

Sustainability Report 2020

Objective of the Report

We are pleased to share our 2020 Sustainability Report. This report provides a comprehensive overview of Svenska Petroleum Exploration AB and its subsidiaries' ("Svenska") work towards sustainability. Svenska continues to provide a single document which sets out our approach to corporate sustainability.

Preventing harm to life, assets and the environment as well as supporting the local communities, where we operate, are core values for Svenska and are key to Svenska's way of working. We always strive to be the partner of choice for our stakeholders and adapt to the highest standards of safety and working conditions while committing to minimise the environmental impact in what we do.

Given these premises, this report is organised to allow Svenska to describe transparently how we conduct our business in an environmental and socially sustainable way.

Statement from the President and CEO

We commenced the year aiming to develop our discoveries and prospects into producing fields, but of course 2020 will always be remembered as the year when Covid-19 spread across the world with alarming speed. This affected where our staff worked but not the way in which we work.

Towards the end of 2020 the decision was taken by the company to focus on the production side of the business. In order to achieve this refocus in the most efficient way, Svenska had to start to make plans to divest its exploration portfolio, close its business development department and reduce its workforce. We remain committed to working hard to increase production from our non-operated Baobab field.

This report aims to describe how we at Svenska are trying, while driving efficiencies and seeking a greater return on investment, to maintain a healthy corporate culture by regularly reviewing our business practices and the effectiveness of our policies. The Management System will continue to play a part in the refocused company.

Our ambition is to continually improve our ways of operating in a manner that eliminates any harmful practices in business as well as to the environment.

OUR COMPANY

Svenska Petroleum Exploration AB is a privately held Swedish company. At the start of 2020, Svenska was a full cycle oil and gas company. At that time, our business was finding and producing oil and gas. Our activities are focused on the hydrocarbon-rich basins of West Africa where we operate as a joint venture partner with other parties. By being an active operator and co-venturer in West Africa, Svenska strives to add value for all our stakeholders. We believe our reputation as an active co-venturer adds value to our assets and helps the Company grow. In the fourth quarter of 2020, our corporate goal was refocused to concentrate solely on the production of oil and gas, by way of our non-operated interest in the producing Baobab Field in Ivory Coast.

Value is maintained and further created through the conversion of our current resources into producing assets, such as the work to bring the Kossipo satellite discovery into production through the Baobab FPSO.

THE FUTURE

Our ambition is to increase production from our existing producing asset and support the development of further opportunities within the CI-40 licence in Ivory Coast. We aim to use our expertise, adding our knowledge and experience to that of our stakeholders and partners. As a hard-working and respected partner, Svenska is well positioned to support adding and protecting value using our local knowledge, commercial strength and technical expertise.

The environmental, social and political challenges facing our industry obliges us to grow and shift to manage and adapt to those challenges in order to create value and improve lives through sustainable and responsible operations.

Governance Structure

The Company and its Swedish subsidiaries are administered out of the Stockholm office.

Certain overseas subsidiaries of the Company and branch establishments are administered by respected service providers under long-term service contracts. The Board of Directors of the Company (the “Board”) has adopted a set of ‘Rules of Procedure and Written Instructions’, which are reviewed annually and approved by the Board. These rules delegate responsibility for the implementation of the Board’s strategy to the President and CEO and authorise him to undertake the day-to-day management of the Company. The President and CEO has the mandate to delegate certain of those responsibilities to the Management Group.

Svenska has a dynamic and flat corporate structure which efficiently connects expertise in London, Stockholm and Bissau via modern communication systems, frequent dialogue and up to-date tools. Table 1 below shows the reporting structure during the majority of 2020. Table 2 shows the immediate reporting structure after the completion of the downsizing, at the end of 2020.

