

Transparency Act Report 2022

An account of Lime Petroleum's due diligence process



Purpose and scope



This report aims to inform in a transparent manner about Lime Petroleum's (hereafter Lime) work on human rights and decent working conditions. This report shares details about Lime and our management system, how we have embedded responsible business into our policies and procedures, the result of our risk identification process, and risk mitigation measures. We acknowledge that the due diligence process is continuous, and we will keep our risk management system up to date to support this process. Furthermore, we acknowledge that our risk picture will alter as Lime develops as a company, and adjustments may be needed. We will strive to respect human rights and decent working conditions in all our businesses.

Definitions



Term	Description
Fundamental human rights	The internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966, and the ILO’s core conventions on fundamental principles and rights at work.
Decent working conditions	Work that safeguards fundamental rights pursuant to conventions mentioned above, and health, safety and environment in the workplace, and that provides a living wage.
Supply chain	Any party in the chain of suppliers and subcontractors that supplies or produces goods, services, or other input factors included in an enterprise’s delivery of services or production of goods from the raw material stage to a finished product.
Business partners	Any party that supplies goods or services directly to an enterprise, but that is not part of the supply chain.
Human rights risk	The business enterprise’s potential adverse human rights impacts. Potential impacts should be addressed through prevention or mitigation, while actual impacts should be subjected for remediation.
Severity	The severity of the actual or potential negative impact (violation) that the company causes, contributes or is directly linked to, is among other things, a result of scale, scope, and remediability. Scale means how grave the impact is on various human rights and labour rights. The scope covers the number of individuals impacted, while remediability covers the degree of restorability of the impact.
Likelihood	The likelihood of a negative impact occurring (risk) is higher in some contexts than others. The likelihood depends on geographical area, business sector, conflict zones or countries with weak governance, and knowledge strength (uncertainty)
Company involvement	According to the United Nations Guiding Principles on Business and Human Rights (UNGP) and OECD Guidelines on Multinational Enterprises, companies can cause themselves, contribute through partnerships, or be directly linked to negative impacts on human rights and decent working conditions.

About Lime and our Managing System

Lime is an upstream exploration and production company established in Norway in 2012. In 2013 the company was pre-qualified and has since had a growing portfolio of exploration licenses on the Norwegian Continental Shelf (NCS). Lime Petroleum's strategy is to explore for, develop and produce hydrocarbons on the Norwegian Continental Shelf. Lime's shareholders are Rex International Investments Pte. Ltd. (91.7%) and Schroder & Co Banque SA (8.3%).

Lime is a partner in 19 licenses on NCS. These licenses can be structured into three phases: exploration, development, and production. See Table 1 below for an overview of licenses, activities, operators, and partners. Lime qualified to be an operator on the Norwegian Continental Shelf in March 2023. Since then, the company has strengthened its competency and capacity by adding Drilling and Sustainability departments to its organizational structure.

From 2021, Lime has participated in a Carbon Capture and Storage project together with two other industry partners. The project has conducted subsurface and economic studies aiming to secure a permanent storage site for CO₂ on the NCS. The project has now matured into a nomination document and eventually an application for the identified storage reservoir at the end of 2023.

Overview of key licenses and partners

Licence	Lime Stake	Operator	Other Partners
Brage	33.84%	OKEA ASA	DNO Norge AS, Vår Energy ASA, Mvest Energy AS
Yme	10.00%	Repsol Norge AS	LOTOS Exploration and Production Norge AS, OKEA ASA
PL 818	30.00%	Aker BP ASA	Equinor Energy AS
PL 818 B	30.00%	Aker BP ASA	Equinor Energy AS
PL 820 S	30.00%	Vår Energi ASA	Aker BP ASA, Pandion Energy AS, Wintershall Dea Norge AS
PL 820 SB	30.00%	Vår Energi ASA	Aker BP ASA, Pandion Energy AS, Wintershall Dea Norge AS
PL 867	20.00%	Aker BP ASA	
PL 867 B	20.00%	Aker BP ASA	
PL 1093	20.00%	Harbour Energy Norge AS	Petoro AS
PL 1178 (2)	50.00%	OKEA ASA	
PL 838	30.00%	Aker BP ASA	PGNiG Upstream Norway AS
PL 838 B	30.00%	PGNiG Upstream Norway AS	Aker BP ASA
PL 1111 (1)	40.00%	PGNiG Upstream Norway AS	
PL 1125	50.00%	OKEA ASA	
PL 1190 (2)	30.00%	Harbour Energy Norge AS	PGNiG Upstream Norway AS

