

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization.

Statoil is an **international energy company** with operations in 35 countries and 40 years of experience from oil and gas production on the Norwegian continental shelf. We are headquartered in Norway with app. 23 000 employees worldwide, and are listed on the New York and Oslo stock exchanges. We were founded as The Norwegian State Oil company, Statoil, in 1972. In October 2007, Statoil merged with Hydro's oil and gas division, and in 2010 we implemented an IPO of Statoil Fuel & Retail on the Norwegian stock exchange. (see more details at the end)

As of January 1, 2011, we have **seven business areas**: Development & Production Norway (DPN), Development & Production International (DPI), Development & Production North America (DPNA), Marketing, Processing and Renewable Energy (MPR), Technology, Projects & Drilling (TPD), Exploration (EXP) and Global Strategy & Business Development (GSB).

Statoil is operator for more than 40 producing oil and gas fields; One of the world's largest net sellers of crude oil; The second largest exporter of gas to Europe The world's largest operator in waters deeper than 100 metres; A world leader in the use of deepwater technology; A world leader in carbon capture and storage;

Statoil's ambition is to provide energy to meet the growing demand that is needed for economic and social development, while at the same time caring for the environment and actively taking part in international efforts to mitigate climate change. Global climate change poses significant risks to society and ecosystems. Mitigating these risks requires dramatic reduction in human induced GHG emissions. Recognised organisations such as the Intergovernmental Panel on Climate Change (IPCC) recommend emission reductions in the order of 80-90 per cent from current levels by the middle of the century in order to avoid the most serious effects. Statoil acknowledges that there is broad scientific and political consensus on these targets. We believe there are sufficient evidence and arguments for firm action and support policy makers addressing this issue.

We are committed to accommodating the world's energy needs in a responsible manner, applying technology and creating innovative business solutions. For us, the way we work is as important as the goals we achieve. We believe that competitive returns for our shareholders are best achieved through **a values-based performance culture**, stringent ethical requirements and a code of conduct which promotes personal integrity.

Statoil Fuel and Retail: In October 2010, Statoil's energy and retail business became a stand-alone entity, Statoil Fuel & Retail ASA, through an initial public offering and listing on the Oslo Stock Exchange. Statoil continues to own 54% of the shares in Statoil Fuel & Retail, but on June 19 2012 Statoil ASA sold its shareholding in SFR.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

Enter the period that will be disclosed.

Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3**Reporting Boundary**

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

0.4**Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

0.4a**List of Exclusions**

Please describe any exclusion(s) in the following table.

Exclusion	Please explain why you have made the exclusion
Partner Operated Licenses, including joint ventures. Statoil Fuel and Retail ASA.	Statoil's annual reporting is based on the principle of operational control. According to this, the data collection for water inputs/outputs for 2012 has been limited to the sites under Statoil's operational control.

Module: Water-Governance

Page: Water-1-ManagementGovernance

1.1

Does your company have a water policy, strategy or management plan?

Yes

1.1a

Please describe your policy, strategy or plan, including the highest level of responsibility for it within your company and its geographical reach.

Country or region	Description of policy, strategy or plan	Position of responsible person
Company-wide	Statoil's updated Corporate Technology Strategy has a strong focus on water management. Our Board of Directors decided in 2010 to establish a new committee dedicated to HSE (including climate), ethics and CSR. The HSE and ethics committee is chaired by Roy Franklin. Its other members are Marit Arnstad, Bjørn Tore Godal and Lill-Heidi Bakkerud. The Board sub-committee meets four times per year. The committee acts as a preparatory body for the board of directors and will, inter alia, monitor and assess the practice, development and implementation of policies, systems and principles within the areas of HSE, climate ethics and CSR. Our ambition is to operate with zero harm to people, society and the environment, in accordance with the principles for sustainable development. Our policies and requirements apply to all operations we control and to all staff and contractors involved in those operations. We expect our partners and suppliers to have standards consistent with our own, and we are committed to long-term, sustainable growth in line with the principles of the UN Global Compact. To mitigate impact from our activities, we adhere closely to a set of environmental principles based on our HSE policy. Before entering a project, we assess all relevant	Sub-set of the board

