



ESG report OKEA ASA

2021



About this report

This report on environmental, social and governance (ESG) matters reflects OKEA ASA's (OKEA) commitment to sustainability in our activities. OKEA considers disclosure as a basis for engagement. We support efforts to drive consistency and comparability of sustainability reporting and are committed to continually monitor, assess and communicate impacts of our business activities.

This report presents material ESG topics including key performance metrics. OKEA's annual financial report for 2021 provides information about financial performance and our business in general.

Performance data presented in this report relates to the period from 1 January to 31 December 2021 unless otherwise stated. Where possible and appropriate, historical trend data are included as reference. Selected key targets and ambitions for our planned work within ESG matters in 2022 have also been included.

Reporting frameworks

We use several reporting frameworks to identify and report on material ESG topics, including:

- ▶ Global Reporting Initiative Standards (GRI) and the new GRI 2021 Oil and Gas Sector
- ▶ Task Force on Climate-Related Financial Disclosure (TCFD) recommendations
- ▶ United Nations Sustainable Development Goals
- ▶ Euronext guidelines to issuers for ESG reporting

The report also covers several reporting requirements as required by law, including:

- ▶ The Norwegian accounting act section 3-3a ninth and tenth paragraph
- ▶ The Norwegian accounting act section 3-3c
- ▶ The Norwegian Act relating to equality and a prohibition against discrimination (Equality and Anti-Discrimination Act) section 26a

For more information about our disclosures on reporting standards and reporting requirements, reference is made to appendix on page 86–97.

This report has been reviewed by an internal review committee consisting of senior managers for relevant disciplines and business units. It has also been reviewed by the audit committee, the sustainability and technical risk committee and people and organisation committee, prior to approval by the board of directors.

Reporting boundaries

Defining consistent boundaries for sustainability reporting is challenging due to the complexity of ownership and operational arrangements, such as joint operating agreements on the NCS. We strive to be consistent and transparent about variations in boundaries and provide a complete report in line with industry practice. Disclosures are reported on a 100 % basis for our operated assets unless otherwise stated. This report has been prepared in accordance with the core option GRI standard.

To meet new GRI reporting requirements, we have updated our water and waste indicators to reflect updates in the GRI standards. Following industry practice, we have further chosen to include those metrics that we consider material. We have also made updates to our stakeholder and materiality analysis and prepared a separate appendix to the ESG report to address these matters.

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APPENDIX (IN SEPARATE DOCUMENT):

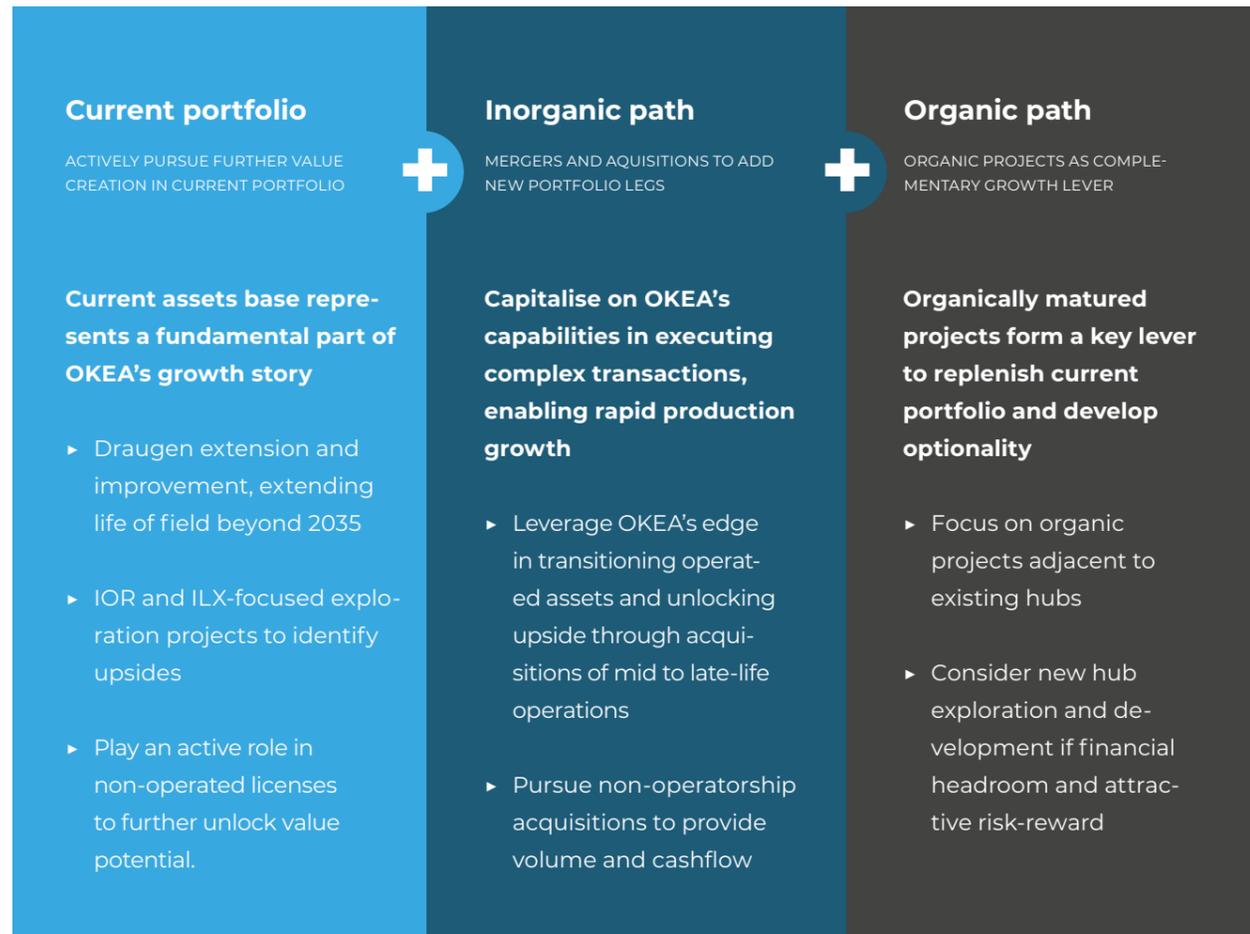
Stakeholder engagement and identification of material topics

Company profile

OKEA is a leading mid-to-late-life operator on the Norwegian continental shelf (NCS) continuing to find value where others divest and has an ambitious growth strategy built on value creation and capital discipline. OKEA is listed on the Oslo Stock Exchange.

OKEA has a competent organisation, fit for growth with direct management engagement and involvement in key projects, and uses risk-cost-benefit evaluations in all phases of the company's business activities.

The company works on three growth levers to deliver continued shareholder value:



OKEA is a trusted partner on local, regional, and national levels with an ambition to create value for owners, employees, and society. The company maintains high ethical standards in the conduct of its business, relations with its shareholders, customers, suppliers and employees, and works against all forms of corruption.

OKEA's core values are Open, Engaged, Responsible and Ambitious, which targets to provide a common cultural foundation towards achieving the company's goals and strategy.



Open

We dare to share info openly. We meet each other with understanding and positivity. We are always being honest. We dare to be proud. We drive clarity in what we say and do. We actively encourage collaboration.



Engaged

We are always personally invested in our activities. We strive for development, improvement and innovation – both in OKEA and personally. We care about each other and how we work together.



Responsible

We always act with integrity. We have ownership to own and joint results. We are reliable in our actions – do what we say we will do. We behave with respect when meeting others within and outside OKEA.



Ambitious

We aim high – together. We dare to take chances and innovate to drive progress. We actively work to improve ourselves and our colleagues. We are always willing to try new ways of working and new technology.

The company has an asset portfolio comprising the operated Draugen field, as well as non-operated positions in Gjøa, Ivar Aasen and Yme. Jointly, this portfolio currently has a target production in 2022 of 18,500–20,000 barrels of oil equivalents per day. Furthermore, OKEA has activities in projects under development, including the Hasselmus gas discovery and the Draugen power from shore, as well as discoveries being evaluated for development and exploration licences with planned and possible wells.

OKEA has its headquarters in Trondheim, an operations centre in Kristiansund and representative offices in Stavanger and Oslo.

At the end of 2021, OKEA had a total of 213 employees. In 2021 the board of directors appointed Svein J. Liknes as new CEO of OKEA. There have been no other significant changes to the organisation's size, structure, ownership, or supply chain in the reporting period.

OKEA purchased goods and services such as engineering, equipment, drilling and well services and logistics services for its operated and corporate activities for approximately NOK 2.7 billion in 2021, mostly from vendors located in Norway.

As of year-end 2021, OKEA ASA was owned by BCPR PTE. LTD. (45,70 %), OKEA Holding Ltd. (15,47 %) and other shareholders (38,83 %). OKEA is a member of the Norwegian Oil and Gas Association (NOROG). Read more about OKEA in the 2021 annual report.

Read more about OKEA in the 2021 annual report available on www.okea.no/investor.



Letter from the CEO

2021 brought several changes for OKEA, both instigated by internal and external developments.

Following a challenging 2020, easing of the restrictions that had been imposed on us due to the Covid-19 pandemic was welcomed by the organisation. Along with the gradual re-opening of society came significantly improved oil and gas markets. Seasonal variations in European energy demand further contributed to soaring gas prices, especially towards the end of the year. The improved market conditions have further strengthened OKEA's financial position, providing us with ample room to achieve our goals and ambitions.

The increased political focus on combatting climate change that we have seen recent years gained momentum in 2021. In January 2021, the Norwegian Government presented a plan to further reduce Norway's climate emissions by up to 55 % by 2030 . As Norway's largest industry, the oil and gas sector have a clear responsibility to contribute to achieving these targets. The Government maintained the climate targets set for the oil and gas sector in January 2020, which called for climate emissions from the industry to

be reduced by 40 % by 2030 and to near zero in 2050. OKEA is committed to contributing to this joint effort and to play a role in the ongoing energy transition. We expect the industry will continue to set ambitious targets, in line with expectations from both the authorities and society at large.

2021 was also the year we initiated and concluded a strategy refresh process, where we confirmed our focus on creating value as an operator of mid- to late-life assets on the Norwegian continental shelf. Since we took over the operatorship of the Draugen field from Shell in 2018, we have consistently shown that we have the operational and commercial strength and expertise to become Norway's leading operator of mid- to late-life assets. The operational efficiency we bring to these mid- to late-life projects reduce production costs and emissions and increase profitability. However, mid- to late-life assets will naturally have higher climate emissions per barrel than less mature fields. It is important for us to minimise these emissions through efficient field management processes and innovative technical solutions.

As part of our strategy, we will maintain a clear, credible and consistent approach to

“ *In January 2021, the Norwegian Government presented a plan to further reduce Norway's climate emissions by up to 55 % by 2030. As Norway's largest industry, the oil and gas sector have a clear responsibility to contribute achieving these targets.* ”

ESG. Taking our ESG responsibility seriously is an important element in OKEA's «license to operate», both now and in the future. Our goal is to be as ambitious as we can when it comes to setting goals for the decarbonisation of our assets, while at the same time balancing the economic realities of operating mid- to late-life assets. Our success in developing sustainable and smart solutions will also enhance our profitability in the long term. Climate emissions performance is an area of importance to us, as a responsible operator aiming to deliver consistent value creation through what we expect will be a multi-decade energy transition period. We aim to extend the production lives of our assets safely, enhance value creation and reduce costs and climate emissions, contributing towards the achievement of national and industry emissions targets.

Everyone, from consumers, to companies, to the authorities, must play their part in tackling climate change. In OKEA, we recognise our responsibility to contribute and collaborate. We share our knowledge through R&D projects, and we continuously look for opportunities to improve operationally. In 2021, we established a decarbonisation strategy for our operated asset in production, Draugen. The strategy outlines our ambition to support the targets for reducing climate emissions set by the oil and gas industry. Continuing to deliver on our short- and medium-term ambitions will be the key to achieving long-term reductions in line with our obligations.



We believe that power from shore and field electrification can play an important role in achieving significant climate emission reductions. At Draugen, where our emissions per unit produced will continue to increase, we are now maturing a power from shore project with an expected investment decision in 2022. Should the project be successful, Draugen could be a «near zero-emission unit» in 2025.

The world will continue to need oil and gas for the foreseeable future, including in the Paris

Agreement's low-emission scenario. Our strategy therefore focuses on extending the life of existing producing assets through operational improvements, maximising the use of existing infrastructure, while reducing climate emissions. In our opinion, this strategy will result in continued value creation throughout the energy transition, ensuring that OKEA is well positioned to succeed in a changing world.

Tackling the challenges ahead and contributing to achieving the goals set by and for us cannot be done by a few. It requires a community. We believe that committed people who work together to achieve common goals in an open and inclusive environment are key to the company's success. We believe that commitment flourishes when people are engaged and empowered and recognise that their contribution to the business is meaningful and linked to a larger purpose. Therefore, we were satisfied that our 2021 employee survey showed that our employees find OKEA to be a good and engaging place to work.

The values we share affect how we behave and cooperate. This engages and strengthens us to help shape the future of the industry and our company. We redefined our values in 2021 to be ► open, ► responsible, ► engaged and ► ambitious. These are all qualities we believe are essential to create a good and productive workplace that enables us to deliver on our goals. Maintaining an open and inclusive working environment is important for our employees to deliver their best. In 2022, our focus is to actively work for gender



equality and strive to achieve a better gender balance and promote equal opportunities in employee development, promotions and recruitment processes. Diversity is so much more than gender, but this is a tangible and visible place to start our journey towards a more diverse workforce.

Continuous attention to people's safety and management of major accident risk will always be essential for us, and we are proud of the fact that there were no serious incidents or uncontrolled discharges during 2021. We are convinced that this is the result of a strong safety culture, with a clear ambition of having zero damages nor leaks, and an effective integration between a highly experienced workforce and efficient and risk-based business management systems.

OKEA strives to play a positive role in the communities where we operate. We do this by creating jobs, developing talent and using local suppliers. OKEA continues to value close cooperation between our skilled employees and our key suppliers. This collaboration is crucial for continuously improving our operations and delivering value to our stakeholders.

The success of our operations depends on the strengths and skills of our partners. We maintain a close dialogue with our partners on sustainability-related topics and plan to intensify this in the future.

As we began to emerge from a fragile economic situation caused by the pandemic, geopolitical conditions became more uncertain in 2022, with the tragic war in Ukraine and ensuing sanctions against Russia. The conflict affects our people, our partners and suppliers, as well as market conditions. The importance of focusing on our employees' security, the security of our systems and data, and upholding strong guidelines for corporate governance and compliance will be all the more crucial in 2022.





Sustainability in OKEA

Our value chain

OKEA's value chain is within the upstream oil and gas business and supply of both natural gas and crude oil. Our value chain spans from accessing acreage and exploration, through development and production. Our products, crude oil, natural gas and NGL, are offered to the market through our trading activities.

Throughout our value chains, external contractors, service providers and suppliers play an active role, and OKEA engages more than 1,000 suppliers in our supply chain.



- ▶ OKEA focuses on building core exploration areas and appraisal plans targeting near field opportunities. Draugen is undoubtedly the most important driving force in OKEA, and our objective is to find more recoverable resources in the area and maintain efficient operations.



- ▶ Our aim is to develop oil and gas resources efficiently and responsibly and convert discoveries into reserves and production. When a development plan has been approved, drilling wells for exploration, appraisal and production can be initiated.



- ▶ The production phase is defined as everything from extraction and processing to delivering the oil, natural gas and NGL for sale.

5.8 million
BARRELS OF OIL EQUIVALENTS

Production volumes oil and gas from the operated Draugen field (100 % number)

5.7 million
BARRELS OF OIL EQUIVALENTS

Production volumes oil and gas from OKEA's share of entire asset portfolio

Our sustainability approach

As a pure-play independent exploration and production (E&P) company and a mid to late-life operator on the NCS, safe production with adherence to the highest standards within health, safety and environmental (HSE) performance and continuous focus on reducing emissions is essential for the company's license to operate as well as enablers of long-term value creation for the company's shareholders.

OKEA ensures compliance with legal requirements and regulations. We strive to maintain a good and inclusive working environment and see to that the people in the organisation are treated

fairly. We respect human rights, and secure that our operations are conducted in a manner that does not cause any harm to people and minimises environmental impact of our operations.

OKEA works actively to support the United Nations Sustainable Development Goals (SDG) and use the Sustainable Development Goals (SDGs) as a reference when defining our priorities. We believe that we must focus on the SDGs in which we can maximise our impact. Thus, regarding the company's strategic plan and the material issues, the following SDGs have been selected:



▶ Given our role in access to affordable energy, our contribution to social economic development and the fight against climate change, we have prioritised SDGs 7, 8 and 13.

▶ Given our support for innovation and technology, and our focus on the circular economy, we have prioritised SDGs 9 and 12

“

We respect human rights, and secure that our operations are conducted in a manner that does not cause any harm to people and minimises environmental impact of our operations.

The company's ESG and sustainability approach is centred around six key commitment areas where we set relevant targets and KPIs for our activities and performance:

▶ **Committed to our people – safe operations**

OKEA believes that engaged people, collaborating to reach our goals in an open and inclusive environment are key to the company's success. The values we share influence how we behave and collaborate, and is the foundation for our «we-culture»- where safety is always a first priority.

▶ **Committed to our stakeholders**

OKEA is committed to engage with its stakeholders and to foster good relations based on fairness and transparency. We ensure compliance with legal requirements and regulations and see to that people in our organisation are treated fairly and respect human rights.

▶ **Committed to national and industry goals for a sustainable development**

OKEA sees a potential to reduce adverse environmental impacts as well as costs through increased efforts on energy management, both in our operation, exploration, supply chain and administrative activities.

