

Due Diligence Statement 2024

Transparency Act



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1.0 Introduction

1.1 About this statement

This due diligence statement has been prepared in accordance with the Norwegian Transparency Act (2021) (NOR: Åpenhetsloven) regarding Responsible Business Conduct. The purpose of the Transparency Act is to promote respect for Fundamental Human Rights and Decent Working Conditions through the value chains and to ensure transparency on how companies are fulfilling its obligations to ensure compliance.

The purpose of this statement is to describe Sval Energi AS' (the "Company" and/or "Sval") efforts to identify, prevent and manage actual and potential adverse impacts on Fundamental Human Rights and Decent Working Conditions in connection with the Company's operations. The reporting period covered by this statement is 01.01.2024 – 31.12.2024.

1.2 Transparency Act due diligence model

Section 4 of the Transparency Act and the Organisation for Economic Cooperation and Development's (OECD) due diligence model for responsible business conduct set out the requirements and expectations for what businesses need to do to identify, prevent, and manage adverse impacts resulting from their business on Fundamental

Human Rights and Decent Working Conditions. The Company's efforts are based on this model, which includes six steps:

- 1. Embed responsible business conduct into policies and management systems:**
The enterprise must anchor accountability in its policies. The responsibility shall be anchored at management level.
- 2. Identify and assess adverse impacts:**
The enterprise must identify risks in the operations, in supply chains and business relationships and assess the extent and likelihood of actual and potential adverse impact or damage to Fundamental Human Rights and Decent Working Conditions.
- 3. Cease, prevent or mitigate adverse impacts:** Based on findings identified in Step 2, the enterprise must implement a plan to prevent and deal with adverse consequences.
- 4. Track implementation and results:**
The enterprise must follow up and evaluate the effect of the measures taken following implementation of the plan identified in Step 3 to ensure that they reduce the risk of adverse effects.
- 5. Communicate how impacts are addressed:**
The enterprise must communicate openly and clearly about the handling of adverse impacts.

- 6. Provide for or cooperate in remediation when appropriate:** If the enterprise has caused or contributed to actual adverse consequences, remediate measures must be taken.

Breaches of these obligations may expose the relevant companies for infringement fees as well as claims for compensation in cases where such breaches should cause negative impact on Fundamental Human Rights and/or Decent Working Conditions and with related financial losses.

1.3 Definitions

In this statement the terms Fundamental Human Rights, Decent Working Conditions, Business partner and Supplier mean:

Fundamental Human Rights: Refers to the internationally recognised human rights pursuant to the International Covenant on Economic, Social and Cultural Rights, the

International Covenant on Civil and Political Rights, and the ILO's core conventions on fundamental rights and principles at work.

Decent Working Conditions: Means work that safeguard Fundamental Human Rights and health, safety and environment in the workplace, and that provides a living wage. This includes e.g. the right to organise, to fair wages, to safe working conditions, to freedom from discrimination and child labour.

Business partner: All entities or individuals with which our Company enters into a business relationship, and includes suppliers, consultants, agents, joint venture partners, lobbyists and other intermediaries, as well as customers.

Supplier: Range of companies involved in the manufacturing process to produce a product or service, from raw material suppliers to retailers.

2.0 Company description

2.1 The Company and its operations

Sval is an independent Norwegian energy company focusing on the exploration, development, and production of oil and gas. It is a wholly owned subsidiary of Sval Energi Holding AS, which is controlled by HitecVision. On 7 March 2025, it was announced that DNO ASA had reached agreement to acquire 100 percent of the shares in Sval Energi Group AS from HitecVision. The effective date of the transaction is 1 January 2025, with expected completion mid-year 2025, subject to customary regulatory approvals.

As of the end of 2024, Sval was the operator of one producing field, Oda, and a partner in fifteen other producing assets, with two new tie-in fields commencing production during 2024. Sval is involved in three development projects as a partner and holds interests in various discoveries and exploration licenses on the NCS. Strategic changes led to the divestment of the Trudvang CO₂ storage license at the end of 2024 and the transfer of operatorship for Oda, effective in the first quarter of 2025.

Additionally, Sval owns a 50 percent stake in the Metsälamminkangas (MLK) onshore wind farm in Finland.

Sval's headquarters is located in Stavanger, Norway. The Company also has an office in

Oslo. More information about our business operations can be found in Sval Energi AS Annual Report 2024 (www.sval-energi.no).

2.2 Organisation

By year end 2024 Sval Energi AS had 135 employees distributed as follows:

Number of employees/headcount				
	Count	%	Parttime	FTE's
Female	48	36.6%	2	
Male	87	64.4%	1	
Total	135		3	134,5

97,8 percent of all employees held full-time positions. None of the employees worked part-time involuntarily.

