Sustainability Report 2022

Petrogas E&P Netherlands B.V.

النفط والغاز

PETROGAS

ABOUT THIS REPORT

This release of the Petrogas E&P Netherlands B.V. (PEPN) Sustainability Report provides the 2022 (annual) update of the Company's journey in the Environmental Social Governance world, building on learnings from the previous years' reports and new developments in the reporting area.

This document has been drafted following the IPIECA Sustainability Reporting Guidance for the Oil and Gas Industry ***[1]***, the materialities have been defined around the GRI 11: Oil and Gas Sector standard ***[2]***; although following the GRI disclosures, this report is not yet in accordance with the GRI Standards.

The document has been reviewed and approved by the Board of Directors.

The report is issued in October 2023. For more information regarding this report, its content and figures, you may contact info@petrogasep.com.

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As CEO of Petrogas E&P, I am very proud of the results achieved by Petrogas E&P Netherlands in 2022; the level of enthusiasm and commitment to our ESG and Sustainability Journey was contagious, that allowed the whole Petrogas organisation to learn and build up the same level of knowledge and capabilities across all the different Business Units. At Petrogas, we are always trying to push the bar a little higher, every time; I hope you will see the same reading through this Sustainability Report.

Usama Al Barwani
Chief Executive Officer
Petrogas E&P Group

2022, was another year, where global events changed the outlook of the energy market.

Following the Covid-19 years, this year was heavily influenced by global geopolitics that created volatile and uncertain energy markets. This has led to higher commodity prices during the year compared to 2021.

Our Dutch operations continued, carefully considering the business environment, the safety and health of our people, while progressing our plans in the Dutch sector of the North Sea, despite the disruption and challenges in the supply chain and the tail end of the COVID 19 crisis.

I believe that Petrogas E&P Netherlands, with its combination of talents and ingenuity, is well positioned in the market to provide local energy resources at lower and lower carbon footprint; this led us to the final investment decision early in the year for the development of A15 and B10, two small platforms that will be providing gas as from 2024 to the Dutch gas market.

This Sustainability Report 2022 is yet another step forward to demonstrate to our stakeholders and to ourselves that we are on the right path.

Kingsuk Sen
Chief Commercial Officer and
Vice President Europe
Petrogas E&P Group

OUR Journey Continues

Our ESG journey in 2022 continued with several initiatives to improve our understanding of the ESG requirements and commitments and find the best way to highlight our successes and close the identified gaps in order to provide a more transparent view of Petrogas operations to our stakeholders and be ready for the forthcoming EU Corporate Sustainability Reporting Directive (CRSD).

OUR Context

Petrogas responded well to the unprecedented challenge to meet the demand for gas in 2022, due to the war in Ukraine, restricting supplies from Russia. In Europe, 2022 showed that there was a structural failure to provide affordable energy, and that a degree of domestic energy production, whether gas, wind or solar, protects countries from the vagaries of global politics or extreme events. We are fully committed to continue to produce gas to serve the local community and payback our fair amount of taxes to the Dutch government in order to further support the Dutch society at large.

OUR Operations

PEPN was pleased to sanction two new gas developments, A15 and B10, which will be connected to the A/B system, allowing us to provide more gas to the local community. During 2022, we finalised the engineering and almost completed the construction of those platforms. The A15 and B10 platforms will be installed together with the relevant pipelines and connections during the summer of 2023, while targeting first gas early 2024. Petrogas focused on the design of these new facilities to ensure there is no emission from the platforms; the limited power required will be provided from the A12-CPP.

Sadly, but also proud of the significant milestone, on June 2022, we declared Cessation of Production of the Helder Platform, which put an end to 40 years of oil production from the P/Q Blocks of the Dutch Continental Shelf (around 120 MM barrel produced). While busy with the shutdown of the facilities, we accelerated the decommissioning of the assets, with the Plug and Abandonment of the production wells.

In response to societal need for more affordable local gas with low carbon footprint, we are evaluating new targets to be drilled on the A12-CPP and B13 platform, while progressing the option to develop the B16 gas field.

OUR Commitment

Our commitment to support the energy transition is as strong as ever. We are constantly seeking for opportunities to reduce the footprint of our product and explore ways within the company and with our stakeholders on how we can reduce Scope 2 and 3 emissions. To that aim, we are continuing to invest in our Q1 Carbon Storage Project, where we believe our understanding and expertise of the Q1 fields will allow us to safely store CO_2. This is a long-term commitment, which requires significant investment, before we can implement the project.

Sincerely,
Nick Dancer
PEPN General Manager

CRSD and Pillar II

Since 2022, PEPN has been progressing on the implementation of CSRD requirements, which will become active soon.

For PEPN being a large company, it will be required to report on a broader set of sustainability-related information, including environmental, social, and governance matters. The CSRD aims to bring transparency in the Annual Report on how companies address sustainability issues, promote responsible business practices, and support sustainable growth. Within PEPN, those matters are close to our heart and since 2020, PEPN has voluntarily published a sustainability report, an open and transparent publication to demonstrate our journey to provide energy at a lower carbon footprint.

Next to the CSRD implementation, the company is also progressing on the implementation of Pillar II requirements, stemming from the OECD framework, where the aim of Pillar II is to create a more equitable and sustainable international tax system by reducing tax competition among countries and preventing profit shifting. The goal is to ensure that MNEs contribute their fair share of taxes in the countries where they generate profits. Based on the set regulation, the Company's ultimate parent will be required to create an integrated report of all its subsidiaries, where PEPN will fall within the scope of this report. The report out will provide further details on the company's business and tax activities. This report is a further maturation of the currently already reported Country by Country Reporting (CBCR). Tax transparency is not new to PEPN, the Company already participates in and reports on its tax payments in the Netherlands via the Netherlands' Multi Stakeholder Group based on the EITI framework regulations and it publishes the Payment to Government report to the Dutch Chamber of Commerce.

Rick Koeleman

PEPN Accounting and Finance Manager and ESG Champion

PEPN Operated Assets and Production Overview

A12 CENTRAL PROCESSING PLATFORM
Gas Fields
Manned Facility
Max POB 22

16" 10 km pipeline to NOGAT Extension

16" 26 km pipeline

PRODUCING WELLS: **8**
GROSS PRODUCTION: **7,020 BOED**

12" 32 km Pipeline

A18A
Gas Fields
Unmanned Facility
Max POB 8

PRODUCING WELLS: **5**
GROSS PRODUCTION: **6,663 BOED**

PRODUCING WELLS: **4**
GROSS PRODUCTION: **2,790 BOED**

B13A
Gas Fields
Unmanned Facility
Max POB: 8

PEPN Operated Assets and Production / Decommissioning Overview

Q1 HAVEN
Lighthouse Mode[1]

GROSS PRODUCTION:
THROUGH HELDER

Q1 HELDER
Under decommissioning
Manned Facility
Max POB: 34

8" ~6 km pipeline[4]

Q1 HOORN
Under Decommissioning
Unmanned Facility
Max POB: 25

10" ~3.5 km pipeline[4]

GROSS PRODUCTION: **180 BOED[2]**

P9 HORIZON
Under decommissioning
Unmanned Facility
Max POB: 16

GROSS PRODUCTION: **160 BOED[3]**

10" ~47.5 km pipeline[4]

20" ~6 km pipeline[4]

Q1 HELM
Lighthouse Mode
Unmanned Facility
Up and over
Transfer

20" ~58 km pipeline to Ijmuiden[4]

20" ~21 km onshore pipeline to EVOS Amsterdam[4]

[1] Cessation of Production in April 2022
[2] Cessation of Production in June 2022
[3] Cessation of Production in May 2022
[4] Under decommissioning

1. ESG, The value creation

ESG is an opportunity for PEPN to demonstrate to our stakeholders the value we bring to the community, while being attentive in transparently report our positive and negative impact.

1.1 ESG, the Journey Continues

The ESG journey continues: in 2022, we spent considerable time understanding the ESG and the detailed CRSD requirements. We completed several "ESG checklists" identifying the gaps and creating a plan to close them in the effort to become more and more sustainable and transparent to really fulfil our Vision to become a partner of choice for our standards, commitments and achievements.

Vision	Differentiation
Being an independent E&P Company Being Resilient / Focused on Safety Coping with the changing need for energy and its mix Being environment and socially responsible	Diverse portfolio focused on an energy transition proof portfolio (focused on gas) Ensure late life assets will be safely decommissioned minimizing the impact on the environment and if possible utilized for the energy transition Disciplined and strategy focused capital allocation

Enablers	Business Model
Skilled motivated diverse workforce Gas focused portfolio Partner of choice Smart use of technologies to produce energy safely whilst minimising emissions	**Explore** Add high grade value opportunities to the portfolio **Develop** Develop gas fields around existing infrastructure **Produce** Produce in a safe, environmentally conscious manner **Decommission** Decommission wells and infrastructure in a safe and cost effective way

Strategy

Maximise
Focus on maximising offshore domestic gas production as an enabler for the Energy Transition

Reduce
Reduce GHG emissions by adopting more efficient workflows and technologies

Develop
Develop and retain talent whilst continuing to attract diverse and innovative people

Manage
Manage and enhance the value of late-life assets in a sustainable way

Decommission
Decommission and upcycle key infrastructure to enable energy transition options (e.g. Carbon Storage)

1.2 PEPN Ethical Principles

Based on the Petrogas E&P LLC Vision, Mission and Core Values, we developed a set of Ethical Principles, which are being used as a driver for a more sustainable business in the Netherlands and Europe, at large. The PEPN Ethical Principles are incorporated into our Management System, which guide us on our daily activities to produce energy solutions to support the transition to a more sustainable life in the country we operate. The PEPN Ethical Principles are the means to achieve the Petrogas Vision; the principles connect people and inspire them to perform while being honest, open, inclusive, supportive to each others and the community.

1.3 Materiality Assessment

1.3.1 Context of the Organisation

2022 was another year where global events changed the outlook of the energy markets. Following the COVID-19 years, this year was heavily influenced by global geopolitics that created volatile and uncertain energy markets. This has led to continued higher commodity price levels during the year, compared to 2021. The EU countries, including the Netherlands, took measures to reduce the dependency on Russian gas, which led to increased market constraints and a further increased price level in the second half of the year. Not only were prices increased by the shortfall in Russian gas constraining supply, prices were also significantly influenced by governments filling up their country's gas storages, in order to have secured supply over the winter 2022/23.

Our products context changed as well; after 40 years since we started producing oil from the Helm facility, in June, we declared COP for the P/Q blocks, effectively becoming only a gas producer from the A/B Fields. As a lesson learnt from past experience, we stopped Haven, Horizon and Helder in sequence (respectively April, May and June) to maximise the use of "warm platforms" to start the cleaning of those facilities. Haven was converted in "Lighthouse Mode"[1] at the end of April, ready to be removed in 2023; in July, we completed the Plug and Abandonment of Helder wells with our workover unit. The decommissioning operations progressed on Hoorn and Horizon as well, although, we did not complete the conversion to lighthouse mode by year end, due to the requirement of additional diving activities.

We have been able to clean all the offshore pipelines and the onshore pipeline from Ijmuiden to EVOS Amsterdam East. PEPN offshore operations are supported by onshore personnel located in Rijswijk and our Supply Base operations in Beverwijk. Employment and supply chain, has been challenging with a number of service providers abandoning their EU bases and now providing support from third-countries (e.g. UK, Singapore, US), creating equipment and personnel shortages. Generally, PEPN develops and operates gas fields in joint operations with other oil and gas companies and EBN, the state-owned Oil and Gas Company, under an Agreement of Cooperation (AOC). PEPN, as the Operator, takes care for safe and reliable development, operation and ultimately decommissioning of our facilities, whilst the partner companies provide governance to their financial investment in our operations through a regular series of Joint Venture committee meetings (Technical Committee and Operating Committee). PEPN is part of the Netherlands Oil and Gas Exploration and Production Association (NOGEPA[2]), which supports common HSE and operational standards across the industry and NexStep, which is a collaborative platform for intelligent re-use of the existing infrastructure and optimise decommissioning expenditures.

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1 *Lighthouse mode refer to a platform which is ready for removal and left with marine navigational aids.*

2 *NOGEPA formally changed name into Element NL in April 2022.*

1.3.2 Materiality Assessment

During 2022, the Materiality Assessment has been totally reviewed to further improve its clarity and transparency. As a basis for the materialities, the GRI 11 Oil and Gas Sector Standard has been used to reframe the definitions to a wider known language. It must be noted that this report is not written in full compliance with the GRI Reporting Standards, but several GRI disclosure requirements have been addressed after the remapping; five (5) dedicated awareness sessions were conducted involving PEPN personnel to describe the new set of definitions and to inform our staff about the 2022 context and the impact of the company. At the end of the awareness sessions, an online survey was launched internally to collect the insight regarding the status of the materialities from the workforce together with feedback about the effectiveness of PEPN approach and communication on ESG. Once the materialities have been plotted in ascending order of significance for PEPN, we engaged our Business Partners (EBN, Rockrose and Taqa) and our Customer (ENGIE) to align their expectations on the same materialities. The results are shown in *Figure 2*. In ***Appendix D***, a breakdown of the materialities, including their link to the relevant UN SDG is presented for more information.

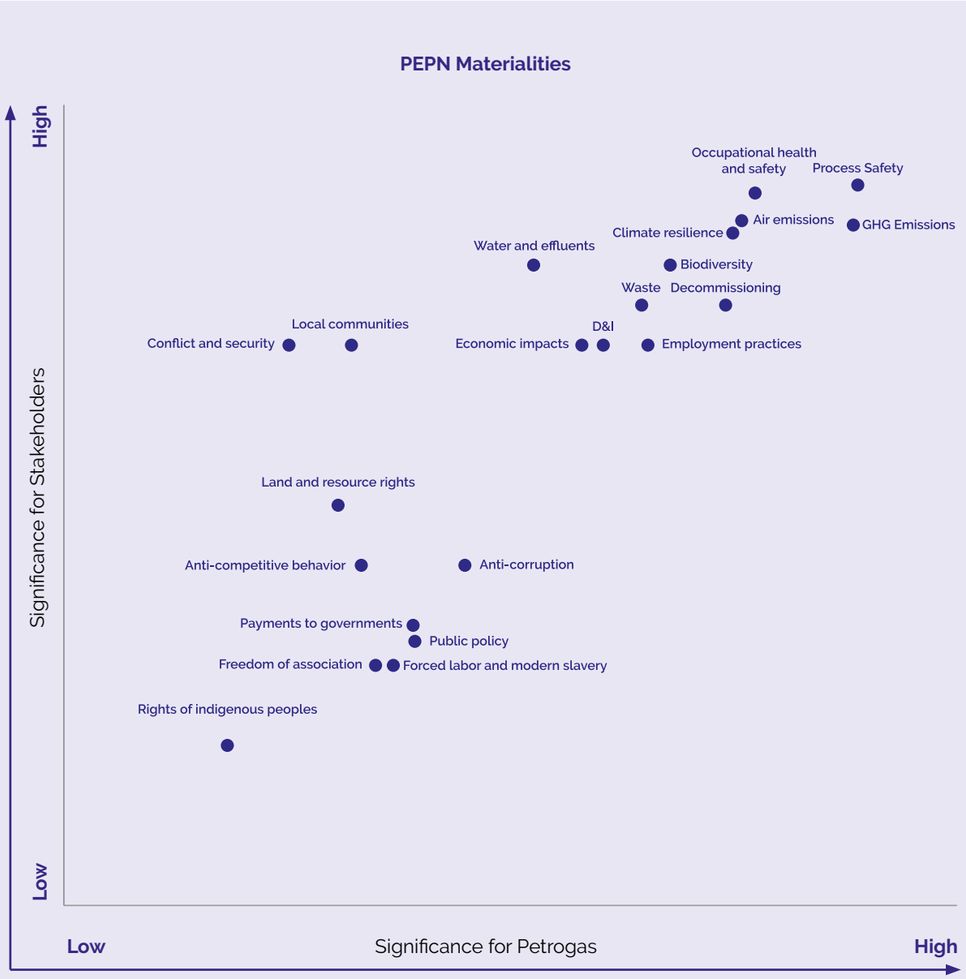


Figure 2 – Materiality Assessment

It must be noted the materiality assessment is purely based on the context of operations of PEPN: PEPN operates primarily offshore, distant from the public (conflicts, land use, communities) and, in general, in a very regulated and controlled legislative environment (freedom of association, general governance and transparency).

2. Performance at glance

SAFETY

Lost Time Injury Frequency

2022
2021
2020

Total Recordable Case Frequency

2022
2021
2020

ENVIRONMENTAL

Gross GHG Intensity

2022
2021
2020

Gross CH_4 Emissions

2022
2021
2020

Gross CO_2eq Emissions

2022
2021
2020

Gross NO_x Emissions

2022
2021
2020

PRODUCTION

Net Production

2021
2020
2019

Net Reserves

2021
2020
2019

PEPN met and exceeded many of our targets for 2022, but, unfortunately, we had a higher level of occupational accidents, than 2021. During the year, we have conducted a high number of non-routine complex offshore activities, which may have contributed to this.

2022 indicators for PEPN are shown compared to 2021 and 2020; additional details are also available through the following sections of this Sustainability Report and in the statutory Annual Report. "Gross values" are used to define the full quantity of a metric (e.g. accidents, operational emissions), while "Net values" define the "Company share" of the metric (e.g. revenues, cashflow, etc.), based on the joint operating agreements.

