

The logo for MAHA ENERGY, featuring the word 'MAHA' in a stylized, bold, sans-serif font with a green-to-blue gradient, followed by the word 'ENERGY' in a white, all-caps, sans-serif font.

MAHA ENERGY

SUSTAINABILITY

REPORT

**2023**

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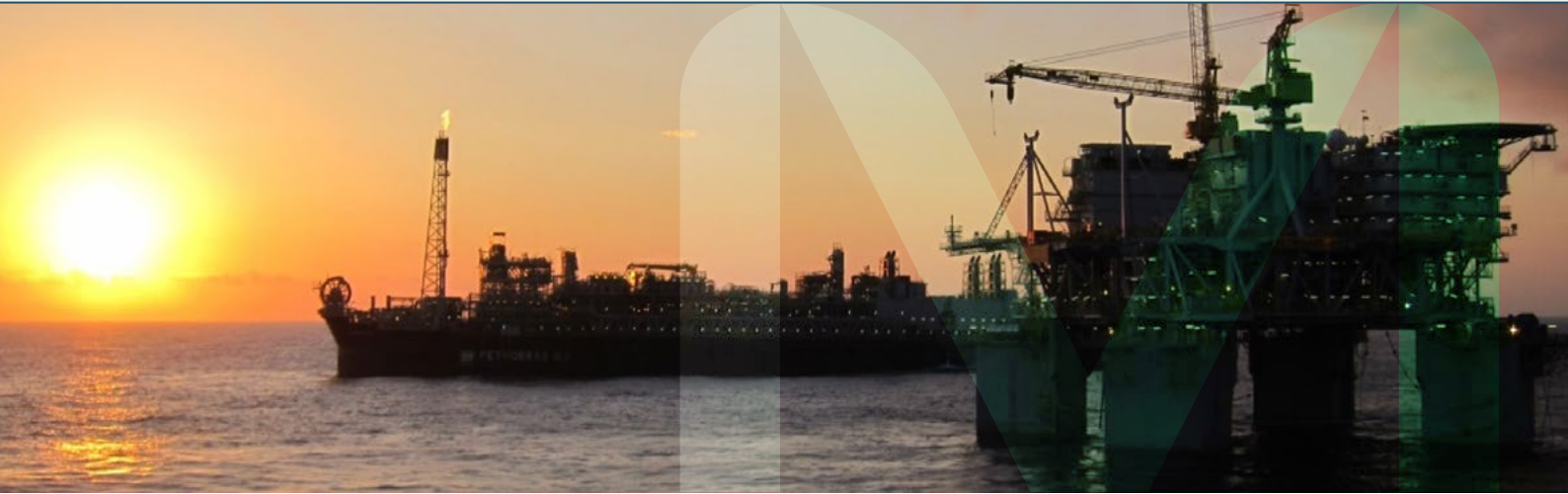
A Year Into the Future



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# Message from the CEO



**M**aha Energy began its journey of building a solid base of oil and gas assets focusing on recovering O&G reserves and operating productive assets in 2013. I am delighted to present this 2023 Sustainability Report which celebrates not only our 10<sup>th</sup> anniversary but also a year of transformative developments that form the base of what we are calling a “New Maha”.

2023 was a pivotal year for the Company, as we successfully divested certain assets while expanding our Latin American footprint through strategic acquisitions. This expansion included selling our onshore assets and venturing into offshore assets in Brazil, thereby bolstering our production capabilities and reserve base significantly. Additionally, Maha Energy’s venture into the Venezuelan oil market attests our strategic approach to tapping into regions with vast untapped potential under conducive regulatory frameworks. We intend to not only revitalize the assets in a safe and environmentally responsible way, but also actively contribute to surrounding communities in Venezuela through humanitarian and social investment initiatives and by utilizing local content whenever possible. Our projects will continue to be governed by our ethics and compliance principles. On the governance and operational fronts, Maha introduced vital changes in its board and management in the year, strengthening our teams.

As the world navigates the transition towards a lower-carbon economy over the next decades,

the importance of the oil and gas sector remains paramount. It will continue to play a key role in meeting global energy demands. As the backbone of numerous industries, including transportation, manufacturing, and power generation, oil and gas remain indispensable for sustaining economic growth and development worldwide.

Maha is well positioned to take on a leading part in this relevant industry. And we intend to play this role in a responsible manner, bridging the divide between the stated commitments of companies in the oil and gas sector and their tangible actions. Our commitment to transparency is rooted in the conviction that actions speak louder than words.

In the first quarter of 2024, our Board of Directors approved a strategic framework for the incorporation of ESG in our recently restructured portfolio. This framework is the result of a thorough analysis and discussion exercise that took place along the year of 2023 and early 2024, with the support of external expert consultants.

As I reflect on 2023 and look ahead towards the future, I am pleased to witness how our team is committed to the core principles of Integrity, Responsibility, Safety, Efficiency and Transparency. Together, we are fueling growth through energy and shaping a sustainable path forward with Maha.

**Kjetil Solbraekke**

CEO  
Maha Energy



# 2

# About Maha



**M**aha Energy is a leading player in the oil and gas industry. Focused on developing and operating productive fields to maximize value, while seizing special situation opportunities to drive profitability and generate value to its shareholders. The Company began its journey in 2013 and celebrated 10 years in 2023. With a team of industry experts and head office in Sweden, Maha is publicly listed on Nasdaq Stockholm's Main Market under the ticker symbol MAHA-A.

Throughout its first decade, Maha has transformed into an innovative independent energy platform, strategically growing by acquiring and developing profitable oil and gas assets. The Company focuses on workovers, drilling, and developing resources near existing infrastructure, specializing in Enhanced Oil Recovery (EOR) engineering solutions for underperforming assets, with the goal of building a diversified and balanced portfolio between mature onshore and offshore oil and gas assets.



**2023 was  
a transition  
year for Maha**

## 2.1. Our Assets

Starting in 2022 and through the beginning of 2024, we have reshuffled our exploration and production portfolio, divesting certain assets to allow for new investments in more promising regions.

In this context, 2023 was a transition year for Maha. During the year, we effectively only operated oil and gas fields in the United States and Oman while conducting the opportunistic transactions that are setting up the New Maha, described below.

### **Sale of Onshore Assets in Brazil and LAK in the USA**

In February 2023, Maha completed the sale of its onshore Brazilian assets – i.e., Tiê and Tartaruga Fields – to the Brazilian independent oil company PetroRecôncavo.

At that time, Tiê and Tartaruga represented Maha's largest production volumes (about 87.5% of total production in 2022). On the other hand, the cash resulting from this divestment allowed Maha to embark on a stronger M&A strategy, positioning the Company to enter in Venezuela and strengthening its investments in the most prominent Brazilian independent oil company, 3R Petroleum Óleo e Gás S.A., of offshore exploration and production segment.



As another step to strategically streamline the asset base, in 2023 Maha has also divested the onshore LAK asset, located in the U.S. This allowed Maha to avoid future expenses and operating costs for an asset with no cash flow generation and no growth prospects, and to reinvest in projects that align with Maha’s strategic objectives of optimizing its capital structure and asset base with greater value creation potential and reduced risk.

## Business Combination with DBO

In May 2023, Maha has finalized a business combination with DBO, gaining 15% equity interest in 3R Offshore and its producing Brazilian fields through the Peroá cluster and Papa Terra cluster. The DBO transaction reinforced the construction of a diversified portfolio balanced between onshore and offshore mature oil and gas assets.

