– A SHARP EYE FOR NCS OPPORTUNITIES –

SUSTAINABILITY REPORT 2024

PANDION ENERGY

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.

CONTENT

Introduction

This annual sustainability statement is a voluntary disclosure of Pandion Energy's environmental, social, and governance (ESG) activities and performance in 2024. Where relevant, references are made to the Task Force on Climate-related Financial Disclosures (TCFD) and the company's Transparency Act statement.

The report has been prepared in line with the requirements from the ESG committee, which assists and facilitates the board of directors' responsibilities within sustainability matters. The report is also intended to inform and engage relevant stakeholders.

The topics addressed are based on the material topics identified as having the greatest impact for Pandion Energy's stakeholder groups and have been aligned with Kerogen Capital, its main shareholder. These material topics are expected to be valid in the medium to long term. Significant attention is paid to key energy specific ESG factors where the company has direct influence based on its non-operator status, such as compliance, environmental impact, and climate change. Also addressed are factors related to human rights and operational health and safety representing higher dependence on cooperation with the operators of the company's production licences.

About Pandion Energy

Pandion Energy AS (Pandion Energy or the company) is a Norwegian company with its head office at Lysaker, Oslo. Pandion Energy is an independent, full cycle oil and gas company, participating in the discovery, appraisal, development and production of oil and gas resources on the Norwegian continental shelf (NCS). The company was established in November 2016 based on the operational platform and licences acquired from Tullow Oil Norge AS.

The company is owned by Pandion Energy Holding AS, a holding company owned by the management team and Kerogen Capital, an independent private equity fund manager specialising in the international energy sector.

Pandion Energy has a focused portfolio of producing assets, discoveries, and exploration opportunities near existing infrastructure. As of 31 December 2024, the company holds 15 licences. In 2024, Pandion Energy's average daily production was 7,946 barrels of oil equivalent (boe), sourced from the Valhall, Hod, and Nova fields. In addition, the company holds interests in the following discoveries: PL 929 Ofelia, PL 891 Slagugle, PL 263 Sierra/Solberg, PL 938 Calypso, PL 1119 Mistral (discovered Q1 2025).

Since its inception, Pandion Energy's strategy has been to be an active and responsible partner in creating further stakeholder value by investing in projects with lower carbon intensity and by targeting upsides in and around proven assets with access to existing infrastructure. Pandion Energy's carbon intensity is amongst the lowest in the E&P industry, both globally and on the NCS. Despite its relatively modest size and non-operator status, it works closely with the operators of its assets to ensure that the best practices for sustainable operations are continually applied.

The licensee role

As of 31 December 2023, Pandion Energy was a partner in 15 licences.

On the NCS, a Joint Operating Agreement (JOA) is a standard contractual framework in the oil and gas industry. It governs the collaboration within a production licence (PL), where one company is designated as the operator, and the remaining companies participate as licensees, each holding an equity interest.

The operator is responsible for the day-to-day management of operational activities within the license. While the partners have limited level of control, they retain important oversight responsibilities and take part in major asset decisions in accordance with the JOA. All licensees on the NCS are subject to a "see-to-it" duty – a legal obligation to ensure that the operator conducts operations in compliance with applicable regulatory requirements.

All licenses on NCS must be prequalified by Norwegian authorities, demonstrating sufficient competence, capacity, and commitment to fulfil their license obligations. This joint venture structure promotes knowledge transfer, enhances oversight, and supports more robust decision-making across the partnership.

Sustainability

Being an active and responsible partner
A licensee on the NCS has a responsibility to take action if it identifies conditions which fail to comply with Norway's health, safety and environmental (HSE) regulations for the petroleum sector. It also has an independent duty to secure adequate information and to audit the operator as necessary. The licensee must take a risk-based approach in conducting its "see to it" duty and establish a management system to structure its supervisory work in a systematic manner.

Pandion Energy takes its responsibility as a licensee very seriously and aims to be recognised as an active and responsible partner. The company has established a comprehensive HSE management system which aims to ensure that the company's personnel are qualified and trained, that the operations are planned and executed in accordance with the relevant regulations and best practices, and that the risks are identified and managed effectively.

The company comprises a team of 25 highly experienced oil and gas professionals with a strong, proven track record across technical, financial, and commercial disciplines. Its seamless interdisciplinary collaboration and streamlined decision-making processes, allow for a different perspective from that of the operator—particularly when not engaged in the day-to-day execution of operations.

As a non-operating partner, Pandion Energy places strong emphasis on close cooperation with the operators, on sustainability issues and setting the objectives for Health, Safety and Environment (HSE), compliance and governance matters within its assets.

Corporate governance and compliance

Pandion Energy believes that effective corporate governance is critical in ensuring accountability, achieving its strategic goals and generating value for its stakeholders. Together with Kerogen Capital, its main shareholder, the company seeks high standards of performance and professionalism based on honesty, integrity and fairness in its business practices. Pandion Energy works together with partners and contractors on the basis of the same principles of integrity and fairness, with zero tolerance for bribery and corruption.

Pandion Energy has implemented a robust HSE management system designed to ensure regulatory compliance and effective risk management. This system empowers qualified personnel to plan and execute activities with a high standard of safety and operational integrity.

A comprehensive framework for governance, risk management, and internal control is embedded within the company's management system. This framework spans all organizational levels:

- Shareholder and Market-Level Governance
  Conducted through general meetings, investor relations, and transparent financial market communications, including regular financial reporting.

- Board-Level Governance
  The Board of Directors is responsible for setting the company's strategic direction, defining objectives, main policies and risk parameters, as well as overseeing performance, compliance, and reporting.

- Executive Management
  The Board has appointed a Chief Executive Officer (CEO) as the principal operational leader. The CEO operates within a clearly defined mandate and reports regularly to the Board.

- Operational Management
  At the management level, governance is anchored in the company's business management system, which formalizes core processes across the value chain – through business planning to execution and performance monitoring.

ESG roles and responsibilities

Pandion Energy's executive management is responsible for identifying risks and opportunities across their respective areas, ensuring effective processes and mitigation strategies are in place – including those related to ESG matters.

The Vice President (VP) of HSE and Operations oversees ESG reporting and supervises key processes related to risk management, HSE follow-up, regulatory compliance, and business continuity. The CEO holds ultimate accountability for the company's ESG performance, while the Board of Directors maintains overall leadership and supervisory responsibility for all sustainability-related matters.

To support its governance structure, the Board has established two sub-committees:

The ESG Committee comprises one non-executive board member and one representative from Kerogen Capital, supported by the CEO and VP HSE and Operations. The committee's primary responsibilities include:

- Managing ESG risks.
- Ensuring ESG policies and practices align with the company's values, purpose, and culture.
- Integrating climate and sustainability considerations into the company's strategy and business planning.
- Aligning external ESG reporting with recognized standards and frameworks.

The Remuneration Committee ensures that the company's remuneration arrangements support the corporate strategy and performance objectives, including those related to ESG and climate-related targets.

Responsible business

Pandion Energy strives to uphold the highest standards of ethical behaviour in all its operations along the whole value chain. The company's commitments to responsible business conduct are set out in its code of conduct, including its position on anti-corruption and human rights.

Code of conduct

Pandion Energy believes strongly that an ethical business culture is fundamental to long-term sustainability. The company's code of conduct sets mandatory requirements for all employees and those acting on behalf of Pandion Energy. It serves as the primary governance tool, guiding ethical decision-making and reinforcing the company's core values of integrity and accountability.

The code of conduct outlines expectations and requirements in areas such as HSE, human rights, anti-corruption, labour standards, equality and anti-harassment, conflict of interest, and responsible business practices. It also references supporting policies, procedures, and tools.

Pandion Energy expects its business partners and suppliers to act in accordance with the principles of the code of conduct. The board of Pandion Energy has established the code of conduct in collaboration with executive management. The CEO is ultimately responsible for its implementation and operational effectiveness.

All employees and in-house consultants are required to participate in code of conduct training and are personally accountable for compliance. Managers have an added responsibility to promote and support compliance with the code of conduct and related policies, standards and procedures. The code of conduct is communicated internally and on the company's website.

To encourage transparency, the company has established an independent whistleblowing channel, encouraging employees and affiliates to report concerns related to unethical or unlawful conduct.

No cases involving breaches of the guidelines in the code of conduct were recorded in 2024.

Anti-corruption

Corruption exposes not only the individual but also the company to penal liability. In addition, it may cause significant losses as well as irreparable and long-term harm to the company and its business. At Pandion Energy, it is wholly unacceptable to engage in any activity regarded as corruption or other illegal practices such as anti-money laundering or tax evasion. The company has zero tolerance for any form of bribery, corruption, fraud, dishonesty or deception, and this stance is endorsed by the board. This means that Pandion Energy has no tolerance for paying, facilitating or receiving any bribes or facilitation payments, for using undue influence, disguising the proceeds of crime or facilitation of tax evasions. The company conducts its business honestly, fairly and transparently.

