

– A SHARP EYE FOR NCS OPPORTUNITIES –

TRANSPARENCY ACT REPORT 2024



PANDION ENERGY

Pandion Energy AS (Pandion Energy) is committed to the protection of internationally recognised human rights and fair and ethical work practices. The company aims for transparency and compliance with due diligence requirements under the Norwegian Transparency Act.

The Norwegian Transparency Act came into force 1 July 2022 with the intention of promoting companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and provision of services. The act includes a duty to carry out due diligence on fundamental human rights and decent working conditions in line with the OECD Guidelines for Multinational Enterprises.

This report has been prepared pursuant to Section 5 of the Norwegian Transparency Act. It summarises Pandion Energy's governance, policies, and procedures regarding the protection of human rights and decent working conditions. The report covers the activities conducted in 2024.



The Norwegian Transparency Act Report 2024

Pandion Energy is an independent upstream oil and gas company. The company is a non-operator licensee on the Norwegian Continental Shelf (NCS) and does not engage in midstream or downstream activities.

Pandion Energy was established in 2016 and is backed by Kerogen Capital, an independent private equity fund manager specialising in the international energy sector. The company has a team of highly experienced oil and gas professionals with extensive subsurface expertise and field development capabilities. As of 31 December 2024, Pandion Energy was partner in 15 licences. Pandion Energy is headquartered in Oslo, Norway.

Business model

The company's business model includes being a full-cycle exploration and production company, participating in the discovery, appraisal, development and production of oil and gas resources on the NCS.

Pandion Energy's strategy is to be an active and responsible non-operator partner driving value by further development of its producing fields and discoveries and maturing new exploration upsides near infrastructure. The company also searches for and evaluates opportunities to make value-accretive investments through acquisitions, farm-ins, licencing rounds and swaps, and seeks business combinations that may lead to further profitable growth.

The petroleum activities on NCS are organized as joint ventures under production licenses (PL) with a standardised joint operating agreement. One company

is assigned the status of the operator, and each partner holds a percentage of equity as a licensee. The designated operator is responsible for the day-to-day management of the partnership's activities on behalf of the licensees who have a reduced level of control.

The licensees on the NCS have a "see to it" duty – an obligation to ensure that the operator carries out its work in accordance with the regulatory requirements. Each licensee must take a risk-based approach in observing this "see to it" duty and establish a management system to structure its supervisory work in a systematic manner.

In this context, the operator is expected to conduct due diligence assessments as part of their compliance with the Transparency Act and share the information with the licensees. A common guideline (148 – Recommended guidelines – Transparency Act) has been developed and endorsed by the members of the industry association Offshore Norge to support the information exchange process among the members. While the licensees rely on the information from the operator's due diligence assessments to meet their own obligations, each licensee must independently assess whether the information is adequate or further assessments are required.

Commitment to human rights and decent working conditions

Pandion Energy is committed to the protection of internationally recognized human rights and fair and ethical work practices. The company has zero tolerance of modern slavery and child labour in any parts of its business and value chain. All workers must be ensured safe, secure and healthy working

conditions, including working hours, as well as wages and benefits that meet or exceed national legal standards. The workplace must be free from any form of harsh or inhumane treatment.

All applicable laws and regulations on the above-mentioned issues must be complied with. The company's position on human rights issues is covered in its Code of Conduct.

GOVERNANCE OF HUMAN RIGHTS AND DECENT WORKING CONDITIONS

Responsibilities

Pandion Energy aims to be an active and responsible business partner and believes that sound business decisions are a product of a strong team, an active board and competent owners.

The board has an overall leadership and supervisory role in all ESG matters. This includes human rights issues and the duties under the Transparency Act. The board's ESG committee comprises two members including one board representative supported by CEO and VP HSE and Operations.

