce. We support Angola's educational infrastructure by actively participating in the Angola Tanzania Norway Higher Education Initiative (ANTHEI), a collaboration between the University Agostinho Neto (UAN) in Angola, the University of Dar Es Salaam in Tanzania and the Norwegian University of Science and Technology (NTNU). The goal is to increase the capacity and expertise in geoscience and petroleum engineering through the establishment of MSc and PhD programmes. Since the project was initiated in 2007, 39 students have been enrolled and 17 students have so far completed the programme in Angola. Eighteen students are progressing through the course this year. Statoil supports ANTHEI financially by providing scholarships, and through in-kind support such as technical support, supervision, office space and making data

available. Students are invited to proceed with their theses in Statoil's Research and Development Centre in Trondheim for the final six months of their master programmes. In recent years, the ANTHEI programme has expanded to Tanzania and Mozambique, focusing on establishing master degree programmes.

In 2013, Statoil decided to donate the SandLab laboratory, a state-of-the-art facility for three dimensional salt modelling, to the University Agostinho Neto (UAN) in Angola. This enhances our collaboration with UAN by enabling the university to continue research on salt tectonics and to share knowledge between industry and academia. Statoil has donated computers and other equipment and will cover the running costs and provide technical support for the SandLab for the next three years.

Other examples from Angola include a programme in cooperation with the Norwegian Church Aid aimed at improving water and sanitation in poor communities, and a partnership with Norwegian Peoples Aid relating to the removal of land mines in four provinces of Angola (Malange, Kwanza Norte, Uige and Zaire). In the period 2011-2013, an area of approximately 3,000,000 m² was released and about 500 anti-personal mines, 30 anti-tank mines, 1,300 unexploded ordnances and more than 4,000 small arms ammunition destroyed through this project, which received 20% of its funding from Statoil. Removal of these lethal devices increases the security of the wider community and our employees.

'Dream Learn Work' in Brazil

In Brazil, where Statoil operates the Peregrino field, we fund the Dream Learn Work project, aimed at young people aged 17-25 from low-income communities in Rio de Janeiro. Over the last three years, Statoil has provided 40 scholarships and 120 hours in-house training to safety technician students. Through this project, we contribute to the local community and develop technical skills that support our long term operations.

Sponsorships and donations

Statoil maintained long-term collaboration agreements with nine academic institutions in Norway as well as with strategically important universities internationally. Through the Academia Programme, long-term collaboration has been established with Imperial College, Institut Français du Pétrole and University of Texas, Austin. In Angola, Mozambique and Tanzania, Statoil has entered into several initiatives in order to encourage higher education in petroleum sciences.

In addition to long-term partnerships with academic institutions, Statoil supports science, technology, engineering and mathematics through sponsorships and donations. In Norway, Statoil sponsors the FIRST LEGO League, Teach First Norway and many of Norway's science centres as part of the Heroes of Tomorrow programme and STEM (science, technology, engineering, mathematics) strategy. We sponsor a new Newton room at the Norwegian Oil Museum in Stavanger and through the agreement with Nordland County several new Statoil ENGIA Newton rooms opened in Nordland in 2013. We provide support to universities, including study places in PhD programmes. The goal is to inspire young people to learn and discover that mathematics, science and technology provide the basis for solving many of the most exciting and important challenges we face, both in Statoil and as a global community.



9 Human rights

We actively endeavour to respect human rights and labour standards in all our operations.

Our approach

We are present in parts of the world where human rights and decent working conditions may be not protected or be weakly enforced, whether directly through our own operations, indirectly through the supply chain, or due to other contextual factors. Our commitment to respect human rights and labour standards is based on the International Bill of Human Rights, including the Universal Declaration of Human Rights and the International Labour Organization's (ILO) 1998 Declaration on Fundamental Rights and Principles at Work, and the UN Guiding Principles on Business and Human Rights. We endorse the United Nations Global Compact Principles, the Voluntary Principles on Security and Human Rights (VPSHR) and the OECD Guidelines for Multinational Enterprises.

Statoil ranks among the founding members of Voluntary Principles on Security and Human Rights (VPSHR). Our commitment to the Voluntary Principles is reflected in our corporate-wide policies and security procedures for risk assessment, screening, deployment, training and follow-up of private and public security in high-risk locations and our active participation in the initiative.

More information about our approach to human rights and labour standards, including our procedures for risk and impact assessments and country risk analysis, is available at Statoil.com.

Human rights performance

In 2013, we continued to focus on efforts to implement our 'responsibility to respect human rights' in accordance with the UN Guiding Principles on Business and Human Rights and our values and policies. In continuing to implement our human rights due diligence on topics such as community impact, labour standards and security and human rights, we included the following key improvement initiatives:

- further work on integrating human rights into risk and impact assessments
- continuing our active participation in relevant joint industry initiatives, such as the 'Business and Human Rights Project' launched by The global oil and gas industry association for environmental and social issues (IPIECA)
- continuing to support the work of Amnesty International Norway through a corporate partnership agreement
- developing incorporation of human rights clauses into joint venture agreements
- improving implementation of labour standards in our supply chain management and
- further work on our group-wide improvement initiative on community grievance mechanisms

We conduct human rights due diligence reviews of our new business opportunities and ongoing activities, including assessments of supplier and partners. Risk analysis and integrated impact assessments were conducted for all operations and projects in 2013, using a risk-based approach. This approach addresses social, environmental, political and integrity risks.

In 2013, human rights training was provided for new employees, and for relevant staff in procurement and technical roles in particular countries and projects. In 2014, more concerted efforts for human rights training are planned to be undertaken as part of our internal sustainability training programme.

None of our projects in 2013 involved the involuntary resettlement or relocation of people. These factors are included in our project selection, risk assessments, and project planning, and we aim to avoid such situations.

Our business activities have a limited interface with indigenous peoples. In 2013, we had dialogue with indigenous communities in Canada, Alaska, Greenland, and Australia in order to obtain feedback enabling us to ensure respect for their rights and promoting development opportunities. Examples are provided under *Community dialogue*.