According to the Transparency International Corruption Perception Index (CPI), corruption risk in Norway is considered to be limited. Still, Pandion Energy is aware that corruption also happens there and is conscious of potential dilemmas and grey areas, such as conflicts of interest, relationships with business partners, gifts and hospitality. The company's goal is to act in an ethical and transparent manner, so that it can be a trusted business partner, employer and corporate citizen.

Pandion Energy seeks to comply with all applicable anti-corruption laws and regulations. The company is backed by Kerogen Capital, an independent private equity fund manager based on London and Hong Kong and is required to comply with the UK Bribery Act and the US FPCA.

The company's employees must not offer, promise or give, nor request, agree to receive or accept, any bribe of any description or value to reward the improper performance of a person's duties, including public officials. Bribes could be monetary, but can equally take other forms such as the offer of a job, travel, accommodation, use of assets, or a service or loan. No employee should ever engage in, authorise or tolerate corruption for any reason at any time. Furthermore, they should never offer or accept an improper advantage which has no legitimate business purpose and is provided in order to influence the recipient's decision-making.

Employees are obligated to report to their line manager or other senior executive if they witness a bribe or are ever offered or requested to pay a bribe. Payment extorted through a threat to life, health or safety, or of illegal detention, is permissible and will not result in any form of retaliation, but must be reported immediately.

Pandion Energy's anti-corruption and anti-bribery efforts includes necessary controls embedded in the company's financial and procurement procedures, audits, business-partner due diligence and awareness training, as well as an independent channel for reporting concerns. The company also encourages its business partners and suppliers to make a clear commitment to opposing corruption and bribery.

No cases of corruption were reported in 2024.

Confidentiality, inside information and conflicts of interest

All employees should make sure that they keep confidential information secure and be aware of their responsibility to not talk about confidential and sensitive information concerning Pandion Energy with outsiders, including family and friends. In addition to confidentiality agreements with partners, counterparties and other stakeholders, the company has a general obligation to maintain confidentiality and protect the business.

Inside information covers details about a listed company that are not publicly available and are likely to have a noticeable effect on the price of securities. While Pandion Energy is not a listed company, its bond loan is listed on the Nordic ABM, an alternative bond marketplace regulated by Oslo Børs ASA. Listing indicates that the bonds are subject to market surveillance by Oslo Børs, which carries out identical market surveillance for both the Oslo Stock Exchange and Nordic ABM. Pandion Energy employees may well become aware through their work of inside information concerning vendors, business partners and, particularly, licence partners.

Information concerning specific licences may represent inside information until it is disclosed to the public. In general, the company has an obligation towards its licence partners to maintain the confidentiality of all information related to licences.

More specifically, Pandion Energy employees may not misuse inside information for their own benefit or for the benefit of family members or affiliates. Pursuant to the Norwegian Securities Trading Act, trading in securities while in possession of inside information is subject to strict liability. Pandion Energy will not tolerate any breach of confidentiality in general or any misuse of inside information.

The company respects the privacy of its employees and their right to manage their personal affairs, activities and investments. However, conflicts of interest may arise if

personal, social, financial or political activities could influence, or appear to influence, their ability to make the right decision for Pandion Energy. The company expects all employees to act in its best interest at all times.

Whistleblowing
Pandion Energy believes in openness and transparency. Illegal or unethical matters may have a negative effect on the working environment and the company's business in general. It is important that such matters are dealt with properly.

The company encourage employees, contractors and any of its current and former affiliates who have concerns about any aspect of its business to raise them and to disclose any information which relates to improper, unethical or illegal conduct in the workplace. Pandion Energy employees have a right and an obligation to raise concerns about the business, including matters such as:
- illegal conditions and breaches of the law
- breach of ethical norms and internal guidelines
- harassment or discrimination in the workplace that may endanger life or health.

No whistleblowing reports were received during 2024.

HSE policy
HSE are critical in the oil and gas industry, where operations can affect the environment, communities and the workforce. Devoting attention to HSE and governance issues is strategically important to Pandion Energy. The company integrates technical, economic and HSE considerations in its decision-making and operational processes in order to achieve long-term sustainability of the business and to reduce risk.

Pandion Energy places great emphasis on ensuring that operations it participates in are safe for the people involved, and seeks to minimise their impact on the environment. All personnel, whether employees or contractors, are expected to be aware of their role in managing HSE risks within their area of responsibility and expertise. Employees are encouraged to speak up and to halt any work they feel to be unsafe and, furthermore, to report any instances of unsafe practices and/or any dangerous working conditions. Pandion Energy's HSE policy is included in the Code of Conduct document, available at the company's website.

No cases or activities in violation of the HSE policy guidelines were registered in 2024.

Risk management
Technical, economic and ESG considerations, including HSE and climate risk, are integrated in Pandion Energy's decision-making and operational processes in order to achieve long-term sustainability of the business and to reduce risk. Pandion Energy strives constantly to manage ESG risks by understanding the exposure to risk, and thereby minimising the possibility of occurrence and reducing the potential consequences. Effective management of ESG risks is about embedding ESG practices in the company's culture and operating procedures.

Business risk is an integral part of Pandion Energy's strategies and goals, and company activities should at all times be based on a balanced and realistic view of risks and opportunities. Responsibility for implementation and accountability for the results rest with the board and executive management, and must be owned and understood at the appropriate level in the organisation.

Pandion Energy manages and reports enterprise-level risks and opportunities through an enterprise risk management process. The purpose of this process is to:
- identify, monitor and report potential events that may affect the company
- manage risk to keep it within the company's risk appetite
- provide reasonable assurance that key objectives will be reached.

Enterprise risks and opportunities are captured across four major business risk categories: strategic, operational, financial and compliance/ESG.

Communicating risk has a high priority in Pandion Energy and the framework is purposely designed to discuss the key issues effectively rather than provide a rigid documentation of all possible risks that any enterprise is exposed to. It enables the board to actively assess the overall risk exposure of the company as required by its governance process.

Reference is also made to the Directors' report statement on risk and risk management in the 2024 Pandion Energy Annual Report.

Climate change

Pandion Energy recognises that climate change is of critical importance to the future of the planet and supports the goal of the Paris Agreement to limit global warming. The company is aligned with the carbon reduction strategy adopted by the Norwegian government and the net zero strategy of Kerogen Capital, its main shareholder.

Since its inception, Pandion Energy has maintained a low carbon footprint – demonstrated by carbon intensity levels per barrel which are amongst the lowest in the Norwegian and global E&P industry, ranging from 1.1 – 3.4 kilograms of CO_2 per barrel of oil equivalent for its net production. In 2021, Pandion Energy launched its strategy to achieve net zero carbon emissions.

A key part of this strategy involved aligning the company's investment criteria to ensure that new growth opportunities are evaluated with regard to GHG aspects and climate related risks in order to sustain a resilient asset portfolio.

As the world population continues to grow, so does the need for affordable, reliable and clean energy while simultaneously addressing environmental and energy security implications. The path to the energy system of the future is uncertain and, as reflected by forecasts and scenarios from the International Energy Agency (IEA), a wide range of different outcomes exists for oil and gas demand. While the world's reliance on fossil fuels will undoubtedly decrease, oil and gas is likely to remain an important commodity even in a fully decarbonised society. The oil and gas industry must thus continue its efforts to reduce its operational emissions to the lowest possible level.

In 2020, Pandion Energy became one of the first E&P companies in the industry to achieve carbon neutrality for CO_2 emissions in scopes 1 and 2. The commitment to carbon neutrality has been achieved through low carbon intensity production and by carbon offset programs aligned with the UN sustainable development goals (SDGs) for the remaining balance of the hard-to-abate emissions. The use of offsets is seen as part of an overall plan to reduce carbon impact of its operations with the continued focus on reducing remaining absolute emissions further towards near zero over time.

To meet stakeholder expectations for transparent and robust disclosures on how risks related to climate change affect the company and its resilience, Pandion Energy has committed to align its disclosures with the recommendations of the task force on climate-related disclosures (TCFD). Reference is made to the TCFD index on page 84.

Scenario analysis and resilience

In line with the best practice recommended by the TCFD, Pandion Energy employs scenario analysis to assess potential impacts of the climate change and energy transition on its business, financial performance, and long-term strategy.

Selected scenarios are evaluated to assess possible shifts in the macroeconomic outlook, technology developments, policy and legal implications, and projected demand for the company's petroleum products (oil, gas and natural gas liquids).

Each energy-transition scenario yields a range of commodity prices for power, gas, oil and so forth, and environmental taxes and fees. These assumptions are applied to refine the understanding of climate-related risks and opportunities and to assess the resilience of the company's portfolio.

