



2022 Sustainability Plan

Policy and Management Framework

Cheiron proactively manages Quality, Health, Safety, Environmental (QHSE) and Sustainability related risks by applying Best Available Techniques (BAT) and good international industry practice (GIIP) using risk-based management systems. We undertake to act responsibly to protect life, health and the environment, while respecting the rights, culture and dignity of all employees and stakeholders in line with global principles for Sustainable Development. We also recognize that our emissions, energy use and materials consumption are a contributing factor to climate change and we support the transition to a low carbon economy whilst meeting the socio-economic necessities of the countries we operate in.

Cheiron's QHSE & Sustainability Policy and accompany Statement are reproduced in Appendix 1 and extend to all the Company's existing assets and any potential future acquisitions. Supporting Guidelines and Standard Operating Procedures establish the Company's HSE and Sustainability management framework.

Commitments

Cheiron is committed to implementing GIIP and Sustainable Development principles. GIIP is considered to be represented by International Finance Corporation (IFC) performance standards and other industry guidance issued by respected bodies such as the American Petroleum Institute (API) and International Association of Oil and Gas Producers (IOGP). Our main partner, the Egyptian General Petroleum Corporation (EGPC) is a member of IOGP and adopts its guidance. EGPC HSE related Codes of Practice support implementation of IOGP's operating management system.

Cheiron also supports implementation of the Equator Principles adopted by participating Financial Institutions. The principles provide a risk management framework for determining, assessing and managing environmental and social risk. Our commitments align with supporting implementation of the United Nations Sustainable Development Goals. A zero-tolerance policy to modern slavery exists and the company is committed to maintaining high standards of working conditions and protecting human rights. Cheiron supports similar national policies in other countries of operation.

The key Sustainability issue relating to the Company is climate change. Current core commitments include:

- Eliminate routine venting and flaring as soon as practical and no later than 2030, in line with the World Bank Zero Flare Initiative;
- Reduce emission intensity by 25% by 2025 compared to a 2020 baseline with progress reviewed annually by Cheiron's Board;
- Align future actions with the Institutional Investors Group on Climate Change (IIGCC) Net Zero Standard for Oil and Gas where practical but prioritise alignment with Egypt's Nationally Determined Contribution to the Paris Agreement where this deviates from the IIGCC roadmap.

Further specific quantitative targets and objectives for other Sustainability related aspects of our business are included within the 2022 Sustainability Plan provided in Appendix 2 to this document.



Governance

A tiered Governance structure is in place to oversee Sustainability related risks and to ensure strategic Board level strategy is implemented on the ground within the various operations. Cheiron's CEO is the Cheiron Board member responsible for HSE and Sustainability related performance including climate change related aspects. A Health, Safety, Environmental and Social (HSES) Management Review is held twice a year with the Board; assessing performance, improvement plan progress and identifying future priorities. An HSES Steering Committee also sits on a quarterly basis and is chaired by the CEO to formulate strategy and direction for presentation to, and approval by the Board. It comprises all members of the Executive Committee, including the General Managers of each Joint Operated Company (JOC). The CEO and Chairman also sitting on the Boards of JOCs to enable high-level discussion of policy implementation and improvement plan progress.

Implementation and Audit

Actions within the Sustainability plan are incorporated into Annual HSES Action Plans that are prepared to implement Good International Industry Practice (GIIP) within the JOCs across 16 thematic areas with defined timelines and responsibilities. Actions are developed as part of an annual integrated activity and budget setting process. Each Managing Director signs the plans (from Cheiron and EGPC respectively). Action Plans in a common format exist for all assets though due to the newly acquired status of Bapetco, a Sustainability Improvement Plan or ESAP exists where gaps with GIIP were identified during due diligence.

The Action Plans are informed by the findings of independent 3rd Party audits of our facilities as well as actions identified within insurance risk reports and internal audits and Group HSE recommendations. A full independent 3rd Party HSES audit of each asset is carried out annually.

Material Aspects

A materiality assessment identifying the most important sustainability related issues pertinent to the business is included within the Company's Annual Monitoring Report (AMR). Key sustainability aspects relate to climate change, biodiversity protection, produced water discharges, water sourcing and waste management.

Preliminary assessment identifies a low risk to the business resulting from the physical effects of climate change but measures are being introduced to develop future climate resilience plans. No communities are currently present in close proximity to our facilities. We do however continue to support communities on Sustainability related aspects including potential impacts of climate change and further information is provided in the AMR.

David Thomas
Chief Executive Officer



Appendix 1

Cheiron QHSE Policy and Sustainability Statement



Sustainability Statement

بيان الاستدامة

Cheiron Sustainability Commitment

Cheiron's QHSE and Sustainability Policy and this Sustainability Statement are underpinned by a number of principles and values which guide us in our day to day business activities. In summary, we

- set high standards for ethical behavior and conduct our business with openness and integrity;
- respect and protect fundamental human and labour rights and value diversity;
- value the welfare of our personnel, their families, our contractors and the communities in which we operate;
- ensure that the communities in the vicinity of our operations benefit from our presence on an enduring basis; and
- seek to minimise and mitigate any negative impact from our operations on people, fauna, flora, air, water and land.