HSE Indicators

Lost Time Injury Frequency*

2022	4.32
2021	0
2020	2.46

Total recordable Cases Frequency**

2022	10.82
2021	4.05
2020	4.92

Gross GHG intensity (ton co_2eq / BOE)

2022	0.012
2021	0.014
2020	0.017

Net GHG intensity (ton co_2eq / BOE)

2022	0.014
2021	0.019
2020	0.025

Gross energy intensity (TJ / BOE)

2022	0.20
2021	0.23
2020	0.26

Net energy intensity (TJ / BOE)

2022	0.23
2021	0.30
2020	0.36

Gross ch_4 emissions (ton)

2022	147
2021	191
2020	502

Net ch_4 emissions (ton)

2022	101
2021	131
2020	395

* Number of Severe Injuries / Lost Time Injuries * 1000000 / Manhours

** Number of Recordable Injuries * 1000000 / Manhours

*** Scope 1 Emissions

Gross co_2 emissions (ton)***

2022	69,899
2021	94,746
2020	98,067

Net co_2 emissions (ton)***

2022	28,122
2021	46,200
2020	54,062

Gross co_2eq emissions (ton)***

2022	74,369
2021	100,823
2020	113,329

Net co_2eq emissions (ton)***

2022	31,185
2021	50,401
2020	66,064

Gross NO_x emissions (ton)

2022	33.02
2021	71.36
2020	79.52

Net NO_x emissions (ton)

2022	21.13
2021	59.12
2020	64.45

Production Indicators

Net production (mboe)

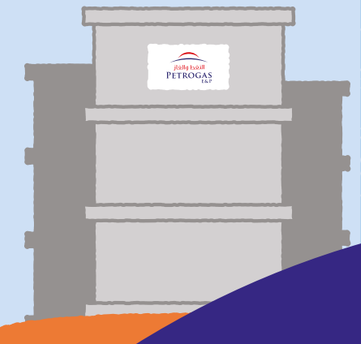
2022	2,211
2021	2,765
2020	2,690

Production efficiency (%)

2022	87%
2021	90%
2020	93%

Net reserves ADDITION 2p (mmboe)

2022	2.3
2021	0.6
2020	1.8



Financial Indicators

Net revenues (€M)

2022	328,584
2021	137,624
2020	49,890

Net revenues (€/BOE)

2022	148.59
2021	49.77
2020	18.55

Net Operating cashflow (€M)

2022	183,170
2021	72,645
2020	15,213

Net cashflow margin (%)

2022	56%
2021	53%
2020	30%

Net EBITDA(x) (€M)

2022	263,131
2021	91,217
2020	4,846

Net debt (€M)

2022	17,295
2021	22,283
2020	20,552

Net debt to EBITDA*

2022	-0.30
2021	-0.40
2020	1.30

Net OPEX (€M)

2022	65,878
2021	46,777
2020	45,433

Net OPEX per barrel (€/BOE)**

2022	29.8
2021	16.9
2020	16.9

Net CAPEX (€M)

2022	9,087
2021	11,568
2020	8,888

Net ABEX (€M)

2022	38,878
2021	10,554
2020	141

Net Concession rentals (€M)

2022	354
2021	419
2020	386

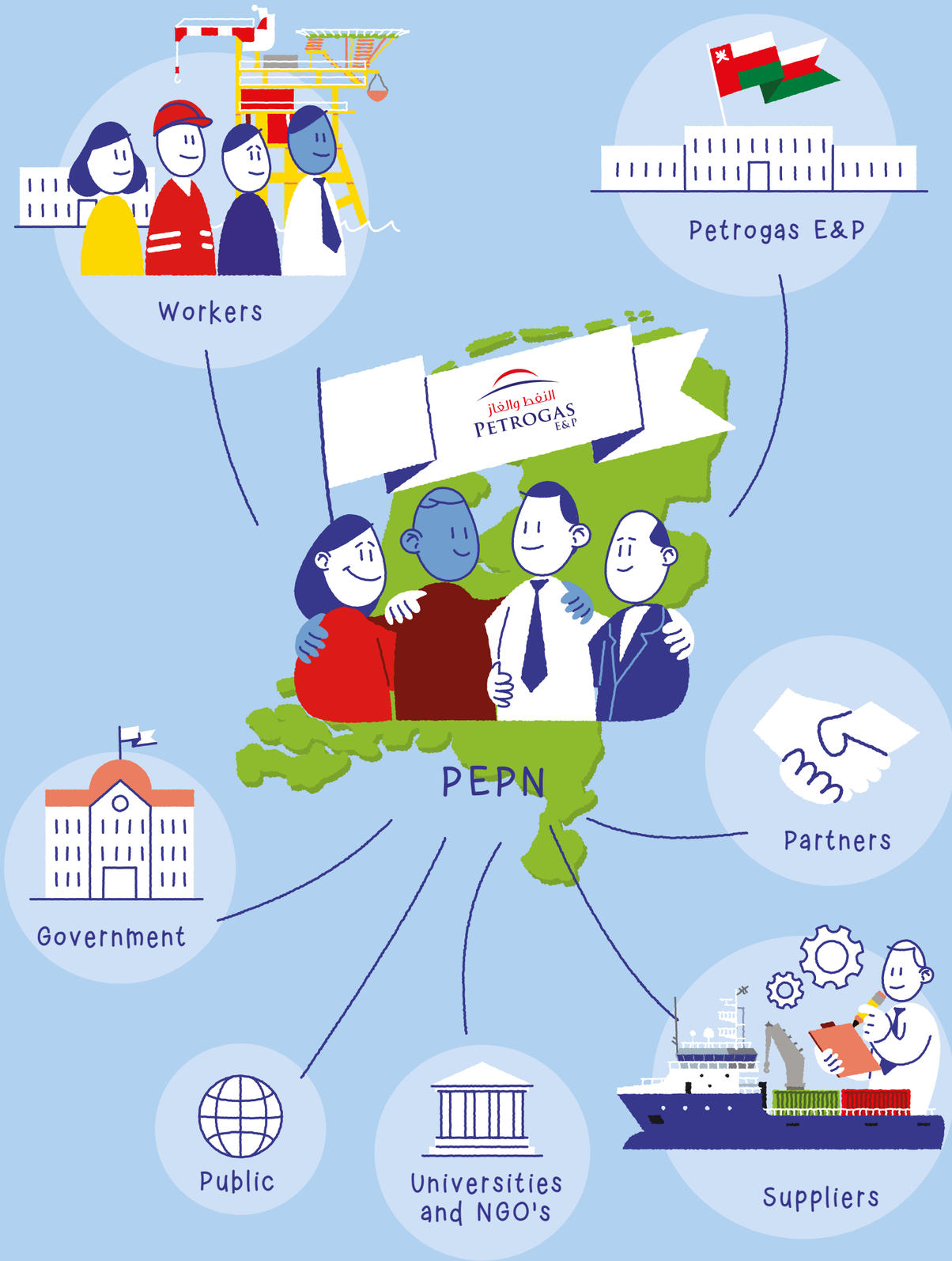
Net retributions (€M)

2022	80
2021	12
2020	70

* Net debt below zero

** 2021 OPEX per barrel is adjusted from 19.2 to 16.9 due to updated production numbers

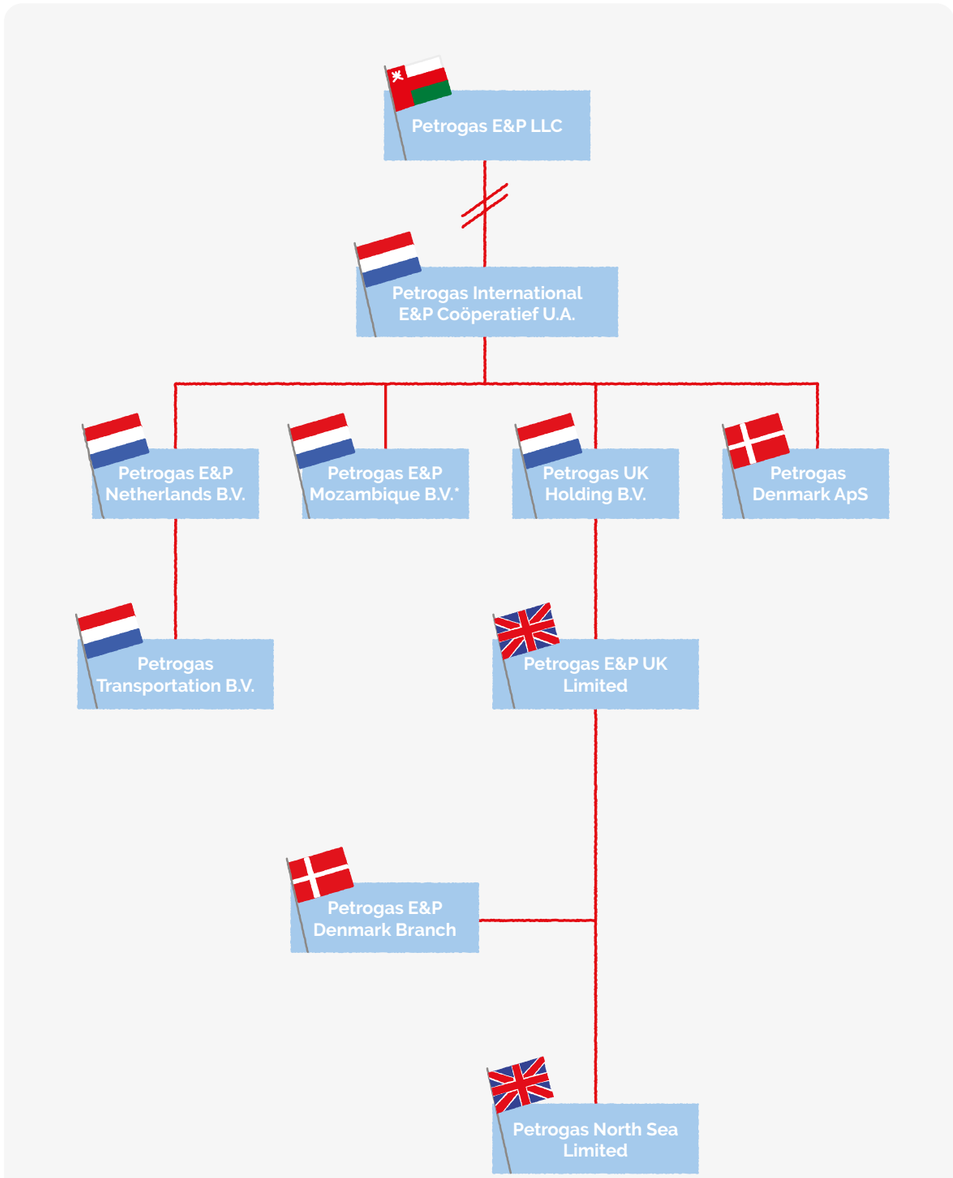
3. Governance and business ethics



3.1 Governance Approach

3.1.1 PEPN Ownership Structure

The PEPN head office is located in Laan van Zuid Hoorn 14, in Rijswijk, the Netherlands. A logistic base (a.k.a. Supply Base) is located at the BUKO Bedrijvenpark 2 in Beverwijk. PEPN is 100% Subsidiary of Petrogas International E&P Coöperatief U.A., PIEP (incorporated in The Netherlands), which is the holding company for Petrogas' European businesses. PIEP in turn is a subsidiary of Petrogas E&P LLC (PGEP) which is the Corporate Office located in Muscat, Oman.



**Entity dissolved at the end of 2022*

PGEP ultimate parent is the Mohammed al Barwani LLC, which is a family-owned business controlled by the Chairman Mohammed Al Barwani; in the Company board, sits, as Vice-Chairman, Usama al Barwani, the CEO of Petrogas E&P LLC.

3.1.2 PEPN Board of Directors

The purpose of the PEPN Board of Directors is to direct and control the company's business, overseeing strategic and operational decisions, ensuring that the company meets its statutory obligations and that the company achieves its mission and objectives.

The current Board is composed by members have who significant international experience in the Oil & Gas (O&G) business and were selected for their strategic competencies; three different nationalities are represented.

As per the Dutch law, the directors are responsible for the general course of business and of the company operations in the Netherlands; further, the PEPN General Manager has been assigned the tactical and operational responsibility with regard to HSE aspects and the PEPN Accounting and Finance Manager has been assigned with the tactical responsibility with regard to ESG aspects. The PEPN Board of Directors has delegated the operational responsibilities to the PEPN Management Team. The Board of Directors meets every quarter to review the Company performance and alignment with the strategy, evaluating how the short-term operations effect the mid-term and long-term sustainability of the Company.

3.1.3 Societal and Ethics Committee

A Societal and Ethics Committee (SEC) was established in 2020 within PEPN to provide governance with respect to Environmental, Social and Governance (ESG) aspects; the Committee meets every quarter and reviews any open grievance either within the Company or outside the company, provides resources and monitors the progress of the ESG agenda, reviews and endorses Community Outreach initiatives.

As of the end of 2022, the SEC is composed of the Petrogas CCO, as SEC Chairman, the PEPN General Manager, the General Counsel, the Work Council Chairman, the Connect Team Chair, The A&F Manager as ESG Champion and the HSEQ Manager, as SEC Secretary.

3.1.4 ESG Workgroup

The ESG Workgroup was established in 2020 within PEPN to drive the ESG initiatives and ensures these are cascaded through the organisation. The Workgroup meets every month.

The ESG Workgroup is composed by the HSEQ Manager as Workgroup Chair, the Financial Compliance Analyst, the SCM Manager and the Legal Counsel; at the end of 2022, it was decided to change the team into a "project team" to support the full implementation of CSRD within the management system.

3.1.5 Business Excellence Leadership Team

The PEPN Business Excellence Leadership Team (BELT) is providing the governance to the PEPN Business Excellence Management System (BEMS). The BELT is accountable for Business Excellence in the way we work, we execute projects and deliver results to achieve the Petrogas Vision within the PEPN assets. The BELT directs and manages Business Excellence Management System (BEMS) within the organization and its activities.

In 2022, since BEMS is a well-established and mature management system, we transformed the former "BEMS Steering Committee" into the BELT and we changed the frequency of the BELT meetings from monthly to quarterly, while, at the same moment, increasing the level of scrutiny. The BELT is therefore now composed of:

Nick Dancer
General Manager

Rick Koeleman
Accounting and Finance Manager

Bart Smits
Operations Manager

Emanuele Gemelli
HSEQ Manager

Rien Lemsom
IT Manager

3.1.6 PEPN Management Team

The PEPN Management Team (MT) meets on a weekly basis to discuss the general day to day business to ensure the company fulfils the Petrogas Vision, Mission while adhering the core values in full compliance with local and international legislation. On a monthly basis, the MT reviews the status of operational affairs through the BE Scorecard and the Financial update.

At the end of 2022, the MT is composed by 12 members, 9 men and 3 women; 3 different nationalities are represented:

Nick Dancer
General Manager

Rick Koeleman
Accounting and Finance Manager

Bart Smits
Operations Manager

Emanuele Gemelli
HSEQ Manager

Rien Lemsom
IT Manager

Herman van Driel
Planning & Commercial Manager

Ina Schreuder
SCM Manager

Alan Shand
Projects Manager

Aleid de Savornin Lohman
General Counsel

Ard Ehlhardt
Subsurface Manager

Tanja van der Pols-de Meza
Acting HR Manager

Marcel van der Meer
Drilling Manager

3.1.7 Partner Engagement

PEPN continues to value its interaction with Joint Operating Partners by conducting recurrent Technical Committee Meetings (TCM) and Operating Committee Meetings (OCM); ad-hoc meetings may also be organised during the year to address specific topics of interest for all parties; the regular TCM/OCM meeting includes a HSEQ review, allowing for discussion on HSE / ESG aspects. PEPN has various joint operating agreements and multiple assets, with different equity levels, across the various licenses it operates in the Netherlands (see ***Appendix E*** for more details).

3.2 Management System

The PEPN Vision, Mission and Core Values are delivered through the BEMS; the BEMS is an integrated operating management system, which follows the 'Plan, Do, Check, Act' Deming Cycle. Where required, the 'Observe, Orient, Decide, Act" (OODA) loop is applied to cater for the ever changing complexity of the world we live in.

In 2022, the BEMS was recertified against the ISO 14001:2015 and ISO 45001:2018 standards; the BEMS Manual was further updated to implement the ESG aspects within the Management System; a verification audit against "ISO 26000 CSR Performance Ladder" was conducted in November 2022. A gap assessment against European Sustainability Reporting Standards (ESRS) was executed by an independent third-party.

The BEMS is governed by the Management System Process (MSP), which is a step-by-step approach that guides leaders through the annual cycle of aligning forward-looking Business Excellence (BE) objectives with continual improvement to manage our business profitably in a socially, safe and environmentally responsible manner.

Due to the end of oil production in 2022, the management system is in the process to be updated to reflect the smaller asset base. In general the structure of BEMS remained the same as in the previous years ***[4]***.

3.2.1 Risk Management

The PEPN Risk Management Process is in place to identify Risks and Opportunities to prevent / mitigate negative and foster positive consequences. The Risk Management Process is owned by the PEPN General Manager. The Business Risk and Opportunity Assessment Register, or BROA, is a live document, where any threat or opportunity for the Company is addressed and assigned to a responsible party (usually a Departmental Manager) for follow-up; actions for closing gaps or explore opportunities may be assigned to the workforce for further follow-up. The BROA is coupled with the Materiality Matrix to ensure transition and physical risks and opportunities related to Climate Change and other ESG aspects are more visible within the organisation and prioritised accordingly.

3.2.2 Review

The BEMS functionality is internally and externally reviewed and evaluated via through monitoring, such as audits, process self-assessments and BEMS Management Review. In 2022, 4 internal BEMS audits, 1 Corporate internal audit, 8 Contractors Management audits, 8 Finance and Tax audits, 1 Custom Audit, 2 ISO Audits, 1 Emissions Rights Audit, 5 SSM Inspections were executed.

The Process Self-Assessment is the tool used in PEPN to evaluate each process performance and address shortcomings and proposed improvements.

Each calendar year the Management Team gathers to review the status of the management system in the "BEMS Management Review"; the objective of the Management Review is to determine the continued appropriateness, suitability and effectiveness of the BEMS. This process ensures that all necessary information is collected and available to enable the MT to perform an effective evaluation. The review also addresses the possible need for changes to policies, objectives, targets and other elements of the BEMS considering audit results, monitoring activities, HSE performance data, regulatory action, changing circumstances and PEPN's commitment to continual improvement.

The output of the Process Self-Assessment and the Management Review is used as input for the Business Excellence Plan of the coming year. In 2022, the Legal Process was included in the Self-Assessment and Management Review, therefore completing the long journey of creating a very comprehensive and encompassing system. The financials are audited by external 3rd parties, tax authorities and joint venture partners.

3.2.3 Improvement Plans

Based on scheduled and unscheduled reviews, performance evaluations, accidents and incidents investigations, audits, non-conformities, etc. improvement plans are created. Typically, PEPN addresses the main improvement opportunities in the BE Plan for the coming year; mid-term and long-term actions are captured, as well, in order to set tactical and strategical objectives. When required, other departments have additional Departmental annual plans (e.g. HSEQ Plan, HR Business Plan) to address additional lower priority opportunities.

Progress of the BE Plan is monitored in the BE Scorecard, including any other BEMS improvement actions coming from incidents investigations, audits, compliance and permit requirements and HSE risk assessments. In 2022, the BE Plan achieved 97% completion.

3.2.4 PEPN Business Excellence Scorecard

The annual goals are defined in the PEPN Business Excellence Scorecard in terms of leading and lagging indicators (e.g. Key Performance Indicators, KPI). In 2022, a different approach on leading safety metrics was taken with the introduction of the Capacity Index ***[5]***; a metric focused on methane emissions was added as well. Assessing our performance against the KPI of the Scorecard, overall, PEPN achieved "Above Target" result.

3.3 Business Ethics and Transparency

PEPN always ensures legal compliance and best business ethical practices; PEPN enhanced this by unifying its own various legal and business ethical policies and procedures under one single policy statement, created a charter and reshaped the Environmental Social Governance to improve the awareness of and promote the adherence to those business ethical practices. The charter was used as a basis for creating the "PEPN Business Ethical Principles", which is considered as the PEPN's Code of Conduct and used in all our service contracts with suppliers and contractors in order to make our commitments binding to our business partners as well.

All persons working for PEPN, who, in the course of their duties, experience questionable ethical situations are invited to report those to their immediate Supervisor or, where not possible or appropriate, to escalate to the HR Manager, the General Counsel or, finally, the General Manager. The Confidential Persons (see section 6.3.7) are available to all employees, as well, to address any ethical issue or concern. A whistle-blower system to report potential ethical findings in an anonymous way is available and open to everyone working with (e.g. staff and temporary workers) or interacting with (e.g. Vendors, Service Providers, etc.) PEPN.

During 2022, the Confidential Persons were contacted 6 times to address some issues; all the reported cases were followed-up and closed without further escalation. No (0) input through the whistle-blower system was recorded.

As an assurance process, the PEPN A&F Department is responsible for organising a self-assessment of the status of compliance with Company policies and procedures and all the relevant legal obligations. Annually in Q2, the process requires every Departmental Manager to review the current status of affairs and sign-off all the relevant aspects in relation to the performed activities during the year and review all the incorporated legislation changes in relation to the processes. The assessment is finally checked by the HSEQ Manager and General Counsel, before final sign off by the Manager A&F and the General Manager. The end result is the "PEPN Compliance Letter", a representation from PEPN to PIEP Management on all activities performed by the company in compliance with the all the legal and business ethics requirements. The PEPN 2022 Compliance Letter was signed off in January 2023.

PEPN supports and welcomes transparency; PEPN submits an annual "Payments to Governments Report" to the Chamber of Commerce. The report outlines our contributions to Dutch state, including taxes, royalties and other related information.