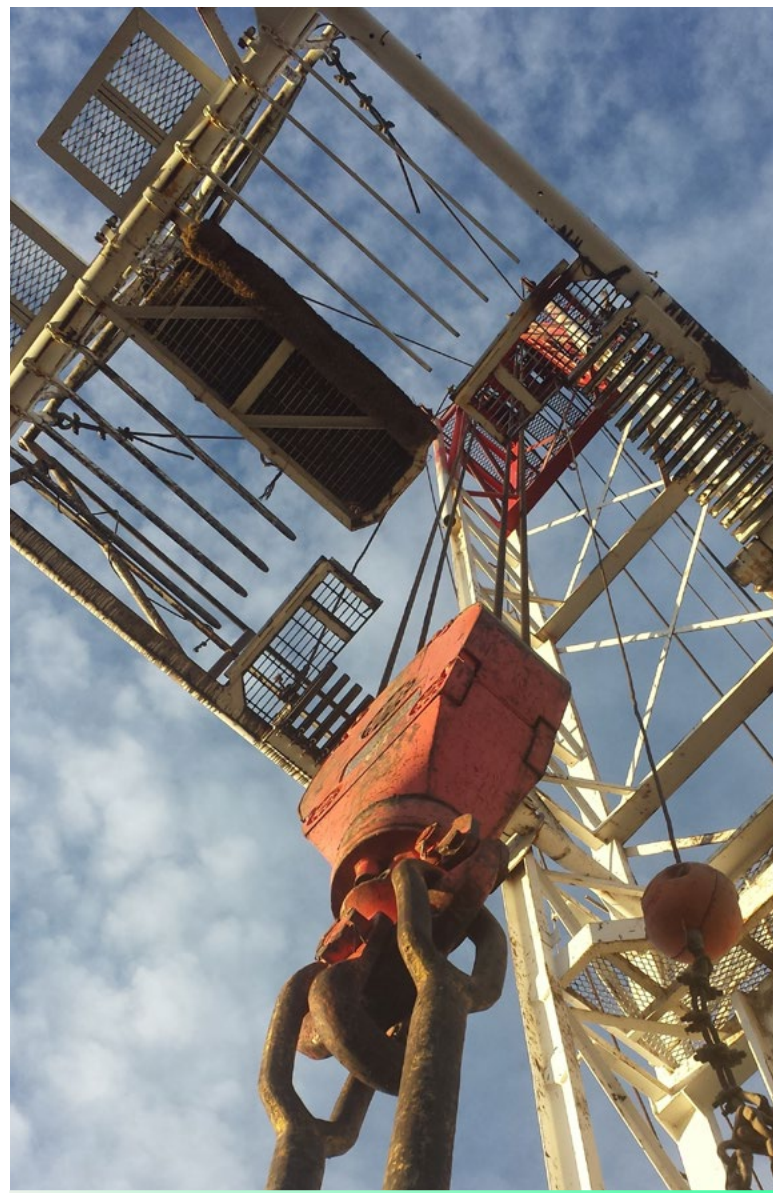
## Securing the Acquisition of Assets in Venezuela

Venezuela has the world’s largest proven oil reserves, at more than 300 billion barrels. In October 2023, Maha secured an exclusive agreement to acquire a stake in the Venezuelan oil company PetroUrdaneta, being the definitive documents signed on March 2024.

PetroUrdaneta is a joint venture established in 2012 between Novonor Latinvest Energy (an affiliate company of the former Brazilian infrastructure conglomerate Odebrecht) and the Venezuelan national oil company Petróleos de Venezuela S.A. (PdVSA), with the purpose of exploring and producing crude oil and natural gas. The company started operations in three fields in the Maracaibo Basin region in northwestern Venezuela, state of Zulia, but was not able to overcome the obstacles imposed by the political and economic turmoil that took over the country in the last decade. Starting in 2014, oil and gas production levels decreased due to, amongst other factors, cuts in the water and electricity supply

in the area. Currently, PetroUrdaneta’s fields can be considered as practically abandoned and in a state of utmost disrepair.

The agreements were signed with Novonor Latinvest, which holds a 40% interest in PetroUrdaneta. The deal will allow Maha to acquire 60% of this total, giving the Company an indirect participation of 24% in PetroUrdaneta. It also grants Maha a call option to acquire the remaining 40% stake in Novonor Latinvest, which would then secure us a direct participation of 40% in the Venezuelan asset. The completion of the transaction is subject to certain conditions, including the Venezuelan Oil Minister’s prior approval. In the meantime, Maha has been conducting an extensive due diligence on the target assets and company.



The acquisition of Novonor’s interest in PetroUrdaneta is not only a significant commercial opportunity for Maha to gain a foothold in the country with the largest proven oil reserves in the world, but also offers the chance to contribute to the reconstruction of the oil industry in Venezuela while assuring that international standards of environmental protection, transparency, long term sustainability, and community integration are respected in the process.

Furthermore, relying on our expertise in revamping mature oil fields and capacity to make the significant necessary investments to accomplish such challenging task, we are confident that Maha’s entry in PetroUrdaneta will bring positive economic, social and environmental impacts to the region.

The agreements with Novonor were executed under the temporary authorization issued by the U.S. Department of Treasury on October 18, 2023, which relieved sanctions for oil and gas activities with PdVSA until April 18, 2024. Maha is working to secure all general or specific U.S. sanction relief licensing that may be required to continue operating in Venezuela beyond this date.

We acknowledge the complex economic, social and political situation in the country. Venezuelans are facing a humanitarian crisis, with hyperinflation and a contraction of purchasing power, as well as limited access to essential services being just a few of the many challenges the population is dealing with. Over the last six years, the share of households living under poverty line in Venezuela has surpassed 90 percent.



**We are confident that Maha’s entry in PetroUrdaneta will bring positive economic, social and environmental impacts to the region**



**Maha is working to secure all general or specific US sanction relief licensing that may be required to continue operating in Venezuela beyond the expire date of the temporary license**



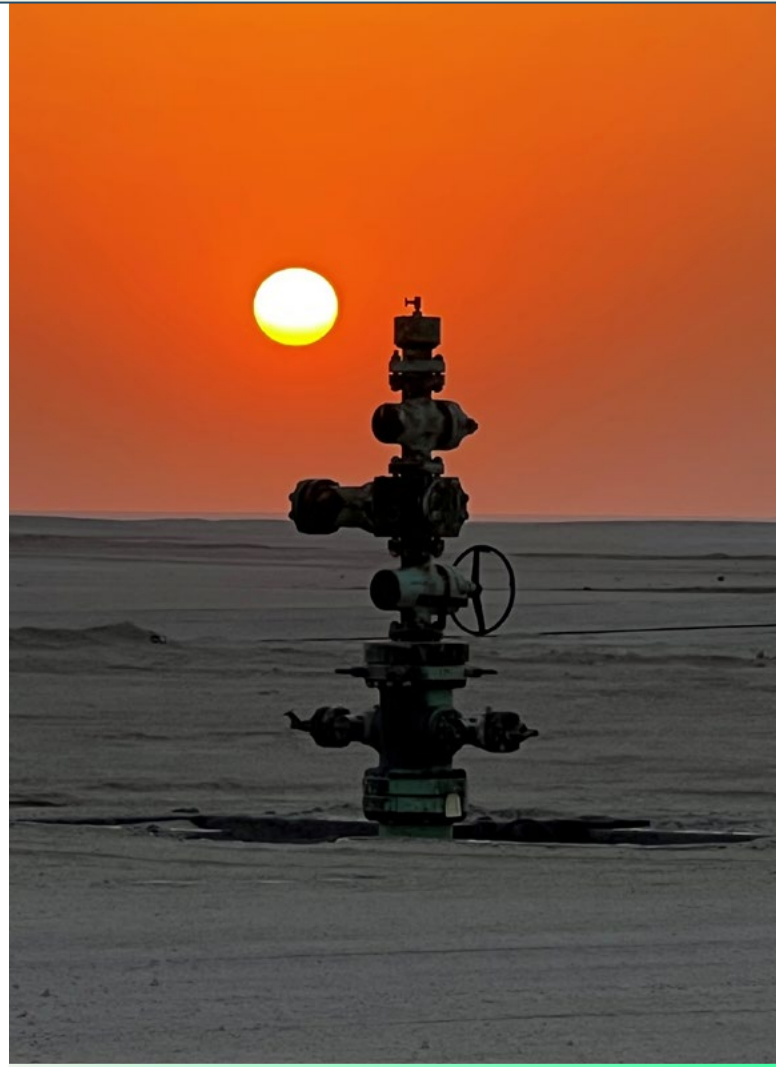
We trust that Maha’s entry in PetroUrdaneta will benefit the company as well as the Venezuelans and other stakeholders. By investing in the restoration and improvement of the infrastructure, including pipelines, Maha will ensure that environmental safety standards are followed, mitigating the various risks associated with poorly maintained oil fields, such as fires, corrosion contamination, filtrations, and oil spills.