Grievance mechanisms

Our projects have addressed community grievances primarily through regular contact with the communities and by compliance with any formal grievance-handling procedures that might be required by the regulatory authorities. Establishment of a community grievance mechanism is part of our local community and stakeholder engagement process. We are currently developing more formal approaches to community grievance mechanisms for our operations and projects in Brazil, Tanzania and the US. We continued with these efforts, which include the development of a corporate management framework for establishing such mechanisms, in 2013. This work is part of our participation in a joint industry initiative launched by IPIECA. Examples of grievance mechanisms are provided under *Community dialogue*.

Human rights and the supply chain

As part of the pre-qualification process, suppliers are screened for material integrity risks, and, where relevant, subject to a more extensive integrity due diligence (IDD) review. The IDD requirements cover integrity, human rights and labour standards issues. Mitigation actions are proposed and implemented in the contract phase and supplier follow-up. IDD thus serves as preventative tool. More information about the IDD process, including follow-up of suppliers and partners, is available in the *Transparency* article and on Statoil.com/Sustainability.

All potential suppliers for contracts worth more than NOK 7 million are required to sign our Supplier Declaration in the pre-qualification phase. Contracts worth more than NOK 7 million amounted to more than 90% of the procurements measured by value in 2013. The signed Supplier Declaration is incorporated in the contract. In addition to minimum standards for ethics and anti-corruption, safety and environment, the declaration commits our suppliers to respect human rights, core labour standards and employment conditions, as well as to promote these principles among their own sub-suppliers. The Supplier Declaration is available at Statoil.com.

Human rights and security

The deployment of security resources may represent a particular human rights risk in situations where security services are not well regulated. In line with our policies and procedures, we conduct safety and security activities in accordance with applicable laws and internationally recognised human rights principles. In contracts with private security personnel, we include human rights criteria as part of pre-qualification screening, integrity due diligence and contractual provisions and clauses. Our security providers are given training that is commensurate with their duties.

In 2013, we continued to implement the Voluntary Principles for Security and Human Rights (VPSHR) in high-risk locations internationally. Armed security services provided by the local government for Statoil were used in three countries: Mozambique, Tanzania and Nigeria - in each case, human rights training was implemented.

| Country | Security related human rights training 2013 |
|------------|--|
| Mozambique | Protecting our offshore drilling operations in northern Mozambique required the use of public armed security, provided by the Mozambique Navy. Security-related human rights training was provided for naval personnel prior to their deployment, and the training was refreshed during the operations. |
| Tanzania | Tanzanian Naval personnel have been used to provide armed security to protect our operations in an ongoing offshore drilling operation in southern Tanzania since the start of the operations in August 2013. Security-related human rights training was provided for naval personnel prior to their deployment, and the training was refreshed during the operations. |
| Nigeria | In Nigeria, armed police officers are used to escort Statoil personnel travelling to and from the country office to the airport and other routes. Security-related human rights training was provided for these officers. |
| Algeria | In Algeria, Statoil is protected by unarmed guards and security personnel. Security-related human rights training was provided for all guards and security personnel. |

Community dialogue

We work with communities in the countries in which we operate to mitigate any potentially adverse impacts of our projects and to enhance the benefits of our business. We use public consultations, surveys, interviews, town hall meetings and community panels to manage our impact on communities and understand how we can contribute. A reputation tracker that includes sustainability and ethics themes is run regularly, targeting Norway and other key markets such as the US and Brazil.

| Country | Community dialogue and grievance mechanisms - 2013 examples |
|------------|--|
| Australia | <ul style="list-style-type: none"> Statoil is planning five exploration wells for its 2014 drilling campaign in the Northern Territory, targeting shale oil. Statoil respects indigenous communities and their legal and historic rights to the land. In 2013, our community liaison worked through the Central Land Council and through direct contact with the local people. |
| Alaska | <ul style="list-style-type: none"> Subsistence hunting is very important to the local Inupiat people in Alaska. In 2013, we continued to invite the local inhabitants of the Chukchi Sea communities in Alaska to participate in the impact assessment process, in order to incorporate their traditional knowledge about the effect of noise on marine mammals into the planning of our seismic activities. |
| Brazil | <ul style="list-style-type: none"> A project on improving community grievance mechanisms has been initiated by Statoil in Brazil. The purpose of this pilot project is to capture grievances in a proper and effective way to avoid misunderstandings and the escalation of conflicts. The project is based on the principles of legitimacy, accessibility, predictability, equitability, rights-compatibility, transparency, dialogue, engagement and continuous learning, as described in the UN Guiding Principles on Business and Human Rights. The project started with a visit to one municipality to better understand the main issues and communication gaps that exist between the coastal communities and the oil industry. The coastal communities' representatives have been included in the process in 2013 to define the best way to implement the mechanism. Statoil runs a social communication project that is mandated as part of the licensing requirements in Brazil. The main objective is to inform local fishing communities about our offshore operations and to monitor the 500-metre safety zone around our platforms on a daily basis. This is essential to establishing good relations with the local fishing communities. |
| Canada | <ul style="list-style-type: none"> We continued to connect with local communities, including First Nations, on an ongoing basis through the Local Opportunity Centre (LOC), bulletins, and memberships in the industry relations groups of the First Nations and Métis organisations. More information about these community dialogues is available in the annual Statoil Canada Oil Sands Report at Statoil.com. |
| Mozambique | <ul style="list-style-type: none"> A pamphlet, which also includes a grievance form, was used to present Statoil to local stakeholders in 2013. The purpose was to inform about Statoil's activities and gather information about issues of concern, improvement suggestions and comments from local stakeholders. |

LNG processing facility in Tanzania - site selection process

A thorough assessment of alternative sites, supported by stakeholder engagement, was conducted by Statoil (operator of offshore block 2) in cooperation with BG Group Plc. (operator of blocks 1, 3 and 4). The objective was to find a common site for an onshore LNG processing and export facility at the east coast of Tanzania. The process was undertaken in the context of the national legislation in Tanzania, the International Finance Corporation's environmental and social standards, and the standards of Statoil, BG Group and their partners ExxonMobil and Ophir.