(1) PL 1111 was formally relinquished 6 March 2023

(2) APA 2022 licenses awarded 10 January 2023

Management System

Lime's management system is based on the principles of business excellence. Risk management and HSEQ are key elements in how Lime conducts business. This includes the identification and assessment of threats and opportunities and management of actions related to mitigating the HSE, operational, technical, financial, commercial, and subsurface risks. And, from 2023 the company has included the evaluation of human rights transgressions risks and assessment of decent working conditions in our own operations as well as those of our business partners and suppliers.

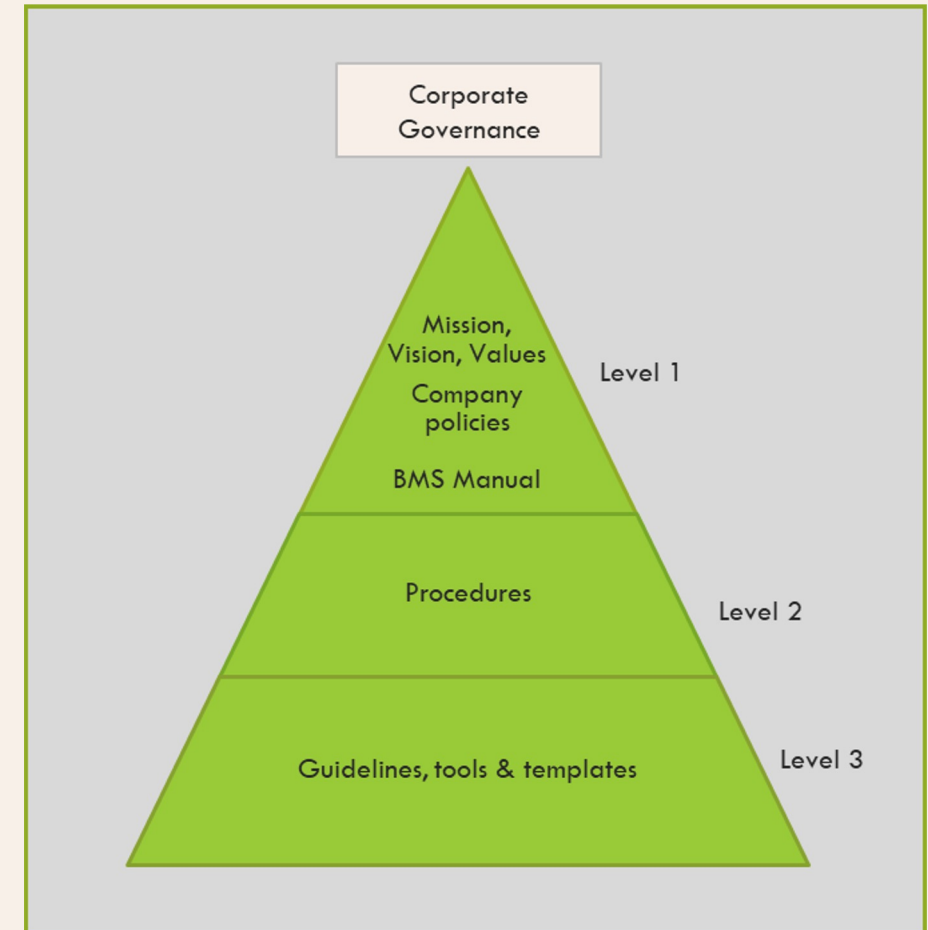
HSEQ is of great importance to Lime. This includes both the office premises where most of our work is done, the offshore operations Lime participates in, and society at large. Lime is also subjected to the Transparency Act. This means that Lime is responsible for respecting fundamental human rights and decent working conditions and conducting human rights due diligence continuously, to avoid infringing on human rights transgressions. Even though continuous work in HSEQ is key in reducing risks to key labour rights such as the right to health and life, safe workspace, equal opportunities, and reducing risks to the environment, this does not cover all other ranges of risks to human rights that may occur in our own operations, business partners and suppliers.