Sval is a member of the main agreement between the Confederation of Norwegian Enterprise (NHO) and Tekna. The collective bargaining agreement covered at the end of 2024 38 percent of all permanent employees.

In 2024 changes were made to the Executive Leadership Team (ELT). There has been limited changes to the wider organisation in the reporting period. However, following strategic changes, including a shift away from the operator role in Oda and divestment of the Trudvang license, organisational changes were announced at

the end of 2024, and completed in the first quarter of 2025. The organisational changes were carried out in close cooperation with employee representatives. By the end of 2024, Sval Energi had 135 permanent employees in Norway, distributed as shown in the table above.

Following up on the 2023 employee survey, Sval conducted a Work Environment Pulse Survey in 2024 with a 97 percent response rate. The results have been shared with senior management, employee representatives and the wider organisation. The survey generally showed strong results, for instance on social harmony and collaboration, with some areas for improvement relating to personal and career development, communication, and involvement. Actions were established to further enhance the working environment.

2.3 Business partners

Supply chain

Sval spent around 380MNOK in 2024 on goods and services from approximately 340

suppliers, distributed as shown in the figure below. The amount and extent of supply chain activities in Sval reflects Sval's primary role as partner in its oil and gas licences.

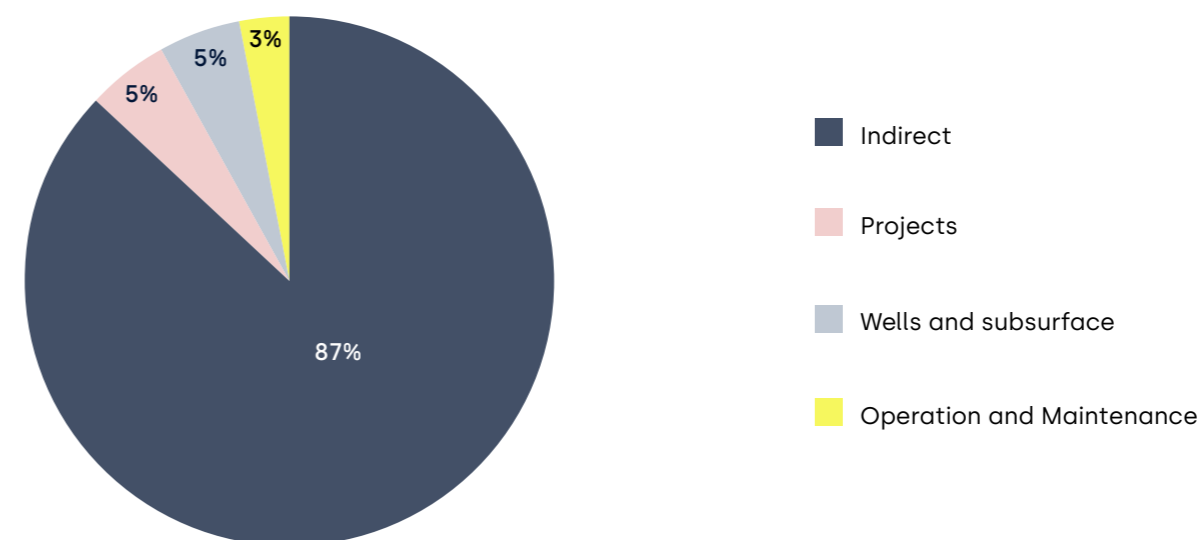
Most suppliers, measured by spend, are related to "indirect" spend. This includes administration, IT, office services, office rentals, etc. The biggest suppliers in monetary value are related to IT services, project activities, wells and subsurface, operations and maintenance services. These activities include engineering, planning, analytical services, on- and offshore operations and logistics.

Our major suppliers are typically Norwegian entities.

Other business partners

Other relevant groups of business partners are our license partners, banks, financing institutions, as well as all buyers of Sval's products (gas, crude and NGL). Although customers are not included in the scope of the Norwegian Transparency Act, Sval also include this group in its due diligence work.

Supplier Spend Distribution



3.0 Our approach to human rights management

3.1 Introduction

Our approach to human rights management consists of the following key elements based on the OECD Due Diligence Guidance for Responsible Business Conduct:

1. Governance and commitment
2. Activities to identify negative human rights impacts
3. Activities to prevent, mitigate and remediate any negative human rights impacts

3.2 Governance and commitment

Ownership and commitment

Sval is firmly committed to respecting human rights as outlined in the Company's Code of Conduct. The CEO holds the overall responsibility for enterprise risk management in Sval, including any risks relating to human rights and decent working conditions. Any red flag issues are to be resolved according to the approval process set out in the Integrity Due Diligence (IDD) and Transparency Act Procedure by the Sval Executive Leadership Team (ELT).