PEPN also discloses information to the Extractive Industry Transparency Initiative (EITI) of the Dutch authorities. The Extractive Industries Transparency Initiative is a multi-stakeholder initiative between governments, companies and civil society, which promotes the open and accountable management of extractive resources. The EITI requires companies in the extractive industry to publish what they pay to governments, and governments to publish what they receive from companies; both are independently verified by a third party auditor.

PEPN is included by its ultimate parent company in the country by country report related to tax, which provides information on global allocation of profit, taxes paid, and certain indicators of economic activity among the countries of operations. The report is filed with the Dutch tax authorities.

An Independent Administrator concludes that overall, the reconciled financial data from the companies and government agencies are sufficiently comprehensive and reliable.

PEPN's financial statements are audited by PWC and during 2022 also several tax audits were performed (CIT/SPS). When auditing the financial statements, PWC also audits the processes around the financial statements and discuss the outcome with Petrogas. Based on the outcome of the audits, Petrogas will amend the business processes, if needed.

3.3.1 Business Ethics Training

A Business Ethics online training is available within the company; this training provides the workforce with awareness about, amongst the others, conflict of interest, trade and sanction, anti-bribery, anti- money laundering, anti-fraud, diversity and inclusion policies and procedures. A specific "Human Rights" training is currently under development. Details about participation are included in ***Appendix E***.

3.3.2 Ethical Procurement

As part of Supply Chain Management Process, the Supply Chain Team completed the annual online training organised by CIPS ***[6]*** on Corporate Ethical Procurement and Supply. The training was extended also to other members of the organisation, such the PEPN Management Team.

3.3.3 Public Advocacy and Lobbying

PEPN is not directly engaged in lobbying activities; PEPN is an active member of ElementNL, which acts as Public Advocacy agent for the E&P sector in The Netherlands in the effort to contribute to an open and transparent transition to a sustainable energy supply. ElementNL engages the various Dutch Ministries and Authorities at strategic level in order to ensure E&P interests are heard and issues concerning Health and Well Being of the Workforce (e.g. PFAS, etc.), environmental and permitting requirements (e.g. Nitrogen deposition) and general exploration and production activities (e.g. Small Fields development) are discussed at policy level.

PEPN is neither directly nor indirectly contributing to candidates, politicians or political parties with resources. A process is in place to prevent and report potential acts of lobbying.

PEPN is active in the local community supporting charities, sponsoring initiatives and participating to volunteering events (see ***Section 7.1.1*** and ***Appendix E***).

3.3.4 Fines

Due to the accidents at Horizon, Hoorn and A12-CCP, three (3) separate labour inspections were executed by State Supervision of the Mines; in one (1) occasion, the company was found in fault. This resulted in a fine of 10,800 euro (gross), received and paid in January 2023.

4. Climate change and energy

4.1 Climate strategy

The road ahead toward Net Zero is challenging, but, at Petrogas, we are committed to find a good way to support the energy transition by providing energy products at low carbon footprint and, where possible and sustainable, apply new technologies to further reduce our overall impact. In 2022, we delved into Scope 2 and Scope 3 GHG emissions trying to form a more complete picture of our total carbon footprint. This will allow us to take more informed strategic development decisions. However, we cannot do this alone: therefore, we connected not only across our industry, but to our value chain and other industries to find and learn from their successful or even failed experiences. Whilst gas remains an important energy resource during the Energy Transition, we'll continue to pursue our short and long-term strategies to reduce the greenhouse gas (GHG) emissions associated with our production.

4.2 Low impact developments

In 2022, we signed off the EPCI Contract with HSM B.V. to complete the detailed design and the construction of the A15 and B10 facilities; these new platforms will be installed on the A15 and B10a fields of the Dutch Continental Shelf (DCS) in Q2 2023 and will be connected to the A12-CPP via umbilicals and pipeline connections.

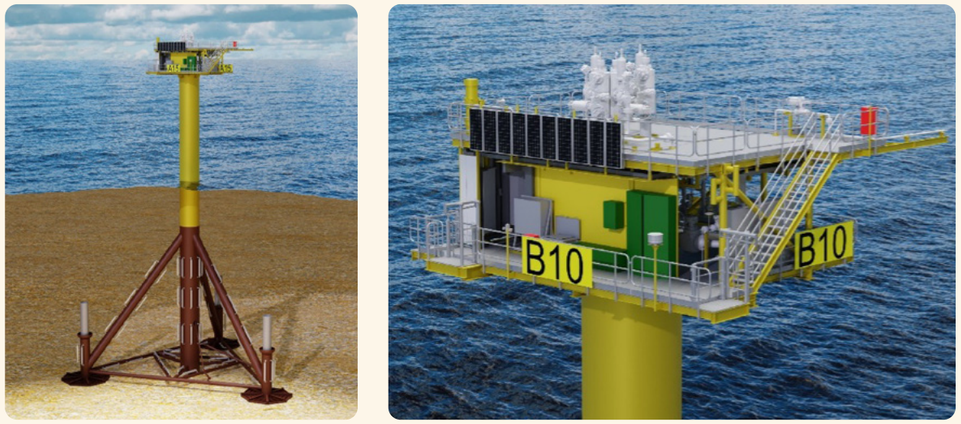


Figure 3 - Rendering of A15 and B10

These installations have been designed to be remotely controlled from the A12-CPP with very limited power requirements and zero operational emissions. Power will be provided to the installation via an umbilical connected to the existing infrastructure (A12-CPP). An array of solar panels has been installed, which will be used during the hook-up phase to provide an additional source of power. The simplicity of design and the high reliability of the installation will lead to less interventions, therefore limiting the need to travel to the location. Ideally, the platforms will be serviced once or twice a year by means of a Walk-to-Work vessel (W2W).

Initial plans to develop B16 were studied in 2022 by either a subsea completion or a platform similar to A15; both options will have therefore a very minimal environmental and operational impact.

The majority of our CO_2 emissions are coming from the A12-CPP, due to the power requirements of the gas-driven compressors needed to export our gas via the NOGAT pipeline; the Beaufort project, initiated in 2021, is still ongoing with the intent to develop a plan to reduce emissions from the platform, testing various concepts, such as total or partial electrification or waste heat recovery systems; together with ElementNL and Mach10, we are also working across the industry to evaluate the reduction of the NOGAT export pipeline pressure, which could allow us to run smaller compressors and, therefore, reduce our Scope 1 CO_2 footprint. Conversely, for our oil assets, which are now under decommissioning, we developed and installed solar panel arrays to provide sufficient power to maintain the facilities in "Lighthouse Mode" until the moment the platforms will be removed. At the end of 2022, the Helm and Haven platforms were successfully "operating" in Lighthouse mode. The remaining P/Q facilities will apply the same technologies in 2023 when brought to Lighthouse mode.

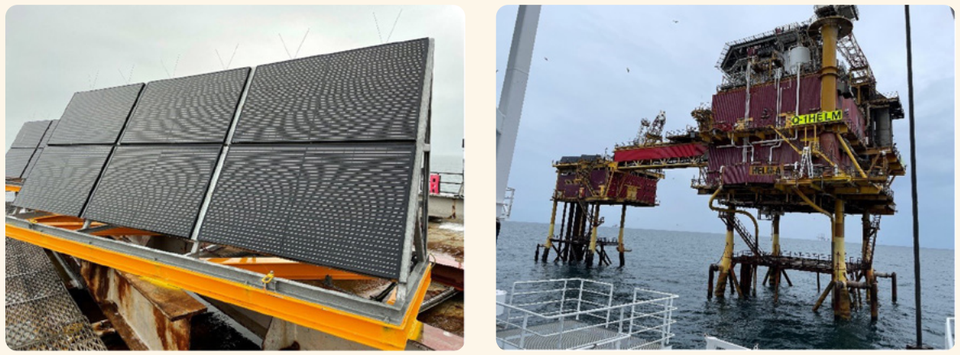


Figure 4 - Helm's Solar Panels

4.2.1 Carbon Transport and Storage

At Petrogas, we are still committed to create value to the transition by further exploring the CCS opportunities thoroughly studying the Q1 reservoirs as CO_2 storage (or "carbon sink"), plugging and abandoning the Q1 wells in a "CCS compliant way" and maximising the upcycling of our existing pipeline infrastructure. The project is a long-term commitment and we are progressing it methodically. To progress the project to the next stage, the company is required to apply for an injection licence. We are moving towards a decision on this opportunity.

4.3 Emissions

PEPN significantly reduced Scope 1 emissions in 2022, with the cessation of our oil production associated with P9 and Q1 platforms. Conversely, the Scope 3 emissions related to the construction and decommissioning activities increased.

As done in the PEPN Sustainability Report 2021, we'll continue to show both the gross and net Scope 1 emissions for GHG gasses. Scope 2 and Scope 3 emissions, where available will be reported only in gross terms, effectively including the Joint Operations Partner shares.

4.3.1 Methane Emissions

The successful descending trajectory of Methane emissions continued in 2022, thanks to a rationalisation of venting from A12-CPP and the cessation of production of the P/Q fields. When analysing the difference between the two blocks, they both had the same relative reduction of ~23%, which includes the depressurisation of the P/Q pipelines network.

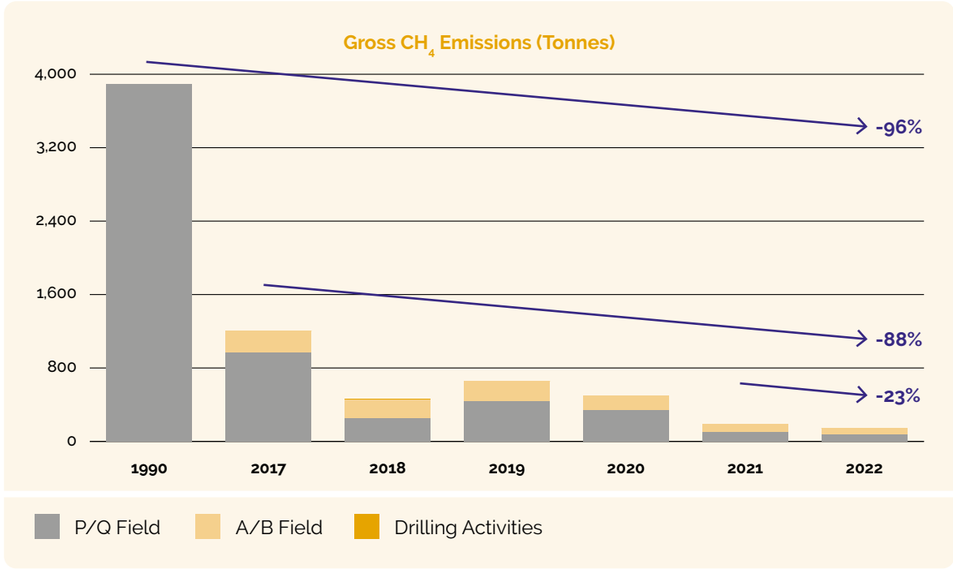


Figure 5 – Gross Methane Emissions Overview

The net CH_4 emissions are showing a very similar profile. Detailed data is provided in the disclosures in ***Appendix E***.

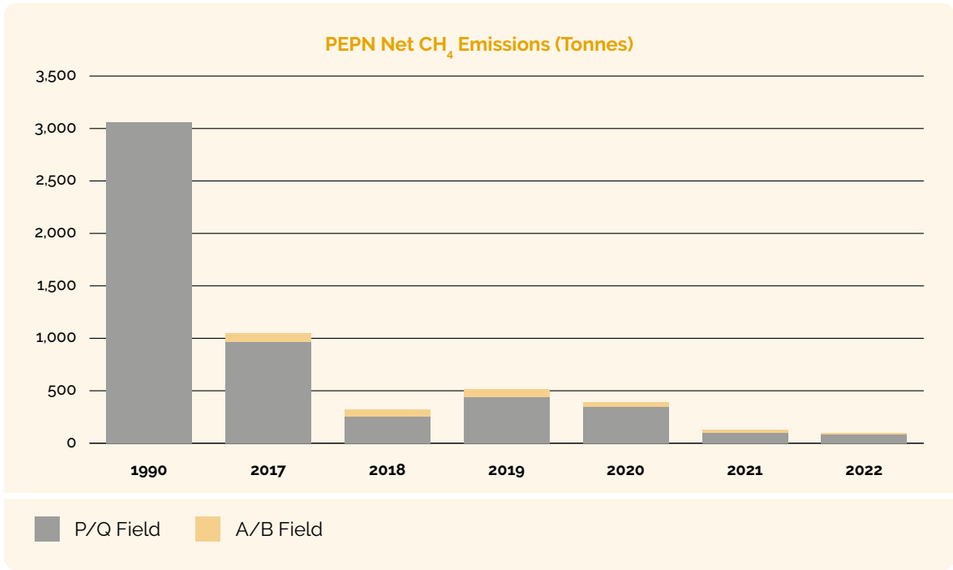


Figure 6 - PEPN Net Methane Emissions

The source of emissions is of particular interest, because it can provide the insight of where we can potentially optimise and improve. From *Figure 7*, it is quite evident that the majority of CH_4 emissions is coming from the controlled venting associated with safe operations. In line with the upcoming EU regulations on Methane Emission ***[7]***, the company will be installing dedicated low pressure flowmeters to increase the accuracy and granularity of our methane emissions.

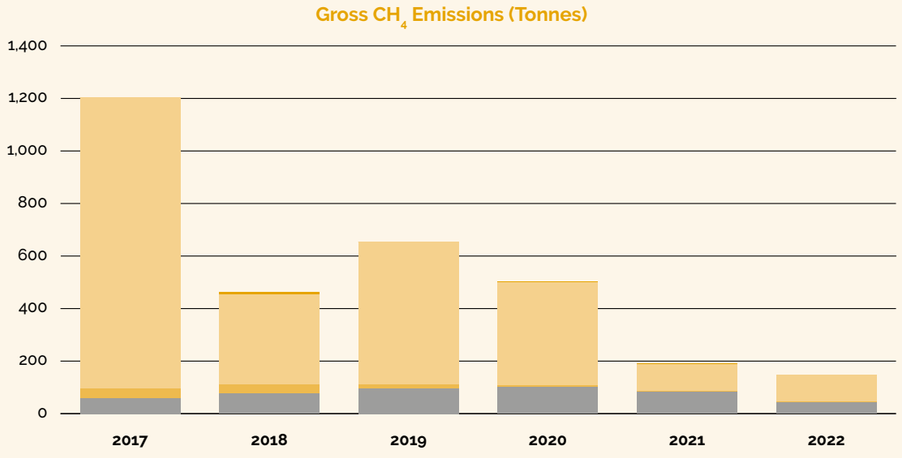


Figure 7 – Methane Emissions

The PEPN Methane Intensity shows the ratio between the CH_4 emissions and the overall gas production. At the end of 2022, the PEPN gross methane intensity is well within the target set by OGCI ***[8, 9]*** for 2025.

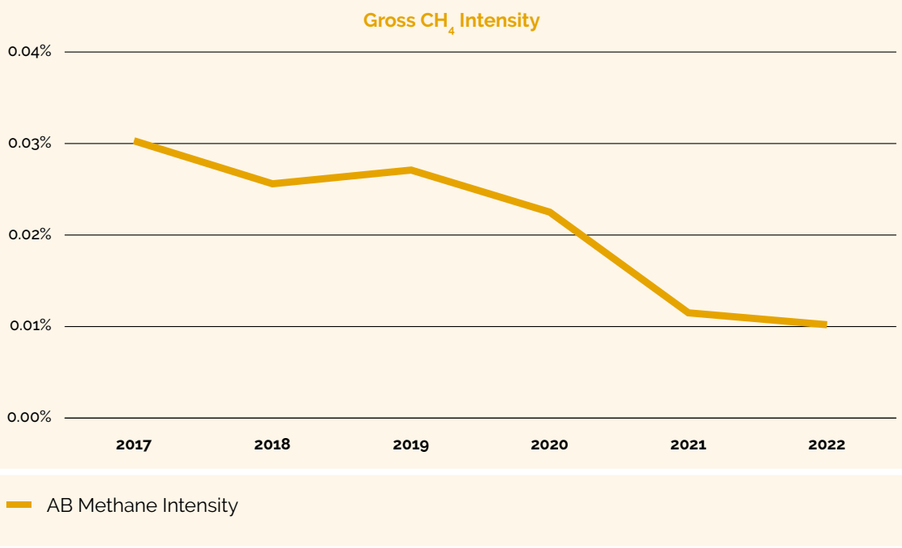


Figure 8 - Gross CH_4 Intensity

4.3.2 Carbon Dioxide Emissions

In 2022, we continued our progress to reduce CO_2 emissions (Scope 1). whilst improving our understanding of Scope 2 and Scope 3 emissions with further studies. A12-CPP, where the Emissions Trading Scheme (ETS) and the Dutch CO_2 Tax regime is applied, is still the biggest contributor of Scope 1 CO_2 emissions, primarily due to the gas driven compressors required to produce the low pressure shallow gas across the three fields (A12, A18 and B13).

Similarly to the Methane emissions, with the COP of the P/Q block, we saw a decisive decline of Scope 1 CO_2 emissions. To be noted that the emissions relevant to the decommissioning activities have been classified as Scope 3; these emissions are forecast to temporarily increase in 2023 and 2024 due to the wells P&A, platforms removal and their final disposal.

In terms of metrics *(see figure 9)*, we achieved a 23% reduction with respect to 2021; in details, we reduced ~68% of CO_2 emissions from the P/Q Blocks and ~10% from the A/B Blocks, primarily due to less production.

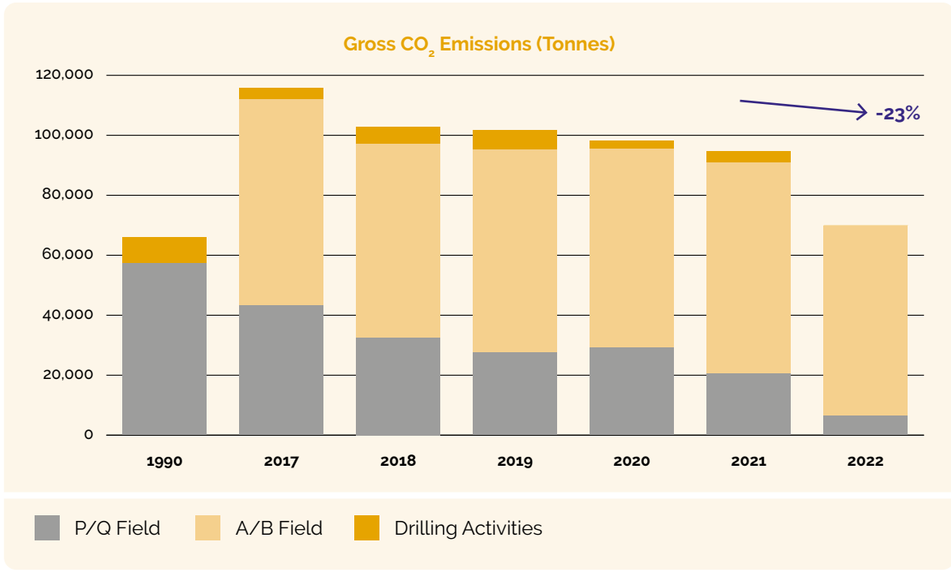


Figure 9 - Historical CO_2 Emissions

As part of the ETS annual reporting program, the A12-CPP emissions were verified by DNV, as independent 3rd Party. The final report was submitted to the Dutch Emissions Authorities (NEa) in line with the requirements, in March 2023.

Details about Scope 1 and available Scope 2 and Scope 3 emissions are given in ***Appendix E***.