To make sure that Lime is compliant with the Transparency Act and carries out due diligence in accordance with OECD Guidelines for Multinational Enterprises, we are continuously expanding and upgrading our management system.

Embedding responsible business conduct in Lime’s policies

In 2022 Lime worked on strengthening our Business Management System (BMS), which is built on four levels where Corporate Governance is at the top. The BMS document hierarchy is illustrated in the figure below. Level 1 consists of mission, vision and values, company policies, and the (BMS) Manual. Level 2 consists of a range of different procedures. And Level 3 is our guidelines, tools, and templates.

Corporate governance	Level 1 Policies and BMS Manual	Level 2 Procedures
Corporate governance	HSEQ Policy	Organization, roles and responsibilities
Code of Conduct	BMS Manual	Procurement and contract management
	Human Rights Policy	HSEQ Management
		Risk management
		Whistle blowing and grievance mechanism



The Board of Directors is responsible for overseeing the management of the company and ensuring that our management system safeguards human rights and decent working conditions. To strengthen our management system, we conducted a process in 2022 that included updating our corporate governance documents, and embedded responsible business conduct. In 2023, we included a human rights policy that complements Lime's Code of Conduct.

In line with Lime's commitment to respecting human rights and decent working conditions, a Supplier Code of Conduct will be elaborated. The Supplier Code of Conduct will be established to describe Lime's expectations of our partners and suppliers to act in compliance with human rights and labour standards.

Lime's BMS documents are also aligned with our human rights policy. Documents on corporate governance and Level 1 are embedded and approved by our Board of Directors. The human rights policy states that Lime has a responsibility to respect all human rights and fundamental rights at work. This includes internationally recognised human rights that are enshrined in, among other places, the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966, and the International Labour Organization's (ILO) core conventions on fundamental principles and rights at work.

This means that Lime will avoid infringing on the human rights of others and address these impacts where they occur, as is set out in [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#) and [OECD Guidelines for Multinational Enterprises](#). Lime will take steps to avoid causing or contributing to adverse human rights impacts through our own activities and address such impacts when they occur. See Chapter 3.2 for identified risks and mitigating measures. Lime will seek to continuously identify, prevent or mitigate adverse human rights impacts that are linked directly or indirectly to our operations or services or those of our business partners.

Human rights policy

Lime's human rights policy, states that we are committed to:

- ❖ Respect and support human rights and decent working conditions in all Lime's business, partnerships, and supply chain relationships.
- ❖ Conduct human rights due diligence to identify and manage adverse human rights impacts that Lime may cause or contribute to through our own activities, or which may be linked to our operations, or to products or services by our business partners and suppliers.
- ❖ Acknowledge that the human rights due diligence process is a continuous process, and risks may change over time as Lime's operations and operating context evolve.
- ❖ Involve in open and trustful dialogue with potentially affected groups and relevant stakeholders.
- ❖ Enable remediation of any adverse human rights impacts that Lime may have caused or contributed to. Seek to find meaningful and targeted solutions where impacts may have occurred in the supply chain.
- ❖ Expect partners and suppliers to respect human rights and decent working conditions, conduct human rights due diligence and share findings with Lime.
- ❖ Work continuously to improve and learn from our impacts on human rights and decent working conditions.

Embedding responsible business into Lime's procedures

HSEQ and risk management are key elements of managing our business. As part of Lime's risk management, we already have in place procedures to cover a wide spectrum of risks. Human rights due diligence according to OECD Guidelines on Multinational Enterprises and UN Guiding Principles on Business and Human Rights, is risk-based which allows integration of the human rights due diligence into Lime's existing systems for risk management. Human rights due diligence is therefore an integral part of Lime's Risk Management system.

Lime operates in the Norwegian Continental Shelf; thus, it is subject to the oil and gas regulations that apply to the industry. In the Norwegian oil and gas industry, the roles and responsibilities regarding work safety and working environment are clear. Each company is responsible for the safety of its own operations. This is a fundamental principle in the petroleum regulations. Operators have a particular duty to see to it that everyone doing work on their behalf complies with the requirements specified in the HSE regulations and conducts their activities in a prudent manner. Licensees must see to it that operators carry out their work ensuring that all operations are carried out in accordance with the regulatory requirements (Petroleumstilsynet, 2023).