Pandion Energy's scenario analysis includes the scenarios from the most recent World Energy Outlook (WEO) published by IEA. These scenarios are commonly used by our industry peers and can help investors and other stakeholders assess portfolio resilience across companies. The IEA 2024 World Energy Outlook describes the following three scenarios:

- **Net zero emissions by 2050 scenario (NZE2050)** – outlines a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050 to fulfil the Paris agreement and limit global warming to 1.5°C from pre-industrial level by 2100. The scenario aligns with the best practice recommended by the TCFD to assess the company's resilience to a 2°C or lower scenario. NZE2050 is a normative scenario first published by the IEA in 2021, as it has been updated for the 2024 WEO it starts from a higher level of fossil fuel demand and emissions than the previous versions, and has a shorter time span to achieve global net zero target by 2050. In NZE2050, oil and gas demand declines by almost 80 per cent in 2050 from current level.

- **Announced pledges scenario (APS)** which assumes all energy and climate targets made by governments and industries are met in full and on time. The scenario includes all recent major national announcements, both 2030-targetrs and longer-term net zero or carbon neutrality pledges, regardless of whether these announcements have been anchored in legislation or in updated Nationally Determined Contributions (NDCs), irrespective of whether those commitments are underpinned by specific policies to secure their implementation. In the APS, global oil demand to peak prior to 2030, marginally down from the current level. Oil demand is projected to fall by more than 40 per cent from current level towards 2050, while global natural gas demand declines at a slower rate.

- **Stated policies scenario (STEPS)** – provides an outlook for the future direction of the energy system based on a review of the current policy landscape. The scenario takes into consideration policies and measures that have been put in place, as well as those under development, without assuming that all announced goals and energy-related objectives will be achieved. The STEPS provides a more conservative benchmark than the NXE and APS. Similarly to the APS, it is not designed to achieve a particular outcome. In STEPS, both global demand for oil and natural gas continues to grow before peaking around 2030 and then slightly start declining towards the end of the forecast period.

Climate risks and opportunities

Climate-related risks and opportunities are captured in line with the recommendations of TCFD and is an iterative process. The executive management team, ESG committee and board all engage in the risk review process for climate-related risks and opportunities. The risks and opportunities are defined in short (zero to three years), medium (three to 10 years), and long-term (10 to 25 years) perspectives, with a focus on transitioning to a low-carbon economy and reducing GHG emissions. The company's approach to energy transition and climate risk is integrated into the company-wide risk management approach, with a focus on financial impact and stakeholder expectations. In line with the TCFD, the climate related risks are grouped into two major categories: (1) Risks related to the transition to a lower carbon economy, and (2) risks related to the physical impacts of climate change.

A summary of key climate-related risks and opportunities is provided at the end of this section.

Transition risk

The top risk for Pandion Energy is the changing long-term demand for oil. As the world transitions towards a low-carbon economy, there is a potential decrease in the demand for the company's products. This poses a financial risk to the company, as it may experience reduced revenues due to unstable or low commodity prices in the medium to long term. To mitigate this risk, Pandion Energy has focused on building a resilient portfolio of quality assets with cost-efficient production.

Technology and market

Pandion Energy assumes that market considerations should be reflected in technology development trends for renewable energy. The electricity-generation transition from fossil fuels to renewables is expected to accelerate. With a continued decline in the cost of solar, wind and related power technologies and improvements in their efficiency, variable renewable energy sources are expected to gradually become one of the most competitive electricity sources in 2050.

The transition is reflected in the growing dominance of electricity in final energy consumption. Though the pace of development is less aggressive than in earlier editions of the WEO reports, by 2050, electricity's share is projected to reach 27%, 31%, and 36% in the STEPS, APS, and NZE2050 scenarios, respectively. The three IEA scenarios show increased renewable deployment and increased share of low-emissions electricity generation. The share of fossil fuels in the energy mix, which has remained steady for more than a decade, is set to change significantly with continuous decarbonisation around the world.

In the NZE2050 the oil and natural gas demand is expected to fall between 70 and 80 per cent by 2050 with commodity prices following the dramatic decline. In this normative scenario, there are no new oil and gas fields approved for development beyond already committed projects as of 2024.

Sensitivity to commodity prices

Pandion Energy has included a sensitivity analysis to demonstrate the potential influence of oil and gas price assumptions on the net present value (NPV) of its existing portfolio, highlighting the varying impacts across different scenarios compared to the company's planning assumptions in the figure below. For further details please refer to Note 8 to the financial statements in the Pandion Energy 2024 Annual Report.

Compared to the management assumptions, the NPV of the portfolio is reduced by 47 per cent and 3 per cent in the NZE2050 and APS scenarios respectively, and increased by 12 per cent in the STEPS scenario.

Though demand for oil will decline towards 2050, there could be an incremental short- or medium-term increase. The net zero carbon strategy implemented by Pandion Energy not only builds a positive corporate image for sustainability, but also involves active steps to address a potentially reduced investor appetite in the long term.

Policy and legal
Pandion Energy also considers potential changes from regulators; In the medium term, it is possible that the government may implement more environmental taxes and modify fiscal conditions, while also increasing requirements or limiting access to frontier oil exploration. Looking ahead to the long term, access to acreage may be restricted and asset valuation could be reduced.

With a view to mitigating the risks outlined above, Pandion Energy has integrated its net zero carbon ambition into its investment strategy by:

- establishing an offsetting strategy with different pricing scenarios for neutralisation of the residual hard to abate emissions
- actively managing the future portfolio by pursuing exploration and appraisal opportunities only in areas with existing or plausible future access to renewable energy sources for electrification of production
- incorporating GHG emissions and the potential for future carbon reductions as a new investment criterion for development and production assets
- incorporating the cost of carbon in evaluating new investments where renewable energy sources are not available

Sensitivity to increased carbon cost
The assumed policy and legislative changes are based on stated policies from the Norwegian government, regulatory changes related to stated commitments, and motivation for the transition to alternative power sources. The carbon cost assumptions, for example, are specific to Norway and are more aggressive than in all the IEA scenarios.

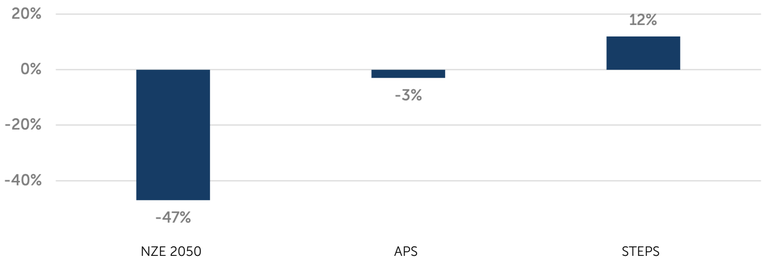
In addition to the national Norwegian carbon tax, petroleum operations on the NCS are subject to the European Union Allowances (EUA) for emissions traded under the EU ETS. The combination of a national carbon tax and the EUA means that companies pay a higher price per tonne of CO_2 emitted in Norway than in most other countries with petroleum activities.

Commodity price assumptions
Scenario price assumptions applied in portfolio stress test

Brent oil price (USD/boe), in real 2024 terms	NZE2050	APS	STEPS
2030	43	73	81
2050	26	59	77

Gas price (USD/mcf)	NZE2050	APS	STEPS
2030	4	6	7
2050	4	5	8

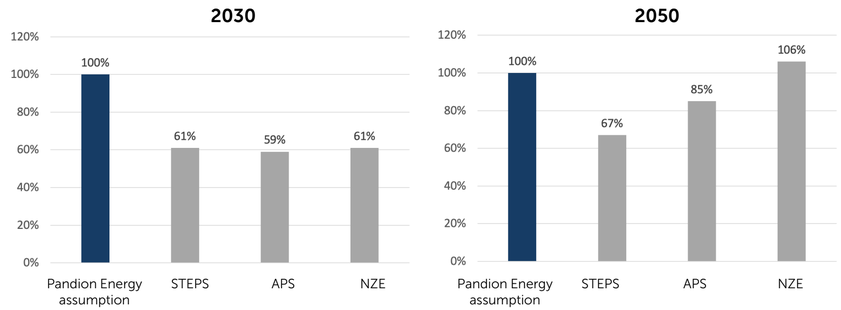
Portfolio stress test 2024
Impact on NPV in selected scenarios relative to company's price assumptions



In accordance with the Norway's Climate Action Plan for 2021 – 2030 issued in January 2021, a target was set to gradually increase the total cost per tonne of CO_2 to 2,400 NOK in 2030 (in real 2024 terms). This target is reflected in the company's planning assumptions.

Pandion Energy's' carbon price assumptions significantly exceed prices assumed under the IEA's scenarios in 2030 and is in line with the most severe scenario in 2050. Due to the company`s low carbon intensity the NPV of future carbon costs is limited.

