North Sea
Transition
Authority

ESG Disclosure

2025 observations

Date of publication July 2026

Contents

Executive summary 3

Introduction 4

NSTA assessment observations – overview 7

NSTA assessment observations – Environmental metrics 11

NSTA assessment observations – Social metrics 14

NSTA assessment observations – Governance metrics 16

Deep dive themes 18

Conclusion 23

Appendix A: themes within the NSTA's disclosure assessment framework 24

The document can be found on the NSTA's website.

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Published by the North Sea Transition Authority

Executive summary

The NSTA's Environmental, Social and Governance (ESG) Disclosure Report (third edition) provides the NSTA's observations on the levels of ESG-related disclosure undertaken by oil and gas licensees with interests in offshore production licences issued on the UK Continental Shelf (UKCS). The analysis undertaken for this latest report uses the same underlying framework as developed for the second edition of the NSTA's ESG Disclosure Report[1], published in 2024, enabling a comparison of how ESG disclosure across UKCS licensees is moving over time.

Key observations from the report are:

- The quality and volume of ESG disclosures have improved, with a greater proportion of the disclosure moving beyond basic levels.
- 76% of licensees reviewed under the NSTA's framework achieved an overall score of more than 50%. This is an improvement from the previous report where 52% achieved this level.
- Within the NSTA's assessment framework, there have been improvements in overall disclosure scores ranging from 11% -14% across all three elements of E, S and G.
- Environmental metrics still represent the strongest area of disclosure, where the largest improvements were in biodiversity disclosure.
- Social metrics have seen the largest proportionate increase overall compared to the previous review, although they remain the lowest scoring area across E, S and G.
- Disclosure of privacy and security information surrounding licensees' use of data has also seen larger increases, mirroring wider societal concerns, and regulatory requirements.
- Disclosure of external verification of published ESG data is gaining momentum, assisted by new international and UK guidance, with 66% of the licensees reviewed disclosing some elements of external verification, compared to 52% previously.
- Scope 3 emissions disclosure is increasing, driven by regulatory requirements and stakeholder expectations.

The NSTA is encouraged to see that the overall level of ESG disclosure has improved in both volume and quality. The NSTA considers that this illustrates an ongoing trend where ESG disclosure initiatives are becoming embedded in a broad spectrum of corporate processes. As the momentum for ESG initiatives has grown, so have the challenges; some may question whether ESG has lost its momentum in the face of changing priorities within major economies. However, 2026 is bringing new and evolving ESG regulations that a number of licensees on the UKCS must actively prepare for and others should be aware of.

[1] NSTA ESG Disclosure Report (second edition)

Introduction

The importance of effective ESG disclosure

Robust and consistent ESG reporting is important for attracting and maintaining investment into oil and gas businesses operating on the UKCS. Whilst the global economic and political backdrop has changed since the last NSTA report, ESG considerations remain an important component of stakeholder decision making. The NSTA considers that the ability to disclose and report ESG effectively is important to the industry's long-term future.

ESG reporting embedded in corporate activity

The ESG landscape is maturing, many businesses within and outside the oil and gas sector have already embedded it into corporate reporting activities. Meanwhile, the regulatory landscape surrounding ESG disclosure continues to develop, with a number of new requirements coming into effect or taking significant steps forward. These requirements, often focused initially on larger entities, demonstrate a direction of travel for the wider industry regarding the expectations of government and society, in terms of the level of disclosure and the degree of independent verification.

In February 2026 the UK government published the Sustainability Reporting Standards (SRS)[2], a disclosure framework that addresses reporting of sustainability-related financial information. The UK SRS covers disclosure across a broad range of areas linked to the companies' approach to sustainability matters. These relate to metrics and targets and the business' approach to governance of climate-related risks, strategic planning over the short, medium and long-term and overall risk management frameworks. In addition, the Sustainability Disclosure Requirements (SDR) framework[3] will enhance ESG transparency expectations.

These initiatives are intended to align UK reporting with international standards and investor expectations. They are currently voluntary for all companies, although the Financial Conduct Authority (FCA) has already consulted on how both UK SRS and SDR will apply to listed entities, with a view to implementation in 2027.

Increasing focus on ensuring standardisation and objectivity

Given the ESG reporting environment is maturing, it is not surprising that there is increasing focus on ensuring the underlying data and metrics are consistent and robust. Since the last NSTA Disclosure Report, the Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 has been laid before Parliament, with most of its operational provisions effective from 29 June 2028. The new requirements will mean that, in general, firms providing ESG ratings must be authorised by the FCA. The FCA's consultation on the relevant regulatory rules concluded in March 2026[4], with publication of the final rules anticipated in Q4 2026. The move is designed to improve transparency, governance, and management of conflicts of interest for providers. It is expected that the new rules will become effective in 2028.

[2] UK Sustainability Reporting Standards - GOV.UK
[3] Sustainability Disclosure Requirements: Implementation Update 2024 - GOV.UK
[4] CP25/34: ESG ratings: proposed approach to regulation | FCA

The assessment framework

As with previous reports, the NSTA's latest ESG Disclosure Report has assessed the disclosure undertaken by a significant proportion of the major oil and gas licensees operating on the UKCS. The assessment of each company's disclosure was based on information publicly available during the latter half of 2025 and on the NSTA's interpretation of the quality of that disclosure.

An improved assessment process was implemented in the second edition of the report, and this has been maintained for this latest edition. Maintaining a consistent framework allows comparisons to be made to last year's data as well as continuing to look closely at the depth and quality of the disclosure being presented. It may be that in future versions of the report changes will be required to the framework to address changing expectations on ESG disclosure, but this was not considered necessary for this iteration.

The NSTA's ESG assessment framework is based upon 60 metrics which are mapped to the United Nations Sustainable Development Goals. These metrics are also split into 10 themes covering topics such as supply chain, data, emissions, and corporate governance. Further details on each of the 10 themes is in Appendix A. To achieve a score for a particular metric a licensee was required to have made a statement relevant to that topic – even if only to confirm that there was nothing to report. The NSTA favours that scoring as 'nothing to declare' statements in themselves provide clarity.

For benchmarking comparison purposes, we have assigned licensees to five Peer Groups based on their size and organisational structure. The allocation of companies to Peer Groups reflects company size and structure at the time of their published ESG reports that were reviewed for this report. Peer Groups are as follows:

Peer group	Description
Peer Group 1	**Majors**
Peer Group 2	**UK headquartered large independents (group revenue>£1.5bn)**
Peer Group 3	**UK subsidiaries of overseas parent**
Peer Group 4	**NOCs and family-owned independents**
Peer Group 5	**UK headquartered smaller independents (group revenue<£1.5bn)**

Licensees have been scored as either having:

- no disclosure
- basic disclosure (representing the minimal levels of disclosure including core details); or
- enhanced disclosure (representing a level of disclosure incorporating additional explanation or detail over and above the basic details).

An equal headline score between two licensees or two Peer Groups does not necessarily equate to similar levels of disclosure across all areas. One company or Peer Group may have disclosed across a smaller number of areas but provided an enhanced level of disclosure in these areas, rather than an average quality of disclosure across a broader number of topics.

Where graphs (Figures 4 & 5) show scores across all three areas of E, S and G by licensee or Peer Group these combined scores are weighted as follows:

- **E metrics score weight: 40%**
- **S metrics score weight: 27%**
- **G metrics score weight: 33%**

The weightings attributed reflect existing practice amongst many sustainability organisations such as the ESG ratings agencies. Given that many licensees' disclosures are more focused on environmental and governance reporting than social reporting, the above-mentioned score weighting will, for many, have a positive effect on overall scores.