BG Group and Statoil initially worked individually on the site selection process, starting with a screening of potential suitable locations. Assisted by recognised Tanzanian and international experts, the companies agreed upon technical, social and environmental selection criteria. Six potential sites were shortlisted based on an assessment which included engagement with stakeholders in the potentially affected villages.

A detailed assessment of the shortlisted sites entailed an evaluation of various layout options and mitigating measures to reduce potential adverse impacts. Finally, a site was recommended to the Tanzanian government. The recommended site minimises the need for economic and physical displacement and has other environmental, social, socio-economic and technical advantages compared to the other sites.

10 Shale oil and gas

We announced our shale operator commitments in 2013 to promote the safe and environmentally responsible development of shale oil and gas resources.

Our operations in tight oil and shale gas take place in three of the most attractive plays in the United States: the Bakken (North Dakota, Montana); the Marcellus (West Virginia, Ohio); and the Eagle Ford (Texas). In addition to our operating position in these plays, we have significant non-operated interests in all three basins. We maintain more than one million net acres throughout the basins.

We assumed operatorship for the Eagle Ford and for one well-pair at Marcellus throughout the three last quarters of 2013. Since our control of these assets was phased in during this period, performance data is not included for 2013. We will include data for these assets in the 2014 sustainability report. Statoil's corporate policies and the shale operator commitments, however, apply to all operated assets.

The development of tight oil and shale gas yields economic, environmental, and energy supply benefits. We do, however, recognise stakeholder concerns and challenges that must be understood and addressed to ensure that impacts are managed. By focusing on the following, we will aid our ability to manage impacts:

- Ensuring regulatory compliance: documenting all applicable requirements and establishing implementation plans
- Promoting workforce competency: ensuring that Statoil and our contractors are trained to perform safely and protect the environment
- Selecting the right contractors: identifying vendors that meet Statoil's standards
- Responding in an emergency: preparing fully for potential incidents
- Engaging with communities: establishing open and transparent relationships with our stakeholders
- Working with industry: participating in the development of standards and practices

Shale operator commitments

The four commitments address key business, social, and environmental imperatives: (1) safe operations, (2) minimizing our environmental footprint, (3) earning trust, and (4) always improving. We apply these commitments to our operations and encourage our partners to adopt similar practices. We manage projects and processes through their life-cycles in a way that protects safety and health and minimizes impacts on the environment.

Operator commitment 1 - Safe operations

A safety first approach means we protect the health and safety of our workforce and the people around our operations. A strong safety culture is nurtured through management support for decisive actions and frequent engagement with employees, contractors, and external stakeholders. Our ultimate goal is to achieve zero harm and prevent all HSE incidents. Much of the work done in the field is performed by contractors, so it is equally important that we work with them to ensure our requirements are met and to promote good industry practices. We drive safety performance by:

- Deploying an employee HSE training programme to improve risk and hazard identification
- Holding HSE leadership workshops with Statoil employees and contractors
- Conducting quarterly performance reviews with contractors to ensure Statoil expectations are clearly communicated

Operator commitment 2 - Minimising our environmental footprint

To minimise our environmental impact we focus on (1) conserving and protecting water resources, (2) preserving air quality, and (3) land stewardship. In each area, prevailing federal, state, and local regulations, industry standards, and Statoil requirements help to achieve our goals. We also carry out environmental impact assessments and evaluations to better understand the unique characteristics of new geographical areas.

Water management

We promote the responsible use of water, from sourcing to disposal. Even in areas of adequate water supply, water efficiency remains a priority and we minimise water usage and prioritise non-potable sources when possible. We seek to protect groundwater sources by securing well-integrity through the deployment of rigorous technical and operational standards. Our water management approach includes:

- Evaluating local conditions and circumstances and working with local water authorities to find suitable water sources
- Assessing local needs to avoid disruptions to communities
- Conducting environmental evaluations to identify sensitive areas and wetlands
- Disclosing chemical additives on *FracFocus* and evaluating chemicals
- Utilising water pipelines when possible to reduce truck traffic and road damage

Reducing emissions

The increase of natural gas from shale for power generation and use in transportation has helped curb CO₂ emissions in the US recently. As a supplier of natural gas, this is an important positive impact from our activities. However, in both our shale oil and gas production, we also recognise the importance of improving energy efficiency and reducing greenhouse gases and other emissions to air. Our efforts to preserve air quality and reduce emissions include:

- Utilizing closed-loop gas handling systems for well completions and flowbacks
- Contracting bi-fuel rigs for drilling activities
- Supporting the development of infrastructure and technology to minimize flaring
- Participation in an industry-led study to directly measure methane emissions
- Gathering emissions data from the field and seeking to establish reduction targets

We have a strategy in place to reduce flaring in the Bakken, in which the most important element is timely development of midstream infrastructure that allows for the offtake of associated gas. We are working with our midstream partners to address these infrastructure needs. Statoil has also taken steps to better measure flared volumes and increase the destruction rate of uncombusted gas. In addition to these efforts, we are working closely with state officials and industry in North Dakota to achieve our common objectives.

More information about our carbon intensity targets for tight oil is available in the *Climate change* article.