Country or region	Description of policy, strategy or plan	Position of responsible person
	environmental and social issues that could have a detrimental impact on the environment. Statoil is committed to responsible water resource management. We strive to reduce our use of fresh water, preserve water quality, recycle and reuse water, and prevent water pollution. Water management was identified by Statoil as a high-priority issue through our business-driven environmental strategy process initiated in 2011.	
Canada	Statoil Canada updated its Oil Sands Technology plan in 2012. One of the key focus areas is water use reduction ambitions.	Officer/manager not directly reporting to the board

1.1b

Does the water policy, strategy or plan specify water-related targets or goals?

Yes

1.1c

Please describe these water-related targets or goals and the progress your company has made against them.

Country or region	Category of target or goal type	Description of target or goal	Progress against target or goal
Company-wide	Direct operations	Ambition to be among industry leaders on water management.	Various initiatives has been undertaken in 2012 to meet ambition (use of water tools, work to evaluate criteria for use of water, RDI effort related to chemicals, monitoring, recycling etc).
Canada	Direct operations	Ambition to reduce water intensity by 45 per cent by 2020.	Freshwater intensity was down in 2012 (0.6 bbl freshwater/bbl bitumen in 2011 and 0.3 bbl freshwater/bbl bitumen in 2012).

1.1d

You may explain here why your company does not have a water policy, strategy or plan and if you intend to put one in place.

1.2

Do you wish to report any actions outside your water policy, strategy or management plan that your company has taken to manage water resources or engage stakeholders in water-related issues?

Country or region	Category of action	Description of action and outcome
Company-wide	Public policy	Contributed in IPIECA work to develop Global Water tool (GWT) for water risk assessment, guidelines and reporting. Participated in GEMI initiative to develop Local Water tool (LWT). Established Joint-Industry project with Shale Water Research Center to develop a calculator enabling use of low quality waste water for shale activities.
Canada	Public policy	Statoil is a member of an Albertan government groundwater working group to develop a regional monitoring program. In addition we are actively participating in the Groundwater Working Group of the multi-stakeholder Cumulative Environmental Management Association. We also participates in COSIA (Canada Oil Sands Innovation Alliance) which is a collaborative hub to drive environmental performance, including water management.
Company-wide	Direct operations	Water tools (GWT, LWT) was used throughout 2012 for water risk assessment and identification of proper mitigating measures in early phase projects.

Module: Water-RisksOpps

Page: Water-2-indicators-op

2.1

Are any of your operations located in water-stressed regions?

Yes

2.1a

Please specify the method(s) you use to characterize water-stressed regions (you may choose more than one method).

Method used to define water stress	Please add any comments here:
Internal company knowledge Regional government assessments or databases	Statoil Canada oil sands activities are characterized as being in a water stressed area as a result of strict regulatory requirements, strong external and internal focus on water management and potential depletion of groundwater aquifer.

2.1b

Please list the water-stressed regions where you have operations and the proportion of your total operations in that area.

Country or region	River basin	Proportion of operations located in this region (%)	Further comments
Canada	Other: Athabasca	1 – 10	Statoil Canada (Leismer operations) is using fresh water from the Grand Rapids Formation. Canadian regulations define fresh water as less than 4000 mg TDS/L.

2.1a

Please specify the method(s) you use to characterize water-stressed regions.

Method used to define water stress	Please add any comments here:

2.1c

You may explain here why you are not able to identify which of your operations are located in regions subject to water stress and whether you have plans to investigate this in the future.

2.2

Are there other indicators (besides water stress) which you wish to report that help you to identify which of your operations are located in regions subject to water-related risk?

