Sustainability Report 2023

Our Transition process

From the removal of our legacy oil facilities to the installation of low impact Natural Gas production

النفط والغاز
PETROGAS

ABOUT THIS REPORT

This release of the Petrogas E&P Netherlands B.V. (PEPN) Sustainability Report provides the 2023 (annual) update of the Company's journey in the Environmental Social Governance (ESG) 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 European Sustainability Reporting Standards (ESRS) [2] and the GRI 11: Oil and Gas Sector standard [3]; although following the GRI disclosures, this report is not in accordance with the GRI Standards, yet.

The document has been reviewed and approved by the PEPN Societal and Ethics Committee and the Board of Directors.

The report is issued in October 2024. For more information regarding this report, its content and figures, refer to this contact: info@petrogasep.com.

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USAMA AL BARWANI
Managing Director
Petrogas E&P Group
Vice Chairman MB LLC

As Company Executive, Vice Chairman of MB LLC and Shareholder, adapting to change is essential to be ready to face any challenge and opportunity. Learning from Petrogas E&P Netherlands (PEPN) successful ESG journey, we have set the whole Petrogas E&P Group towards the same ESG and Sustainability Journey initiated by PEPN in 2020. While I am personally moving towards new responsibilities as Vice Chairman of the Group, I will continue to follow and sustain all the PEPN efforts into the energy transition, supporting the delivery of natural gas to the local community with an increasingly lower impact to the environment, while being through and through to our Company Core Values.

When Petrogas E&P acquired the legacy Dutch assets from the previous owner back in 2014, we knew there was potential for further growth and continue to deliver energy products to the local community in an efficient and effective way.

The year 2023 has seen a tremendous effort from all the PEPN workers, the Shareholders and our Partners in the value chain: we successfully installed two new low-impact gas facilities, the A15 and B10 platforms, and we removed our legacy oil facilities, Haven and Hoorn. The upcoming CSRD (Corporate Sustainability Reporting Directive), the Methane Emissions Reduction Directive, the CSDDD (Corporate Sustainability Due Diligence Directive) and other regulations, like Pillar II, will create additional strain to the organization. Petrogas fully appreciates the positive significance of the above directives and regulations and I believe, the Company is well positioned to rise-up to those challenges, showcasing our commitment to deliver energy with a lower carbon footprint.

In this 2023 Sustainability Report you will see another stepping stone in the Petrogas E&P ESG Journey.

KINGSUK SEN
Chief Executive Officer
Petrogas E&P Group

OUR Journey Expands

During 2023, Petrogas E&P has added new pieces to the ESG puzzle; while in PEPN, we have added resources to be ready for the forthcoming CSRD. At Corporate level, we have leveraged the PEPN ESG experience to build up a more encompassing sustainability strategy in line with the Company Vision and Mission.

OUR Operations

As part of PEPN's license to operate and the obligations towards the local law and communities, in 2023, together with our contracted partners, we have successfully removed the legacy Haven and Hoorn oil platforms. This is part of the overall P/Q fields assets decommissioning project, which should be completed in 2024 with the removal of the Helm, Helder and Horizon platforms.

To sustain our commitment to provide gas with a low carbon footprint to the local market, in May 2023, we installed the A15 and B10 gas platforms. These new facilities will have no direct emissions to the environment and very limited indirect ones. The connecting pipelines and umbilicals were installed during the summer and the first A15 well was completed in December. First gas from A15 was delivered in February 2024 and from B10 in July 2024.

In parallel, we continued to look for new infill opportunities in the A/B areas and we drafted and submitted the required permits requests for drilling new sands. We further progressed the B16 field development and other small fields opportunities, which may come to fruition during the next years.

In August 2023, we further progressed with our Carbon Transport and Storage (CTS) opportunity, by leveraging our expertise in the Q1 fields reservoirs and allocating significant resources for its development. As Petrogas E&P, we believe we are in a good position to contribute to this strategic effort to sequestrate and store those carbon emissions, which cannot be avoided.

OUR Commitment

As I personally step up to a different role in Petrogas E&P, I am leaving a company with a strong sense and direction towards sustainable production of hydrocarbons, which, I am convinced, are still required to allow the energy transition. I am positive that Ahmed al Kharusi, the appointed General Manager for PEPN, who will step into the role in 2024, will continue the ESG journey with the same enthusiasm and new energy and ideas.

Sincerely,

NICK DANCER

Petrogas E&P Chief Operating Officer

RICK KOELEMAN
PEPN Deputy General Manager, Manager Accounting and Finance and ESG Champion

CSRD Implementation: Achieving Milestones through Teamwork and Innovation

As we progress towards 2025 reporting compliance under the CSRD, our project team has shown remarkable dedication and teamwork. The implementation of the ESRS is a complex task, but our cohesive efforts and strategic planning have positioned us well on this journey.

> *By working together, sharing insights, and supporting each other, we have navigated challenges and celebrated milestones.*

Double Materiality: A Key Focus

Central to our CSRD implementation strategy is the concept of double materiality, which requires us to consider both the impact of sustainability issues on our financial performance and the effect our operations have on the environment and society. This dual perspective ensures that our sustainability reporting is comprehensive and aligns with stakeholder expectations.

Steady Progress and 2023 Draft Report Goal

While this report focus on 2023 performances, our ESG team has made significant strides towards our goal of delivering a draft 2023 CSRD report by 2024. Regular progress meetings and effective project management have enabled us to stay on track. Each team member's commitment to their roles has been instrumental in advancing our work, and we are confident in meeting our ambitious targets.

Implementing an Enterprise Performance Management (EPM) Tool

To streamline our ESG reporting processes, we are in the final stages of implementing a robust EPM tool. This tool will enhance our data collection, analysis, and reporting capabilities, ensuring accuracy and efficiency. The EPM tool will be pivotal in handling the increased volume and complexity of data required for CSRD compliance.

Teamwork: The Foundation of Our Success

The progress we have made, from the first Sustainability Report in 2021 to this report and to the upcoming full implementation of CSRD into our Business, is a testament to the good work and steady progress of our team. By working together, sharing insights, and supporting each other, we have navigated challenges and celebrated milestones. Our collaborative spirit and dedication have not only driven our current success but also laid a strong foundation for future achievements.

As we look towards 2025, our focus remains on maintaining this momentum. With a clear roadmap, the right tools, and a dedicated team, we are well-prepared to meet the upcoming reporting requirements and continue our journey towards sustainability reporting excellence.

PEPN Operated Assets and Production Overview

A12 CENTRAL PROCESSING PLATFORM
Gas Field
Manned Facility
Max POB 22

PRODUCING WELLS: **6**
GROSS PRODUCTION: **5,199 BOED**

16" 10 km pipeline to NOGAT Extension

B10A
Gas Field
Normally Unattended Facility

DEVELOPMENT WELLS: **3**
UNDER CONSTRUCTION

16" 26 km pipeline

8" 6.7 km pipeline

50 m 8" spool

12" 32 km pipeline

A15
Gas Field
Normally Unattended Facility

A18A
Gas Field
Normally Unattended Facility
Max POB 8

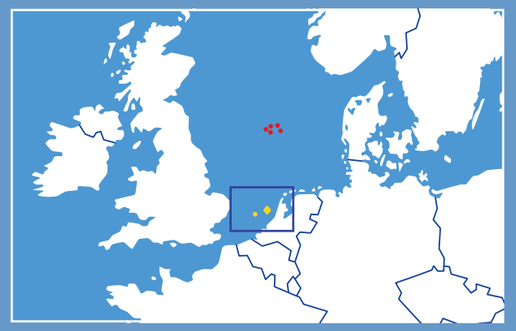
DEVELOPMENT WELLS: **3**
UNDER CONSTRUCTION

PRODUCING WELLS: **5**
GROSS PRODUCTION: **5,857 BOED**

PRODUCING WELLS: **3**
GROSS PRODUCTION: **2,007 BOED**

B13A
Gas Field
Normally Unattended Facility
Max POB: 8

PEPN Operated Assets and Production / Decommissioning Overview



Q1 HELDER
Lighthouse Mode
Unmanned Facility

8" ~6 km pipeline[1]

10" ~3.5 km pipeline

P9 HORIZON
Lighthouse Mode
Unmanned Facility

10" ~47.5 km pipeline[1]

20" ~6 km pipeline[1]

Q1 HELM
Lighthouse Mode
Unmanned Facility

20" ~58 km pipeline to Ijmuiden[2]

20" ~21 km onshore pipeline to EVOS Amsterdam[2]

[1] Pipeline Decommissioned

[2] Pipeline cleaned and idle

1.

ESG, Sustained Commitment

ESG continues to be a good opportunity for us to demonstrate to our stakeholders the value we bring to the community, producing the needed energy resources, while minimising the impact to the health and safety of the people that work for us, minimising our footprint to the environment and investing in the network of reliable and committed suppliers.

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 minimising the impact on the environment and, if possible, utilised for the energy transition or recycled 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 Greenhouse Gases (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)

1.1 Materiality Assessment

1.1.1 Context of the Organisation

The commodity prices in 2023 remained volatile due to the geo-political tensions around the world, the tight supply chain and the global economic conditions. Although the inflation is expected to ease down, the effect of raw materials price increase is still seen in the capital expenditure and operational expenditures, which, coupled with the effect of the 2022 Windfall tax and additional State levies, may create cashflow issues. Further, the introduction of Carbon Border Adjustment Mechanism and the upcoming Methane Emissions Reduction Directive are creating additional challenges to the Oil and Gas industry. The uncertainty generated by the local Dutch and the EU election in 2024 are adding to a context, which is still highly volatile.

Our operational context remained stable: we continued with the gas production in the A/B blocks of the Dutch Continental Shelf (DCS) and with the decommissioning of the legacy oil platforms and pipelines in the P/Q blocks. We installed two new very low emissions gas platforms in the A15a and B10 blocks, including pipelines, umbilicals and the necessary brownfield work on the A12-CPP; we completed the Plug and Abandonment (P&A) of the P9 Horizon Platform's wells, including the P&A of four legacy exploration wells within the NexStep initiative; we completed the transfer to "Lighthouse Mode" of the Q1 Helder, Q1 Hoorn and P9 Horizon platforms; finally, we successfully removed the Q1 Haven and Q1 Hoorn platforms and sent them to shore for proper disposal.

PEPN offshore operations are supported by onshore personnel located in Rijswijk and our Supply Base operations at BUKO in Beverwijk. PEPN offshore personnel from the retired assets have been transferred to the A/B blocks facilities and retained; a decrease of employment of temporary workers is, however, expected in the short-time. PEPN continues investing by performing exploration activities and actively looking at the Carbon Transport and Storage opportunity. An increasing number of personnel is required to support activities from onshore to respond to the additional exploration activities, capital projects and the reporting requirements from the EU and Dutch authorities. Generally, employment and supply chain continue to be challenging; historical service providers are slowly, but surely, abandoning the EU relocating somewhere close (e.g. UK) or far away (e.g. Singapore or US), creating equipment and personnel shortage industry-wide.

PEPN develops and operates gas fields in joint operations with other oil and gas (O&G) 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 ElementNL, the O&G Upstream producers trade organisation, which supports common Health, Safety, Environmental (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.

1.1.2 Double Materiality Assessment

Following the official release of ESRS in July 2023, we have updated our Materiality Assessment into a Double Materiality Assessment; first, the materialities used in 2022 have been remapped, following the structure of the general ESRS and the GRI 11 Oil and Gas Sector Standard to make the assessment more robust and complete. Second, once the material topics have been selected, internal and external stakeholders were identified, engagement sessions were held and surveys were submitted to gather the input; the responders were interviewed to better understand their questionnaires' answers and recalibrate the analysis, when required.

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 (labour laws, health and safety laws, environmental protection laws, general governance and transparency requirements).

The results of the assessment are shown in *figure 1*; it is important to notice that this new Double Materiality Assessment is slightly different than the Materiality Assessment executed in 2022, therefore, the changes in material topic labels and prioritisation is described in ***Appendix D***.

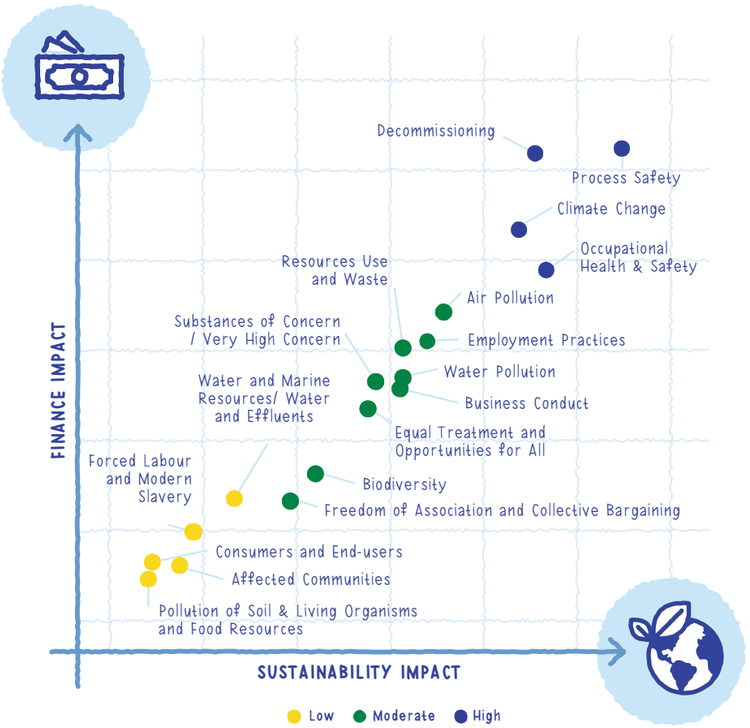
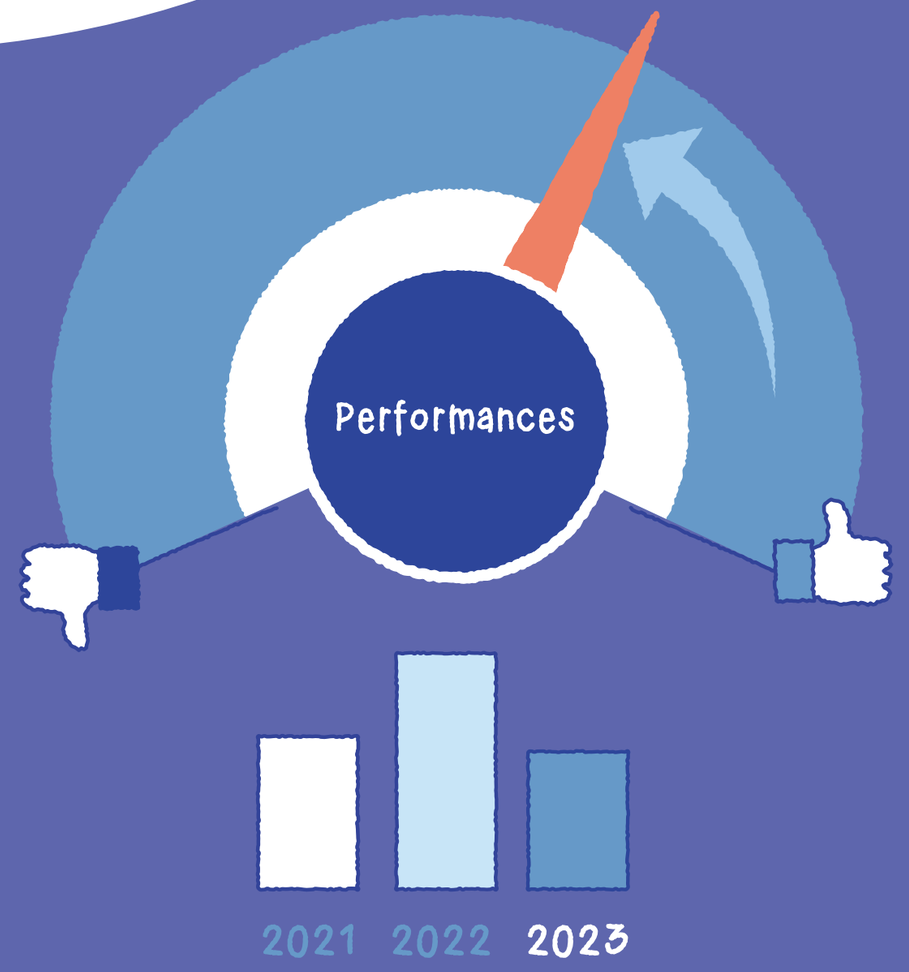


Figure 1 – Double Materiality

Further, since this is a transitional report, not all the disclosures required by both the ESRS and GRI standards are available, yet. The PEPN plan is to be ready for CSRD by the end of 2024, collect data from the workstreams in 2025 in accordance with the ESRS, update the Double Materiality and finally report the material disclosures in the "(Financial) Annual Report 2025" and "Sustainability Report 2025" in 2026.