Environmental performance, Bakken

| | 2013 | 2012 |
|--|-------|-------|
| Fresh water consumption (million m ³) | 3.3 | 2.0 |
| CO ₂ (million tonnes) | 1.0 | 0.7 |
| CH ₄ (thousand tonnes) | 3.9 | 5.6 |
| SO _x (thousand tonnes) | 0.2 | 0.2 |
| NO _x (thousand tonnes) | 3.9 | 3.3 |
| nmVOC (thousand tonnes) | 10.2 | 13.7 |
| Energy consumption (TWh) | 4.7 | 3.5 |
| Drilling cuttings and other solids for landfill (thousand tonnes)* | 169.6 | 237.3 |
| Produced and flow back water for deep-well disposal (million m ³)* | 3.0 | 2.5 |
| Production volume (operated) (mmboe) | 22.0 | 16.6 |

* In the US, certain oil and gas exploration and production (E&P) wastes are exempt from regulation as hazardous wastes under Subtitle C of the Resource Conservation and Recovery Act (RCRA).

Stewardship

Well-site evaluations are conducted to minimise our footprint and land disturbance. A site selection review considers various safety, sustainability, land use, infrastructure, logistical and community factors. Infrastructure planning is an essential element in promoting land stewardship and mitigating the effects of our operations. We evaluate the potential impact of the placement of access roads, pipelines, and other equipment, to better harmonise with the local environment. It is also important that chemicals and produced water are properly stored and that equipment is maintained in order to protect surrounding habitats and biodiversity.

Operator commitment 3 - Earning trust

The Statoil values (Open, Caring, Hands-on, and Courageous) are at the foundation of our commitment to earn trust in and around the communities we operate. We forge strong relationships with local stakeholders and share the mutual benefits of our activities. Our wells are expected to produce for decades, so developing long-standing relationships and contributing to the prosperity of communities is crucial. Our approach to earning trust entails:

- Responding to concerns of residents and understanding their priorities
- Being open and transparent about our operations and projected impacts
- Identifying and implementing activities that benefit local communities, such as social investment and training local residents

In 2013, Statoil invested in our community relations through the following activities:

- Open-house sessions for surface and mineral owners and local officials in Texas and Ohio
- Supporting the creation of the South Texas Energy Economic Roundtable (STEER); an industry group focused on outreach and education in the Eagle Ford
- Meeting with local stakeholders, including chambers of commerce, community foundations, and state and regional development agencies
- Frequent engagement with elected state and local officials
- Community involvement in Western North Dakota through Energy Outreach Williston (comprised of Statoil, Halliburton, Schlumberger, Oasis, Baker Hughes & Nabors), which also won the 2013 API Community Service Award
- Investment in emergency response equipment for first responders in Ohio and West Virginia

Operator Commitment 4 - Always improving

The tight oil and shale gas industry has transformed the global energy landscape in a relatively short period. This presents great opportunities for research and development aimed at (1) improving efficiency; (2) enhancing recovery; and (3) reducing our footprint. Statoil has a strong record of developing technology to meet high environmental standards on the Norwegian Continental Shelf. In our onshore US activities, we continue to focus on improved performance and technology to promote our sustainable business objectives. This includes:

- Pilot projects across U.S. onshore to establish optimum well spacing to improve land use and resource efficiency
- Involvement with the American Petroleum Institute's (API) efforts to issue recommended practices for community engagement and environmental protection
- Ensuring inherited well sites meet Statoil environmental standards
- Participating in an industry task force in North Dakota to address flaring and future infrastructure needs
- Continual evaluation and updating of technical and work requirements



11 People

Our overall strategic objective is to build a globally competitive company and to be an exceptional place to perform and develop.

Our approach

We are committed to attracting and selecting the right people and providing opportunities for people to grow. Through our global development and deployment process we seek to offer challenging and meaningful job opportunities. Our global people policy is the most important guideline for our people processes, together with our values and Ethics Code of Conduct. The policy is available in The Statoil Book at Statoil.com.

As our business continues to expand internationally, we have enhanced our leadership competence profile to ensure that we attract, develop and retain the right leaders from a competitive global pool.

Attraction and recruitment

In 2013, Statoil was ranked the most attractive employer among engineering students in Norway (*Karrierebarometeret*) and maintained its status as the employer of choice in Norway among both students and professionals in the business and engineering fields (Universum survey). In Houston, Texas, Statoil received the Houston Chronicle's Top Workplaces Award, ranking number 10 among oil and gas companies in the large company category.

The intake of apprentices in Norway is an important part of the company's recruitment of skilled workers and commitment to the education and training of young technicians and operators in the oil and gas industry. In 2013, apprenticeships were given to 168 new students; of these 58 were female. The total number of apprentices in Statoil is 343.

Learning and development

At Statoil we encourage our employees to take responsibility for their own learning and development and continuously build new skills and share knowledge, supported by the LEAP Corporate University (*LEAP - Learn, Engage, Achieve, Perform*). The Corporate University aims to instill commercial, entrepreneurial and innovative competence among our employees. More information about this key learning and development initiative is available at Statoil.com/Careers.

We develop and deploy our people through the People@Statoil process, our common annual platform for measuring performance, rewards, development and deployment. The process is described in The Statoil Book.

Internal learning and development*

| | 2013 | 2012 | 2011 | 2010 |
|--|---------|---------|---------|---------|
| Number of participants who have completed learning programmes | 57,988 | 71,985 | 79,669 | 79,251 |
| Number of course participation days | 114,017 | 131,764 | 141,903 | 138,475 |
| Number of e-learning participations | 48,941 | 57,210 | 75,689 | 50,019 |
| Number of leaders participating in corporate leadership development programmes | 659 | 826 | 1,166 | 1,237 |
| Number of participation days in leadership development programmes | 2,429 | 3,438 | 5,212 | 5,025 |