No

2.2

Are there other indicators (besides water stress) which you wish to report that help you to identify which of your operations are located in regions subject to water-related risk?

2.2

Are there other indicators (besides water stress) which you wish to report which help you to identify which of your operations are located in regions subject to water-related risk?

2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or region	River basin	Risk Indicator	Proportion of operations located in this region (%)	Further comments
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2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or region	River basin	Risk Indicator	Proportion of operations located in this region (%)	Further comments
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2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or region	River basin	Risk Indicator	Proportion of operations located in this region (%)	Further comments
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2.2b

You may explain here why you do not wish to report or why you do not use other indicators to identify which of your operations are located in regions subject to water-related risk.

2.2b

You may explain here why you do not use or wish to report other indicators to identify which of your operations are located in regions subject to water-related risk.

2.2b

You may explain here why you do not use or wish to report other indicators to identify which of your operations are located in regions subject to water-related risk.

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and/or 2.2.

0.0%

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and/or 2.2.

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and /or 2.2.

2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2.

Basis used to determine proportions	Please add any comments here
Production volumes	Production volume in Statoil Canada (oil Sands) in proportion to total Statoil production. The correct number for the % of our operations in regions at risk is 0.008 %.

2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2.

Basis used to determine proportions	Please add any comments here
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2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2

Basis used to determine proportions	Please add any comments here
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2.5

Do any of your key inputs or raw materials (excluding water) come from regions subject to water-related risk?

Don't know

2.5a

Please state or estimate the proportion of your key inputs or raw materials that come from regions subject to water-related risk.

Country or region	River basin	Input or material	Proportion of key input or raw material that comes from region at risk (%)	Unit used for calculating percentage	Further comments
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2.5b

You may explain here why you are not able to identify if any of your key inputs or raw materials come from regions subject to water-related risk and whether you have plans to explore this issue in the future.

Oil and gas exploration and production at Statoil is technology based. Inputs of materials from the supply chain consist mainly of steel for construction/equipment and drilling/production chemicals. The water footprints of these products based on the global commodity markets are not tracked.

Page: water-3-riskassess-op

3.1

Is your company exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

3.1a

Please describe (i) the current and/or future risks to your operations, (ii) the ways in which these risks affect or could affect your operations before taking action, (iii) the estimated timescale of these risks, and (iv) your current or proposed strategies for managing them.

Country or region	River basin	Risk type	Potential business impact	Estimated timescale (years)	Risk management strategies
Canada	Other: Athabasca	11. Regulatory: Statutory water withdrawal limits/changes to water allocation	Need to to use other water sources with higher salinity implying higher cost for water treatment.	1 – 5	Reduce exposure through considering other water sources and development of new technologies (e.g. zero liquid discharge)

Country or region	River basin	Risk type	Potential business impact	Estimated timescale (years)	Risk management strategies
Company-wide		09. Regulatory: Regulation of discharge quality/volumes leading to higher compliance costs	New regulations on hydraulic fracturing and fracking water disposal may involve higher costs related to recycling, treatment and waste management.	1 – 5	Reduce exposure through technology development, reuse/recycling, and safe injection of water.

3.1b

Please explain why you do not consider your company to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.

3.1c

Please explain why you do not know if your company is exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure, and if you have plans to assess this risk in the future.

3.2

What methodology and what geographical scale (e.g. country, region, watershed, business unit, facility) do you use to analyze water-related risk across your operations?

Risk methodology	Country or geographical scale
Use of water tools (Global Water tool, Local Water Tool).	Other: Country, region and river basin

3.3

Do you require your key suppliers to report on their water use, risks and management?

No

3.4

Is your supply chain exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Don't know

3.4a

Please describe (i) the current and/or future risks to your supply chain, (ii) the ways in which these risks affect or could affect your operations before taking action, (iii) the estimated timescale of these risks and, (iv) your current or proposed strategies for managing them.