▶ **Committed to our partners – supply chain management**

OKEA works actively to identify and mitigate risks in the supply chain, while working with suppliers to identify and utilise financial and technical opportunities our partnerships create.

▶ **Committed to the environment – protection and biodiversity**

OKEA considers the protection of biodiversity and ecosystems as a fundamental component of sustainable development and maintains a transparent dialogue with stakeholders and relevant scientific institutions.

▶ **Committed to our communities**

OKEA is committed to contribute in the communities where we operate and strengthen local business and work actively to recruit workforce from the regions where we are based.

OUR KEY SUSTAINABILITY OBJECTIVES, TARGETS AND AMBITIONS

Commitment area	Objectives	Ambitions and targets
People and safe operations	Provide a safe working environment for employees and contractors through a strong health and safety culture	<ul style="list-style-type: none"> ▶ Zero fatalities ▶ Zero serious incidents ▶ Zero lost time incidents ▶ Zero process safety incidents
	Promote a diverse and engaged workforce, attraction, and retention of talent, including programs in learning and development, recognition, and work-life balance	<ul style="list-style-type: none"> ▶ Employee engagement in the upper quartile ▶ 90 % Response rate in employee survey ▶ 90 % Annual performance and development conversation. ▶ 25 % female employees by 2025 ▶ 30 % female employees at management level by 2025
Stakeholders	Maintain strong governance, ethical conduct and transparency	<ul style="list-style-type: none"> ▶ Promote OKEA's code of conduct throughout our supply chain ▶ Uphold the highest anti-corruption standards ▶ Promote fair competition ▶ Maintain clear whistleblowing procedures
National and industry goals for a sustainable development	Support industry goals of 50 % absolute reduction by 2030 in Norway	<ul style="list-style-type: none"> ▶ Reduce CO₂e emissions from flaring in our operations by 6 % in 2025 ▶ Reduce CO₂e emissions from operations on Draugen by 95 % in 2025 through completed the Power from Shore project ▶ Eliminate flaring (Draugen) by 2030
	Support maritime reduction goals of 50 % set out by the Norwegian government and the International Maritime Organisation (IMO)	<ul style="list-style-type: none"> ▶ Reduce diffuse emissions of methane and non-methane VOC (Volatile Organic Compounds) in our operations by 80 % (Draugen) in 2025 ▶ Reduce methane intensity near zero (CH₄/saleable gas) by 2030 ▶ Reduce scope 3 emissions related to purchasing and transportation of goods by 5 % yearly
Partners – supply chain management	Maintain good relations and partnerships with our suppliers and strategic partnerships for further successful growth	<ul style="list-style-type: none"> ▶ Integrate human rights practices, improve risk management, and mature ambitions
Environment protection and biodiversity	Protect ecosystems, minimise impacts on water and from waste, and ensure responsible decommissioning	<ul style="list-style-type: none"> ▶ Oily water discharges <20 ppm ▶ Produced water reinjection rate >55 % ▶ Waste recovery >90 % ▶ Zero spills to sea
Communities	Uphold positive impacts on local communities through taxes, jobs, R&D, supply chain and local content	<ul style="list-style-type: none"> ▶ >70 % of all R&D projects carried out by research institutions or educational institutions in central Norway ▶ >5 trainees and students in OKEA regardless of scheme within a year ▶ >2 yearly dialogue meetings with local suppliers



Ethics & integrity

We have implemented core management systems, supported by detailed documentation and well-defined procedures to establish lawful business practices as key principles embedded in all operations and business activities. This includes monitoring of adherence to our guidelines covering procedures for governing anti-corruption and ensuring fair and transparent business practices to ensure that all our activities are performed to the highest level of business ethics and integrity.

Our code of conduct describes expectations, commitments and requirements for ethical conduct and is applicable for all who work or act on behalf of the company. The code of conduct is reviewed yearly, and changes are discussed with employee representatives. The code of conduct is endorsed by the board

of directors' sustainability and technical risk committee and subsequently approved by the board of directors. The code of conduct is available on www.okea.no.

Obligations to adhere to all relevant legal regulations and our code of conduct or any other relevant internal regulations, are incorporated in our contract standards. This includes rules and regulations to avoid conflicts of interest, combat corruption and improper payments/financial inducements, as well as safeguards for ensuring that human rights, equality and integrity are respected in all operations we are involved in.

We do not tolerate any breach of applicable laws and regulations, the code of conduct, associated policies, and procedures. Employees and others working on behalf of the company are encouraged to seek advice from their manager or the

legal department, and to report relevant matters considered to conflict with laws and regulations, the company's guidelines, and the general perception of what is justifiable or ethically acceptable.

According to Norwegian legislation, all employees and hired personnel have a statutory right and duty to notify on matters worthy of criticism. We have established easily available routines for whistleblowing in accordance with applicable legal regulations, as well as routines for reporting and handling of non-conformities and improvements through our management system. Reporting can be done both through internal channels and a third-party service for whistleblowing, accessible to both employees, suppliers, and other stakeholders. Internal reporting can be done to a line manager, to members of the senior management, to vice president legal, to the chair of the audit committee or to the CEO. Pursuant to applicable law, reporting can also be done to the Chairman of the board. Reporting may be done anonymously. The legal department, together with the human resource department are responsible for maintaining the routines.

The handling of any reports shall, as far as possible, be confidential and arranged in a way where anonymity and personal data privacy is safeguarded. All inquiries must be followed up immediately through a proper case process adapted to the individual notice. Proper case processing will vary according to the nature and seriousness of the case. Measures are assessed and implemented based on the situation and needs. We actively welcome input from all stakeholders.



Governance

We maintain a high standard of corporate governance and have established policies and guidelines that lay out how our business should be conducted, including clear definitions of the roles and responsibilities of the board of directors and senior management, as well as the relationship between them. Corporate governance principles and their implementation are subject to annual reviews and sign-off by the board of directors.

We shall conduct our business in a lawful manner and comply with applicable anti-corruption laws and regulations and have zero tolerance for corruption in any form, including but not limited to bribery, facilitation payments, and trading in influence. In addition to regulation in law, routines and procedures for anti-corruption work is included in our code of conduct.

We continuously assess compliance related topics for our operations dependent on area of operations and suppliers.

All business relationships are expected to comply with the governing frameworks, both external legislation and internal principles representing internationally recognised standards for integrity and ethics. OKEA works diligently to identify risks and violations of legislation related to labour rights, anti-child labour, anti-corruption, including the rights of our workforce and those living in communities affected by our activities.

More information related to how we follow up on human and labour rights can be found under the social section of this report.

The table to the right summarises how we have delivered on related key performance indicators.

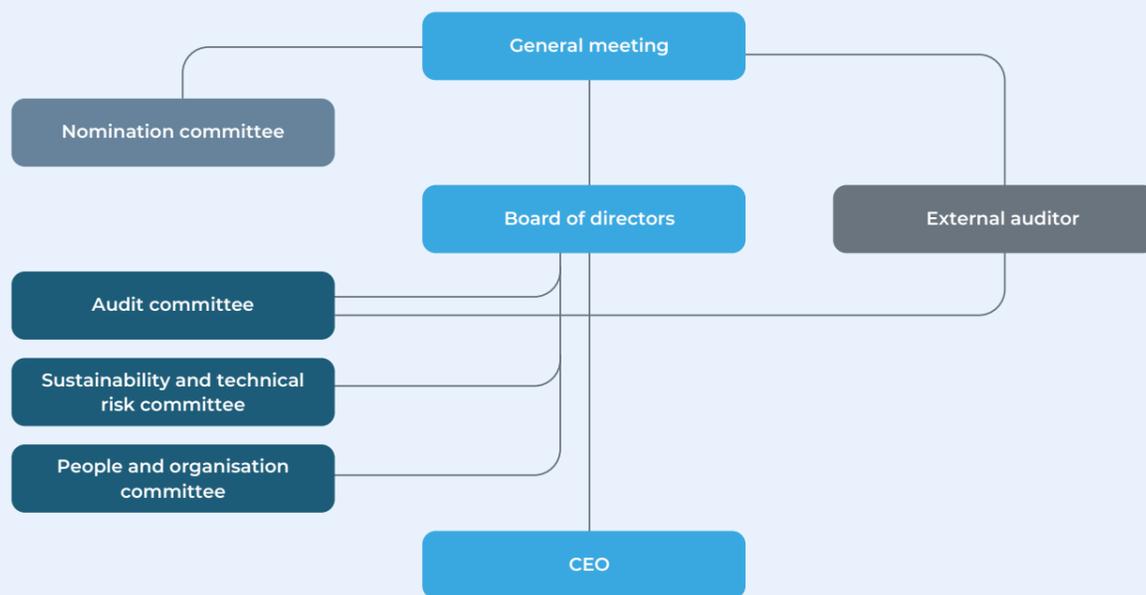
GOVERNANCE KEY PERFORMANCE INDICATORS

Indicators	Unit	2019	2020	2021	GRI (Global Reporting Initiative)
Recorded breaches or violations of the code of conduct	number	0	0	0	
Reported events of misconduct (whistle blower events)	number	0	0	0	102-17
Reported incidents of discrimination, including harassment, and corrective actions taken	number	0	0	0	406
Identified non-compliance of laws or regulations in the social and economic area	number	1*	1*	0	419
Financial or in-kind political contribution (directly or indirectly)	number	0	0	0	415
Confirmed incidents of corruption and actions taken	number	0	0	0	205
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	number	0	0	0	206
New suppliers that were screened using social and environmental criteria	%	100	100	100	308/414
Negative social and environmental impacts in the supply chain and actions taken	number	0	0	0	308/414
Reported human rights violations	number	0	0	0	
Reported incidents of violations involving rights of Indigenous peoples	number	0	0	0	411

* notification order from the Petroleum Safety Authority (PSA)

OKEA's corporate governance policy and other public corporate governance documents are available on www.okea.no

Further information on corporate governance, risk management and internal audit is available in our corporate governance reports which is included as a separate section in the annual reports.



Board's oversight of climate-related risks and opportunities.

OKEA's board of directors has an overall leadership and supervisory role in all sustainability matters. The figure above gives an overview of our governance structure.

The board's primary responsibilities are (i) participating in the development and approval of the company's strategy, (ii) perform necessary monitoring functions, and (iii) to act as an advisory body for the senior management team. Its duties are not static, and the focus will depend on the company's ongoing needs. The board is also responsible for ensuring that the operation of the company is compliant with the company's values and ethical guidelines.

The board shall ensure that the company is well organised, managed and with clear internal

distribution of responsibilities and duties. A clear segregation of work has been established between the board and the senior management team.

The board has three sub-committees:

1. Audit committee

The function of the audit committee is to prepare matters to be considered by the Board and to support the board in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit, internal control, and collaboration with the Financial Supervisory Authorities. Furthermore, the audit committee shall perform a separate financial review of contract commitments exceeding NOK 100 million (gross amount for operated licences) as part of the internal control of major commitments.

2. Sustainability and technical risk committee («STR committee»)

The STR committee shall follow up the company's management of ESG related matters, review main risks for projects and investments, and monitor overall risk management and internal control. The STR committee shall further contribute to the board's review of the company's most important areas of exposure to risk and its internal control arrangements, including the company's exposure and management of key climate change related risks and opportunities, and to make recommendations where action or improvement is needed.

3. People and organisation committee («P&O committee»)

The P&O committee shall evaluate and propose the compensation of the company's CEO, administer the company's bonus incentive programme, and provide advice on general compensation and organisation related matters to the board and produce an annual report on the compensation of the senior management team and other leading persons, pursuant to applicable rules and regulations. The P&O committee shall also advise the CEO on matters relating to other material employment issues in respect of the senior management. The P&O committee shall also endorse the overall limits for the annual salary adjustments for employees, within the budget set by the board.

The CEO has the overall responsibility for OKEA's day-to-day management.

The senior management team is responsible for developing the corporate strategy,

implementing sustainability efforts, and reporting on performance.

Each business unit is responsible for integrating sustainability issues into day-to-day operations, project development and decision-making. HSE leadership is responsible for environmental assurance at the business level.

OKEA's corporate governance policy and other public corporate governance documents are available on www.okea.no, and further information on corporate governance, risk management and internal audit is available in our corporate governance reports, included as a separate section in the annual report.

Performance and reward framework

Management of sustainability performance is integrated in strategy, business planning, risk management and decision-making. We measure progress and results, using key performance indicators when relevant.

Within safety, serious incident frequency (SIF), total recordable injury frequency (TRIF) and oil/gas leakages are KPIs that are monitored on monthly basis.

The annual bonus for employees is based on the company performance which includes the results within financial and operational results, health, and safety and ESG related matters.

The effectiveness of our management approach within sustainability is evaluated through performance reviews at several management levels, and on the board level including the audit committee, STR committee and the P&O committee.



Material topics

OKEA regularly assesses stakeholder concerns and expectations, as well as the topics that we believe represent the greatest risks and opportunities for our business. Our materiality analysis helps us identify where we can provide the most value and drive our strategy, and where we should focus our efforts, allocate resources, and direct our reporting.

OKEA has conducted a stakeholder and materiality analysis in line with the GRI (Global Reporting Initiative) standard, including prioritised Sustainable Development Goals (SDG's) set out in the UN (United Nations) 2030 Agenda for Sustainable Development. The analysis identifies

the economic, social, and environmental significance to the company's operations that have the greatest impact on stakeholders' assessments and decisions.

Our approach to identify our material topics was designed using existing guidelines and, best practice examples from leading companies and lessons learned from past materiality assessments. It was also customised to reflect the context in which we operate and aligned with our corporate culture. The results of the materiality analysis are approved by OKEA's board of directors annually and are used to define content and topic boundaries. The complete materiality analysis is available on www.okea.no.

Stakeholder engagement and dialogue

Openness is a core value for OKEA, which applies to our stakeholder management. OKEA exercises corporate responsibility by running and developing its operations profitably and in a manner that conforms with fundamental ethical values and respect for individual people, society as a whole and the environment. We believe that a professional collaboration with the stakeholders is a valuable means of building trust and understanding of the role the company plays in local communities and society.

OKEA has surveyed the groups, organisations and individuals that are either impacted by our company's operations or which, in a variety of ways, have an impact on the company's strategy and goal achievement. Our key stakeholder groups include investors, licence partners, business partners and suppliers, employees, employee representatives and labour unions, regulators and authorities, local communities, and industry associations.

We continuously assess issues that are relevant for the relationship between the company and society. Complaints and enquiries from external stakeholders are dealt with constantly, and we strive to maintain a constructive collaboration. An overview of topics that our stakeholders are concerned with, as well as their expectations with respect to the company, and arenas for dialogue can be found in our stakeholder and material analysis.

Economic impact

OKEA aims to deliver competitive shareholder returns through solid operations, value accretive growth and capital discipline. As an upstream oil and gas company, OKEA is to a large extent a price taker in the commodity markets, and therefore manages its economic performance primarily by controlling costs, thorough investment assessments and maintaining a solid operational performance. Efficient processes are in place for budgeting, forecasting, and reporting with an aim to manage and support sound financial decisions, providing guidance to our licence

partners, debt owners, shareholders, and petroleum authorities, as well as to continuously monitor and manage financial risks.

OKEA generated a total income of NOK 3,882 million in 2021. Profit before tax amounted to NOK 2,106 million and tax payable amounted to NOK 712 million. The company paid NOK 80 million in CO₂ fees, NOK 18 million to the NOx fund and purchased CO₂ quotas for NOK 108 million. For further details on financial figures, reference is made to the financial statements.



Climate risk and resilience

Climate risk and resilience is a material issue for OKEA. Climate change impacts our business from a physical perspective, as well as a market and reputational perspective in terms of the products we sell and how we operate. OKEA recognises the need to decarbonise energy to meet the Paris Agreement objectives. At the same time, oil and gas will continue to play a significant role in the energy mix over the next few decades, in line with the IEA's Sustainable Development Scenario. In order to contribute to industry goals for decarbonisation, OKEA has established a decarbonisation strategy for our operated asset in production.

As we continue to work towards our goals for lower emissions from our operations, an increasing portion of the remaining emissions fall under

our supply chain, such as tankers, vessels, and other means of transport. Therefore, our decarbonisation strategy also includes such emissions, which are considered Scope 3 sources.

Climate related risk factors are assumed to influence OKEA's cash flow risk both directly and indirectly with effects on revenues and/or costs. Understanding the impact of climate related risks and opportunities on our business is part of the decision-making criteria considered when developing strategies, operational plans, and financial projections.

We have included the financial consequences of climate-related policies in our decision-making processes as follows:

- ▶ All potential projects are assessed for carbon intensity in each decision phase.
- ▶ Possible solutions for reducing carbon emissions are considered throughout the lifecycle of each project.
- ▶ When considering investment opportunities, we consider risks in other input parameters and undertake robustness assessments against future price scenarios.

Our business needs to be resilient to multiple risks posed by climate change regulation and policies. The political and market view or perceptions of climate change are likely to impact the company in both the short, medium, and long term.

Prudent risk management is about being prepared for the future. We utilise an integrated

management system approach to identify, assess, characterise, and manage climate-related risks. Risk management in OKEA follows a common, company-wide process based on ISO (International Organization for Standardization) 31000 (Risk management).

The senior management has a structured evaluation of risks on an annual basis and incorporates climate related risks and opportunities in the strategy planning. As part of the annual risk management process, we examine our operated assets and major projects against the physical, social, and political settings. We examine the interdependence of risks and work to identify emerging risks such as new regulatory requirements, climate-related risks, and emerging greenhouse gas (GHG) pricing regimes.

Scenario analysis and portfolio robustness

In 2021 we updated our climate risk and opportunity assessment based on the recommendations of TCFD. As part of this process, climate risks and opportunities were fully integrated into the company's risk management process and risk management tools and increases the level of detail and quality of the quantification for each identified risk and opportunity.