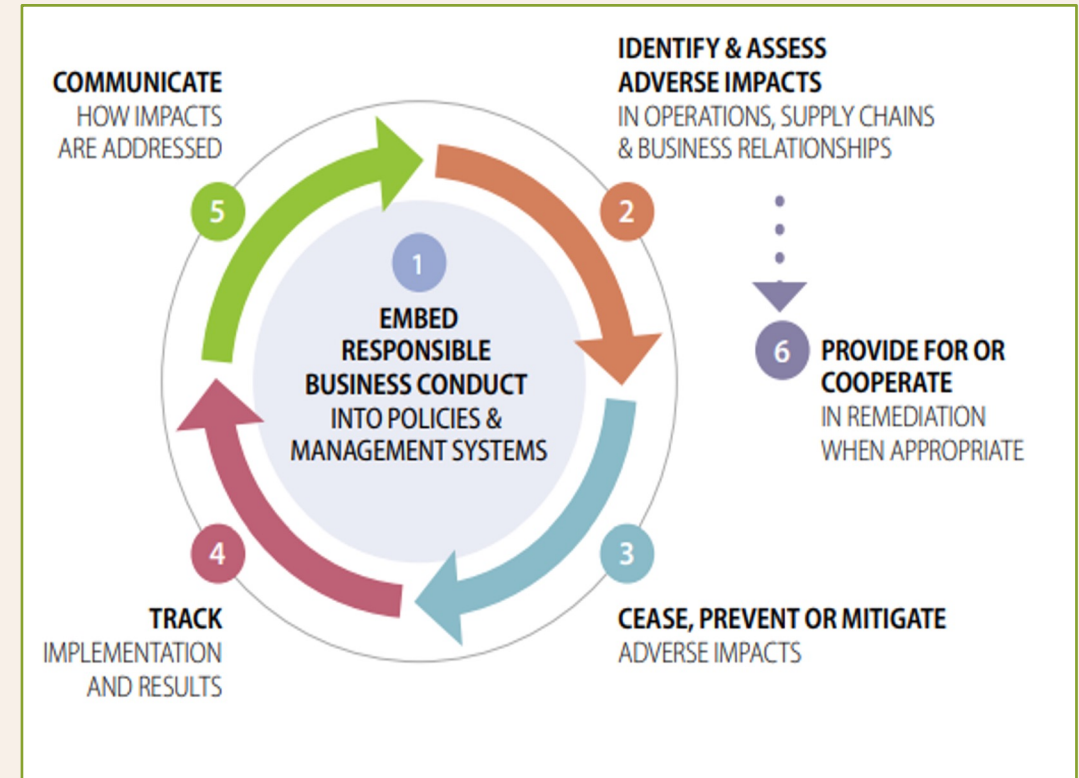
Lime has established routines to identify actual or potential adverse impacts on fundamental human rights and decent working conditions. Human rights due diligence is integrated in risk management and is an integral element in ongoing HSEQ Management, and Sustainability activities. Furthermore, we recognize the vulnerability of the procurement process as an area with risks to human rights infringements. Hence, we have updated our procurement and contract management procedure, to make sure that our expectations to suppliers are met in the procurement process. Human rights risks are also part of our assessment model when evaluating new suppliers and will be further supported when our Suppliers' Code of Conduct is established.

As part of the due diligence process, Lime has set up a new grievance mechanism in addition to the existing internal whistleblowing procedure. Any concerns about actual or potential adverse impacts on human rights and decent working conditions can now be raised by third parties as well as employees, by reporting the issue to the following email address: grievances@limepetroleum.com. More information on how to report and the corresponding contact form will be found on our webpage.

Identified risks and impacts

Lime has started an ongoing risk mapping and analysis of our business activities as part of the due diligence process. We acknowledge that human rights due diligence is a continuous process, and risks may change over time as Lime’s operations and operating context evolve. In this account of due diligence report, we have focused on updating our management system establishing good processes for due diligence in the future and identifying risks in our sphere of business (operations, business partners, and supply chain).

When conducting human rights due diligence, we have followed OECD Guidelines on Multinational Enterprises, UN Guiding Principles (UNGPs) and OECD Due Diligence Guidance for Responsible Business Conduct.