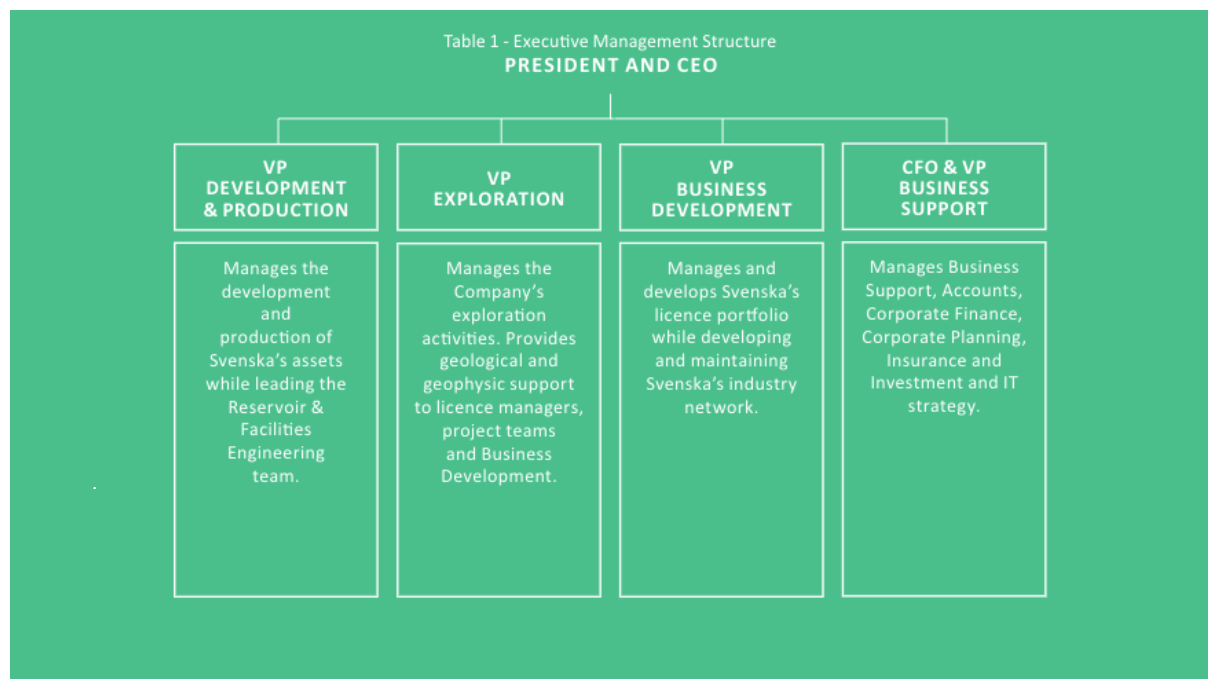
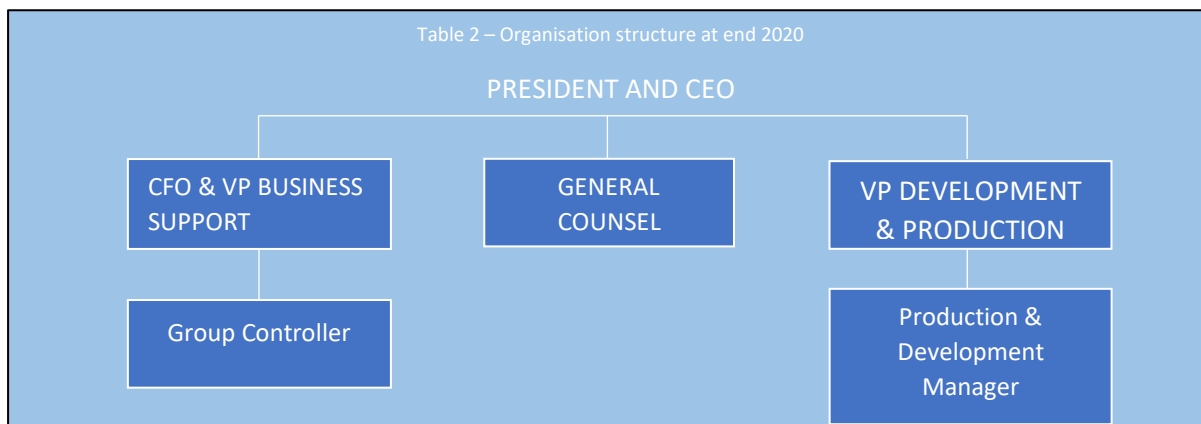


Table 2 – Organisation structure at end 2020



JOINT VENTURE OPERATIONS

The Group engages in oil and gas operations as a joint venture partner with other parties. It is normal upstream oil and gas business practice for one party to take on the role of operator and conduct the daily operations on behalf of the co-venturers.