4.3.3 N_2O and Refrigerants

Additional Greenhouse gases from our activities are N_2O (generated during combustion) and refrigerants (due to fugitive emissions / seepages / leakage from cooling coils). In 2022, we recorded a slight decrease of N_2O emissions and an increase of refrigerant losses (*see Figure 10*). Although the total GHG effect ***[15]*** is rather limited (0.13%), when compared with direct CO_2 and CH_4 emissions.

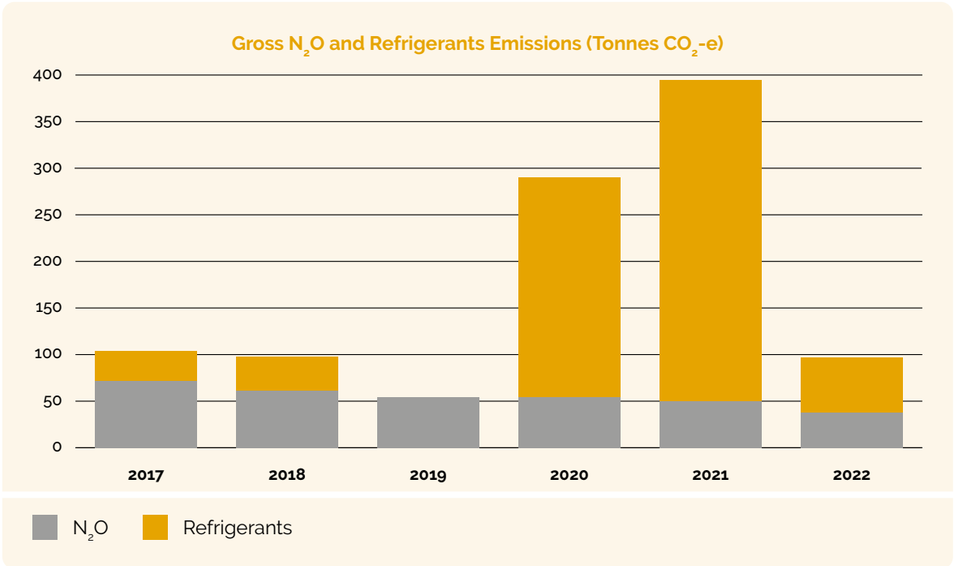


Figure 10 - Other GHG Emissions (N_2O, refrigerants)

N_2O emissions are a result of the burning of fuel gas and diesel in combustion engines. The N_2O emission factor of diesel is 9 times higher than that of fuel gas. PEPN continues to reduce the amount of diesel used offshore through swapping our diesel engines for gas engines or solar panels (for lighthouse platforms), thereby reducing N_2O emissions. Refrigerants are used in cooling units offshore. Every year, a maintenance survey is performed. If a unit needs to be refilled, it is assumed that the missing amount is evaporated or leaked and the amount is reported to the Authorities (SSM) in the yearly environmental reports; the emission of refrigerants varies from year to year based on the amount of equipment that underwent maintenance, therefore, a clear trend is not distinguishable. As per European legislation, the more harmful refrigerants, so called R-substances, are being phased out. Therefore, the footprint of these emissions is going down over time, and in absolute terms, the amount of refrigerants lost are in the order of kilograms per year and are only a small part of our total CO_2 equivalent emissions.

4.3.4 GHG Emissions

Combining the emissions with the substances' relative Global Warming Potential ***[15]***, *Figure 11* shows the total gross CO_2 equivalent emissions. When 2022 is compared to the year 2017, we achieved 34% reduction, with a 11% with respect to last year. Compared to the baseline year 1990 ***[11]***, we have achieved a 59% reduction in gross GHG emissions. The decreasing trend is a testimony of PEPN's approach towards more sustainable production coupled with increased operational focus and the use of new emerging technologies (e.g. renewables, e-fuels, etc.).

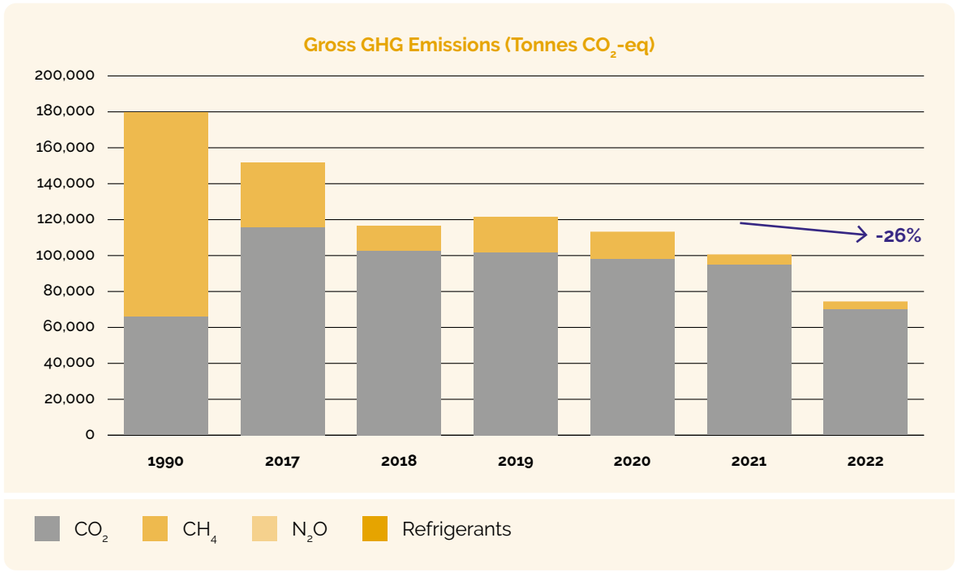


Figure 11 - Gross GHG Emissions

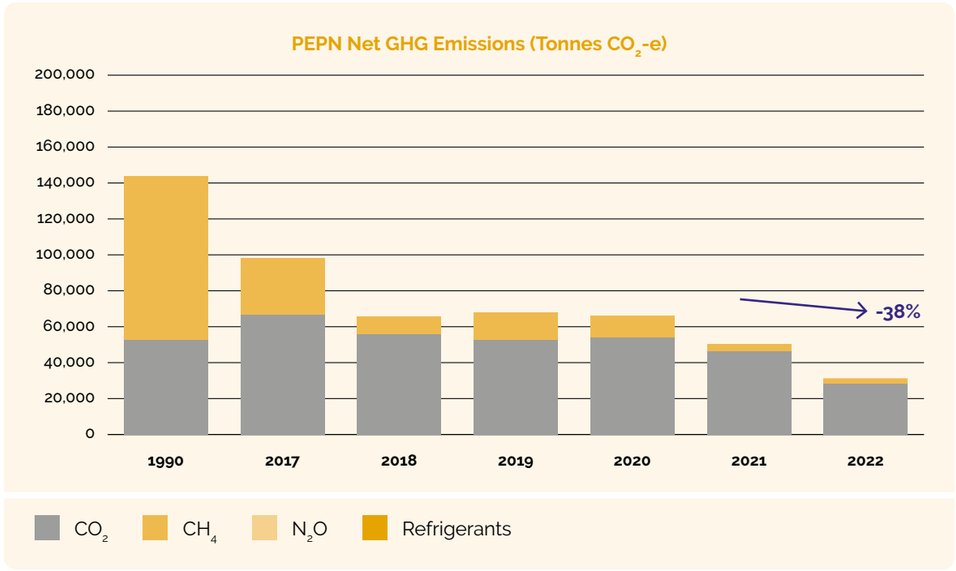


Figure 12 – PEPN Net GHG Emissions

The company net GHG emissions is showing the same pattern, but with slightly different reductions, due to the different ownership in the joint operations per field, where PEPN is the operator.

4.3.5 GHG Emissions Targets

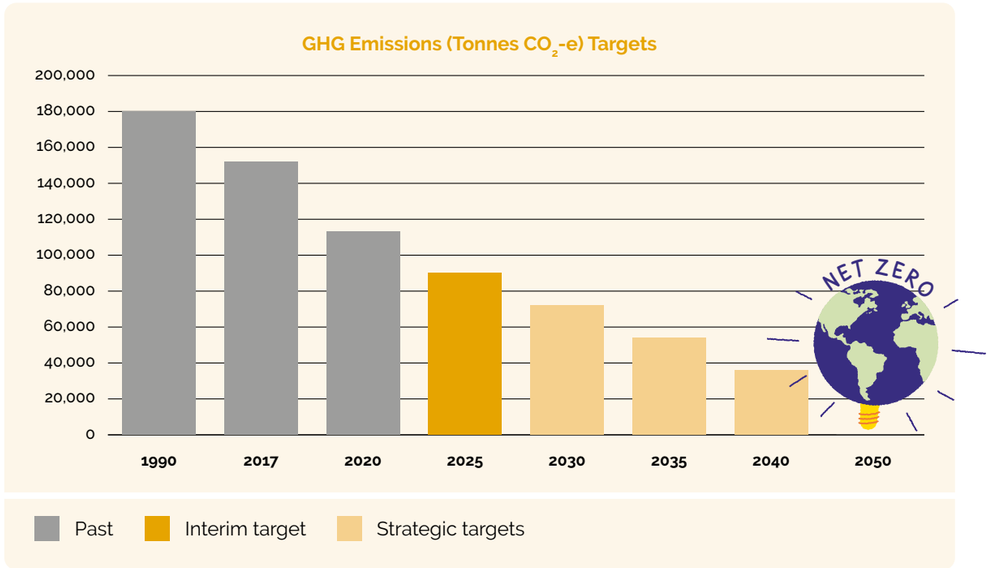


Figure 13 – Gross CO_2-eq targets aligned to the 2021 Dutch Coalition Government Agreement

Figure 13 shows the interim emissions target for PEPN operated platforms, required to achieve the 2021 Dutch Coalition Government Agreement ***[14]***, setting the milestones to ultimately achieve the 2050 Climate Change target. By 2030, PEPN is striving to achieve 60% reduction of the Scope 1 GHG emissions w.r.t. to 1990. *Figure 14* shows the current forecast of gross GHG emissions towards 2050, including the GHG Intensity and CH_4 Intensity trends. We do not forecast production for A/B block beyond 2039, therefore, prediction farther than that horizon is hypothetical. The GHG emissions calculated are only showing the Scope 1 emissions.

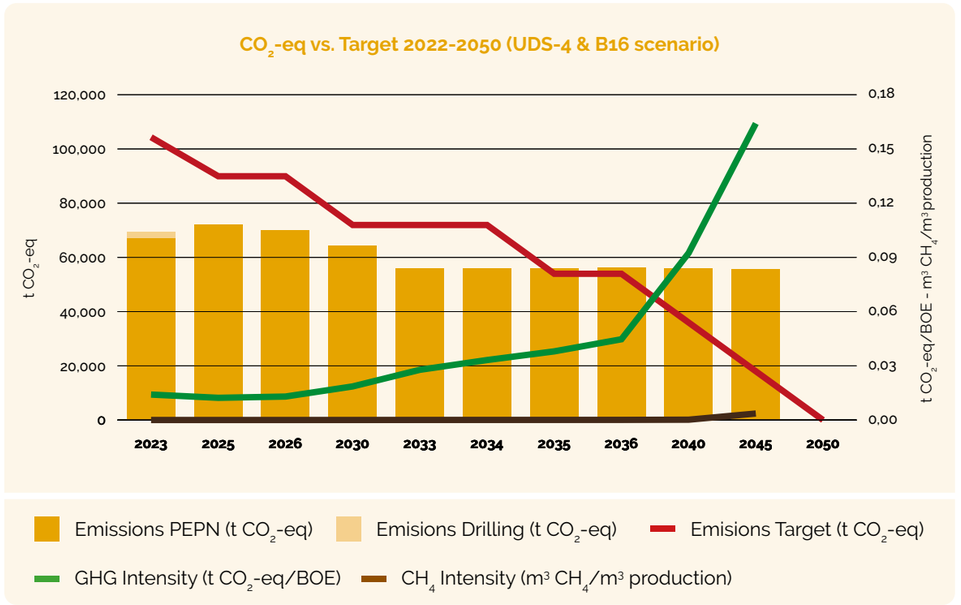


Figure 14 – Gross GHG Emissions Forecast

4.3.6 GHG Intensity

The GHG Intensity is used to evaluate the ratio between the total emissions equivalent (CO_2-eq) and barrel oil equivalent (BOE); this number provides additional insight about how efficient production is with respect to its "carbon footprint". Since 2017, the gross GHG intensity has decreased by ~40%, while it decreased around 14% with respect to 2021. If compared to 1990, the decrease is around 67%.

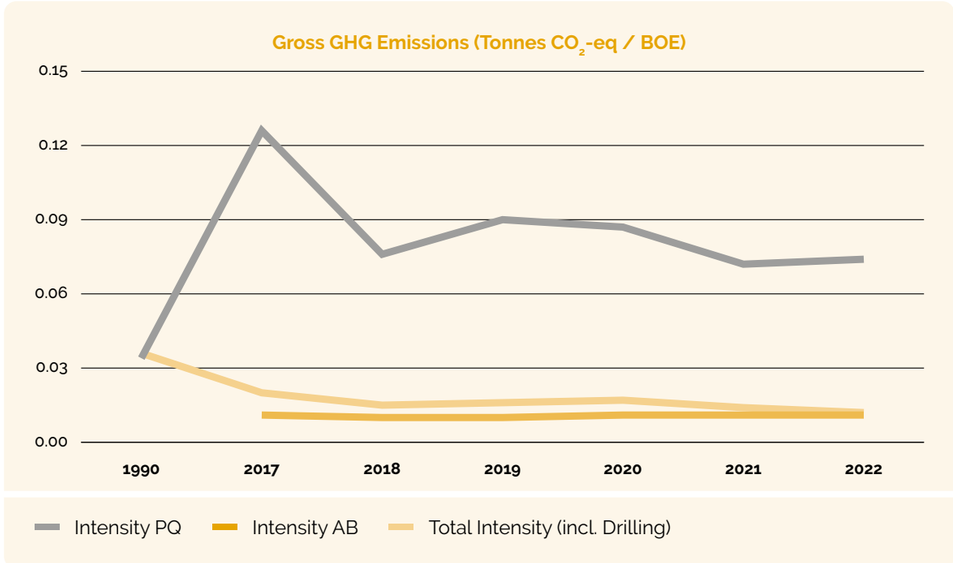


Figure 15 – Gross GHG Intensity

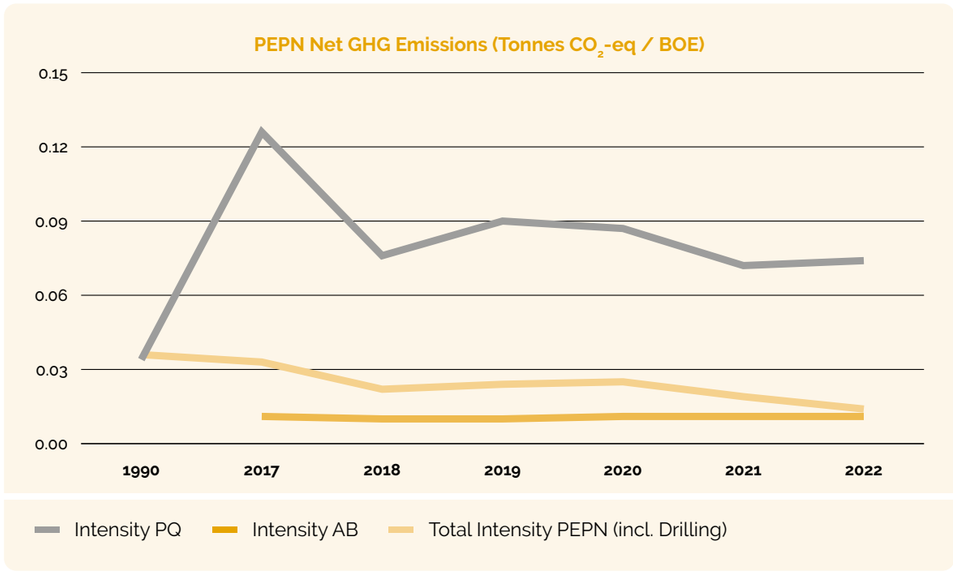


Figure 16 – Net PEPN GHG Intensity

More details are included in ***Appendix E***.

4.4 Energy Use

Energy consumption offshore is predominantly effected by the A12-CPP compressors units and the Electrical Submersible Pumps on the P/Q platforms' wells; PEPN has successfully reduced the use of heavy hydrocarbons (e.g. Diesel) to satisfy the power requirements and make use of production gas or import gas as main fuel. With the COP of the P/Q blocks, gas import from Q4c was stopped resulting in the temporary use of Diesel for power generation to perform the decommissioning activities. The company has made significant progress to reduce energy and a massive reduction in Diesel usage (*see Figure 17*). It is anticipated that Diesel use will remain higher in 2023 and 2024 associated with our decommissioning program. PEPN is looking for options to add / increase the use of renewable fuels (e.g. biodiesel or e-fuels).

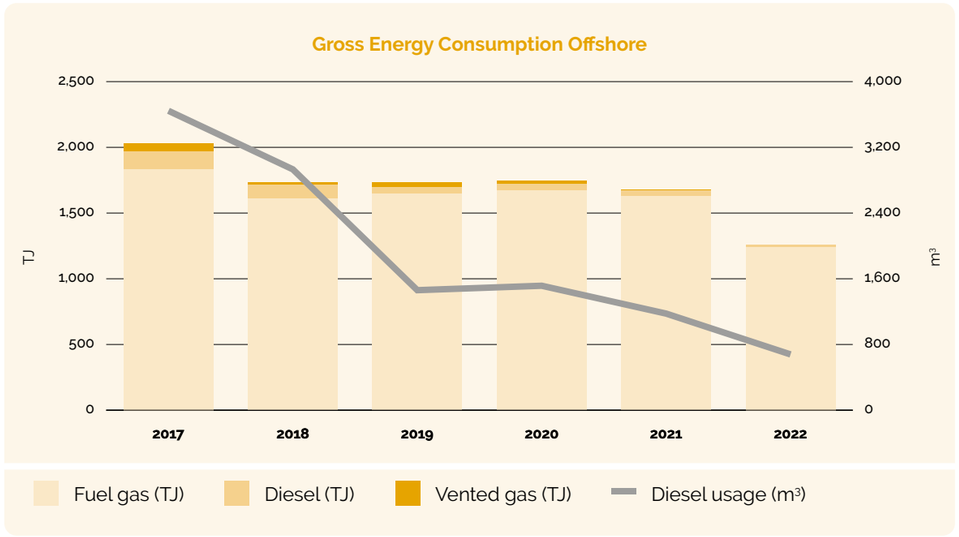


Figure 17 – Gross Energy Consumption Offshore

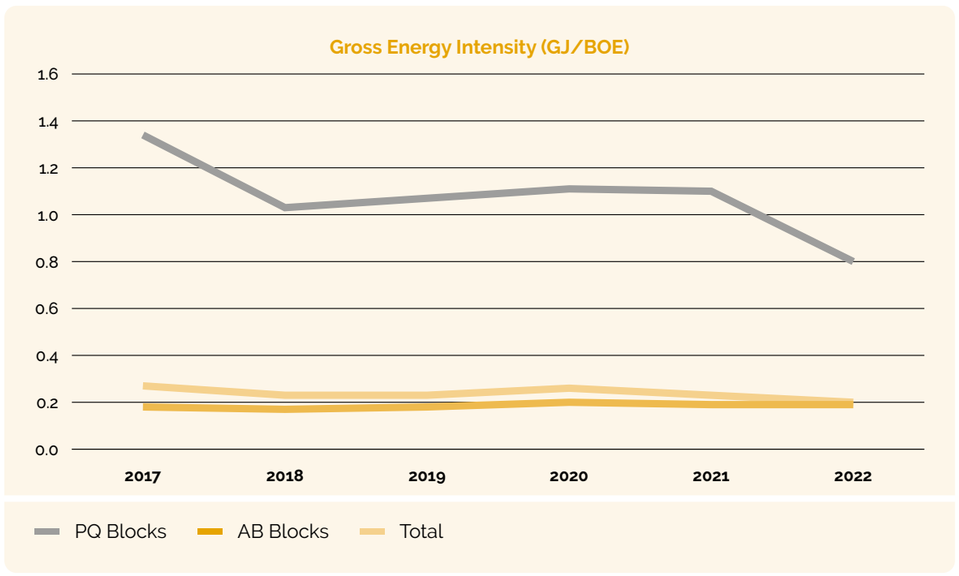


Figure 18 – Gross Energy Intensity

4.5 Flaring

In 2022, as per our standard practice, PEPN did not flare. As exceptional circumstances may require flaring, such as the drilling of new production wells, there is a requirement for a short flaring period (24 to 48 hours) to clean up the wells ahead of gas production; in such occasions, the flaring activities are executed by the Heavy Duty Jack-up drilling Rigs and are conducted in full accordance with the given environmental permits. As of 2017, PEPN successfully introduced the application of nitrogen lifting technology, resulting in a significant reduction of flared gas (~60%), whilst still achieving our aim to clean the well ahead of production.