The reactivation of PetroUrdaneta’s operations is expected to bring other benefits to the Venezuelan population. For example, to ensure the power supply for its operations, Maha will need to invest in energy infrastructure, such as power substations and transformers, which may help address the severe power supply shortages faced by the surrounding communities. Direct and indirect employment opportunities will also be created, potentially revitalizing the local economy.

Beyond the positive externalities that this venture will bring to a region that lacks the most basic resources, we have been working with experts and local representatives to understand the needs of the local communities and the potential opportunities to make additional investments aimed at the development of the local communities, in line with our global ESG strategy.

Finally, we have mapped and will continue to monitor and manage all existing and emerging risks to Maha and its stakeholders associated with the regulatory, political, and economic scenarios in the country.

**By investing in the restoration and improvement of the infrastructure, including pipelines, Maha will ensure that environmental safety standards are followed, mitigating the various risks associated with poorly maintained oil fields, such as fires, corrosion contamination, filtrations, and oil spills.**



## Sale of Assets in Oman

An additional step in our portfolio restructuring was taken in January 2024, when Maha signed an SPA to transfer its 65% working interest in Oman’s Block 70 to Mafraq Energy, our local partner in this venture in the Middle East.

After facing challenges with high-viscosity oil during production testing and reaching the conclusion that the project would require new tests and significant investments for production operations, the sound and responsible business decision for Maha and our shareholders was to exit the partnership. From December 1st, 2023, Mafraq Energy took over the project’s responsibilities and costs, releasing Maha from all obligations.

This traction represents a risk reduction and further streamlining of asset base to concentrate on Latin American portfolio, while keeping a share of Block 70 project’s potential upside through our earnouts.

Our Portfolio In  
**DECEMBER 2022**









## Subsequent Events

In January 2024, Maha spearheaded a strategic transaction to leverage its positioning in Brazil. After acquiring a 5% stake in 3R Petroleum (B3:RRRP3), our Board of Directors proposed a carve out and incorporation of the onshore oil fields of 3R Petroleum into PetroRecôncavo (B3:RECV3). This move aims to consolidate their operations, particularly focusing on the neighboring fields in Bahia and Rio Grande do Norte states, which were previously managed jointly under Petrobras. Maha's proposal is driven by the potential to unlock more than USD 1 billion in operational synergies by merging these assets, essentially optimizing the management and operational efficiency of the combined entity.

In detailing the financial aspects of the proposed transaction, Maha has outlined a vision for a significantly leveraged entity, with a combined 600 MMboe of 2P reserves and an enhanced market cap. Maha's strategy reflects a calculated approach to generate shareholder value through operational efficiencies, debt restructuring, and capitalizing on market valuations, aiming to position the merged entity for a premium in the market. This ambitious plan underlines Maha's proactive role in reshaping the landscape of the oil sector, with a clear focus on creating a more robust, efficient, and financially sound operation.

**Maha's strategy reflects a calculated approach to generate shareholder value through operational efficiencies, debt restructuring, and capitalizing on market valuations, aiming to position the merged entity for a premium in the market.**

## 2.2. Our Values and Corporate Culture

Maha’s corporate culture is built around the core values of Integrity, Responsibility, Safety, Efficiency, and Transparency.

While we do not wish to undertake ESG commitments which we are not certain we will be able to maintain yet due to the stage of our operations, we do commit to comply with the legislation and regulations of the different countries where we operate, and maintain a high standard of governance and transparency, adopting the best practices applicable to companies listed in Sweden.

### Excellence & Enjoyment

We put the health and safety of our people first  
We want to be the best neighbor



### Honesty

We will always be honest and truthful  
We want to contribute to our community  
We deeply care about the environment



### Respect

We will treat everyone with respect and  
always be respectful to one another



### Integrity

Our word is our bond  
We lead by example  
We do not judge



### Responsibility

When we mess up we will always  
assume responsibility





# 3

# General Disclosures





### 3.1. Basis for Preparation

At Maha we are committed to transparency and clear communication in the reporting and disclosure of information. Since 2020, our Annual Sustainability Report has been a key resource, shedding light on how we manage risks and opportunities tied to environmental, social, and corporate governance (ESG) aspects.

This report is designed to be reader-friendly and to cater to a diverse audience. It has been prepared in accordance with the Swedish Annual Accounts Act, and with reference to Global Reporting Initiative – GRI Standards. Furthermore, while the EU Sustainability Reporting Standards (ESRS) is not mandatory for our 2023 Sustainability Report preparation, we have proactively incorporated certain elements of its structure and disclosure requirements wherever feasible. We have undertaken a preliminary double materiality exercise to enhance our sustainability disclosures.

In view of the changes in our portfolio described above, this report contains data related to the fields we have effectively operated in 2023: Illinois, and Oman.

To manage risks and enhance internal controls over sustainability reporting, the Board ensured the preparation of this report with the support

of an independent ESG consultancy firm, based on information provided by Maha. Additionally, the report underwent a statutory examination by Deloitte, our independent auditors, and the Board of Directors has subsequently reviewed and approved its content. The Auditor’s report can be found on [page 39](#).

For ESG information about the companies in which Maha holds non-controlling interest - 3R Petroleum Offshore and 3R Petroleum - we encourage our readers to access 3R’s ESG website ( [© https://ri.3rpetroleum.com.br/en/about-3r-petroleum/esg-environmental-social-and-governance/](https://ri.3rpetroleum.com.br/en/about-3r-petroleum/esg-environmental-social-and-governance/) ).

To broaden our outreach to all stakeholders, the 2023 Sustainability Report has been released in both English and Swedish languages.



**This Report is in accordance with the Swedish Annual Accounts Act and comprises Maha Energy AB and its subsidiaries. The Board of Directors has reviewed, approved, and is responsible for this Report.**

