

Svenska Petroleum Exploration AB

Sustainability Report 2022

Objective of the Report

We are pleased to share our 2022 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 are active 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

Following the downsize of Svenska's business during 2021, last year was a year of both consolidation of existing assets and further sales of assets in order to streamline the business. We completed the divestment of Svenska's interest in Latvia mid way through 2022 as well as the divestment of Svenska's former Irish insurance captive. As ever, we remain committed to striving to increase production from our non-operated Baobab field in a safe, and environmentally and socially responsible manner.

This report aims to describe how we at Svenska, while driving efficiencies and seeking a greater return on investment, maintained a healthy corporate culture by regularly reviewing our business practices and the effectiveness of our policies.

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 physical, biological and social environment.

OUR COMPANY

Svenska Petroleum Exploration AB is a privately held Swedish company. From the start of 2021, our corporate goal was 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 has been maintained and further created through the conversion of our current contingent reserves and resources into producing assets, such as the work to bring the Kossipo satellite discovery into production through the Baobab FPSO and to redevelop the field through further phases of infill drilling.

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 oblige us to grow and adapt to those challenges in order to create value and improve lives through sustainable and responsible operations.

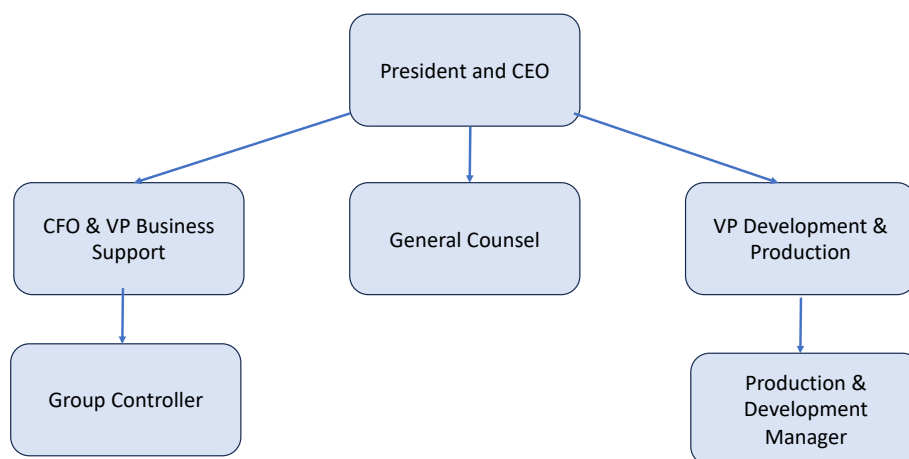
Governance Structure

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

The Company's overseas subsidiaries 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 is 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 rest of the team.

Svenska has a dynamic and flat corporate structure which efficiently connects expertise in London and Stockholm via modern communication systems and frequent dialogue.

Table 1 below shows Svenska Organisational Structure at the end of 2022:



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. Partners contribute to the joint venture 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 revenue are distributed between the partners and each co-venturer remains liable for its percentage share of the obligations.

The partners' obligations to the local government are provided for in a production sharing contract ("PSC"). The PSC will impose a duty on the partners to ensure that the licence is developed and operated in accordance with the PSC.

The Company

MANAGEMENT SYSTEM

Our business ethics and compliance framework provide for strong governance, and together with a robust risk management culture, supported by procedures and systems, ensure that we apply at all times high levels of personal and professional integrity.

We commenced work in 2021 on an over-arching 'Environmental, Social and Governance' Company statement, which was adopted in May 2022. During the year, we were the subject of an independent Environmental, Social and Governance audit on behalf of our financing parties. The resulting Environmental and Social Action Plan is being assiduously worked on to satisfy all outstanding points.

All policies and processes must be complied with throughout the Svenska Group and for all projects. The purpose of these documents 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.

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

- Environmental, Social and Governance Statement
- HSE Policy
- Code of Conduct
- Anti-Bribery Policy and Procedures
- Sanctions Policy
- Know Your Supplier Policy
- Anti-Money Laundering Policy

Considerable time has been put into maintaining this governance structure to guarantee that it is fit for purpose, and to ensure that all Company personnel know both where to find each policy or procedure and what each contains. 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.

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.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

Wherever we operate, our responsibility for people and the environment is the top priority. HSE is an essential element in all our activities and implementation of our HSE 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 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 HSE practices within our operations.

HSE 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 HSE 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;
- Comply with all relevant host country HSE legislation and align with Good International Industry Practices, including the IFC Environmental and Social Performance Standards (IFC PSs);
- Demonstrate leadership by encouraging open and honest communication on all matters HSE related and proactively raising the HSE awareness of our partners, employees, and service providers;
- Ensure the efficient use of resources and energy, prevent pollution, and minimise waste, emissions and discharges from our activities;
- Undertake periodic audits, reviews and evaluations to measure compliance with this policy.
- Ensure our operating partners place the appropriate emphasis on minimising and managing activities that could have a negative impact on the health and safety of personnel and the environment;
- Monitor the performance of our operating partners against their internal HSE objectives and targets and international frameworks, e.g., the IFC PSs, and use our influence as a non-operated partner to monitor continual improvement of that performance;
- Carry out regular audits in order to verify the HSE performance of our operating partners, and regularly report that performance to our internal and external stakeholders.