2.

Performances, at Glance



When looking at the HSE performances, 2023 was a better year, when compared to 2022: we had fewer incidents and accidents and our emissions reduction trend was sustained. Given the significant amount of work executed both onshore and offshore (we saw an increase of around 49% in working hours, taking into account only those activities under our direct supervision), that was an outstanding result, which we will have to continue to repeat in 2024 where a similar workload is expected. Financially, we dealt with a steep increase in prices of goods and services, while the "realised" gas prices slowly, but surely, decreased around 78% with respect to the average 2022 TTF price; additional details are also available through the following sections of this Sustainability Report and in the statutory PEPN Annual Report 2023.

HSE Indicators

Lost Time Injury Frequency*

2023	0
2022	4.32
2021	0

Total recordable Cases Frequency**

2023	2.90
2022	10.82
2021	4.05

Gross GHG intensity (ton co_2eq / BOE)***

2023	0.012
2022	0.012
2021	0.014

Net GHG intensity (ton co_2eq / BOE)***

2023	0.013
2022	0.014
2021	0.018

Gross energy intensity (GJ / BOE)

2023	0.22
2022	0.20
2021	0.23

Net energy intensity (GJ / BOE)

2023	0.22
2022	0.23
2021	0.30

Gross CH_4 emissions (ton)

2023	50
2022	147
2021	191

Net CH_4 emissions (ton)

2023	17
2022	101
2021	131

Gross co_2 emissions (ton)***

2023	57,415
2022	69,899
2021	90,860

Net co_2 emissions (ton)***

2023	20,040
2022	28,122
2021	44,499

Gross co_2eq emissions (ton)***

2023	58,415
2022	74,369
2021	96,859

Net co_2eq emissions (ton)***

2023	20,559
2022	31,185
2021	48,671

Gross NO_x emissions (ton)

2023	14.20
2022	33.02
2021	71.36

Net NO_x emissions (ton)

2023	5.76
2022	21.13
2021	59.12

Production Indicators

Net production (mboe)

2023	1,627
2022	2,176
2021	2,737

Production efficiency (%)

2023	88%
2022	87%
2021	90%

Net reserves ADDITION 2p (mmboe)

2023	1.5
2022	2.3
2021	0.6

* Number of Severe Injuries / Lost Time Injuries * 1,000,000 / Working hours
** Number of Recordable Injuries * 1,000,000 / Working hours
*** Scope 1 Emissions; past values adjusted (see Section 5)

Financial Indicators

Net revenues (€1M)

2023	153,894
2022	328,584
2021	137,624

Net revenues (€/BOE)

2023	93.12
2022	148.58
2021	49.77

Net Operating cashflow (€1M)

2023	111,213
2022	183,170
2021	72,645

Net cashflow margin (%)

2023	72%
2022	56%
2021	53%

Net EBITDA(x) (€1M)

2023	107,895
2022	263,131
2021	91,217

Net debt (€1M)

2023	11,684
2022	17,295
2021	22,283

Net debt to EBITDA*

2023	-1.10
2022	-0.30
2021	-0.40

Net OPEX (€1M)

2023	46,206
2022	65,878
2021	46,777

Net OPEX per barrel (€/BOE)

2023	28.0
2022	29.8
2021	16.9

Net CAPEX (€1M)

2023	27,415
2022	9,087
2021	11,568

Net ABEX (€1M)

2023	33,671
2022	38,878
2021	10,554

Net Concession rentals (€1M)

2023	297
2022	354
2021	419

Net retributions (€1M)

2023	70
2022	80
2021	12

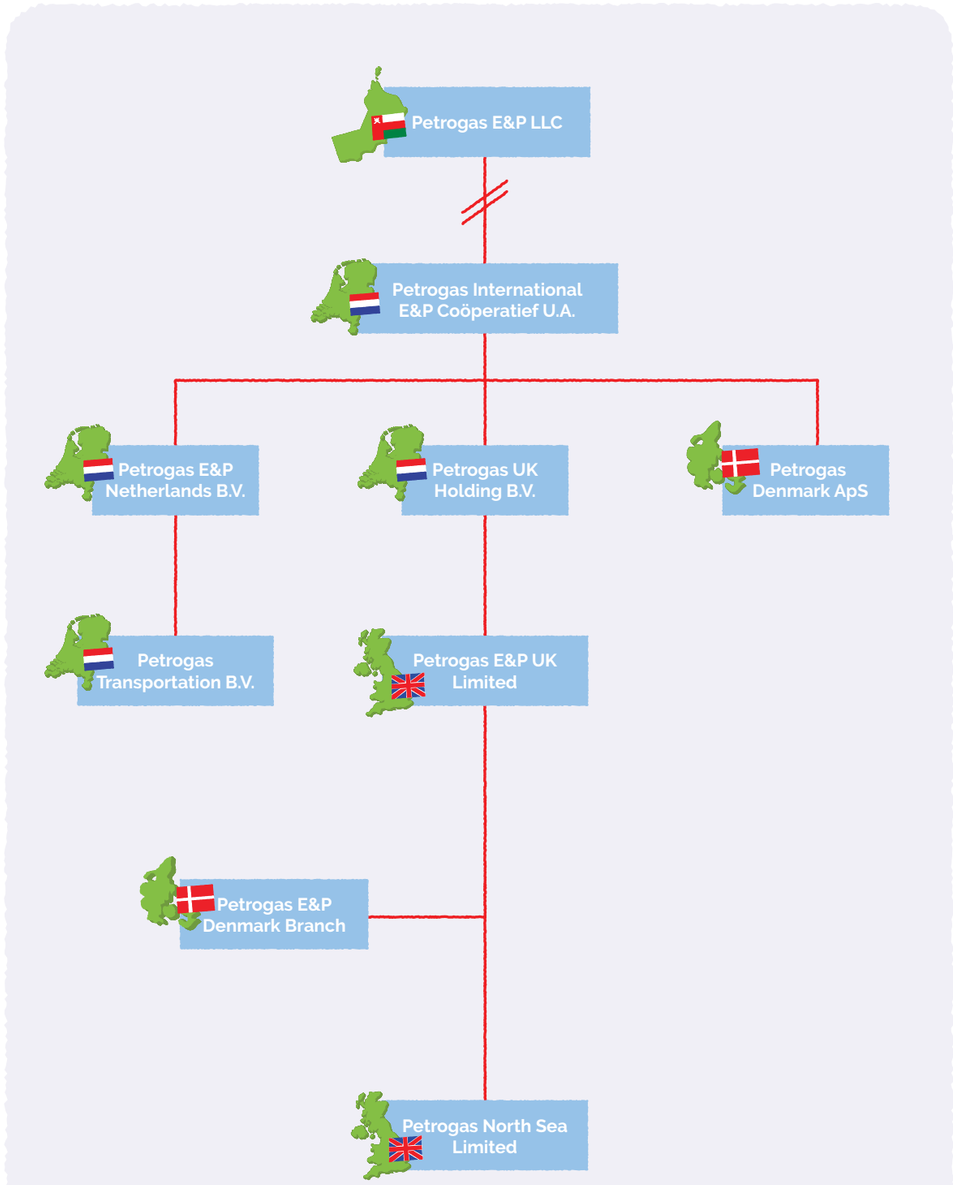
* Net debt below zero

3.
Governance and Business Ethics

3.1 Governance Approach

3.1.1 PEPN Ownership Structure

The PEPN onshore office location is at Laan van Zuid Hoorn 14, in Rijswijk, The Netherlands; material logistics are managed from the PEPN Supply Base, located at the BUKO Bedrijvenpark 2 in Beverwijk, while the offshore production installations are located in the A/B blocks of the Dutch Continental Shelf. 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 its turn is a subsidiary of Petrogas E&P LLC (PGEP) which is the Corporate Office located in Muscat, Oman.



PGEP ultimate parent is the Mohammed al Barwani LLC (MB LLC), which is a family-owned business controlled by the Chairman Mohammed Al Barwani; in the MB LLC board, also sits, as Vice-Chairman, Usama al Barwani, the Managing Director of PGEP.

Mohammed al Barwani

3.1.2 PEPN Board of Directors

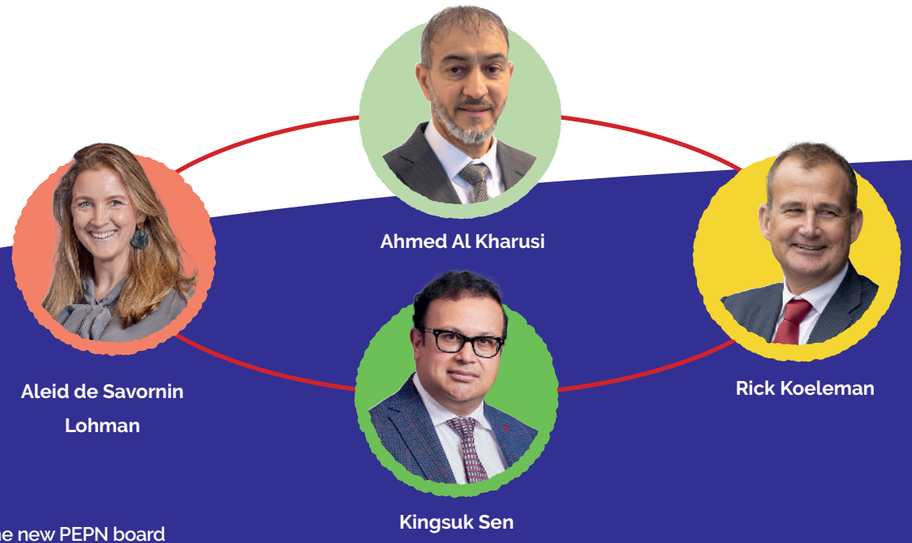
The purpose of the PEPN Board of Directors is to direct and control the company's business, overseeing strategic and operational decisions, ensuring that the company meets its statutory obligations and that the company achieves its mission and objectives.

At the end of 2023, the PEPN board of directors was in "transition" due to organisational changes within the whole MB LLC:

- Mr. Usama al Barwani, stepped down as PGEP CEO and became the PGEP Vice Chairman and Managing Director;
- Mr. Kingsuk Sen became the CEO of the Petrogas Group of Companies;
- Mr. Nick Dancer stepped down as PEPN General Manager and became PGEP COO;
- Mr. Rick Koeleman became PEPN Deputy General Manager (DGM).

Mr. Sen and Mr. Koeleman will continue to be part of the PEPN board and the vacant roles will be filled-in in 2024 by Ms. Aleid de Savorinin Lohman, PEPN General Counsel, and Mr. Ahmed al Kharusi, Appointed PEPN General Manager. The new board will be composed by members who have significant international experience in the business and were selected for their strategic competencies and stakeholders' management capabilities; two different nationalities and genders will be represented in the new PEPN board in 2024.

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, while the Deputy General Manager, Manager Accounting & Finance, has been assigned with the tactical responsibility with regard to ESG aspects.



The new PEPN board

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

The Societal and Ethics Committee (SEC), established in 2020, continues to provide the right level of governance with respect to 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 2023, the SEC is composed of the Petrogas CEO, as SEC Chairman, the PEPN General Manager, the General Counsel, the Work Council Chairman, the Connect Team Chair, The DGM/Manager A&F as ESG Champion and the HSEQ Manager, as SEC Secretary.

3.1.4 ESG Steering Committee

To respond to the CSRD implementation challenges, an ESG Steering Committee was formed in 2023 to provide strategic direction to the ESG Team (*see section 4 below*) tasked with the responsibility to review and update the PEPN Business Excellence Management System (BEMS) against the ESRS.

3.1.5 ESG Team

An ESG Team was established in 2023 to prepare PEPN towards the upcoming CSRD implementation. The team comprised a multidisciplinary group of specialists coming from the A&F, the HSEQ, the HR and the SCM departments and supported by external sustainability specialists. A feedback about the success and the challenges of the CSRD implementation from the ESG Team is presented in *Section 4*.

3.1.6 Business Excellence Leadership Team

The PEPN Business Excellence Leadership Team (BELT) is providing the governance to the PEPN 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 the BEMS within the organisation and its activities; the BELT is composed by selected members of the PEPN Management Team (MT), as depicted below:

Ahmed al Kharusi	**Rick Koeleman**	**Bart Smits**	**Emanuele Gemelli**	**Rien Lemsom**
Appointed General Manager	*DGM, Manager A&F*	*Operations Manager*	*HSEQ Manager*	*IT Manager*

The BELT meets every quarters and the main items of interest are further shared with the rest of the PEPN MT.

3.1.7 PEPN Management Team

The PEPN MT meets on a weekly basis to discuss the general day to day business to ensure the company fulfils the Petrogas Vision and 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.

Going into 2024, the MT is composed by 12 members, 10 men and 2 women;
4 different nationalities are represented:

Ahmed al Kharusi
Appointed General Manager

Rick Koeleman
DGM / Manager A&F

Bart Smits
Operations Manager

Emanuele Gemelli
HSEQ Manager

Rien Lemsom
IT Manager

Herman van Driel
Planning & Commercial Manager

André van der Drift
SCM Manager

Alan Shand
Projects Manager

Aleid de Savornin Lohman
General Counsel

Ard Ehlhardt
Subsurface Manager

Tanja van der Pols-de Meza
HR Manager

Marcel van der Meer
Drilling Manager

3.1.8 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).

A word from one of our Partners

RockRose is fully committed to implement ESG aspects into our company's way of working and, as a Partner in the A/B Fields, we are extremely positive about the ESG journey that PEPN has started and is sustaining. As a Company, with multiple interests in the Netherlands, we are very much looking forward to elevating the conversation on ESG at strategic level and exchanging ESG data more frequently to improve the reliability of our own disclosures for the benefit of our shareholders, our partners, like PEPN, and the society at large.

Giles Clifton & Alan Drake

3.2 Management System

PEPN BEMS is a solid integrated management system built upon the ISO "high level structure" and certified according to the ISO 14001:2015 and ISO 45001:2018 since 2016; the implementation of the EU CSRD and its ESRS required us to look in depth and see where we had systems already in place or where we had gaps. A plan to close the gaps has been prepared and it is under execution to allow the company to be ready for reporting against CSRD requirements in 2026. Further, in the meantime, we have designed and launched BEMS related online trainings to improve personnel awareness about management system requirements, including Business Ethics aspects.

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 (BROA) Register 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. There is a plan in place to align the BROA with the "Impact, Risks and Opportunities" requirements as per the ESRS; this exercise will provide more clarity about the challenges and opportunities created by the energy transition, climate change and other ESG aspects.

3.2.2 Review

The BEMS functionality is internally and externally reviewed and evaluated through monitoring, such as audits, process self-assessments and BEMS Management Review. In 2023, 3 internal BEMS audits, 2 Corporate internal audits, 5 Contractors Management audits, 9 Finance and Tax audits, 1 EITI Verification Audit, 1 Reserves Audit, 1 ISO 14001:2015 and 45001:2018 Audits, 1 EU-ETS 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. The financials are audited by external third 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 2023, the BE Plan execution target was exceeded.

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); additional focus on leading environmental metrics was given in 2023, such as targets on GHG Scope 1 emissions and Methane emissions. The BEMS scorecard is one of the key element to define, if a performance bonus is awarded to the PEPN employees and non-employees (i.e. temporary workers, self-employed persons, or collectively known as "Contractors"); for employees, which include the PEPN Management Team and the Directors directly employed by PEPN, the renumeration is primarily based on the salary grade. Based on the successful and less successful activities and events occurred in 2023, PEPN outcome was "above target".

Special Recognition Awards are assigned to employees and non-employees for exceptional performances related to safe execution of operations along the year.

Figure 3 – Confidential Person and Whiste-blower

3.3 Business Ethics and Transparency

The "PEPN Business Ethical Principles" are 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. A process to strengthen the PEPN Code of Conduct towards our value chain is ongoing.

The grievance and the whistle-blowers processes are in place within PEPN; in 2023, seven occurrences were reported through the grievance process and appropriately addressed with no further follow-up required. No input was received through the whistle-blower system. Additional details are provided in ***Appendix E***.