Carbon price assumptions
Company carbon price assumptions relative to selected scenarios



Physical risk
Pressure points from the physical risks of climate change arise primarily from a possible increase in the severity of extreme weather and sea level rises, causing potential asset impairment in the long term.

Located in the North Sea, the field centre for the producing Valhall and Hod fields has been subject to subsidence, and rising sea levels and extreme waves may potentially amplify the risk for installations. Under severe weather conditions, storm waves may reach and affect lower decks, causing structural forces above design limits.
The operator has designed a business continuity plan for extreme weather events to minimise operational downtime. To eliminate this risk and prolong the lifetime of the fields, the most exposed installations have been phased out and are being decommissioned. Given the long potential producing life of the fields, a project for building a new central platform is ongoing.

In addition to the acute physical risk, a change in working environment on the offshore installations from changes in temperature or precipitation pattern are considered chronic physical risk elements related to climate change. Chronic physical risk may force changes in current operating models like reducing acceptable exposure time for offshore work. To mitigate these issues and potential for early asset retirement or other decreases to asset value, risk assessments are systematically performed and updated metocean data collected to form input to infrastructure design of new facilities and working procedures for existing facilities.

Since physical risks from climate change are typically evaluated over a long-term time horizon, the Nova field is considered to have limited exposure to physical risk taken the technical properties and field lifespan into account.

Pandion Energy assesses physical risks from climate change as less material to its business and more manageable, due to the fact that its assets were designed to withstand acute and chronic physical impacts. However, uncertainties and limitations are substantial, and Pandion Energy will continue to expand and evolve its scenario analysis to incorporate future market conditions.

Opportunities
Pandion Energy's low carbon portfolio offers a strong advantage in the ESG-focused investment landscape. With superior carbon efficiency and lower costs, it is well positioned for sustainable divestment and capital raising. Notably, sensitivity analysis shows a positive impact on NPV in the STEPS and APS scenarios, assuming continued reliance on oil and gas in the global energy mix.

Technological advances driven by the energy transition, such as CCUS or increased electrification, may also positively affect production cost efficiency, prolong asset life or provide new commercial opportunities.

Management of climate risk

Pandion Energy manages climate-related risks through scenario analysis, sensitivity testing, active portfolio management, collaboration as well as compliance and reporting. In order to minimise the exposure to transition risk, Pandion Energy has committed to sustaining its low-carbon-impact position in the industry and to remaining carbon neutral (on scope 1 and scope 2 basis). Pandion Energy's strategy for net zero carbon rests on four key pillars:

Working with industry to meet the GHG emission targets set by national regulators

Committing to net zero carbon operations by offsetting the remaining hard-to-abate CO_2 equivalent emissions in Scopes 1 and 2

Aligning investment criteria to maintain a low carbon footprint in its portfolio

Promoting transparency and accountability

Emission reduction

Pandion Energy has been a proponent of electrification since its inception. All of the producing fields in the company's portfolio are already powered by electricity from shore and none have routine flaring. This contributes to keeping the carbon emissions associated with its oil and gas production at an inherently low level, significantly below the NCS GHG intensity average and 90 per cent lower than the global average[1].

Further reductions in its scope 1 and 2 emissions would be considered incremental, nevertheless, Pandion Energy continues working with the operators of its assets to pursue further emission reductions in operations and associated supply chains.

Carbon neutrality

To bring the remaining residual equity share scope 1 and 2 GHG emissions to net zero Pandion Energy sees the use of high-quality carbon removals as part of an overall plan to neutralise the carbon impact of its operations while committing to the target of reducing the remaining balance of Scope 1 and 2 absolute emissions over time further.

To ensure the environmental integrity of offsets, the company will put emphasis on carbon removal offsets which are in-line with the Oxford Principles for Net Zero Aligned Carbon Offsetting.

Investment criteria

Pandion Energy has a target of maintaining its low carbon footprint by actively managing its portfolio. The company has updated its investment criteria to ensure that new growth opportunities are evaluated with regard to GHG and climate related aspects.

This includes:

- Focus on renewable energy sources by incorporating potential for future access to renewable energy sources as a key criterion for the company's exploration and appraisal activities
- Consideration of GHG emissions by taking into account the future cost of carbon emissions where renewable energy sources are not available and the potential for future emission reductions as a key investment criterion for developments and producing assets

Transparency and reporting

Pandion Energy has committed to align its disclosures with the recommendations presented by the TCFD. The company will advocate for sharing of raw emissions data within licences in order to take responsibility for its net carbon emissions and has developed operational tools to monitor and support the assets' carbon reduction performance. Pandion Energy reports equity-based scopes 1 and 2 and selected scope 3 GHG emissions and works with its joint venture partners, peers, regulators, investors and other stakeholders to promote and accelerate decarbonisation.

[1] 2023 IOGP offshore GHG intensity average

Climate risks and opportunities

	Risk category	Risk driver	Potential impact	Mitigation
Transitional risks	Market/ Reputational	Change in investor and capital market behaviour	Increased cost of capital; Reduced availability of capital; Penalties for fossil energy sectors; Commodity price fluctuations	Net zero strategy; Active portfolio management; Increased transparency through voluntary reporting
	Regulatory and legal	Increased environmental taxes and carbon cost	Increased operation cost; Reduced investment space; Increased competition on low carbon assets (also opportunity)	Low carbon intensity portfolio; Net zero strategy; Investment criteria and internal carbon price assumptions; Scenario analysis and sensitivity testing; Offsetting strategy; Operator cost reduction and emission reduction initiatives
	Regulatory and legal	Policy and legal changes that may negatively affect framework conditions or reduce access	Viability of exploration & development projects; Increased cost; Reduced access to acreage; Early retirement of access	Net zero strategy; Investment criteria & E&A strategy; Properties of current portfolio
	Reputational	Reputational risk from negative public perception	Increased cost of capital and insurance premiums; Reduced access to capital; Stigmatisation of sector and challenges to retain/attract talent	Net zero strategy; Increased transparency; Size of organisation
	Market	Reduced oil and gas demand and lower commodity prices due to energy transition speed and decarbonization efforts	Reduced revenues; Early asset retirement or devaluation due to declining profitability or competitiveness of oil and gas assets	Investment strategy: near infrastructure, cost efficiency, focus on quality assets; Continued focus on cost, CO_2 footprint and investment strategy; Consider actions based on sensitivities towards scenarios
	Technology	Technology risk from the emergence of disruptive or innovative solutions that may render oil and gas obsolete or unattractive or create comitative market environments	Increased cost; Early asset retirement or devaluation	Investment strategy: near infrastructure, cost efficiency, quality assets; Continued focus on cost, CO_2 footprint and investment strategy
Physical risks	Chronic	Chronic physical risk from changes in temperature or precipitation patterns that may affect the working environment or operating models	Increased operating cost or modification/investment requirements; Early asset retirement or devaluation due to operational limitations or increased costs	Operator's risk procedures & asset risk assessments; Modernisation of infrastructure (Valhall)
	Acute	Operational downtime and asset impairment from extreme weather events and sea level rise	Increased modification/investment requirements; Potential asset impairment; Early asset retirement or devaluation due to operational limitations, increased operational cost or capex requirements.	Operator's risk and integrity management procedures incl. increased monitoring, updated data and evaluations; Modernisation of infrastructure (Valhall)

Opportunity category	Opportunity driver	Potential impact	Mitigation
Technology	Opportunities from technology development such as CCUS, increased use of electricity, repurposing of infrastructure etc.	Increased cost efficiency; New commercial or investment opportunities; Prolonged commercial live; Delayed asset retirement	Monitor market opportunities
Market competition	Potential opportunity in competitive advantage due to superior carbon efficiency levels and lower costs	Positioned for divestment opportunities and capital raising; Positive NPV effect in higher oil price scenarios; Prolonged asset life	Low carbon intensity portfolio, cost efficiency, Investment strategy, Sensitivity testing
Resilience	Resilient portfolio with limited impairment under low oil price scenarios and high carbon prices	Remaining profitability under reduced market conditions	Continued focus on asset management and cost efficiency
Market	Increased demand for oil and gas produced with low carbon intensity	Premium commodity prices, Prolonged asset life	Low carbon intensity portfolio, Net zero strategy

Environmental impact

Pandion Energy is committed to minimising the environmental impact of its activities. The company's HSE policy sets out the objectives and expectations applicable to the operations which the company participates in as a licensee. Pandion Energy values transparency on risk and how environmental aspects are handled in relation to its assets, including managing and monitoring emissions to the air, minimising discharges to the sea and optimising waste handling. The company is also committed to considering, preserving and safeguarding biodiversity.

Pandion Energy has established an HSE evaluation framework for assessing HSE complexity on the basis of area properties, including (but not limited to) environmental issues such as sensitive habitats, spawning areas, biodiversity priority areas and vulnerable resources. The framework is used as part of its decision-making process before entering new licences and, at a later stage, as input to the company's follow-up activities with the operators and allows for early risk identification and mitigation related to planning of operational activities.