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

Svenska has communicated this policy to all of its staff and undertakes to communicate this policy to contractual counter-parties, contractors and external stakeholders as appropriate.

SOCIAL RESPONSIBILITY

Projects and Local Employment

Svenska strives to be a part of the development of our host countries, not only through the improved production of our 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.

Svenska continues to support Tostan, a West Africa based organisation that delivers a human rights-based community lead development through a new three year education program promoting grass roots democracy and participation which was signed in 2022. The three year program will mean a total contribution of \$300,000 until end of September 2025. Tostan has shown to have a very positive effect on reducing harmful practices such as female genital cutting, child marriages and domestic violence.

Svenska has a partner agreement with Tostan pursuant to which we have committed to support the education program in a number of villages in Senegal. We have also provided additional resources to Tostan to manage the effects of Covid-19 on local communities during the year.

Apart from our direct support for organisations such as Tostan, Svenska continues to work closely with our licence co-venturers to support various social projects relating to education, healthcare and sustainable growth. During 2022, the Baobab joint venture in the Ivory Coast contributed US\$12,931 (Svenska's share was US\$3,931) to worthy causes in country. These included donations of books to Grand Bereby secondary schools, equipment donations to NGO "Overcome woman" supporting victims of sexual violence, and payments under the CNRI scholarship scheme at INPHB – Mining school[]. In addition through the PSC obligation funds of \$48,525 were provided for staff training and equipment. In the past we have also had the opportunity to build and furnish 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.

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 aim to visit the villages or projects.

During 2022, Svenska contributed a total of US\$ 129,000 (US\$ 171,000 in 2021) to social projects, which represents a decrease on the 2021 value, primarily as a result of the sale of our exploration portfolio in Guinea Bissau. Our licences also include commitments to fund the education of local government partners in our host countries such as Petroci in the Ivory Coast.

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.

Where we can, we aim to reduce our CO₂ emissions related to travel, for example by using modern communication technology, and encouraging our staff where possible to use public transport; as an international company, however, it is almost impossible to completely avoid air travel. There was still very little travel in 2022. All staff were able to work from home when required and use video meetings to stay in touch.

To reduce our waste, we promote using less, re-using and recycling materials whenever possible. Part of this process has been to ensure that our offices have the required re-cycling facilities, and that the building managers have the correct waste recycling contracts in place.

Having an engaged and dedicated staff is vital for Svenska to realise its continuing 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 lunch meals. All staff continue to work flexibly between home and the relevant office.

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.

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 its partners and other counter-parties, obliging Svenska to comply with such laws. Svenska requires the same from anyone with whom we do business.

The latter is implemented by having each of Svenska's contractors sign a template service agreement that includes an undertaking to follow Svenska's Anti-Bribery Policy and Procedures and its 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 Know Your Supplier Policy. It is an essential part of our contracting strategy as we recognise that Svenska has assets in high risk jurisdictions.

Our staff is regularly trained on the content of 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, shareholders and employees. For each group, the requirement varies from case to case, and includes both formal and informal channels that are used with varying degrees of regularity.

Svenska maintains an open dialogue with its staff both on a one-to-one basis and as we are such a small number, weekly meetings with the whole company. This approach engenders a sense of trust throughout the company and a real understanding of the projects we undertake and each person’s role. This open dialogue has continued to an even greater extent following the downsizing of the Company.

PAYMENTS TO AUTHORITIES

Table 2 below shows tax payments per country in KUSD during 2022.

Country/Project, 2022	Tax according to PSA	Income tax	Other Tax	Total
CI_40, the Ivory Coast	35,197			35,197
Westminster City, England			2	2
Total	35,197		2	35,199

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) dated October 2021
- GRI 11: Oil and Gas Sector 2021 (Provider of the global impact reporting (economy, environment, and people). GRI 11: Oil and Gas Sector 2021 addresses the pressing need for consistent and complete reporting)
- IPIECA / API / IOGP - Sustainability Reporting guidance for the oil and gas industry 4th Edition, 2020
- International Finance Corporation (IFC) Environmental and Social Performance Standards (Effective 1st Jan 2012) (IFC's E&S PSs define IFC clients' responsibilities for managing their environmental and social risks)

- The United Nations (UN) Sustainable Development Goals (SDGs), which are 17 aspirational goals defined in 2015 with the purpose of progressing sweeping positive environmental, social, and governance change for the world by the year 2030.