Other channels for internal resolution of conflicts are available within the company including the Line Manager, the Prevention Officers and the Trusted Persons. The Company Doctor, as independent third party, is also available to act as recipient of complaints about the health and well-being of personnel. The Petrogas Prevention Platform is well established within PEPN to provide the workforce with a quick access to these resources as well as support.

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, 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 2023 Compliance Letter was signed off in January 2024.

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 EITI 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 verified by an independent third party auditor.

PEPN is part of an Omani multinational group (MNE), therefore information of PEPN is included in a country-by-country report that aggregates tax information of the MNE per country relating to the global income, taxes paid and other indicators for the MNE group. This report is submitted by the MNE, via its local surrogate group (i.e. PIEP), to the Dutch Tax Authorities.

During the year several audits are performed by external third parties (PWC, Tax authorities, etc.) on the company financial statements and tax filings. PEPN's financial statements are audited by PWC and during 2023 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 Public Advocacy and Lobbying

PEPN is neither directly nor indirectly 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 sustainably energy supply. ElementNL engages the various Dutch Ministries and Authorities and the EU Commission and Parliament at strategic and operational levels 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, Methane emissions reduction, etc.) 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 6.10.3 and* ***Appendix E***).

3.3.2 Fines & Prosecutions

PEPN did not receive any fine or was involved in any prosecution in 2023.

4.
A CSRD Implementation Portrait

Whereas traditional reporting has primarily focused on financial metrics, this initiative will provide a more comprehensive overview of Environmental, Social, and Governance (ESG) factors. This, in turn, could enable PEPN to make decisions that yield more favourable outcomes in the long term.

Maaike Lanphen
Team Leader ESG

Collecting data and ensure its accuracy. This challenge links to resource allocation, time management, change management and more.

It would be a shame if our company is undervalued simply because of the industry stigma in public mind. I truly believe, implementing CSRD provides room for us to further drive ESG performance of PEPN, and create more positive impact to the society.

Jean Chen
ESG analyst

The benefits of CSRD for a company like Petrogas include access to valuable data and information, enhanced reputation and credibility, and improved risk management.

Marieke van der Werf
Program manager

CSRD is beneficial for PEPN because it is creating a framework/platform on which we can gather all company data that was previously scattered. It will allow us to properly evaluate this data, identify connections that were previously missed, and as a result, improve the company's decision-making process. This will make decision-making and future planning easier, more transparent, and data-driven.

Dominika Szponder Kolakowska
Management System Advisor

CSRD provides a structured framework, which can help us identify areas for improvement and innovation.

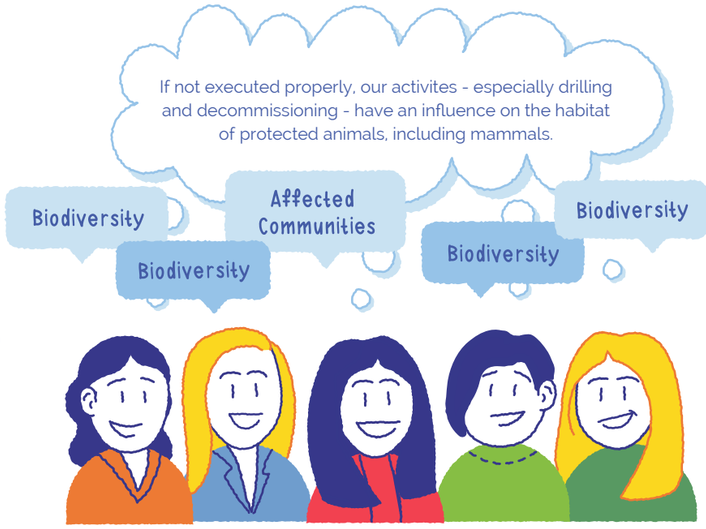
Goencha Mahwe
HR Assistant

Within PEPN, the implementation of the EU CSRD has been taken seriously by the Company's directors; building on the previous efforts on sustainability reporting, a formal multi-disciplinary ESG team was established in Q1 2023 to evaluate the draft ESRS requirements, compare them with the current management system structure to catalogue gaps and make an action plan to close them. The Team is led by a Program Manager and supplemented by industry experts in sustainability and financial reporting. To provide strategic direction to the team, a formal ESG Steering Committee has been established, as well.

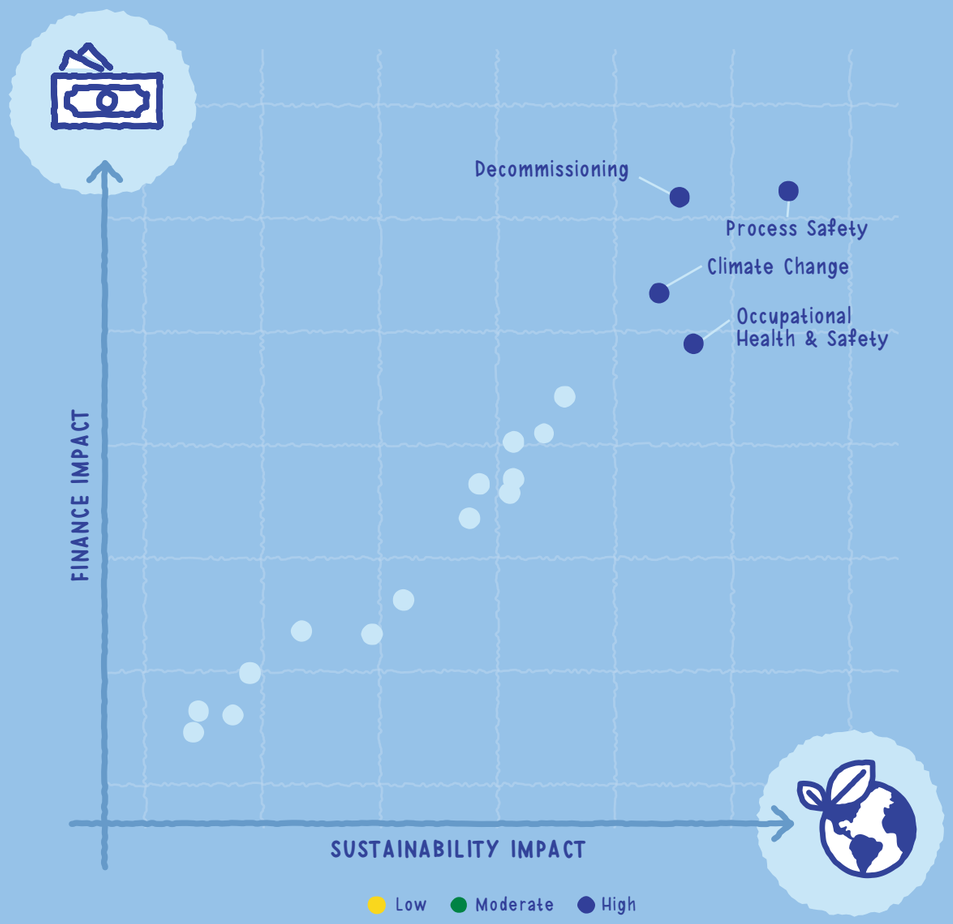
To increase capacity and knowledge, but also leverage our experiences and expertise, members of the organisation actively participated to the development of the final ESRS and the Oil and Gas sector standard.

One of the challenges the Company faced was that the large data required by the ESRS disclosures was available, but scattered through various processes and systems; therefore, in parallel, we looked at the implementation of an Enterprise Performance Management (EPM) tool to support, amongst others, the sustainability and financial data collection, their analytics and to provide a solid, transparent and auditable assurance process. At the end of the year 2023, the selection process was completed and the tool will be setup in 2024 to be ready to start collecting the required data in 2025.

Which of the materialities you would have rated higher and why?

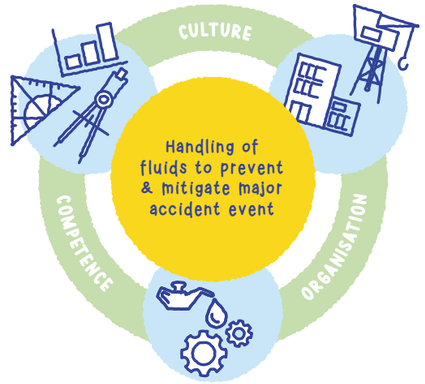


5.
High Materialities Reporting



In the following sections, a more detailed disclosure of PEPN activities will be outlined based on the Double Materiality Assessment executed in 2023; in each section, a general description of the negative and positive impacts related to each materiality will be given; medium and low material topics will be generally described as required. Unless otherwise specified, additional data points or indicators for each materiality will be included in ***Appendix E***.

5.1 Process Safety



For an Oil and Gas Company like PEPN, Process Safety has a very high potential negative impact on people and the environment and a very high potential financial impact due to the consequence of an unmitigated catastrophic scenario.

PEPN has a simple, but very focused Process Safety Management Philosophy: the goal of this philosophy is to ensure we keep hazardous fluids well inside their primary containment by ensuring the "Engineering Integrity", "Facility Integrity" and "Operational Integrity" of our installations; however, these "integrities" alone are not sufficient, because without the right culture, the right organisation and the right competencies, we would not be able to maintain them and prevent process safety events to develop with potential consequences for the health and safety of people, the environment and, finally, our production assets.

To raise awareness amongst the workers, during 2023, we have developed and launched another set of process safety videos with specific focus on the "integrity" aspects; the videos were launched during the routine biweekly Operations "engagement session" and later shared within the PEPN Video Portal available to everyone in the organisation. Further, we have developed process safety specific online trainings for our offshore workforce, with particular focus on Permit to Work, Process and Electrical Isolations, Flange Management and Operational Risk Assessments.

After the implementation of Maximo®, as our new Computerised Maintenance Management System (CMMS) in the previous two years, in 2023, we embarked on the implementation of a Barrier Management tool with the definition of the scope of work with Enablon® as provider; the tool will be effectively implemented in 2024 and built-up on the data stream coming from the electronic Permit to Work System, CMMS and daily routine inspections, audits, alarms, incidents, availability of competent personnel and more general Tier 3 and 4 leading indicators.

During the construction activities of A15 and B10 and the removal of the Haven and Hoorn facilities, we did not record either Tier 1 or Tier 2 events; however, we recorded three relatively small releases of hydrocarbons / chemicals. No particular remedial action was required, given the small quantity and the actual or potential impact of the releases.

On cybersecurity, we continued our gap assessment on IT and OT (Operational Technology) infrastructure to verify the resilience of our current systems with the aim of eventually strengthen them. In parallel, we started working on the NIS2 Directive implementation and we successfully rolled out cybersecurity online trainings for the whole organisation, making use of the KnowBe4 platform.

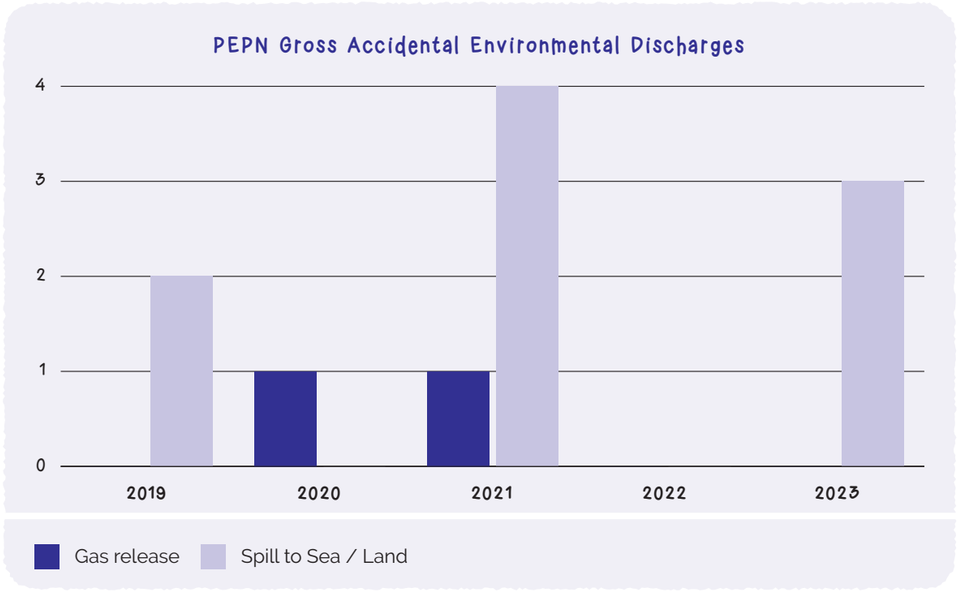


Figure 4 – Gross Accidental Environmental Discharges

5.2 Decommissioning

Decommissioning has a high materiality, because it has a very high potential negative impact due to the consequence of an unmitigated catastrophic scenario, during the removal and disposal of the facilities. Decommissioning has a potential mid-long term positive impact on nature and biodiversity due to the restoration of sites and the recycling of material. Financially, decommissioning activities are cost intensive in the short-term and may lead to the decrease of workforce in the medium-long term. The decommissioned pipeline from Helder to Amsterdam via IJmuiden is considered to be a mid-term opportunity for reuse, as part of the PEPN Carbon Transport and Storage strategy.

In 2023 we continued with the decommissioning plan of the P/Q facilities and their associated pipelines and cables; between September and October, we successfully removed the Haven and Hoorn facilities with the HMC Thialf vessel and transported them to the Sagro facility in Vlissingen for controlled demolition, material disposal and recycling. Although we do not have the exact number yet, we are looking for recycling more than 95% of the materials.

The Helm, Helder and Horizon facilities are currently scheduled to be removed during the summer / fall periods in 2024. The platforms are in "Lighthouse Mode", with no need for any active intervention, besides remote monitoring. The residual minimal power needed to feed the facilities navigation aids and obstruction lights is provided by solar panels.

The P/Q onshore and offshore pipelines have been all decommissioned and, as required by the Dutch Mining legislation, we have submitted a comparative assessment to the Ministry of Economic Affairs and Climate (MEAC) for the Haven-Helder pipeline to verify the feasibility to leave the pipelines in place.