Environmental management

As part of its "see to it" duty, Pandion Energy confirms that the operator has established an environmental management system which is fit for purpose before commencing petroleum activities in any licence in its portfolio. This is also a requirement in relation to regulatory application processes before commencing operations on the NCS. All responsible parties on the NCS must establish, follow up and further develop a management system designed to ensure compliance with the requirements of Norway's HSE legislation – including the Pollution Control, Working Environment, Petroleum, Product Control and Fire and Explosion Protection Acts. The assets in the company's portfolio are managed in accordance with the guiding principles of the ISO 14001 environmental management and ISO 50001 energy management standards.

All petroleum-related activity on NCS is subject to public consultation and government approval, mostly through a consultative process on environmental permits. Stakeholders, local communities and interested parties are entitled to comment on environmental and social issues and to submit recommendations to the government on planned activities. Pandion Energy follows up operator responses to these recommendations, with attention concentrated on compliance with the government's operational conditions as defined in the management plans.

Discharges to the sea from petroleum activities on the NCS are regulated by the licence discharge permits issued by the NEA. The compliance status of discharges and emissions is reported annually to the government for both producing fields and drilling activities. Annual reports, together with associated feedback from the NEA, provide input for a continuous improvement of environmental performance. he operators of the producing assets in the company's portfolio hold field-specific permits under the EU ETS, and the associated climate accounting for scope 1 emissions is subject to annual third-party verification.

GHG emissions

Pandion Energy has established a GHG accounting system on the basis of the principles set out in the ISO 14064 standard and the GHG protocol. Emission sources subject to reporting have been selected on the basis of materiality and equity approach. The metrics disclosed represent the net equity share of GHG emissions from Pandion Energy's working interest in licences on the NCS where petroleum activities are conducted. GHG emissions for activities controlled by Pandion Energy are relatively immaterial when compared to asset emissions, therefore its GHG emissions for its office activities were not measured.

The company's GHG intensity metric calculates the equity share of Carbon (CO_2) and Methane (CH_4) emissions from the company's production assets divided by net company production. Historically the company's GHG intensity level has ranged from 1.1 – 3.4 kg CO_2e per barrel of oil equivalent and has consistently been amongst the lowest in the global E&P industry and Norway. This is mainly attributable to the company's production being fully or partially electrified from shore. Sustaining its low GHG intensity level is an important strategic objective for Pandion Energy. In 2024 the company's equity share GHG intensity was 1.5 kg CO_2e per barrel of oil equivalent. for Scope 1 and 2 emissions combined.

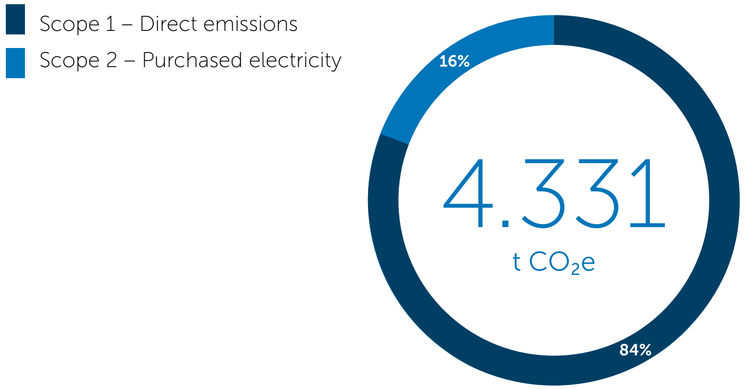
In 2024, the company's scope 1 and 2 emissions included emissions from production activities on Pandion Energy's two producing assets, Valhall including Hod, and Nova.

Scope 1
The main source of the company's scope 1 emissions is power generation, related to combustion of liquid fuel (diesel, 54%) or fuel gas (19%). The diesel consumption is mainly related to rig activity, while the fuel gas consumption is related to gas export at the Nova host platform. Power generation accounts for about 50 per cent of the company's equity-based CO_2e emissions in scope 1.

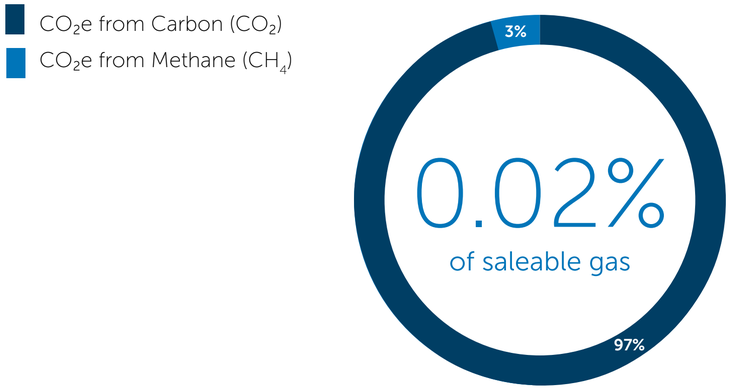
Most of the remaining scope 1 emissions come from combustion of flare gas, while a small portion come from venting and fugitive emissions (<1.5%). Flaring is generally very limited on NCS and only permitted for safety purposes, such as emergency shutdowns. To reduce emissions to air from flaring, the producing assets in the company's portfolio have closed flares during normal operation. Due to challenges with Oxygen in flare gas on Valhall, the LP flare had been open since February 2022, but was closed again during 2024.

Nova is a subsea tie-back and has minimal scope 1 emissions when rig activities are not being conducted on the field. Drilling operations have been conducted on Nova during 2024 resulting in scope 1 emissions from power generation for the rig. scope 1 emissions from the Nova host platform, Gjøa, are reported by the host operator. In this report, an estimated portion of the host emissions have been allocated to the Nova field.

2023 GHG emissions[1]
Scopes 1 & 2

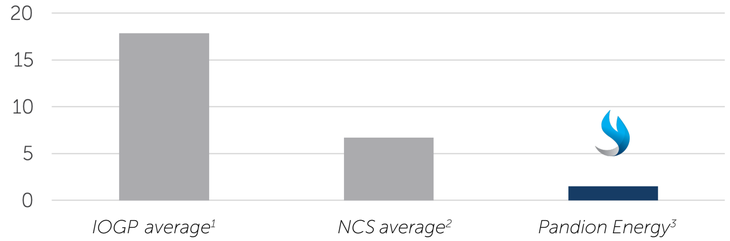


Methane share and intensity[2]
Of production related scopes 1 & 2



[1] *Equity share basis*
[2] *Emission factor 29.8, based on IPCC AR6*

GHG intensity
Kg CO_2e per boe produced



[1] IOGP Environmental Performance indicators – 2023 data, 2024 data not published at the time of this report
[2] Offshore Norge, 2022 carbon intensity, Klima og miljørapport 2025
[3] Pandion Energy net equity basis production, scopes 1 and 2 emissions. 2032: 1.5 kg CO_2e/boe; 2024: 1.5 kg CO_2e/boe

All reported emissions to air in 2024 were within the relevant permit requirements.

The fluctuations in annual emissions the last three years are mainly attributable to activity level. While the company participated in fewer exploration and appraisal wells in 2023 compared to previous years, it was the first full operational year for Nova.

Scope 2
Pandion Energy's scope 2 emissions are related to purchase of electrical energy supplied to the Valhall and Hod fields and the Nova host. The electricity is acquired from the national power grid in Norway which is principally underpinned by hydropower and other renewable energy sources. As Norway is a historic net exporter of electric power, the associated CO_2 emissions are close to zero. The share of electricity originating from renewable sources was 95 per cent in 2023[1].

The scope 2 emissions mainly depend in offshore consumption of power from shore. The electricity consumption at both assets has been stable in the recent years. Although national electricity imports have increased, the carbon emission intensity of power supplied from the Norwegian grid remains low at less than 20 g CO_2e per kWh.

[1] 2024 declaration not available at the time of preparation of this report.

Methane monitoring
The company's methane emissions originate from cold venting, incomplete combustion and flaring of gas, as well as fugitive emissions from the process infrastructure. The reported methane emissions are quantified in accordance with the national industry standards and submitted annually to the environmental authorities.

The methane intensity on the NCS is considered relatively low due to factors such as extended use of subsea pipelines, a prohibition on routine flaring, high taxation levels, and a strong emphasis on minimizing gas leaks for both climate and safety considerations.