Country or region	River basin	Risk type (to supplier)	Potential business impact (to responding company)	Estimate timescale (years)	Risk management strategies (by responding company)
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3.4b

Please explain why you do not consider your supply chain to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.

3.4c

Please explain why you do not know if your supply chain is exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure, and if you have plans to assess this risk in the future.

Oil and gas exploration and production at Statoil is technology based. Inputs of materials from the supply chain consist mainly of steel for construction/equipment and drilling/production chemicals. The water footprints of these products based on the global commodity markets are not tracked.

Page: Water-4-Impacts

4.1

Has your business experienced any detrimental impacts related to water in the past five years?

Yes

4.1a

Please describe these detrimental impacts including (i) their financial impacts and (ii) whether they have resulted in any changes to company practices.

Country	Impact indicator	Description of impact	Response strategy
Canada	Poor enforcement of regulations	Statoil Canada fined \$190,000 for water license violation.	Evaluation of various tools for environmental and water data monitoring and reporting was done in 2012. The process of selection and implementation of a web based tool is ongoing.

4.1b

Please explain why you do not know whether your business has experienced any detrimental impacts related to water in the past five years and if you have any plans to explore this in the future?

5.1

Do water-related issues present opportunities (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

5.1a

Please describe (i) the current and/or future opportunities, (ii) the ways in which these opportunities affect or could affect your operations (iii) the estimated timescale and (iv) your current or proposed strategies for exploiting them.

Country or region	Opportunity type	Potential business impact	Estimated timescale	Strategy to exploit opportunity
Company-wide	Other: Improved and increased competence in geology, interpretation of seismic data and drilling operations may involve opportunities in water supply from deep aquifers.	Statoil improves position as preferred partner.	1 – 5	Ambition fulfilled through Statoil technology strategy.
Company-wide	Other: Alignment of water data	Alignment of water data, rapid evaluation of trends, mapping or pressure distribution.	Current	Local proposal from the Canadian organization brought to the attention of Corporate Statoil to see if fit for purpose data storage tool is possible company wide.
Company-wide	Cost savings	Increased recycling/reuse of production/flow back water, treatment of water, reduced use of chemicals and less waste to reduce need for freshwater and hence reduced cost totally.	Current	Ongoing Research and Development programs.

5.1b

Please explain why you do not consider water-related issues to present opportunities to your company that have the potential to generate a substantive change in your business operation, revenue or expenditure or supply chain.

5.1c

Please explain why you do not know whether water-related issues present opportunities to your company that have the potential to generate a substantive change in your business operation, revenue or expenditure.

Page: Water-6-tradeoffs

6.1

Has your company identified any linkages or trade-offs between water and carbon emissions in its operations or supply chain?

Yes

6.1a

Please describe the linkages or trade-offs and the related management policy or action.

Linkage or trade-off	Policy or action
Linkage	Focus on water efficiency and energy effective water treatment processes.

Module: Water-Accounting

Page: Water-7-Withdrawals

7.1

Are you able to provide data, whether measured or estimated, on water withdrawals within your operations?

Yes

7.1a

Please report the water withdrawals within your operations for the reporting year.

Country or region	River basin	Withdrawal type	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
Norway		Municipal water	6790	76-100	
United States of America		Municipal water	1622	76-100	
Denmark		Municipal water	1574	76-100	
Canada		Municipal water	486	76-100	
Tanzania		Municipal water	13	76-100	
Indonesia		Municipal water	8	76-100	
		Municipal water	440	76-100	Includes first 6 months of water consumption from Statoil Fuel & Retail (SFR) in Norway, Denmark, Sweden, Poland, Russia, Lithuania, Latvia, and Estonia. SFR was sold in July 2012. Negligible volumes from our operations in Brazil and Germany (<1 megalitre/year) are also included.

7.1b

Please explain why you are not able to provide data for water withdrawals.

7.2

Are you able to provide data, whether measured or estimated, on water recycling/reuse within your operations?