NSTA assessment observations – overview

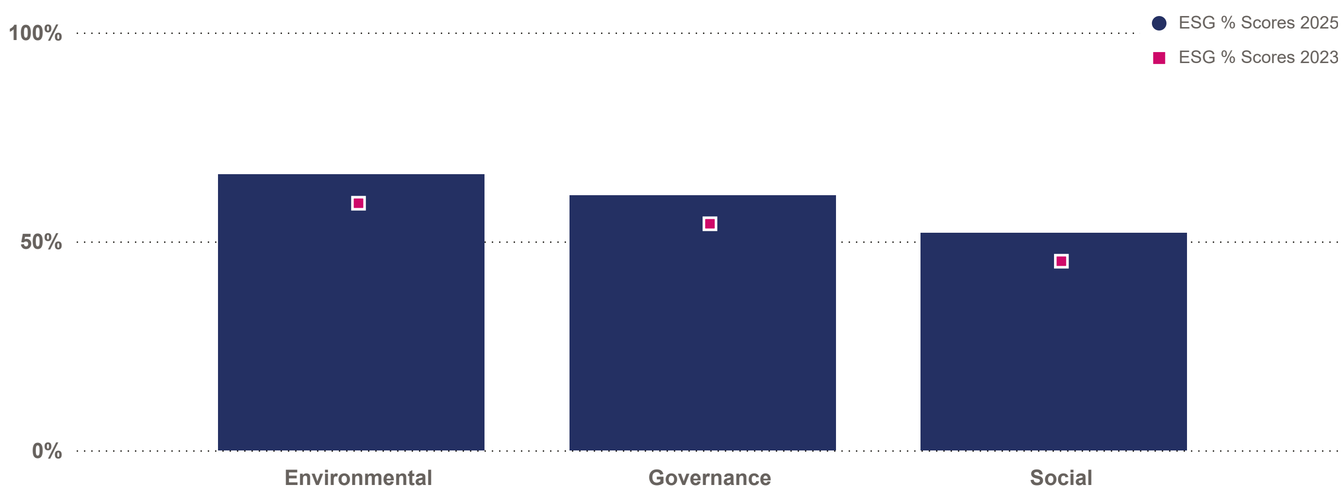
The majority of licensees have shown improved disclosure

Overall disclosure has improved since the last report, with 76% of licensees having a combined weighted score above 50%. This compares to 52% achieving the equivalent score at the time of the previous report. This increase reflects an improvement in both the volume and quality of disclosure being provided.

The licensees reviewed have performed particularly well in disclosing what can be considered as the core Environmental, Social and Governance areas. For example, the highest scoring metrics, with average scores over 75%, include disclosure metrics dealing with Scope 1 and 2 emissions, water pollution, company governance around climate change risks, workforce health and safety, gender diversity and company ownership and board structure. These areas relate to subjects that would be expected to attract strong disclosure, either because they have long been embedded in industry practice, or because they fall under mandated reporting requirements.

Figure 1 shows that there have been improvements across all three areas of Environmental, Social and Governance disclosure.

Figure 1: Overall disclosure scores for E, S and G



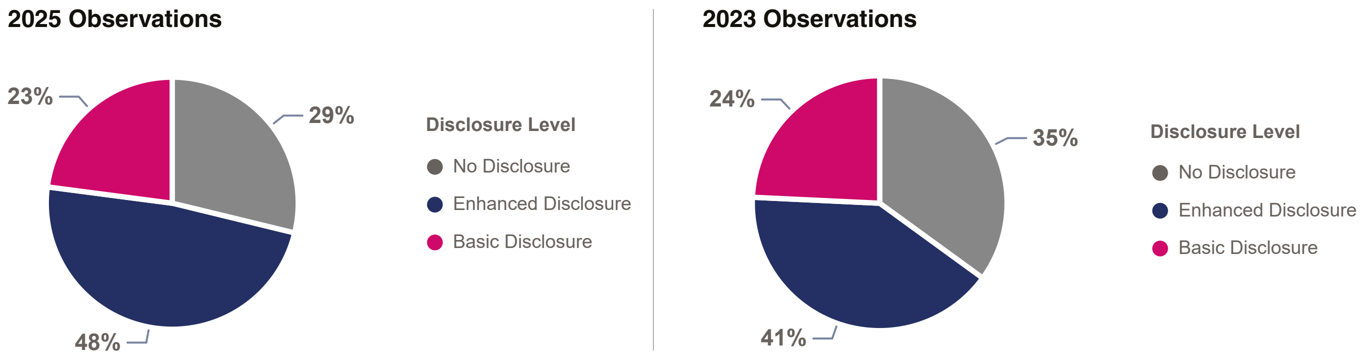
Environmental metrics show the highest disclosure scores of the E, S and G groupings, which is unsurprising given wider public concerns around climate change and the corresponding focus on this area. Scores across the three areas have each improved by 7% in absolute terms (E rising from 59% to 66%, G from 54% to 61%, and S from 45% to 52%), meaning that the Social metrics have seen a slightly larger proportionate increase.

Improvements in both the quality and volume of disclosure

Figure 2, which combines disclosure data from all three E, S and G areas, shows an overall improvement in the quality and volume of disclosure in the current assessment. On average, across the 60 metrics, disclosures (incorporating both basic and enhanced disclosure) were observed 71% of the time, rising from 65% in the previous report, indicating a higher overall volume of disclosure. Within this overall score, the proportion of enhanced disclosure has increased from 41% to 48%, indicating an increase in the overall quality of that disclosure when it occurs.

The growth in enhanced disclosure across the three themes is particularly encouraging, as it shows that licensees are reporting more and improving the depth, clarity and robustness of the information they provide. Overall, the results suggest steady progress in disclosure levels.

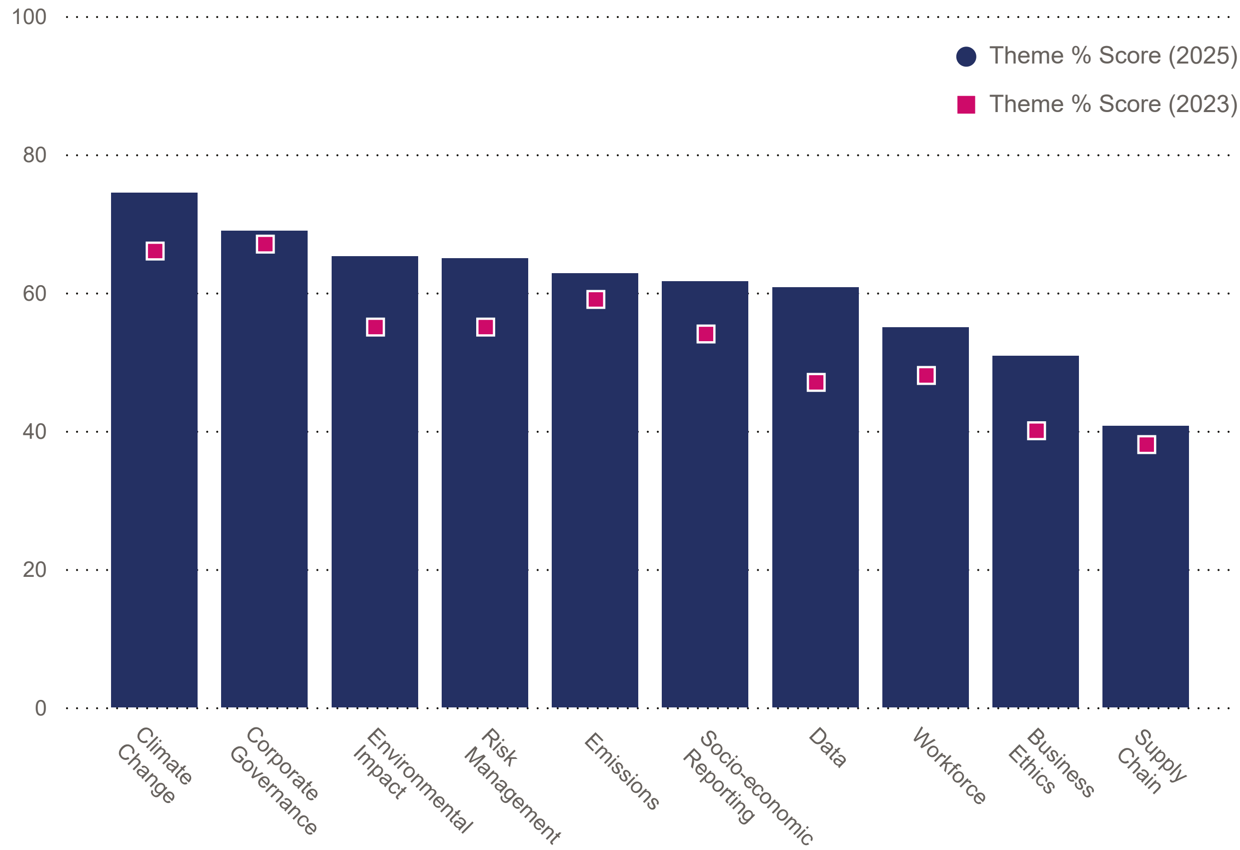
Figure 2: Percentage of enhanced, basic and no disclosure across all E, S and G metrics (2025 observations versus 2023 observations)



Variations in disclosure across underlying themes

The 60 metrics assessed by the NSTA are grouped into 10 themes (Appendix A contains a description of each theme). When considering scores on a theme basis this is done from the perspective of the average metric score within each theme. Figure 3 shows that there have been improvements in these average metric scores across all the theme areas. It also shows that there were varying levels of improvement in these scores when compared to the previous report.

