



Account to Transparency Act

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Doc. No MNG-SUP-006

Rev. no.0



1.1 General information

M Vest Energy AS (hereafter MVE) is an energy company based in Bergen which was founded in 2015. The company has a solid asset portfolio of partner shares in Draugen, Brage and Ivar Aasen. The portfolio also consists of shares in the infrastructure assets Polarled, Utsira High Gas Pipeline and Edvard Grieg Oil Pipeline. MVE also has activities in development projects, including the Hasselmus gas discovery expected to be on stream in Q4 2023, and Draugen power from shore.

At the end of 2022, the company consisted of fifteen people, two women and thirteen men. The management team consisted of two men and two women. The sickness absence rate was 1.3% and no injuries are recorded. The working environment is perceived as good. The company strives to provide equal opportunities for all based on qualifications, where gender, ethnicity, sexual orientation, or disabilities are not relevant factors. This applies both to existing employees, as well as to potential candidates to vacant positions.

The company operates in an industry where the operations could potentially pollute the external environment. The company works actively together with license partners to reduce any such negative impact on the environment.

The company's management system has defined processes for procurement, employee rights, employee conduct and anti-corruption practices. Our ability to create sustainable value in the long term, fully depends on our ability to apply high ethical standards in all what we do. This is the basis for trust-based and binding relationships with the community, our owners, employees, partners, customers, and suppliers.

Our management system embeds respect for human rights and decent working conditions. This includes our code of conduct and our management procedures. Whistleblowing procedure for own employees, to meet the requirements of the Working Environment Act is also in place.

1.2 Negative impact and risks

1.2.1 Method

We have cooperated with external expertise to conduct the gap analysis and risk assessment that form the basis of this account. As this is the first human rights due diligence process that MVE has conducted, we chose to limit the analysis to focus on actual or potential negative impacts in our own business, and in the three licenses we are a licensee in, which are currently under production: Draugen, Brage and Ivar Aasen. This scope was set because this is where we may have a potential negative impact, as the other licenses do not have any ongoing activities.

The risk assessment process has been completed by using the following methods:

- Mapping of own business, suppliers and business partners
- Collect information from two operators: Aker BP (Ivar Aasen) and OKEA ASA (Draugen and Brage)

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- MVE management group completed a workshop to identify risks that might occur in MVE's sphere of business and discuss the severity and likelihood of the risks.
- Risk mitigating measures and prioritisation.

When identifying and analysing risks we have used the following elements to understand the risks and how MVE may cause, contribute or be linked to the potential negative impact:

Severity		
Scale	Scope	Remediability
How grave the impact is, for example on rights to life or health, forced labour, child labour, freedom of person.	How many people are or will be affected. Examples, local communities, part of- or whole workforce, individuals	Whether it will be difficult to restore the people impacted to a situation that is equivalent to their situation before the impact. Examples are cultural and religious heritage of indigenous peoples or job situation of an individual impacted by discrimination.

Likelihood
The likelihood of a risk occurring is higher in some contexts than others. This depends for example on where the business operates. There is a higher likelihood of human rights risks in conflict zones, states with weak governance or other local practices than leading human rights standards. Certain business sectors might also have higher risks, such as ICT, textile industry, mining etc.

Knowledge strength is also an important element in understanding the risk. How much knowledge one has about the unwanted event or risk, is also key in how uncertainty characterises and may influence the risk.

Furthermore, we have assessed how MVE may be involved in the negative impact, using the following concepts:

1. **Cause:** An enterprise "causes" an adverse impact if the enterprise's activities on their own are sufficient to result in an adverse impact.
2. **Contribute:** An enterprise "contributes to" an impact if its activities, in combination with the activities of other entities cause the impact, or if the activities of the enterprise cause, facilitate or incentives another entity to cause and adverse impact. Contribution must be substantial, meaning that it does not include minor or trivial contributions.
3. **Linked to:** "Linkage" is defined by the relationship between the adverse impact and the enterprise's products, services, or operations through another entity, for instance supplier or business partner.

The involvement of the company in the adverse impacts matter in the analysis because it will determine how MVE should respond to an impact and whether there is a responsibility to provide or cooperate in remediation (OECD, 2018: page 70-72).

1.2.2 Findings

We acknowledge that the human rights due diligence process is a continuous process, and as with other risk assessments, new risks may arise as our risk picture changes. MVE is a company with activities only on the NCS, as a licensee. This indicates that MVE's risk picture regarding actual or potential negative impacts on human rights and decent working conditions, is less complex and more transparent.

Based on the scope for this first assessment, we have not identified any actual negative impacts or any severe risks to human rights and decent working conditions. We have identified some risks, considered to be low, that MVE might be linked to. These are risks that may be found in the Norwegian petroleum industry, and are also identified by the operators in the licensees we are a part of:

- Discrimination in the workplace
- Labour standards (such as extensive working hours, remuneration etc)
- HSE-risks leading to incidents and injuries

Furthermore, MVE is dependent on using and procuring ICT-equipment, furniture and other office supplies. Even though business partners were not part of this assessment scope, we are aware of known risks in for example ICT supply chains. Hence, we have identified a need to update procurement procedures.

1.3 Mitigating measures

The risks we have identified through this due diligence process, are mainly at operator level. The Norwegian government has set clear expectations to how companies conduct petroleum operations on the Norwegian Continental Shelf (NCS). Operators are responsible for day-to-day business management of activities in a production licence on behalf of the licensees. The operator is responsible for safe and proper operations, in accordance with all applicable Norwegian regulations. The licensee must follow up activities in the license and have a duty to see to that the operator has implemented the necessary management system, has an adequately qualified organisation with sufficient capacity, and that the operator deals with problem areas and other conditions attracting attention of the authorities. In addition to this, a licensee has a duty to take action if it discovers that conditions fail to comply with the regulations and has an independent duty to secure adequate information¹.

¹ <https://www.ptil.no/en/tripartite-cooperation/responsibility/requirements-for-operators-and-licensees/>

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This relation between operator and licensee is also reflected in Offshore Norge's guidance to the transparency act². Here it is stated that the operator, through its work with the day-to-day management of the activities in the license, will consider and complete due diligence. For the licensee, the operator's due diligence reports will be central input to the licensee's duty to carry out human rights due diligence. An important mitigating measure for MVE is therefore to make sure that operators follow up the risks they have identified, and that there is an information sharing system in the different licenses that provides MVE and other licensees with the correct information regarding the activities in the licences.

As previously mentioned, we will also make sure that our responsibility is embedded in our own management system, so that we are in a better position to identify and mitigate risks whenever MVE's risk picture changes.

If any requests or otherwise information that should be known to us regarding the topic of business and human rights, please send your enquiries to: post@mvestenergy.no

² <https://offshorenorge.no/contentassets/bfb6482bd0a6452195229a8370723aac/148---anbefale-retningslinjer---apenhetsloven.pdf>