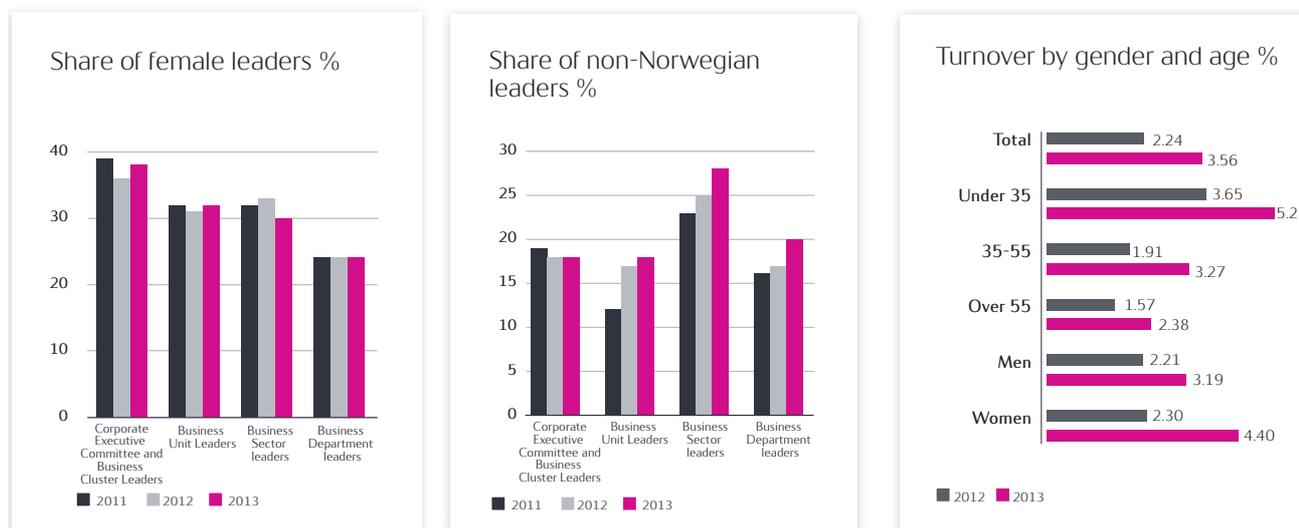
* The table includes learning and development activities registered in Statoil. External training is not included.

Staffs and services improvement programme

Statoil is facing an increasingly cost-competitive environment with lower margins. In 2012 and 2013, we have reviewed the staff and service functions across the company. The key objectives are to drive simplification, increase business value, strengthen cost consciousness and develop the right capabilities. Building on this initiative, we have decided to outsource functions within the service areas IT, facility management, and finance and control (F&C). We have long experience of outsourcing, with a number of staff and service functions already being delivered to the company by external suppliers.

Diversity

Diversity generates new and different ways of thinking and is crucial for our successful and sustainable international growth. In 2013, we continued to focus on increasing the number of women in leadership and professional positions and on building broad international experience in our workforce. Our commitment to diversity and inclusion was demonstrated in the 2013 Global People Survey, where we maintained our high score of 5.1 (6 being the highest) for the existence of zero tolerance for discrimination and harassment within the workplace.



In 2013, the overall percentage of women in the company was 31% - and 50% of the members of the board of directors were women, as were 11% of the corporate executive committee. We pay close attention to male-dominated positions and discipline areas, and in 2013 the proportion of female engineers increased by 1% point to 27% in Statoil ASA. Among staff engineers with up to 20 years' experience, the proportion of women was 30%. In 2013 the total proportion of female managers in Statoil remained stable at 27%. We continue to strive to increase the number of female managers through our development programmes.

At Statoil we reward our people on the basis of their performance, giving equal emphasis to delivery and behaviour. Our rewards approach is adapted to local market conditions at the locations in which we operate and is transparent, non-discriminatory and supports equal opportunities. Given the same position, experience and performance, our employees will be at the same remuneration level relative to the local market. This is demonstrated in the salary ratio between women and men at different levels in Statoil ASA. In 2013 this ratio remained very high, with an average of 98%.

In 2013, 21% of our employees and 22% of our managerial staff were of non-Norwegian nationality. This is an increase of 1% point for employees and 2% points for managerial staff from 2012. Outside of Norway, we aim to increase the number of people and managers who are locally recruited and to reduce the long-term, extensive use of expats in business operations. In 2013, 48% of new hires were non-Norwegians and 34% were women.

Employee and industrial relations

In 2013, management and employee representatives collaborated closely, in particular on the follow-up of the In Amenas terrorist attack, safety incidents on the Norwegian continental shelf and the review of staff and service functions. In addition, the European Works Council continued to be an important channel of communication between the company and employees.

We promote good employee and industrial relations practices through various networks and forums, including IndustriALL.

In the 2013 Global People Survey, which continued to have a high response rate of 87%, our employees reported an average overall satisfaction score of 4.6 on a scale from 1 to 6 (6 being the highest). This is consistent with the score of 4.6 from 2012.

People performance data

| | 2013 | 2012 | 2011 | 2010* |
|--|---------------|---------------|---------------|---------------|
| Permanent employees | | | | |
| Norway | 20,336 | 20,186 | 18,922 | 18,838 |
| Rest of Europe | 935 | 925 | 880 | 10,335 |
| Africa | 140 | 116 | 121 | 140 |
| Asia | 140 | 157 | 146 | 145 |
| North America | 1,559 | 1,378 | 1,030 | 713 |
| South America | 303 | 266 | 210 | 173 |
| TOTAL | 23,413 | 23,028 | 21,309 | 30,102 |
| Diversity | | | | |
| Staff, non-Norwegians (%) | 21 | 20 | 18 | 42 |
| Management, non-Norwegians (%) | 22 | 20 | 18 | 40 |
| New hires, non-Norwegians (%) | 48 | 41 | 42 | 68 |
| Gender equality | | | | |
| Staff, women (%) | 31 | 31 | 31 | 37 |
| Management, women (%) | 27 | 27 | 27 | 30 |
| New hires, women (%) | 34 | 30 | 34 | 40 |
| Earnings female vs male (ASA) (%)** | 98 | 98 | 98 | 98 |
| Turnover (%) | | | | |
| Total turnover group | 3.56 | 2.24 | 2.28 | 10.31 |
| Labour relations | | | | |
| % staff, member of trade union (ASA)** | 66 | 65 | 66 | 68 |
| Global People Survey | | | | |
| Satisfaction score | 4.6 | 4.6 | 4.7 | NA*** |

* Statoil Fuel and Retail (service station personnel) is included in 2010.