Figure 3: Score by theme (representing the average metric score within each theme)



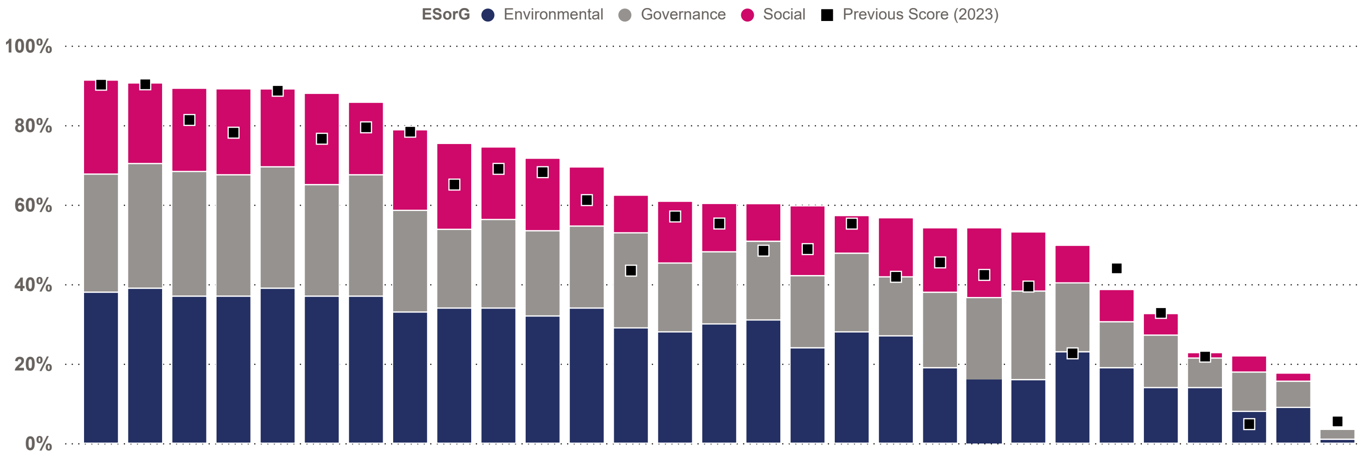
The most significant improvements since the previous report have been seen in areas of disclosure relating to Data (average metric scores in this theme rising from 47% to 61%) and Business Ethics, closely followed by areas relating to Risk Management and core Environmental Impact areas. Within these areas there have been notable increases in metric scores relating to biodiversity, data centres, external assurance, and socio-economic reporting.

Figure 3 also illustrates that disclosure relating to Supply Chain metrics (a key component of the Social element of ESG scoring) remains the weakest area, and has seen limited improvement since the last review. The overall average score for Supply Chain metrics in the current report is 41%, compared to 38% previously.

Most licensees have improved their individual disclosure score

Figure 4 shows the majority of licensees reviewed have improved their weighted disclosure scores, reflecting steady progress across the industry among all business types. The most significant improvements are seen among licensees whose scores were previously in the lower half of the table. This is to be expected as licensees with a lower starting point have more opportunity to make improvements.

Figure 4: Overall weighted score by licensee across E, S and G

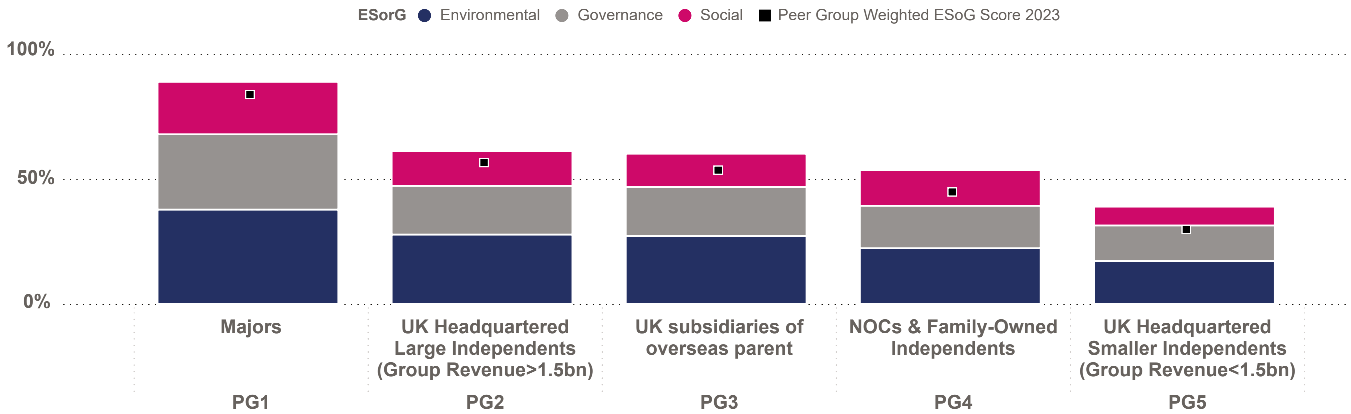


In the very few cases where scores declined from those reviewed previously, this decline appeared to be linked to specific circumstances, primarily disruption caused by merger and acquisition activity that may have temporarily affected data availability and reporting continuity.

Collective improvements seen across all Peer Groups

Current and previous weighted scores by Peer Group are shown in Figure 5. These scores represent the average score of the entities within each Peer Group. As can be seen, there were collective improvements across all peer groups.

Figure 5: Average weighted ESG scores across licensees by Peer Group



The ranking of the relative disclosure scores for these peer groups has not changed since the previous report. This reflects the greater level of regulatory disclosure requirements for peer group 1 licensees in particular.

However, there have been more significant proportional improvements in the level of disclosure by peer groups 4 and 5. This is expected given the greater scope for improvement from a lower starting point. peer group 5 has shown the largest proportionate improvement in average overall scores. Much of this progress has been driven by a small number of licensees within the group making substantial improvements across all three ESG themes.

It is positive to see that the scores have improved across every peer group, indicating a general uplift in reporting quality and engagement with ESG expectations across the population of licensees reviewed, irrespective of business type and the associated regulatory requirements.