## 3.2. Governance

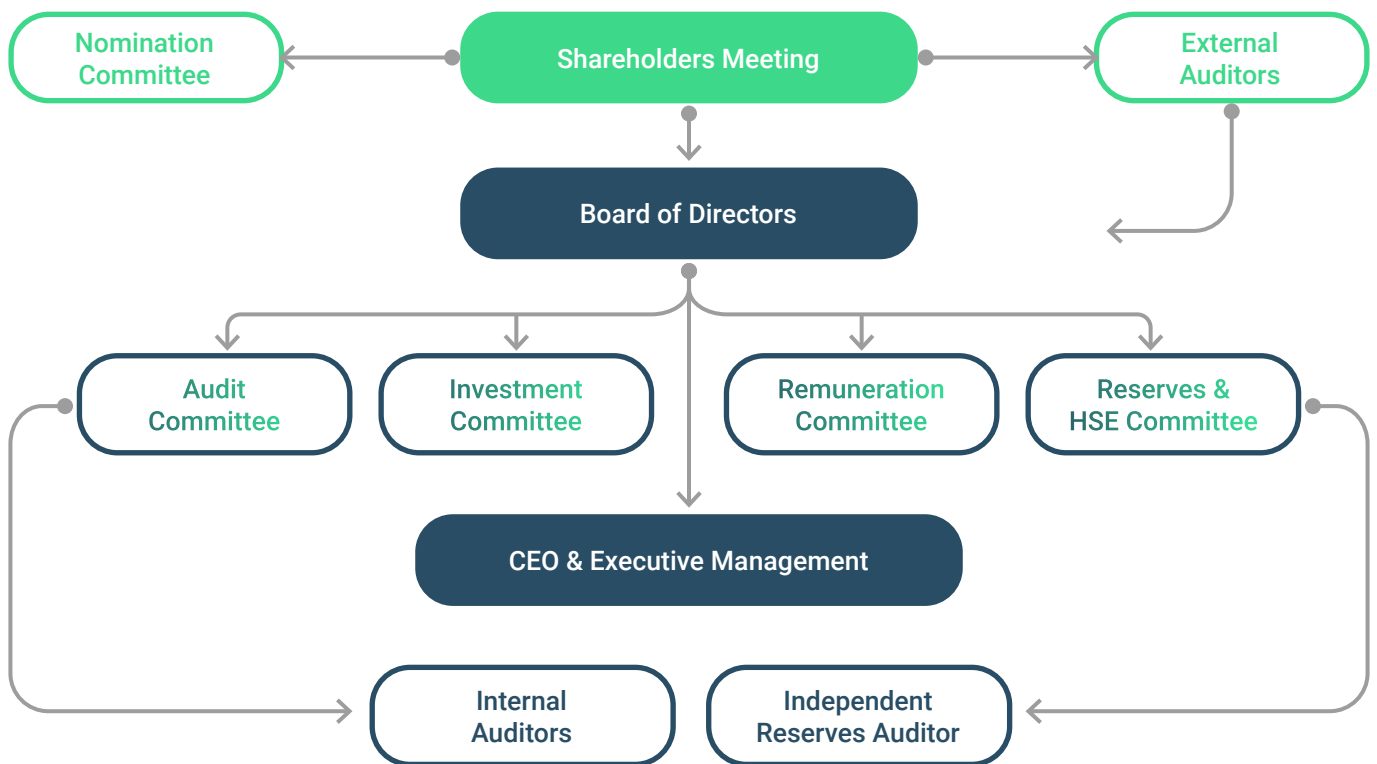


In 2023, Maha welcomed important changes in the Board and Management teams, bringing new extremely qualified professionals who are part of the Company’s mission to deliver value in a sustainable manner. Along with these recent additions, we guaranteed a 25% women’s gender representation in our executive team.



### The role of the administrative, management and supervisory bodies

Maha’s Corporate Governance Framework serves as the backbone of our responsible business approach. It entails collaboration among our Board of Directors, advisory committees, and executive team to ensure we conduct our operations with integrity and responsibility. To maintain the necessary balance between strategic vision, tactical strengths, and operational execution, our corporate structure is outlined as follows:



## Our Board of Directors

The Board of Directors originally comprised six members and expanded to seven on March 29, 2023. It serves as the Company’s strategic powerhouse overseeing our operations, playing a central role in shaping and guiding the organization’s strategic direction and decision-making processes, regularly monitoring its financial status, and promoting a positive company culture to ensure smooth operations.

The members of the Board of Directors are elected annually at the Annual General Meeting (AGM) or at an Extraordinary General Meeting (EGM), serving until the end of the next AGM.

All members are non-executive and independent in relation to the Company, except Paulo Thiago Mendonça, who served as CEO until September 18, 2023 and thus is not considered independent of the Company and its executive management under the regulations of the Swedish Code of Corporate Governance. Richard Norris and Viktor Modigh are also independent in relation to the major shareholders. Therefore, the percentage of independent board members at the end of December 2023 was 29%.

Prior to their election, Directors are recommended by the Nomination Committee, which assesses the Board’s performance, competence, and composition, including the independence of its members. The Nomination Committee also reviews criteria such as the background and experience of Board members and assesses ongoing work.

An annual evaluation of the Board’s and CEO’s performance is conducted through a structured process and by a third party’s consultant, so as to guarantee the necessary independency and the applicable alignment to the Swedish regulation. In March 2024, Maha has concluded the evaluation regarding the CEO’s and Board’s performance for the year of 2023. The evaluation involved a questionnaire for each Board member, seeking insights into their perspectives on the Board’s



The percentage of independent board members at the end of December 2023



### One important

part of Maha’s Board’s mandate includes overseeing Maha’s sustainability matters and strategy

functioning, as well as the CEO’s activities. The goal was to understand how the Board operates and how the CEO develops his activities, identify measures for improvement, and determine areas requiring more attention or additional expertise on the Board. The results of this evaluation were reported to and discussed by the Board of Directors, together with the external consultants contracted by the Company for this purpose.

One important part of Maha’s Board’s mandate includes overseeing the Company’s sustainability matters and strategy. Following the sale of its onshore Brazilian assets and the transformational changes that occurred in 2023, the Board of Directors decided to revisit its ESG strategy, so as to align it with Maha’s new momentum and projects.

During 2023 and the first quarter of 2024, two Board members participated with Company’s executives in the working group responsible for designing the ESG strategic framework for the new Maha. The ESG strategy was then submitted to and approved by the complete Board of Directors.





## Paulo Thiago Mendonça

Chairman of the Board of Directors since 2023 and Member of the Board of Directors since 2022

Chairman of the Remuneration Committee and Member of the Reserves & HSE Committee and the Investment Committee

## Enrique Peña

Member of the Board of Directors since 2022

Chairman of the Audit Committee

## Fabio Vassel

Member of the Board of Directors since 2022

## Halvard Idland

Member of the Board of Directors since 2023

Member of the Audit Committee and the Investment Committee

## Richard Norris

Independent Board Member

Member of the Board of Directors since 2022

Chairman of the Reserves & HSE Committee and Member of the Audit Committee

## Svein Harald Øygard

Member of the Board of Directors since 2023

Member of the Remuneration Committee and the Investment Committee

## Viktor Modigh

Independent Board Member

Member of the Board of Directors since 2022

Member of the Audit Committee, Remuneration Committee, Reserves & HSE Committee and Investment Committee



Bios:

[www.maha-energy.com/about-us/#meet-our-board](http://www.maha-energy.com/about-us/#meet-our-board)

## Our Board Committees

To address areas requiring expertise and in-depth analysis, including specific ESG impacts, risks, and opportunities, the Board of Directors relies on four committees: Audit Committee, Remuneration Committee, Reserves & HSE (Health, Safety and Environment) Committee, and Investment Committee. Members of these committees are appointed by the Board and are drawn from current Board members. Committee appointments are for a full year between Annual General Meetings.



### AUDIT COMMITTEE

Responsible for:

- / Monitoring controls of risk, financial audits and reporting;
- / Ensuring sound and regular financial reporting;
- / Recommending qualified and independent external audits where appropriate;
- / Facilitating communication between the Board and the external auditor(s).



### REMUNERATION COMMITTEE

Responsible for assisting the Board in matters of executive remuneration.



### RESERVES & HSE COMMITTEE

Responsible for:

- / Assisting the Board in fulfilling its oversight responsibilities with respect to the oil and natural gas reserves evaluation process and public disclosure of reserves data and related information;
- / Developing, implementing and monitoring Company policies, standards and practices with respect to health, safety and environment, including public disclosures.