** Covers Statoil ASA (employees in Norway) only.

*** The 2010 score is not included due to changes of methodology after 2010.

Total workforce by region, gender, employment type, and new hires (headcount)

| Geographical Region | Permanent employees | | Women (%) | | Consultants | | Total Workforce* | | Consultants (%) | | Part time (%) | | New hires | |
|---------------------|---------------------|---------------|------------|------------|--------------|--------------|------------------|---------------|-----------------|------------|---------------|-----------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Norway | 20,336 | 20,186 | 30% | 30% | 1,826 | 2,549 | 22,162 | 22,735 | 8% | 11% | 3% | 3% | 923 | 1,661 |
| Rest of Europe | 935 | 925 | 30% | 30% | 145 | 165 | 1,080 | 1,090 | 13% | 15% | 2% | 1% | 72 | 100 |
| Africa | 140 | 116 | 33% | 25% | 30 | 53 | 170 | 169 | 18% | 31% | NA | NA | 34 | 15 |
| Asia | 140 | 157 | 53% | 56% | 11 | 14 | 151 | 171 | 7% | 8% | NA | NA | 26 | 31 |
| North America | 1,559 | 1,378 | 35% | 34% | 7 | 54 | 1,566 | 1,432 | 0.50% | 4% | NA | NA | 303 | 344 |
| South America | 303 | 266 | 38% | 38% | 103 | 148 | 406 | 414 | 25% | 36% | NA | NA | 56 | 69 |
| TOTAL | 23,413 | 23,028 | 31% | 31% | 2,122 | 2,983 | 25,535 | 25,129 | 8% | 11% | 3% | 3% | 1,414 | 2,220 |
| non-OECD | 690 | 653 | 39% | 39% | 146 | 230 | 836 | 993 | 17% | 26% | NA | NA | 119 | 120 |

* The total workforce consists of permanent employees and consultants. Enterprise personnel are not included in the figures. Enterprise personnel are defined as third-party service providers and work on our onshore and offshore operations. These were roughly estimated to be around 46,000 in 2013.

12 About the report and data

Our sustainability reporting is based on the Global Reporting Initiative (GRI) guidelines and the United Nations Global Compact reporting requirements.

The Global Reporting Initiative

The Global Reporting Initiative (GRI) is a non-profit, multi-stakeholder organisation which works to create a standardised framework for sustainability reporting. We respect the GRI reporting principles of balance, comparability, accuracy, timeliness, clarity and reliability.

In Statoil's opinion, our reporting practice is in line with the GRI 3.1 reporting guidelines, including the Oil and Gas Sector Supplement, and fulfils the requirements for highest application level, A+. The plus sign indicates that the report has been externally assured. The external assurance, as outlined in the *Independent assurance report*, concludes that our claimed Application Level A is consistent with the GRI criteria for this Application Level.

A GRI content index is available at Statoil.com.

The United Nations Global Compact

The United Nations Global Compact (UN Global Compact) is based on 10 basic principles in the areas of human rights, labour standards, the environment and anti-corruption. Statoil has been a signatory member of the UN Global Compact since its inception in 2000. We regard the annual and sustainability report to also be our Communication of Progress report to the UN Global Compact. In our opinion, Statoil meets the requirements for the "GC Advanced" reporting level.

Other relevant reports and sources of information

Information about corporate governance, remuneration, risk, subsidiaries, production volumes etc. can be found in the Annual Report on Form 20-F 2013 and/or in the Statutory Report 2013. To obtain a full overview of our sustainability approach and performance, the following sources of information should be taken into consideration:

- Statoil.com
- The Annual Report on form 20-F and the Statutory Report (based on Norwegian requirements)
- The Statoil Canada Oil Sands Report
- Statoil's annual report to the Carbon Disclosure Project, available at Statoil.com

Reporting boundary

Defining consistent boundaries for our sustainability reporting is challenging due to the complexity of ownership and operational arrangements, such as joint ventures. We strive to apply consistent principles throughout the report and to be transparent about variations in scope. The reporting boundary is based on the guidance provided in the GRI 3.1 reporting guidelines, including the Oil and Gas Sector Supplement.

- Non-financial data are reported on a 100% basis for companies and joint ventures where we are the operator, unless otherwise stated. We report in this way, in line with industry practice, because these are the data we can directly manage and affect.
- Performance data are provided for all entities that have significant impacts and are under our operational control. By "control", we mean that we own the assets and engage or employ the workforce, and/or that we operate the asset under a contractual obligation to the owners, or - if the term "operational control" is not applicable - that we hold a majority equity share.
- Entities that we do not control, but have significant influence over, are included in form of general disclosures of management approach and/or narratives on issues and dilemmas, depending on the degree of impact and on our degree of influence.
- Operations acquired or disposed of during the year are only included for the period we owned them, unless otherwise stated.

Statoil assumed operatorship for Eagle Ford and Marcellus throughout the three last quarters of 2013. Because our control of these assets was phased in during this period, performance data has not been included in this report. We will include data for these assets in the 2014 sustainability report. Statoil sold its controlling stake (53%) in Statoil Fuel & Retail ASA (SFR) in June 2012. Performance data for SFR are included until 30 June 2012, where applicable, such as in economic, safety and environmental data.

An overview of Statoil-operated and partner-operated assets is available at Statoil.com.

About our data

Safety and environmental performance data

We apply a framework of minimum requirements for recording safety and environmental data for operations within our control. In addition, we apply a business risk-based approach to the recording of safety and environmental data, whereby we extend our sphere of influence beyond what is considered to be within our operational control. The scope of our environmental and safety data is outlined below:

- We report health and safety incident data for all of our operated assets, facilities and vessels, including all subsidiaries and operations where we are the technical service provider. We extend the scope to cover contracted drilling rigs, floatels and vessels, projects and modifications and the transportation of personnel and products according to defined inclusion criteria, using a risk based approach.
- We report environmental data for all of Statoil-operated assets, facilities and vessels, including all subsidiaries and operations where we are the technical service provider. We extend the scope of reporting to cover drilling rigs and floatels on contract. Environmental data represent our direct emissions, discharges, consumption etc. unless otherwise stated.