Year	Well	Rig	MMm³ flared[3]
2022	Haven P&A	Noble Resolute	No Flaring
2022	Hoorn P&A	Noble Resolute	No Flaring
2021	Horizon P09-A09 Sidetrack	Maersk Resolute	No Flaring
2021	A12-A10	Maersk Resilient	0.21
2021	A12-A7-S2	Maersk Resilient	0.13
2020	B13-A2-S1	Maersk Resilient	0.37
2019	Horizon P09-A09 (HZW)	Maersk Resolute	0.0013
2019	A15-A5	Maersk Resolute	No flaring
2019	B10-04	Maersk Resolute	No flaring
2018	Well A18-A5	Maersk Resolute	0.71
2018	Well A12-A4-S1	Maersk Resolute	0.32
2018	A12-A7	Maersk Resolute	No flaring
2018	Well A12-A9	Maersk Resolute	0.32
2017	Well A18-A4	Maersk Resolute	0.17
2017	Well A12-A8	Maersk Resolute	0.28
2017	Well A12-A9	Maersk Resolute	0.19
2016	A18-A1	Paragon C20052	1.01
2016	A18-A2	Paragon C20052	1.71
2016	A18-A3	Paragon C20052	1.17
2015	No wells completed in 2015	N/A	N/A

Table 1 - Flaring Activities

3 MMm³ = 1,000,000 m³

5. Environment

	2021	2022
Water discharge		
Oil in water		
Waste		

Waste treatment plant

Preventing and mitigating the environmental impact is one of the key elements of the PEPN HSE Policy

[…] We will strive to prevent pollution, continually improve environmental performance by implementing appropriate standards and procedures, and mitigate environmental impacts from our operations by reducing the emission of greenhouse gasses, improving the energy performance of our assets and minimising and/or eliminating waste, discharges, emissions and the use of environmental harmful substances […]

Within BEMS, the Environmental Stewardship (sub)process is well embedded to identify environmental and social health impacts related to our offshore and onshore activities, evaluating risks based on available preventive and mitigating measures and identify opportunities for improvements.

In particular, the process focuses on three main environmental pillars:

5.1 Air Emissions

Besides the greenhouse gas emissions that have a more direct effect on climate change, an important aspect to monitor (and prevent or minimise) is general air pollution created by the company activities, either offshore or onshore. The other air emissions, which are material to the operations, are NO_x, SO_2 and Volatile Organic Compounds (VOC); these pollutants are normally generated by the combustion of fuel on the platforms for power generation. A system is being set up up system to monitor, gather and also disclose CO and Particulate Matter (PM) emissions.

5.1.1 Nitrogen Oxides and Nitrogen Deposition

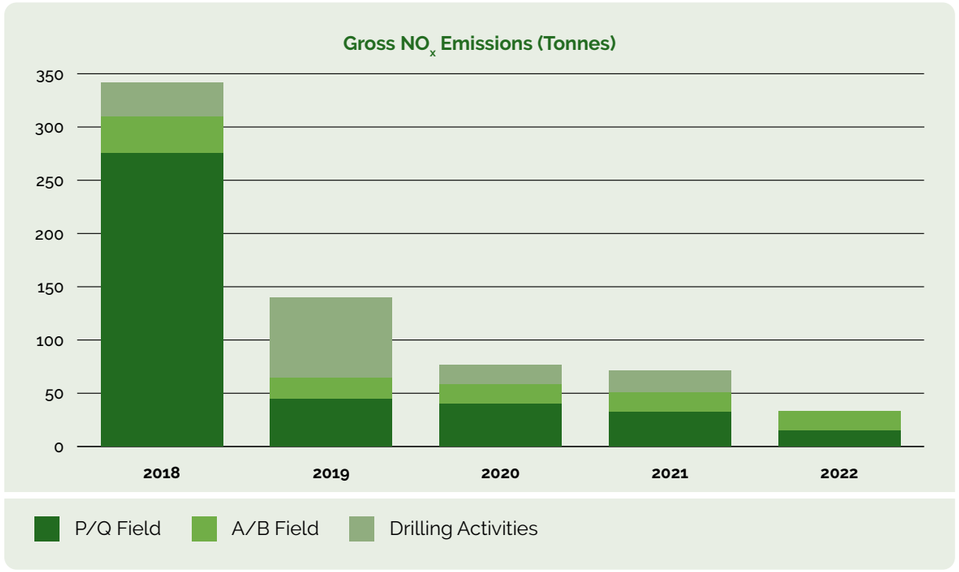


Figure 19 – Gross NO_x Emissions

NO_x emissions associated with operations continue their downward trend; the effect of P/Q Blocks COP can be clearly seen, as well. The P&A activities with the Noble Resolute are not taken into account in this overview, since not directly associated with production activities.

In 2022, the "Nitrogen Deposition issue" was still a topic of fierce public discussion within the Netherlands due to the implications of the national plans to reduce the NO_x and ammonia deposition in Nature 2000 areas ***[16]***. All PEPN activities are covered by permits, based on Environmental Impact Assessments, and we are always looking for new technical solutions to continue to decrease our footprint.

5.1.2 Sulphur Dioxide and Volatile Organic Compounds

SO_2 and VOC are primarily by-products of diesel combustion from PEPN platforms operations; based on that, the emissions of these compounds follow the same descending trajectory as shown for the NO_x emissions.

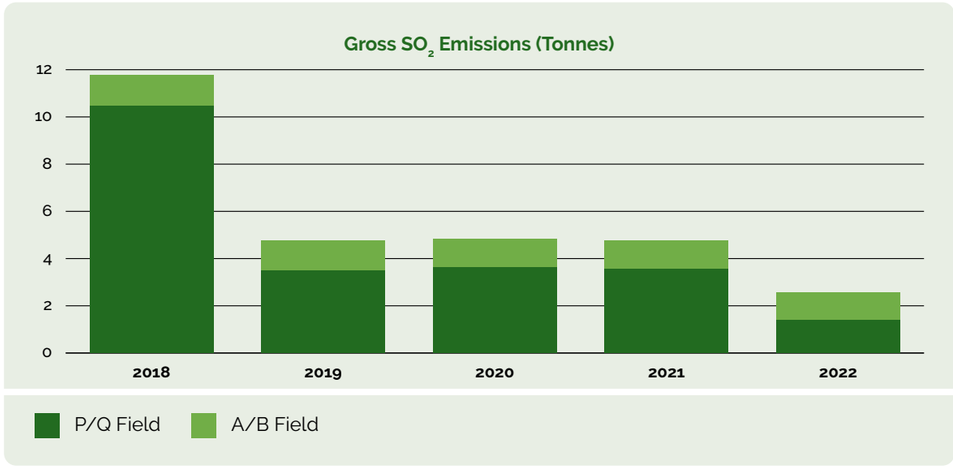


Figure 20 – Gross SO_2 Emission

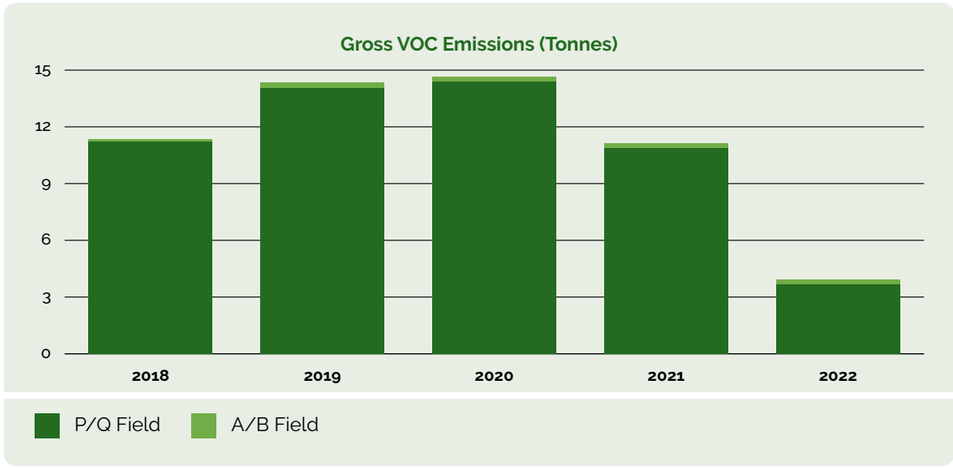


Figure 21 - Gross VOC Emissions

5.2 Water

5.2.1 Fresh Water

As PEPN only operates production offshore, there is no impact on communities with respect to use of potable water or sanitation.

Potable water for personal use and cooking is either transported via Supply Vessel from Den Helder and bunkered in installations' drink water tanks (Helder, Hoorn), or produced offshore, using seawater by means of Reverse Osmosis (RO) units (A12, A18, B13 and Horizon). The office and supply base use water from Rijswijk and Beverwijk municipal' water supply. Generally, the amount of potable water kept offshore is limited, based on standard quantities per person, in order to maintain good hygiene practices. In 2022, however, water coming from the RO unit has been used for production reasons (i.e. enhancing sand removal in the process) on the A12-CPP. A new and bigger potable water unit is going to be installed in the near future to serve both human consumption and production needs.

The quality of potable water is managed by regular testing to verify compliance to the required biological, chemical and physical parameters (for more details refer to ***Section 6.4.3***).

5.2.2 Discharged Water

In order to reduce and minimise sea pollution, the water generated during operations is treated, before being re-injected into an approved reservoir or discharged into the sea, subject to being below 30 ppm oil content. The water is regularly tested by an independent laboratory.

The quantities of water discharged (*Figure 22*) and injected are monitored and reported to SSM as per statutory requirements.

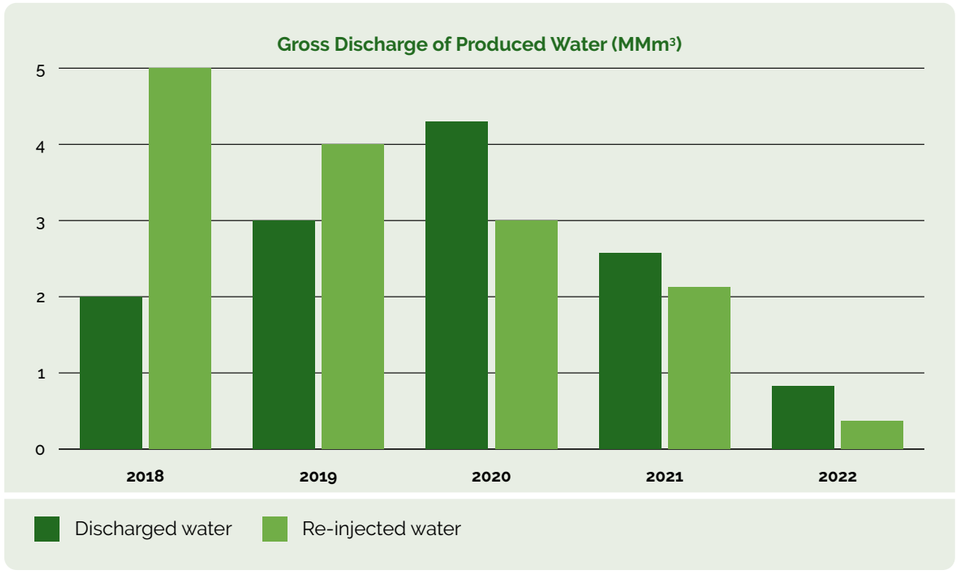


Figure 22 - Gross Discharged and Re-Injected Produced Water

The main contributors to the totality of discharged water, dispersed oil and BTEX were the Helder and Horizon platforms; with the cessation of production of the P/Q Blocks, the total volume of discharged water, injected water, dispersed oil and BTEX are going to decrease dramatically, since the remaining installations do not produce significant amounts of water and the gas is exceptionally clean (*see Figure 23*).

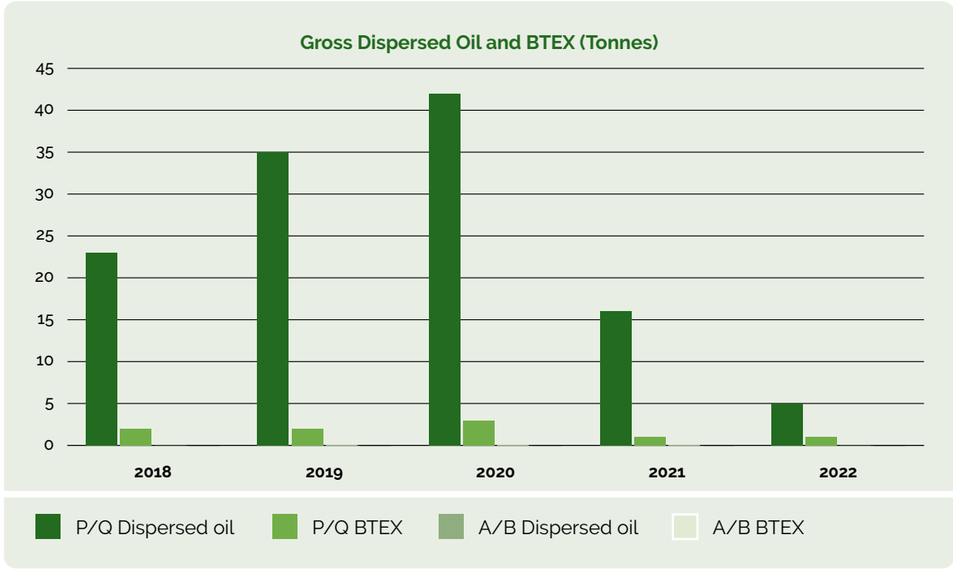


Figure 23 – Gross Dispersed Oil and BTEX

5.3 Biodiversity

With the ongoing decommissioning activities of the P/Q Blocks infrastructure (both facilities and pipelines), the attention is focused on minimising the disturbance on biodiversity, when we remove the platforms and abandon the wells. In 2022, we received the permission to leave the Halfweg Gravity Base Structure (GBS) in place until 2029, in order to allow for further study on the unique flora and fauna ecosystem that has developed on the base over the last 25+ years. The Wageningen University will undertake diving, filming and sampling surveys to better quantify the improved and flourishing diverse ecosystem that has established itself on the platform base.

A comparative assessment for the Haven-Helder pipeline was executed and submitted for approval to the Ministry of Economic Affairs and Climate.

For the Beaufort project (i.e. proposed electrification of A12-CPP using wind generated power), a bird study was executed to evaluate the potential impact on the avian fauna. Petrogas is also looking at the option to join the "Offshore Bird Portal" initiative to provide more insight on the North Sea bird species, their nesting habits and migration paths.

Regarding the marine life, we supported OSC, a Scottish marine science company, on a further study on mammals, in particular harbour porpoises (Phocoena Phocoena), around the A18 platform. Data is going to be published soon in a peer-reviewed journal.

5.4 Spills

No hydrocarbon was spilled into the sea in 2022, which has been a considerable results, given the complex decommissioning activities executed during the period.

5.5 Materials Management

5.5.1 Waste Streams

An overview of disposed waste is given below in *Figure 24*; the increase in liquid hazardous waste is primarily due to the decommissioning activities. All waste is collected and recycled as much as possible by our service providers; we are further improving our capabilities to verify the complete cycle of the waste and ensure transparent safe final disposal.

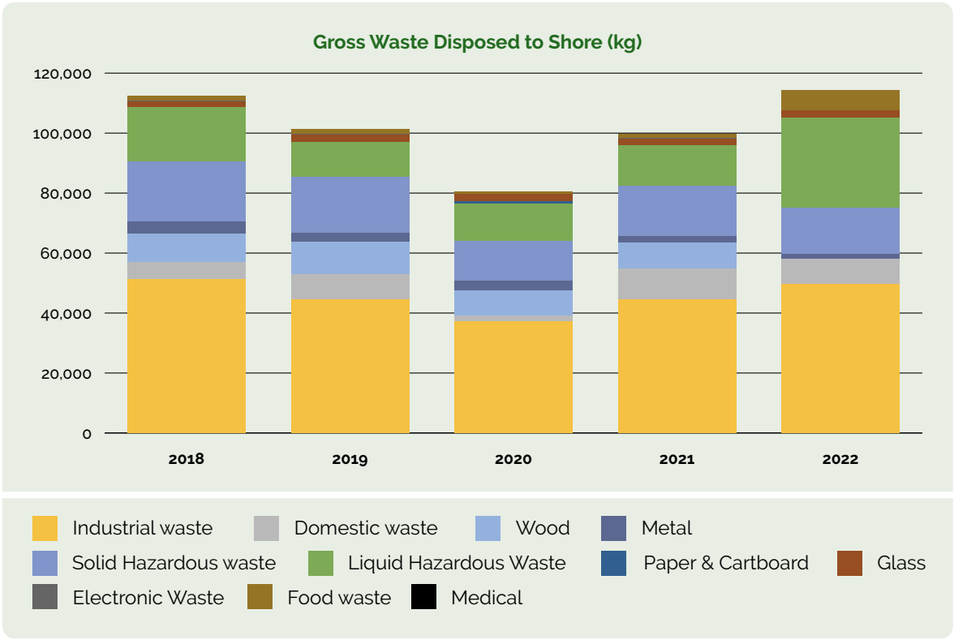


Figure 24 - Gross Offshore Waste Streams

Due to decommissioning, removal and disposal of the P/Q platforms, over the next three years, there will be significant increase in waste. We anticipate to recycle over 95% of the material (see ***section 5.6***). Office waste separation continued as well in 2022; to further reduce our household waste, we started using a water purifier and dispenser to sensibly reduce the use of plastic bottles.

5.5.2 NORM Waste

The majority of the PEPN installations are classified as Naturally Occurring Radioactive Material (NORM) facilities, where different degrees of NORM are created due to production activities. NORM normally accumulates inside process vessels and it can be removed during routine cleaning operations or during decommissioning activities. Due to decommissioning activities, in 2022, an increased amount of NORM contaminated sludge was collected offshore and transported onshore for specialist treatment disposal, according to the legislative requirements. Details on NORM waste are given in ***Appendix E***.

5.5.3 Use of Chemicals

The use of chemicals on offshore installations is regulated as per the Dutch Mining Regulations, which are in agreement with the OSPAR Convention. PEPN registers the use of OSPAR regulated substances and reports this on an annual basis to SSM. Before issuing the data to SSM, an external review is performed by CEFAS (Centre for Environment, Fisheries and Aquaculture Science) and a report is generated to analyse trends in usage of chemicals ***[18]***; see ***Appendix E*** for more details on the last three years of chemicals used in PEPN as certified by CEFAS.

