

ACCOUNT OF DUE DILIGENCE PURSUANT TO THE NORWEGIAN TRANSPARENCY ACT

GENERAL DESCRIPTION

About Yinson Production

Yinson Production AS (“the Company”) operates within the oil and gas industry. The Company is part of a group consisting of Yinson Holdings Berhad, a global energy infrastructure company listed on the Main Market of Bursa Malaysia Securities Berhad, and its subsidiaries (“the Group”).

The Group has three different business units whereas the Company is part of the Yinson Production business unit. Yinson Production specializes in the provision of integrated services for Floating, Production, Storage, Offloading, (FPSO) and Floating, Storage, and Offloading, (FSO) units. Yinson Production designs, constructs, and operates industry-leading production assets for the offshore oil and gas industry towards improving global access to stable and affordable energy. The production assets are currently located in Vietnam, Ghana, Malaysia, Nigeria, Brazil and Angola.

The Company is the offshore operations headquarters with a highly skilled team of engineers, project managers, purchasers and other important support functions that assist with the day-to-day operations of the production assets. This entails that the Company provides management/consulting services to other companies within the Group.

Routines for human rights due diligence

The Group has several joint routines and governance documents to ensure respect for fundamental human rights and decent working conditions, based on international soft law regulations. The Group as such is not subject to the Transparency Act, but as the joint guidelines cover several relevant topics related to the Act, such guidelines also describe Yinson Production’s efforts relating to the Act. Yinson Production has supplemented these general guidelines with additional routines tailored to the Transparency Act for the Norwegian entity subject to the Act, and particularly focusing on supply chain management.

The Group is committed to respect and uphold all internationally recognized human rights as relevant to its operations. The Universal Declaration of Human Rights, as well as the eight core conventions set out by the International Labour Organisation’s (“ILO”) Declaration on Fundamental Principles and Rights at Work, highlight elements that include freedom of association, non-discrimination, anti-forced and anti-child labour, among others. In the entirety of Yinson’s sphere of influence, the Group seeks to:

- a. Protect or maintain all expressed elements of human rights; as well as,
- b. Prevent or mitigate activities that may in any way contribute to the infringements of human rights.

Internally, these goals are supported through the establishment of a system of policies and procedures that, among others, include our Code of Conduct and Business Ethics. The Group remains steadfast in its position and fully expect all external parties with whom we have business relations, including our business partners, suppliers, and any other affiliated entities, to abide by the principles set out within the documents mentioned above.

The Group is committed to doing business only with reputable, ethical and professional third parties, and has implemented Group wide policies when it comes to dealing with third parties such as suppliers and with business partners and international commercial representatives.

For engagements with third parties and business partners, the Company carries out a due diligence process in accordance with the Group policies “Dealing with Business Partners and International Commercial Representatives Policy and Procedure” and “Dealing with Third Parties Policy and Procedure”. The policies are published at the Yinson website (<https://www.yinson.com/yinson-sustainability/compliance/>)

The Company uses a vendor registration and service provider (Avetta) to assist with pre-qualification and supplier performance management, as part of the due diligence process of our suppliers. Through the registration process in Avetta, the suppliers create a profile and complete a risk assessment to determine the risk classification (supplier pre-qualification). Avetta employees and Yinson employees check and validate the supplier’s information and responses as part of a desktop audit and identifies any inconsistencies. The Yinson compliance team then reviews the data to confirm if any additional tasks are required.

As part of the due diligence process, the suppliers and business partners are required to confirm that they will comply with Yinson Group’s policies, including the policy on Human and labour rights, and with the Universal Declaration of Human Rights and ILO’s Declaration on Fundamental Principles and Rights at Work.

As described above, the implemented due diligence processes combined with the risk classification tool, are measures that the Company use to identify and mitigate the risk of actual and potential adverse impacts on fundamental human rights and decent working conditions. The Company and the Group is committed to conducting our business responsibly, in accordance with the laws of the countries in which we operate. This is achieved through continuous compliance awareness communication, employee capacity building, and the adoption of Yinson’s policies and procedures in all our business activities.

Please refer to the Yinson Group Human and Labour Rights Policy, and Code of Conduct and Business Ethics Policy and Procedure for more details on our stance and approach towards human rights (<https://www.yinson.com/yinson-sustainability/compliance/>).

RISK ASSESSMENT, FINDINGS AND MEASURES

Risk assessment

The Company recognizes the critical importance of upholding human rights and promoting decent working conditions throughout our operations and supply chain. As a service provider, third party vendors and suppliers to the companies play a crucial role in supporting our office administration, including office space leasing, IT-related software and hardware, food, and other office supplies. Additionally, being part of an international group, we incur expenses related to international travel.

The risk assessment includes any actual and potential adverse impact that is directly linked with our operations, products or services via the supply chain or business partners. As set out in the Transparency Act, the risk assessment shall be carried out regularly and in proportion to the size of the enterprise, the nature of the enterprise, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions. The Company has conducted the risk assessment on its business partners, supply chain and subsidiaries to the extent that this is proportionate. Within that scope, the Company assessed suppliers providing services such as procurement of spare parts, manpower services and logistics services.

To effectively manage and mitigate the risks associated with human rights violations and poor working conditions, The Company adopts and implements robust risk management tools. These tools enable us to identify, analyze, and take proactive controls to mitigate any potential negative impacts arising from both our own operations and supply chain. Recognizing our unique risk landscape as an enterprise in the offshore and energy industry, these tools have been tailored to our specific context.

When evaluating our suppliers, The Company utilizes a comprehensive risk classification tool that is specifically designed to assess and map their potential risks. This tool considers various relevant risk categories, including country-based risk and industry risk associated with each individual supplier. Furthermore, we assess the extent to which our company can positively influence our suppliers. In cases where higher risks are identified, we conduct supplementary investigations and categorize the suppliers based on the level of risk, ranging from low to high. Based on these assessments, we implement appropriate follow-up measures that correspond to the assigned risk category of each supplier.

Our risk mapping system ensures that we thoroughly assess all our suppliers and operationalize these assessments throughout The Company. We view risk mapping as a dynamic process that requires continuous evaluation and updates as necessary. By diligently carrying out these processes, we continue to mitigate potential risks and ensure that human rights and decent working conditions are safeguarded in our supply chain.

More information about the Group's sustainable supply chain management, corporate governance, business ethics and other topics that are material to Yinson Production can be found in our Integrated Annual Report available in our website (<https://www.yinson.com/resources-and-download/>).

Risk picture for Yinson Production

Yinson Production acknowledges the existence of risks inherent to the industry in which we operate. These risks, particularly concerning safe and fair working conditions, require our utmost attention. To ensure effective governance and appropriate measures, we conduct thorough human rights due diligence based on this risk landscape. This allows us to tailor our efforts to address the specific risks we encounter in our operations.

The Company has not identified any actual or potential adverse impacts on fundamental human rights or decent working conditions that we have caused, contributed to, or that are directly linked to our operations, products, or services through our supply chain or business partners. Consequently, specific measures to mitigate such risks have not been implemented.

We understand that the promotion and respect for fundamental human rights and decent working conditions are continuous processes. Therefore, our commitment to these principles remains unwavering, and our efforts in this regard are ongoing.

By maintaining a diligent focus on international best practices on human rights and fair working conditions, we strive to create a safe and inclusive work environment for our employees and uphold the values that define our company. We recognize the importance of collaboration with not just our suppliers and business partners but all relevant stakeholders, to collectively foster a culture of respect and responsibility within our industry. Together, we can proactively address challenges, mitigate risks, and ensure the protection of human rights and the well-being of all stakeholders involved.