Climate-related risk factors are typically identified by considering main sources of change (i.e., policy, legal, regulatory, market, technology, reputational and physical) and can be defined as transitional risk and physical risk. Transitional risks comprise of market, reputational and policy risks, whereas physical risks arise through changes in weather patterns and temperature increases.

Climate-related risks and opportunities have been identified through scenario development, where we have developed two scenarios for short-, medium- and long-term assessment. In the risk assessment and strategy process, we consider the following time horizons: Short-term 0-5 years, medium-term 5-10 years, long-term 10+ years, in line with the periods established by IEA in their World Energy Outlook. The long-term view is also relevant due to the long lifetime of assets on the NCS, and the targets set by NOROG to achieve net zero emissions by 2050.

Scenario 1 uses data from IEA's Sustainable Development Scenario and IPCCs Representative Concentration Pathway (RCP) 4.5 and describes a world in which measures are implemented to limit global warming to well below two degrees global warming by the end of the century, in

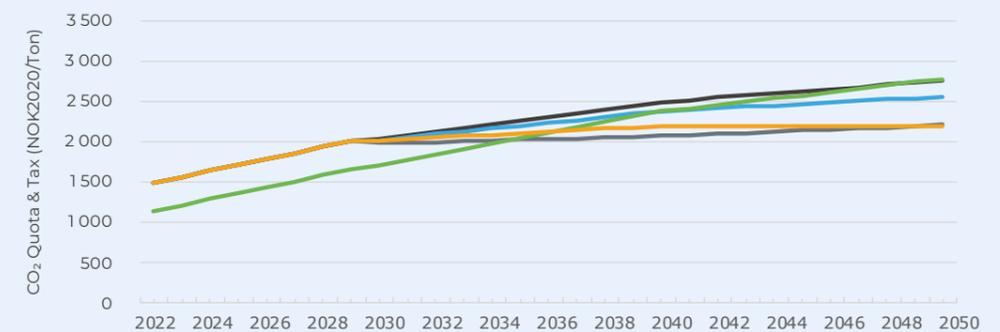
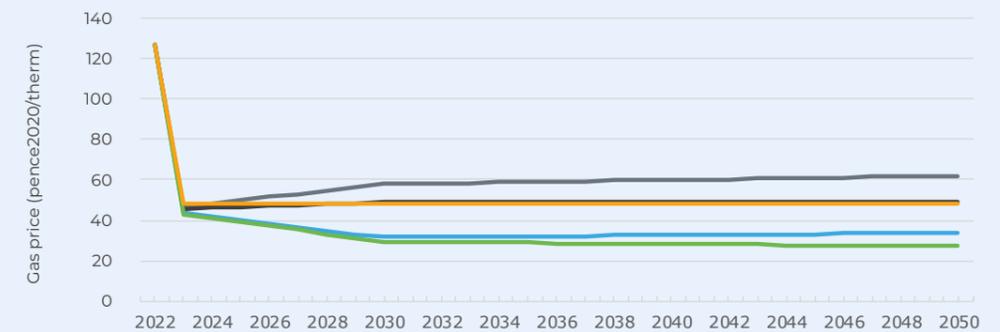
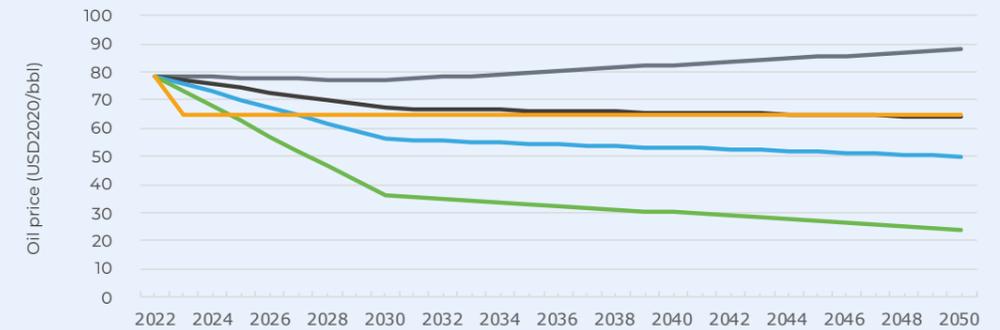
accordance with the Intergovernmental Panel on Climate Change (IPCC) recommendations.

Scenario 2 uses data from IEA's Stated Policies and IPCCs RCP 8.5 and describes a world which wants to act but struggles to execute, leading to a global warming in the likely range of 2.5 to 3.5 degrees.

Economic impact of IEA's scenarios

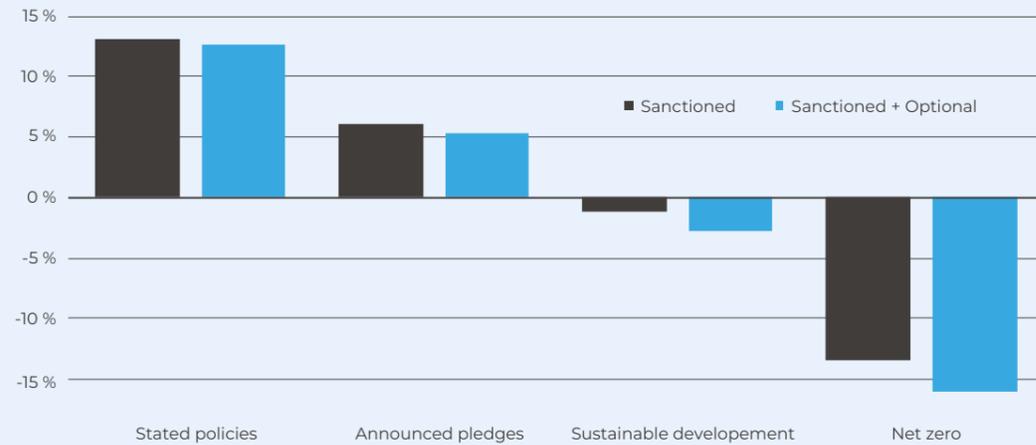
As a part of our TCFD climate risk and opportunity assessment we performed a sensitivity test of our portfolio of projects against the IEA's energy scenarios in the World Energy Outlook (WEO) report in 2020. This test was revalidated for 2021 based on IEA's current four scenarios: «Stated Policies», «Announced pledges», «Sustainable development» and «Net zero by 2050»:

- ▶ Stated Policies Scenario reflects current policy settings based on a sector-by-sector assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.
- ▶ Announced Pledges scenario assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on time.
- ▶ Sustainable Development Scenario achieves key energy-related United Nations Sustainable Development Goals related to universal energy access and major improvements in air quality and reaches global net zero emissions by 2070 (with many countries and regions reaching net zero much earlier).
- ▶ Net Zero scenario sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO₂ emissions by 2050.



- Stated Policies
- Announced Pledges
- Sustainable Development
- Net Zero by 2050
- OKEA Base

PERCENTAGE CHANGE IN NPV RELATIVE TO BASE



CARBON COSTS RELATIVE TO VALUE OF PORTFOLIO



The aim of the scenarios is to aid our understanding of how the pace and nature of the energy transition may affect the global energy system and so help test whether our strategy is robust and resilient to the range of uncertainty we face.

These scenarios represent different future pathways depending on varying climate policies and have different oil, gas, and CO₂ price assumptions used to test resilience on our portfolio compared to our base assumptions. For the IEA-scenarios we have assumed a gradual development of indices between the given price points and our base assumptions for the total CO₂ price (EUA quota + NCS tax at 2,000 NOK/ton by 2030) is kept for all scenarios.

The scenarios are compared in terms of the change in net present value after tax (NPV) discounted by 8% (real terms). The OKEA portfolio consist of producing assets, sanctioned and optional (non-sanctioned) projects. Exploration activities are excluded for this purpose.

The results above show that «Net zero» & «Sustainable development» will result in decreased NPV, while the remaining two IEA scenarios will result in increased NPV when compared to OKEA's base assumptions, both for our sanctioned and optional portfolio.

Assets in our sanctioned portfolio have also been analysed individually to cover the risk of early cease of production (CoP) as a consequence of the IEA scenarios. This analysis is performed by assessing cashflows before tax excluding any abandonment obligations. CoP is then set as the cashflow turns negative.

IEA's «Net zero» show a decreased production period of about -2 for Yme and -4 years for Ivar Aasen, while Draugen CoP is accelerated by -8 years. We may also see an earlier CoP at Draugen and Ivar Aasen given the «Sustainable development» scenario by 2 years. We see limited effect on Gjøa as tail end operations are mainly driven by third party production. These results are based on producing assets only, excluding any sanctioned- or non-sanctioned initiatives. For Draugen we have sanctioned additional

resources and our Power from Shore-project (PFS) passed decision gate 2 (DG2) in 2021. Given PFS on Draugen, early CoP will be avoided in all scenarios.

The magnitude of carbon costs in each scenario is illustrated above and shows the percent of carbon costs before tax relative to the portfolio value before tax for the full lifetime of the portfolio. The significant reduction in carbon cost in the optional portfolio in all scenarios is due to the Power from Shore project planned for the Draugen installation.

Based on our assessments of risks and opportunities which are summarised below, we consider the most important climate-related risks to OKEA over the next ten years to be market and reputational risks. Changing investor sentiment and risk perception for our sector may increase the cost of capital for the company and/or limit our potential access to new capital. Changes in oil and gas demand may negatively impact the energy prices. New or changing climate-related regulatory framework can also impact our costs, the demand for fossil fuels,

and the cost and availability of capital. The long-term impact on our financial performance and the robustness of projects in our portfolio, either positive or negative, will depend on several factors, including:

- ▶ Extent and timing of regulatory changes
- ▶ GHG reductions required
- ▶ level of total costs for CO₂ including Norwegian CO₂ tax and costs for the EU Emission Trading System
- ▶ Amount of free CO₂ quotas allocated
- ▶ Level of NOx prices or cancellation of free quotas
- ▶ Potential new methane emissions legislation from EU related to methane emissions

Notwithstanding these risks, we also expect opportunities for companies in the energy transition due to:

- ▶ Increased opportunities in mergers and acquisitions (M&A)
- ▶ Reducing GHG emissions through technology and/or energy efficiency developments and measures

Market risks

Reduction in demand for petroleum products:

Climate-related market risks could impact OKEA over the longer term through lower demand and prices for oil and gas. There is a potential for reduced future demand for oil due to shift to alternative energy sources through the energy transition. This creates uncertainty around the longer-term outlook for the demand and prices for our products.

To mitigate the risk, we have implemented rigorous financial criteria to ensure our portfolio is financially resilient under multiple scenarios. We also perform regular sensitivity testing of our portfolio of projects against different short, medium, and long-term scenarios. For OKEA, our reviews show that scenarios such as the IEA's Sustainable Development Scenario will have limited effect to our overall resilience.

Reduced attractiveness of the oil and gas sector:

The reputational risks affect our stakeholders, including regulators, financial markets, and our employees. This may reduce OKEA's attractiveness as an employer and cause challenges in securing competences as well as reduce our attractiveness as a business partner.

In the longer term, OKEA's market capitalisation may be affected due to changing investor sentiment and risk perception for our sector. This may increase the

cost of capital for the company and/or limit our potential access to new capital. We manage these risks by ensuring openness and transparency and by defining a clear and credible ESG position.

Policy and regulatory

Change to fiscal regime and carbon prices: Changes to the oil and gas fiscal regime may be implemented as part of EU/national agenda to accelerate the transition away from fossil fuels.

Possible changes to the regulatory framework may result in assets which are marginal but still viable for development becoming unprofitable (so-called «stranded assets»). OKEA's financial position and performance may be challenged in case of significant changes to the carbon tax system and/or regulatory conditions. We manage this risk by continuously working on measures to reduce emissions from our operations. We include anticipated developments in carbon cost in all investment assessments and forecasting, and we undertake robustness assessments for several parameters.

Regulation on production, development and/or emissions: Changes to regulations imposed on oil and gas production and/or emissions may be implemented as part of EU/national agenda to accelerate transition. This could be in the form of operating restrictions

(volumes), caps on emissions, reduction in exploration licensing or net zero development project requirements. Reduced access to new exploration acreage, combined with restrictions on developing proven resources, would limit growth opportunities. We mitigate this risk by being a prudent operator with a clear and credible ESG position and continue to engage with external stakeholders, including the Norwegian authorities.

The EU taxonomy: We anticipate that an increasing number of OKEA's current and potential investors and lenders are factoring ESG into their investment criteria, such as through sustainability-linked loans, as well as factoring ESG into the risk assessments. As such practices become increasingly commonplace, we may be expected to factor improvements to ESG metrics such as CO₂ performance into financing contracts. We manage this risk by monitoring capital markets and proactively communicate our ESG profile.

Physical risks

Acute effects (e.g., more frequent extreme weather events): Within acute physical risks we consider the risk of changing weather, including an increased frequency and intensity of extreme weather-related events (e.g., storms). In extreme cases, operations may come to a halt for a period and if occurring more

frequent, can ultimately lead to operational limitations and production shut in. Due to this risk, we anticipate increased project or operational costs due to potential 5-10 % increased downtime (waiting on weather). We manage this risk by conducting regular updates of meteorology and oceanography data used in project and operational planning.

Opportunities

Increased opportunities in mergers and acquisitions

(M&A): We expect that transaction activity on the NCS will increase over the next years as companies divest ageing assets. This could represent an opportunity for OKEA in realising the growth strategy and becoming the leading mid- to late-life operator on the NCS. A key focus for OKEA in this respect is to build on our key capabilities as an operator to unlock upsides and implement cost-efficient solutions to extend life-of-field.

Reducing GHG emissions through technology and/or energy efficiency measures:

This could include implementing cost effective energy efficiency measures or introducing modern technology at Draugen and/or other similar assets where relevant in our portfolio. Power from shore and offshore wind are potential viable solutions that would significantly reduce GHG emissions from current and future assets and potentially contribute to reduced cost of EU-ETS emission allowances, CO₂- and NO_x-tax.

Benefits and obligations

We have a defined contribution plan for all employees which satisfies the statutory requirements under Norwegian law on defined contribution pension. The company's pension contribution is at the maximum legal level of 25.1 %, capped at approximately NOK 1.3 million according to the Norwegian pension legislation.

The defined contribution plan covers all employees. Offshore employees with retirement age of 65 years, have an additional defined benefit plan to cover for the age 65-67 years. The estimated liability for the benefit plan amounted to NOK 37 million per 31 December 2021.



Local value creation

OKEA is committed to stimulate local engagement by creating jobs and growing local businesses in the communities where we operate. We support and invest in community projects that align with local needs and our business activities and have prioritised goals that relate to economic development and education. Together with our stakeholders and partners we work to find mutual benefits and sustainable solutions to common challenges.

We contribute to domestic and local value creation through:

- ▶ Generating economic opportunities across our value and supply chain and use of local suppliers as far as possible
- ▶ Facilitate and support opportunities for national suppliers to establish a local presence
- ▶ Enhance skills and knowledge locally, investing in projects and collaboration in upper secondary school and higher education
- ▶ Exploring new types of partnering, which enable us to leverage research and technology, digitalisation, innovation, and business improvements
- ▶ Salaries and benefits paid to employees will create value to local societies through spending benefitting grocery stores, restaurants, shops, cultural and sporting events etc.
- ▶ Revenues for municipality and county through employee taxes and indirectly from transfers from the government
- ▶ Creating value for shareholders
- ▶ Driving innovation, research, and development to achieve business objectives

Economic value creation

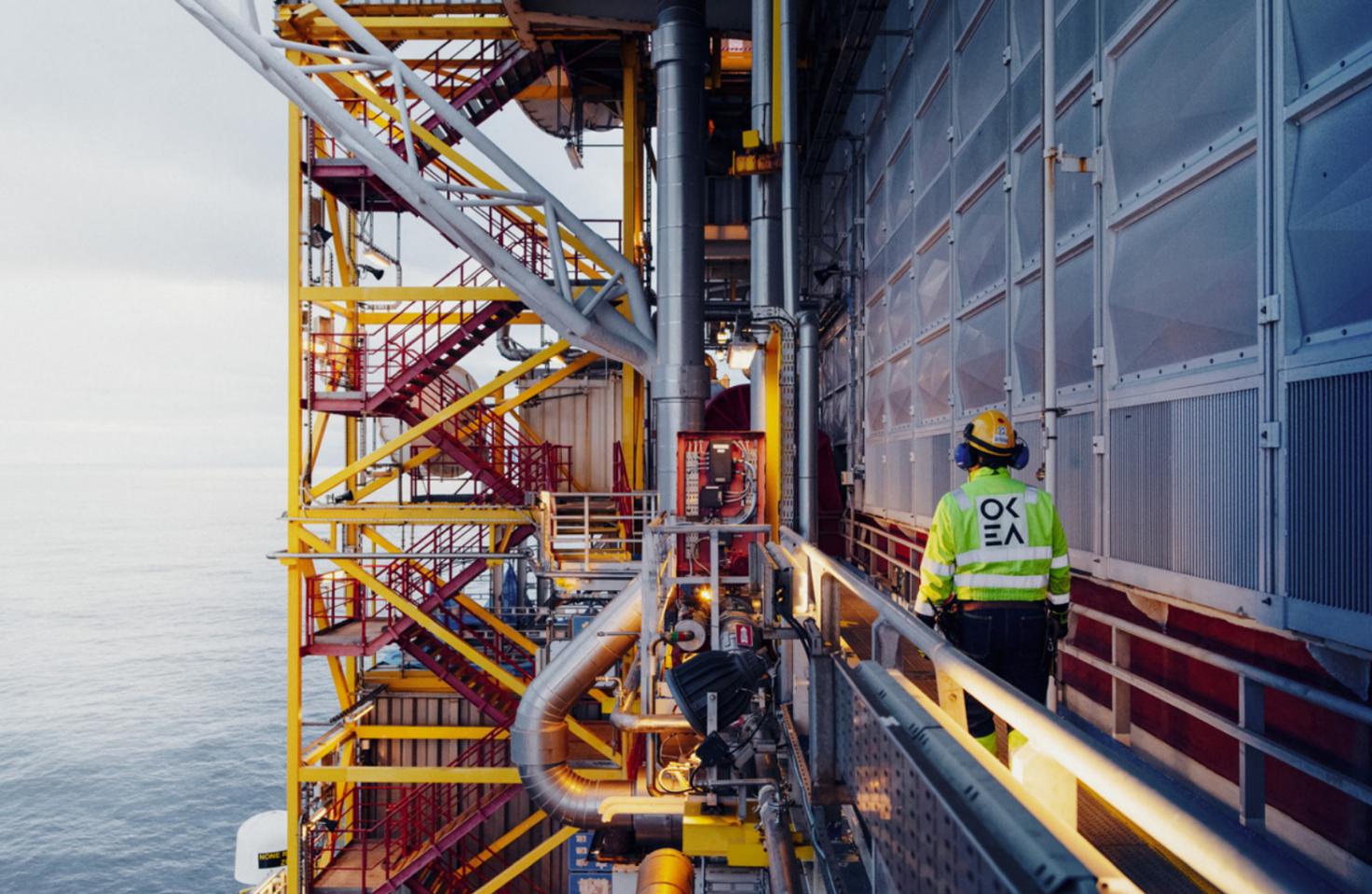
Our economic contributions to society are primarily in the form of taxes and other payments

to governments, purchases of goods and services, wages and employee benefits, rather than social investments. We pay taxes according to our legal obligations, while also benefitting from available reliefs and incentives if relevant.