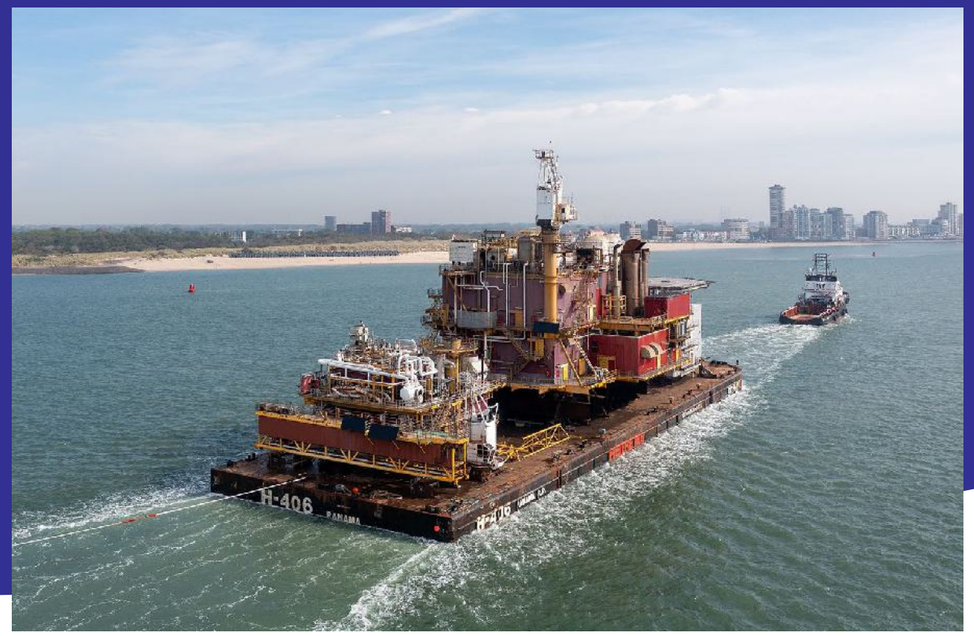


Figure 5 – Decomissioned Hoorn platform on its way to shore

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 P/Q pipelines decommissioned	2019-2022

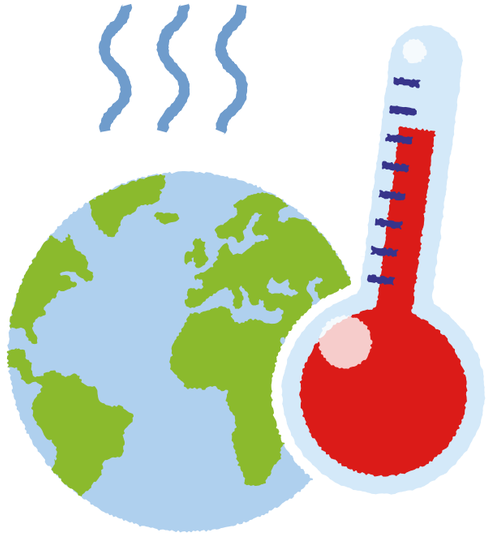
Table 1 – 2017-2022 Decommissioning Activities

Table 2 shows an overview of the current decommissioning plan at the end of 2023 and provisional schedule:

Platform	Current Status (end 2023)	Decommissioning Activities	Planning
Halfweg	Platform removed	Removal of Gravity Based Structure (GBS) on Seabed	Pending decision on area of ecological interest
Haven	Removed	Complete onshore disposal	2024
Helm	Lighthouse	Removal of topside and jacket Onshore disposal	2024
Hoorn	Removed	Complete onshore disposal Subbed debris survey	2024
Helder	Lighthouse	Removal of topside and jacket Onshore disposal	2024
Horizon	Lighthouse	Removal of topside and jacket Onshore disposal	2024
Q1 21/22 exploration wells	Exploration wells suspended	Removal of exploration wells	2025
WGT – Hoorn Pipeline	Decommissioned	Comparative assessment	2024
Hoorn – Helder pipeline	Decommissioned	Comparative assessment	2024
Haven – Helder pipeline	Decommissioned	Comparative assessment	2024
Halfweg – Hoorn Pipeline	Decommissioned	-	-
Horizon-Helder Pipeline	Decommissioned	Comparative assessment	2024
Helder-Terminal pipeline	Decommissioned	Comparative assessment	2024

Table 2 – Decommissioning Plan

5.3 Climate Change



Climate change has a high materiality, because of a very high negative potential impact in the mid-long term and a very high potential negative financial impact in the short, medium and long term due to change in market and regulatory constraints; enhance energy security with local and low carbon footprint gas production and CTS are, however, good opportunities for us, provided the right conditions in the market and regulatory environment alignment. At Petrogas, we believe that fossil fuels are still required to support the energy transition and we are, as ever, committed to explore and produce in the most efficient way and at the lowest energy intensity practicable by applying new technologies and ingenuity to further reduce our overall impact.

5.3.1 Low impact developments

Between April and May 2023, with the active support of the HMC Thialf, we installed the A15 and B10 low impact gas platforms; those facilities have been designed to be operated with very low power requirements and no direct continuous emissions to air and sea: no power sources are installed on the facilities and the minimum electrical and hydraulic power is provided via newly installed umbilicals. The produced gas will be transferred to the A12-CPP via dedicated short connections to the existing A18/A12-CPP and B13/A12-CPP pipelines. 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).

Further plans to develop B16 fields were progressed in 2023; currently, the preferred design option is to produce via a subsea completion connected to the B13 platform via an umbilical and pipeline to minimise the impact to the safety of personnel and the environment. Options to improve the feasibility of B16 field development with additional acreage were looked as well; a license application for the "A18 South-East" and the "B16 North-East" fields was submitted to MEAC in 2023.

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 heat waste recovery systems. Together with ElementNL and Mach10, we are also working across the industry to reduce the NOGAT export pressure, which would allow us to run smaller compressors and, therefore, reduce our Scope 1 CO_2 footprint. 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 platforms will be removed. At the end of 2022, the Helm and Haven platforms were successfully "operating" in Lighthouse mode. The remaining facilities applied the same design and technologies in 2023.

5.3.2 Carbon Transport and Storage

At Petrogas, we are committed to create value to the energy transition by further exploring the CTS / CCS opportunities through thoroughly studying the Q1 reservoirs as potential 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; the next stages include adding more personnel focusing only on this subject, enhancing commercial discussions with potential industry partners and applying for an injection licence.

5.3.3 GHG Emissions

PEPN GHG emissions are dominated by CO_2 emissions generated by the A12-CPP Compressors and associated power generation and Methane venting; N2O and refrigerant are also accounted for, but despite their inherent higher Global Warming Potential (GWP), they do not contribute much to the total. PEPN does not routinely flare, while flaring is limited to well cleaning associated with the drilling of new wells; nitrogen lifting options generally allow us to minimise flaring even further. In 2023, we only flared once for the well clean-up operations of the A15 A3 well; figures will be accounted for in the next Sustainability Report. The overview and trend of gross and net GHG emissions including the GHG intensity is depicted in *figure 6* and *figure 7*.

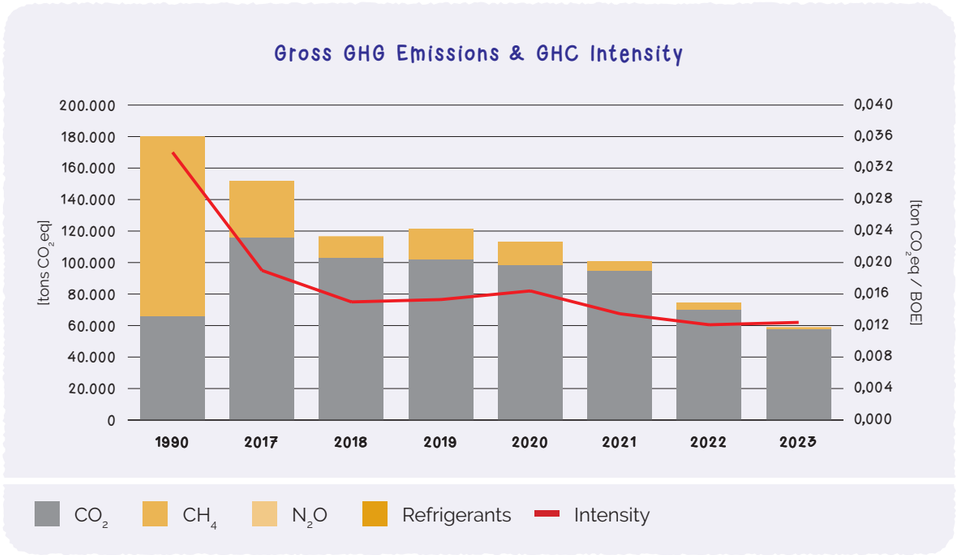


Figure 6 – Gross GHG Emissions & GHG Intensity

Taking into consideration the Paris Agreement, as a starting reference point (i.e. 1990), PEPN gross GHG emissions declined around 66%, which is currently above the national targets set by the Dutch Government for 2030; when comparing to 2017[1] and 2022, the decline was respectively of 60% and 21%. The decline in emissions is achieved by a combination of active emissions abatement initiatives and declined production. Looking at the PEPN net GHG emissions the decline has been respectively of 85%, 79% and 34%.

1 *2017 is used as reference year due to the implementation of updated emission accounting criteria and ElementNL emissions reduction plans*

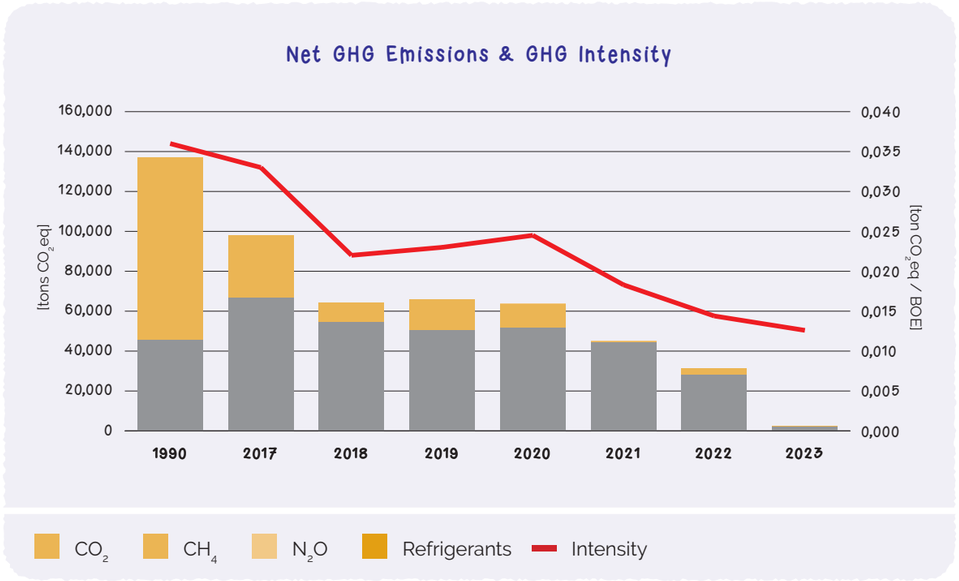


Figure 7 – Net GHG Emissions & GHG Intensity

In 2023, we further refined the accounting of Scope 1, 2 and 3 emissions as defined in the GHG Protocol [9]; during the revision, we reallocated the drilling activities emissions previously allocated to Scope 1 to Category 1 of Scope 3 emissions. Emissions have been retrospectively adjusted and reallocated. This reallocation does not have any effect on the PEPN emissions reduction strategy or impact to the EU ETS.

PEPN is committed to reduce all scope emissions, therefore, together with Noble Drilling and SNS Pool we agreed to make use of, at least, 20% HVO (Hydrotreated Vegetable Oil) blend for our A15 and B10 drilling campaign; the use of this blend should allow us to reduce up to 19% of the CO_2 emissions related to the drilling and completion of six wells . Additionally, the Supply Vessel dedicated to the drilling operations will make use of the same fuel blend.

Gross Scope 2 and material gross Scope 3 emissions, as defined per GHG Protocol, are outlined in ***Appendix E***. To be noted, there is still a level of uncertainty on Scope 3 emissions and several assumptions were made.

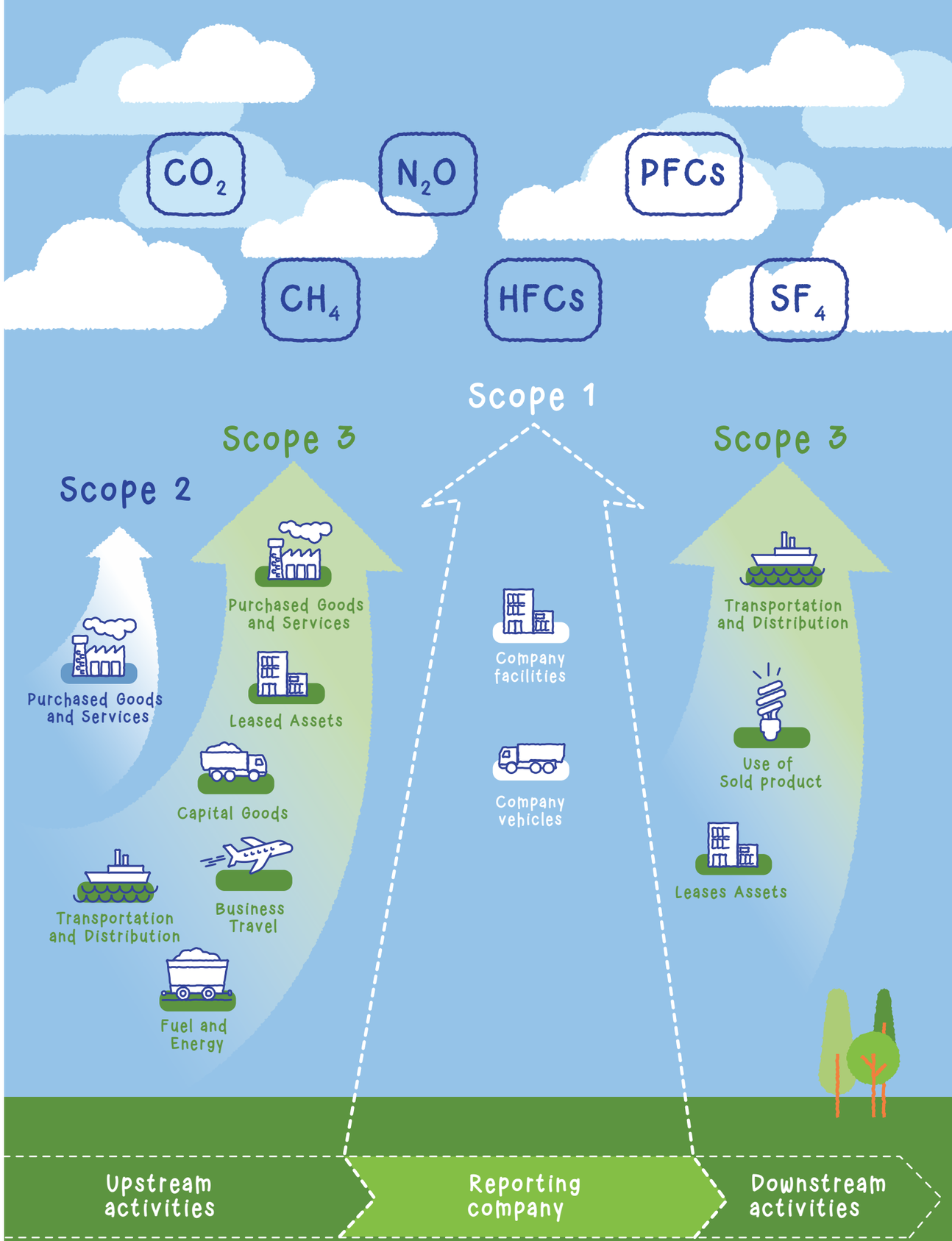


Figure 8 – Emissions Scoping

5.3.4 Methane Emissions

The gross and net Methane emissions and the GHG intensity are shown in *figure 9* and *figure 10*; steep declines are also visible here. With respect to 1990, 2017 and 2022, based on the current measurement methodologies and regulations, the gross emissions declined respectively of 99%, 96% and 66%; the net emissions declined respectively of 99%, 98% and 83%.

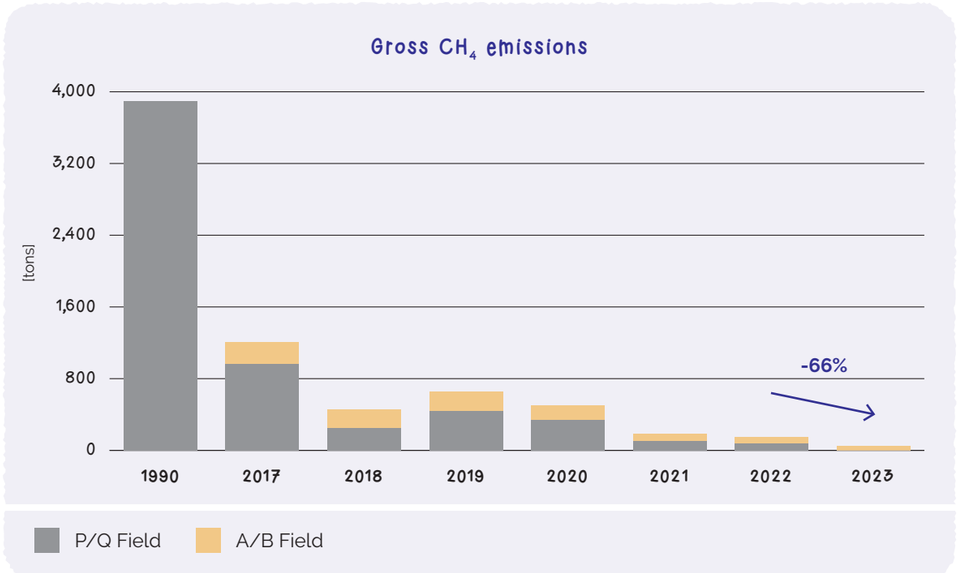


Figure 9 – Gross CH_4 Emissions

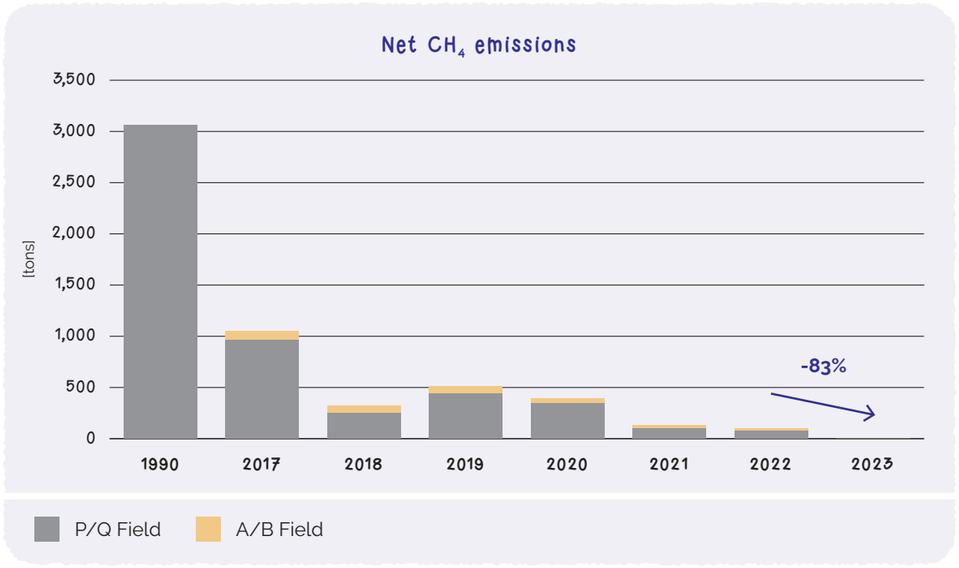


Figure 10 – Net CH_4 Emissions

The process for accounting all possible CH_4 emissions sources (i.e. low pressure, manual depressurisations, etc.) is still ongoing, therefore, a certain degree of uncertainty needs to be taken into account; with the upcoming EU Methane Emissions Reduction directive, we are looking forward further reducing uncertainties on this aspect. It must be noted that, at this stage, incremental methane emissions reductions are becoming more and more challenging and costly to achieve (e.g. this may require the installation of additional compressing units, with subsequent increase in process safety complexity and CO_2 emissions)..