OECD Due Diligence Guidance for Responsible Business Conduct

The first step in our human rights due diligence process was to conduct a gap analysis of our existing management system. To ensure that responsible business conduct is embedded into our governing management systems, we updated the necessary policies and procedures. We have completed mapping of our business, operators, business partners, and suppliers, and have assessed whether Lime can potentially cause, contribute to, or be linked to human rights risks. Based on the result of the stakeholder mapping, three significant license operators where Lime is a partner were identified. Offshore Norge has developed guidelines for compliance with the Transparency Act. It is recommended that operators' work on due diligence will be relevant to all licensees in the partnership¹. To add information for our own due diligence process, we selected three licenses for a closer follow-up and sent a request for information to the corresponding operators in these licenses. The operators were Aker BP (Shrek, Gjengalunden), Repsol (Yme) and OKEA (Brage).

Based on the results from the business mapping and gap analysis, responses from our partners, and desktop analysis using open sources, we conducted a workshop with key individuals of Lime's management. In this workshop, we discussed and analyzed risks to rightsholders in Lime's sphere of business.

Identified risks and mitigating measures

When analysing actual or potential negative impacts on human rights and decent working conditions (human rights risks) we have analysed the severity and likelihood of the impact. Severity is understood to be a combination of scale (how grave the impact is), scope (how many individuals are potentially affected), and remediability (if it is possible to remedy the violation). Likelihood is a combination of known risks in the sector and country, known incidents. Knowledge strength of the risk is also an important factor to consider. As an important aspect of this analysis and for further prioritization of mitigating measures, we have assessed our involvement in the potential impact: cause, contribute, or being linked to the impact.

In our due diligence report, we have focused on both identifying actual negative impacts and risks but also to embed responsibility into our management system to make sure that we have in place processes to identify and manage risks. This becomes especially important as Lime is in a development growth phase, and our risk picture will change.

Based on the risk mapping and analysis, Lime has not identified any actual negative impact in our own business, supply chain or business partners so far. However, we have identified the following key risks and mitigating measures:

Risk level	Risk	Mitigating measure
Own business		
Medium	Lack of grievance mechanism	Lime is updating the grievance mechanism to include an external whistleblowing channel making it possible for third parties to report grievances.
Operator risks		
Medium	Labour standards with operators and their suppliers	Establish a system for information sharing concerning human rights risks in the licenses and follow-up the risks disclosed by operators.
Low	Anti-discrimination	Same as above.
Low	Freedom of association and collective bargaining	Same as above.
Medium	Right to a safe and secure workplace.	Same as above.
Supply chain/Business partners' risks		
Low	Gender based wage discrimination and gender-based violence	Establish ethical procurement strategy, supplier code of conduct and conduct due diligence on specific high-risk suppliers.
Medium	Rights of migrant workers employed by suppliers or operators	Same as above.
High	Supply chain risks such as: forced labour, child labour and conflict minerals in ICT-supply chains	Same as above.

Expected outcomes



This is Lime’s first formal account of our human rights due diligence process. The mitigating measures that we have identified in this round will help the organization conduct business in a more responsible manner and help us continue to identify, prevent, and manage actual or potential negative impacts. Mitigating measures identified concerns both our internal processes and cooperation with our license partners, as suggested by Offshore Norge’s guideline for the Transparency Act. Moving forward, Lime will implement and track the proposed mitigating measures. The risk analysis will be updated after mitigation measures have been implemented. Whenever our risk picture changes, we will identify new mitigating measures and track the results. We will strive to make sure that risks to human rights and decent working conditions are prioritized in the same manner as other risks for Lime.

The Board of Directors and the CEO of Lime Petroleum AS
Oslo, 23 June 2023

A handwritten signature in blue ink, appearing to read "S. H. Kjellesvik".

Svein H. Kjellesvik
ExecutiveChairman

A handwritten signature in blue ink, appearing to read "C. D. Atkinson".

Christopher D. Atkinson
Director

A handwritten signature in blue ink, appearing to read "P. N. Eckhard Oehms".

Peter N. Eckhard Oehms
Director

A handwritten signature in blue ink, appearing to read "Lars B. Hübert".

Lars B. Hübert
CEO