Committed purchase of goods and service	<ul style="list-style-type: none"> ▶ NOK 2,705 million ▶ 4 % of committed procurement procured locally in mid Norway ▶ 98.7 % of our committed procurement is procured in Norway
Payments to governments	<ul style="list-style-type: none"> ▶ Area fee of NOK 32 million ▶ CO₂ tax of NOK 80 million
Gross employee wages and benefits	▶ NOK 485 million
Corporate tax payable for 2021	▶ NOK 712 million

Our supplier strategy is focused on local content and presence in addition to availability of capacity and competence. This strategy has resulted in several companies establishing a permanent presence in Trondheim where our headquarter is located.

Our commitment to contribute to the communities where we operate and strengthen local business, local content and presence is also reflected in the procurement practices. The contract and procurement organisation are in Kristiansund, closely tied up to the operation of Draugen. OKEA defines local suppliers as suppliers located in mid-Norway, and more specifically Trøndelag and Møre og Romsdal County.



on building strong networks, both between trainees and business leaders in the region.

Furthermore, we have a well-established apprentice program for different technical disciplines, recruiting mainly from the immediate area surrounding Kristiansund for apprenticeships offshore at Draugen.

In the years to come we want to strengthen the focus on giving students and trainees the possibility to practice their skills and learning. We also want to offer students shorter or longer engagement at our office locations.

With our headquarter located in Trondheim, it is natural to use the skilled research community associated with NTNU and Sintef to support innovation initiatives and modern technology which further aligns with our overall strategy. Our ambition is that >70 % of all R&D projects are carried out by research institutions or educational institutions in central Norway on an annual basis.

More information related to how we contribute to local value can be found under the social section of this report.

We will in the years to come focus on purchasing goods and services locally and are committed to giving local contractors and suppliers the opportunity to participate in projects and operating activities in general, however within the framework for a competitive bidding process. We also seek opportunities to develop local suppliers and promote local hiring as appropriate to meet business needs.

We have worked closely with our suppliers during the pandemic, focusing on scope optimisation and efficiencies and sustainable operations for all parties.

The Draugen platform supply base is in Kristiansund with logistics services, including warehouse management and marine operations. Helicopter transport of personnel to Draugen has arrival and departure from Kvernberget terminal in Kristiansund. This gives positive impact for the local economy as it creates demand for hotel accommodation, restaurants, public transport and is a positive contribution for continuation of the Kvernberget Airport.

In general, we experience small and local organisations as flexible, collaborative and willing to adapt to our needs. OKEA is an active member of «Kristiansund og Nordmøre Næringsforum» and «Næringsforeningen i Trondheimsregionen». Both organisations consist of local businesses and municipalities and work to strengthen business development locally and make the region an attractive place to live. These are areas where we can collaborate with local suppliers.

In all our processes and measures the focus is on supplier development and maintaining a fair dialogue with partners, all in the interest of continuous long-term collaboration.

To enhance skills and knowledge locally we actively share knowledge with technical colleges and universities in the Kristiansund and Trondheim area. Classes from the technical college regularly practice their skills and learning by using the OKEA Draugen offshore simulator in Kristiansund. We also offer trainee arrangements through a trainee program called Kom-Trainee. This program focuses



We have worked closely with our suppliers during the pandemic, focusing on scope optimisation and efficiencies and sustainable operations for all parties.

Anti-corruption

We will conduct our business in a lawful manner and comply with applicable anti-corruption laws and regulations. We have zero tolerance for corruption in any form, including but not limited to bribery, facilitation payments, and trading in influence.

In addition to regulation in law, routines and procedures for anti-corruption work are included in our code of conduct. We continuously assess compliance related topics for our operations dependent on area of operations and suppliers. As of 31 December 2021, 100 % of the company's operations are in Norway. Norway has extensive

legal regulation for anti-corruption and is currently ranked as number 4 on Transparency International's corruption perceptions index.

We do not have any contracts with governments and do not have any political involvement or take part in lobbying activities. We have also expressed continued support to the United Nations Global Compact and their work in promoting anticorruption policy and measures. In 2021 we have completed training for employees covering code of conduct, anti-corruption, and lawful business practices.

Supply chain

Suppliers and strategic partnerships are a significant part of OKEA operations and value creation. The success of our long-term partnerships and alliances depends on the strength and skills of our partners and suppliers. These partnerships are key to further successful growth, enabling us to access new resources and increase our production and cash flow in a sustainable manner. Technological competence, operational excellence and strong partnerships are the success factors.

For OKEA the long term-term partnerships are the key to growth and successful projects, in addition to access to resources.

OKEA works actively to identify and mitigate risks in the supply chain, while working together with suppliers to identify and utilise opportunities.

We regularly engage our suppliers through business reviews and supplier audits to:

- ▶ identify sustainable development opportunities and risks in the extended supply chains of critical categories,
- ▶ track metrics, review performance, and identify continuous improvement opportunities through regular meetings with supplier,
- ▶ share best practices for building supplier capacity throughout the supply chain,
- ▶ ensure close dialogue regarding the shared responsibility of certain activities.

We engage with our main suppliers on the environmental and social aspects of their operations and supply chains through each step of the procurement process, from supplier prequalification

through supplier performance evaluation. This includes communicating our expectations and priorities and identifying opportunities for improvement and collaboration related to climate issues, including energy use, greenhouse gas (GHG) management and environmental supply chain risks.

Procurement practices

Our supply chain function contributes to the company's sustainable development commitments by integrating sustainability issues into our processes and procedures.

We use Magnet Joint Qualification system, a supplier qualification system used by all the operators on the NCS. The system manages supplier information and risk in the supply chain, including screening for social criteria such as human rights, forced labour, child labour, anti-corruption, and other financial crime.

We also screen potential and current suppliers through Descartes Denied Party Screening (DPS) services, to reduce the risk of transactions with sanctioned, restricted, and denied parties.

We expect all our business relationships to comply with external legislation and internal requirements for health, safety, and Environment (HSE), labour and human rights, ethics, and integrity.



Health, Safety and Environment (HSE)	Suppliers must comply with applicable environmental laws and regulations and conduct business with respect and care for the environment, including utilising energy and natural resources efficiently and managing waste, emissions, and discharges responsibly.
Labour and human rights	We conduct our business consistently with the human rights philosophy expressed in the Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and expect suppliers and contractors working on our behalf to be guided by these principles.
Ethics and Integrity	OKEA is responsible for ensuring that its suppliers and sub-suppliers behave ethically and responsibly. We require all new suppliers to confirm their commitment to key principles for anticorruption, environmental protection, health and safety, labour rights and human rights, and that they also follow up on these principles in their own supply chain.

OKEA nominates suppliers to be audited by an independent 3rd party on a yearly basis, and the audit is an audit of the supplier's operating management system to verify compliance with the requirements in ISO 9001 (Quality management system), 14001 (environmental management), 45001 (Occupational health and safety) UN Guiding Principles on Business and Human Rights, and the expectations defined in IOGP 510 OMS Framework. The audit includes HSE capability assessment and scoring on various topics, including: the contractors' local community engagement plan and strategy, environmental risk factors including ensuring compliance with applicable regulations and social responsibility risk factors, including assessment of social risks such as community relations, cultural heritage aspects, inter-cultural sensitivities and prevention

of human rights violations. In 2021 a total of six audits were nominated and executed. No cases of non-compliance were identified.

In 2021, all employees working in the contract and procurement department conducted training focusing on OKEA's code of conduct. A corresponding e-learning session was made accessible to all employees, with a completion rate of 93 % at the end of 2021.

To enhance supply chain performance, we will in 2022 implement a new application in our procurement system to improve, access and share supplier information, execute assessments, and enhance performance. The new application will enrich data on suppliers to identify opportunities and risk and improve measure and track our CO₂ emissions.

Tax

OKEA's business activities generate a substantial amount and variety of direct and indirect taxes. We pay or receive refunds of corporate income taxed, we pay environmental taxes, social security tax, VAT, excise duties, and we collect and pay withholding tax.

Tax policy

OKEA is committed to be a responsible company, including a professionally executed tax risk management, tax compliance and planning aligned with business purposes. Our approach is to engage with relevant expertise and tax authorities to ensure high quality and full transparency in all reporting and correspondence.

Tax risk management and compliance

The Norwegian petroleum taxation system is complex and very important to OKEA. The income tax system is based on the regulations for ordinary corporate taxation and are set out in the Petroleum Taxation Act, which was adopted in 1975. In addition to the ordinary corporate tax of 22 %, oil companies are subject to a special petroleum tax of 56 %, resulting in a total tax rate of 78 %.

The tax system is complex with detailed regulations and includes for example an additional tax deduction on investments (uplift), special rules for tax losses, financial items and refunds for exploration expenses. Due to the high tax rate and the complex regulations, a clear understanding of income tax obligations and the impact on our business is of major importance to our strategy, business plans, project decisions and needs to be incorporated in all financial modelling.

We will ensure compliance with existing taxation rules and regulations by:

- ▶ Having a simple legal structure; we currently have only one legal entity OKEA ASA
- ▶ Operating only on the NCS, limiting our activity to the Norwegian tax regime
- ▶ Limiting the number of transactions with related parties which may be subject to other tax regimes

To ensure that we maintain compliance we will make sure that there is sufficient internal competence and capacity amongst employees, management, audit committee and board of directors. As an example, the audit committee of OKEA had three new members in 2021. OKEA management facilitated a total of four onboarding training session focusing on material topics within accounting, tax and other relevant areas.

External experts are involved for tax assessments, tax calculations and financial modelling if relevant. Furthermore, formalised processes are established in the company's management system ensuring that tax risk, tax assessments and tax calculations are correctly incorporated in all relevant company activities and processes. Tax risks are identified in the process established for financial modelling and in the financial statement closing process.

As part of the quarterly financial statement closing process, uncertain tax positions are continuously identified and assessed and discussed with the external auditor, summarised to the audit committee and raised to the board of directors if relevant. Checklists and detailed activity plans are routinely used to ensure risks are identified, managed, and monitored. The audit committee is informed on a quarterly

basis regarding the status of improvements on internal controls, tax issues and potential fraud issues. The internal control processes were further strengthened in 2021 and review and compliance meetings were formalised.

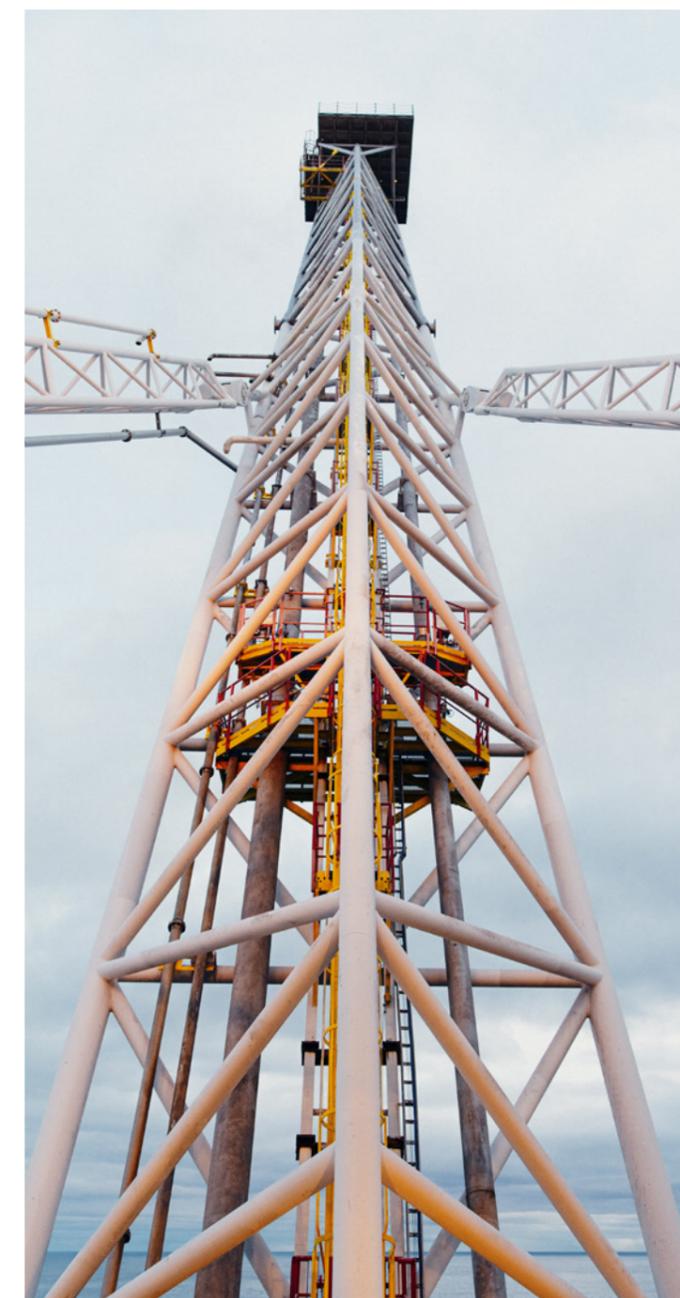
The Oil Taxation Office (OTO) is responsible for taxing companies that conduct exploration for and extraction of oil and gas on the NCS. We submit tax returns annually and OTO has a standard set of letters that oil and gas companies must respond to.

The established process ensures correct and timely payment and refund of relevant taxes. In line with the requirements defined in the Accounting Act, we submit an annual report on payments to governments as a separate section of the annual report.

To enable all stakeholders to fully understand various tax regulations and historic tax figures, an overview titled «Fiscal terms overview and historical tax balances» has been published at www.okea.no

Tax planning

Any tax planning undertaken will have operational and commercial substance. Artificial transactions with no connection to our business activities are never pursued. Tax incentives and exemptions are sometimes implemented by the government and fiscal authority to stimulate investments and activities. We seek to apply these as intended within the company's activities,



Environmental impact

Minimising the impact to the environment from our activities is a core element in our QHSE strategy. Environment and energy management is embedded in the business and all operational activities, promoting efficient use of resources and energy, waste minimisation and pollution prevention. We value transparency around risk and how we handle environmental aspects related to our operations. We are committed to energy efficiency and reducing emissions, along with, preventing discharges to sea and reducing the use of chemicals. We also commit to consideration, preservation and safeguarding of biodiversity. Compliance with environmental regulations is considered a minimum and OKEA has systems in place to ensure that all operations are carried out under strict environmental standards.

Management, rules, and regulations

We follow and comply with the principles of ISO 14 001 (Environmental Management System) and ISO 50 001 (Energy Management System). These management areas are integrated in our methodical approach to risk management and decision strategies, ensuring that they are included in daily operations as well as decisions related to projects, drilling, and other activities.

All our operations are conducted on the NCS, governed by compliance with the Norwegian regulatory requirements and in accordance with our management system. We also adhere to the Norwegian petroleum NORSOK standards and follows for example NORSOK S-003 Environmental Care. In addition, we follow industry best practice and operate in compliance with

international environmental obligations. Norway has a strict environmental regulatory regime, requiring extensive documentation and reporting related to environmental issues, including documentation of use of best available techniques (BAT).

All discharges and emissions from our offshore operations are prohibited, unless applied for and a permit is granted by the Norwegian environmental authorities (NEA). Documented environmental risk analysis and environmental monitoring are performed as required by law. Environmental barriers and barrier control follow both regulatory and company requirements.

As part of the management system OKEA has comprehensive emergency preparedness and response plans, and a competent and well-trained organisation to handle any situation in the unlikely event of an emergency.

Environmental accounting and reporting

We use an environmental accounting system managing all our emissions and discharges from all our activities required reporting to the regulators. The system allows automatic reporting to regulators into a national environmental database, removing human errors and allowing transparency. Norway and the oil and gas industry are part of the EU-ETS CO₂ quota regime, and our reporting system also covers the regulations and reporting required by the EU. In addition, Norway adds environmental taxes on top of the EU-ETS regime. The fiscal regime sets a significant tax on CO₂ and NO_x emissions as an incentive to develop and implement modern technologies and improved environmental solutions.