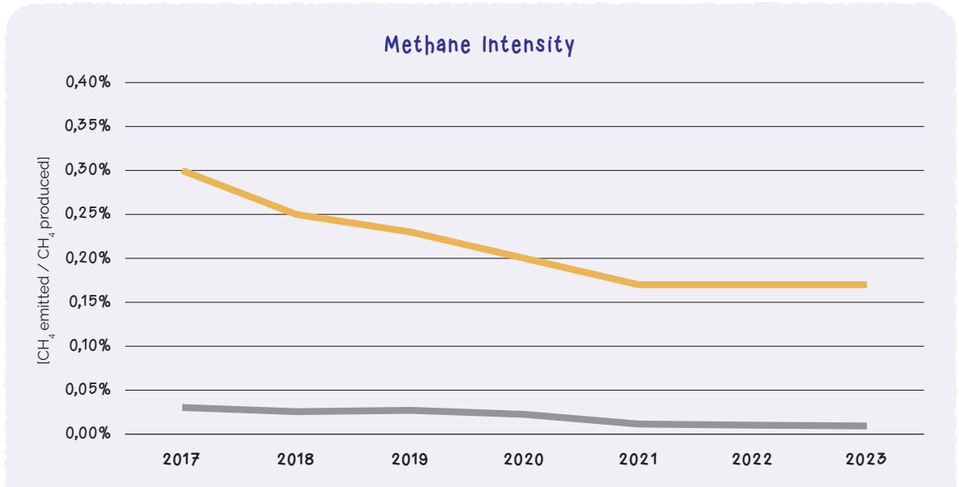


Figure 11 – Methane Intensity

Methane intensity, the ratio between Methane emissions and Methane produced, in 2023 confirmed a stable declining trend ~9%; the KPI is well below the Oil and Gas Climate Initiative (OGCI) targets. To be noted that, due to the allocation of the equity share of the A/B fields, the gross and net intensities are equivalent.

5.3.5 GHG Emissions Outlook

To ensure we meet our long term targets of supporting the energy transition, a forecast of our potential GHG emissions has been created and maintained based on projected production profiles and fields development contingent to the economic conditions at the time of final investment decision. *figure 12* shows the forecast of GHG emissions including baseline production, UDS4 project and B16 project; the red line shows the targets set to comply with the Dutch emissions reduction goals. The forecast after the currently anticipated Cessation of Production in 2035 are purely indicative and reported for transparency.

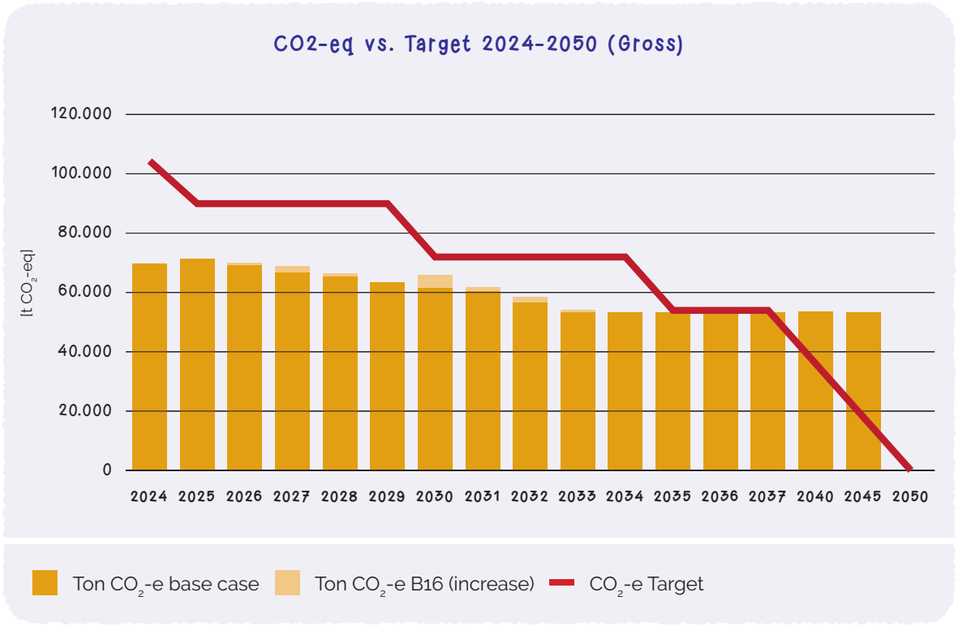
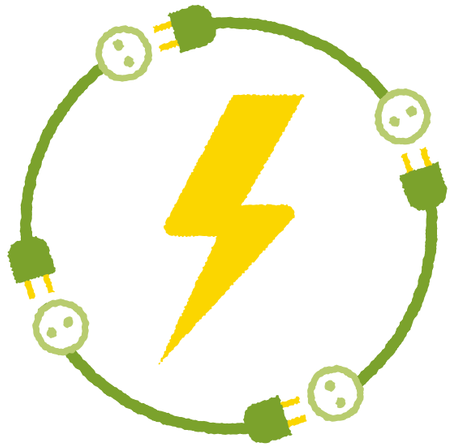


Figure 12 – Gross GHG Emissions Forecast

5.3.6 Energy Consumption and Efficiency



Primarily due to decline in production in the A/B fields, the gross energy consumption declined of around 22% with respect to 2022; for the same reason, however, the energy intensity increased by around 7%. The energy intensity of the fields is expected to slightly improve in 2024 once both A15 and B10 installations are online, given their low power requirements.

In 2023, we conducted an energy efficiency study to identify, which energy saving opportunities (for instance, changing all ATEX certified neon tubes into LED lights, etc.) we could implement to continue on our improvement trajectory. To our surprise, given the current expected life of the installations and the price / availability of required material, there is no return of investment, therefore, at the moment, the commitment for us is to, at least, continue to maintain the energy consumption / efficiency at the current levels, while factoring in the additional inefficiency created by natural aging of equipment. We will not stop to explore new and upcoming technologies to find a way to spare more energy and increase efficiency; in 2024, we are going to further explore the opportunity to design and eventually install a waste heat recovery system on the A12-CPP.

5.4 Occupational Health and Safety

Occupational Health and Safety has a high potential negative impact on PEPN own workforce and the value chain workers and a medium-high potential negative financial impact due to possible fines, litigations and loss of reputation.

In 2023, we had an historical high activity level in Petrogas with an increase of around 49% in working hours with respect to 2022; when looking at the lagging indicators, we recorded one Medical Treatment Case (MTC) and one Restricted Work Case (RWC) involving workers in the value chain, while working at locations outside our direct control, but under our general management supervision. Just looking at those lagging safety indicators, 2023 was a less negative year than 2022; however, we cannot be content with that and we need to continue to work with our workforce and through the value chain to create safer and safer working environments.

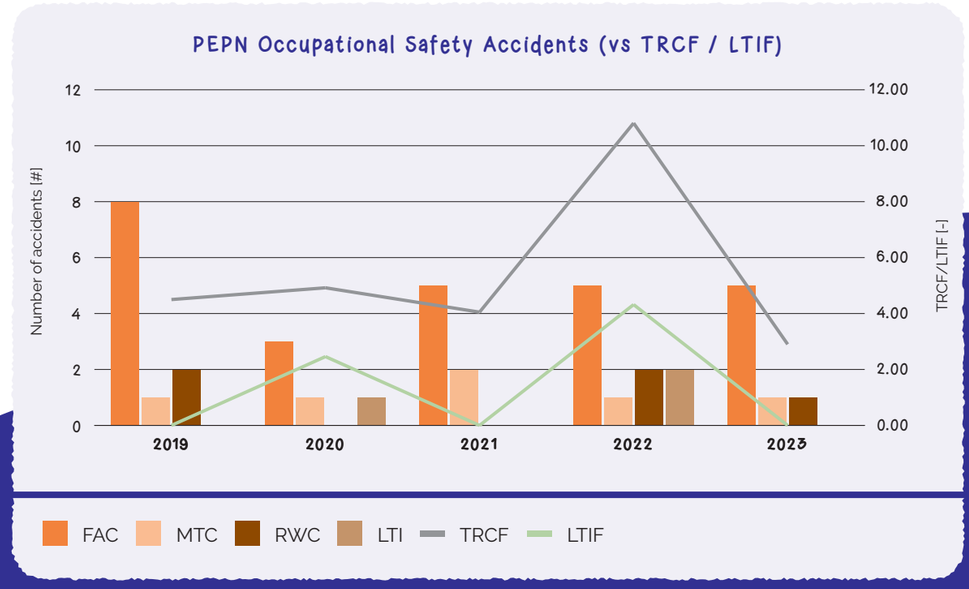


Figure 13 - PEPN Occupational Safety Accidents (vs TRCF / LTIF)

5.4.1 Training and Competence

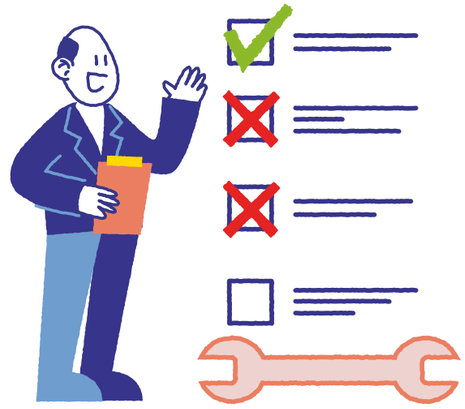
Between Q2 and Q3 2023, the offshore crews participated in the "Scenarios Trainings" to refresh their capabilities in safe helicopter handling, firefighting, first aid and general emergency management. The trainings required both theoretical study and practical exercises. The Offshore Installation Managers (OIM), in their role of On-scene Commanders (OSC), were even pushed a little bit harder with the Management of Major Emergencies (MOME) training, where their leadership capabilities were challenged under critical and stressful situations.

Similarly to process safety, the series of online training developed in 2023 will have an impact on Occupational Health and Safety, as well. Further, to increase awareness about road safety, including "eco-driving sensitiveness", we rolled-out an "e-driver" platform.

5.4.2 Preventive Medical Evaluation (Survey)

To verify the effectiveness of our preventive and mitigating health and safety policies and procedures, early January 2023 we launched a "Preventive Medical evaluation" survey to all our employees. Each individual participant received her own personal results with suggestions and recommendations on how to improve both mental and physical health. Anonymised results were collected, aggregated and compared with similarly sized companies in The Netherlands; these results were shared within the company and the personnel input was collected to evaluate, which additional steps PEPN may take to improve the weak areas and further enhance the strong ones.

5.4.3 Learning from Normal Work



Changing organisational culture approach takes time, effort, commitment and some push to break into crystallised hidden values and assumptions [11]; the program, initiated in 2020 with the introduction of Safety II [12] principles to the offshore crews, was extended in 2022 into the development of the "Learning from Normal Work" [13] approach driven by the SHARP (Safety and Health Always Require Participation) Team, a selected group of persons from the Operations and HSEQ department with the sponsorship and support of the Operations Manager and the HSEQ Manager.

The SHARP Team selected four different themes to explore and test during the 2023 PEPN Conferences; in two plenary sessions held in May and June 2023, involving all the members of the organisation, "Local Ingenuity", "Just Culture", "Knowledge Sharing" and "Collaboration" topics were outlined, discussed and analysed in small groups. After the Conferences, the SHARP Team was further expanded with more volunteers from other departments and started delving into practical "Learning from Normal Work" implementation, by conducting "mini-experiments" to test the feasibility of the proposed changes. This program is all about creating a more resilient, open, participated and psychologically safer organisation, which will benefit not only the PEPN workers in the short – medium term, but also the workers in our value chain.

5.4.4 Participation Tools

Participation tools are even more important and impactful, when applying learning from normal work; as organisation, we are seeking for workers input via observations tools, like SMART, Hazard Hunts and Life Saving Rules.

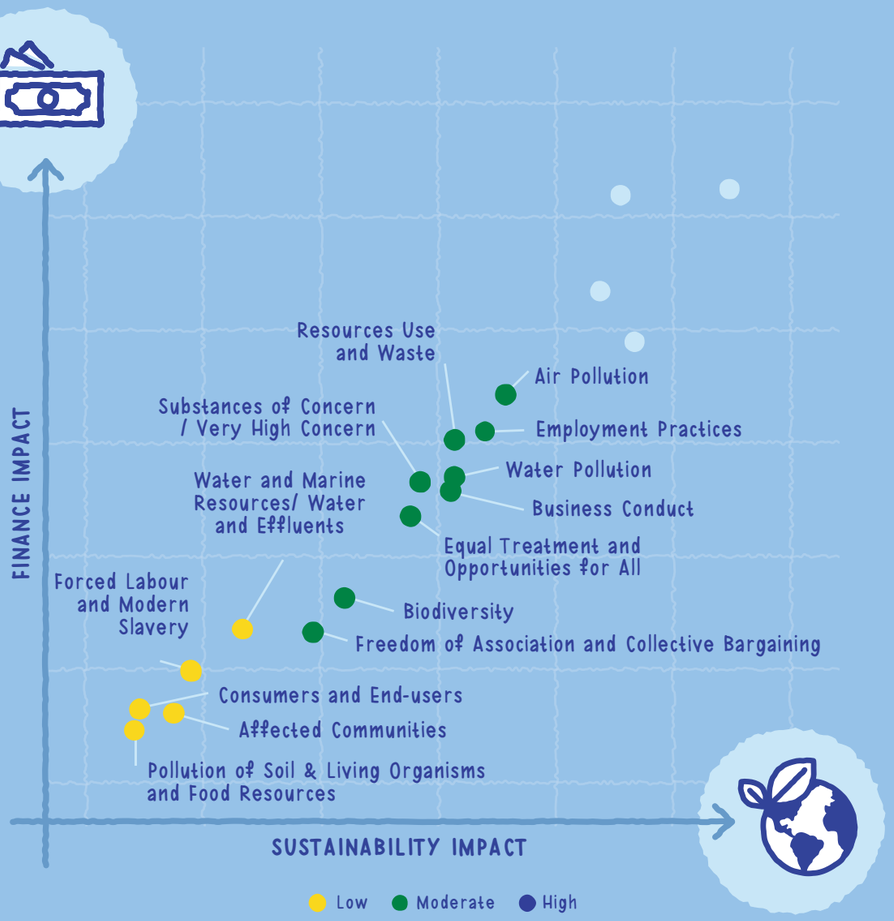
A "token of appreciation" system (e.g. "vouchers" given to the "best card of the week") is in place to recognise positive safe and environmentally sound behaviour, during special operational activities such as drilling campaigns or others.