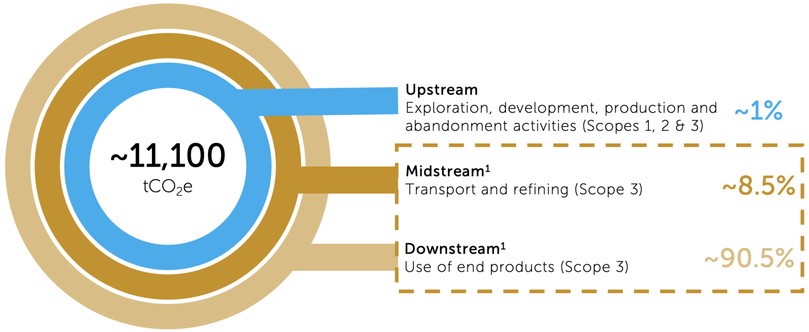
Pandion Energy's methane emission intensity for equity share based production was 0.02 per cent CH_4 of saleable gas, which is significantly lower than the industry average of 0.15 per cent[1] and accounts for about 3 per cent of the GHG emissions expressed in CO_2 equivalents.

Scope 3
As a licensee, the company is reliant on working closely with the operators on emission monitoring and reduction and is pleased to see the strategic priority given to mapping and reducing scope 3 emissions related to offshore activities among its operator partners. However, data gathering, quality, methodology and standards are under development and operators and suppliers demonstrate various levels of maturity.

The scope 3 emissions in this report include:
- Categories 1 – 9 from upstream activities as reported by the operators. These categories are under the operators' influence and are deemed addressable and most relevant for reduction potential. Business travel within Pandion Energy has been significantly reduces since the COVID-19 pandemic in 2020 mainly attributed to increased virtual collaboration practices. Though immaterial, it has been included in category 6.
- Categories 10 & 11 quantified by Pandion Energy. These categories represent virtually all the downstream emissions (categories 10 – 15). As a pure upstream company with no refining and end use sale, the company has limited insight into the properties of these categories and limited to no ability to alter the impact of these emissions.

Emission reduction measures
Given the properties of the company's portfolio, improvements in operational practices, reductions in energy consumption and pursuing energy efficient solutions through active energy management are important measures in achieving further incremental emission reductions. It is required on NCS by law to conduct energy management in accordance with the principles of the ISO 50001 standard. The continuous work to pursue energy improvement opportunities within each asset is closely monitored and reported to the authorities annually. As a non-operator, Pandion Energy relies on cooperating with the operators on asset specific carbon reduction strategies based on the emissions profiles and the properties of the individual assets.

GHG emissions across value chain
2023 Pandion Energy net equity basis CO_2e emissions



[1]Outside Pandion Energy's and asset operators' operational control

During 2024 Valhall and Hod reported energy efficiency and emission reduction measures estimated to 4.347 t CO_2 and savings of 1.752 MWh[2]. Further reductions in rig and utility emissions will help reaching the target of near zero scope 1 and 2 GHG emissions by 2050. Emissions from platform supply vessels contributing to scope 3 upstream emissions have also been significantly reduced in the last years across most of the fleet. During 2024 energy and emission reduction measures were implemented at the two supply vessels assisting on the Nova field, with representing a reduction of 1,601 t CO_2 in 2024[2].

Biodiversity
As a licensee on NCS, Pandion Energy participates in operations mainly concentrated in marine surroundings. It is therefore important that the licensees are committed to working continuously on protecting and conserving the associated ecosystems and their species in order to safeguard genetic biodiversity.

Norway signed up to the convention on biological diversity in 1993, and the NEA enforces strict regulations with the aim to ensure that water quality in marine areas helps to preserve species and ecosystems. The NCS is among the most extensively mapped, analysed and ecologically managed marine areas in the world. Biodiversity priority areas are identified in the regional management plans applied by the Norwegian government since 2006.

These plans set out the operational conditions for all activities in each area of the NCS, including petroleum operations. They also identify protected areas as specified by the International Union for Conservation of Nature (IUCN), where no or only limited industrial activity is permitted. Furthermore, area sensitivity is weighed against industrial activities, local interests, international treaties and goals to determine the conditions for permitting industrial activities. Operational conditions are defined for each licence, such as drilling restrictions, requirements for extended biological monitoring, and additional oil spill response measures.

Following the adaptation of the "Kunming-Montreal Global Biodiversity Framework" in December 2022, a new marine environmental law is also expected to be introduced by the Norwegian authorities as part of the implementation.

None of Pandion Energy's producing assets are in or near protected areas. Biodiversity protection measures are described and framed in the operator' environment policies and environmental management systems.

[1] Oil and Gas Climate Initiative (OGCI) 2022 performance data
[2] Gross emission and power consumption savings pr year.

As part of activities on Pandion Energy's partner operated licences, various biodiversity assessments are conducted, such as seabed surveys or oil spill impact assessments. The results directly affect the decision-making process and implementation of specific risk reduction measures. These may include direct risk reduction and impact strategies addressing both biodiversity and ecosystem protection, such as avoiding drilling during high breeding or spawning season, monitoring plans, or moving borehole locations.

In order to verify the environmental impact on biodiversity from petroleum activities, the oil and gas industry in Norway performs sediment analyses and water-column monitoring at regular intervals to detect possible negative impacts and to implement new measures as required.

Water and effluents

Pandion Energy's net production is not located in water-stressed environments and water withdrawal and water scarcity are not considered material issues for the operators on the NCS. Fresh water is used for drinking purposes, in accommodation and in some drilling operations. Seawater is used for operations such as cooling, firefighting purposes and pressure support for the reservoir. The main water management issue is operational discharges to sea. The general approach to

generating and handling effluents aims at the lowest possible environmental impact in accordance with environmental strategies set for the field, and the following order of priority applies:

1. preventing occurrence
2. reuse/recycling/reinjection
3. reduction
4. treatment and disposal/discharge.

Minimum standards are set for the quality of effluent discharge. Produced water discharged to sea is regulated by the NEA with a threshold value of 30mg of oil per litre of produced water per month (weighted average). Produced water on Valhall is either reinjected into the reservoir for pressure support or discharged to the sea after sufficient treatment in accordance with the best available techniques and regulatory requirements. In 2024, the average oil concentration was 17.24 mg of oil per litre for the Valhall and Hod fields. Produced water from Nova is managed at the host platform together with several other fields, the weighted average for oil in water from the host platform in 2024 was 21.25 mg of oil pr litre.

Other water management actions include prioritised substitution of chemicals with the most adverse properties to less hazardous substitutes. Use and discharges of chemicals are also regulated by the field specific permits issued by the NEA.

Oil spill preparedness plans are established by the operators for the specific petroleum activities based on environmental risk assessment and regulatory requirements before commencement of operations. The oil spill response measures involve trained personnel who work purposefully to prepare for and mitigate possible discharges. All the operators of the licences where Pandion Energy is licensee participate actively in the Norwegian Clean Seas Association for Operating Companies (NOFO). NOFO is specially trained to manage oil spill response operations and assumes a key role with regard to mitigation measures and oil spill recovery at sea in cases where member companies are responsible for an oil spill.

In 2024, there was one reportable oil spill from one of Pandion Energy's assets. The estimated volume was 0.185 m^3, and the spill was classified as severity level D (minor).

Waste

Operational activities in Pandion Energy's assets are based offshore, where all significant production waste, both hazardous and non-hazardous, is generated. The largest fractions of hazardous waste, in terms of weight, come from drilling operations. When wells are drilled, drill cuttings contaminated with drilling fluids are carried back to the surface. All production waste, such as drilling mud and drill cuttings, is dealt with using the same waste-handling hierarchy described for water and effluent.

Oil-based drilling mud is reused for as long as the technical quality of the mud remains intact. In other cases, the mud is sent onshore for treatment and disposal. Such mud contains a water fraction that is treated prior to discharge, and the volumes are controlled under government permits held by the waste disposal contractor. Both hazardous and non-hazardous waste are transported to land. The majority of the waste is handled in Norway and the regulatory rules are followed.

Another source of waste is decommissioned offshore installations. The Valhall and Hod fields are undergoing comprehensive modernisation, including removal of outdated platforms. In 2024, the 2/4-G jacket was successfully removed. Based on experience from the decommissioning of the DP and PCP platforms in 2022 and 2023, a recycling rate close to 100% is expected.

Environmental data

Climate change[1]

Scope 1	Note[2]	2024	2023	2022	Units
Direct GHG emissions	1	3,638	5,577	5,666	tonnes CO_2e
Third party verified direct GHG emissions	2	2,815	3,463	3,221	tonnes CO_2e
CO_2 (Carbon dioxide)		3,521	5,398	5,524	tonnes
CH_4 (Methane)	3	117	179	142	tonnes CO_2e
Methane intensity		0.02	0,03	0,04	% CH_4 of saleable gas
Scope 2					
Indirect GHG emissions	4	693	866	740	tonnes CO_2e
GHG intensity					
Equity share GHG intensity	5	1.3	1,5	1,7	Kg CO_2e/boe
Net production	6	7,946	8,304	5,697	boepd
Scope 3					
Scope 3 GHG emissions upstream	7	3,890	4,885	7,842	tonnes CO_2e
Scope 3 GHG emissions midstream	8	95,712	100,542	69,995	tonnes CO_2e
Scope 3 GHG emissions downstream	9	1,006,437	1,110,288	899,073	tonnes CO_2e

[1] *Unaudited - see page 28*
[2] *Notes to sustainability data - see page 26*

Social impact

Pandion Energy values the unique contributions of its employees and believes that a diverse and inclusive workforce enhances deliveries and accomplishments. Further, health and safety management are critical in the oil and gas industry and the company places great emphasis on ensuring that operations conducted in its licences are performed without harm to people involved. Regarding human rights a risk-based approach is always considered related to new investment opportunities, for purchases of material goods and services.