We are currently the operator of one producing asset, the Draugen platform. The license partnership has strong ownership and high expectations with respect to environmental and energy management, defining strategic priorities, as well as identifying opportunities and activities to obtain continuous improvement, and to reduce the environmental footprint from the operations.

Key environmental performance indicators are defined and monitored, some examples that are closely monitored and actively worked to reduce are oil concentration in produced water discharged to sea, CO₂ intensity and CO₂ emissions, flaring volume and percentage of produced water re-injection to the reservoir.

Climate change

OKEA acknowledges the substantial challenge posed by global climate change and our responsibility to contribute to the solution. OKEA has in 2021 established an updated decarbonisation strategy of our operated assets in production. The strategy outlines

the company's ambitions to support the GHG emissions reduction target of 50 % in 2030 set by the industry, compared to 2019. Continuing to deliver on the short and mid-term ambitions will be key to achieving emissions reduction aligned with these ambitions.

DECARBONISATION	Emissions reduction and energy reducing measures	Methane reducing measures	Electrification/power from shore	Maritime emissions reduction	Scope 3 emissions reduction
Primary goals and ambitions	Support industry goals of 50 % absolute reduction by 2030 in Norway			Support maritime reduction goals of 50 % set out by the Norwegian government and the International Maritime Organisation (IMO)	
	<ul style="list-style-type: none"> ▶ Reduce CO₂ emissions from flaring in operations and other energy reducing measures by 6 % in 2025 ▶ Eliminate flaring by 2030 ▶ Reduce diffuse emissions of methane and non-methane VOC in our operations by 80 % (Draugen) by 2025 ▶ Reduce methane intensity near zero (CH₄/saleable gas) by 2030 ▶ Electrification using Power from Shore >95 % production by 2025 			<ul style="list-style-type: none"> ▶ Reduce scope 3 emissions related to purchasing and transportation of goods and products by 5 % yearly (from 2022) 	
Supporting activities	<ul style="list-style-type: none"> ▶ Establishment of energy and emissions reduction team on Draugen and implementation of emissions and energy related deliverables in connection with project maturation ▶ DG3 Power from shore (Draugen) ▶ Continue to mature project related to eliminate flaring (Draugen) 			<ul style="list-style-type: none"> ▶ Implementation of battery hybridization of supply vessel ▶ Optimizing sailing routes and planning for green speed ▶ Escalate use of lower carbon fuels (e.g., Biofuel) ▶ Focus on fuel efficiency when entering new vessel contracts; incentive schemes further encourage suppliers to ensure fuel-efficient operations ▶ From 2025 all vessels on long term contracts is required to use onshore power supply and installation of batteries for hybrid operation, to reduce the fuel consumptions and emissions (CO₂, NOx, etc.) or use of alternative fuel (e.g., Green ammonia or liquid H₂) 	
				<ul style="list-style-type: none"> ▶ Implementation of stricter screening criterias in contracts regarding emissions ▶ Use of low emissions drilling rigs when entering new contracts and drilling contracts rig owner pay for fuel used in drilling operations ▶ Escalate use of low carbon fuels for shipping of products 	

Several opportunities for reducing emissions and improving energy efficiency will be evaluated and matured. New assets and facilities will be designed according to NORSOK S-003 which requires BAT-evaluations of solutions and equipment. In cases where new energy-intensive equipment is purchased, the equipment must be as energy-efficient as possible and use low-emission technology.

As far as possible, OKEA will set requirements to drilling rigs and vessels used in operations to have an effective and fit for purpose energy management system to secure optimised energy efficiency and minimised GHG emissions.

We support the use of natural gas to bring about a structured transition to a low emission future, particularly due to its short-term potential to substitute

coal in electricity generation. Our ongoing project Hasselmus with first gas Q4 2023, will contribute to production of 1.63 billion sm³ natural gas.

We believe that power from shore and field electrification can play a vital part in achieving significant emission reductions. In the coming years there are several electrification projects in our portfolio. The Ivar Aasen platform will be powered from shore from 2022 as part of the Utsira High Area electrification project. The Gjøa platform has been partly electrified since start up in 2010.

As a late life field producer at Draugen where our emissions per produced unit will continue to rise, we are maturing a power from shore project. Electrification of Draugen and Njord passed concept selection (DG2), in both the Draugen and Njord licenses October 2021. Given a successful project, it seems feasible that Draugen can be a «close to zero-emission unit» during 2025. The electrification will reduce annual CO₂ emissions from Draugen alone by 200,000 tonnes per year compared to reference year 2019.



Scope 1 emissions

GHG emissions that are the direct result of owned or controlled sources.



Scope 2 emissions

GHG emissions indirectly resulting from the generation of purchased energy.



Scope 3 emissions

GHG emissions indirectly resulting from the extraction of purchased materials and fuels, transport-related activities such as business travel, outsourced activities, waste disposal, etc.

Emissions

Scope 1 and 2 GHG emissions

One of OKEA's most important contributions to the energy transition and reduction of Scope 1 and 2 GHG emissions is increasing energy efficiency from own operations. As oil and gas assets age, production declines and consequently the CO₂ emissions per barrel will increase unless technological measures and solutions are applied to reduce them. Being a mature, late-life field the GHG intensity in 2021 from the production on the Draugen field is approximately 34 kg CO₂ equivalents/boe.

We seek to achieve continuous, stable operations with minimal production interruptions, which will reduce emissions to air while adding value to the field. We have also developed a strategy to continuously improve efficiency of the power and water injection turbines, which will result in further reduction of emissions to air.

In 2022, various activities will be carried out with the aim of reducing scope 1 and 2 emission. This involves e.g. establishment of an energy and emissions reduction team, evaluating possibilities

of revamping of compressor trains and other compressor modifications, efforts to minimise flaring, and improved operational routines.

As an operating company on the NCS we are only permitted to conduct safety flaring. Flared volumes have continuous operational focus and kept to an absolute minimum for safety reasons. We see a positive trend over the last years where the hydrocarbon flaring has been reduced with 34 % from 2016-2021. We see that customised flaring strategies will reduce annual flaring volumes. By 2025 our ambition is to reduce routine flaring by 6 % compared to 2019. Our flaring intensity (upstream, operated) was in 2021 0.48 % (sm³/boe).

Methane is the second most significant greenhouse gas contributing to climate change following carbon dioxide. Minimising methane emissions to the atmosphere is essential. We actively and methodically work to reduce leaks and diffuse emissions of methane in our operated asset Draugen. By 2025 we have taken on



In 2022 and further on we will reduce our carbon footprint in onshore operations and increase digital collaboration through video meetings.

a new specific objective of reducing our diffuse methane emission by 80 %. The updated measurements and quantifications show a decrease of reported emissions by 91 % (from 2017 to 2021).

In 2022 we will continue to develop and implement technologies and procedures to detect and reduce methane emissions on Draugen.

Emissions of NOx are mainly related to combustion of hydrocarbon fuels for generation of electric power needed at our platforms, ship emissions and drilling rigs. Reductions of NOx emissions can be achieved through energy optimisation measures, or most significantly if hydrocarbon-fuelled power generation is replaced with renewable electric power. The electrification of the Draugen field with power from shore will reduce annual NOx emissions by around 1050 tonnes. In 2021 our NOx Emissions was 1090 tonnes, compared to 1023 in 2020.

Emissions of SOx were 3 tonnes in 2021 compared to 17 tonnes last year, mainly because of reduced use of diesel in the power turbines at Draugen.

Scope 3 emissions

We are in a continuous process of mapping our scope 3 emissions, and our scope 3 emissions will from 2021 include upstream categories 1–8 and downstream category 9 according to the GHG Protocol.

Categories 1¹ and 2² are the two largest categories, covering all upstream emissions for Purchased goods and services and Capital goods.

Our suppliers play a key role in reducing the scope 3 emissions from our operations, through the provision of carbon efficient services and equipment.

In 2022 we will together with our actions for reducing scope 3 emissions related to purchasing and transportation of goods Categories 3³, 4⁴ and 9⁵ cover our land transport and marine activities such as platform supply vessels, rig moves and shuttle tankers from Draugen. We also plan to improve routines for end treatment and disposal of waste, to match the principles of circular economy, prioritising reuse, recover and recycle⁶.

OKEA has offices in four different locations in Norway, and business travel (Category 6⁷ and 7⁸) between the offices and to offshore assets is necessary to carry out our operations. However, due to the Covid-19 pandemic, the amount of CO₂ emissions from business travel has been low in 2021. During 2021 many onshore employees also had home-offices. This has resulted in lower

- 1 Category 1: Purchased goods and services
- 2 Category 2: Capital goods
- 3 Category 3: Fuel and energy-related activities
- 4 Category 4: Upstream transportation and distribution
- 5 Category 9: Downstream transportation and distribution
- 6 Category 5: Waste generated in operation
- 7 Category 6: Business travel
- 8 Category 7: Employee commuting

emissions from employee commuting to/from work. Due to offshore operations, helicopter transport is included as part of employee commuting for our offshore employees. In 2022 and further on we will reduce our carbon footprint in onshore operations and increase digital collaboration through video meetings.

Maritime emissions

Platform Supply Vessel (PSV) represents the vessel category with highest emissions. In 2021, we have converted Siem Pride, one of our long-term LNG fuel PSVs, to hybrid configurations by installing batteries. This will contribute to a reduction in fuel consumption by 10-15 %, and a potential yearly reduction of 650 tonnes CO₂e. Siem Pride have also been upgraded to connect

to power from shore while in port. This reduces fuel consumption and emissions in port to zero. We aspire to reduce the total number of vessel days supporting our operations, thus reducing emissions. Other examples to reduce maritime emissions includes optimising sailing routines and speed optimisation.

We aim to work closely with our suppliers to find operational, logistic, and fuel-related measures to achieve emission reductions. We focus on fuel efficiency when entering new vessel contracts; incentive schemes further encourage suppliers to ensure fuel-efficient operations. We intend to escalate the use of lower carbon fuel (biogas), to reduce our carbon footprint from maritime operations.

Reducing maritime emissions

OKEA together with its strategic partners have ambitions to reduce emissions beyond the potential of battery and shore power installations. One of the technologies we have decided to look further into is biogas. An LNG-fuelled PSV is in principle among the vessels with lowest emission of greenhouse gases. A switch to biogas can eliminate practically this entire emission given the carbon neutral nature of the fuel. Biogas consists mainly of methane, however upon combustion, CO₂ and water are

formed. Since the raw material comes from biological material, the combustion is calculated as CO₂-neutral as it enters the natural CO₂ cycle. By using biogas, the CO₂ emissions will be eliminated.

Currently the supply of biogas is insufficient for all LNG vessels to replace their fuel, however plans exist to build several production facilities in Norway. This will enable the industry to utilise resources which currently is going to waste.



Energy

One of OKEA's important contributions to the energy transition is increasing energy efficiency from own operations, and by doing so, contributing to reduce emissions in a global context.

Energy management is an essential topic for OKEA, as it covers both the company's focus on reducing its environmental footprint, as well as enabling to run more cost-efficient operations. The company's aim of increasing energy efficiency affects how we conduct our operations and is dependent on collaborative efforts from several stakeholders in our supply chain, maintenance management and energy optimisation.

The principles in ISO 50 001 (Energy Management) are integrated in our management system.

The emissions and energy management plan for Draugen was updated in 2021. The purpose of the plan is to create an overview of the continuous work to reduce emissions and energy consumption and evaluate opportunities for further reductions. The plan will be further elaborated in line with the development of energy related KPIs, goals and initiatives.

OKEA has initiated a project to digitalise and improve maintenance management in the

company. Better maintenance management will in the long run contribute to reduced energy consumption. OKEA is further creating a new operating model to improve efficiency and production. The new operation model includes maintenance activities, digitalisation, procurement, and logistics both onshore and offshore. The operational model will drive cost efficiency and safety by making sure everything is done according to best practice and will enable cost and competence synergies through better collaboration across the organisation.

Another project increasing the energy efficiency at Draugen is the Hasselmus gas field. Planned production start from Hasselmus is fourth quarter 2023 giving the Draugen asset increased production without increasing the energy demand.

In cases where new energy-intensive equipment is purchased, the equipment must be as energy-efficient as possible and of low-emission technology. In 2022 we will continue pursuing our efforts to reduce and optimise energy consumption, as well as to reduce emissions. The total energy consumption on Draugen has increased slightly from 510 GJ in 2020 to 550 GJ in 2021.

Biodiversity

OKEA considers protection of the environment and conservation of biodiversity in the ecosystems as a fundamental component of sustainable development. Nature and ecosystems also have an intrinsic value as it is essential to society and therefore to OKEA and its stakeholders.

We use a mitigation hierarchy involving a sequence of three prioritised steps to mitigate adverse biodiversity impacts: **avoid, minimise and restore.**

- ▶ Some biodiversity impacts can be avoided through careful spatial or temporal placement of infrastructure or scheduling field activities outside peak migration or breeding seasons
- ▶ We minimise biodiversity impacts through measures taken to reduce the duration, intensity and/or extent of the footprint of our operations. New drilling technology, data analytics techniques and integrated planning have helped reduce our infrastructure footprint and improve reservoir development efficiency.
- ▶ When impacts and disturbance cannot be completely avoided or further minimised, we employ measures to restore the area to a stable, productive, and self-sustaining ecosystem through remediation or reclamation activities.

Biodiversity protection measures are described and framed in our environmental strategy and environmental management system. We achieve this by performing environmental analyses to assess risks in areas affected by our operations and to evaluate what impact activities may have on the marine environment and wildlife. This includes evaluation of seabed disturbances and impacts on sea fauna, as well as marine mammals, fish, and birds. Biodiversity priority areas

are known and are part of the environmental risk assessments.

Environmental care is integrated in all planning and execution of operations. Cold-water corals and sea feathers are an example of a species to map and monitor when preparing for activities in the Draugen area. If corals are identified, measures are implemented to protect them from damage from for example anchors, pipe-laying, or drilling mud.

Our environmental work is guided by our commitments to prevent harm to the environment, aim for outstanding natural resource efficiency and comply with all applicable environmental laws and regulations. In 2021 there were no operations in protected areas or habitats.

OKEA has overview over the red-listed species and national conservation species habitats from the International Union for Conservation of Nature. This is included in the environmental risk assessments when planning our activities. The Norwegian Environment Agency (NEA) has strict regulations to ensure that the water quality in marine areas preserve species and ecosystems.

We have implemented and follow national regulations and requirements and have acceptance criteria and perform environmental impact assessments for our activities. This is part of the basis for decisions when choosing operational solutions, including decisions on environmental measures and monitoring activities.

We also participate in a research activity organised by the petroleum industry to monitor health effects on marine species/ecosystem and in a



research project to develop analysis methods to identify naphthenic acid discharged with produced water. Every third year an extensive offshore environmental monitoring program is performed near Draugen, as a continuous follow up of environmental conditions over time to ensure quality of the marine environment. This includes analyses of seabed sediments to map contamination, sampling of mussels and scallops to study possible impact and water column monitoring to explore biological targets (fish, eggs, larvae, plankton) to evaluate any biological impact. These monitoring activities contribute to ensure good quality and health of the sea water.

The monitoring programme for Norwegian sea-birds, SEAPOP has observed a lot of nesting kittiwakes at several offshore installations on the NCS, the highest number documented at Draugen.

Water

OKEA minimises its impacts on water and effluents, as set out in our Environmental Policy. All our operations are located on the NCS, with limited use of freshwater. OKEA's operations are not located in water-stressed environments. Fresh water is bunkered by boat and used for drinking water, accommodation and in some drilling operations offshore. No freshwater is withdrawn in connection with our oil and gas operations. OKEA acknowledges the importance of water management and although the availability of freshwater in Norway is high, we are committed to continuously manage and minimise our environmental footprint by reducing and limiting use of freshwater.

The total freshwater use in 2021 was 13,255m³. This is a decrease from 17,940 m³ from 2020 due

to a reduction in activities that requires fresh water, such as flushing and cleaning of piping, tanks, and equipment. As part of improving our

Effluents

We are committed to preventing, reducing, and managing our effluents. The main objective is to minimise the environmental impact from oil and chemicals contained in the discharged water. We continuously monitor discharges. Our ambition is no accidental discharges of oil or chemicals.

Discharges of effluents (produced water, drain water, displaced water) and chemicals needed for safe and efficient production is managed according to Norwegian regulations. The discharge permit is regulated by NEA and states that effluent discharge should be below 30 mg oil/L per month (weighted average). Our asset specific target for Draugen 2021 is 20 mg/l for oil in water and >55 % reinjection of produced water.

The produced water not being re-injected is discharged to sea after treatment according to best available technique and in line with regulatory requirements. Discharge of effluents are measured and monitored daily, and optimisation possibilities evaluated on a regular basis. The impact of our produced water discharge is regularly modelled and calculated with an environmental impact factor (EIF).

We put substantial effort into substituting chemicals with products with less environmental effects within our operations at Draugen, drilling

energy efficiency on Draugen, we have in 2021 conducted feasibility studies (DG1) for a fresh water making unit.

activities and contractor related activities. In 2021 we have established a digital dashboard used to improve our Substitution process.

In 2021, Draugen had a yearly average of 15.8 mg/l of oil in discharged produced water, which is a



reduction from 2020. The improvement is due to chemical substitutions and improved maintenance and cleaning strategy for parts of the equipment to separate oil from the water.

There were no exceedances of the regulatory discharge limit of 30 mg/l for produced water in 2021.



