



**PetroNor E&P ASA**

**Transparency Act Statement  
for the financial year 2022**

## **PetroNor E&P ASA - Transparency Act Statement for 2022**

PetroNor E&P ASA (“PetroNor”, the “Company”) is committed to the protection of internationally recognised human rights and fair and ethical work practices. The Company complies with all applicable laws and regulations, including the Norwegian Transparency Act (“the 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 as well as to account for the due diligence conducted and to answer information requests.

This statement has been prepared in accordance with the Transparency Act. It summarises PetroNor’s governance, policies, and procedures regarding the protection of human rights and decent working conditions, as well as risks identified in the due diligence assessment and measure to mitigate these risks.

### **ABOUT PETRONOR**

PetroNor is an Africa-focused independent oil and gas exploration and production company listed on Oslo Stock Exchange. PetroNor holds exploration and production assets offshore West Africa, specifically the PNGF Sud licenses in Congo Brazzaville, the A4 license in The Gambia, the Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licenses in Guinea-Bissau, the Rufisque Offshore Profond and Senegal Offshore Sud Profond in Senegal (in arbitration) and OML-113 in Nigeria. The Company has a head office in Norway, with country offices in Congo, Nigeria, Guinea-Bissau, The Gambia, Senegal, United Kingdom, UAE and Cyprus. With a monthly average of 34 employees and long-term consultants.

PetroNor’s area of focus is on Sub-Saharan Africa and, more specifically, proven and producing assets in the region with development and IOR potential. PetroNor is present in the region with 2P reserves at year end 2022 of 20.3 MMboe and an average net production for 2022 of 4,021 bopd.

In addition, PetroNor holds a portfolio of exploration licences in Guinea-Bissau, The Gambia and Senegal (in arbitration) with net unrisked prospective resources of approximately 4 billion barrels of oil from multiple prospects.

### **Commitment to human rights and decent working conditions**

PetroNor is committed to high moral and legal standards in carrying out the Company’s operations.

PetroNor’s management, employees, agents, and associates have the responsibility of applying the highest standard of ethical business practices in all their relationships with customers, suppliers, shareholders, fellow employees, and the general public. To achieve this, the Company is committed to conduct all its business activities in compliance with the Code of Conduct and the following principles:

- Business will be conducted fairly and courteously, taking into account local custom and practice where appropriate.
- Conduct its business in accordance with its Health and Safety and Environmental Protection Policies.
- Ensure that its activities have a positive impact on consumers, employees, communities, stakeholders and all other members of the public.

## **GOVERNANCE OF HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

### **Responsibilities**

The Board of Directors has an overall leadership and supervisory role in all ESG matters, including human rights, decent working conditions and adherence to the duties in the Transparency Act by the Company. The executive management is responsible for overall risk management, ESG matters, as well as compliance with laws and regulations.

### **Policies and governing documents**

PetroNor has developed guidelines to prevent violations of human rights, indecent working conditions, damage to the environment, and involvement with corruption. The relevant guidelines are described in Code of Conduct

(“CoC”), Health, Safety and Environmental Policy, Anti Bribery and Corruption policy (“ABC-policy”), and the Anti Money Laundering Policy.

The guidelines and policies are approved by the Board of Directors and applies to all PetroNor representatives. The Company also expects all business partners, joint ventures partners and suppliers to act in a manner that is consistent with the principles of the CoC.

As of 2022, the CoC is not formally utilized in the procurement process. For larger contracts, the supplier is required to either provide their own CoC and ABC policy that demonstrates the supplier has equivalent standards to the Company, or they have to sign the PetroNor CoC. The CoC is not yet fully embedded in agreements on small contracts. These policies are made public on the company website.

## **Whistleblowing**

PetroNor uses the secure online whistleblowing software IntegrityLog promoted by Oslo Stock Exchange to allow safe, anonymous reporting of all potential ethical violations and wrongdoing. The link to the channel is made public on the company website. No whistleblowing reports were received during 2022.

## **DUE DILIGENCE WITH RESPECT TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

At PetroNor, a risk-based approach is always considered related to new investment opportunities, and for purchases of material goods or services. Prequalification of suppliers is as per the Know Your Supplier policy and is mainly executed through the Refinitiv’s World Check One platform, but with the addition that any PetroNor representative is obligated to report concerns and suspicions immediately. As of 2022, human rights and working conditions are not specific parameters in the qualification process, but the Company will look into this going forward.