People performance data

Our people performance data relates to permanent employees in our direct employment, except for the table on total workforce, which provides the number of permanent employees and consultants. Statoil defines consultants as contracted personnel that are mainly based in our offices. Temporary employees and enterprise personnel are not included in the workforce table. Enterprise personnel are defined as third-party service providers and work on our onshore and offshore operations. In 2013 there were, roughly estimated, around 46,000 of these. Statoil Fuel and Retail employees (service station personnel) are included in the Statoil group data for 2010. The information about people policies applies to Statoil and its subsidiaries.

Social performance data

We report social performance data for all our assets and operations with a significant activity level, as well as assets and operations that could be considered relevant due to environmental or social risks, despite a low activity level. We take a business risk-based approach to the management of social and human rights risks and impacts. Data on impact assessments, human rights screenings, community engagement, resettlement, disputes etc., is collected on the basis of information from assets under our control.

Community investments

Community investments in Statoil entail voluntary social investment projects, contractual social obligations, sponsorships and donations. Only direct contributions made by Statoil are included. Our share of partner-operated community investments is not included in the figures. The figures reflect actual payments made. Management cost and in-kind support are not included.

Economic performance data

We report economic performance data based on information from the consolidated financial statements prepared according with IFRS (such as investments and revenues) or based on actual payments made in the reporting year (such as signature bonuses and income taxes). The details are further explained in the notes to the "Payments to governments" table.

Ethics and anti-corruption performance data

With regard to ethics and anti-corruption, our policies and requirements in general apply to all operations we control and to all staff and contractors involved in those operations.

Updates to previously reported figures

In certain circumstances, previously reported data do not reflect the actual performance of Statoil. In such circumstances, we assess whether previously reported data should be updated. An update is necessary when it is determined that historic figures contain a material inaccuracy or if the users of the report could get an understanding of the performance or trend that is materially incorrect. An update could also be made for less material changes due to e.g. changes in calculation methods or new factors used. Such updates are made to ensure comparable figures at asset level over time.

In 2013, the Bakken and Peregrino assets conducted a review of methods, factors and assumptions applied to calculate environmental figures. The review resulted in improved calculation methods and the identification of factors and assumptions that better reflect the environmental impact of these operations. To ensure consistent reporting over time, previously reported figures for 2011 and 2012 for these assets have been updated, applying the new factors and assumptions.

In addition, a leakage that occurred in 2011 was not recorded until 2013. Consequently, 2011 figures in this report have been updated to reflect the leakage.

Material updates to historical data have been commented upon in the relevant articles.

Definitions

CO₂ emissions: Total emissions of carbon dioxide (CO₂) in million tonnes from Statoil-operated activities, including emissions from energy and heat production, flaring (including well testing/well work-over), rest emissions from capture and treatment plants, and emissions of CO₂ as a result of process emissions.

CO₂ emissions intensities: Total scope one emissions of carbon dioxide (kg CO₂) divided by total production (boe) for Statoil-operated assets with hydrocarbon production. The CO₂ emissions intensities are presented by the following production segments; Conventional oil and gas, LNG, heavy oil, extra heavy oil and tight oil.

Contractual social obligations: Social investment projects that are part of the host governments' contractual obligations for social contributions towards local social and environmental benefits.

CH₄ emissions: Total emissions of methane (CH₄) in thousand tonnes from Statoil-operated activities, including emissions from energy and heat production at own plants, flaring (including well testing/well work-over), cold venting, diffuse emissions, and the storage and loading of crude oil.

Energy consumption: Total energy consumption in TWh for Statoil-operated activities, including energy from power and heat production based on combustion, unused energy from flaring (including well testing/well work-over and venting), energy sold/delivered to third parties and gross energy (heat and electricity) imported from contractors.

Fresh water consumption: The total consumption of fresh water, including water from public installations, wells (included reservoirs), lakes, streams, rivers and fresh water that is bought by Statoil-operated activities, in million cubic metres. Fresh water produced from salt water on facilities/installations is not included.

Greenhouse gas emissions: Includes scope 1 emissions (as defined by the Greenhouse Gas Protocol) of CO₂ and CH₄, expressed as million tonnes of CO₂ equivalents. Emissions of other greenhouse gases are considered negligible for Statoil and are not included. The global warming potential (GWP) factor used for CH₄ is 25.

Hazardous waste recovery rate: The total quantity of hazardous waste from the plant's operation that has been delivered for reuse, recycled or incinerated with energy recovery, as a proportion of the total quantity of hazardous waste.

Lost-time injury frequency: The number of fatalities and lost-time injuries per million hours worked.

Monetary donations: Monetary donations are altruistic. There is no real co-operation involved and the relationship is often a "one off".

NO_x emissions: Total emissions of nitrogen oxides (NO_x) in thousand tonnes from Statoil-operated activities, including emissions from energy and heat production at our own plants, the transportation of products, flaring (included well testing/well work-over) and treatment plants.

Non-hazardous waste recovery rate: The total quantity of non-hazardous waste from the plant's operation that has been delivered for reuse, recycled or incinerated with energy recovery as a proportion of the total quantity of non-hazardous waste.

nmVOC emissions: Total quantity of non-methane volatile organic compounds (nmVOC) in thousand tonnes released to the atmosphere from Statoil-operated activities. Includes emissions from energy and heat production, transportation of products, flaring (including well testing/well work-over), cold venting, diffuse emission sources and storage and loading of crude oil and products. Figures at the corporate level from 2011 are verified by external auditors.

Oil spills: Unintentional oil spills to the natural environment from Statoil operations (in cubic metres). All unintentional oil spills reaching the natural environment from Statoil operations are included in this figure.