As per OSPAR requirements ***[17],*** PEPN does not make use of Category A and B chemicals; Category C and D chemicals may still be used in restricted quantities during drilling or P&A activities, in general, however, we are not employing those substances during normal production activities.

5.6 Decommissioning

Decommissioning of the P/Q assets was in 2022 a key and strategic activity for Petrogas E&P in the Netherlands; the decommissioning strategy we applied was devised to fulfill our social contract safely, minimising the impact to the environment and creating value to the company, by decreasing the inherent liabilities. Biodiversty preservation (e..g reef effect) and up-cycling (e.g. reuse of pipelines) considerations are key elements of this strategy.

Platform	Activity	Year
Halfweg	Wells Plugged and Abandoned, conductors cut	2017
	Topside Removal and disposal	2018-2019
Helm	Wells P&A rigless	2017-2018
	Well conductors cut and platform left in Lighthouse mode	2021
Haven	Wells P&A and left in lighthouse mode	2022
Helder	Wells P&A Completed rigless	2021-2022
	Platform clean-up and conductor cutting	2022
Hoorn	Wells P&A, platform clean-up and preparation for lighthouse mode	2022
Horizon	Platform clean-up and preparation for lighthouse mode	2022
Mud Line Suspension	Wells survey	2022
Pipelines	All PEPN P/Q pipelines decommissioned	2019-2022

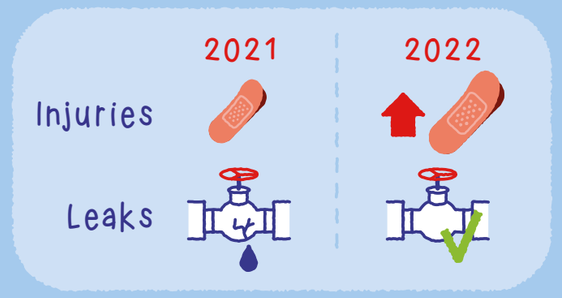
Table 2 – Last period Decommissioning Activities

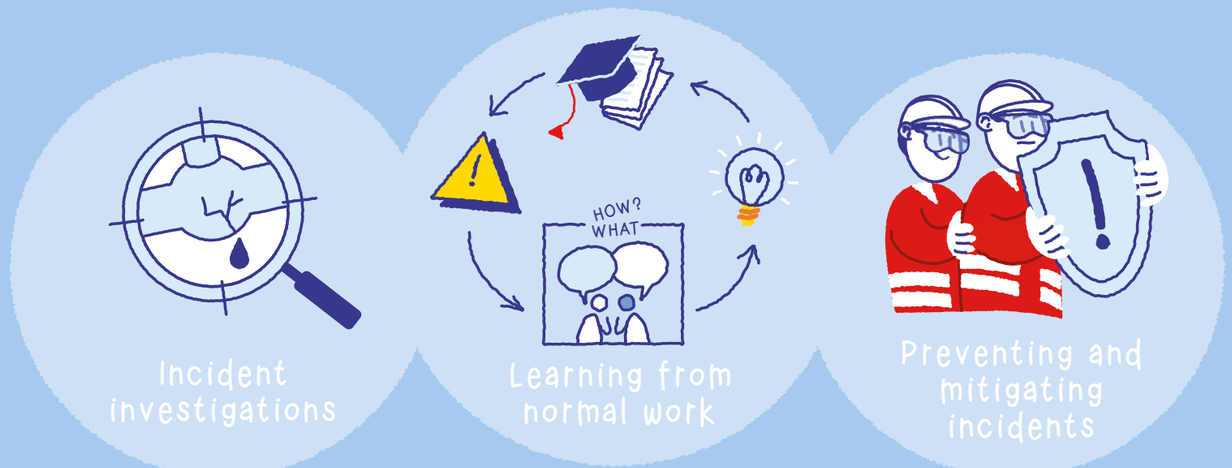
Table 3 shows an overview the current decommissioning plan and provisional schedule:

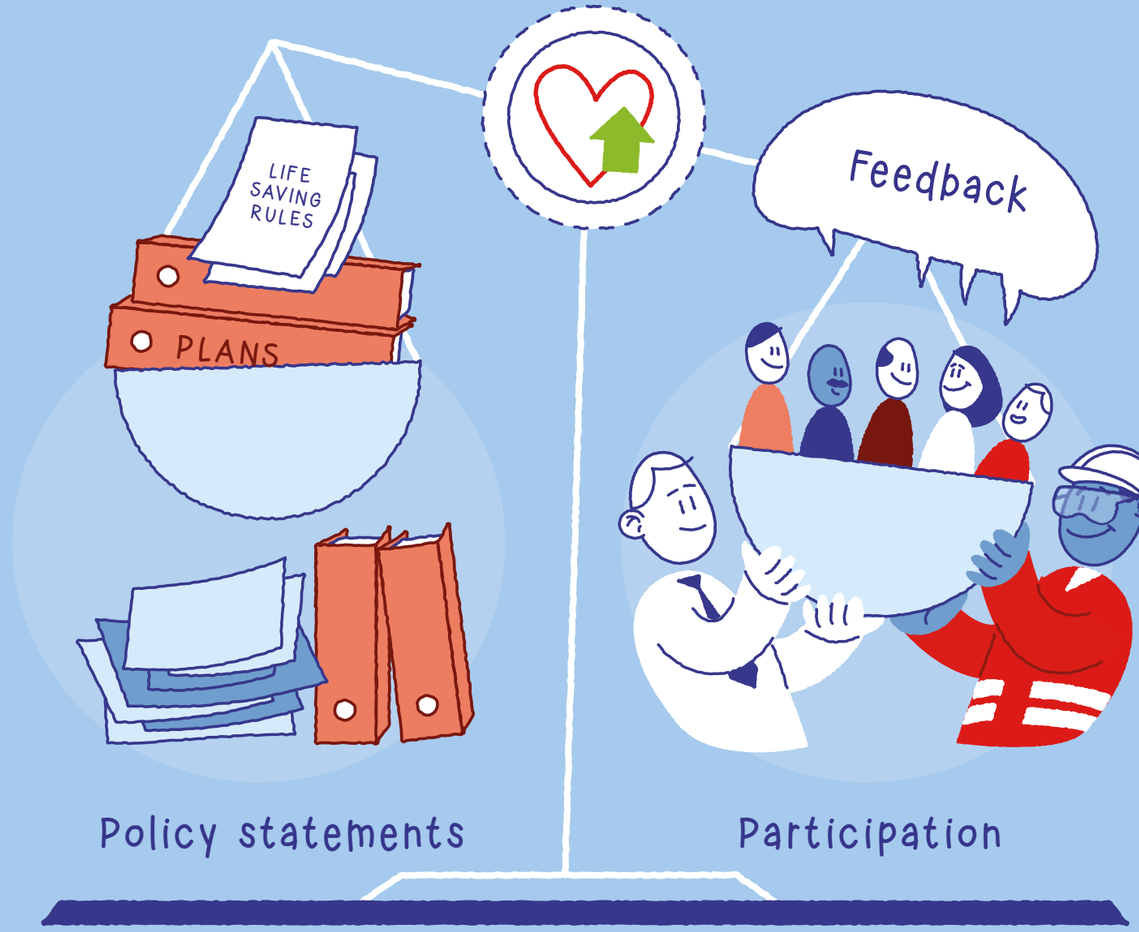
Platform	Current Status (end 2022)	Decommissioning Activities	Planning
Halfweg	Platform removed	Removal of Gravity Based Structure (GBS) on Seabed	Pending decision on area of ecological interest
Haven	Lighthouse	Removal of topside and jacket	2023
Helm	Lighthouse	Removal of topside and jacket	2023-2024
Hoorn	Idle	Convert to Lighthouse Mode	2023
		Removal of Topside and Jacket	2023
Helder	Idle	Convert to Lighthouse Mode	Q3-2023
		Removal of topside and jacket	2024
Horizon	Idle	Plug & abandon (P&A) wells	2023
		Convert to Lighthouse Mode	Q3 -2023
		Removal of topside and jacket	2024
Q1 / P9 exploration wells (stand alone)	Exploration wells suspended	Removal of exploration wells as part of Mud Line Suspension program	2022-2023
WGT – Hoorn Pipeline	Decommissioned	Comparative assessment	2023
Hoorn – Helder pipeline	Decommissioned	Comparative assessment	2023
Haven – Helder pipeline	Decommissioned	Comparative assessment	2023
Halfweg – Hoorn Pipeline	Decommissioned	-	-
Horizon-Helder Pipeline	Decommissioned	Comparative assessment	2023
Helder-Terminal pipeline	Decommissioned	Comparative assessment	2023

Table 3 – Decommissioning Plan

6. Safety, health and security







Preventing Occupational Health and Safety and Process Safety incidents is a foundational element of the PEPN HSE Policy and Major Accident Prevention Policy.

[…]We will strive to eliminate hazards and when not possible, substitute or control them to reduce all Occupational Health and Safety and Environmental risks to as low as reasonably practicable […]

[…] PEPN personnel are responsible for managing major accident hazards within their role, and every person engaged is responsible for making themselves aware of the major accident hazards in their work area and playing their part in reducing the risks. All employees including contractors are empowered to act if they have any health, safety or environmental concerns […]

Within BEMS, several processes and sub-processes are well embedded to identify occupational and process safety impacts related to our offshore and onshore activities, allowing us to evaluate risks based on available preventive and mitigating measures and identify opportunities for improvements.

Following the "new way of safety" (or Safety II), Safety is the presence of capabilities, more than the lack of incidents and accidents ***[19]***; therefore, the effort of PEPN goes into building a resilient organisation that is able to prepare complex activities, based on well thought plans, but also is be able to respond to sudden changes and variability. Despite all the preparatory work, risk assessments, procedures and the mature systems in place, in 2022, we experienced an unusual higher number of accidents in our organisation. When these events happen, we stop, investigate and reflect to learn what we can do better. This work, however, does not stop there: we want to learn from what we do right, from normal work ***[20]***, because there there is the seed for our successes and our failures.

PEPN wants to shape a more encompassing company culture, where work and its associated hazards and risks is well understood and the experts (i.e. the Sharp End, the workers) are a resources to harness and not a behavioral problem to solve.

6.1 Learning from Normal Work

In Q3, we initiated a project involving selected PEPN personnel and from other industries and academia to learn how we can effectively implement Safety II approach in ways that are practical and that resonate to everyone inside and also outside our organisation. One of the outcomes of this project is to focus on "Learning from Normal Work" and to progress with this new way of safety.

6.2 Company Culture

Organisations are a complex web of people, systems and technologies; several aspects are contributing to create a "Company Culture" and not everything is self-evident or easy to change ***[21]***. Specifically, we looked at our behavioral reporting tools (e.g. observations, Life Saving Rules, Stop Working Authority, etc.) and see how we could reshape them in such a way to maximise the sharing of "normal work" within the context of an improved and psychologically safe working environment.

Figure 25 - Impression of online Company Culture training

At Petrogas, we are aware that you do not create or maintain a healthy company culture solely with posters and online trainings, therefore the effort is engage everyone in order to learn from what we do right and what we can do better.

6.3 Workforce Engagement, Listening and Participation

PEPN has several mechanisms to foster workforce engagement, through leadership visits, townhalls, crew conferences and vendors' meetings. Details on the metrics used to measure worker' engagement and participation are added in ***Appendix E***.

6.3.1 Work Council

At Petrogas, we have an established and active Works Council (WC); the WC is composed by 7 persons: 1 Chairman, 3 offshore personnel representatives and 3 onshore personnel representatives. The WC meets with the General Manager and HR Manager regularly to address any concern of the workforce. The WC is also involved in the review and approval of Company Policies, the Risk Inventories and Evaluations and the Report on Major Hazards. Personnel within Petrogas are free to join unions; at the end of 2022, there is no active union member within the organisation.

6.3.2 Leadership Engagements

Leaders within PEPN are asked to foster an open and psychological safe work environment; all members of the PEPN Management Team are required to engage personnel regularly.

As part of the Health and Wellbeing plan, a tailored "resilience training" was delivered to all MT member and supervisors within the company to improve awareness about any potential "psychosocial aspect", affecting their team members in order to be able to prevent mental health issues.

6.3.3 Crew Conferences

The PEPN Crew Conferences are a great opportunity to bring together people that normally are working far away from each other and in different work patterns. With the exception of the peaks of COVID in 2020, we have held two Crew Conferences every year involving the complete Operations and HSEQ departments and selected invitees from other departments in two-days sessions to discuss status of affairs, do workshops, but, more importantly, to break down barriers and open up line of communications. In 2022, the theme discussed was the understanding of the difference between Work as Intended (WAI) and Work as Done (WAD). The discussions held during those conferences contributed to our decision to go further and deeper into the Safety II philosophy as described in ***Section 6.1***.

6.3.4 Participation Tools

PEPN is seeking for workers input via tools, like SMART, Hazard Hunts and Life Saving Rules observations. All individual observations collected are analysed to learn what we do right and wrong; learnings are then regularly shared with the workforce.

A reward system (e.g. "vouchers" given to the "best card of the week") is in place to recognise positive safe and environmentally sound behaviour during special operational activities, such as during drilling campaigns.

6.3.5 Special Recognition Awards

A Special Recognition Award program is in place to reward personnel for outstanding contribution to the business. Details on the number of awards distributed is provided in ***Appendix E***.

6.3.6 Suggestion Box Awards

The Suggestion Box provides an opportunity to everyone to propose improvements to the working environment. Amongst the proposals evaluated and awarded in 2022, was the installation of power columns to charge electrical cars or scooters to motivate personnel towards more sustainable transport. The persons recommending the best suggestions also received an award.

6.3.7 Confidential Person

To improve the availability of personnel to discuss sensitive issues in a safe environment, we increased the number of trained "Confidential Persons" to four (4). All the cases addressed with the Confidential Persons along the past year were followed-up and closed without need for additional actions.

6.3.8 Contractors' Management

The managing of our contracted workers is key to ensure safe and reliable operations, due to the nature of the activities associated with operating offshore assets in the North Sea.

As part of our Contractor Management process, we identify high risk contractors based on HSE, ESG and business criteria and routinely engage with them either via informal / formal meetings and / or via dedicated HSE audits. As members of ElementNL and the SNS Pool, we also participate in industry driven initiatives to ensure we build and maintain a competent pool of contractors; with the lifting of COVID-19 restrictions, we have been able to perform more engagements (see ***Appendix E*** for more details). Engagements and audits alone are not a sufficient barrier to prevent incidents and accidents, therefore, as part of our "Learning from Normal Work" approach, we are looking for more effective ways to ensure our facilities have safer working environments, plans are better prepared and understood by all parties and competencies are ensured at all levels.

6.3.9 ElementNL

PEPN is an active member of ElementNL, participating in various established committees and workgroups; by actively participating to these groups, we can address industry wide-issues and find common approaches on how to tackle potential threats to the health and safety of personnel and the public. Within ElementNL, there has been a high level of attention on several HSE and ESG aspects such as, GHG emissions reduction, "Safety Culture", Substances of High Concern (e.g. Benzene and PFAS), etc.

6.3.10 Training and Competence

PEPN ensures a trained and competent workforce, as this is essential to protect the health and safety of personnel and the environment, while operating its offshore upstream platforms in the North Sea. Therefore, staff and long-term contractors, based on their specific role assigned, go through a routine of safety and technical trainings.

In 2022, we increased the number of emergency drills offshore and onshore to improve the organisation proficiency in emergency and crisis management. The whole Emergency Management Team and Crisis Management Team received additional training to enhance their understanding and effectiveness. A new online Emergency Management tool, RAVYN, has been introduced.

6.4 Workforce Protection

PEPN has a comprehensive Occupational Hygiene and Health and Wellbeing program to cater for both physical and mental health of our workforce.

6.4.1 Pandemic Management

After a difficult start at the beginning of 2022, the COVID-19 pandemic became less and less a public health concern[1]; in PEPN, we continued to follow the protocols agreed at industry level within ElementNL. Around April, we opened up the office lifting all the restrictions previously implemented, contextually, we transformed the Working from Home (WFH) policy from temporary to permanent policy. As of that moment, onshore personnel is allowed to work a maximum of three (3) days per week from home. WFH has benefits, but also downsides; to maintain a good level of cohesiveness and avoid disruption, the Management Team members are generally required to be at the office four (4) times per week.

In 2022, we recorded 17 COVID-19 cases during offshore operations; no cases required urgent evacuations or further hospitalisation; due to privacy restriction, it was not possible to collect data for onshore personnel.

6.4.2 Health and Well Being Initiatives

With the COVID-19 pandemic slowly fading in the background, several H&WB initiatives (re)started such as outdoor lunch fit breaks, yoga classrooms and stool chair massages for the office personnel. Those activities, coupled with the offer of health check-ups and flu shot vaccinations, not only provided good incentives for people to be at the office, but also moments of increased awareness and relaxation to improve mindfulness and general wellbeing.

1 *At the moment of writing the WHO is still classifying COVID-19 as "acute global emergency"*

6.4.3 Legionella Prevention

As mentioned in ***Section 5.2.1***, PEPN has a comprehensive Potable Water Management system; as per design, in 2022 we operated 2 facilities with bunkered water (Helder and Hoorn) and 4 facilities with water produced via dedicated Reverse Osmosis (RO) units (A12-CPP, B13, A18 and Horizon). Chemical-physical means are applied to keep the quality of water within the legal limits. Although, on average, the quality of water is within parameters, there were 5 sampling results, which exceeded recording limits (i.e. 100 cfu/l): 3 on Hoorn and 2 on Helder); none of those samples exceeded the reportability limits of 1000 cfu/l. On those occasions, as advised by our independent potable water advisor, a contingency plan was applied to bring the quality back to its required standards, as required by the Dutch Legislation (Drinkwaterbesluit). It is expected that the issue with Legionella will disappear once the Hoorn and Helder platforms are transferred into Lighthouse Mode.

6.4.4 Naturally Occurring Radioactive Material

All fields operated by PEPN are under a NORM license and PEPN regularly measures the radiation levels on the platforms. The result of measurements depends on the particular tool used, but, in general and on average, the background radiation on the platform is below 0.1 uSv/h against the onshore average which is 0.18 uSv/h ***[22]***. Personnel directly involved with NORM handling are trained, as per the relevant ElementNL Industry standards.

On average, the P/Q fields have higher measured NORM than that measured at the A/B fields. The predominant nuclides measured are Radium-228 and Lead-210.

Year	Haven	Horizon	Helder	Hoorn	Helm	A12	A18	B13
2020	N/A	7 – 8 CPS	7 CPS	9 CPS	N/A	7 – 8 CPS	6 CPS	18 CPM
2021	N/A	17 - 18 CPS	9 - 10 CPS	12 - 13 CPS	N/A	7 CPS	N/A	N/A
2022	N/A	7 - 9 CPS	7 – 9 CPS	7 – 9 CPS	N/A	7 - 9 CPS	N/A	N/A

Table 4 - Average NORM measurements

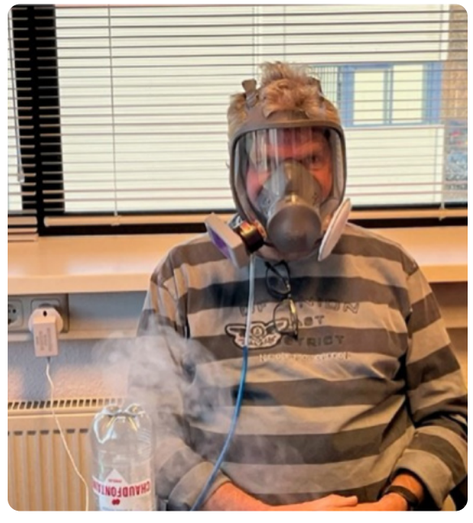
6.4.5 Substances of High Concern

PEPN has a control procedure in place to prevent and mitigate exposure to substances of high concern, which might have an impact to the health of personnel. These can include Mercury (as found in sludge), Chromium VI (as found in paints or result of welding and cutting), Asbestos (although rarely found, the material could be around in older facilities), BTEX and production chemicals in general. Potential long-term exposure is monitored via biological sampling, as coordinated by our independent health service provider.