Yes

7.2

Are you able to provide data, whether measured or estimated, on water recycling/reuse within your operations?

7.2a

Please report the water recycling/reuse within your operations for the reporting year.

Country or region	River basin	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
Canada	Other: Athabasca	2030	76-100	Last year's published figure on recycled water was wrong. It was too low, as the fresh water make-up was used for the calculation rather than the total produced water.

7.2a

Please report the water recycling/reuse within your operations for the reporting year.

Country or region	River basin	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
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7.2b

Please explain why you are not able to provide data for water recycling/reuse within your operations.

7.2b

Please explain why you are not able to provide data for water recycling/reuse within your operations.

7.3

Please use this space to describe the methodologies used for questions 7.1 and 7.2 or to report withdrawals or recycling/reuse in a different format to that set out above.

There is no corporate methodology, each asset/site will use the methodology of choice. This may be governed by local regulations and reporting requirements.

7.3

Please use this space to describe the methodologies used for questions 7.1 and 7.2 or to report withdrawals or recycling/reuse in a different format to that set out above.

7.4

Are any water sources significantly affected by your company's withdrawal of water?

Yes

7.4a

Please list any water sources significantly affected by your company's withdrawal of water.

Country or geographical reach	River basin	Water source	Impact	Company action and outcomes
Canada	Other: Athabasca	Grand Rapid aquifer	Gradual decline and dewater of the aquifer has been calculated.	Close cooperation with other operators with water management issues.

7.4b

You may explain here why your company's withdrawal of water does not significantly affect any water sources.

7.4c

Please explain why you do not know if any water sources are significantly affected by your company's withdrawal of water.

Page: Water-8-Discharges

8.1

Are you able to identify discharges of water from your operations by destination, by treatment method and by quantity and quality using standard effluent parameters?

Yes

8.1a

Please explain why you are not able to identify discharges from your operations by destination, treatment method , quantity and quality, and whether you have any plans to put in place systems that would enable you to do so.

8.2

Did your company pay any penalties or fines for significant breaches of discharge agreements or regulations in the reporting period?

No

8.2a

Please describe the location and impact of the discharge that was the subject of the significant breach(es), the associated fines and any actions taken to minimise the risk of future non-compliance.

Country or region	River basin	Impact	Fines and penalties	Company action and outcomes
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8.3

Are any water bodies and related habitats significantly affected by discharges of water or runoff from your operations?

No

8.3a

Please list any water bodies and associated habitats which are significantly affected by discharge of water or runoff from your operations.

Country or region	River basin	Water body	Impact	Company action and outcomes
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8.3b

You may explain here why your company's discharge of water does not significantly affect any water bodies or associated habitats.

Statoil Canada is implementing a comprehensive surface monitoring program, focusing on water quality and quantity. In 2012, a first full year of the program has been completed and the results are being compiled. Results from 2011 are similar to the baseline (2007).

8.3c

Please explain why you do not know if any water bodies and associated habitats are significantly affected by discharge of water or runoff from your operations.

Page: Water-9-Intensity

9.1

Please provide any available financial intensity values for your company's water use across its operations.

Country or region	River basin	Financial metric	Water use type (megaliters)	Currency	Financial intensity (Currency/mega-liter)	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
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9.2

Please provide any available water intensity values for your company's products or services across its operations.

Country or region	River basin	Product	Product unit	Water unit	Water intensity (Water unit/product unit)	Water use type	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Canada	Other: Athabasca	bitumen	Other: bbl	Other: bbl	0.3		The 2012 water intensity for our Canadian oil sands operations was 0,3 bbl fresh water/bbl bitumen. Our ambition is to reduce this intensity by 45% within 2020. We do not have a water intensity figure that covers all our operations as most of our operations are offshore and/or in areas of water abundance. Hence, our operation in Canada is the only operated asset where water intensity is a relevant/material issue.

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

CDP