### INVESTMENT COMMITTEE

Responsible for:

- / Analyzing and deciding on investments amounting to not more than five (5) percent of the Company's cash balance at the time of an investment; however, never more than USD five (5) million;
- / Analyzing and preparing resolutions for the Board on investments amounting to more than five (5) percent of the Company's cash balance at the time of an investment or with regards to investment exceeding USD five (5) million.



## Our Management Team

To execute Maha’s strategy and deliver more value to its shareholders and other stakeholders, we welcomed new executives into our management team in 2023. They joined the Company during a pivotal time marked by significant changes in the C-Level management and Board of Directors, when the Company initiated the restructuring of its operational assets as part of the new strategic plan to focus on Latin American assets. Within this context, the addition of new senior officers was deemed essential for success.

Among other things, the appointments aimed to support Maha in (i) improving communication with the market and shareholders, (ii) refining internal policies related to compliance, regulatory framework, ESG, among others, and (iii) ensuring full compliance with the high governance standards for Swedish listed companies.

**Kjetil Solbraekke**

Chief Executive Officer

Since 2023

**Javier Gremes Cordero**

Chief Operating Officer

Since 2023

**Guilherme Guidolin de Campos**

Chief Financial Officer

Since 2023

**Barbara Bittencourt**

Chief Legal Officer

Since 2023



Bios:

[www.maha-energy.com/about-us/#meet-our-board](http://www.maha-energy.com/about-us/#meet-our-board)





### 3.3. Strategy and Business Model

At Maha, we embrace our identity as an oil and gas company that outlines plans for new investments and increased production. As such, our ambitions are sound at the face of global energy security needs, which became more evident as the world navigated through the market’s interplay of supply and demand, significant price fluctuations, conflicts between countries and peoples, humanitarian crisis, pandemics, and other challenges presented to all of us during the last few years.

At the same time, we acknowledge the need to increase efficiency and technology in our operations with a view to reducing GHG emissions intensity where operationally and commercially feasible. Our duty entails supplying affordable and reliable energy while addressing the complexities of transitioning to a lower-carbon future. We are steadfast in our commitment to transparency throughout all our endeavors, including enhancing measurement, monitoring, reporting, and independent verification of GHG emissions.

### 3.4. Maha’s ESG Journey

In 2023, we engaged external consultants to support defining our ESG strategy moving forward, considering the transformations the Company has been through.

**In 2023, we engaged external consultants to support defining our ESG strategy moving forward.**

As part of this project, we have reviewed our materiality assessment to reflect the European Sustainability Reporting Standards’ double materiality standard. This exercise was conducted taking into account the Global Reporting Initiative (GRI) framework, including the GRI 11 Sector Standard: Oil and Gas Sector, and SASB Industry Standard: Oil & Gas Exploration & Production.

As a result of this analysis, new material topics were added to those identified in the previous year, while other topics had their scope adjusted.

Maha’s updated ESG materiality matrix is now organized in 5 pillars, which from now on will streamline and potentialize our ESG efforts:



**CLIMATE**

- / GHG Emissions
- / Climate Risks Management



**ENVIRONMENT**

- / Water Management
- / Waste
- / Biodiversity
- / Pollution (air, water, soil)
- / Critical Incident Risk Management



**GOVERNANCE**

- / Business Ethics & Transparency
- / Anti-Corruption & Antitrust Compliance
- / Gender Diversity in Leadership Positions
- / ESG Policy for M&A/JVs
- / Reserves Valuation
- / Supply Chain ESG Performance
- / Facilities Closure and Rehabilitation



**WORKFORCE**

- / Health & Safety of Employees and Contractors
- / Employee Relations and Talent Retention
- / Diversity, Non-Discrimination & Equal Opportunity



**COMMUNITIES & GOVERNMENTS**

- / Human Rights & Rights of Indigenous Peoples
- / Relationship with Local Communities
- / Government Relations

To design Maha’s ESG strategy, a working group was formed, integrating executives and Board members. The group discussed and defined Maha’s ambition in each ESG pillar based on experts’ recommendations, benchmarking and regulatory trends.

**CLIMATE**  
**Efficient Management of GHG Emissions and Climate Risk:** managing risks associated with climate change.

**ENVIRONMENT**  
**Environmental Management System:** adopting industry’s best practices to prevent, minimize and offset negative environmental impacts.

**GOVERNANCE**  
**Sustainable Governance:** enhance Company’s governance structures and practices to fully integrate ESG factors into decision-making, performance monitoring and reporting.

**WORKFORCE**  
**Superior Work Environment:** continue improving employee and contractors’ physical health and safety and develop a positive organizational culture that also protects mental health and promotes Diversity, Equity and Inclusion (DEI).

**COMMUNITIES & GOVERNMENTS**  
**Stakeholder Governance:** establishing clear roles & responsibilities, policies and processes to manage the relationships with neighboring communities and relevant governmental authorities in the locations where Maha operates.

These ambitions were then translated into specific goals for each material pillar and submitted to the Board of Directors in March 2024.



We are currently implementing the organizational changes that will enable us to pursue these goals, as follows:

The Reserves and HSE Committee is formally incorporating the responsibilities to (i) overview the implementation of the ESG strategy, (ii) monitor our ESG performance, and (iii) recommend improvement measures in policies, processes, training, organizational design and other measures deemed necessary to reinforce our ESG performance.

The Audit Committee is formally incorporating the responsibility to overview the development, implementation, and effectiveness of the organization’s compliance program and ethics culture.

At the executive level, the Chief Legal Officer will continue to be responsible for Human Resources and Ethics & Compliance, while incorporating formal responsibilities for ESG and Corporate Affairs.

Once we start operating in Venezuela, we also intend to ensure local accountability for the execution of our ESG strategy by appointing local representatives for ESG and HSE matters.

We will report on our progress in each of the 5 pillars as we move forward.

**Once we start operating in Venezuela, we also intend to ensure local accountability for the execution of our ESG strategy by appointing local representatives for ESG and HSE matters.**



### 3.5. Interests and Views of Stakeholders

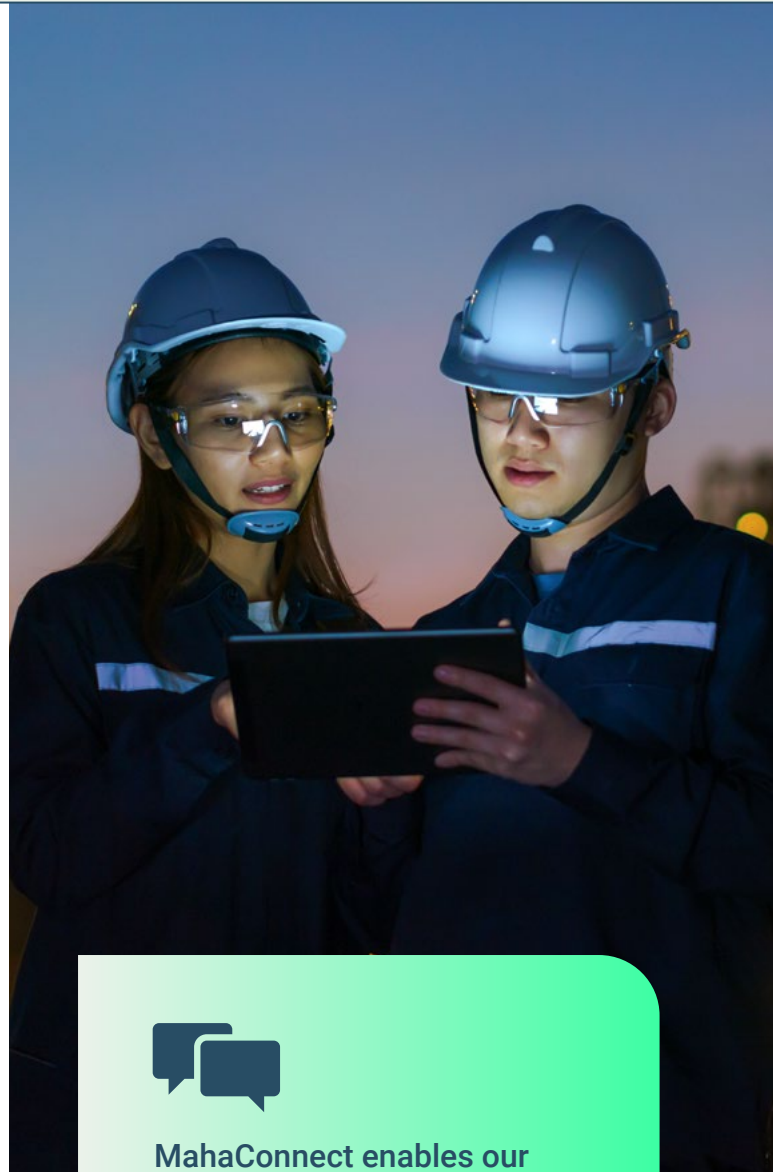
MahaConnect is the official channel for communications between local stakeholders and Maha. Through this channel, all stakeholders are invited to submit questions, comments, concerns, or observations about Maha Energy’s operations in the community. The contact channels are made available at Maha Energy’s website ([© maha-energy.com](https://maha-energy.com)) at the MahaConnect menu. MahaConnect enables our company to understand and address local questions, concerns and inquiries, resulting in remarkable improvements in facilitating a positive and productive dialogue with surrounding communities. Despite maintaining this open channel initiative, which facilitates direct communication with neighbors, employees, and contractors in the fields where we operate, we did not proactively engage external stakeholders in the materiality process in 2023 due to the ongoing portfolio transition movements.