Operations: Temporary or permanent sites, activities and assets used for exploration, extraction, refining, transporting, distributing, and marketing petroleum products (as defined in the GRI 3.1 Oil and Gas Sector Supplement).

Other unintentional spills: All unintentional spills of chemicals, produced water, ballast water and polluted water reaching the natural environment from Statoil-operated activities.

Psychosocial work environment: The psychosocial work environment concerns aspects of the design and management of work and its social and organizational context that could have an impact on the employee's health and well-being.

Serious incident frequency (SIF): The number of serious incidents (including near misses) per million hours worked. An incident is an event or chain of events that has caused or could have caused injury, illness and/or damage to/loss of property, the environment or a third party. Matrices for categorisation have been established, in which all undesirable incidents are categorised according to the degree of seriousness.

Sickness absence: The total number of sickness absence hours as a percentage of planned working hours (Statoil ASA employees).

SO_x emissions: Total emissions of sulphur oxides (SO_x) in thousand tonnes released to the atmosphere from Statoil-operated activities, including emissions from energy and heat production and flaring (including well testing/well work-over). 2010 figures are not externally verified.

Sponsorships: Sponsorships should primarily build on the 'Heroes of Tomorrow' concept within one or more of the areas science, technology, engineering and math education, sports and/or culture. The mission is to inspire talented individuals to strive for future success.

Total recordable injury frequency: Number of fatal accidents, lost-time injuries, injuries involving substitute work and medical treatment injuries per million hours worked.

Total waste includes hazardous and non-hazardous waste from Statoil-operated activities

Voluntary social investment projects: Voluntary contributions undertaken to mitigate social risks and enhance opportunities for local communities within areas of e.g., education, health, income generation, or by promoting opportunities such as local capacity development, and skills building, in ways to enhance local content development, and enable communities to participate in local and regional development. Social investment projects often involve long-term, significant financial commitment and partnerships.

13 Independent assurance report

To the board of directors of Statoil ASA

We were engaged by the corporate executive committee of Statoil ASA ("Statoil") to provide assurance on the Sustainability Report 2013 ("the Report"). The corporate executive committee is responsible for the preparation of the Report, including the identification of material issues and the determination of the GRI Application Level. Our responsibility is to issue an assurance report based on the engagement outlined below.

Scope

Our assurance engagement was designed to provide: limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the reporting criteria; and reasonable assurance on whether the data and related explanatory notes for the indicators listed below (hereinafter: safety and environmental performance information) are presented, in all material respects, in accordance with the reporting criteria.

Included in the section Safety and Security: Total Recordable Injury Frequency (TRIF), Total recordable injury frequency per country, Lost-time injury frequency, Serious Incident Frequency (SIF), Fatalities, Oil spills, Other spills;

Included in the sections Climate change, Resource efficiency and Environmental impact: CO₂ emissions, CH₄ emissions, GHG-emissions, CO₂ intensity per segment, Energy consumption, Fresh water consumption, NO_x emissions, nmVOC emissions, SO_x emissions, Regular discharges of oil to water, Total non-hazardous waste, Total hazardous waste, Non-hazardous waste recovery rate, Hazardous waste recovery rate.

In addition we were asked to check whether Statoil's GRI Application Level, as disclosed in the section "GRI content index", is consistent with the GRI criteria for the disclosed Application Level.

We do not provide any assurance on the achievability of the objectives, targets and expectations of Statoil.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

Reporting criteria and assurance standard

Statoil applies the Sustainability Reporting Guidelines (G3.1), including the Oil and Gas Sector Supplement of the Global Reporting Initiative supported by internally developed guidelines as described in the section "Materiality and scope". It is important to view the performance data in the context of these criteria.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3000): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This standard requires, among others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure their independence.

Work undertaken

Our procedures for limited assurance on the Report involved:

- a media search and peer review to identify relevant sustainability, environmental, safety and social issues for Statoil in the reporting period;
- evaluating the design and implementation of systems and processes for the collection, processing and control of the information in the Report, including the consolidation of data for the Report;
- conducting interviews at corporate level with management responsible for the sustainability policies, communication and reporting and with relevant staff responsible for providing the information in the Report;
- evaluating internal and external documentation, on a test basis, to determine whether the information in the Report is supported by sufficient evidence.

Our additional procedures for reasonable assurance on the safety and environmental performance information as outlined under Scope involved:

- testing the application of the reporting criteria, including conversion factors, used in the preparation of the reported information and accompanying notes;
- evaluating the design and existence, and testing the operating effectiveness, of systems and processes for collecting and processing the safety and environmental information;
- visiting six sites to test the source data to evaluate the design and implementation, and test the operating effectiveness, of controls at local level.

With respect to our work on the disclosed GRI Application Level, our procedures were limited to checking whether the GRI Content Index is consistent with the criteria for the disclosed Application Level and that the relevant information is publicly reported.

During the assurance process we discussed the necessary changes in the Report and reviewed the final version of the Report to ensure that it reflects our findings.

Conclusion in respect of the Report

Based on our procedures for limited assurance, nothing has come to our attention to indicate that the Report is not fairly presented, in all material respects, in accordance with the reporting criteria.

Opinion in respect of safety and environmental performance information

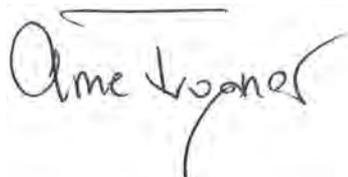
In our opinion the data and related explanatory notes for the safety and environmental performance information as outlined under Scope above are presented, in all material respects, in accordance with the reporting criteria.

Report on GRI application level

Based on the procedures performed we conclude that the Application Level A+, as disclosed in the section "GRI content index" is consistent with the GRI 3.1 criteria for this Application Level.

Stavanger, 13 March 2014

KPMG AS



Arne Frogner
State Authorized Public Accountant (Norway)



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