In Congo and Nigeria, the Company is a non-operating partner on the licences, and it is the licence operator that has control of the value chain when purchasing goods and raw materials on behalf of the partnership. It is the operator’s responsibility to prevent and mitigate any adverse impacts. The governing Joint Operating Agreements in the licences do not specifically deal with human rights and decent working conditions, however in general any incidents must be reported to the partnership, including PetroNor. There have been no such incidents reported since the licences were awarded.

In Guinea-Bissau, The Gambia and Senegal, the Company is the operator on the licences and has full control of the value chain.

## **Risk assessment**

Through supervised workshops in March and April 2023, PetroNor conducted a due diligence assessment in accordance with the requirements of the Transparency Act. The assessment was based on a methodology including ISO Standard 31000 for risk management and key employees with insight into the value chain and procurement processes participated.

In the assessment, PetroNor primarily looked at risks associated with its operators and chose to assess risks at an overall strategic level. The assessment of the value chain focused on five categories and related activities: exploration, appraisal, development, production, and abandonment. No negative actual consequences were discovered during the due diligence assessment.

Based on the risk assessment, PetroNor defined three key risk areas, all in the phases of exploration and development:

### **1. Health and safety for employees**

Health and safety for its employees is a significant issue in the countries where PetroNor has exploration and production assets. In these locations, the safety concerns are related to the level of security in the office buildings and transportation, for both local staff and employees travelling from Europe. To mitigate risk, PetroNor has procedures and a safety policy in place for all employees travelling. With these measures, the Company considers the risk for violation of human rights and working conditions to be present, but low.

## 2. Construction work, yard activities and drilling

Through the Aje Production AS joint venture, the Company is about to enter a project in the development-phase in Nigeria. PetroNor will provide technical assistance to the operator in executing the development going forward, where construction work will be another area of potential risk.

Revamping/constructing an FPSO will most likely be in a yard in Asia (Singapore), South America or the Middle East. There are higher risks of violations of human rights and working conditions when conducting the work in these areas rather than in Europe. When development is outsourced to a yard, the yard owner is responsible for procurement. This implies less transparency and control for the operator.

Further, the development in Nigeria will include construction work of pipelines from offshore to the LPG plant onshore. Contractors will be hired for the work and the operator will use local personnel to some extent.

PetroNor considers risk for violation of human rights and working conditions in construction to be at a medium level.

## 3. Working conditions and safety for personnel in production and onboard vessels

Employees in production are hired by the operator and the operator follows up the service partners. There are also workers employed for operating supply ships/vessels. PetroNor there to be a low risk of violation of human rights and working conditions as less people are involved in this phase and there are health and safety measures in place.

Business partners who provide PetroNor with goods and services that are not a direct part of the business value chain were also part of the assessment. These expenditures are mainly related to IT and digitalisation services and professional services such as insurance, accounting, legal and other commercial or technical advisors. PetroNor has considered the risk of violation of human rights and decent working to be low as these are mainly professional consultancy services.

## MEASURES TO MITIGATION OF RISK

Based on the risk assessment, PetroNor has not identified actual negative impacts on fundamental human rights and decent working conditions linked to its operations, the value chain and business partners. The identified risks measures and initiatives have been identified to manage these:

- Prepare governance documents, and provide training to key employees on how due diligence assessments and supplier assessment should be conducted in all aspects of operations.
- Get an overview of the supply chain, including a risk mapping of countries, products and raw materials. Categorize risks in order to prioritise an in-depth risk assessment.
- Establish an overall risk assessment of suppliers and business partners. Perform in-depth assessments of suppliers based on risk profile.
- Ensure all contracts covers human and labor rights when onboarding new suppliers.
- Conduct site visits and follow up on yards, vessels and platforms.
- Request information on measures taken by the operators to mitigate risk for violation of human rights and decent working conditions.
- Prepare procedures and training for employee health and safety with regards to office work and travelling.

These measures will help PetroNor establish a clear overview of all risks related to human rights and decent working conditions. Further, measures will contribute to monitor potential risks and adverse impact that might occur in PetroNor's operations and value chain.

## DUTY TO PROVIDE INFORMATION

PetroNor is establishing a procedure for handling information requests under the Transparency Act to ensure timely processing of information requests. No requests were made in 2022.

## Signature

Jens Pace  
Interim CEO of PetroNor  
London, 29<sup>th</sup> June 2023