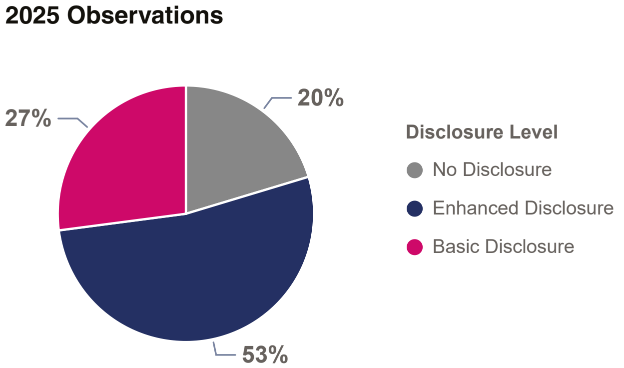
NSTA assessment observations – Environmental metrics

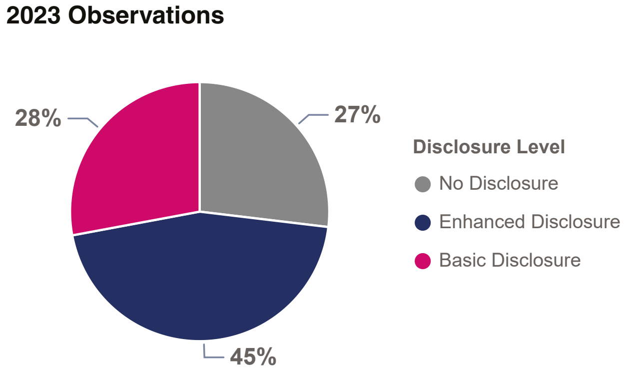
As shown in Figure 1, the overall level of disclosure of environmental metrics has improved. The average environmental score was 66% in the current assessment compared to 59% previously.

The improvement in the overall environmental score represents a combination of improved volume of disclosure as well as improved quality.

This is illustrated in Figure 6 below. In the current assessment 53% of licensees reviewed were considered to have provided enhanced disclosure and 27% provided basic disclosure, compared to 45% enhanced disclosure and 28% basic disclosure in the previous report.

Figure 6: Percentage of disclosure levels for Environmental metrics (2025 observations versus 2023 observations)

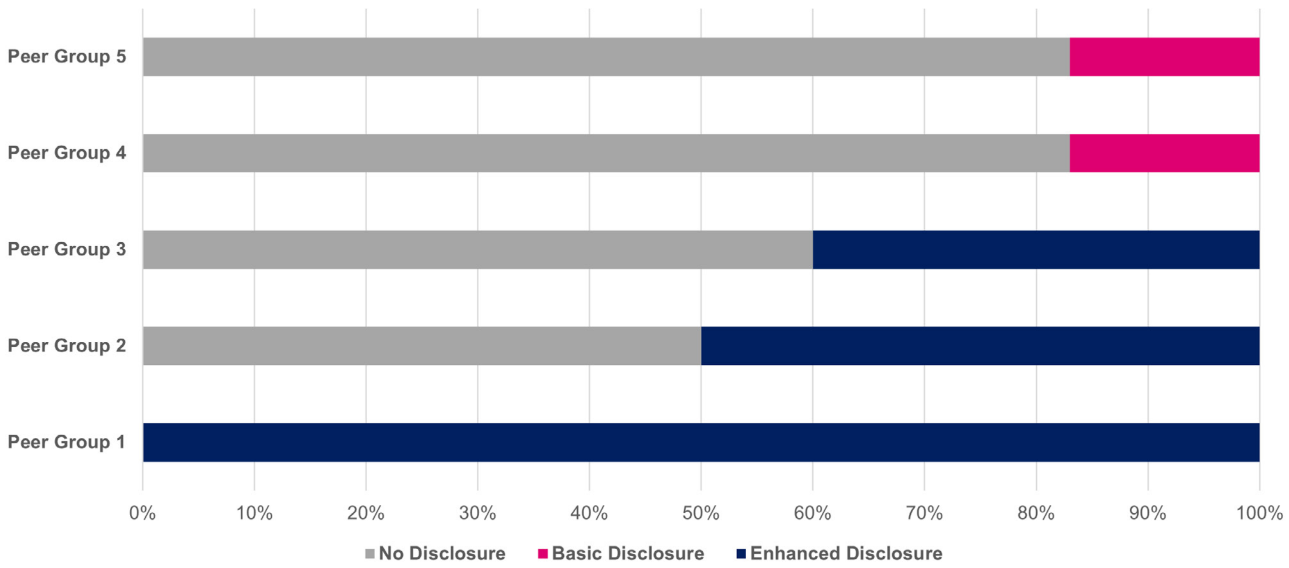




Among the environmental focused metrics those relating to disclosure of scope 1 and 2 emissions, water pollution risk management, water and effluent controls, and waste management achieved the highest average disclosure scores of more than 90%, reflecting consistently strong reporting across these indicators. High scores in these areas are not unexpected given the regulatory requirements around emissions, water pollution and waste management which drive consistent data collection and aid reporting. Investors also place particular importance on such environmental transparency. The metrics relating to disclosure of governance arrangements for climate-related risks and opportunities also scored highly, with an average score of 81%, reflecting continued strengthening of governance transparency in climate related matters.

The lowest scoring levels among the environmental metrics were related to disclosure of any internal carbon price mechanisms, with an average score of 41% overall. Internal carbon pricing is a voluntary strategic tool whereby licensees each assign a notional cost to CO_2 emissions to highlight carbon intensive activities and incentivise emissions reduction. Figure 7 shows the level of disclosure in this area by peer group.

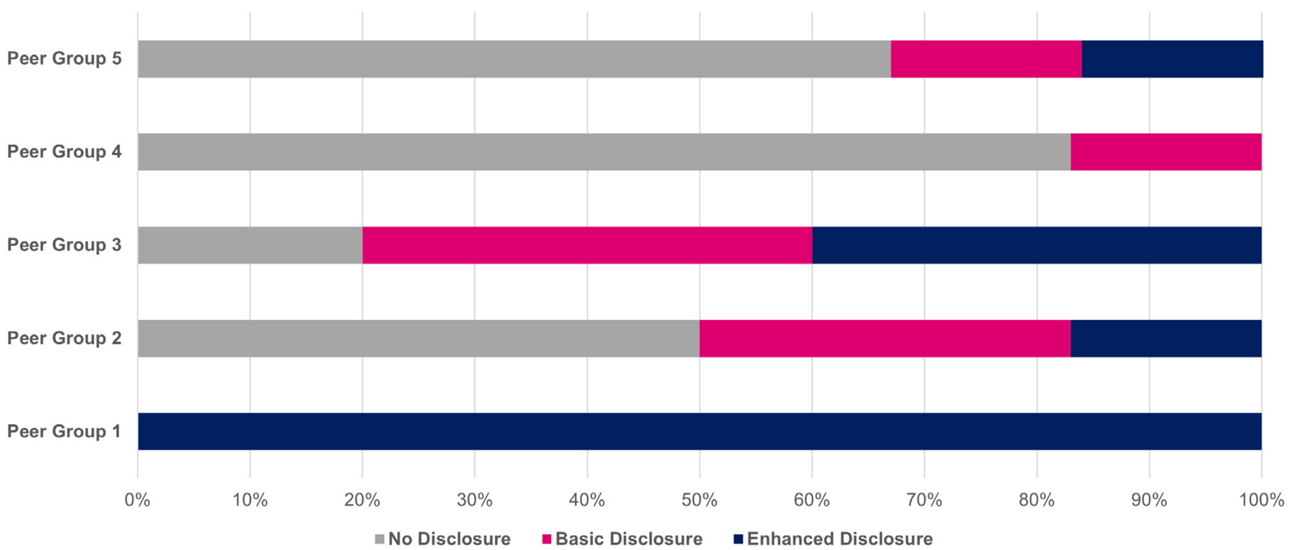
Figure 7: Percentage of disclosure levels for "internal carbon pricing" by Peer Group



The overall limited disclosure level reflects the fact that many licensees have yet to adopt internal carbon pricing frameworks. This is not unexpected given that they can be complex, potentially taking significant time and resources. Despite the lower overall score compared to other environmental metrics, Figure 7 shows that there is in fact a wide variety of levels of disclosure across the different peer groups. It is not surprising that smaller licensees in peer groups 4 and 5 have lower disclosure levels for this metric as they have less external investor or regulatory pressure to do so.

After internal carbon pricing, the environmental metric with the second lowest disclosure was the proportion of executive management remuneration tied to climate related considerations. While showing some increase (current score 44%, up from 40% last year), this continued low scoring level indicates that climate aligned incentive mechanisms are not yet widely embedded. Once again, behind the overall average level of disclosure, there were significant variations between licensees. Figure 8 shows how disclosure levels for this metric varied across peer groups.