The volume of produced water on Draugen is slightly decreased from a total of 11 555 464 m³ in 2020 to 11 300 972 m³ in 2021. With high reliability on the re-injection pumps, we managed to increase the re-injected volume but because of the increased produced water volume we ended on 51.5 % re-injection, slightly below the internal target of 55 % re-injection.

Reinjection of produced water at Draugen into the reservoir reduces the environmental impact.

Waste

OKEA's operational activities are based offshore, and all significant production waste, both hazardous and non-hazardous, is returned to shore for recycling or disposal (general waste, paper, glass, empty metal and plastic drums, oils, sludge, and chemicals, etc.).

The largest fractions of hazardous waste, in terms of weight, come from our drilling operations. When we drill wells, the rock cuttings contaminated with mud and drilling fluids are carried onshore.

In 2022 we will further improve and optimise discharge management and strive to increase re-injection of produced water volumes.

All accidental and acute discharges of oil or chemicals are reported in OKEA's PIMS HSE reporting module and to the authorities if exceeding regulatory limits. All accidental and acute discharges are risk evaluated, learnings and actions to avoid similar incidents established and, depending on severity, investigated.

Drilling and production waste are handled in accordance with Norwegian regulations and the NOROG guidelines. OKEA's waste management plan defines the handling and disposal of process-related waste.

Waste transported to shore is handled by an approved and experienced waste contractor. OKEA follows up the waste contractor to ensure that all waste is handled and disposed according to regulations and in an environmentally acceptable manner. 86 tonnes of hazardous waste and 133 tonnes of non-hazardous waste were

generated from Draugen in 2021. The reduction in hazardous waste from 2020 to 2021 is due to less operational activity in 2021.

Our reporting of waste quantities has from 2021 been adjusted to be in accordance with the new GRI reporting standard. This implies an increased granularity and that waste incinerated with energy recovery is no longer defined as a recovery method, but a disposal method.

One of the areas we have focused on improving in 2021 is waste reduction. In cooperation with our waste supplier, we have revitalised our system for registering and following up waste volumes. In this system, the waste is registered with fraction, quantity, and date, so that we have a full overview of our own waste production and sorting rate. This enables us to keep track of waste volumes and provides a good starting

Circular economy

Circular economy is a material topic for OKEA, and we pursue a circular model that makes full use of resources and generates the least amount of waste. In OKEA we have implemented the 6Rs

point for optimisation, savings, and environmental reporting. In 2021 our sorting rate at Draugen was 80 %. In 2022 we have a target sorting rate of 90 % and will among other improvement measures conduct audits on waste returned to shore to improve the sorting rate.

In 2021 our goal was a 5 % reduction in number of chemicals used on Draugen. Upon reviewing our chemicals Q4 2021, we see that the total reduction has been over 11 %.

In 2022 we will continue to follow up our waste volumes in close cooperation and dialogue with our waste contractor and look for solutions to reduce the amount of waste, as well as increase the degree of reuse and recycling. We will also continue to reduce the amount of waste generated in our operated cantinas and reduction of unavoidable food waste.

rule based on the «ReSOLVE Framework», where six areas are identified for businesses wanting to move towards circular economy. In OKEA this 6Rs rules are operationalised in the following manner:



Areas	Circular initiatives
Regenerate	<ul style="list-style-type: none"> ▶ If feasible, we apply criteria that allow us to minimise the consumption of raw materials during the manufacture of our products, extend their useful life and increase the subsequent recycling of their components. ▶ We try to return recovered biological resources to the biosphere, by reducing food waste in our operated cantinas. In 2022 our ambition is 50 grams food waste per person per day in our operated cantinas. This, in turn, will help reduce the amount of waste being produced and sent to landfill.
Share	<ul style="list-style-type: none"> ▶ Share our inventory/spare parts with other operators in NCS using the tool «Virtual Inventory» to increase collaboration, reduce cost and delivery time. In addition to reuse of material across operators instead of buying new product. ▶ We continue to pursue «sharing economy» in our logistic operations, utilising capacity regarding shuttle-tankers with other operators (NOROG subsea pool 2.0), Co-operation on helicopter transport with nearby installations, reducing the number of flights and cooperate with several operators in planning one common campaign, using the same intervention vessel, and to enable joint IMR- campaigns within specific geographical areas or within specific operations as pipeline inspection (NOROG inspection, maintain and repair committee) ▶ In-license data sharing (e.g., Implementation of NEMS Panorama and sharing of environmental data with other license partners)
Optimise	<ul style="list-style-type: none"> ▶ We will to a greater extent implement lean inventory management in our supply chain. This will contribute to eliminate or lower waste materials, lower costs for storing items and no losses from dead stock generation. Lean inventory management will also give a better overview of the inventory and reduce the need to order items that are already available in stock. ▶ In 2021 we have made significant improvement in our maintenance master data. In 2022 we will start to improve and optimise maintenance activities based on improved data.
Loop	<ul style="list-style-type: none"> ▶ In our drilling operations we intend to apply thermal desorption techniques to transform the residual muds into new fuels if applicable. ▶ We regard decommissioning as an area with potential and opportunities aligned with the principles of keeping products and materials in use. One example of this is the decommissioning of one of our production wells at Draugen (D1). The Subsea Christmas tree for flow control from the well is to be refurbished and reused. We will also reuse some of the valve actuators for the christmas tree at Draugen platform. ▶ Our base partner Nor Sea Vest base has entered into an agreement with BEWI Energy for the establishment of hard plastic recycling at Nor Sea Vest base's facility in Kristiansund. This will serve as a central reception and processing plant for hard plastic from our offshore activity. This project will contribute to a far more environmentally friendly handling and reuse of return plastic locally.
Virtualise	<ul style="list-style-type: none"> ▶ Active use and development of «Eqhub» – a tool for technical equipment information library. ▶ Active use and share of all our spare parts via «Virtual Inventory»
Exchange	<ul style="list-style-type: none"> ▶ We aim to extend the lifetime of already purchased equipment by maintaining material integrity where feasible ▶ We will to a greater extent try to implement circular economic initiatives in new contracts

Authority audits and environmental compliance

During 2021, OKEA has been subject to several external supervision activities from the authorities. This includes among others i.e.:

- ▶ Audit of responsibility, competence, and maintenance of alarm management in control rooms
- ▶ Fiscal metering audit Draugen
- ▶ ICT security in the process control domain
- ▶ Leak detection OKEA/Draugen

We view these audits as good input for learning and experience transfer and a good opportunity to continuously improve our processes and systems. All deviations or observations for improvement identified as part of the above internal or external supervision activities have been recorded in the company's corrective action systems and will be addressed as part of our approach to continuous performance.

OKEA uses yearly submission of reports to authorities, audits performed by regulatory bodies and self-assessments to ensure environmental compliance. The conformity checks in the self-assessment process pay attention to both environmental aspects and regulatory requirements. In 2021 OKEA applied for and received an update of the discharge permit for activities on the Draugen field.

Our internal KPI is zero breaches of Norwegian Environment Agency (NEA) permit. In 2021 we had one breach due to external leakage to air of ca. 42 kg fluorinated gas from the cooling system in the kitchens onboard Draugen.

OKEA experienced no incidents of hydrocarbon spills greater than 0.1 m³ in 2021. We had one incident of non-hydrocarbon spills lower than 0.1 m³. This was due to a leakage of 30 L yellow Y0 Chemical to sea from a temporary pump.

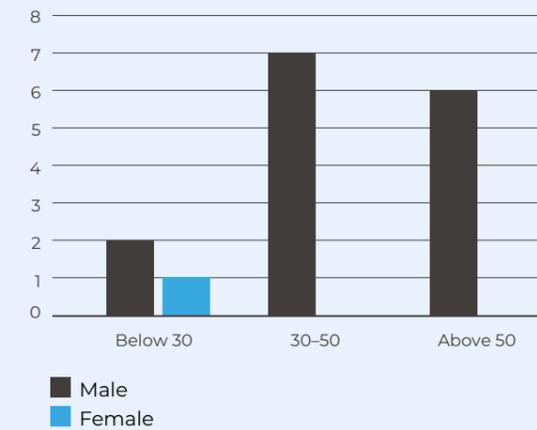
Supplier environmental assessment

We engage through strategic partnerships and alliances with key suppliers to achieve joint environmental value creation. We require our suppliers to commit to prevent and minimise their environmental impact, and encourage them towards innovation and selecting solutions that contribute to reducing the carbon footprint.

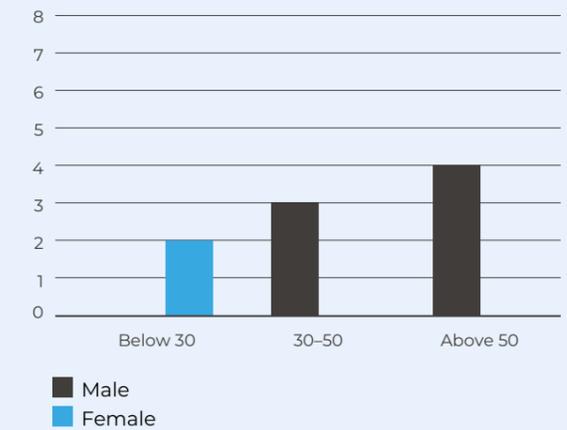
Our engagement with suppliers and strategic partners is described in the section Supply chain under the chapter Economic impact, and includes environmental criteria. We will continue to implement the reporting practice within our strategic suppliers in 2022.



RECRUITMENTS 2021 – AGE AND GENDER SPREAD (NUMBER)



TURNOVERS 2021 – AGE AND GENDER SPREAD (NUMBER)



Social impact

OKEA shall maintain a competent organisation fit for growth with direct management involvement and use risk-cost-benefit evaluations in all phases of the company's business activities.

Our employees are our most important resource. We give priority to enable engagement and believe empowered and competent employees collaborating to reach company goals, strategy and vision is key to success.

In addition to offering professional challenges and development opportunities in a safe and inclusive environment, we offer our employees a number of benefits that promote flexibility and life-work-balance. We have competitive salaries, a collective bonus programme and good health and insurance schemes.

We value the unique contributions of our employees and believe that a diverse and inclusive workforce emphasises deliveries and accomplishments. In 2021 we committed to company gender targets, aiming at 25 % female employees by end 2025. Our industry offers employment opportunities across the entire value chain

to our own employees, contractors, and suppliers. OKEA acknowledges the responsibility for employment-related factors, such as working hours, job security, diversity, employee relations and compensation.

We work actively to recruit from the regions where we are based. Offshore at Draugen approximately half of the employees are recruited out of mid-Norway.

Our employee survey is one of the principal tools to measure employee engagement, motivation, affiliation, and commitment to the company. It provides insights into employees' views and has a consistently high response rate. In 2021, the response rate was 96 % offshore and 98 % onshore. The employee engagement index was above 85 %, which places us among the leading companies across a range of industries.

The number of employees in OKEA was 213 at the end of 2021, reflecting a stable organisation with conscious and disciplined growth, to prepare the company to realise its strategy. Sixteen new recruitments were performed during 2021 and nine employment turnovers.

Employment practices

We recognise and have great faith in the Norwegian model of tri-partite cooperation and focus on maintaining a good and transparent dialogue with elected staff representatives being the labour unions and safety delegates. We aim to communicate and consult with employees and their labour unions on relevant subject matters and acknowledge employees' rights to form and join labour unions, and equally their right to remain non-unionised.

We believe that early involvement of staff representatives and all employees lead to better and safer decisions, a higher degree of employee engagement and we see this as a natural part of change management. Therefore, we stimulate and motivate employee participation and innovation, with the aim to achieve high efficiency, cost effectiveness, safety, and quality in all our activities.

The company communicates, consults, and negotiates with employees and their trade unions on relevant matters such as reorganisations during the annual salary review.

Approximately 80 % of the employees in OKEA are part of a union, of our offshore employees the number is close to 100 %. We have two labour unions covering onshore employees, and three labour unions covering offshore employees that are part of a collective bargaining agreement (CBU).

NOROG, where OKEA is a member, has framework agreements in place with affiliated unions which ensure yearly negotiations for the CBU agreements in addition to the local negotiations with our unions. There is no specific minimum notice period regarding operational changes in Norwegian law, regulations, or agreements. However, for operational changes that have significant impact on the individual employee's employment, including termination of employment, there is a minimum notice period of between one and six months. In all situations regarding operational changes there is a very clear expectation to ensure that high quality involvement from employee representatives and consultation starts as early as possible, and that the input from this is part of the decision basis.

Occupational health, safety and security

Health, safety and environment is fundamental in all our activities. Our main obligation is to secure that our operations are conducted in such way that we make no harm to people and minimum impact to the environment.

One of our strategic pillars within HSE, «ensuring safe and responsible operations» is guided by our commitment to prevent harm to people's health, safety, and to the environment. Continuous attention to people's safety and control of major accident risk will always be the most important issue for OKEA. We aim at continuously develop a robust HSEQ culture where safe and secure operations are incorporated in all our activities.

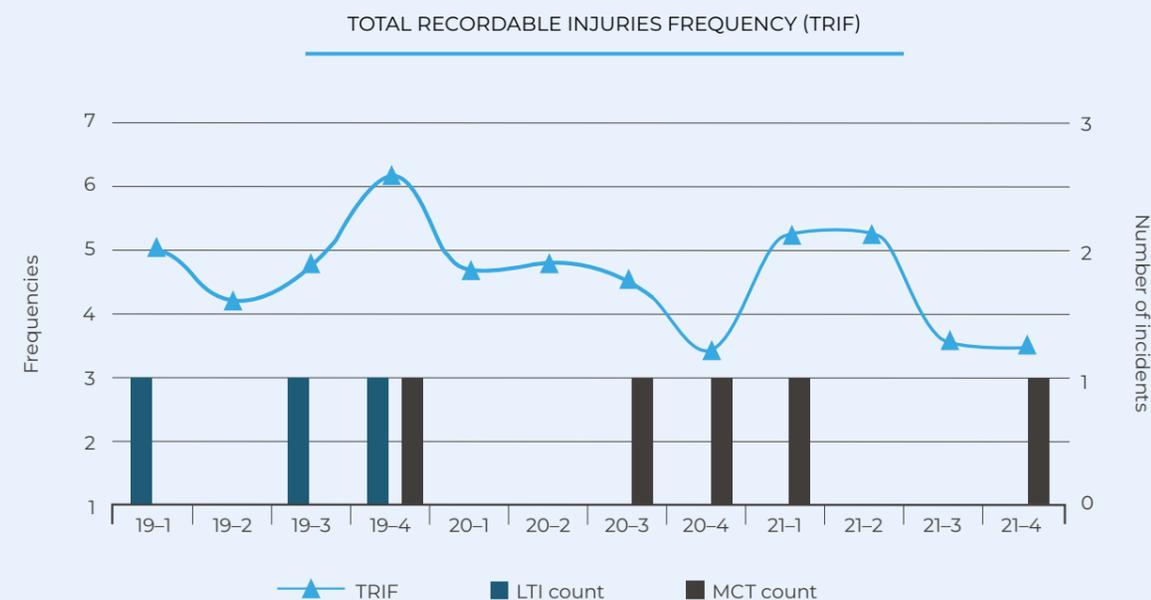
As a prudent operator on the NCS we follow strict health and safety regulations and ensure that no harm occurs to any of our employees, contractors, or anyone else performing work on our behalf because of our activities.

A comprehensive occupational health and safety management system has been implemented to ensure that we identify, understand, and manage health and safety risks in our offshore and onshore activities. The management system covers all workers and assets, including contractors working on operated assets

We experienced no serious incidents resulting from our activities and operations in 2021. There have been two medical treatment cases. Both incidents had low potential for severe personal harm or long-term health effects to the personnel involved.

The total recordable injuries frequency (TRIF) increased marginally to 3.51 in 2021 compared to 3.42 in 2020.

The figure below shows the TRIF every quarter for the last three years.



Security and cybersecurity

The security and protection of our people, assets, information, and reputation are cornerstones of our business. While risk can never be eliminated, we continuously strive to prudently anticipate, prevent, and respond to internal and external security incidents to mitigate risks. As an operator of critical infrastructure, we work closely to identify, deter, prevent, and mitigate a range of potential threats to company personnel, facilities, and operations. On this basis, we implemented various measures during 2021, including an update of our security plans and third-party audit of Process Control Domain security (PCD) routines and processes.

OKEA continues to face a range of security threats which are continuously monitored, accessed, and communicated across the company. The pandemic has accelerated change to our ways of working, with an increased use of remote IT solutions while working from home. This increased information security risk as private devices were used to a larger degree. As part of the awareness training the company test users' ability to identify phishing e-mails.

With the current unstable situation in Eastern Europe and Ukraine, OKEA will in 2022 continue to update our contingency and security plans and test if they are current, realistic, and fit for purpose.

Actions to improve health, safety, and security

We perform hazard identification and risk assessments as a proactive measure for activity planning and to identify preventive measures to eliminate or reduce and control all the hazards identified and apply the hierarchy of controls to eliminate hazards and minimise risks.

Work related hazards and risks are identified on a routine and non-routine basis. Competent personnel within different professional areas are involved in defining scope of the risk management activities and for choosing the adequate methodologies for conducting risk assessments, evaluations, and analyses. The results of these activities are used to evaluate and continually improve the occupational health and safety management system, which is updated minimum once a year.

All employees and contractors have the authority to speak up and stop unsafe activities. Work-related hazards are normally reported through observation cards, which are registered electronically into the system (PIMS HSE). Safety culture and continuous improvement are integral parts of the management system which also covers how to report safety observations and near misses, as well as incidents and hazard situations. There is also a work process for investigating incidents and how we ensure learning from incidents, in line with requirements from the PSA.