As we redefine our exploration and production portfolio in 2024, we intend to resume engaging with local communities and organizations and establish new channels and processes to ensure a regular and open dialogue with these stakeholders.



#### MahaConnect

Through this channel, all stakeholders are invited to submit questions, comments, concerns, or observations about Maha Energy’s operations in the community



MahaConnect enables our company to understand and address local questions, concerns and inquiries, resulting in remarkable improvements in facilitating a positive and productive dialogue with surrounding communities. Despite maintaining this open channel initiative, which facilitates direct communication with neighbors, employees, and contractors in the fields where we operate, we did not proactively engage external stakeholders in the materiality process in 2023 due to the ongoing portfolio transition movements.



# 4

# Topical Disclosures





**M**aha’s commitment to Integrity, Responsibility, Safety, Efficiency and Transparency permeates every aspect of our operations. We prioritize environmental stewardship by embracing energy-efficient technologies and minimizing waste. Our dedication to social responsibility is reflected in the inclusivity of our workplaces, and active support for community initiatives. Adhering to rigorous governance standards, we steadfastly promote transparency, ethical business conduct, and responsible decision-making. With this perspective in mind, we present our disclosures on material issues, underscoring our dedication to creating value for shareholders and advancing economic, environmental, and social sustainability.

**Our dedication to social responsibility is reflected in the inclusivity of our workplaces, and active support for community initiatives.**

For interpretation of the disclosures contained in our 2023 Sustainability Report, we encourage and advise readers to consider the series of significant M&A transactions occurred during the year as well as the following information regarding our production:

Production by asset (boe)	Units	2022	2023
Oman	boe	0	4,060
Illinois Basin	boe	134,986	71,787
<b>TOTAL</b>	<b>boe</b>	<b>134,986</b>	<b>75,847</b>



## 4.1. Climate-Related Disclosures

### Gross Scopes 1 and 2 Emissions

In oil and gas exploration and production activities, Scope 1 emissions consist of direct sources of greenhouse gases (GHGs) that are owned or controlled by the company. These include the combustion of fossil fuels in on-site operations like drilling rigs and extraction equipment, as well as the release of methane during extraction and flaring or venting of natural gas. Scope 2 indirect emissions, on the other hand, result from the generation of purchased energy, such as electricity. In the oil and gas sector, Scope 2 emissions can arise from the consumption of electricity in various production processes.

Maha has been measuring and reporting its Scope 1 and 2 GHG emissions since 2021.

Greenhouse Gas Emissions*	Units	GRI Index	SASB Index	2021	2022	2023
Scope 1 emissions	t CO2e	305-1	EM-EP-110a.1	33,205	33,887	8,142
Flaring emissions	t CO2e	305-1	EM-EP-110a.2	12,037	13,451	3,754
Other combustion emissions	t CO2e	305-1	EM-EP-110a.2	10,212	9,728	2,092
Process emissions	t CO2e	305-1	EM-EP-110a.2	0	0	0
Other vented emissions	t CO2e	305-1	EM-EP-110a.2	9,475	9,157	1,148
Fugitive emissions	t CO2e	305-1	EM-EP-110a.2	1,481	1,551	1,148
Uncombusted methane emissions	t CO2e			12,332	12,166	2,722
Uncombusted methane emissions	% of total	305-1	EM-EP-110a.1	36%	28%	32%
Scope 2 emissions	t CO2e	305-2		582	917	423
<b>TOTAL Scope 1+2 emissions</b>	<b>t CO2e</b>			<b>33,787</b>	<b>34,805</b>	<b>8,565</b>
<b>GHG emissions intensity [Scope 1 + Scope 2]</b>	<b>t CO2e/boe</b>	<b>305-4</b>		<b>0.0273</b>	<b>0.0299</b>	<b>0.1129</b>

## Maha's approach to climate-related risks



RISKS



ACTION & POLICIES

Physical, transition and litigation risks connected to climate change

✓ Including climate risks in our risk management policies and processes.

Climate-related evolving regulations

- ✓ Providing transparent reporting on greenhouse gas emissions, methodologies used for calculation, and progress.
- ✓ Staying informed about regulatory developments, and making best efforts to enhance efficiency.

## 4.2. Other Environmental Topics

Acknowledging the importance of environmental stewardship, we strive to surpass mere compliance by fostering genuine respect for and protection of our surroundings. Our commitment extends to proactive measures aimed at identifying and preventing potential environmental impacts, as attested through routine drills and facility checks.

Below, you will find the disclosure of important metrics comparing environmental performance in 2023 with the previous year:

Environmental Compliance Statistics by Country	Units	2022		2023	
		USA	Oman	USA	Oman
Number of Environmental Inspections by Authorities	Count	1	0	0	2
Number of Environmental Non-Compliance	Count	1	0	0	1
Value (\$ CAD) of Environmental Non-Compliance Fines/Non-Monetary Sanctions	\$ CAD	\$-	\$-	N/A	\$3,525
Number of Spills/Releases	Count	1	0	0	2
Volume of Spills/Releases	bbl	55	0	0	5.1
Spill % Clean-up	%	100%	0%	N/A	100%
Year-end Total Produced Oil and Gas	boe	153,292	0	71,787	4,060

## Water Management

Oil and gas extraction and processing activities involve substantial water consumption. Effectively managing produced water and wastewater becomes crucial, with options like reinjection, reuse, or discharge requiring careful consideration. Discharges can impact water quality depending on the sensitivity of the receiving waterbody. Maha recognizes these challenges, coupled with the evolving impacts of climate change-related events such as droughts and floodings, and remains committed to conducting operations that minimize adverse effects on water resources.

At Maha, we take pride in our water practices, ensuring they meet and often exceed both government and industry standards. Our sites are developed featuring robust spill and run-off controls to safeguard nearby surface water sources and mitigate impacts on drinking water supplies. As an added layer of protection, we have



secondary spill containment measures in place, coupled with incident materials readily available to swiftly minimize any impact on surface ecology in case of a spill.