Figure 8: Percentage of disclosure levels for "proportion of executive management remuneration tied to climate-related considerations" by Peer Group



In Figure 8 Peer Group 1 shows 100% of parties providing enhanced disclosure, while Peer Group 3 achieved 80% (albeit through a mixture of disclosure levels). Scoring by these Peer Groupings reflect the fact that larger, international companies often have more complex executive remuneration structures, enabled by more extensive internal ESG reporting frameworks.

Whilst not resulting in the highest or lowest absolute scores, the NSTA has noted some significant proportional improvements in certain other Environmental metrics. For example, there have been significant proportional improvements in metrics associated with improved biodiversity disclosure. Average disclosure scores relating to metrics on how the organisations identify, assess and manage nature related dependencies, impacts, risks and opportunities rose proportionately by 75% compared to the previous report, with metric scores increasing from 34% to 60% overall.

Biodiversity metrics relating to the disclosure of the actual and potential impacts of nature related dependencies, impacts, risks and opportunities on the organisation's business, strategy and financial planning also improved, with a 32% proportionate increase in overall average disclosure. This is likely linked to the growing influence of the Taskforce on Nature Related Financial Disclosures (TFND). The TNFD is a global, market led initiative that provides a framework for organisations to identify, assess, manage, and disclose nature related dependencies, impacts, risks and opportunities. It is designed to help organisations integrate nature into decision making and reporting. It is similar in structure to the well-established Taskforce on Climate Related Financial Disclosures (TCFD) framework but focused on biodiversity and natural capital. Many organisations are beginning to align with or pilot the TNFD framework, which has gained momentum since its final recommendations were released. The TNFD framework raises expectations and provides clearer guidance on what "good" nature related disclosure looks like. The noted disclosure improvements are an encouraging sign that licensees are strengthening the depth of their biodiversity related disclosures and recognising the importance of addressing nature related risks and dependencies.

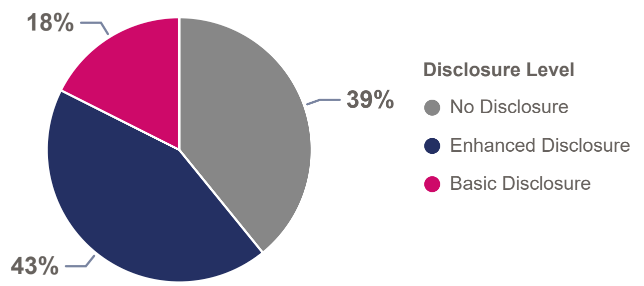
NSTA assessment observations – Social metrics

As shown in Figure 1, the disclosure of Social metrics has improved compared to the previous report, with the overall average score increasing from 45% to 52%.

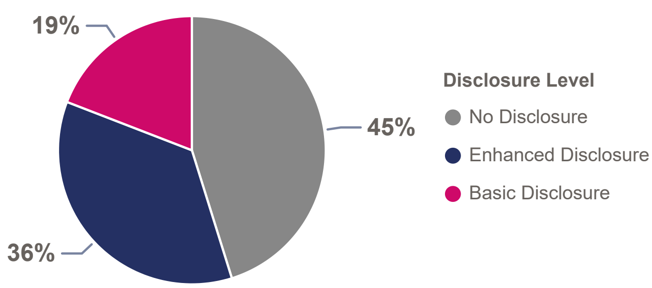
As with the Environmental scores this has been driven by an increase in both the quality and the volume of disclosure. As illustrated in Figure 9, scores in this area represented disclosure by 61% of licensees on average (43% enhanced disclosure, 18% basic disclosure) compared to 55% in the previous report (36% enhanced disclosure, 19% basic disclosure).

Figure 9: Percentage of disclosure levels for Social metrics (2025 observations versus 2023 observations)

2025 Observations



2023 Observations



Within the Social category, metrics relating to workforce health and safety and local community engagement, impact assessment and development projects scored highest overall, with disclosure scores in the region of 86%. However, scores in these areas, whilst being the highest in the category, had not improved significantly since the previous report.

Regarding workforce health and safety, the consistently high score and the stability year on year is not unexpected. It is driven by the significant reputational risk associated with health and safety performance in the sector, alongside the major legal obligations and industry regulations that require companies to demonstrate robust safety management.

High scoring in relation to community engagement indicates that licensees continue to value transparent reporting on how they engage with local communities, assess potential impacts, and contribute to social development initiatives. High disclosure levels in this area are not unexpected given the perceived benefits of being able to demonstrate engagement with local stakeholders and from demonstrating responsible community engagement.

The Social metric with weakest disclosure was related to the presence of transition assistance programmes, which received only a score of 10%. A Transition Assistance Programme in the oil and gas sector refers to structured support that helps employees adjust as the industry evolves due to decarbonisation, regulatory change, or declining fossil fuel activity, often involving reskilling, workforce planning and social protections.

Among the licensees that did disclose information, examples included upskilling initiatives aimed at improving employee capabilities for the energy transition, as well as the sponsorship and development of local projects designed to enhance workforce flexibility and enable skills transfer across new and emerging activities.

However, the overall low disclosure score suggests that most licensees either do not have such programmes in place or are not reporting on them. This lack of disclosure may partly reflect the continued strategic focus of many licensees on oil and gas activities. It may also be influenced by the recent wave of mergers and acquisitions in the sector, meaning that any newly established transition programmes may not yet have been captured in the data collected. If such programmes were present, it would have been expected that the licensees would have highlighted their existence.

There were also low disclosure scores in relation to the payment terms to the supply chain, including limited disclosure around how quickly invoices are paid (note that this observation relates to the disclosure of these matters rather than being a comment on actual underlying performance). There were also low disclosure scores relating to any negative social impacts in the Supply Chain and associated actions taken. Scores in both areas were around 14%. These areas may show low disclosure because Supply Chain transparency is generally less mature compared to other Social metrics, and many licensees may not yet have structured processes for reporting and disclosing in these areas even if the information is available internally. Supply Chain social issues can also be harder to measure and require detailed data from contractors and subcontractors, which licensees may not have access to, contributing to the weaker disclosure levels.

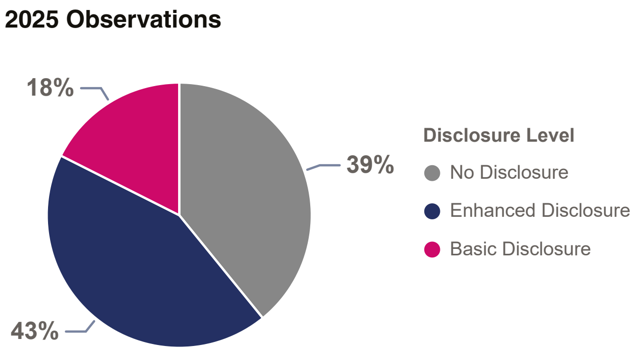
The Social metric with the largest proportionate increase in disclosure was in relation to the Ethnic Diversity of governance bodies and employees, which doubled from 24% to 48%. This significant increase has been driven by disclosure from non-listed entities, given that the Financial Conduct Authority's rules that require listed companies to report on ethnic diversity have been in place since 2022.

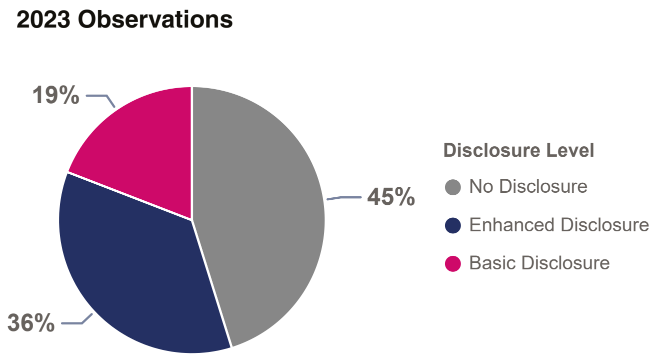
NSTA assessment observations – Governance metrics

As shown in Figure 1, the overall average score attributed to the disclosure of Governance metrics has improved, with this rising to 61% compared to 54% under the previous review.