6.4.6 Mask Fit Test

Personal Protective Equipment (PPE) is an essential barrier, required to protect personnel, when the hazards cannot be eliminated, substituted or technical and administrative barriers are not sufficient. PPE only works, if workers wear it and they wear it correctly.

To improve awareness on use of dust and gas mask, around the end of the last year, a quantitative "mask fit testing" was conducted together with the offshore workforce. Further testing will be carried out in 2023. Face Fit testing is a method of ensuring that a facepiece or mask is tight-fitting and seals adequately to the wearer's face.



6.5 Occupational Safety

As mentioned above, while in pursuit of enhancing our approach on occupational (and process) safety, we continue to record, report, investigate and learn from accidents, incidents and near misses, as per current industry standards. Despite all the preparation (i.e. risk assessments, procedures, workers engagements, additional safety coaches, etc.) put into the execution of our exceptional number of offshore activities (such as diving, decommissioning, extended maintenance turnaround, etc.), in 2022, we experienced a higher level of accidents resulting in two (2) Lost Time Injuries, two (2) Restricted Work Cases and one (1) Medical Treatment Case. We have thoroughly investigated all those events to capture the learnings and share them with the stakeholders involved to improve our working methods.

Occupational Safety Indicators	2020	2021	2022
LTIF	2.46	0	4.32
TCRF	4.25	4.05	10.82
Fatalities	0	0	0
Fatality rate	0.00	0.00	0.00
RTAF	0.00	0.00	0.00

The Lost Time Injury Frequency Rate (LTIF) and Total Recordable Cases Frequency (TRCF) are calculated on one (1) million working hours. The Road Traffic Accident Frequency is evaluated based on one (1) millions of kilometres. Figures include both PEPN employees and contractors, more details and indicators are included in ***Appendix E***. In total, 1752 helicopter flight hours were recorded. No incidents with HSE consequences were recorded. With respect to Supply Vessels, PEPN completed 311 full sailing days and around 5354 vessel cargo lifts (loading and unloading). There is no estimate of 'in-platform' lifts. No incidents with HSE consequences were recorded during the execution of these activities.

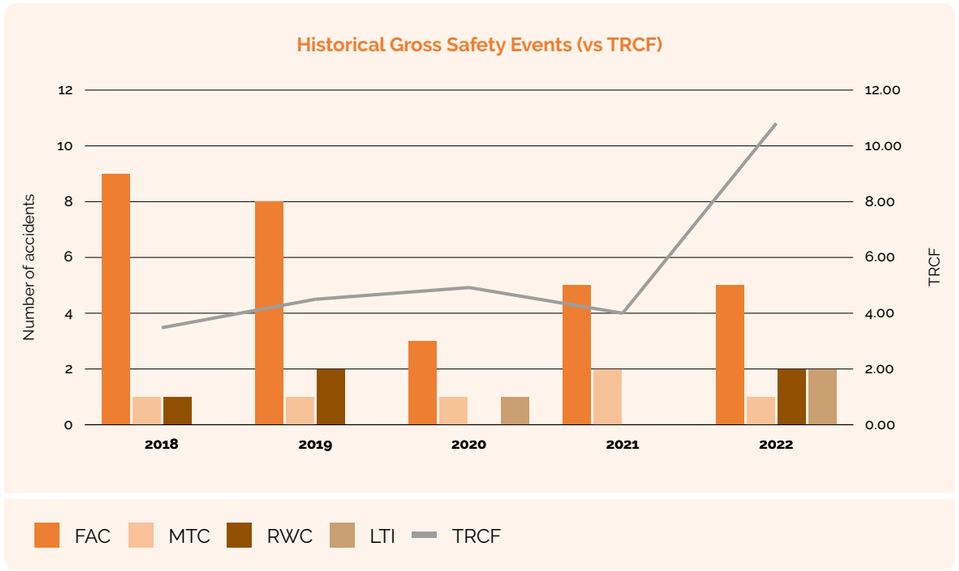


Figure 26 – Historical Gross Safety Events Trends

"In my role as Prevention Officer, I truly believe that recognition and promotion of the prevention of occupational risks is integrated into the whole organization.

It remains important to continue to identify any substantial changes that may entail a health or safety risk for any of our Employees or Contractors. After all, 'Prevention is better than cure' Put simply, by looking after yourself and being aware of your activities and surroundings, you can dramatically reduce your chances of getting injured or sick."

Jacqueline Mol-Connor
HSEQ Coordinator, Prevention Officer & Confidential Person

6.6 Process Safety

Dealing with occupational incidents and accidents should not and does not distract a company like PEPN on maintaining the integrity of our installations to prevent Major Accidents, which, although rarer, could lead to more severe consequences for personnel, the environment and finally the business. Attention to Process Safety is, therefore, extremely important. As part of our Process Safety Management philosophy and as a result from the learnings captured during incident investigations, in 2022, we focused primarily on the "Facility Integrity" branch, by thoroughly analysing our inspections and maintenance work order process and applying improved procedures and instructions; further, we changed over our legacy Computerised Maintenance Management System (CMMS) to Maximo® to allow us to better control the maintenance activities and be more proactive in execution and follow-up. The implementation of Maximo with all its trove of additional insight will also allow us to go for the implementation of Barrier Management approach in 2023.

To rationalise the data collections and insight, we delved into the Process Safety leading and lagging indicators and aligned them against the API RP 754 ***[24]***. *Figure 28* depicts the last five years key process safety lagging indicators with the zero releases in 2022; considering the complex level of the activities executed during the decommissioning of the P/Q assets and the extended shutdown campaign on the A/B blocks, this is a result to celebrate, without losing our focus: vigilance and awareness on Process Safety must remain high.

Figure 27 – Process Safety Management Campaign Logo

After the inception of the first Process Safety Video in 2021, three additional video were developed and shared to raise awareness about the Management of Change (MOC) Process, Maintenance Process and the Operational Risk Assessment (ORA) Procedure.

More details and indicators are included in ***Appendix E***.

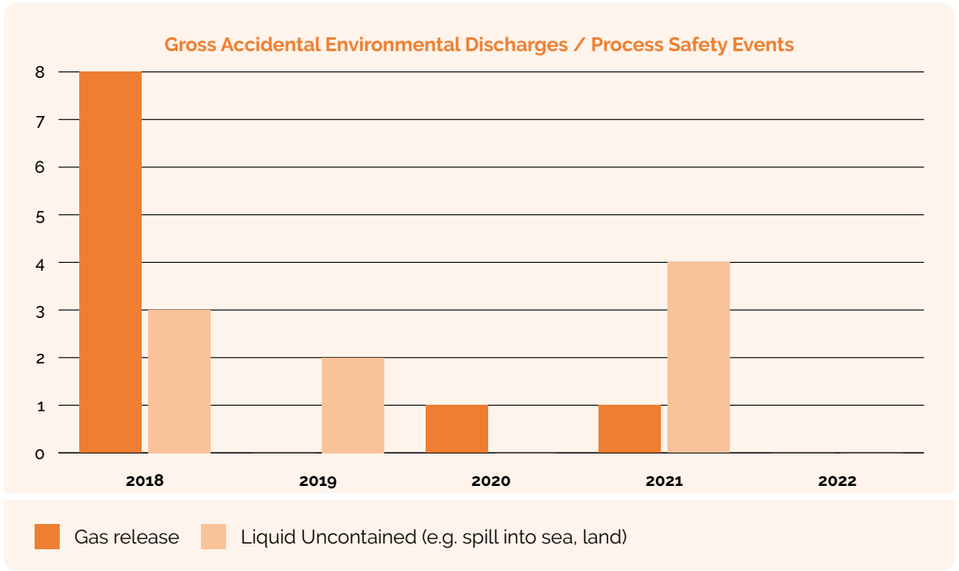


Figure 28 – Gross Accidental Environmental Disharges / Process Safety Events

6.7 Security

The materiality of security threats increased during 2022 due to the conflict between Russia and Ukraine, the Northstream “incident” and several sighting of foreign vessels in the North Sea; as an industry, we are working with the Dutch Ministries and Authorities to evaluate the resilience of the energy infrastructure in the Netherlands and play our part in ensuring a good stewardship of our assets. No security event was recorded either offshore or onshore.

6.7.1 Cybersecurity and IT Resilience

The PEPN IT team objective is to support the realisation of the business strategy and business objectives of PEPN by:

- Providing a reliable, secure and resilient IT infrastructure;
- Implementing/hosting/supporting applications and tools to support efficient and effective business operations;
- Preserving the confidentiality, integrity and availability of information resources in a cost-efficient way and in accordance with business risks and priorities.

Critical business applications within PEPN are hosted at ISO 27001 certified data centres from Microsoft; process safety equipment (e.g. PLC, etc.) are securely segmented from the office network and from the internet, to prevent external intrusions; a protocol is in place to prevent uploading of unwanted or unchecked updates in the safety controls. PEPN internal IT policies and protocols are in line with ISO, ITIL and COBIT requirements. In 2022, The PEPN IT department:

- Implemented an additional, AI-powered email filtering tool to reduce phishing and spam related security risks;
- Performed their annual penetration test and implemented all high and medium priority recommendations;
- Moved the company systems from a Dutch managed service provider to Microsoft Azure, allowing more flexibility to improve the environment;
- Upgraded the audio-visual equipment in meetings rooms, to improve online meetings and involving staff members participating from remote locations.

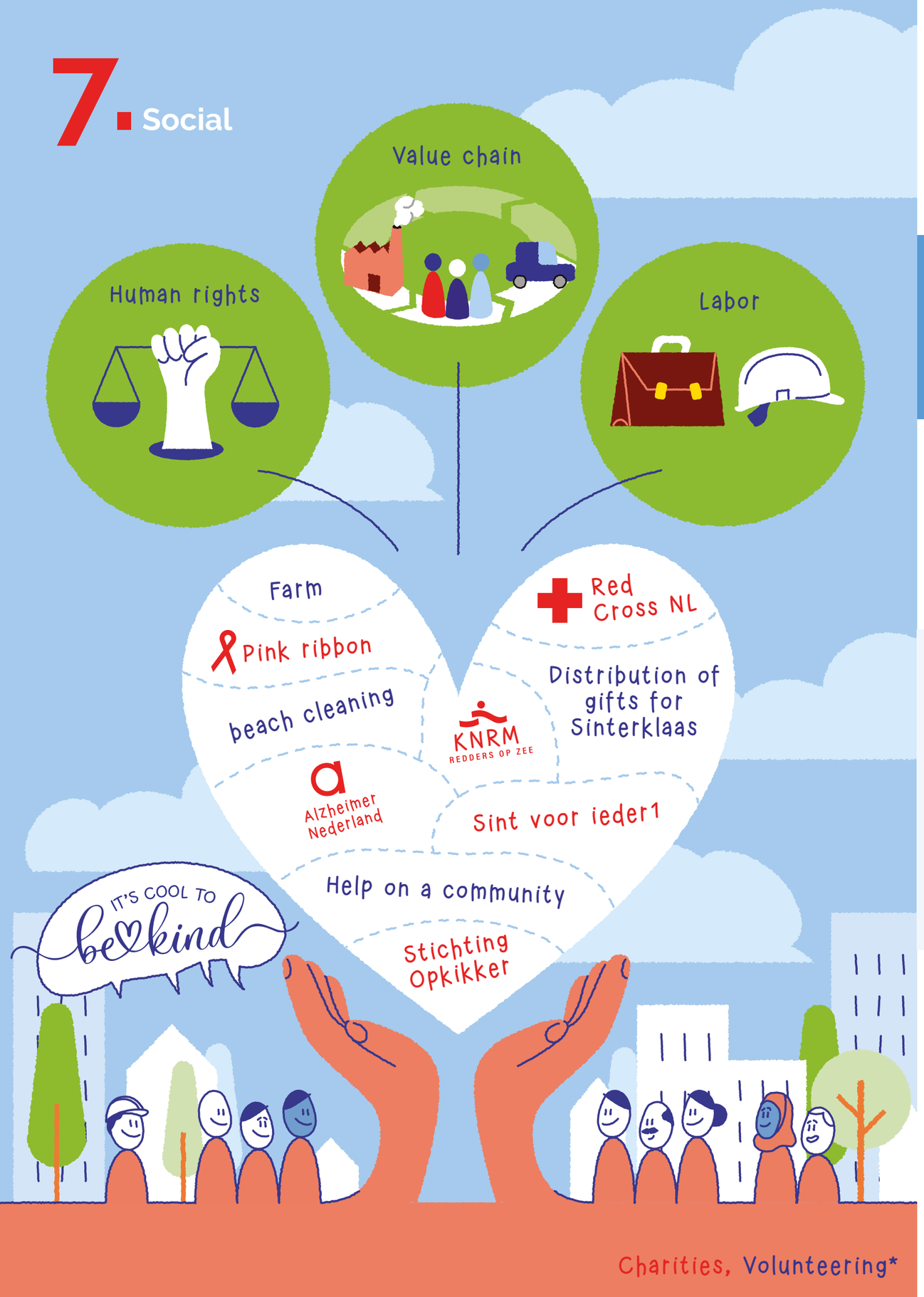
The PEPN IT Team is engaged to ensure everyone working within PEPN is well aware about the risks of using the IT systems, specifically in relation to opening suspected e-mails, phishing activities and other social engineering security threats. An online cybersecurity training platform was developed in 2022 and planned to be launched in 2023.

6.7.2 GDPR

Within PEPN an interdepartmental workgroup led by the Data Protection Officer (Legal Counsel) is available to provide guidance on the requirements of privacy protection as per the GDPR requirements.

In 2022, no violation of GDPR rules were recorded.

7. Social



PEPN is fully committed to give back to the community by maximising the employment of local resources, but without any barrier to attract talent regardless any consideration of gender, nationality, race, ethnicity or religion. The PEPN Business Ethics Policy is set to ensure that the fundamental human rights of people working within our Value Chain are respected and fostered. At PEPN we recognise that being part of a community is to give back more than jobs, taxes and revenues.

[...] PEPN and its employees shall conduct their business regardless anyone's race, colour, creed, gender and gender expression, age, ethnicity, disabilities, marital status or sexual orientation. PEPN is committed in building an inclusive, varied workplace welcoming to people of all backgrounds. We embrace multiple approaches and points of view. PEPN is building a culture where difference is valued [...]

7.1 Community Engagement

The Connect Team is an integral part of PEPN effort to give back to the community; under the aegis of the General Manager, the Connect Team not only organises social events to bring together PEPN workers, but works within the local community collecting money for charities and participating to volunteering initiatives.


DH FM

Nieuws Wijken Radio TV Podcast Gemist Over ons

11.05 uur Steun aan drie doelen tegelijk

Petrogas heeft 265 cadeaus gedoneerd aan Sintvoorieder1 en steunt daarmee drie doelen tegelijk: zij kochten hun knuffels namelijk bij Stichting Hulphond en Stichting Opkikker.

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Besides business engagements with the various Ministries and Associations, we strive to make a positive impact to the society at large, not only trying to minimise our footprint and provide clean and affordable gas to the community, but contributing to local charities through Company sponsored activities (e.g. PEPN Charity Golf Tournament) or through Connect. After the break in 2020 due to the COVID-19 constraints, in September 2022, we were able to organise the PEPN Charity Golf Tournament, where we collected around 29,600 €, which Petrogas pledged to double; the total amount of about 59,300 € was equally divided and donated (paid out in March 2023) to the ***Dutch Red Cross***, to the ***KNRM*** and ***Pink Ribbon***. Since 2003, when the Golf Tournament started (13 in total), PEPN has donated more than half a million euros to various charities.

7.2 Labour Practices

We love to work and create value, but to do so, we need to ensure we have the right capabilities; the Dutch labour market was in 2022 not only an "employee market" ***[25]***, but also a market where the O&G expertise is quickly diminishing (several Vendors are leaving continental Europe), making the task to find and retaining the right person a tad more complicated. At the end of the calendar year, PEPN employees (113) are predominantly recruited in the local market; 83% of the PEPN employees are Dutch nationals, while the rest of the workforce (17%) is coming from 12 different countries. The gender distribution of the PEPN employees is highly skewed towards the male gender, which is consistent with the oil and gas offshore industry ***[26]***, but well below the Dutch average ***[27]***; the age distribution within the company is also showing a picture of an aging workforce, where more than 60% of the staff members are above 45 years old. Turnover was of around 11%, which is slightly lower than the Dutch year-end indicator ***[28].***

PEPN recognises and applies a forward-looking policy with respect to "Diversity and Inclusion", which adds perspective and value through balanced decision making, safety and ethically driven decisions.

PEPN, as a technical organisation, has a large percentage of highly qualified skilled employees, with average salaries benchmarked against similar technical companies in the Netherlands. Positively, the ratio between the highest and the average salary in 2022 was 3.14.

PEPN personnel are free to associate, to join and form trade unions; a Work Council composed by 7 persons is active in PEPN; elections for the renewal of the Work Council are due in 2023.

PEPN does not tolerate discrimination by gender, age, ethnic or faith when recruiting and employing personnel. Personnel has free access to a prayer room at the office in Rijswijk.

Our offshore Personnel, during their 2-week offshore shift, are provided with high quality food, water, sanitation and accommodation, as per Dutch laws and regulations, creating a comfortable living environment.

The PEPN Human Resource Department is tasked with the responsibilities to ensure compliance to employment rules and regulations.

More detailed information about social indicators is included in ***Appendix E***.