Executive management holds overall responsibility for risk management, with the VP HSEQ & Operations oversees and facilitates the ESG-initiatives and activities related to the Transparency Act. The CEO is ultimately responsible for the company's ESG performance and for ensuring compliance with applicable laws and regulations.



Policies and governing documents

The company's commitments to responsible business conduct are set out in its Code of Conduct, including its position on human rights and decent working conditions.

The Code of Conduct provides guidance on how to act in accordance with the company's core values, and includes references to relevant policies, processes, procedures, resources and tools. It sets out Pandion Energy's expectations, commitments and requirements for ethical conduct in its business.

The Code of Conduct applies to directors, executive management and all employees and consultants. Pandion Energy also expects all business partners and suppliers to act in a manner consistent with the principles of the Code of Conduct and comply with applicable laws, respect internationally recognised human rights when conducting business with or on behalf of the company. The company requires all employees and in-house consultants to familiarise with the Code of Conduct.

The board has established the Code of Conduct in collaboration with the management team. The CEO is ultimately responsible for its implementation and operational effectiveness. The Code of Conduct is evaluated on a regular basis to reflect Pandion Energy's activities as it develops as a company and as changes are made to laws and regulations.

Whistleblowing

Pandion Energy encourages its employees, contractors and any of its affiliates who have concerns about any aspects of its business to raise the issue and disclose any information which relates to improper, unethical or illegal conduct in the workplace or the value chain. The company has set up an independent disclosure service for whistleblowing. No whistleblowing reports were received during 2024.

DUE DILIGENCE WITH RESPECT TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS

Pandion Energy operates in a low-risk environment for human rights abuse, as all its assets are located in Norway. The company's own activity and supply chain is mainly limited to office activities. In partner operated licences, Pandion Energy's business partners are mainly renowned, established operators on the NCS. Furthermore, the majority of the subcontractors and vendors providing goods and services to its assets are also based in Norway or in other low-risk countries. Pandion Energy is aware of potential human and labour rights risks that may occur in some parts of the industry and further down the supply chains, and takes a risk-based approach when considering potential human rights issues related to material contracts under the joint operating agreements.

Despite significant Norwegian content in its partner-operated assets, the operational activities are exposed to a global supply chains. Suppliers' sourcing and fabrication locations can often be located in countries that are exposed to certain human rights risks such as, but not limited to, risk of forced and compulsory labour, risk related to personnel safety and security at the workplace, discrimination and unfair compensation and exploitation of workers, among others.

Pandion Energy seeks to monitor the activities and performance of its business partners in line with the assessed risk to secure compliance with the Pandion Energy Code of Conduct, including the operators' due diligence of contractors, subcontractors and suppliers affiliated with the company's assets. In partner operated licenses, the company follows the general recommendations set out in Offshore Norge's guidelines for compliance with the Norwegian Transparency Act (Offshore Norge guideline 148). Third-party due diligence of business partners, suppliers or counterparties is performed where appropriate.

The company is committed to reviewing its due diligence assessments on an annual basis to monitor and manage actual and potential adverse impacts on human rights and decent working conditions.

Common approach on the NCS

The operators on the NCS are active members in a cross-industry initiative Offshore Qualific Human Rights (HuRi), a work group that provides audit services and a supplier database focused on human rights compliance. This network facilitates knowledge sharing between the companies to align on a common approach towards the supplier community. Through this initiative, the parties gain access to shared supplier data and human rights audit results. The ultimate purpose is to assist in improving worker welfare in line with the UN Guiding Principles on Business and Human Rights and in line with the fundamental conventions of the International Labour Organisation.

The service is established within the Magnet JQS platform, a supplier qualification portal for suppliers in the energy sector. This enables the suppliers to demonstrate respect for human rights, limits duplication of supplier audits, achieve efficiency improvement related to human rights audits in the supply chain through common framework, standardised audit methods and sharing of audit results, as well as provide access to third party audit services and subject matter experts.