Below we disclose the performance metrics for 2023 compared to the previous year:

Water Use Statistics by Production Area	Units	2022		2023	
		Illinois Basin	Oman	Illinois Basin	Oman
Total Produced Water	m3	211,619	0	128,747	381
Discharge	m3	0	0	0	0
Injected	m3	211,619	0	128,747	0
Evaporation Pond	m3	0	0	0	381
<b>Total Water Injected</b>	<b>m3</b>	<b>211,619</b>	<b>0</b>	<b>128,747</b>	<b>0</b>



## Land and Biodiversity

At Maha, our commitment to environmental protection is central, and we take a proactive approach to safeguarding our land and its diverse ecosystems. We prioritize anticipating and addressing potential challenges and expenses before they arise. In the planning of new projects, we carefully consider the impact on habitats and the various species residing in and around our operational sites, including protected areas and

regions of high biodiversity value outside designated zones. Our decision-making process integrates risks, impacts, and necessary mitigation measures related to site construction, transportation infrastructure, pollution, introduction of invasive species, pests, and pathogens, as well as factors like reduction of species, habitat conversion, affected species, extent of areas impacted, duration of effects, and potential for reversibility.

## Maha's approach to environmental risks



### RISKS



### ACTION & POLICIES

Threats to local ecosystems and biodiversity

- / Adhere to periodic environmental impact assessments and continue to progressively adopt sustainable O&G extraction practices.

Water and Waste Management Actions in Response to Risks and Opportunities

- / Invest in technologies that enhance water efficiency, reduce waste generation, and promote sustainable waste disposal methods.

Spill and Contamination Risks

- / Ensure all operational units implement robust spill response plans, continuously invest in preventive measures, and conduct regular risk assessments to minimize the likelihood of spills.
- / Ensure top management engages in clear communication and leadership by example, site visits to conduct HSE assessments and direct engagement with workforce.

Critical Incidents

- / Develop a robust incident reporting system, conduct thorough investigations, and transparently report findings and actions taken in the sustainability report.
- / Engage in transparent communication with stakeholders, including affected communities, regulatory authorities, and investors, about critical incidents and the Company's response.
- / Invest in ongoing training programs to enhance the preparedness of employees and contractors for critical incidents.
- / Collaborate with relevant authorities and regulatory bodies to share information, address concerns, and contribute to the development of industry-wide best practices for critical incident risk management.



## 4.3. Social

### Health and Safety

At Maha, we are committed to continuously enhancing our safety practices to ensure the well-being of our workforce. Maha upholds the human right to a safe and healthy work environment and remains dedicated to advancing occupational health and safety practices. Addressing the risks in our operations, including the potential for slips, trips, and falls, is a key priority in our operations. Our dedication to improvement is evident in safety programs designed to cultivate a safety-focused mindset and culture, moving beyond mere checkbox exercises.

Our health and safety efforts are built on our Health, Safety & Environment (HSE) Policy and the DuPont™ STOP® system safety program. We continuously track and evaluate performance measures, using both systems to inform business decisions and manage operations effectively. Our management team promotes individual responsibility and team coordination in conducting risk assessments, adhering to safe work practices, and engaging in safety conversations.



Our health and safety efforts are built on our Health, Safety & Environment (HSE) Policy and the DuPont™ STOP® system safety program. We continuously track and evaluate performance measures, using both systems to inform business decisions and manage operations effectively. Our management team promotes individual responsibility and team coordination in conducting risk assessments, adhering to safe work practices, and engaging in safety conversations.

By the end of 2023, we once again completed an incident-free year of operations in terms of lost time injuries and fatalities. In terms of specific measures taken in 2023 to mitigate the risks of accidents, injuries, and occupational health issues, Maha has continued to invest in actions that reflect leading by example, continuous safety training, and employee engagement.

Other results of these efforts in the Health and Safety matters during 2023 were:

Health and Safety Statistics	Units	2022		2023	
		Oman	USA	Oman	USA
Number of employees trained in DuPont STOP® Safety Program	Count	0	4	0	3
Number of STOP training sessions	Count	0	0	0	0
Number of STOP safety cards submitted	Count	0	5	69	2
Safety training person-hours	person-hours	0	0	0	0
Employees	person-hours	0	0	0	0
Contractors	person-hours	0	0	0	0
Lost time injuries	Count	0	0	0	0
Fatalities	Count	0	0	0	0
Hours worked	hours	150,400	8,016	240,465	6,575



## Employee Relations

Ensuring the safety and well-being of our workforce is a continuous effort at Maha. Recognizing that our people drive our success, we prioritize cultivating a culture of respect, non-discrimination, and protection of human rights.

We believe that these aspects are critical to employee relations and talent retention, influencing morale, work quality, company reputation, and results.

This is a picture of our team by the end of 2023:

Social Statistics	Units	2022				2023			
		Headquarters	Oman	IB	LAK	Headquarters	Oman	IB	Calgary & Sweden
<b>Total employees</b>	Count	16	4	2	2	14	5	2	4
Of which, male	Count	9	4	2	2	5	5	2	3
Of which, female	Count	7	0	0	0	9	0	0	1
<b>Leadership positions</b>	Count	5	0	0	0	3	1	0	1
Of which, male	Count	4	0	0	0	2	1		1
Of which, female	Count	1	0	0		1			
<b>New employees</b>	Count	0	3	0	1	14	2	1	1
Of which, male	Count	0	3	0	1	5	2	1	1
Of which, female	Count	0	0	0	0	9			
Of which, in Brazil	Count			0	0	14			
Of which, in Canada	Count			0	0				
Of which, in Oman	Count		3	0	0		2		
Of which, in Sweden	Count			0	0				
Of which, in USA	Count			0	1			1	
Of which, in Venezuela	Count								1

### Maha’s approach to HSE and workforce relations



Ensure HSE standards, practices, and culture are embedded into the whole organization as quickly as possible, particularly in assets involving M&A transactions.



Ensure ongoing training initiatives to equip employees with the skills needed for evolving roles within the industry.



Provide continuous training and communicate clear crisis response plans to ensure the safety and well-being of the workforce during emergencies.



## Relationship with local communities

Local communities affected by the Company’s activities benefit from direct engagement with us aimed at understanding their needs and vulnerabilities. The oil and gas sector has the potential to make a positive difference in these communities through job creation, procurement opportunities, tax contributions, community programs, and investments in infrastructure. While these initiatives bring about positive changes, it is important to acknowledge potential challenges, particularly in areas with pre-existing issues. Vulnerable groups, such as ethnic minorities, may face disproportionate impacts, underscoring the need for inclusive and equitable approaches to community engagement and development.

We understand that a positive relationship with communities grants Maha the social license to operate. To that end, we are committed to minimizing adverse effects of our operations on the neighboring communities, such as heightened traffic, noise, light, air emissions, odors, just to name a few. We are also committed to generating positive impacts to these areas and people, ensuring local communities benefit directly and indirectly from our activities, for example by prioritizing hiring or contracting local workforce.

In 2023, we donated scholarships to the Indiana Oil & Gas Association (INOGA) and to the Newcastle High School in Weston County.

As our asset portfolio evolves in 2024, we plan to extend similar programs and support projects in new areas of focus and operations.



### Maha’s approach to relationship with local communities



Prioritize local hiring, provide skills development programs, and support local entrepreneurship.



Collaborate with local authorities and communities to identify infrastructure needs and contribute to sustainable development projects. E.g. (i) increasing water supply; (ii) increasing energy supply; (iii) promoting regularization and compliance with standards of currently non-authorized gas connections; (iv) improving transportation options and reducing transportation costs; and (v) improving environmental quality.



Training and education regarding the oil and gas industry, increasing the possibility of new employment.



Continuous enhancement and proactive communication of safety measures, emergency response plans, and community awareness programs.