5.4.5 Contractors' Management

Historically, the workers in our value chain, especially in the Tier 1, are the ones more exposed to hazardous activities and their unintended consequences. Statistically, since Petrogas took over in 2014, more than 90% of the recordable injuries occurred to the value chain workers. Therefore, it is of the utmost importance for us to design, prepare and maintain our work places as such to minimise those occurrences. 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.

6.

Moderate and Low Materialities Reporting



In the following section the "moderate" material topics are going to be described in some extent. Detailed numbers and figures are reported in ***Appendix E***.

6.1 Air Pollution

Air Pollution has a medium-high potential negative impact on PEPN own workforce and the value chain workers and the environment; this material topic has a medium-high potential negative financial impact due to additional costs associated with implementation of technologies to further reduce pollution. As well as for GHG emissions, there is the potential positive impact generated by using more efficient engines, emissions scrubbers and other solutions; all these would come however, with increased costs.

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 air emissions, which are material to PEPN, are NO_x, SO_2 and the Volatile Organic Compound (VOC); these pollutants are normally generated by the combustion of fuel on the platforms for power generation. Generally, air pollutants emission trends are following a downward slope; in particular, gross and net NO_x emissions have decreased 97% since 2017 and 57% with respect to 2022 (*see figure 15 and figure 16*). PEPN is continuing to minimise the use of heavy fuels and optimising engines power consumption and working with the value chain to investigate new opportunities. With respect to the disclosure of the air pollutants, in line with ESRS requirements, figures and ***Appendix E*** data show only the direct emissions generated by PEPN operations.

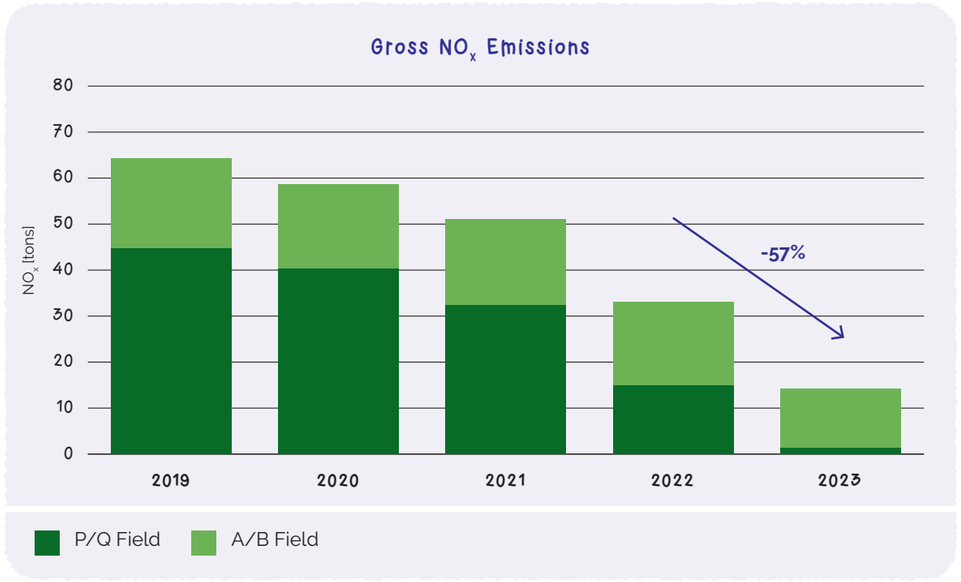


Figure 15 – Gross NO_x Emissions

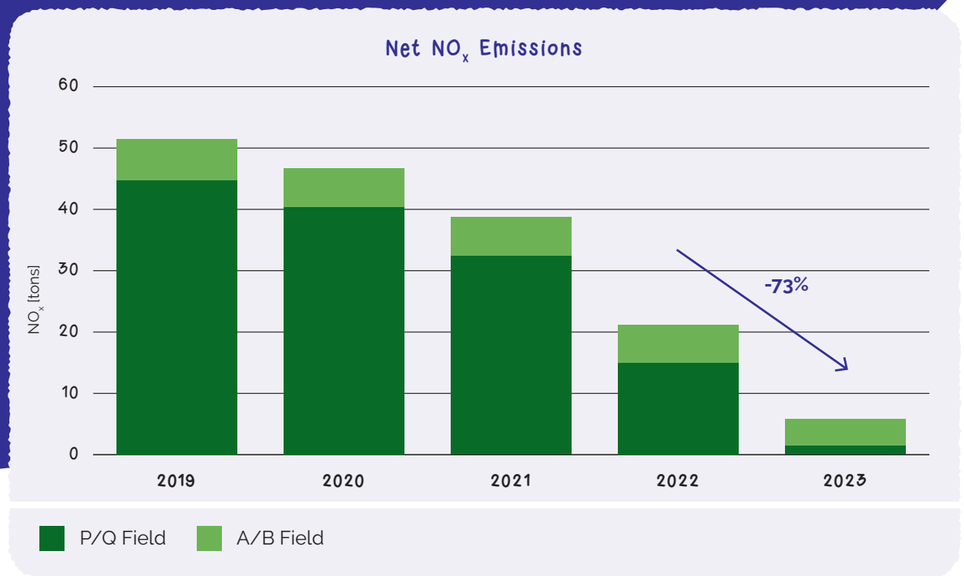


Figure 16 – Net NO_x Emissions

6.2 Employment Practices

Employment Practices have a medium negative impact and financial risk due to the current PEPN operational horizons (*see sections 5.2 and 5.3.5*) and the labour market shift due to the energy transition in the medium-long term. Conversely, PEPN is continuously investing in its workforce and looking for talent to join the company to support our operations.

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. At the end of the calendar year, PEPN employees (113) are predominantly recruited in the local market; ~82% of the PEPN employees are Dutch nationals, while the rest of the workforce (~18%) is coming from 23 different countries, showing a substantial increase in cultural diversity within the company (+92% w.r.t. 2022).

The age group of majority of the PEPN employees ~60% sits on the 45+ bracket, which is ~18% higher than the Dutch employed workforce [14]; attracting younger talent to the O&G business is becoming increasingly challenging, also because of the technical work and the offshore work pattern in shifts.

In The Netherlands, we have a legally mandated minimum wage, which is the amount that must be paid per hour before taxes. This minimum wage applies to all Employees and Non-Employees, regardless of their sector or profession, and it ensures that workers receive fair compensation.

In addition, PEPN conducts an annual benchmark with other companies in our industry, facilitated by an external provider. This benchmark helps us ensuring that our compensation not only meets the legal requirements but also remains competitive in the market. The result of this benchmark is shared with our HR department, the executive board, and, if necessary, the Works Council. The ratio between the highest and the average salary in 2023 was 2,93 (-7% w.r.t. 2022).

From an employment practice point of view, retaining the workforce is becoming more strategic for the company. Petrogas offers a very competitive employment package, including adequate wages, a performance bonus, which also linked to ESG metrics, social protection, retirement options, and continues to invest in training and development of people, not only on mandatory safety training, but also in leadership training, subject matter specific trainings and vocational trainings. Turnover in 2023 was rather stable with 13 persons leaving and 12 joining the company.

As part of the overall management system requirements, PEPN seek participation to other than HSE aspects (*see section 5.4.4*) and PEPN Management is eagerly inviting the PEPN workforce to participate to Townhalls and other social gatherings to share the status of the company, its challenges as well as its successes.

In 2023, we changed the offshore rotation for our employees and "seconded temporary workers" from 2 weeks on / 2 weeks off to 2 weeks / 3 weeks off. While working or visiting any of the PEPN facilities everyone is provided with accommodation, as per Dutch laws and regulations, with quality food, water and sanitation, creating a comfortable living environment.

6.2.1 Training and Competence

Apart the mandatory and non-mandatory HSE related trainings, PEPN ensures other technical, vocational and leadership trainings are delivered to the workforce, based on Job Competence Profiles and Learning Need Analysis.

6.2.2 Workforce Engagement, Listening and Participation

It is not possible claim to have a "healthy" company culture without investing in engaging with the persons that work with us; either within Petrogas and our vendors' personnel (Tier 1 Contractors, at least).

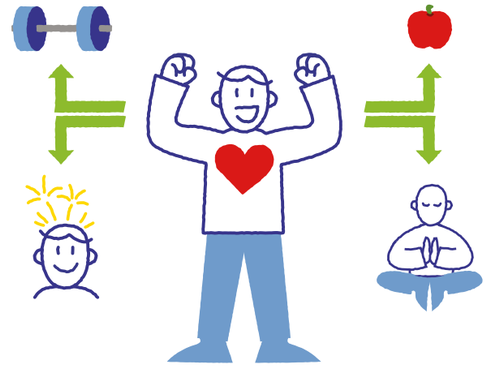
PEPN has several mechanisms to foster engagement, through leadership visits, townhalls, crew conferences and vendors' meetings.

Details on the metrics used to measure worker' engagement and participation are added in ***Appendix E***.

6.2.3 Leadership Engagements

Leaders within PEPN are asked to foster an open and psychologically safe working environment; all members of the PEPN Management Teams are required to engage personnel regularly.

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



6.2.4 Crew Conferences

The PEPN Crew Conferences are a great opportunity to bring together people that normally are working far away from each other and with 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 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 2023, we extended the Crew Conferences to the employees and temporary workers of every PEPN department; this allowed us to involve everyone in our effort to improve our organisation culture and to further develop our journey in Learning from Normal work, as described in *section 5.4.3*.

6.2.5 Special Recognition Awards

Within PEPN, a Special Recognition Award program is in place to reward personnel for outstanding contributions to the business success which, in view of Safety II philosophy, correlates with "HSE success". In 2023, a total of 63 employees and contractors were rewarded for their contribution to the improvement of the company in all aspects.

6.2.6 Suggestion Box Awards

The Suggestion Box provides an opportunity to everyone to proposed improvements to the working environment. Amongst several proposals evaluated and awarded in 2023, we installed bins to collect packaging (e.g. soda cans, etc.) with deposit (varying from 10 to 25 cents) and donate the proceedings to charity. The persons recommending the best suggestions also receive an award.

6.3 Resources Use and Waste

Resources use and waste have a moderate negative impact and financial risk primarily due to the use of chemicals and other raw materials in PEPN operations and the need for proper disposal of hazardous and non-hazardous waste. A positive impact in the mid-term to enhance the use of less and less hazardous chemicals and re-use, recycle, upcycle material.

6.3.1 Fresh Water

PEPN only operates offshore far away from the coast and there is no direct and continuous impact on communities with respect to potable water or sanitation; limited amounts of water were drawn from the Den Helder municipality to service the Helder and Hoorn facilities until the former were changed into Lighthouse Mode in June 2023 and the latter removed in September 2023.

Generally, 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 units (A12, A18, B13 and Horizon). The office and supply base use water from Rijswijk and Beverwijk cities' water supply. The amount of potable water kept offshore is limited, based on standard quantities per person, in order to maintain good hygiene practices. With the removal of Hoorn and the Horizon and Helder going into Lighthouse mode, the amount of water drawn for consumption has further decreased. In 2023, however, water coming from the RO (Reverse Osmosis) unit has been used for production reasons (i.e. sand removal) on the A12-CPP. A new and bigger potable water unit was installed in 2023 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.

6.3.2 Waste Streams

An overview of disposed waste is given below in *figure 17*; all waste is collected and recycled as much as possible by our service companies. We are still in the process of building further capabilities to verify the complete cycle of the waste to have further assurance that our waste is disposed correctly.

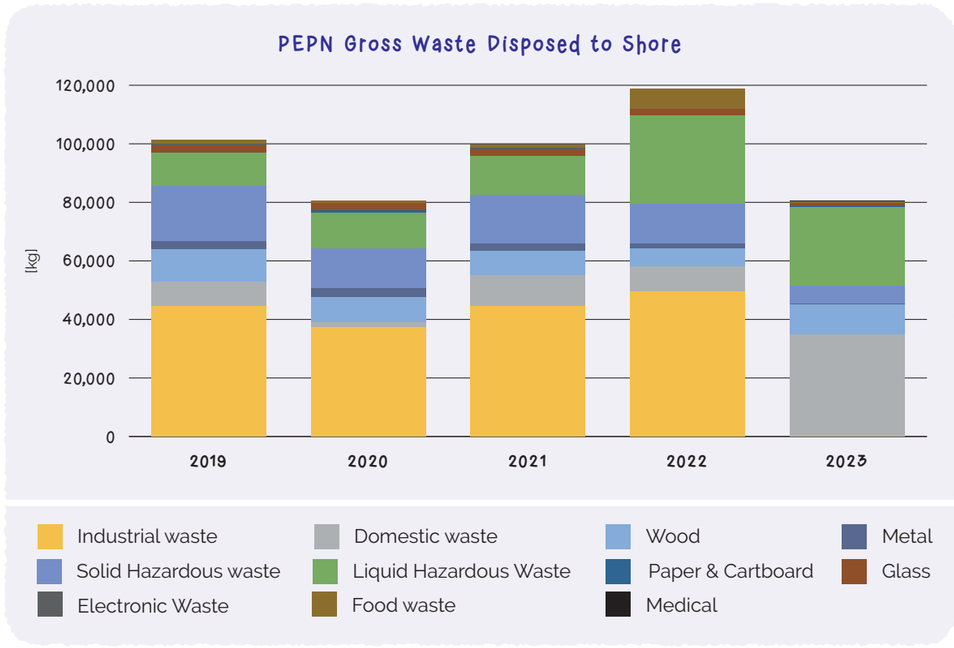


Figure 17 - PEPN Gross Offshore Waste Streams

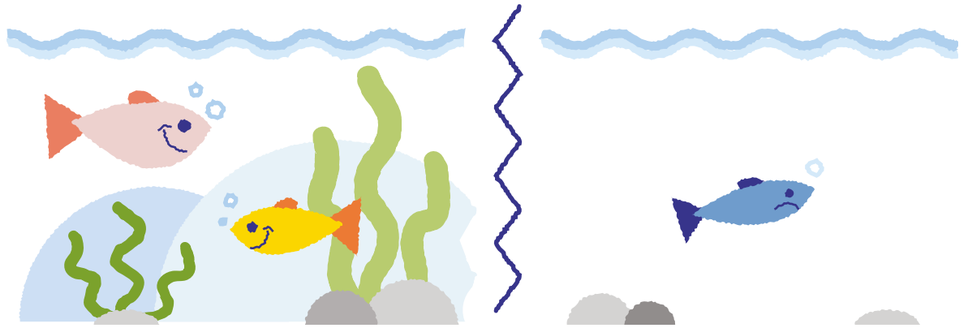
6.3.3 NORM Waste

The majority of the PEPN installations are Naturally Occurring Radioactive Material (NORM) facilities with various degrees of NORM waste created during operational activities; NORM normally accumulates inside process vessels and it can be removed during routine cleaning operations or during decommissioning activities. No change in the average background radiation was recorded throughout all the installations operated by PEPN. In 2023, with the offshore clean-up operations, decommissioning and removal of the P/Q blocks facilities, a substantial amount of NORM contaminated sludge (see ***Appendix E*** for more details) was collected offshore and transported onshore for specialist disposal according to the legislative requirements; NORM waste is forecasted to decrease once the legacy oil facilities are removed and disposed.

6.3.4 Use of Chemicals

The use and discharge of chemicals on offshore installations is regulated as per the Dutch Mining Regulations, which are in agreement with the OSPAR Convention [15]. 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 and a report is generated to analyse trends in usage and discharge of chemicals; see ***Appendix E*** for more details on the last three years of chemicals used and / or discharged in PEPN as certified by CEFAS.

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



6.4 Water Pollution

Water pollution presents a potential moderate negative impact and financial risk due to chronic impact of the release of minimum quantities of hydrocarbon residuals in produced water and production chemicals.

6.4.1 Discharged Water

In order to reduce pollution to the sea generated by the operational activities, produced water and rainwater passing through process areas are collected, filtered and routinely sampled before discharge to sea. Water discharge is sampled also on the idle facilities. The facilities in lighthouse mode have been cleaned, such that any rainwater discharge is within the reporting criteria (below 30 ppm). The quantities of water discharged overboard (*see figure 18*) are monitored and reported to SSM as per statutory requirements. With the cessation of production of the P/Q fields, the amount of discharged water has decreased more than 99%; when looking at the A/B fields only, a slight increase of 1% in discharged water has been measured in 2023. To improve the quality of the water discharged overboard, a project is ongoing to reliably measure the oil-in-water content in real time, allowing the operator to intervene and prevent exceeding the threshold.

