

Strategy to Net Zero Carbon Emissions

Pandion Energy recognises that addressing global warming is of critical importance to the future of the planet and supports the goal of the Paris Agreement to achieve a carbon neutral global economy. We are aligned with the carbon reduction strategy adopted by the Norwegian government and the Net Zero Carbon Strategy of our main shareholder, Kerogen Capital.

Pandion Energy has committed to incorporating climate risk to the company's investment criteria for exploration and production (E&P) assets with an objective of creating value based on being a carbon neutral producer.

Carbon Neutrality from 2020 Onwards

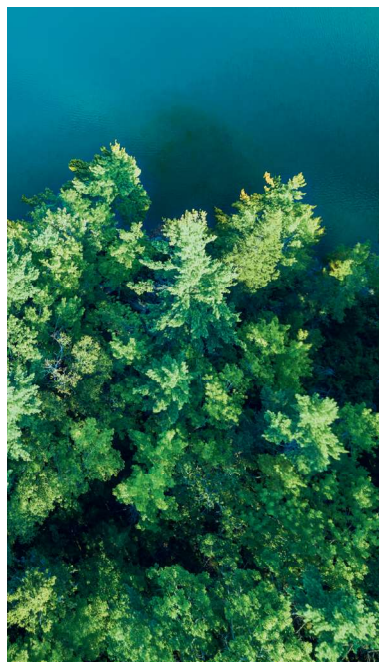
In 2020, Pandion Energy became one of the first E&P companies on the Norwegian continental shelf (NCS) to become carbon neutral for Scope 1 and 2 emissions.

Pandion Energy sees the use of offsets as part of an overall plan to reduce the carbon impact of its operations with the target to reduce absolute emissions over time. Pandion Energy will offset the remaining balance of absolute Scope 1 and 2 emissions of CO₂ equivalents, including Methane, from its net production and exploration drilling activities. To ensure the environmental integrity of offsets, the emphasis going forward will be on carbon removal offsets that are in-line with the Oxford Principles for Net Zero Aligned Carbon Offsetting.

Emissions Reduction

Despite Pandion Energy's carbon intensity level per barrel being some of the lowest in the global E&P industry and in Norway at the range of 1.2 – 3.4 CO₂e/boe (less than half of the NCS average of <10kg CO₂e/boe and significantly lower than the global average of ~19kg CO₂e/boe), it remains committed to ongoing emissions reduction measures across its portfolio.

As a non-operator, Pandion Energy will contribute to reaching the national carbon reduction targets by cooperating with Operators on asset specific carbon reduction strategies based on the emissions profile and properties of the individual assets. We will seek to explore new technologies and evaluate offshore infrastructure for repurposing as measures for further reduction of greenhouse gas (GHG) emissions of our operations.



Carbon Light Investment Strategy

Pandion Energy has aligned its investment criteria with its ambition to maintain a low carbon footprint.

This includes:

- Pursuing exploration and appraisal opportunities only in areas with existing or plausible future access to renewable energy sources;
- Incorporating GHG emissions and the potential for future carbon reduction as a new investment criterion for development and production assets; and
- Incorporating cost of carbon in evaluating new investments where renewable energy sources are not available.

Accountability and Transparency through Disclosure

Pandion Energy supports the Task Force on Climate-related Financial Disclosures ("TCFD") and aims to align the Company's disclosures with the recommendations set forth by TCFD from 2021. Pandion Energy will advocate for sharing of raw emissions data within licenses in order to take responsibility for its net carbon emissions and will develop operational tools to monitor and support operators' carbon reduction initiatives during all phases.