Human rights and decent working conditions

Pandion Energy is committed to the protection of internationally recognised human rights and fair and ethical work practices. It has zero tolerance of modern slavery and child labour in any parts of its business and supply 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 modern slavery and child labour is covered in the working conditions section of its code of conduct.

Pandion Energy operates in a low-risk environment for human rights abuse, as all of its assets are located in Norway. 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. Despite significant Norwegian content in its partner-operated assets, the operational activities are exposed to global suppliers. 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.

In response to the introduction of the Transparency Act in 2022, Pandion Energy conducted an overall due diligence assessment in accordance with the principles of the Transparency Act and the OECD Guidelines for Multinational Enterprises. The evaluation incorporated methodology from ISO Standard 31000 for risk management. In the due diligence assessment, the company primarily looked at risks associated with its assets and chose to assess risks at an overall strategic level identifying areas in the value chain with potential risk exposure.

The company seeks to monitor the activities and performance of its licence operators in line with the assessed risk to secure compliance with the company's Code of Conduct and has implemented measures to actively request information and include human rights considerations in the relevant business processes. A common industry guideline has been developed for this purpose by the NCS industry association, Offshore Norge, to facilitate the process for information exchange as part of the member companies' compliance work with the Transparency Act.

Sourcing of materials and raw materials and fabrication activities abroad related to the development phase were identified as key risk areas with potential of human rights impacts. Currently Pandion Energy is involved in one development project, PWP at the Valhall field.

A statement in accordance with the Transparency Act is made available on the company's website.

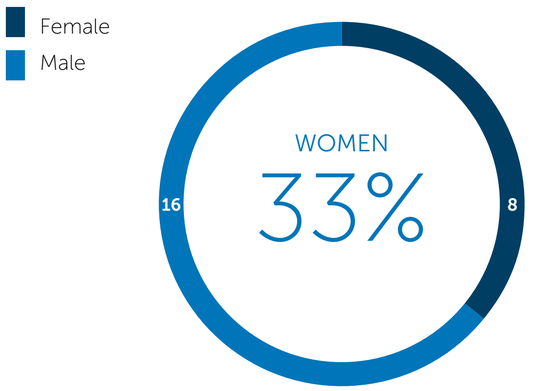
Suppliers and business partners
Pandion Energy's business partners and suppliers are essential to its ability to do business, but can also expose it to reputational, operational and legal risk. The company expects its business partners and suppliers to comply with applicable laws, respect internationally recognised human rights, and adhere to the ethical standards outlined in its code of conduct when conducting business with or on behalf of Pandion Energy.

Diversity and employment
Each member of the Pandion Energy team is valued, and the company is committed to providing an environment free from any form of discrimination, abuse, harassment or intimidation by or towards its employees or others affected by its operations. The company's values define the way people work in Pandion Energy. Furthermore, the company aims to be recognised for positive energy, equality and professionalism, and will treat everyone with fairness, respect and dignity.

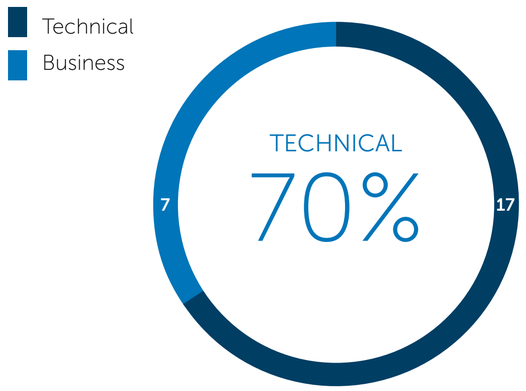
Pandion Energy values the unique contributions of its employees and believes that a diverse and inclusive workforce enhances deliveries and accomplishments. The company aims to maintain a working environment with equal opportunities for all, based on performance and irrespective of gender, age, culture, nationality, ethnicity, physical ability, political or religious beliefs, sexual orientation, or any other attribute.

As of 31 December 2024, 33 per cent of employees were female. Women made up 50 per cent of the management team, while two in five directors are female.

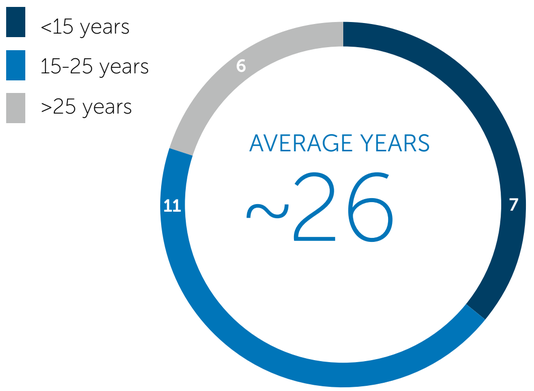
Gender



Business / Technical staff



Experience



Harassment and intimidation
Courtesy and respect are important aspects of a healthy working environment and sound business dealings. Pandion Energy expects all employees to treat everyone they come into contact with through work or work-related activities in a respectful manner. It will not tolerate any verbal or physical conduct that harasses others, disrupts others' work performance or creates a hostile work environment.

No cases of harassment or intimidation were reported in 2024.

Health and safety

Health and safety management is critical in the oil and gas industry, where operations can affect communities and the workforce. No one should be harmed or injured while working at or on behalf of Pandion Energy.

As a licensee, the company places great emphasis on ensuring that operations conducted on its licences are performed without harm to people involved. No task is so important that it has to be performed with an unacceptable risk to health and safety. As part of its "see to it" duty, the company reviews the operators' HSE plans, risk assessments and health and safety reporting on a regular basis.

There have been no work-related fatalities on the company's partner operated assets in 2024. However, a total of eight work related injuries were reported during 2024. None of the incidents were classified as serious, four of the incidents were classified as loss time injuries (LTI). In addition, a total of two incidents with no actual harm, but high consequence potential were recorded.

Major accident risk
Pandion Energy recognises the risks associated with the company's operational assets. The risk of major operational incidents is always present, since drilling, production and decommissioning activities will never be completely risk-free. Regulation of activities on the NCS provides a sound framework for handling these risks, and the company takes an active and responsible approach as a partner.

There have been no major accidents involving any of the operating assets in which Pandion Energy participated during 2024.

Sickness absence
Sickness absence among Pandion Energy's employees in 2024 was 2.1 per cent, the same as the year before. Since Pandion Energy has relatively few employees, sickness absence by just one or two people could significantly affect the overall percentage. The company aims to reduce sickness absence by constantly improving working conditions.

No work-related injuries were suffered by its employees in 2024.

Notes to sustainability data

NOTE 1 DIRECT GHG EMISSIONS

Scope 1 emissions include direct emissions from petroleum activities in Pandion Energy's production licences apportioned according to its equity share in those licences. Activities and licences included are listed in the table.

As Pandion is not an operator, it does not have the direct authority to monitor and record the consumption. The reported data is based on the operators' data reported to the Norwegian Environmental Agency (NEA) with a verification statement issued by an independent third party for producing fields Valhall, Hod and Nova[1]. Internal quality assessment is applied to ensure the accuracy of the data reported from the operators. Allocations from host platform(s) are calculated based on actual volume allocations in accordance with the tie in agreement(s) where available, otherwise the assets' share of production at the host platform is applied.

NEA conduct verifications of all reported environmental data post publication of this report. This may result in minor variations of the data at a later stage.

NOTE 2 THIRD PARTY VERIFIED DIRECT GHG EMISSIONS

Production assets only; High Assurance to the following standard: European Union Emissions Trading System (EU ETS). Does not apply to allocations from host platform.

NOTE 3 METHANE EMISSIONS

Emission factor for calculating CO_2e from Methane: Global warming potential rate in a 100-year perspective (GWP_{100}) used to calculate CO_2e from CH_4 fossil origin is 29.8 based on IPCC Sixth Assessment Report, 2023.