All HSE incidents, including accidents, near-misses, and unsafe conditions, are registered, and followed up to investigate why the incident occurred and identify measures to prevent reoccurrence. Our competent and well-trained emergency preparedness organisation is strengthened through our membership of The Norwegian Clean Seas Association for Operating Companies (NOFO), as well as The Operator's Association for Emergency Response (OFFB). These are two professional organisations with the sole purpose of supplying personnel and equipment for emergency response if needed.

Throughout 2021 OKEA has completed several activities and projects as part of our efforts to ensure that major accident risks are eliminated. Examples of this is:

- ▶ Update of the performance standards, including implementation of SIL requirements (Safety Integrity Level)
- ▶ Improved barrier management data monitoring and use of the system
- ▶ Different HSE activities to prevent injuries, leaks and learning from incidents
- ▶ Prepare, execute, and learn from emergency response exercises, ensure a robust emergency response organisation

In addition to several technical improvements, the importance of operational and organisational barriers has been emphasised in the implementation and improvement of our risk and barrier management system.

In 2022 we will continue to ensure «safe and responsible operations» and intensify our security work. Example of activities that are planned to be completed during 2022 is:

- ▶ Implement initiatives decided in the lifetime extension program to improve working environment, health, and safety
- ▶ Improving the QHSE reporting tools and processes
- ▶ Running offshore campaigns to improve knowledge and promote high level performance on safety and health issues
- ▶ Capacity and competence in the supply chain - 5 assessments (PSA's main theme)
- ▶ Planning for large-scale emergency preparedness exercise to be executed in 2023, and develop further OKEA's emergency response plans and organisation to be well prepared for the long-term incident exercise (spills to sea)

- ▶ Keep cybersecurity awareness for everyone in the company up to date
- ▶ Retest and update our cyber incident response plans
- ▶ Constantly analyse evolving security threats to guide our protection systems and processes.

Health and working environment

We provide both occupational and non-occupational health services to prevent, discover and monitor work related health risks. Employees also receive non-occupational health services related to personal health, physical therapy, and health promotive services such as support for increased physical activity and stress management if needed. All personal health information is kept confidential.

Only healthcare professionals that are subject to a duty of confidentiality have access to this information. As per legal requirements, we have an established corporate working environment committee (WEC) to formalise worker involvement on working environment and safety matters. The WEC has quarterly meetings.

All workers, including contractors working on our operated assets are represented. The WEC considers questions relating to the occupational health service and safety delegate service and training, instruction, and information activities.

Working environment health risk assessments (WEHRAs) are OKEA's main tool to map its working environment risks. The method is based on our process to assess and treat risk, which ensures appropriate risk identification, analysis, and evaluation. It forms the foundation for planning and execution of risk reducing and preventive measures. The results are used to identify the need for more detailed mapping and evaluation, and to form the basis for health monitoring and yearly planning.



Our QHSE activity plan and plan for inclusive work life is prepared annually in close dialog with the WEC. The committee also reviews all reports relating to working environment inspections and measurements, including a yearly report on working environment status in OKEA.

All employees exposed to occupational risks, determined by risk assessments of the work environment, are included in the health surveillance programme.

There are elected safety representatives both onshore and offshore. The role of the safety representative is to safeguard worker interests in matters concerning the working environment. All employees receive training on safety risk and working environment adapted to their work situation. Health and safety are regular themes in the introductory program for new employees.

We systematically monitor trends related to illness, and especially work-related illness. The number of recordable work-related ill health increased from 2020 to 2021. Stings and cut injuries are the key contributors to this development. Given these results we regard our continuous and systematic efforts to improve the working environment as suitable.

Absence due to sickness was 3.3 % in 2021 vs. 2.7 % in 2020, due to the ongoing Covid-19 pandemic. We are continuously working on follow-up of sickness absence. Our focus area for 2022 is improved leadership training and good cooperation with our occupational health service.

Management of the Covid-19 pandemic has been a prioritised area also in 2021. Our business continuity team, set up to manage the acute phase of the pandemic, is still active. The focus for the business continuity team has been to implement effective

and robust measures to take care of employees and avoid infections that entails a risk of not maintaining safe operation and maintenance at our facilities.

OKEA has devoted special attention to follow up the psychosocial work environment in 2021, as

the pandemic has temporarily changed the way we travel, work, and meet. Measures have been implemented to ensure that the psychosocial effects on our employees are addressed and handled appropriately.

OCCUPATIONAL HEALTH AND SAFETY DATA

Item	2019	2020	2021	Units	GRI
Work related injuries					
Total recordable incidents (TRI)	4	2	2	number	403-9a
Serious incident Frequency (SIF)	0	0	0	per mill exp. hours	403-9a
Total recordable incidents per million manhours	6.18	3.42	3.51	TRIF	403-9a
Fatalities Employees	0	0	0	number	403-9a
Fatalities Contractors	0	0	0	number	403-9b
Serious Injuries Employees	0	0	0	number	403-9a
Serious Injuries Contractors	0	0	0	number	403-9b
Lost time incidents Employees	1	0	0	number	403-9a
Lost time incidents Contractors	2	0	0	number	403-9b
Lost time incidents Employees + Contractors	1.94	0	0	per mill exp. hours	403-9
Medical treatment incidents Employees	0	0	1	number	403-9a
Medical treatment incidents Contractors	1	2	1	number	403-9b
Total Exposure hours	646,962	584,688	569,618	hours	403-9a
Work related ill health					
Fatalities work-related ill health employee	0	0	0	number	403-10 a
Recordable work-related ill health employee	0	0	1	number	403-10 a
Fatalities work-related ill health contractors	0	0	0	number	403-10 b
Recordable work-related ill health contractors	0	0	1	number	403-10 b



Training and education

We believe in lifelong learning and that development and personal growth is important to our employees and will enable us to achieve our business goals.

We have recently developed our framework for «learning and development» and will implement and engage leaders and employees on this in the first half of 2022. The framework puts the employee and leaders in the centre of the development and is building on the yearly employee performance and development process.

We aim to use the so-called 70:20:10 model for learning and development defined as 70 % on the job, 20 % social and 10 % formal training and development. On-the-job training may also include deployment across the company or involvement in relevant projects.

Training offered to employees involves a combination of a e-learning program, classroom trainings and video sessions carried out in-house and on supplier premises, as well as a training program tailored to each employee's own position.

In 2021 we completed a series of 1.5-day in-house training to increase competence on systematic HSE work in OKEA. This was an initiative started in 2020, where completion was postponed due to Covid-19 restrictions. The module-based course covered regulations, OKEA management system, internal regulations, and routines, including information on code of conduct, whistleblowing and HSE. The modules on regulations were mandatory for all onshore employees, leaders, and working environment committee members. Going forward we will arrange this training yearly as part of onboarding of new employees or into

new roles and give the possibility of refreshed training when required.

In 2021 we developed and introduced a OKEA Code of Conduct e-learning, with examples and dilemmas relevant for our employees. 93 % of our employees had completed the training by end 2021. In our yearly «work environment event» we had presentations and dilemma discussions in small groups, leading to good discussions, high awareness, and engagement for the topic.

In 2022 we will continue to develop a diversity and inclusion/unconscious biases course as part of our focus on ensuring that we have an inclusive culture.

Development of leaders and leadership have been a priority following a company strategy revalidation process, where vision and values have been revised. We have defined a «culture and leadership» program for 2022, building on the new vision, strategy and values. This program will be rolled out to leaders and all employees during 2022, with the aim of further developing the OKEA culture to enable us to deliver on the strategy and stretch towards the vision.

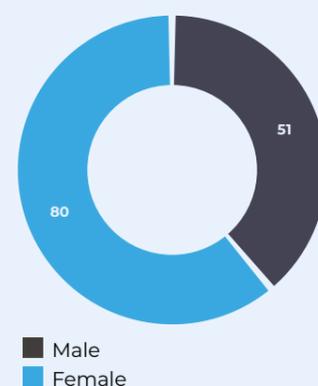
We have an onboarding agenda for new leaders to ensure the fundamental personnel management expectations are clear. The onboarding agenda includes information on our code of conduct.

Succession planning was introduced in OKEA in 2020, and we now have quarterly to yearly succession plan meetings across the organisation. The aim is to give an overview over critical competence in the company and identify talents that should be given new responsibilities and rotating opportunities to ensure further development and readiness for new roles.

We conduct individual employee assessments and development discussions minimum once a year to focus on employee development and performance follow up. This forms the basis for development initiatives and plans for each employee. In 2021 approximately 90 % of the employees have had minimum one formal performance and development conversation.

A competence management process is established for safety critical positions and individual competence profiles are handled by managing the requirements and associated documentation. Training for OKEA offshore personnel follow regulatory and company requirements. Courses for onshore employees are not recorded in the same way and is not included in the numbers.

AVERAGE HOURS OF COURSES FOR OFFSHORE EMPLOYEES



Courses for onshore employees are not recorded in the same way and is not included in the numbers.

For 2022 OKEA plans to further increase learning and development activities across the company, as described in the examples above. It will be delivered both through internal training programs on relevant subjects, and through external training opportunities.



Diversity, equal opportunity and inclusion

Our code of conduct contains our principles and standards for promoting equality and preventing discrimination and harassment, including sexual harassment. We do not tolerate unlawful unequal treatment, exclusion or discrimination of colleagues or others working for its organisation on account of race, gender, age, disability, sexual orientation, religion, political views, national or ethnic origin or any other characteristic that may compromise the principle of equality. Verbal or physical conduct that harasses others, disrupts others work performance or creates a hostile working environment are not tolerated. Managers are expected to apply the highest level of business ethics and integrity also for matters regarding equal opportunities and antidiscrimination.

A large part of our employees works within engineering and technology, including offshore work which are disciplines that have traditionally attracted most male applicants. This is reflected

in the workforce demographics, which as of end of year 2021 consisted of 22 % female employees.

At the end of 2021, the company's senior management consisted of six men and two women. The board of directors consists of eleven members whereof eight shareholder elected members and three employee elected members. Three of the shareholder elected members and one of the employee elected members are women, fulfilling the legal requirements for gender diversity.

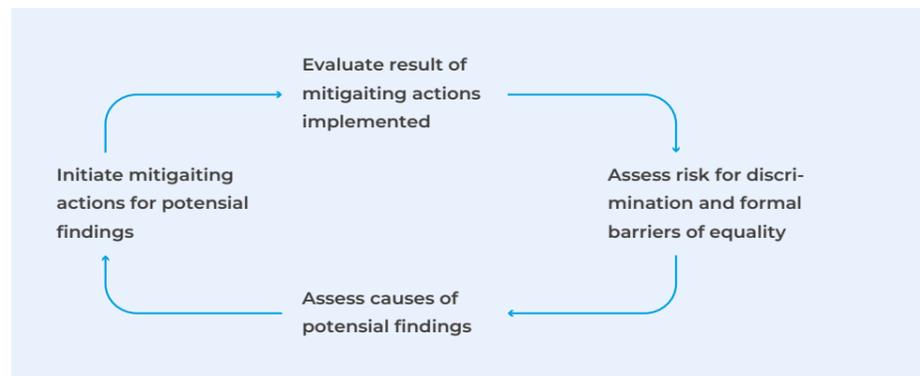
During the phase the company has been in, growing from a small start-up company to an operator on the NCS, we have been dependent on highly experienced employees, able to take on a high degree of accountability and complexity, using previous experience. We have therefore aimed at recruiting new employees with long experience from our industry. This strategy has influenced the diversity in the company both

related to age and gender. We are proud to be able to attract new employees with extensive experience in a competitive market.

Due to increased company size and organisational robustness, we are now able to further strengthen age diversity in the company, and we have started to focus more on our employer branding towards university and students. We believe OKEA can be an attractive employer for younger/less experienced employees. Our focus on diversity and engagement in an organisation where everyone plays an important part and with short decision lines is an advantage in the competition for future talent. As a start we had seven summer student roles in 2021, and will double to 15 summer students in 2022, based in Kristiansund and Trondheim.

method for equality and non-discrimination are included in our plan for inclusive working life.

The plan is set up in cooperation with the employee representatives through the company's working environment committee (WEC) and endorsed by the company's senior management. The plan sets the goals and targets for our work for each year withing several areas including equality, non-discrimination, harassment, and senior policy. We report on gender equality, statistics are included below.



With our head offices in the technology capital Trondheim, we have in 2021 initiated a cooperation with NTNU, where representatives from OKEA gave a guest lecture and OKEA was used as a case study for students at the MCs program in Industrial Economics and Technology Management. This gave valuable insights to how young talent see our industry and company. We see that the student/university arrangements are starting up again after the pandemic and we have done a strategic assessment and will attend relevant arrangements to increase our visibility and further develop our relations with NTNU.

We use a recommended four-step working method when working with equality and non-discrimination. The results of the working

For other diversity issues we complete assessments of risk for discrimination and potential barriers for equal opportunities and have implemented several formal requirements to ensure equal treatment. As a part of this assessment, we consider our practices with regards to recruitment, working conditions and compensation, promotions, and competence development. Recruitments follow structured and formal processes where diversity criteria and awareness of biases are part of the process and handled by our human resource department.

We consider language requirements for each position and possibilities for workplace facilitation when doing recruitment processes with an aim to avoid exclusive practices. We have a remuneration

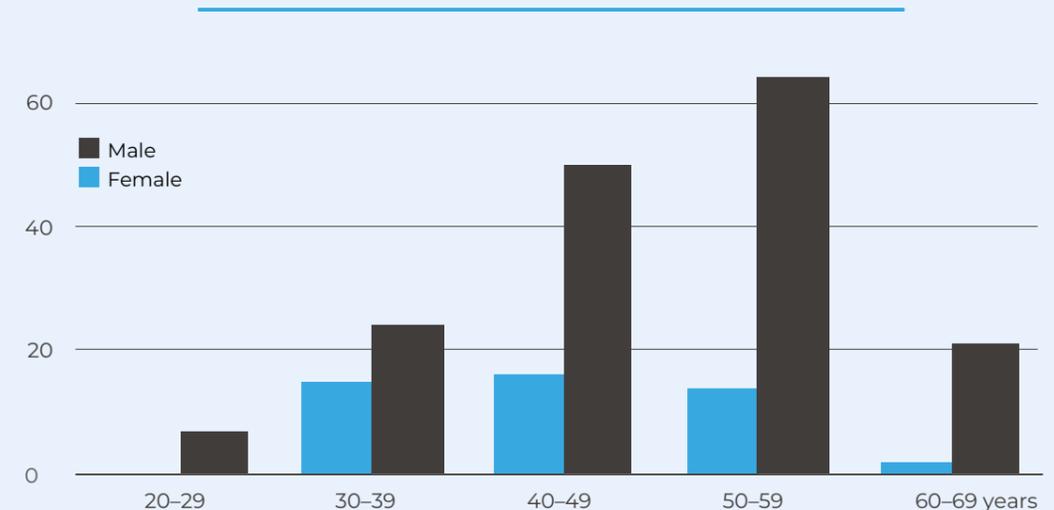
policy giving foundation for fair and competitive conditions. The remuneration policy applies to the onshore organisation and offshore supervisors. We regularly use external tools for benchmarking of our compensation elements and internal data to ensure equal pay for equal jobs within the flexibility our remuneration policy allows. We perform assessments on pay differences for the company as a whole and for all employee categories. We have clear criteria to ensure that promotion is given due to abilities, performance, work tasks, competence, qualification, and experience that are relevant to the position.

All employees receive information about new positions and positions in internal projects, and qualified employees are encouraged to apply for internal projects. Promotion, personal wishes, and development opportunities are addressed in employee performance and

development meetings As part of the focus on an inclusive work environment, the company facilitate customised work tasks to individuals with special needs. For offshore employees we have an opportunity for temporary onshore work for example for pregnant women or other individual needs. Such arrangements are done in consultation and cooperation with the individual employee.

In OKEA we value work-life balance and strive to provide the necessary flexibility for the individual employees. With regards to equal pay, the report for 2021 show some pay differences in favour/disfavour of both genders in all categories, and we are aware of the factors contributing to this. Internal assessments show room for improvement for diverse representation in the organisation, including management positions and particularly within the offshore organisation. We have initiated

OKEA EMPLOYEE DEMOGRAPHICS



Number of permanent employees as per 31 December 2021

activities to ensure representation in recruitment processes and for internal promotions to secure a representative selection of candidates. We will further step up in this area by introducing short-term (yearly) targets in addition to the long-term, to better measure how we are doing.

NHO (Norwegian Employers' Confederation) has addressed the low proportion of woman in the private sector through a leadership development program for women (Female Future), aiming at recruiting more women to senior executive positions and to the boardroom. Companies nominate their talents to the program, and OKEA has 4 participants in the program in 2021.

The activities for 2022 includes the following:

- ▶ Clear and anchored targets. Building on the company gender target of 25 % female employees by end 2025, we have defined a target of 30 % of new hires to be female in 2022. Diversity targets as part of department score-cards for 2023.

- ▶ Conscious and systematic recruitment & internal resourcing processes, with enhanced diversity parameters like gender targets for shortlisting and successful recruitment and internal resourcing
- ▶ Implement «Development framework»
- ▶ Gender targets for career/leadership development (training/exposure through project tasks)
- ▶ Continue to use succession planning to identify female talents and create specific development plans for these
- ▶ Career development plans in place for a significant percentage of the organisation
- ▶ Use the framework developed to ensure activity obligation in accordance with the Norwegian Equality and Anti-Discrimination Act.

We will complete awareness training related to diversity & inclusion/unconscious biases during 2022. We will also initiate an annual refresh of our code of conduct training, including matters on equal opportunities and anti-discrimination.