The VP of Legal, Commercial and Supply Chain is responsible for the IDD and Transparency Act Procedure, however,

the responsibility for the performance of various tasks is allocated to the relevant business units.

The Board of Directors ensure compliance with the Transparency Act through the Audit, Risk and Sustainability Committee and approves this statement in accordance with the Transparency Act §5.

Policies and procedures

Relevant guidelines and routines are embedded in the Sval Code of Conduct and the IDD & Transparency Act Procedure. The procedure describes how we map and assess our business partners with respect to potential impacts on human rights and/or decent working conditions, how we prevent, monitor, and mitigate such impacts and finally, account for our efforts. It further describes how we perform due diligence for new and existing business partners, based on a list of potential red flags such as ownership structures, geographical location, reputation, and connections to politically exposed persons. If any red flags are raised and/or maintained through an initial risk assessment, a more extensive IDD is performed.

In addition to the Code of Conduct and the IDD & Transparency Act Procedure the following Sval policies are relevant in this context:

- Environment, Social, Governance (ESG) Policy
- Anti-corruption Policy
- Health, Safety & Environment (HSE) Policy
- Whistleblowing Policy
- Diversity and Inclusion Policy
- General Data Protection (GDPR) Policy

Offshore Norge guideline

As a member of the industry association Offshore Norge, the Company adheres to the recommended guidelines for the Transparency Act (no. 148) provided by Offshore Norge. The guidelines have been drawn up by a working group established by the legal committee of Offshore Norge. These guidelines are a result of a joint effort in the industry aimed at ensuring that the obligations under the Transparency Act are fulfilled in joint E&P projects and divides the responsibility for compliance with the Transparency Act and the boundary between the individual corporate responsibility and the main responsibility in the joint activity. The operators perform risk-based due diligence assessments in relation to the partnership's activities, while partner forums are used to discuss any findings and mitigating actions.

3.3 Activities to identify negative human rights impacts

3.3.1 Processes and routines

The Company's IDD & Transparency Act Procedure is based on the six steps of the OECD's due diligence model for responsible business conduct as described in Section 1 of this document.

3.3.2 Risk assessments and due diligence

Sval operates in a generally low-risk environment with respect to violation of human rights and working conditions as our activities are primarily focused in Norway¹. Additionally, our current role is mainly as a partner in licences operated by others, which means our operated supply chain activities are relatively limited. However, there is still potential for negative impacts within our value chain. Examples include risks in relation to procurement of goods and services as listed in the high-risk register for public procurement². The most relevant procurement activities from this list for Sval are IT hardware, office supplies and food and beverages. Our see-to duty as partner also includes compliance with the Transparency Act and we follow up on this part of our value chain through license dialogues as described in Section 3.2 and Section 3.4.

To identify any risks of negative impacts relating to Fundamental Human Rights and/or Decent Working Conditions, Sval performs the following risk assessments and due diligence activities as part of our regular activities:

A. Cross-functional risk assessment.

Sval conducts risk assessments focused on human rights and working conditions with a cross-functional team twice a year. This team includes representatives from various business functions within the Company. The goal is to identify risks and mitigating actions with a joint approach across different activities, while also increasing the awareness around human rights and working conditions in our value chain. The outcomes of these sessions result in a risk register for ongoing monitoring and follow-up in line with Sval enterprise risk management process.

¹ Source: [Corruption Perception Index Home - Transparency.org](https://www.transparency.org/en/cpi)

² Source: [Høyrisikolisten | Anskaffelser.no](https://www.hoyrisikolisten.no/)

The following functions are represented in these risk assessments:

- People and Culture (human relations, facilities, and canteen)
- Supply Chain (procurement)
- Marketing and Midstream (customers)
- Treasury (banks/ finance)
- Commercial (partners/ commercial agreements)
- Digitalisation and IT (IT hardware and services)
- Projects (development and decommissioning projects)
- Asset managers (partner activities)

B. Tender evaluation. As part of our tendering process, Sval collects information from bidders regarding their practises related to human rights and working conditions. This information is used in the tender evaluation and ranking of tenderers before award.

C. Risk assessments pre-contract commitment. Before entering any third-party commitments Sval performs IDD's. The initial step involves using a third-party due diligence tool that rates vendors based on ESG metrics, financial risk, sanction compliance, adverse media appearance, and Political Exposed Person (PEP) status, all based on information provided by renowned international search firms. If any red flags are identified, a deeper IDD is conducted, and issues are resolved according to the process outlined in the IDD & Transparency Act Procedure.