Appendix A • Abbreviatons

A&F	Accounting and Finance
ABEX	Abandonment Expenditure
AOC	Agreement of Cooperation
BELT	Business Excellence Leadership Team
BEMS	Business Excellence Management System
BROA	Business Risks and Opportunities Assessment
BTEX	Benzene, Toluene, Ethylbenzene and Xylene
CAPEX	Capital Expenditures
CCO	Chief Commercial Officer
CEFAS	Centre for Environment, Fisheries and Aquaculture Science
CEO	Chief Executive Officer
CIPS	Chartered Institute of Procurement & Supply
CIT	Corporate Income Tax
CCS	Carbon Capture and Storage
COBIT	Control Objectives for Information Technology
COP	Cessation of Production
COVID-19	Corona Virus Disease 2019
CPP	Central Processing Platform
CSRD	Corporate Sustainability Reporting Directive
DCS	Dutch Continental Shelf
DNV	Det Norske Veritas
E&P	Exploration and Production
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EITI	Extractive Industries Transparency Initiative
ESG	Environmental Social Governance
ETS	Emissions Trading Scheme
GBS	Gravity Base Structure
GDPR	General Data Protection Regulation
GHG	Greenhouse Gasses
GWP	Global Warming Potential
HFC	Hydrofluorocarbons (refrigerant)
HR	Human Resources
HSEQ	Health, Safety, Environment and Quality
IPIECA	International Petroleum Industry Environmental Conservation Association
IPPC	Integrated Pollution Prevention and Control
ISO	International Organization for Standardization
IT	Information Technology
KNRM	Koninklijke Nederlandse Redding Maatschappij
LLC	Limited Liability Company
LNV	(Ministirie van) Landbouw, Natuur en Voedselkwaliteit
LOC	Loss of Containment
LTIF	Lost Time Injury Frequency
MAP	Major Accidents Prevention
MBOE	Thousand Barrel of Oil Equivalent
MEAC	Ministry of Economic Affairs and Climate
MNE	Multi National Enterprise
MSP	Management System Process
NGO	Non-governmental Organisation
NOGAT	Northern Offshore Gas Transport
NOGEPA	Netherlands Oil and Gas Exploration and Production Association
NORM	Normally Occurring Radioactive Material
NUI	Normally Unattended Installation
O&G	Oil and Gas
OCM	Operating Committee Meeting
OECD	Organization for Economic Cooperation and Development
OGMP	Oil and Gas Methane Partnership
OPEX	Operating Expenditures
OSD	Offshore Safety Directive
OSPAR	Oslo Paris Agreement
P&A	Plug and Abandonment
PEPN	Petrogas E&P Netherlands B.V.
PIEP	Petrogas International E&P Coöperatief U.A.
PLC	Process Logic Control
PPE	Personal Protection Equipment
PSA	Psychosocial Aspects
PT	Petrogas Transportation B.V.
PWC	PricewaterhouseCoopers
RM	Risk Management
RTAF	Road Traffic Accident Frequency
SEC	Societal Ethics Committee
SCM	Supply Chain Management
SMART	Safety Makes the Right Team
SNS POOL	Consortium of offshore operators sharing logistical platform
SOBM	Synthetic Oil Based Mud
SPS	State Profit Share
SSM	State Supervision of the Mines
TCM	Technical Committee Meeting
TRCF	Total Recordable Cases Frequency
UDS	Undrained Sands
UK	United Kingdom
US	United States
WC	Work Council

Appendix B • References

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28. Labour turnover in the Netherlands

Appendix C • Pictures Credits

- Petrogas E&P
- Martijn Walet Photography
- JELL Fotografie

Appendix D • Materiality Matrix 2022

GRI 11 Topics	UN SDGS	Petrogas	Stakeholders	Status w.r.t. 2021	Improvement
Topic 11.1 GHG Emissions	13	high	high	GHG emissions in 2022 decreased w.r.t. 2021; GHG intensity decreased; CH_4 intensity evaluated and well below OGCI targets	↑
Topic 11.2 Climate adaptation, resilience, and transition	7, 8, 9, 12 and 13	high	high	Transition to produce only gas with relatively low GHG and CH_4 intensities; further worked out Scope 2 emissions and Scope 3 emissions to understand where and how to intervene to reduce negative impact. Climate Resilience Plan is part of 2023 BE Plan.	=
Topic 11.3 Air emissions	3, 14, 15	high	high	NO_x, SO_2 emissions decreased w.r.t. 2021; diesel consumption decreased as well. Raise in diesel consumption and air pollutants for Scope 3 activities (primarily decommissioning) are expected to raise in 2023 and 2024 to then decline	↑
Topic 11.4 Biodiversity	3, 6, 14, 15	high	high	We operate facilities in the A/B block, which are protected areas; environmental risks are defined in the Environmental Aspect Register and managed as part of our Business Excellence Management System (ISO 14001:2015 certified).	=
Topic 11.5 Waste	3, 6, 11, 12, 14, 15	high	high	Offshore waste increased in 2022, due to ongoing decommissioning activities; waste has been transported and segregated as per local requirements. Office waste is segregated to maximise recycling	=
Topic 11.6 Water and effluents	6, 12, 14	high	high	We stopped produced water discharge overboard in June 2022, therefore limiting both the q.ty of produced water and the associated quantity of oil and BTEX. Donated 20K euro to Wetlands.org to preserve and enhance wetlands	↑
Topic 11.7 Decommissioning (Closure and rehabilitation)	8, 11, 14	high	high	We continue with our effort of decommissioning the P/Q Block facilities and connected pipelines; activity was labour and financially intensive. Where required we perform archaeological survey to prevent damage to cultural heritage (no issue in 2022)	↑
Topic 11.8 Process Safety (Asset integrity and critical incident management)	11, 12 14	high	high	In 2022, we did not have critical process safety issues, however, we experience some asset integrity issues, which led to an occupational accident (see Topic 11.9). Process Safety is and remains the most material topic for PEPN operations	=
Topic 11.9 Occupational health and safety	3, 8 and 16	high	high	HSE and MAP Policies are at the basis of how we strive to work; unfortunately, in 2022 we reported five (5) recordable injuries. Occupational Hygiene process in place to prevent and mitigate occupational risks H&WB process in place to prevent and mitigated (mental) health risks	↓
Topic 11.10 Employment practices	4, 5, 8 and 10	medium	high	PEPN is in compliance with all the local employment legislation requirements; as part of the Contractor's Management system tools are in place to ensure workers are treated fairly and they work in safe environments. Continuous improvement activities are in place to look for opportunity to extend our due diligence further in the value chain. PEPN depends on the availability of a competent workforce in a very challenging market. Closure of P/Q assets is leading to reallocation of internal and external resources	=
Topic 11.11 Non-discrimination and equal opportunity	4, 5, 8 and 10	medium	high	The PEPN workers population is historically gender skewed (in line with upstream oil and gas business) and predominantly male with a median age of 45 years. A D&I policy is in place, there are no barriers on recruiting persons of different genders, nationalities (12 different nationalities are represented) or religion (prayer room(s) available), however, no specific target have been set, yet.	=
Topic 11.12 Forced labour and modern slavery	8 and 16	low	low	PEPN has a human rights, forced labour & modern-day slavery and child labour policy; considering the strict set of legislation in the Netherlands and our value chain, this is not a material risk for PEPN	=
Topic 11.13 Freedom of association and collective bargaining	8 and 16	low	low	Personnel in PEPN is free to associated and participate to trade unions; at the end of 2022 there is no action union at PEPN. An active Work Council is present. This is considered to be low materiality given the current level of processes in place in the Netherlands with respect to labour protection and enhancement	=
Topic 11.14 Economic impacts	5, 8	medium	high	PEPN contributes to the local economy in terms of employment of local personnel, supplying domestic gas, maximising the local supply chain (~95% of Vendors are Dutch or EU) and by paying our dues	=
Topic 11.15 Local communities	3, 5 and 16	low	high	PEPN interaction with local community is limited its workers (see Topic 11.10) and to give back in terms of financial contribution to local charities or providing resources for volunteering in the same community.	=
Topic 11.16 Land and resource rights	16	low	medium	PEPN does not operate onshore; PEPN Office and Supply Base are rented and integral part of already established infrastructure, which is used by others	=
Topic 11.17 Rights of indigenous peoples	16	low	low	PEPN does not operates in any location where there is any interaction with indigenous peoples	=
Topic 11.18 Conflict and security	16	low	high	We operate offshore far away from any particular security threat; however, in light of the Ukrainian War and the international challenges, the risk profile is increasing as highlighted by our Partners. Petrogas, as part of ElementNL is working to establish a common framework to enhance the resilience of the Dutch energy supply chain	=
Topic 11.19 Anti-competitive behaviour	16	medium	medium	As a reputable actor in the community, PEPN focuses on adopting a high level of integrity and transparency, when dealing with our Value Chain (Vendors, Suppliers, Customer), Governmental Agencies & Ministries. We openly participate and contribute to ElementNL working with our stakeholders to make sure we continue to provide more sustainable sources of energy products to the local community	=
Topic 11.20 Anti-corruption	12 and 16	medium	medium	See Topic 11.19	=
Topic 11.21 Payments to governments	16	medium	medium	See Topic 11.19	=
Topic 11.22 Public policy	16, 17	medium	medium	See Topic 11.19	=

Appendix E • Data Summary

Category	Indicator	2020	2021	2022	Change 21-22	Notes
Safety	Working hours staff (h)	231,126	233,590	198,913	-15%	
Safety	Working hours contractors (h)	175,216	260,408	263,720	1%	
Safety	Fatalities staff (#)	0	0	0	-	
Safety	Fatalities contractors (#)	0	0	0	-	
Safety	LTI staff (#)	0	0	0	-	In PEPN we prefer to call this Serious Injury, since the impact is
Safety	LTI contractors (#)	1	0	2	-	on people, more than efficiency (time loss)
Safety	Total LTIF (-)	2.46	0	4.32	-	
Safety	TRC staff (#)	0	0	0	-	
Safety	TRC contractors (#)	2	2	5	250%	
Safety	Total TRCF (-)	4.92	4.05	10.82	167%	
Safety	MVI staff (#)	0	0	0	-	
Safety	MVI contractors (#)	0	0	0	-	
Safety	First Aid Cases (#)	3	5	5	-	
Safety	Non-work related events (#)	14	13	28	115%	Increase due to COVID cases
Safety	PSE Tier 1 (#)	0	0	0	-	
Safety	PSE Tier 2 (#)	0	1	0	-100%	
Safety	Spills (#)	0	4	0	-100%	All mentioned events were minor in size
Safety	Spills (size, m^3)	0	0,1	0	-100%	size of spills estimated
Safety	Gas releases (#)	1	1	0	-100%	All mentioned events were minor in size
Safety	Gas releases (size, m^3)	< 1	< 1	0	-100%	gas release estimated
Safety	Marine Incidents (#)	1	1	3	200%	Events without direct or indirect HSE consequence
Safety	Aviation Incidents (#)	2	0	5	500%	Events without direct or indirect HSE consequence
Safety	Near Misses (#)	27	22	37	68%	
Safety	Level 1 investigations completed (%)	97%	100%	97%	-3%	Level 1 investigations are for events with negligible or minor actual and / or potential consequences
Safety	Level 2 investigations completed (%)	90%	70%	100%	43%	Level 2 investigations are for events with moderate actual and / or potential consequences
Safety	Level 3 investigation completed (%)	100%	100%	100%	0%	Level 3 investigations are for events with severe actual and / or potential consequences
Safety	Improvement actions after investigations (#)	75	22	53	141%	
Safety	Safety Observations (#)	142	297	285	-4%	Safety observations include SMART, Hazards Hunt and Life Saving Rules
Safety	Self Verifications (#)	233	247	270	9%	Self verifications are executed on Permit to Work and Isolations procedures
Safety	HSE Trainings (d)	59	311	148	-52%	Metric does not include online trainings
Safety	Gross HSE Trainings expenditures (M€)	35.27	186.44	79.95	-57%	Metric does not include online trainings
Safety	Audits (#)	8	7	5	-29%	HSE Audits including external and internal
Safety	Leadership Engagements (#)	65	92	106	15%	
Safety	Contractors Engagements' Sessions (#)	3	1	3	200%	A/B Block shutdown KOM, Haven & Hoorn PAWOP
Safety	Contractors Audits (#)	3	3	10	233%	HSE audits only
Safety	EM Drills (%)	86%	104%	98%	-6%	
Safety	Fines related to incidents/accidents (#)	0	0	1	-	
Safety	Fines related to incidents/accidents (€)	0	0	10,800	n.a.	Fine related to the Hoorn accident; gross amount paid in January 2023
Safety	Supply vessels charter time (d)	n.a.	335	311	-7%	
Safety	Inbound and outbound offshore lifts (#)	n.a.	4,600	5,354	16%	
Safety	Helicopter flights (h)	n.a.	1,102	1,752	59%	

Notes: *(x) defines the dimension of the metric used*
n.a. metric not available or not measured yet
"-" percentage changes when previous year's metric is zero are not evaluted

Category	Indicator	2020	2021	2022	Change 21-22	Notes
Environment	Gross CO_2 Scope 1 emissions (tons)	98,067	94,746	69,889	-26%	
Environment	Net CO_2 Scope 1 emissions (tons)	54,062	46,200	28,122	-39%	
Environment	Gross CO_2eq Scope 1 emissions (tons)	111,297	100,823	74,389	-26%	
Environment	Net CO_2eq Scope 1 emissions (tons)	66,064	50,401	31,185	-38%	
Environment	Gross CO_2eq Scope 2 emissions (tons)	173	228	255	12%	Supply Base (moving to Beverwijk) monitored as of 2021
Environment	Gross CO_2eq Scope 3 emissions (tons)	2,102,602	2,286,920	2,013,626	-12%	Cat 1, 4, 6, 7 and 11 (major contributor) as per GHG Protocol ***[12]***
Environment	Gross GHG Intensity (tons/BOE)	0.017	0.014	0.012	-14%	
Environment	Net GHG Intensity (tons/BOE)	0.025	0.019	0.014	-26%	
Environment	Gross CH_4 emissions (tons)	502	191	147	-23%	
Environment	Net CH_4 emissions (tons)	395	131	101	-23%	
Environment	Methane intensity (tons/BOE)	0.023	0.012	0.01	-11%	Taking into account only A/B blocks
Environment	Flaring (MMm^3)	0.37	0.44	0	-100%	
Environment	Fuel consumption (MMm^3)	46.25	45.13	34.49	-24%	Gas used to power installations
Environment	Diesel consumption (m^3)	1515	1176	679	-42%	
Environment	NOx emissions (tons)	76.41	71.36	33.02	-54%	P&A activities in 2022 have not bee taken into account
Environment	N2O emissions (tons)	196	183	138	-25%	N2O is derivative from emissions factors
Environment	Refrigerants (kg)	236	344	59	-83%	Refrigerants are evaluated based on cooling fluid replacements
Environment	VOC emissions (tons)	14.65	11.15	3.92	-65%	Methane is excluded from this account
Environment	CO emissions (tons)	n.a.	n.a.	n.a.	-	To be further evaluated
Environment	SO2 emissions (tons)	5.39	5.79	2.59	-55%	
Environment	Gross Energy (TJ)	1,741	1,672	1,253	-25%	
Environment	Net Energy (TJ)	927	807	491	-39%	
Environment	Gross Energy Intensity (GJ/BOE)	0,26	0,23	0,2	-13%	
Environment	Net Energy Intensity (GJ/BOE)	0,356	0,303	0,226	-25%	
Environment	Renewable energy (MWh)	n.a.	n.a.	n.a.	-	Data from the solar panels installed in 2021 and 2022 not available
Environment	Waste Hazardous (tons)	25,69	29.96	45.5	52%	Increase due to Decommissioning activities
Environment	NORM Waste (tons)	4.08	199.73	380.13	90%	Increase due to Decommissioning activities
Environment	Waste Non-hazardous (tons)	54.85	69.97	68.8	-2%	Increase due to Decommissioning activities
Environment	Water usage (m^3)	n.a.	n.a.	n.a.	-	Metric not measured, yet
Environment	Water discharged (MMm^3)	4.6	2.57	0.82	-68%	P/Q contributed to 99.49% of all discharged water
Environment	Water re-injected (MMm^3)	3	2.12	0.37	-83%	Helder contributed to 100% of the injected water
Environment	Dispersed oil (tons)	42.09	16.5	4.67	-72%	P/Q contributed to 99.96% of all discharged water
Environment	BTEX discharge (tons)	3.02	1.33	0.57	-57%	P/Q contributed to 99.95% of all discharged water
Environment	Benzene discharge (tons)	1.98	0.89	0.34	-62%	P/Q contributed to 99.98% of all discharged water
Environment	Category A, B chemicals used / discharged (kg)	0	0	0	-	Categories defined as per CEFAS/ OCNS
Environment	Category C, D chemicals used / discharged (kg)	1,757	4,492	2,720	-39%	Categories defined as per CEFAS/ OCNS
Environment	Fines related to environmental releases (#)	0	0	0	-	
Environment	Fines related to environmental releases ($)	0	0	0	-	
Social	Social initiatives (€)	-	68,000	78,617	16%	Charity money collected, excluding initiatives like food banks and other small donations
Social	Staff employees - male (#)	99	90	91	1%	
Social	Staff employees - female (#)	21	21	22	5%	
Social	Staff gender ratio m/f (%)	83%	81%	81%	-1%	
Social	Special Recognition Awards (#)	n.a.	60	164	173%	Metric includes Staff and Contractors; not delivered in 2020 due to COVID-19

Notes:
(x) defines the dimension of the metric used
n.a. metric not available or not measured, yet
"-" percentage changes when previous year's metric is zero are not evaluted

Category	Indicator	2020	2021	2022	Change 21-22	Notes
Social	Average staff pay (€, gross)	8,074	8,247	8,057	-2%	
Social	New hires (#, m)	5	6	10	67%	
Social	New hires (#, f)	4	2	8	300%	
Social	New hires from local area - Netherlands (#)	7	7	13	86%	
Social	Turnover (#)	n.a.	n.a.	11.37%	-	Metric not measured before
Social	Age distribution < 30y (%)	5%	5%	4%	-23%	This figure does not include contractors
Social	Age distribution 30-45y (%)	34%	34%	35%	4%	This figure does not include contractors
Social	Age distribution > 45y (%)	61%	61%	61%	-1%	This figure does not include contractors
Social	Nationality distribution - Dutch (%)	86%	84%	83%	-2%	This figure does not include contractors
Social	Other nationalities (#)	10	10	12	20%	This figure does not include contractors
Social	Absenteeism	7.90%	6.00%	5.96%	-1%	This figure does not include contractors
Social	Grievances (#)	2	0	5	-	
Social	Incidents of discrimination (#, open)	0	0	0	-	
Social	Incidents of discrimination (#, closed)	0	0	0	-	
Social	Whistleblower reports	0	0	0	-	
Finance	Production (BOED, gross)	18,685	20,163	16,814	-17%	
Finance	Production (BOED, net)	7,270	7,499	5,962	-20%	
Finance	Revenue (M€, net)	49,890	137,624	328,584	139%	
Finance	Revenue (€/BOE, net)	18.55	49.77	148.59	199%	
Finance	Production efficiency (%)	93%	90%	87%	-3%	
Finance	Net reserves 2P (MMBOE)	1,8	0,6	2,3	283%	
Finance	Operating cashflow (M€, net)	15,213	72,645	183,170	152%	
Finance	Cashflow margin (%, net)	30%	53%	56%	6%	
Finance	EBITDA(x) (M€)	4,846	91,217	263,131	188%	
Finance	Debt (M€, net)	20,552	22,283	17,295	-22%	
Finance	OPEX (M€, net)	45,433	46,777	65,878	41%	
Finance	OPEX per barrel (€/BOE)	16.9	16.9	29.8	76%	
Finance	CAPEX (M€, net)	8,888	11,568	9,087	-21%	
Finance	ABEX (M€, net)	141	10,554	38,878	268%	
Finance	Concessions Rentals (M€, net)	386.31	418.8	354	-15%	
Finance	Retributions (M€, net)	70	12.31	79.54	546%	
Governance	Male member of Board of Directors (%)	100%	100%	100%	-	
Governance	Female member of Board of Directors (%)	0%	0%	0%	-	
Governance	Board members nationalities (#)	3	3	3	-	
Governance	ESG (Business Ethics) Training compliance (%)	95%	95%	n.a.	-	Training module revised in 2022 and re-launched in 2023
Governance	Conflict of Interest policy sign-in (%)	95%	95%	85%	-11%	
Governance	Payments to Gov (M€)	5,679	12,334	71,249	478%	Income taxes paid in The Netherlands include income taxes calculated on results, which are attributed to a larger fiscal unity (tax group). The income taxes calculated for the Company are deemed to have been paid by the head of the fiscal unity. Losses of other entities within the fiscal unity are settled with taxable profits of the Company, as a result an adjusted actual income tax is paid to the government by the head of the fiscal unity
Governance	Lobbying expenditures (M€)	0	0	0	-	
Governance	Salary ratio General Manager / avg employee	3.63	3.06	3.14	3%	
Governance	Incidents of non-compliance (#)	0	0	0	-	
Governance	Partners meetings (#)	38	39	39	0%	Sum of Technical Committee Meetings and Operating Committee Meetings

Notes: *(x) defines the dimension of the metric used*
n.a. metric not available or not measured, yet
"-" percentage changes when previous year's metric is zero are not evaluted


TO LIFE BOAT

Colophon:

This report has been written, reviewed and approved by PEPN Personnel

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PETROGAS