KEY METRICS FOR REPORTING ON DIVERSITY AND INCLUSION



Definition of levels of employees in the organisation:

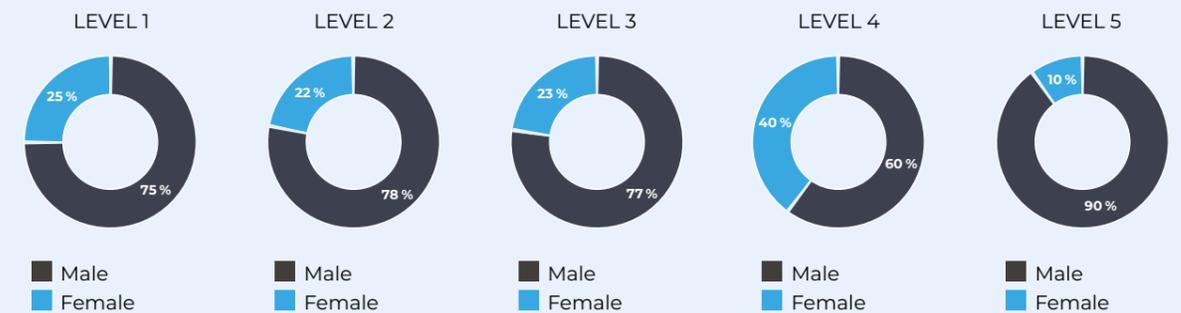
Level 1	Senior management *	CEO and senior management group (SVPs and selected VPs)
Level 2	Management	VPs, Lead
Level 3	Senior professionals	Principals, managers
Level 4	Professionals	All employees below level 3 except collective bargain union (CBU) employees
Level 5	Offshore CBU	Offshore employees

The definition of levels has been discussed with our employee representatives. Most offshore employees are part of the CBU, meaning they are paid based on a collective salary matrix. For salary assessment this matrix is based on the defined job-level and number of years of experience.

* 100 % of senior management are hired from the local community

GENDER BALANCE

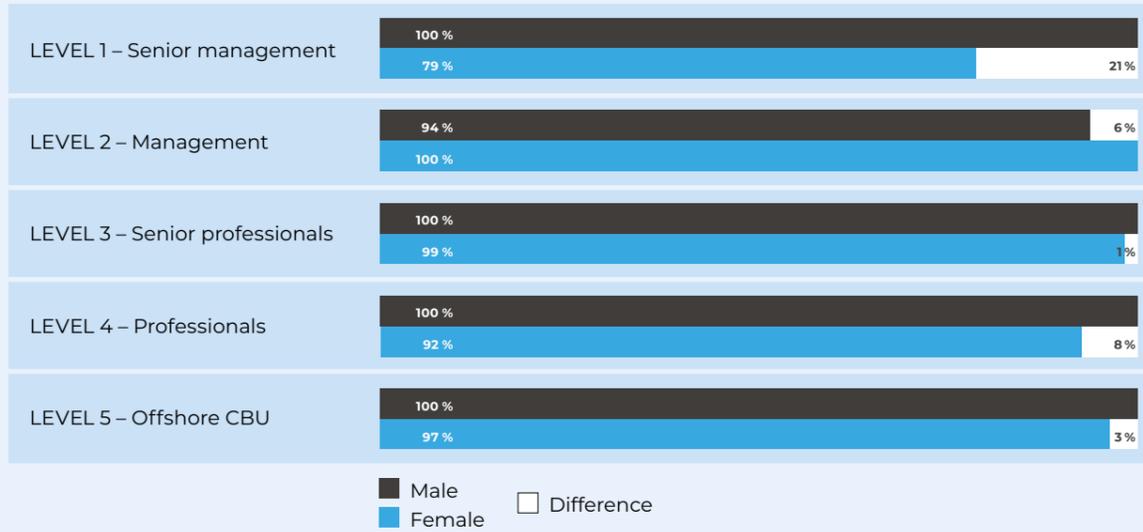
The gender balance is shown as percentage in the graph, and as total numbers in the table.



		Male	Female
Senior management	Total	6	2
Management	Total	28	8
Senior professionals	Total	33	10
Professionals	Total	29	19
Offshore CBU	Total	70	8

BASE SALARY

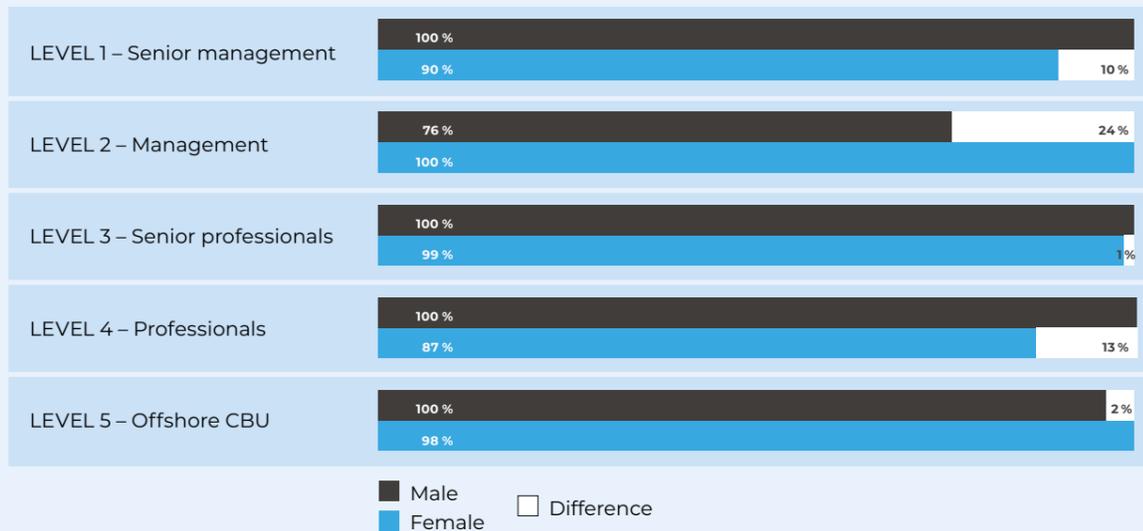
The base salary is shown as females base salary compared to males base salary at each level to assess equal pay for equal value of work.



Male
Female
Difference

BONUSES, OVERTIME AND OTHER ADDITIONAL PAYROLLS

Bonuses, overtime and other additional payrolls are shown as females bonus/overtime/other additional payrolls compared to males at each level to assess equal pay for equal value of work.



Male
Female
Difference

WORKING CONDITIONS

There are no temporary employees in the organisation. There are no part time employees in the organisation, including no involuntary part time employees.

PARENTAL LEAVE

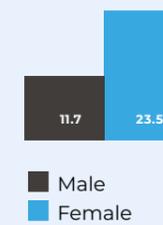
All employees are entitled to statutory parental leave according to Norwegian legislation. The total period during which parental benefit is paid is 49 weeks with 100 % salary coverage. It is possible to choose 59 weeks with 80 % coverage, and there are rules on how the weeks should be shared between the mother and father. We offer full pay during the parental leave. The return to work and retention rate of employees that took parental leave in 2021 is 100 %.

Parental leave is shown as number of men and women who had the right to parental leave, and secondly the average number of weeks the men and women were on parental leave.



	Male		Female	
All ages and levels	Total	6	Total	2

Average number of weeks:



	Male		Female	
All ages and levels	Average	11.7	Average	23.5

Human rights

OKEA is committed to respecting human rights. We recognise the dignity of all human beings, and our core values embrace these inalienable rights: for all people to live their lives free from social, political, or economic discrimination or abuse.

Our approach is consistent with the human rights philosophies expressed in the following global frameworks:

- ▶ Universal Declaration of Human Rights (UDHR)
- ▶ United Nations Guiding Principles on Business and Human Rights
- ▶ International Labour Organisation Declaration on Fundamental Principles and rights at Work.

This includes the core labour standards related to non-discrimination, freedom of association, right to collective bargaining, and avoiding the use of forced or child labour.

We recognise that our activities can cause, contribute, or be linked to negative human rights and other social impacts. OKEA operates in a low-risk environment regarding to human rights as all our operations are in Norway.

We strive to identify and address human rights risks and impacts that are directly linked with our business activities, including the rights of our workforce and those living in communities affected by our activities.

Our intent regarding human rights is also reflected in our Code of conduct that set the standards of behaviour and human rights commitments for our people, as well as contractors, suppliers and others who perform work for OKEA.

We will continue to embed human rights due diligence in the internal supply chain management process, to enable more effective risk management in new procurements. We have seen an increase in requests from the business areas for training and support to manage challenges and in 2022 we will continue to build awareness of OKEA's responsibility to respect human rights and invested in more specific training for prioritised teams and individuals.

In 2022 we will ensure implementation of the Norwegian transparency act, which contains requirements for the company to carry out due diligence assessments in line with the OECD's guidelines for multinational companies, to assess actual and potential negative consequences for fundamental human rights and decent working conditions that our activities have either caused or contributed to, or that are directly related to our activities, products or services through supply chains or business partners.

To further improve our work with human rights supply chain engagement we will in 2022 evaluate a membership in Human Rights Assessment Service, a joint global industry initiative focusing on human rights assessments in the supply chain.

Forced labour and child labour

We are committed to identify and address human rights risks and impacts that are linked with our business activities, including the rights of our workforce and those living in communities affected by our activities. We aim to contribute to eliminate human rights abuses such as child labour, human trafficking and forced labour.

When considering new investments or when tendering for goods and services, we review any associated human rights issues and consider how we can ensure that our operations do not come into conflict with any of these fundamental human rights principles. All significant contracts undergo a human rights assessment through Magnet-JQS, which includes criteria such as child labour and young workers. There have been no reported incidents during the reporting period which pose a significant risk of child labour or young workers exposed to hazardous work.

Rights of Indigenous people

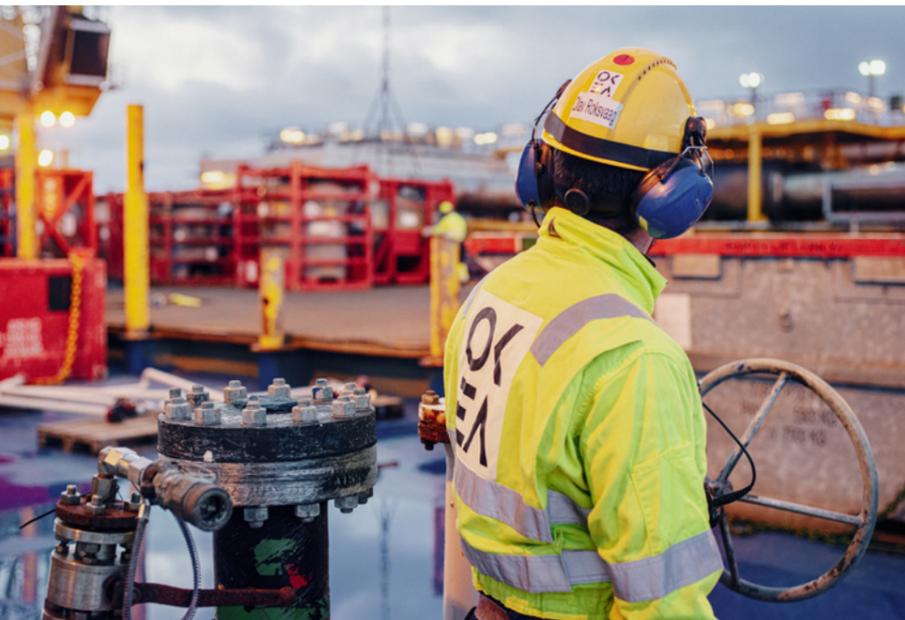
Protecting the rights of Indigenous people is part of the internationally recognised fundamental principles of human rights. We recognise and respect the choice of Indigenous communities to live as distinct peoples, with their own cultures and relationships to the land.

Our approach is consistent with the rights on Indigenous people expressed in the International Labour Organisation Convention 169 concerning Indigenous and Tribal Peoples, and the United Nations Declaration on the Rights of Indigenous Peoples. In Norway, it is clear that the Sámi population satisfies the criteria



stipulated in this convention. OKEA operates in accordance with Norwegian legislation and considers the risk of infringing on such rights to be low. We have no significant impacts

on rights of indigenous people from operations. There have been no incidents violating the rights of Indigenous people during the reporting period.



Supplier social assessment

Social risks assessments also include outlining appropriate workforce strategies and procedures in place to comply with internationally recognised labour standards covering any of the following areas: minimum wages, working hours, disciplinary practices, employment practices, working conditions and terms of employment for migrant workers, including human trafficking.

No significant wrongdoing or accidents impacting society, or the environment were detected in OKEA's operations in 2021, including the suppliers' deliveries, and there have been no fines or

non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

In 2022 we intend to implement specific awareness training, covering requirements for integrity due diligence (IDD) and main steps in the process for relevant employees involved in the supplier qualifications.

OKEA's engagement with suppliers and strategic partners is detailed in the Supply Chain segment in the Economic Impact chapter of this report.

Research and development (R&D)

The aim of the technology research and development process (R&D) is to improve OKEA's value creation in the short-, medium- and long-term by developing innovative technological solutions for the business that can deliver competitive advantages for OKEA.

In this respect, OKEA's strategy and efforts to provide advanced technical solutions helps to demonstrate OKEA's intent to reduce environmental impacts, creating benefits for socio-economic development.

Ambitions

- ▶ Support OKEA in achieving its business objective of implementation of cost-efficient solutions critical for life-time extension
- ▶ Contribute to emission reduction through R&D
- ▶ Use R&D projects as a tool to develop technology purpose-fit for the company's business development within the circular economy framework.
- ▶ Support our suppliers in developing new technology that can be used not only by OKEA but across the industry.

We support several R&D projects in the oil & gas industry. With our headquarters located in Trondheim, it is natural to use the skilled research community associated with NTNU and Sintef to support innovation initiatives and modern technology which further aligns with our overall strategy.

The R&D activity related to exploration is focused on reducing time and cost whilst reducing uncertainties in near field areas to increase value of existing hubs. Upstream research efforts will prioritise technologies offering increased efficiency,

reduced cost, and time to market. R&D projects to maximise recovery will be considered as high priority.

We will continue to utilise strategic R&D projects aiming for reduced GHG emissions. Being an active partner in research, development and innovation projects is an important part of the company's contribution to reducing the GHG emissions on the NCS.

Carbon capture, use, and storage technologies play a significant role in our contribution to reduce GHG emission, especially in field development projects. Access to expertise and technology from such solutions would also create opportunities for similar projects for other assets and underpin a late life assets strategy. In 2021 we have been involved in a Joint technical study on carbon capture and storage (CCS) with Ocean GeoLoop.

OKEA has been participating in joint projects to develop environmentally friendly solutions. A Joint technical study on offshore wind with Odfjell Oceanwind and TrønderEnergi on potential longer-term power supply and utilisation of Draugen infrastructure is being matured.

In 2021 our R&D spending was NOK 8,6 million, split on various research projects that support our responsibility as operator on the Norwegian continental shelf and provides us with important knowledge for field development projects including subsurface. The various research projects are listed in the table on page 84.

KEY METRICS FOR RESEARCH AND DEVELOPMENT (R&D)

Name	Description	2021 expense NOK million
BRU 21	<ul style="list-style-type: none"> ▶ NTNU BRU21 projects: ▶ Cost effective development of small discoveries ▶ Production optimisation strategies for offshore production systems with water processing constraints ▶ Maintenance optimisation versus lifetime extension 	3
JIP KFC	▶ Kjeller Flexible Cracking. How environmental and chemical conditions in flexibles annulus develop with time	0.3
JIP FPCM II	▶ Closing technology gaps related to corrosion threats in flexible pipes	0.7
JIP UHB	▶ Multiparty Project Agreement Upheaval buckling of flexible pipes	0.2
Scale solutions	▶ Scale treatment optimisation including Scale inhibitor residual analysis	0.4
Vann søyleovervåkning	▶ Water column monitoring	0.3
GAMES - NTNU	▶ Geophysics and Applied Mathematics for Exploration and Safe production	0.3
Rogn Fm Trøndelag	▶ Development and mapping of Rogn Formation Trøndelag Platform	0.4
IRMA	▶ Develop and improve functionalities in the commercial software package IRMA (Integrated Reservoir Management and Analytics)	1.5
TIOS	▶ Develop riserless coil tubing solution with well control	1.5
Total		8.6

Sponsorships

We are a significant company in Trondheim and take part in relevant initiatives. For our sponsorships in the Trondheim area, we have concentrated our sponsor activity to culture and has an agreement with Opera Trøndelag. In Kristiansund OKEA is one of the largest private companies. This is a position that comes with an obligation for the company to be active in the community. For OKEA this obligation is reflected in the fact that OKEA is a sponsor of the Opera in Kristiansund with a contribution of NOK 350,000 annually for three years.

District operas such as Opera Trøndelag and the Opera in Kristiansund help ensure art and culture are accessible to everyone, regardless of where they live. With their broad cultural commitment these two institutions hold a key position in making each region an attractive place to live and work.

OKEA is the main sponsor of the annual handball cup «OKEA-Cup», hosted in Kristiansund. This cup has been one of Mid- Norway's leading indoor tournaments since its inception 20 years ago.

We contribute to NOROG's «big picture» initiative. Young oil workers are engaged in creating a fact-based and balanced debate about the industry in their workplace, schools and among young politicians. We believe it is important to contribute with good ambassadors in a debate that needs nuance and credible voices.

Through the initiative, we can gradually motivate over 200,000 oil workers in Norway to partake in the dialogue to help develop a mutual understanding of societal challenges and the importance of the oil industry.





OKEA ASA is a leading
mid- to late-life operator on the
Norwegian continental shelf (NCS).

OKEA finds value where others
divest and has an ambitious
strategy built on growth, value
creation and capital discipline.

OKEA ASA
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7011 Trondheim