D. Risk assessments post-contract commitment. Post contract award, the responsibility to follow up on human rights and working conditions is transferred to the contract owner. The contract owner is notified of any red flags identified through continuous monitoring by the third-party

tool and will carry out further follow up as necessary.

E. Quarterly review of minor suppliers.

Sval conducts a quarterly review of all minor suppliers, defined as those with an annual spend less than 150.000 NOK, with a view to identify any high-risk suppliers for further follow-up and investigation.

At the end of 2024, Sval had in total included 179 suppliers and other business partners in the third-party tool for pre-commitment checks and continuous tracking of their performance. No red flags have been identified during the reporting period. Only minor risks have been identified through other risk assessment activities. These risks are captured in the Transparency Act risk register in our enterprise risk management tool.

3.3.3 Notification- and whistleblowing-channels

Sval encourages all employees and temporary personnel to speak up against wrongdoings and negative circumstances. The whistleblowing policy sets out the procedures under which all employees and contractors can report an issue or voice concerns about the Company's activities in a responsible and effective manner. Sval encourages open and honest discussions within the Company and protect the employees' right to freedom of speech. An employee who reports an issue or a breach of policy will never receive disciplinary action or negative reactions from the Company as a result. Sval has an independent whistleblowing channel managed by a third-party provider. In case of escalation, they conduct in-depth investigations to maintain internal and external credibility.

In 2024, two reports of concern were received via Sval's whistleblowing channels, and one was reported directly to People

and Culture. Only one of these reports was classified as a whistleblowing case by the independent third party and addressed by management and at board level. No breach of relevant legislation or internal policies was found.

3.4 Activities to prevent and mitigate negative human rights impacts

Sval is committed to systematically promoting and safeguarding respect for human rights and decent working conditions for both own workforce and workers in our value chain. If any potential or actual negative impacts are identified, these will be managed according to the IDD & Transparency Act Procedure. This involves the relevant line manager and the Sval ELT in deciding upon measures to stop or mitigate such negative impacts.

The following section describes our work to prevent and mitigate negative human rights impacts.

3.4.1 Supply chain requirements and contractual clauses

Sval has incorporated articles, including the Offshore Norge model clauses, into all standard contract templates. These clauses ensure that business partners, and their subcontractors at any tier comply with Fundamental Human Rights and Decent Working Conditions. They are required to monitor and report to Sval on these aspects, and Sval is entitled to audit contractors at all tiers to verify compliance. Legal remedies, including the right to termination, are available in case of breaches.

If post commitment risk assessments uncover any new risks that are not addressed by the standard pre-commitment risk mitigating actions, Sval will implement additional measures.

3.4.2 Training and education of employees

All employees are required to complete an annual training module on the Code of Conduct to ensure knowledge and awareness of ethical principles including human rights. In addition, a mandatory training module on the IDD and Transparency Act Procedure has been implemented for all employees.

3.4.3 Inspections, reviews and audits

In 2024 we have arranged several supplier meetings where we have discussed our expectations to the suppliers. The Transparency Act is an integrated part of these conversations. In addition, for the major suppliers we have an ongoing relationship with, we arrange regular performance reviews. The suppliers' approach and compliance with the Transparency Act is on the agenda in these reviews.

3.4.4 Partner operated activities

Sval follows up on human rights and decent working conditions as part of our see-to duty in our non-operated licenses in line with Offshore Norge guidelines as described in Section 3.2. Training sessions have been conducted with the Asset Managers in Sval to raise awareness of the requirements and license guidelines. License meetings and annual partner forums are used to discuss any actual negative consequences or significant risks, as well as the processes applied by the various operators. No negative impacts were communicated by any of the operators in 2024.

3.5 Follow up and remediation

No actual negative impacts were detected in the reporting period, therefore no measures or remediate actions have been implemented. If any such impacts are detected appropriate remediation measures will be identified and implemented in liaison with the relevant business partner and affected personnel.

Board of Directors signatures

Stavanger, 10 April 2025

The Board of Directors and the CEO of Sval Energi AS

Einar Gjelsvik
Chairman

Grethe Kristin Moen
Board member

Timothy Dodson
Board member

Kristin Gjertsen
Board member

John Nicholas Knight
Board member

Halvor Engebretsen
Chief Executive Officer



P.O. Box 130
4068 Stavanger, Norway
post@sval-energi.no
+47 51 88 12 00

sval-energi.no