Engage in dialogue with communities to address their concerns, especially in new locations of operations.



## 4.4. Business Conduct Policies and Corporate Culture

An important prerequisite for Maha’s long-term success is the trust from its shareholders, business relations and the market in general. To maintain this trust, we understand that we must ensure that our activities are conducted in an ethical manner. We believe that a strong ethics and compliance culture is built through consistent behavior at all levels of the organization, including through the selection of business partners that operate consistently within our Code of Conduct.

At Maha, the main policies that set the tone about the general ethical principles and behavior that we expect of our employees are the Code of Conduct, Anti-Corruption Policy, Business Partner Code of Conduct, Procurement Policy, and HSE Policy. All of them are available to our employees, who must review, understand, and comply with them.



**We understand that we must ensure that our activities are conducted in an ethical manner**

**Maha’s Business Partners, including suppliers, contractors and Joint Venture partners, play a vital role in our success and integrity must be a core element of our relationship in furtherance of Maha’s risk control process.**

### **Management of relationships with suppliers including payment practices**

To disseminate the values that should guide the relationship between Maha and its Business Partners, our Board of Directors has approved a Business Partner Code of Conduct, focusing on establishing lasting and honest business relationships grounded on the best corporate governance practices.

Maha’s Business Partners, including suppliers, contractors and Joint Venture partners, play a vital role in our success and integrity must be a core element of our relationship in furtherance of Maha’s risk control process. Maha thus requires its Business Partners to behave ethically and honestly when developing their activities on behalf of Maha or in connection with Maha’s businesses.

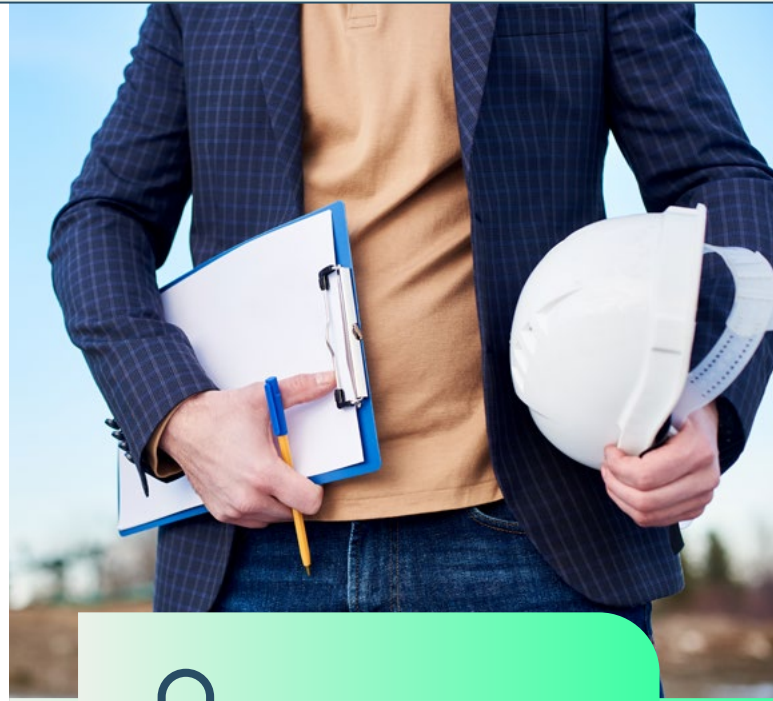

## Prevention and detection of corruption and bribery

Our Anti-Corruption Policy has been reviewed and adopted by the Board of Directors and is available on Maha’s website ([www.maha-energy.com/wp-content/uploads/2023/09/Maha\\_Anti-Corruption-Policy\\_25-05-2023.pdf](http://www.maha-energy.com/wp-content/uploads/2023/09/Maha_Anti-Corruption-Policy_25-05-2023.pdf)). This policy, our compliance trainings and communications, due diligences and periodic audits set the ground for the prevention and detection of potential violations of our anti-corruption values, expectations, and rules.

Concerns are handled through our whistleblower channel. It provides a means for raising concerns regarding ethical and business misconduct in the workplace or supply chain. Employees may report incidents anonymously, in confidence, and without fear of retaliation or reprisal. While Maha encourages all individuals to identify themselves to facilitate a proper investigation, they are not required to do so. Whistleblower concerns are taken seriously and are notified to the Board of Directors. The process for reporting violations is by email to the whistleblower hotline at [whistleblower@maha-energy.com](mailto:whistleblower@maha-energy.com). In addition, through MahaConnect and field based focal points, the local communities are also encouraged to voice their concerns and/or questions.


In our continuous efforts to improve the structure and effectiveness of our compliance program, amidst numerous business transactions that required us to harmonize and keep building the ethical culture we strive for, we have achieved significant milestones in 2023:


 **100%** of employees and contractors have acknowledged receiving Company’s policies

This policy, our compliance trainings and communications, due diligences and periodic audits set the ground for the prevention and detection of potential violations of our anti-corruption values, expectations, and rules.

## Incidents of corruption and bribery

 **2** whistleblowers’ reports

 **0** confirmed incidents / consequences





## Political influence, contributions, and lobbying activities

Maha is neutral in matters of political parties and candidates and neither the Company’s name nor Maha’s assets should be used to promote political parties or candidates. Maha did not make any political contributions in 2023.

### Maha’s approach to Ethics & Compliance:

-  Culture of transparency, integrity, and compliance
-  Training and communication
-  Whistleblowing Channel
-  Whistleblower Protection
-  Clear policies and procedures
-  Internal Controls and Auditing

## 4.5. Reserves Valuation

The evaluation of oil and gas reserves is a sensitive task, both in technical and economic terms. At Maha, we have implemented governance and control mechanisms to ensure that the evaluation of our assets is conducted and reported in an independent, responsible, and transparent manner.

In pursuit of a meticulous evaluation of its oil and gas reserves, Maha, as a forward-thinking energy company, strategically engages independent expert consultants to assess and audit technical information related to its oil and gas fields and calculations of the estimated volumes of their respective reserves. This practice is guided by a robust framework where the Reserves & HSE Committee, supported by Maha’s technical teams, takes on the responsibility of analyzing assessments and valuations. The committee, in its commitment to transparency and industry best practices, approves results when appropriate and provides insights into uncertainties related to

estimates, along with the adopted assumptions and criteria. Leveraging geological and engineering data, production history, and with a comprehensive approach, Maha categorizes reserves into proved, probable, and possible, reflecting varying levels of certainty. The company also considers prevailing market conditions, technological advancements, and regulatory factors in determining the net present value of its reserves. This structured and strategic approach underscores Maha’s dedication to optimizing decision-making for a sustainable and economically viable future for its oil and gas assets.

For more information, including our previous years Sustainability Reports, please visit Maha’s corporate website [www.maha-energy.com](http://www.maha-energy.com) or contact us through [esg@maha-energy.com](mailto:esg@maha-energy.com) or MahaConnect.





## Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Maha Energy AB (publ), corporate identity number 559018-9543.

### *Engagement and responsibility*

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023 and that it has been prepared in accordance with the Annual Accounts Act. The Sustainability Report is published as a separate document, available on © [www.maha-energy.com](http://www.maha-energy.com).

### *The scope of the audit*

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### *Opinion*

A statutory sustainability report has been prepared.

— Stockholm April 19, 2024

— Deloitte AB

### *Signature on Swedish original*

Andreas Frountzos  
Authorized Public Accountant



[maha-energy.com](https://maha-energy.com)

**Rio de Janeiro Office**

**BRAZIL**

Rua Ataulfo de Paiva, 1165

5th Floor - Leblon

22440-032

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**Stockholm Office**

**SWEDEN**

Eriksbergsgatan 10

SE-114 30