Year	Assets	Activities	Equity Share	Reporting Source	Assurance report[1]
2024 2023 2022	Valhall & Hod (PL 006 B, 003 B, 033)	Drilling, production, development, abandonment	10%	Annual field emissions report Annual climate quota report	YES
2024 2023 2022[2]	Nova (PL 418, 418 B, 378)	Production, development	10%	Annual field emissions report Annual climate quota report Host emissions data apportioned to the Nova production reported within licence	YES
2023	PL 929	Appraisal drilling	20%	Well specific emissions data reported within licence	NO
2022	PL 891, 891 B	Appraisal drilling	20%	Well specific emissions data reported within licence	NO
2022	PL 929	Exploration drilling	20%	Annual exploration emissions report	NO
2022	PL 938	Exploration drilling	20%	Annual exploration emissions report	NO

[1] 3rd party verification report of the Annual climate quota report as required by the NEA, EU ETS verification report, ref. Note 2.

[2] Asset acquired as part of the acquisition of ONE-Dyas Norge AS, completed on 30 June 2023. Only emission data after this date are included.

NOTE 4 INDIRECT GHG EMISSIONS IN SCOPE 2

Location based indirect GHG emissions calculated on a net equity basis.

Scope 2 emissions include:
Valhall and Hod: Emissions from Valhall and Hod based on annual imported power consumption.
Nova: Emissions estimated based on allocated share of imported power consumption at the host platform.

The Valhall field and the Nova host platform receives power from shore from the national grid in Norway which is principally underpinned by hydropower and other renewable energy sources.

Scope 2 emissions reported in 2024 are related to five per cent non-renewable energy sources in the Norwegian power supply market. Climate declaration factor from the Norwegian Water Resources and Energy Directorate (NVE) used to calculate emissions is 19 gCO_2e/kWh (2023 factor is applied, as 2024 factor will not be available until mid-2024).

Pandion Energy's scope 2 emissions are relatively immaterial when compared to the overall portfolio, therefore its GHG emissions for its office activities were not measured.

NOTE 5 GHG INTENSITY

CO_2e intensity is calculated on the basis of net equity production and associated scope 1 CO_2e emissions.

NOTE 6 NET PRODUCTION

Redelivery volumes from Nova to Gjøa/Vega included in production.

NOTE 7 INDIRECT GHG EMISSIONS IN SCOPE 3 UPSTREAM

Upstream scope 3 emissions include mapped categories 1-8 allocated to the Valhall and Hod on a net equity basis as reported by the operator.

Mapped upstream scope 3 categories include:

Category 1	Purchased goods and services (cement, chemicals)
Category 2	Capital goods (steel)
Category 3	Fuel and energy related activities (well-to-tank emissions from diesel consumed offshore)
Category 4	Upstream transportation and distribution (platform supply vessels, anchor handling vessels, emergency response and rescue vessels, intervention / well stimulation, heavy lift, IMR - inspection, maintenance and repair, other activity)
Category 5	Waste generation in operations (incineration)
Category 6	Business travel (Pandion Energy only, not asset specific)
Category 7	Employee commuting (helicopter transportation)
Category 8	Upstream leased assets (not material, not included)

NOTE 8 INDIRECT GHG EMISSIONS IN SCOPE 3 MIDSTREAM

Midstream scope 3 emissions include estimate of refining of net equity sale of products:
Category 10 Processing of sold products

Non-Energy Adjustment 10% for liquids have been applied, ref. Transition Pathway Initiative (TPI) "Carbon Performance assessment of oil & gas producers: note on methodology", 2020.

Estimated shares of different types of final products from crude and carbon factors of refined products are based on IPIECA "Estimating petroleum industry value chain (Scope 3) greenhouse gas emissions".

NOTE 9 INDIRECT GHG EMISSIONS IN SCOPE 3 DOWNSTREAM

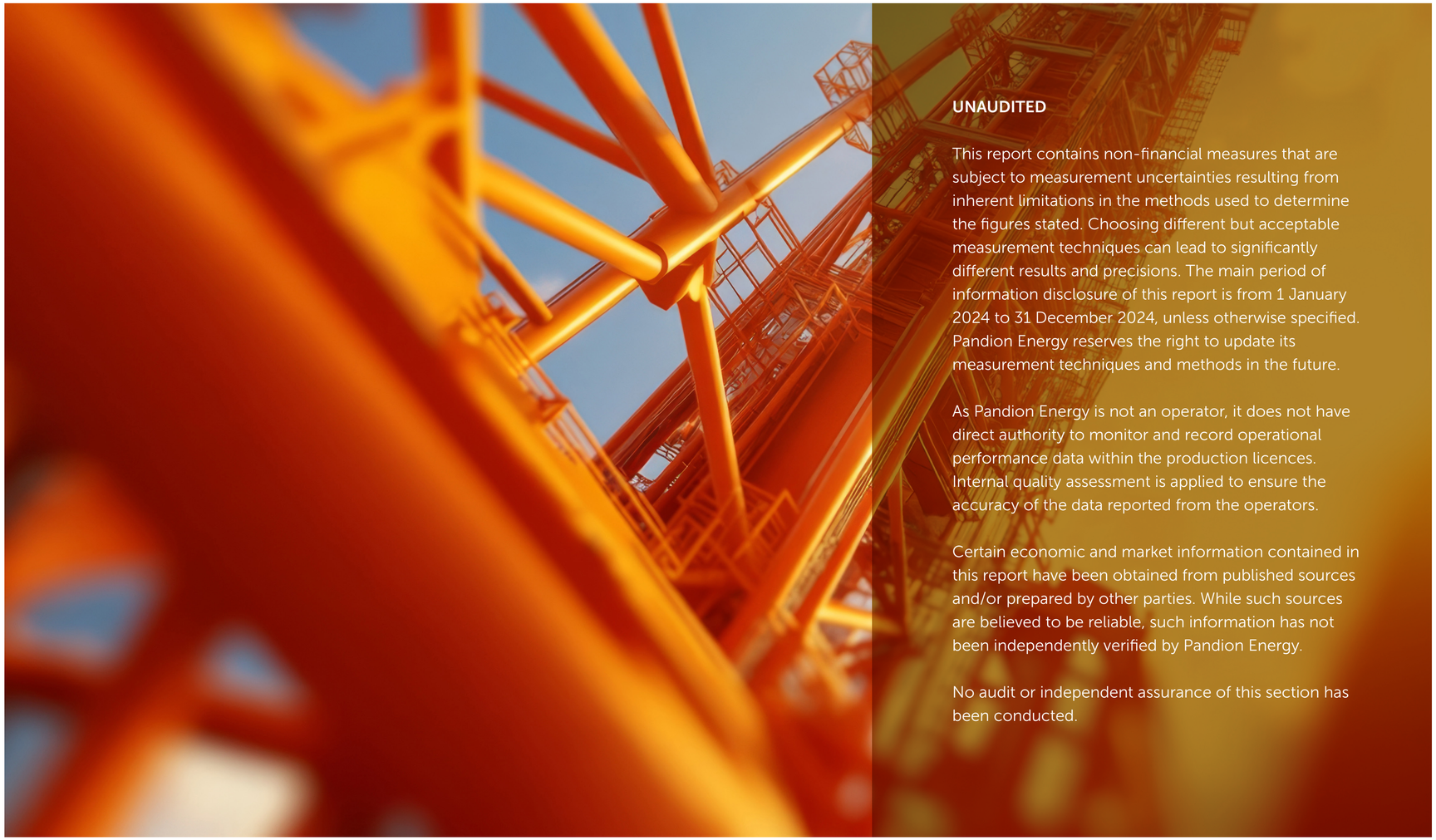
Downstream scope 3 emissions include estimate of net sale of products:
Category 11 Use of sold products

Non-Energy Adjustment 10% for liquids have been applied, ref. TPI "Carbon Performance assessment of oil & gas producers: note on methodology", 2020.

Applied energy content for oil and gas based on NPD conversion-table and in addition an increase for Valhall gas energy content by four per cent.

Applied effective CO_2 emission factor based on IPCC, 2006.

Sustainability



UNAUDITED

This report contains non-financial measures that are subject to measurement uncertainties resulting from inherent limitations in the methods used to determine the figures stated. Choosing different but acceptable measurement techniques can lead to significantly different results and precisions. The main period of information disclosure of this report is from 1 January 2024 to 31 December 2024, unless otherwise specified. Pandion Energy reserves the right to update its measurement techniques and methods in the future.

As Pandion Energy is not an operator, it does not have direct authority to monitor and record operational performance data within the production licences. Internal quality assessment is applied to ensure the accuracy of the data reported from the operators.

Certain economic and market information contained in this report have been obtained from published sources and/or prepared by other parties. While such sources are believed to be reliable, such information has not been independently verified by Pandion Energy.

No audit or independent assurance of this section has been conducted.

TCFD index

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Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	Page 6, 10, AR21
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 9-10
Strategy	
a) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 10-15, AR22-23
b) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Page 10-15, AR22-23
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 11-13
Risk Management	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Page 11, AR22
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c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 9-10, AR21
Metrics and targets	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 12-13, 22
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Page 22
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 14, 16, 19

[1] *AR refers to Pandion Energy 2024 Annual Report issued 10 April 2025.*

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