Figure 10 illustrates that, as with Environmental and Social scoring, this is due to a combination of an increase in the overall volume of disclosure (on average only 27% of assessed metrics receiving no disclosure compared to 33% previously), and also improvements in the quality of disclosure (on average enhanced disclosure being provided for 49% of metrics compared to 41% previously).

Figure 10: Percentage of disclosure levels for Governance metrics (2025 observations versus 2023 observations)





A significant proportion of governance related disclosure is covered by the requirements of recognised governance codes (such as the UK Corporate Governance Code, the QCA Corporate Governance Code and the Wates Corporate Governance Principles). The NSTA expects holders of a production licence to follow a recognised code. Consequently, it is not surprising that there were some particularly high scores in this element of the dataset - metrics relating to ownership structure transparency as well as board composition achieved in excess of 90%. These two areas would be expected to perform particularly well given the importance of the clarity on ownership and board structures to corporate governance codes, regulatory frameworks and financial reporting standards. Companies therefore have established processes, documentation and oversight mechanisms in place to ensure consistent and appropriate disclosure in annual reporting.

Where weaker governance metric scores were seen these were often attributable to a lack of confirmation that there was nothing to disclose. For example, metrics dealing with areas such as legal action for anti-competitive behaviour, anti-trust and monopoly practices or other controversy events had scores of around 29%. This low level of disclosure is likely due to many licensees not experiencing any reportable events during the year, leaving them with no specific information to disclose. However, it remains good practice to explicitly state that no such incidents occurred; doing so reinforces transparency, demonstrates active governance oversight, and reassures stakeholders that the existence or otherwise of potential issues is being actively considered as part of the overall disclosure process. Such "nothing to report" disclosures are not without precedent. For example, the metric with the largest proportionate increase in disclosure between the previous and current assessment was in the area of political contributions, where there were many declarations of no such contributions having been made. The disclosure for this metric has improved from 26% to 46%. The marked increase in disclosure is likely driven by growing regulatory expectations around transparency in corporate political engagement, particularly as new sustainability reporting frameworks such as the Corporate Sustainability Reporting Directive (CSRD) require, where applicable, that companies disclose their political activities and associated risks in a more structured and detailed manner. At the same time, investors and other stakeholders are expecting companies to be increasingly open about political spending.

Deep dive themes

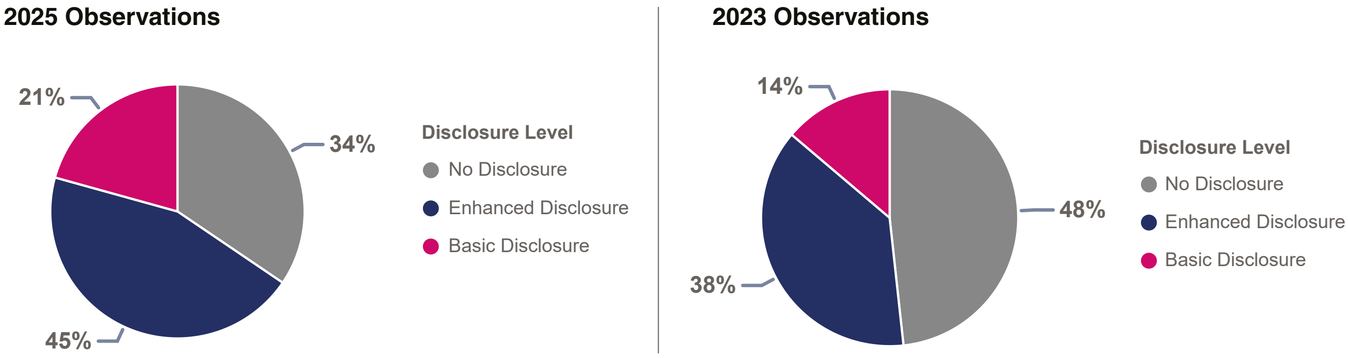
Independent assurance of ESG disclosures

Assurance processes surrounding ESG disclosure involves an independent third party reviewing a company's ESG information to check that it is accurate, complete, and prepared in line with stated methodologies and standards. The process increases confidence for stakeholders by verifying that reported ESG data is reliable and supported by appropriate evidence and controls. There is a growing expectation, alongside increasing regulatory requirements, that ESG data will be audited in this way.

The NSTA's assessment shows an increase in the disclosure of external verification of ESG data. The overall average disclosure score across all licensees reviewed increased from 45% in the previous report to 55% currently, representing a 23% proportionate increase.

In Figure 11, this overall improvement reflected an increase in the proportion of disclosures that were considered to be enhanced disclosure (45% versus 38% in the previous report) and a reduction in the occurrence of no disclosure (down to 34% compared to 48% in the previous report).

Figure 11: Percentage of disclosure levels for External verification of data metric (2025 observations versus 2023 observations)



The increased scoring identified is reflective of increasing regulatory interest. An example of the direction of regulatory expectations surrounding the assurance of ESG data was seen in November 2025, when the Financial Reporting Council (FRC) issued International Standard on Sustainability Assurance (UK) 5000, General Requirements for Sustainability Assurance Engagements. ISSA (UK) 5000 mirrors the global standard ISSA 5000, which was issued by the International Auditing and Assurance Standards Board (IAASB), and is intended to lead to the establishment of a consistent global approach to sustainability assurance.

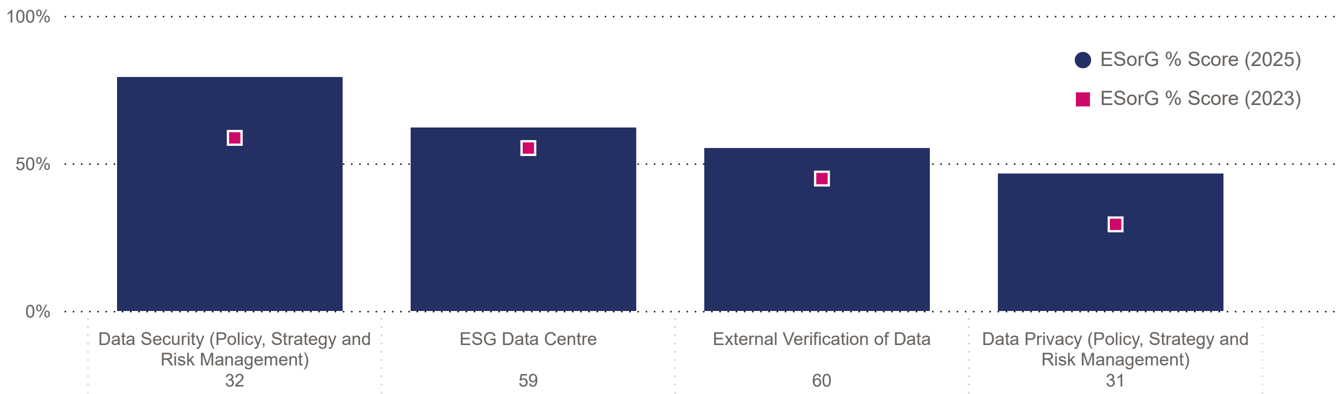
It is understood that the IAASB created ISSA 5000 as part of an expected new '5000 series' of standards aimed at sustainability assurance. Future standards may address specific aspects of sustainability assurance engagements if the IAASB identifies that more specific requirements and guidance are needed beyond the primary principles contained in ISSA 5000.

ISSA (UK) 5000 is intended to provide UK companies, investors and assurance providers with a consistent, internationally aligned assurance standard for use in sustainability assurance engagements. Initially at least, the standard is for voluntary use.

Increasing disclosure of Data related metrics

As noted earlier in this report, there has been noticeable improvement in average disclosure scores relating to the Data theme. This overall increase for the theme has been driven primarily due to additional disclosure in metrics relating to data privacy and security, as shown in Figure 12 below.