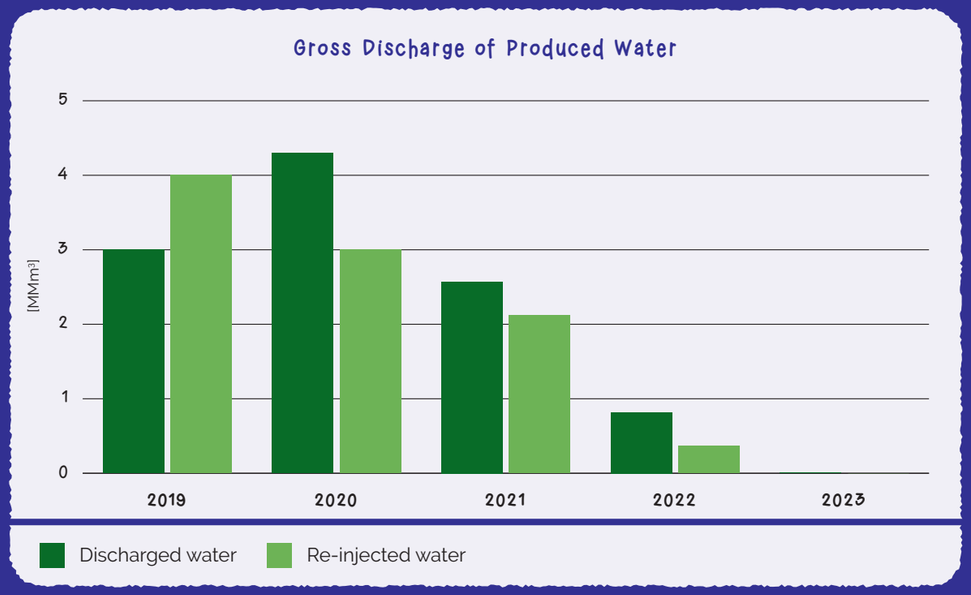


Figure 18 - Gross Discharged and Re-Injected Produced Water

The main contributors to total discharged, dispersed and BTEX load were the Helder and Horizon platforms; with the cessation of production of the P/Q fields, the total amounts of discharged water, injected water, dispersed oil and BTEX have decreased dramatically, since the remaining installations do not produce significant amounts of water and the A/B fields' gas is rather clean (*see figure 19*).

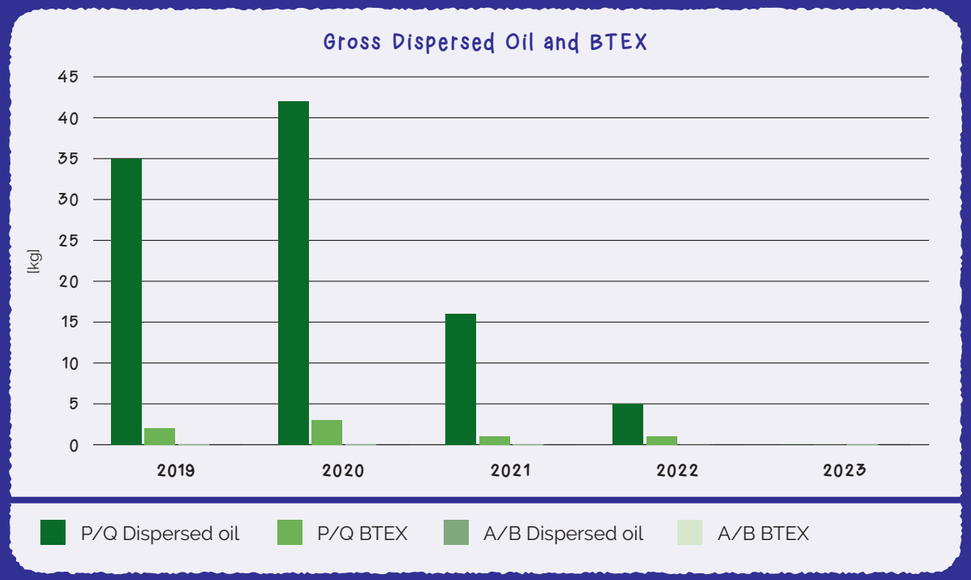


Figure 19 – Gross Dispersed Oil and BTEX

6.5 Business Conduct

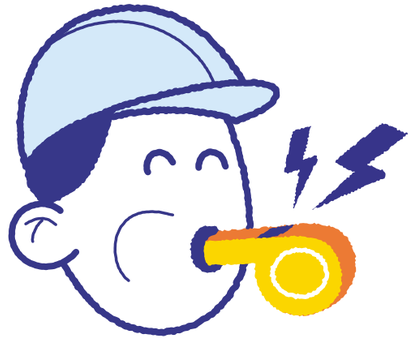
Business Conduct has a moderate-low negative impact and a moderate financial impact due to the potential for loss of business, license to operate and Company reputation.

6.5.1 Confidential Person

To increase the possibility for personnel to discuss sensitive issues in a safe environment, we increased the number of trained "Confidential Persons" to four. All the cases addressed with the Confidential Persons in the past year were closed.

6.5.2 Whistleblower

A whistleblower system is in place (*see figure 3*) to report any instances or suspects of wrong doing w.r.t. business conduct; personnel is invited and instructed to report any situation, which is not in line with the PEPN Business Ethics Policy like Conflict of interest, bribing, frauds, etc. The system is open to everyone to file any complaint, however, it is not directly publicly available, yet, due to limitation to PEPN online presence; the parent company is currently working on an improved website to allow an easier and more transparent access to this tool.



No cases were reported in the PEPN Whistleblower system in 2023.

6.5.3 GDPR

Within PEPN an interdepartmental workgroup led by the Data Protection Officer is established to provide guidance on the requirements of privacy protection as per the GDPR requirements.In 2023, no violation of GDPR rules were recorded.

6.6 Substances of Concern / Very High Concern

Substance of (very) high concern have moderate risks associated with the potential impact to the health and safety of the PEPN workers and the environment; the financial impact is considered to be moderate-low due to the potential impact on cost associated with the removal of those substances from the production and waste streams.

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. PEPN is participating in a study conducted by ElementNL, the Dutch O&G E&P companies trade organisation, to evaluate, which of the substances listed by RIVM, the Dutch Ministry of Health [16], are relevant to upstream oil and gas production; based on the results of this inquiry, PEPN will act upon eliminating or substituting those substances.

6.7 Equal Treatment and Opportunities for All

Equal Treatment and Opportunities for All material topic presents a potential moderate negative impact to PEPN leading to higher turnover rate, bad reputation attracting less talent in an already challenging market. Having a clear and transparent Diversity, Equity and Inclusion policy has the potential positive impact to reverse the negative impact.

PEPN has not set specific targets in gender diversity yet; however, we have set a forward looking policy with respect to Diversity, Equity and Inclusion. In line with our Core Values, we think that diversity in gender, age, creed, ability and social background provides the necessary ingredients to respond to the challenges of today and tomorrow.

The gender distribution is historically skewed towards male employees: 79% (-2% wr.t. 2023) of the employees are male, while 21% are female. Predominantly and historically, the technical and offshore functions (Operations, Projects, Drilling) are taken by men. Females are more often distributed along the administrative and support functions (e.g. HR, HSEQ, Finance, Legal, etc.).

6.8 Biodiversity

Biodiversity has moderate potential negative impact to the marine biodiversity in the medium and long term; however, the presence of the subsea infrastructure and the establishment of 500 m safety zone around our gas installations has also the potential for positive impact (i.e. fishing is prevented, as steel infrastructure provides a substrate for marine growth).

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 20 years. The Wageningen University has completed 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 aviary 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 marina fauna, 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.

PEPN proudly sponsored the filming of the "North Sea Nature Untamed" documentary, which will be launched to the cinema theatres in September 2024 and later on streaming platforms.

6.9 Freedom of Association and Collective Bargaining

Freedom of Association and Collective Bargaining presents a relative moderate / low potential negative impact and risk for PEPN leading to dissatisfaction and higher turnover; on the oppositive, a sustained "open organisation" does provide the potential positive impact and opportunity. A key moderate risk and opportunity is represented by the potential unfair treatment of workers well down in the value chain.

Integral to the workforce participation is the PEPN Work Council (WC); the WC is elected by all employees and temporary workers (non-employees) and it is composed by a Chairman, three members of the offshore workers and three members of the onshore workers, regardless the uneven split between the offshore and onshore workers (~1/3 ratio); this is to ensure to balance out the work related risks with representation. The WC meetings with the General Manager are scheduled on a quarterly basis to address any concerns regarding HSE and/ or business related aspects. The PEPN WC will be up for election in Q2 2024.

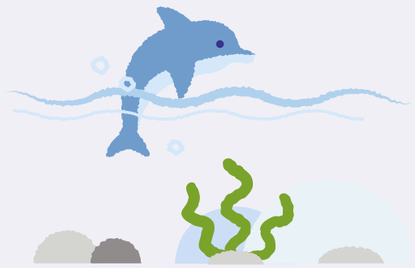
The CSRD implementation offers us a good opportunity to strengthen our due diligence process to ensure that the workers in the value chain are treated in a fair way.

6.10 Low Materialities

The following sections briefly describe the material topics, as defined in the ESRS and GRI Standards, which resulted to have low / very low sustainability and financial impact in the short, medium and long term based on our current context of organisation and strategy.

6.10.1 Water and Marine Resources / Water Effluents

PEPN operations are not directly affecting water and marine resources / water effluents as defined in the ESRS and GRI Standards, therefore, the impact of this material topic is considered to be low / very low and not further disclosed.



6.10.2 Force Labor and Modern Slavery

Force Labor and Modern day slavery material topic, as defined in the ESRS and GRI standards, is considered to be low potential impact and financial risk based on PEPN context of operations and the highly regulated market we work and operate.

However considered low impact and risk, further work deeper in the value chain might be needed in the future.

6.10.3 Affected Communities

PEPN does not operate in areas, which have a direct negative impact to the local communities, therefore the potential negative impact of the Affected Communities material topic, as defined in the ESRS and GRI standards, is considered to be low; however, as part of its Core Values and Ethical Principles, there is conscious effort from the Board of Directors, the Management Team and the workforce to participate to the community through charity events and volunteer days and provide help and relief where needed.

Galvanised by the "It's cool to be kind" motto, the Connect Team, a group of enthusiastic PEPN workers, is the force behind the company effort to engage within and outside the organisation.

Three volunteers' days were organised in 2023; the events saw the participation of a total of 47 persons and saw people, planting young willow saplings in the Delfgauw, collecting plastics in the Rotterdam canals and distributing gifts to needy kids for Sinterklaas.

PEPN participated to the "Conqueror Challenge Walk" initiative, which involved 35 participants and collected 2000 euro in donations to the ALS Foundation. The challenge required people to walk real-life landmark routes (e.g. climbing the Mt. Everest route, etc.) and once the kilometre target was reached, a number of trees were pledged to be planted or a number of plastic bottles were prevented from entering the ocean.

A total of 5000 euro has been directly or indirectly (via buying toys) donated to hospitals, cancer research or schools; around 900 euro was collected via buying food, hygiene products, flower bulbs (a very Dutch thing!) and direct fundraise for earthquake victims' relief in North Africa.

The Petrogas Golf Tournament 2023 was another story of success: Petrogas and the participating sponsors collected a total of 68.000 euro, which were equally distributed to the KNRM, the Red Cross Nederlands and the Diabetes Fund in Q1 2024.

Awarding cerimony of the donation to Diabetes Fond

6.10.4 Consumer and End-users

PEPN does not have direct access to the consumer market and the end-users; our final product, gas, is sold to a reputable organisation and we work together towards reducing our organisation footprint and provide energy to the local market. The impact of this material topic, as defined in the ESRS and GRI standards, is considered to be low / very low, therefore, not further disclosed.

6.10.5 Pollution of Soil & Living Organisms and Food Resources

PEPN operations are not directly affecting the soil and having an impact to land biomes and food resources, therefore, the impact of this material topic, as defined in the ESRS and GRI standards, is considered to be low / very low.

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

1. IPIECA Sustainability reporting guidance for the oil and gas industry, 4th Edition 2020
2. GRI 11: Oil and Gas Sector 2021, 2022
3. Petrogas E&P Netherlands Sustainability Report 2022
4. Methane emissions (europa.eu)
5. Climate and Clean Air Coalition (CCAC) Oil and Gas Methane Partnership (OGMP)
6. Reducing methane emissions | OGCI Action & Engagement
7. Corporate Value-Chain (Scope 3) Accounting Reporting Standard
8. Paris Agreement, December 2015
9. The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard – Revised Edition
10. IPPC AR6 WGI, August 2021
11. Organizational Culture and Leadership, E. Schein, 5th edition, 2017
12. Safety-I and Safety II, Erik Hollnagel, CRC Press, 2014
13. Learning from Normal Work Report, IOGP, 2022
14. Labour participation; key figures | CBS
15. OSPAR Convention
16. Substances of (very) High Concern list, RIVM

Appendix C • Pictures Credits

- Flying Focus
- Esther de Cuijper
- All pictures' credits are of Petrogas besides pictures taken from Adobe Stocks website.

Appendix D • Materiality Matrix 2023

ESRS Material Topic	Sustainability Impact Materiality	Financial Materiality	Relevance to Petrogas	Relevance to Stakeholders	Material	Status w.r.t. 2022	Improvement	Reference to ESRS	Reference to GRI	Relevant to SGS Targets
Process Safety	High	High	High	High	Yes	In 2023, we did not have critical process safety issues, however, we experienced some minor hydrocarbon releases, during the decommissioning work. Process Safety is and remains the most material topic for PEPN operations	=	n.a.	Topic 11.8 Process Safety (Asset integrity and critical incident management)	11.5, 12.4
Decommissioning	High	High	High	High	Yes	We continue with our effort of decommissioning and removal of the P/Q Block facilities and connected pipelines; activity was labour and financial intensive.	↑	n.a.	Topic 11.7 Decommissioning (Closure and rehabilitation)	8.4, 11.4, 11.5, 11.6, 14.2
Occupational Health and Safety	High	High	High	High	Yes	HSE and MAP Policies are at the basis of how we strive to work; with respect to 2022, TRCF improved decisively: we reported two (2) recordable injuries involving workers in the value chain. Occupational Hygiene process in place to prevent and mitigate occupational risks H&WB process in place to prevent and mitigated (mental) health risks	↑	S1 S2	Topic 11.9 Occupational health and safety	3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.a, 3.b, 8.8, 16.1
Climate Change	High	High	High	High	Yes	Gross GHG Emissions decreased w.r.t. 2022; slight increase in GHG intensity, Methane intensity decreased. Further evaluation of Scope 2 and Scope 3 emissions	↑	E1	Topic 11.1 GHG Emissions	13.1, 13.2
						Climate Resilient Plan development postponed; ESG strategy, targets and KPI redefined	=	E1	Topic 11.2 Climate adaptation, resilience, and transition	7.3, 8.4, 9.4, 12.2, 13.1
Air Pollution	Moderate	Moderate	Moderate	Moderate	Yes	NO_x, SO_2 emissions decreased w.r.t. 2022; diesel consumption decreased as well. Diesel consumption and air pollutants for Scope 3 activities (primarily decommissioning) are expected to raise in 2024 and to then decline	↑	E2	Topic 11.3 Air emissions	3.4, 3.9, 14.3, 15.2
Employment Practices	Moderate	Moderate	Moderate	Moderate	Yes	PEPN is in compliance with all the local employment legislation requirements; as part of the Contractors' 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 particularly challenging market. Closure of P/Q assets has led to reallocation of internal and external resources	=	S1 S2	Topic 11.10 Employment practices	4.3, 4.4, 4.7, 5.5, 8.7, 10.3, 10.4
						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	=	S1 S2 G1	Topic 11.14 Economic impacts	5.5, 8.1, 8.2, 8.3, 8.4, 8.5
Resources Use and Waste	Moderate	Moderate	Moderate	Moderate	Yes	Offshore waste decreased in 2023, however NORM waste increased; waste has been transported and segregated as per local requirements. Office waste is segregated to maximise recycling. Dismantling and disposal of Haven and Hoorn facilities initiated	=	E5	Topic 11.5 Waste	3.9, 11.6, 12.4, 12.5, 14.1, 14.2, 15.2, 15.5
Water Pollution	Moderate	Moderate	Moderate	Moderate	Yes	Amount of discharged water and OIW drastically reduced with P/Q facilities in Lighthouse mode	↑	E2	Topic 11.6 Water and effluents	6.3, 6.4, 6.6, 12.4, 14.2, 14.3
Business Conduct	Moderate	Moderate	Moderate	Moderate	Yes	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 collaborating with our stakeholders to make sure we continue to provide more sustainable sources of energy products to the local community	=	G1	Topic 11.19 Anti-competitive behaviour	16.3
									Topic 11.20 Anti-corruption	16.3, 16.5, 16.6
									Topic 11.21 Payments to governments	16.3, 16.5, 17.3
									Topic 11.22 Public policy	16.3, 16.6, 17.1, 17.3