The parties' obligations and entitlements to the local government entity are regulated through joint operating agreements ("JOAs"). The co-venturers are independent parties, who control the actions of the operator through representation on committees. Each co-venturer has voting rights in such committees in proportion to its working interest in the licence. The partners contribute with assets, capital, unique expertise or labour to access diverse advantages e.g. scale, risk sharing, optimisation and access to the other parties' unique capabilities. Costs and revenues are distributed between the partners and each co-venturer remains liable for its percentage share of the obligations.

The Company

MANAGEMENT SYSTEM

For the time prior to the downsize, which occurred in late 2020, the Company had an online Svenska Management System ("SMS") where all operational instructions, policies, principles and guidelines are to be found. Such work processes must be complied with throughout the Svenska Group and for all projects. The purpose of the SMS is to protect and retain our corporate memory and to ensure the corporate health and safety by defining:

- What we do,
- How do we do it, and
- Who does it.

The contents of the Svenska Management System were reviewed in 2019 to reflect current practice, evolution of the group and external factors.

Some of the key policies and processes which govern the way we and our wider stakeholder group do business are as follows:

- HSEQ Policy
- Svenska Risk Assessment Process
- Code of Conduct
- Anti-Bribery Policy and Procedures

- Sanctions Policy
- Know Your Supplier Policy
- Anti-Money Laundering Policy

Considerable time was put into establishing an internal system and selecting an external software provider for conducting the relevant due diligence required by our Know Your Supplier Policy. The Anti-Money Laundering Policy, the Sanctions Policy and the Know Your Supplier Policy all work together to strengthen and enhance the due diligence we carry out prior to commencing a new business relationship. Following these procedures will mitigate the risk of Svenska being used to further crime or being in violation of sanctions.

Svenska aims to continue utilising the Svenska Management System and the policies going forward. We will review these to ensure that they are relevant to the new corporate structure.

ASSESSING, MONITORING AND CONTROLLING RISK

Svenska assesses, monitors and controls its risks and behaviours by creating mandates and commitments throughout the organisation. These mandates include maintaining the highest standards of safety and working conditions while committing to minimise the environmental impact of our operations and a zero tolerance for bribery and corruption. The Svenska Risk Assessment Process is applied to all Svenska's projects. The use of the Svenska Risk Assessment Matrix defines a ranking for identified risks in order to ensure that risk assessment procedures are consistent. Risk assessments may, depending on the scope and nature of the assessment, take different forms during the asset lifecycle. The process followed might be, for instance, more comprehensive in exploration and drilling projects.

HEALTH, SAFETY, ENVIRONMENT AND QUALITY (HSEQ)

Wherever we operate, our responsibility for people and the environment is the top priority. HSEQ is an essential element in all our activities and implementation of our HSEQ processes is the responsibility of each line manager and employee. In our work we comply with all the relevant statutory and regulatory requirements and aim to exceed them. As a responsible co-venturer in our exploration licences, Svenska uses its competence to assist the operator to improve project execution and secure operations. Svenska actively engages in dialogue with industry networks, with the guiding principle of applying recognised HSEQ practices within our operations.

The build-up of health and safety oversight and practices are core to Svenska's strategy of increasing our operating capability. HSEQ considerations remain a top priority in our own organisation and in the licences where we are a co-venturer.

Svenska's objectives, as set out in our HSEQ Policy, are to:

- Provide a safe and healthy working environment for those involved in Svenska's activities;
- Ensure we select competent contractors, sub-contractors, consultants and vendors that will positively contribute towards our HSE objectives and goals;
- Operate in compliance with relevant regulations and requirements, striving to exceed these wherever practicable;

- Demonstrate leadership by encouraging open and honest communication on all HSE related matters and proactively raising the HSE awareness of our employees and service providers;
- Continually improve our HSEQ performance and management system through reporting, monitoring, lessons-learned programme and auditing;
- Identify and manage risks in all our activities to eliminate or minimise harm to people, environment and assets;
- Set realistic yet challenging HSEQ goals for our operated projects and activities;
- Minimise waste, emissions and discharges from our operations and ensure the efficient use of resources and energy;
- Ensure our operating partners place the appropriate emphasis on activities that could have a negative impact on the health and safety of personnel and the environment.