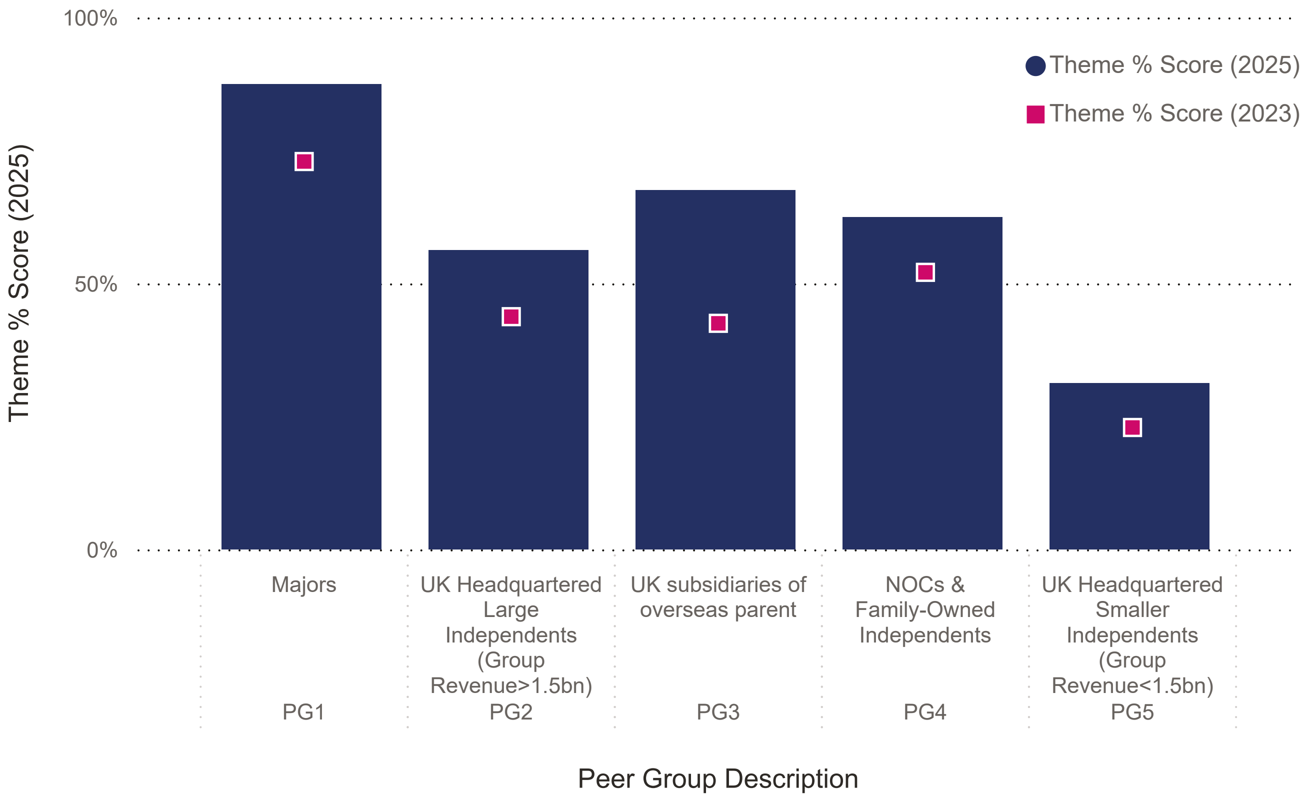
Figure 12: Disclosure score for Data theme metrics



This trend may be driven by a number of factors. First, the increasing prominence of data protection issues in society, with growing public awareness of cybersecurity threats such as data breaches, hacking incidents, phishing attacks and ransomware. Second, stricter regulatory requirements are coming into force, such as the UK's Data (Use and Access) Act 2025 which received Royal Assent in June 2025. This act will strengthen the overall UK data protection regime.

Figure 13 shows that all peer groups have strengthened overall disclosure in data metrics compared to the previous report, reflecting a broad uplift in attention to data privacy and security across the population of oil and gas licensees reviewed. Those providing enhanced disclosure typically outlined clear and structured procedures for identifying, mitigating, and responding to data security threats, demonstrating a growing industry commitment to robust governance and cyber resilience. Whilst Peer Group 1 had the highest average scoring, there is less variation with other Peer Groups when compared to the level of variation observed in Figure 5 (showing overall average peer group scoring across all metrics). This indicates the broad impact of the underlying issues involved.

Figure 13: "Data" theme disclosure scores by Peer Group



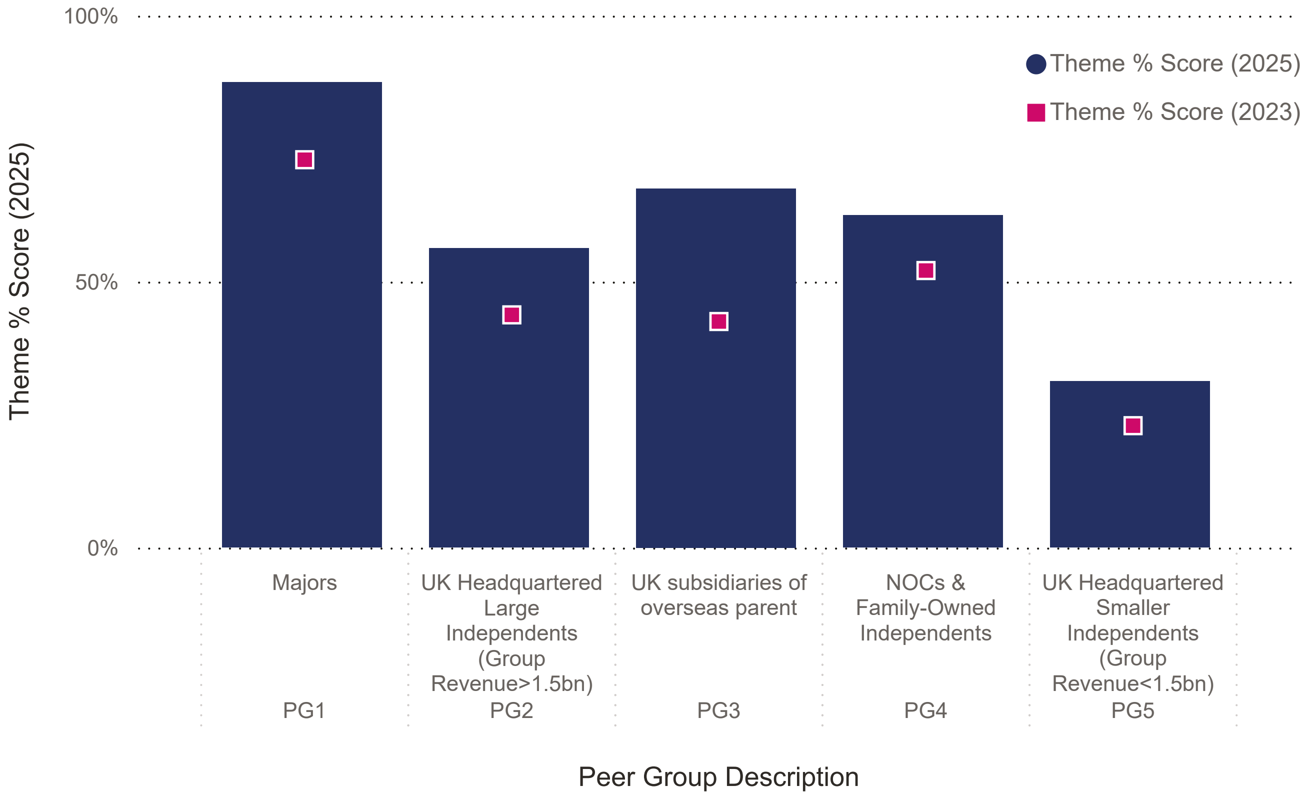
Supply Chain disclosure

As noted earlier in this report, disclosure of metrics relating to the Supply Chain remain the weakest area of disclosure across the themes assessed, with only a marginal improvement on last year's performance. This is unsurprising, as reporting in this area is often qualitative, inconsistent, and lacks standardisation, making it more challenging for licensees to provide comprehensive and consistent information.