Risk assessment

Pandion Energy conducted the first due diligence assessment in accordance with the requirements of the Transparency Act in 2022. The assessment was based on the risk management methodology outlined in ISO Standard 31000. The assessment has been updated annually based on changes in operational activities, developments in country risk levels and operator statements and feedback.



The due diligence assessment primarily looks at risks associated with the company's assets and evaluates risks at an overall strategic level. The assessment focused on the operational activities within the various phases of the upstream value chain: exploration, appraisal, development, production, and abandonment.

No negative actual adverse impacts on fundamental human rights and decent working conditions have been identified during the due diligence assessment. However, Pandion Energy acknowledges that inherent risks exist in the supply chains of the oil and gas industry. Based on the risk assessment, the development phase was identified having elevated risk potential, particularly in the areas of raw material sourcing and construction/yard activities abroad.

In 2024 the primary activity in the company's portfolio with potential exposure to these risks was the PWP development project within the Valhall production license. To mitigate these risks, the operator of the PWP project has opted to conduct most of the construction work in yards located in Norway and Europe. Additionally, some work is being carried out in Dubai, United Arab Emirates. An assessment of the major PWP contractors' countries of origin, based on relevant indexes from independent sources such as the Human Development Index, ITUC Global Rights Index, and Walk Free Global Slavery Index, has not identified any locations consistently falling the highest risk category, though some countries are rated in the medium-to-high risk range. The operator has during 2024 enhanced its procedures to reduce third-party risk and mapped out suppliers and production sites that are considered to have higher exposure to human rights risks. The potential risk areas mapped by the operator include: dangerous working environment, excessive working hours and overtime,

discrimination, harassment, bullying, low wages and compensation and involuntary/forced labour.

Pandion Energy has confirmed that the operator has conducted human rights due diligence assessments of its suppliers and implemented a comprehensive human rights audit program, as well as on-site human rights audits. No findings of actual negative impacts have been reported to Pandion Energy. Findings and identified potential concerns have been investigated and addressed by the operator. The Dubai site has been subject to a third-party due diligence process before work scope allocation as well as on-site audits and follow-up activities, with a focus on HSE and human rights issues together with another NCS operator. Though outside the boundary of this report, Pandion Energy participated in a management visit at the site in February 2025. For more information, please refer to the operators' accounts of the company's development and production assets available on the company's website.

Business partners providing Pandion Energy with goods and services that are not directly linked to the business value chain have also been part of the assessment. The non-negligible expenditures are mainly related to acquisition of Seismic data, IT and digitalisation services and professional services such as advisory, legal and accounting services. As of 2024, the risk associated with these business partners is considered to be low.

MITIGATION OF RISK

Based on the risk assessment, Pandion Energy has not identified actual adverse impacts on fundamental human rights and decent working conditions linked to its operations. Risk management related to human rights and decent working conditions will continue to be embedded in Pandion Energy's overall risk management and assurance practices.

Measures

Pandion Energy acknowledges its responsibility to continue to assess and mitigate actual and potential adverse impacts on fundamental human rights and decent working conditions related to its operations. Ongoing activities include the following:

Continue with due diligence reviews to identify potential risk areas related to fundamental human rights and decent working conditions. Particular attention will be paid to international suppliers whose activities and supply chains extend beyond Norway.

Review non-operator membership options in the Offshore Qualific HuRi network for direct access to the latest assessments of supplier status.

DUTY TO PROVIDE INFORMATION

Pandion Energy has an established procedure for handling information requests under the Transparency Act to ensure timely processing of information requests. Pandion Energy has not received any requests for information sharing according to the Norwegian Transparency Act during 2024.



Oslo, Norway, 27 June 2025

The Board of directors and CEO of Pandion Energy AS

Alan John Parsley
Chairman of the board

Jason Aun Minn Cheng
Board member

Jan Christian Ellefsen
CEO/Board member

Roberta Wong
Board member

Hege Peters
Board member