All employees have the right and, in fact, a duty to stop activities that they believe are in breach of the Svenska HSE Policy.

SOCIAL RESPONSIBILITY

Projects and Local Employment

Svenska strives to be a part of the development of our host countries, not only through the discovery and development of oil assets, but also by delivering social commitments to our host communities. These commitments are either part of our licence obligations or our own corporate undertakings. Svenska strives to support local communities where we are present by participating in sustainable projects that are politically and religiously independent.

In an effort to give back to the communities close to our operations Svenska has cooperated with SOS Children's Villages for more than ten years. SOS Children's Villages is an international non-governmental and non-denominational organisation working to ensure that the rights of all children, in every society, are fulfilled. The villages Svenska are supporting are located across Guinea-Bissau, Ivory Coast and Nigeria. The organisation is focused on family-based, long-term care for children who are unable to grow up with their biological families or stand the risk of losing them. The organisation provides a much-needed sense of safety and stability.

Svenska also continues with its support of Tostan with a partner agreement stretching through to 2022 to support Tostan's work in empowering African communities to bring sustainable development and positive social transformation based on a respect for human rights.

Apart from our direct support for organisations such as SOS Children's Villages and Tostan, Svenska continues to work closely with our licence co-venturers to support various social projects relating to education, healthcare and sustainable growth. During 2020, we felt compelled to offer assistance in connection with the Covid-19 pandemic. Through our contacts in Guinea Bissau we donated to a local food distribution network, called Tadija Fome, which ensured that food reached those most in need of help. We also made a donation to a school for the blind in Guinea Bissau. In the past we have also had the opportunity to provide desks for a school in Bissau for disabled children, as well as construct a new recreation/cafeteria hall for the paediatric ward and refurbish the Emergency Care Unit and operating facilities at Simão Mendes hospital in Bissau.

In Ivory Coast, Svenska contributed through its joint venture to purchase masks for use in connection with the Covid-19 pandemic.

For Svenska it is not only important to be part of the development in our host countries through our commitments, there is also a value of being present in these projects. When travelling in the countries where we support social projects, we always like to visit the villages or projects.

During 2020, Svenska contributed a total of KUSD 256 (KUSD 217 in 2019) to social responsibility projects, which is a substantial increase since the previous year.

Our licences also include commitments to fund the education of local government partners in our host countries such as Petroguin in Guinea- Bissau and Petroci in the Ivory Coast.

During 2020, unfortunately, we were unable to make any spend on training programmes in Guinea Bissau. This was essentially due to the Covid-19 pandemic. The unspent amount will, though, be rolled into future years so those who would benefit from attending such training programmes will not miss out.

Motivated/Committed/Dedicated Employees

Education, healthcare and sustainable growth in our host countries has always been a vital part of Svenska's social culture and that is only achievable with committed employees. As an international company it is inevitable not to impact the environment and communities. Hence, Svenska strives to broaden its environmental focus by encouraging our staff to work more systematically in a circular economy aspect.

We try to reduce our CO₂ emissions related to travel by using modern communication technology, encouraging our staff to use public transport or other means of transport, but as an international company it is almost impossible to completely avoid air travel. Due to the Covid-19 pandemic there was very little travel in 2020. All staff were able to work from home and use video meetings to stay in touch. We did choose to climate offset the small amount of air travel that was undertaken in 2020 before the pandemic caused a world-wide lockdown. In 2020, it amounted to 15 (173 in 2019) tonnes of CO₂, which has been climate compensated for through support for Wonder Bag, an organisation that helps reduce deforestation in sub Saharan Africa.

To reduce our waste, we promote using less and re-using and recycling materials whenever possible as well as securing our offices have the required re-cycling facilities.

Having an engaged and dedicated staff is vital for Svenska to realise its growth and success. As an accountable and responsible employer Svenska believes that investing in its staff is the foundation for development i.e. with attractive health packages which include check-ups and health insurance, encourage training and workout initiatives and subsidised lunchtime meals. During the national lockdowns in 2020, all of Svenska's staff were able to work from home. Svenska continued to ensure that all staff were looked after both emotionally and physically. We offered safety videos and an online session with a specialist physiotherapist on safe working from home. The London office closed completely in August 2020 and so staff were offered their desks and chairs to enable safe and sustainable home working.