The strongest performing metric within the theme related to whether there was disclosure of a management system for prevention of corruption and bribery throughout the value chain. This metric recorded an average score of 57%, although this represents a slight decrease from 60% in the previous report. All other Supply Chain metrics scored below 60%, and three related to spending on local suppliers, negative social impacts in the supply chain and payment terms in the supply chain fell below 25%, highlighting persistent gaps in disclosure and the need for more structured expectations around reporting in this area in general (as noted previously, these observations relate to the levels of disclosure in these areas rather than of the level of underlying activity).

Figure 14 below shows that Peer Group 1 achieved an average score significantly above that of any other Peer Group, despite a slight decrease from last year. Some licensees did not provide any disclosure related to Supply Chain at all. This significantly pulls down overall results for the "Social" metrics. Whilst greater attention is needed to strengthen transparency in this area, the NSTA recognises that the complex nature of Supply Chains means that some data may be difficult for licensees to access or verify.

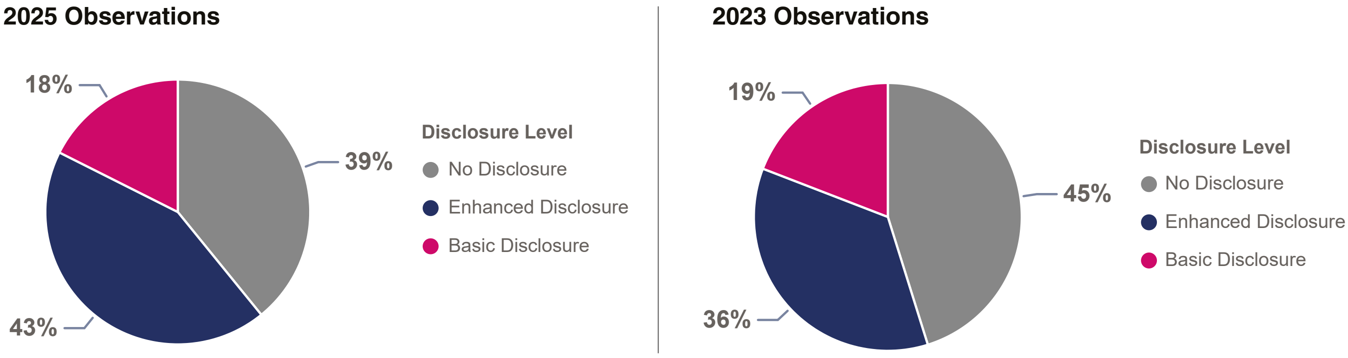
Figure 14: Average Supply Chain theme score by Peer Group



Scope 3 emissions

Figure 15 shows a significant improvement in the quality of disclosure of Scope 3 emissions, with the level of enhanced disclosure rising to 66%, up from 45% last year, representing a proportional increase of 47%.

Figure 15: Percentage of Disclosure Levels for "Scope 3 Emissions" (2025 observations versus 2023 observations)



Scope 1 emissions refer to direct greenhouse gas emissions from sources an organisation owns or controls. Scope 2 emissions relate to indirect emissions from purchased energy such as electricity, steam, heating, and cooling. Scope 3 emissions cover all other indirect emissions that occur across an organisation's upstream and downstream activities and are typically the most difficult to measure due to their breadth and complexity. Scope 3 emissions disclosure in the UK has been largely voluntary, although for some licensees this is moving towards mandatory reporting as a result of the previously noted UK SRS. In any event, Scope 3 emissions disclosure is increasingly expected by a variety of stakeholders.

Conclusion

This latest assessment shows steady progress in ESG disclosure across the UK oil and gas licensees reviewed. Improvements are evident in all three themes of Environmental, Social and Governance with increases in both the breadth and quality of reporting. Enhanced and basic levels of disclosure have risen, signalling that more licensees are engaging with ESG disclosure expectations and providing clearer, more substantial information.

The strongest results are in long established ESG areas where reporting frameworks are mature and well understood. High scores in these metrics reflect both regulatory requirements and industry familiarity with these topics. Equally, the influence of emerging frameworks, like the TNFD, is visible in the notable improvement in disclosure of nature and biodiversity-related metrics, demonstrating that licensees are responding to the evolving global focus on nature and climate related risks.

Areas such as disclosure of Supply Chain related metrics remain weaker, reflecting the complexity of multitiered supply chains and challenges in accessing and verifying data.

Overall, licensees are moving in the right direction; the upward trend in overall enhanced disclosure levels suggests that licensees are deepening their commitment to ESG reporting and aligning more closely with best practice.

The NSTA remains committed to working with industry to encourage improvement and share best practice as licensees continue their ESG journey. We will continue to impress upon industry the fact that quality ESG disclosure remains an important component impacting on access to financing and responding to public concerns.

Appendix A: themes within the NSTA's disclosure assessment framework

1. Business Ethics

This theme focuses on disclosures linked to ethical business conduct and compliance. It looks at reporting on legal actions related to anti competitive, anti trust, or monopoly practices, and how anti corruption policies are communicated and embedded through training. The theme also considers disclosure of tax governance and risk management, transparency around payments to governments on a country by country basis, political contributions, and any significant controversy events.

2. Climate Change

This theme is about disclosure of a business' understanding and management of climate change risks and opportunities. It covers who is responsible for climate related issues, how these risks are identified and managed, how they affect the business and future planning, and what actions the company is taking to support a low emissions economy.

3. Corporate Governance

This theme addresses disclosure of corporate governance arrangements and how ESG considerations are embedded in decision making. It considers how ESG factors are integrated into financial and operational management, the composition and evaluation of the board, and transparency around ownership structures. The theme also looks at disclosure of executive remuneration, including the use of ESG related performance indicators, and how the licensee engages with stakeholders as part of its governance framework.

4. Data

This theme focuses on disclosure of how data is managed, protected, and assured. It looks at reporting on data privacy and data security arrangements, how ESG data is collected and managed, and whether an ESG data centre or equivalent systems are in place. The theme also considers disclosure of external verification or assurance of data to support transparency and reliability.

5. Emissions

This theme assesses disclosure of information relating to greenhouse gas emissions. It looks at elements such as the inclusion of Scope 3 emissions disclosures, carbon intensity and methane emissions, and the actions disclosed to manage flaring and venting. The theme also considers disclosure of a business' strategy and performance in reducing emissions, its use of carbon credits or emissions trading schemes, and whether internal carbon pricing is reported.

6. Environmental Impacts

This theme focuses on reporting of biodiversity related dependencies, impacts, risks, and opportunities, including how these issues may affect the licensee's strategy and financial planning. The theme also considers disclosure of significant spills and air emissions of pollutants. It also covers disclosure of the licensee's approach to decommissioning, including policies, planning, and associated financial impacts.

7. Risk Management

This theme focuses on the disclosure of how key risks and opportunities are identified, assessed, and managed. It looks at reporting on risk management policies and procedures, how critical incidents are managed, and the financial implications and wider risks and opportunities arising from climate change.

8. Socio-economic reporting

This theme focuses on the disclosure of socio economic contributions and impacts. It looks at reporting on infrastructure investment and services supported, the direct economic value generated and distributed, and any significant indirect economic impacts. The theme also considers disclosure of investment in renewable energy or energy transition activities, including revenue generated from renewable or energy transition products and services.

9. Supply Chain

This theme considers disclosure relating to how social, environmental, and ethical risks are managed across the supply chain. It looks at reporting on supplier screening using social and environmental criteria, labour standards, and risks related to forced or compulsory labour. The theme also considers disclosure of negative social impacts and actions taken, anti corruption and bribery controls across the value chain, payment practices, and the proportion of spend with local suppliers.

10. Workforce

This theme focuses on the disclosure of workforce related matters and how people risks and impacts are managed. It looks at reporting on workforce health and safety, human capital development and management, including training, recruitment, and employee turnover. The theme also considers disclosure of transition assistance programmes, diversity across governance bodies and the wider workforce, and how social incidents such as discrimination, harassment, or bullying are reported and addressed.

North Sea Transition Authority