Appendix D • Materiality Matrix 2023

ESRS Material Topic	Sustainability Impact Materiality	Financial Materiality	Relevance to Petrogas	Relevance to Stakeholders	Material	Status w.r.t. 2022	Improvement	Reference to ESRS	Reference to GRI	Relevant to SGS Targets
Substances of Concern / Very High Concern	Moderate	Moderate	Moderate	Moderate	Yes	PEPN is supporting ElementNL in identifying and cataloguing any substance of (very) high concern, which may be part of the current process flows (e.g. Benzene) or utilities (e.g. PFAS); once the assessment is completed, an action plan will be developed to eliminate or substitute the identified substances	=	S1 S2	Topic 11.9 Occupational health and safety	3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.a, 3.b, 8.8, 16.1
Equal Treatment and Opportunities for All	Moderate	Moderate	Moderate	Moderate	Yes	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 (23 different nationalities are represented) or religion (prayer room(s) available), however, no specific target have been set, yet.	=	S1 S2	Topic 11.11 Non-discrimination and equal opportunity	4.3, 4.4, 4.7, 5.5, 8.5, 10.3, 10.4
Freedom of Association and Collective Bargaining	Moderate	Moderate	Moderate	Moderate	Yes	Personnel in PEPN is free to associate and participate to trade unions; at the end of 2023 there is no active union at PEPN. An active Work Council is present. This is considered to be moderate/low materiality given the current level of processes in place in The Netherlands with respect to labour protection and enhancement	=	S1 S2	Topic 11.13 Freedom of association and collective bargaining	8.8, 16.3, 16.10
Biodiversity	Moderate	Moderate	Moderate	Moderate	Yes	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). Halfweg GBS left in place. It has been chosen not to further disclose on this materiality	=	E4	Topic 11.4 Biodiversity	3.9, 12.4, 14.2, 15.2
Water and Marine Resources / Water and Effluents	Low	Low	Low	Low	No	This topic is not considered to be material; impact from operations activities has been addressed in E2. Water Pollution	=	E3	Topic 11.6 Water and effluents	6.3, 6.4, 6.6, 14.2, 14.3
Forced Labour and Modern Slavery	Low	Low	Low	Low	No	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	=	S1 S2	Topic 11.12 Forced labour and modern slavery	8.7, 16.2
Affected Communities	Low	Low	Low	Low	No	PEPN interaction with local community is limited its workers and to give back in terms of financial contribution to local charities or providing resources for volunteering in the same community. There are no issues about land and resources rights, Indigenous people PEPN operations are offshore away from any community and risk of conflict is considered low	=	S3	Topic 11.15 Local communities	3.9, 5.5, 16.1
									Topic 11.16 Land and resource rights	16.1
									Topic 11.17 Rights of Indigenous peoples	16.1
									Topic 11.18 Conflict and security	16.1
Consumers and End-users	Low	Low	Low	Low	No	PEPN is a B2B company and we do not have a direct relationship with the end-users of our product	=	S4	Not applicable	Not assessed
Pollution of Soil & Living Organisms and Food Resources	Low	Low	Low	Low	No	PEPN operates offshore, any impact to soil is limited to waste management, which is considered captured by the "Resource Use and Waste" materiality	=	E2	Topic 11.5 Waste	3.9, 11.6, 12.4, 12.5, 14.1, 14.2, 15.2, 15.5

Appendix E • Data Summary

Category	Indicator	2021	2022	2023	Change 22-23	Notes
Safety	Working hours staff (h)	233.590	198.913	173.691	-13%	
Safety	Working hours contractors (h)	260.408	263.720	512.005	94%	Increased workload due to A15/B10 construction / installation, removal of Haven and Hoorn and other decommissioning work. Contractors include temporary workers, self-employed workers and value chain workers
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 on people
Safety	LTI contractors (#)	0	2	0	-	more than efficiency (time loss)
Safety	Total LTIF (-)	0	4.32	0	-	
Safety	TRC staff (#)	0	0	0	-	
Safety	TRC contractors (#)	2	5	2	-60%	
Safety	Total TRCF (-)	4.05	10.82	2.92	-73%	
Safety	MVI staff (#)	0	0	0	-	
Safety	MVI contractors (#)	0	0	0	-	
Safety	First Aid Cases (#)	5	5	5	-	
Safety	Non-work-related events (#)	13	24	8	-67%	
Safety	PSE Tier 1 (#)	0	0	0	-	
Safety	PSE Tier 2 (#)	1	0	0	-	
Safety	Spills (#)	4	0	3	-	All minor events
Safety	Spills (size, m^3)	0,1	0	0,034	-	Size of spills estimated
Safety	Gas releases (#)	1	0	0	-	All minor events
Safety	Gas releases (size, m^3)	< 1	0	0	-	Gas release estimated
Safety	Marine Incidents (#)	1	3	9	200%	Events without direct or indirect HSE consequence
Safety	Aviation Incidents (#)	0	5	3	-40%	Events without direct or indirect HSE consequence
Safety	Near Misses (#)	22	37	25	-32%	Excluding LPO
Safety	Level 1 investigations completed (%)	100%	97%	100%	3%	Level 1 investigations are for events with negligible or minor actual and / or potential consequences
Safety	Level 2 investigations completed (%)	70%	100%	100%	0%	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 (#)	22	53	19	-64%	
Safety	Safety Observations (#)	297	285	236	-17%	Safety observations include SMART, Hazards Hunt and Life Saving Rules
Safety	Self Verifications (#)	247	270	138	-49%	Self verifications are executed on Permit to Work and Isolations procedures
Safety	HSE Trainings (d)	311	148	205	39%	Metric does not include online trainings
Safety	Gross HSE Trainings expenditures (M€)	186.44	79.95	284.03	255%	Metric includes online trainings
Safety	Audits (#)	7	5	5	0%	HSE Audits including external and internal auditors
Safety	Leadership Engagements (#)	92	106	106	0%	
Safety	Contractors Engagements' Sessions (#)	1	3	2	-33%	A/B Block shutdown KOM, A15 DWOP
Safety	Contractors Audits (#)	3	10	5	-50%	HSE audits only
Safety	EM Drills (%)	104%	98%	95%	-3%	
Safety	Fines related to incidents/accidents (#)	0	1	0	-	

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

Appendix E · Data Summary

Category	Indicator	2021	2022	2023	Change 22-23	Notes
Safety	Fines related to incidents/accidents (€)	0	10.800	0	-	Fine raised in 2022 was actually paid off in January 2023
Safety	Supply vessels charter time (d)	335	311	232	-25%	
Safety	Inbound and outbound offshore lifts (#)	4.600	5.354	4.128	-23%	
Safety	Helicopter flights (h)	1.102	1.752	747	-57%	
Environment	Gross CO_2 Scope 1 emissions (tons)	90.860	69.889	57.415	-18%	Drilling CO_2eq. Emissions have been added to Cat 1 of Scope 1 emissions; disclosures have been retroactively adjusted, where relevant
Environment	Net CO_2 Scope 1 emissions (tons)	44.499	28.122	20.040	-29%	Drilling CO_2eq. Emissions have been added to Cat 1 of Scope 1 emissions; disclosures have been retroactively adjusted, where relevant
Environment	Gross CO_2eq Scope 1 emissions (tons)	96.859	74.389	58.926	-21%	Drilling CO_2eq. Emissions have been added to Cat 1 of Scope 1 emissions; disclosures have been retroactively adjusted, where relevant
Environment	Net CO_2eq Scope 1 emissions (tons)	48.671	31.185	20.559	-34%	Drilling CO_2eq. Emissions have been added to Cat 1 of Scope 1 emissions; disclosures have been retroactively adjusted, where relevant
Environment	Gross CO_2eq Scope 2 emissions (tons)	228	255	333	31%	Supply Base (moving to Beverwijk) monitored as of 2021
Environment	Gross CO_2eq Scope 3 emissions (tons)	2.286.920	2.034.000	1.607.844	-21%	Cat 1, 4, 6, 7 and 11 (major contributor)
Environment	Gross CO_2eq Scope 3 emissions - Cat 1 (tons)	3.964	2.527	20.947	729%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 2 (tons)	n.a.	270	11.068	3999%	Construction activities A15 and B10
Environment	Gross CO_2eq Scope 3 emissions - Cat 3 (tons)	n.a.	586	298	-49%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 4 (tons)	5.003	3.729	2.291	-39%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 6 (tons)	1.007	993	1.162	17%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 7 (tons)	19	33	42	27%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 8 (tons)	n.a.	1.636	1.064	-35%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 9 (tons)	n.a.	2.234	2.234	0%	
Environment	Gross CO_2eq Scope 3 emissions - Cat 11 (tons)	2.280.891	2.004.706	1.589.727	-21%	It is conservatory assumed that all gas produced in 2023 is sold and used as fuel to generate power
Environment	Gross GHG Intensity (tons/BOE)	0,014	0,012	0,012	2%	
Environment	Net GHG Intensity (tons/BOE)	0,019	0,014	0,013	-7%	
Environment	Gross CH_4 emissions (tons)	191	147	50	-66%	
Environment	Net CH_4 emissions (tons)	131	102	17	-83%	2022 total slightly adjusted, based on updated calculations
Environment	Methane intensity (tons/BOE)	0,012	0,01	0,009	-9%	Taking into account only A/B blocks
Environment	Flaring (MMm^3)	0.44	0	0	-	A15 A2 well flaring activities will be accounted in 2024 taking into consideration the whole A15 drilling campaign
Environment	Fuel consumption (MMm^3)	45.13	34.49	28,86	-16%	Gas used to power installations
Environment	Diesel consumption (m^3)	1176	679	289	-57%	
Environment	Gross NO_x emissions (tons)	71,36	33,02	14,2	-57%	P&A activities in 2022 have not bee taken into account
Environment	Gross N2O emissions (tons)	183	138	109	-21%	N2O is derivative from emissions factors
Environment	Gross Refrigerants (kg)	344	59	0	-100%	Refrigerants are evaluated based on cooling fluid replacements
Environment	Gross VOC emissions (tons)	11,15	3,92	0,46	-88%	Methane is excluded from this account
Environment	Gross SO_2 emissions (tons)	5,79	2,59	1.44	-44%	
Environment	Gross Energy (TJ)	1672	1253	1045	-17%	
Environment	Net Energy (TJ)	807	491	393	-20%	
Environment	Gross Energy Intensity (GJ/BOE)	0,23	0,2	0,22	10%	
Environment	Net Energy Intensity (GJ/BOE)	0,303	0,226	0,023	-90%	
Environment	Renewable energy (MWh)	n.a.	n.a.	n.a.	-	Data from the solar panels installed in 2021:2023 period not available
Environment	Waste Hazardous (tons)	29,96	43,76	33,11	-24%	2022 value adjusted, based on updated calculations

Notes:

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Appendix E • Data Summary

Category	Indicator	2021	2022	2023	Change 22-23	Notes
Environment	NORM Waste (kg)	199,73	380,13	n.a.	-	Metric unit adjusted to kg, not tons (see SR2022); 2023 data point not available, yet
Environment	Waste Non-hazardous (tons)	69,97	75,01	50,9	-32%	2022 value adjusted, based on updated calculations
Environment	Water usage (m^3)	n.a.	n.a.	n.a.	-	Metric not measured, yet
Environment	Water discharged (MMm^3)	2,57	0,82	0,003	-100%	2023 value only includes A/B, due to P/Q decommissioning
Environment	Water re-injected (MMm^3)	2,12	0,37	0	-100%	Water is not re-injected in the A/B fields reservoirs
Environment	Dispersed oil (tons)	16,5	4,67	0,002	-100%	P/Q contributed to 99,96% of all discharged water
Environment	BTEX discharge (tons)	1,33	0,57	<0,001	-100%	P/Q contributed to 99,95% of all discharged water
Environment	Benzene discharge (tons)	0,89	0,34	<0,001	-100%	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)	4492	2720	92.1	-97%	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	103.064	31%	Charity money collected, excluding initiatives like food banks and other small donations
Social	Staff employees - male (#)	90	91	89	-2%	
Social	Staff employees - female (#)	21	22	24	9%	
Social	Staff gender ratio m/f (%)	81%	81%	79%	-2%	
Social	Special Recognition Awards (#)	60	164	63	-62%	Metric includes Staff and Contractors
Social	Average staff pay (€, gross)	8.247	8.057	8.066	0%	
Social	New hires (#, m)	6	10	7	-30%	
Social	New hires (#, f)	2	8	5	-38%	
Social	New hires from local area - Netherlands (#)	7	13	11	-15%	
Social	Turnover (#)	n.a.	11,37%	11,29%	-1%	
Social	Age distribution < 30y (%)	5%	4%	2.40%	-37%	This figure only included PEPN employees
Social	Age distribution 30-45y (%)	34%	35%	38%	8%	This figure only included PEPN employees
Social	Age distribution > 45y (%)	61%	61%	60%	-1%	This figure only included PEPN employees
Social	Nationality distribution - Dutch (%)	84%	83%	81,74%	-1%	This figure only included PEPN employees
Social	Other nationalities (#)	10	12	23	92%	This figure only included PEPN employees
Social	Absenteeism	6,00%	5,96%	8,11%	36%	This figure only included PEPN employees
Social	Grievances raised (#)	0	5	6	20%	This figure only included PEPN employees
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)	20.163	16.814	13.064	-22%	BOED - GWI (excluding incoming royalty) - Gross
Finance	Production (BOED, net)	7499	5.962	4.459	-25%	BOED - GWI (excluding incoming royalty) - Net
Finance	Revenue (M€, net)	137.624	328.584	153.894	-53%	NRI Revenue
Finance	Revenue (€/BOE, net)	49.77	148.59	93.1	-37%	Based on GWI production (including royalty income)
Finance	Production efficiency (%)	90%	87%	88%	1%	

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Appendix E • Data Summary

Category	Indicator	2021	2022	2023	Change 22-23	Notes
Finance	Net reserves additions 2P (MMBOE)	0,6	2.3	1.5	-35%	NRI - Net
Finance	Operating cashflow (M€, net)	72645	183.170	111.213	-39%	
Finance	Cashflow margin (%, net)	53%	56%	72%	25%	
Finance	EBITDA(x) (M€)	91.217	263.131	107.895	-59%	
Finance	Debt (M€, net)	22283	17.295	11.684	-32%	
Finance	Net debt to EBITDA	-0,4	-0,3	-1,1	267%	
Finance	OPEX (M€, net)	46.777	65.878	46.206	-30%	
Finance	OPEX per barrel (€/BOE)	16,9	29,8	28	-6%	Based on GWI production (including royalty income)
Finance	CAPEX (M€, net)	11568	9.087	27.415	202%	
Finance	ABEX (M€, net)	10554	38.878	33.671	-13%	
Finance	Concessions Rentals (M€, net)	418,8	354	297,36	-16%	
Finance	Retributions (M€, net)	12,31	79.54	69.825	-12%	
Governance	Male member of Board of Directors (#)	100%	100%	100%	0%	Composition of BOD changed in Q1 2024
Governance	Female member of Board of Directors (%)	0%	0%	0%	-	
Governance	Board members nationalities (#)	3	3	3	0%	
Governance	ESG (Business Ethics) Training compliance (%)	95%	n.a.	67%	-	Business Ethics training module launched in May 2023
Governance	Conflict of Interest policy sign-in (%)	95%	85%	-	-	Disclosure not available at the end of 2023
Governance	Payments to Gov (M€)	12.334	71.249	25.019	-65%	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	Salary ratio General Manager / avg employee	3.06	3.14	2.93	-7%	
Governance	Incidents of non-compliance (#)	0	0	0	-	
Governance	Partners meetings (#)	39	39	39	0%	Sum of Technical Committee Meetings and Operating Committee Meetings

Notes:

(x) defines the dimension of the metric used
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Colophon:

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

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PETROGAS