RESPECT FOR HUMAN RIGHTS

Svenska appreciates that its assets are situated in countries which at times have complex internal political situations.

Through a strict adherence with our corporate Code of Conduct and Anti-Bribery Policy and Procedures, as well as our work with our chosen social responsibility projects, Svenska ensures that we take a firm stance against abuses of human rights.

Due to the fact that Svenska has an office in London, we are obliged under UK Law to publish a Modern Slavery Act Statement. This statement is published on our website.

Before an investment decision is taken to invest in assets in a new country, Svenska undertakes an above ground risk assessment by following the Svenska New Country Entry Checklist.

ANTI-BRIBERY AND CORRUPTION AND CODE OF CONDUCT

Svenska's Anti-Bribery Policy and Procedures and Code of Conduct set out the values and principles approved by the board to give an overall framework to the Company, its employees, agents and contractors as to how the Company should conduct its activities.

Svenska is committed to complying with all applicable anti-bribery laws, including but not limited to the relevant Swedish and UK laws as well as local laws in the countries where we have interests in licences or otherwise do business. In addition to Svenska's legal obligations, Svenska is also subject to contractual requirements from our partners and other counterparties, obliging Svenska to comply with such laws. Svenska requires the same from anyone with whom we do business.

The latter is implemented by having all Svenska's contractors signing a template service agreement that includes an undertaking to follow Svenska's Anti-Bribery Policy and Procedures and our Code of Conduct.

We recognise the importance of the performance of our contractors and other business partners when undertaking work with us. Svenska ensures that in its contractual arrangements all such business partners follow the same high ethical standards. Prior to entering into such arrangements, Svenska undertakes financial and non-financial due diligence on potential counter-parties. This assessment is undertaken by following the Company's Third Party Due Diligence – Compliance Process. It is an essential part of our contracting strategy as we recognise that Svenska operates and has assets in high risk jurisdictions.

Our staff is regularly trained on the content and to understand Svenska's Code of Conduct as well as the Anti-Bribery Policy and Procedures in order to recognise the risks. A Risk Register is maintained to record invitations and offers of gifts and entertainment and staff are regularly required to keep this up to date.

STAKEHOLDER ENGAGEMENT

We strive to engage with all stakeholders and in the context of each of our projects in the wider community. An important aspect of Svenska's aims is to understand the expectations and points of view of the stakeholders. Our key stakeholders include joint venture partners, host governments, local communities and employees. For each group, the requirement varies, but we make use of both formal and informal channels with varying degrees of regularity.

Svenska maintains an open dialogue with its staff on a one-to-one basis, within teams and also by holding regular information meetings with the whole company. This approach engenders a sense of trust in the management group and a real understanding of the projects we undertake and each person's role. This open dialogue will continue to an even greater extent following the downsizing of the Company.

In particular, in Guinea-Bissau, where we are the operator of the licences, we have forged an excellent working relationship with the government and its staff. As described elsewhere in this report, Svenska has made many commitments to the local communities and charitable groups. Late in 2020, Svenska signed an agreement with PetroNor E&P AS for the sale of the shares in SPE Guinea-Bissau AB, the subsidiary which holds the company's interests in the Sinapa and Esperança Licences. This sale, which is still awaiting Government consent, is part of Svenska's strategic decision to divest its exploration portfolio. All of our joint venture groups have remained stable for several years which is testament, in part, to the good relationships that Svenska has established.

PAYMENTS TO AUTHORITIES

Table 3 below shows tax payments per country in KUSD during 2020.

Country/Project, 2020	Tax according to PSA	Income tax	Other Tax	Reimbursement according to PSA	Total
CI_40, the Ivory Coast	8,155				8,155
Block 2,4 & 5A Guinea -Bissau				200	200
HM Revenue & Customs, England		98			98
Westminster City, England			187		187
Revenue Commissioners, Ireland					-
Total	8,155	98	187	200	8,640

Frameworks Used

- European Commission Guidelines on non-financial reporting (methodology for reporting non- financial information) (2017/C 215/01)
- European Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)
- EU Environmental Reporting Handbook published by the Climate Disclosure Standards Board and CDP (formerly Carbon Disclosure Project)
- GRI Oil and Gas Sector Supplement (Summary Guide)