Implementation

We recognize that the long term value of our business is dependent upon successfully addressing the Sustainability challenges inherent in our company's operations. To achieve this, we work to maintain effective communications with our internal and external stakeholders to understand their concerns, and to foster relationships based upon trust and mutual respect.

To deliver our Sustainability goals, Cheiron will:

- consult meaningfully with interested and affected parties and seek community support for our activities;
- assess the socio-economic context of our operations to identify their potential impacts and opportunities for improvement;
- put in place the resources required to manage Sustainability risks resulting from our activities, including impacts on the environment biodiversity, water sources, community health and safety, living conditions and cultural heritage;
- identify and measure the environmental impact of our operations and deliver a GHG emission intensity reduction of 25% by 2025 against a 2020 baseline;
- invest in social projects to support the communities in the vicinity of our operations and seek to ensure that these provide long term benefits;
- ensure that our investment decision making takes into account Sustainability considerations including health and safety, environmental and climate change impacts, social consequences and biodiversity; and
- integrate Sustainability performance requirements into our ongoing business planning and operations.

When working for Cheiron affiliated companies, our Management, Staff and Contractors are expected to:

- display leadership and behaviours that promote safety, protect the environment and promote the wellbeing of our local communities;
- apply good international industry practices in all our business activities, including and involving public consultation and community engagement.

هناك عدد من المبادئ والقيم التي تعزز سياسة شركة كايرون في الجودة والصحة والسلامة وحماية البيئة وبيان الاستدامة، والتي نترشد بها في أعمالنا اليومية. ويمكن تلخيصها فيما يلي:

- وضع معايير رفيعة للسلوك الأخلاقي، والقيام بأعمالنا بوضوح ونزاهة
- �احترام وحماية حقوق الإنسان وحقوق العمل
- تقدير صالح موظفيه وموظفي المقاولين، والمجتمعات التي نعمل بها
- التأكد من أن المجتمعات المجاورة لمناطق أعمالنا تستفيد من تواجدها بصورة مستمرة
- السعي لنقلص الآثار السلبية لعملياتها سواء على الناس والنباتات والحيوانات والهواء والماء والبيئة

التنفيذ

نحن على دراية بأن قيمة أعمالنا على المدى البعيد تعتمد على نجاحنا في مواجهة تحديات الاستدامة الملزمة للنشاط الشركة. وتحقيق ذلك تقوم الشركة بالعمل على المحافظة على تواصل فعال باصحاب المصلحة سواء في داخل المؤسسة أو خارجها لتفهم مخاوفهم وتغيير العلاقات القائمة على الثقة والأحترام المتبادل.

وتحقيق أهداف الاستدامة، سوف تقوم شركة كايرون بما يلي:

- اجراء مشاورات هادفة مع الأطراف المعنية والمتأثرة للحصول على الدعم المجتمعي لأنشطتنا
- تقييم الحالة الاجتماعية-الاقتصادية لعملياتنا للوقوف على تأثيراتها المحتملة وفرص تحسين الأداء؛
- توفير الموارد اللازمة لإدارة مخاطر الاستدامة الناجمة عن ممارسة أنشطتنا، بما في ذلك التأثيرات على التنوع البيولوجي البيئي، ومصادر المياه، وصحة المجتمع وسلماته، وظروف المعيشة والترااث الثقافي؛
- تحديد وقياس الأثر البيئي الناتج عن عملياتها، والعمل على خفض شدة انبعاثات غازات الاحتباس الحراري بنسبة ٢٥٪ مقارنة بخط الأساس لعام ٢٠٢٠ ،
- الاستثمار في المشاريع المجتمعية لدعم المجتمعات في محيط عملياتها والسعى لجعلها مشاريع ذات فوائد طويلة الأجل؛
- التأكد أن قرارات استثمارتنا تأخذ بعين الاعتبار اعتبارات الاستدامة متضمنة الصحة والسلامة، والتأثيرات البيئية وتغير المناخ، والتبعيات المجتمعية والتنوع البيولوجي؛
- تكامل متطلبات أداء الاستدامة في تحديد الأهمال والعمليات التجارية.

عند التعامل مع الشركات التابعة لشركة كايرون، ينتظر من إدارة الشركة وموظفيه وموظفي المقاولين المتعاملين معها ما يلي:

- اتباع القيادة والسلوكيات التي تعزز السلامة، وحماية البيئة وتعهد من صالح المجتمعات المحيطة؛
- تطبيق ممارسات الصناعة الدولية الجديدة في جميع أنشطتها، بما في ذلك الشراكة والمشاركة المجتمعية.

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David Thomas
Chief Executive Officer
October 2022



Appendix 2

Cheiron 2022 Sustainability Plan



2022 Sustainability Plan

Short Term (Now to 2025)	Medium Term (2026 to 2035)	Long Term (2036 to 2050)
GHG Emission Reduction and Energy Transition		
Develop Energy Transition Plan (July 23) based on following: Reduce operational emissions: <ul style="list-style-type: none"> • Deliver target of 25% in emission intensity (working interest) for Scope 1 and 2 emissions by 2025 against 2020 baseline 	Implement identified Energy Transition Plan	Implement Net Zero Strategy
<ul style="list-style-type: none"> • Confirm forecast Scope 1 and 2 absolute operated emissions by end 2025 against 2020 baseline in light of changing asset portfolio • Conduct CCUS feasibility assessment by Q1 2023 in the main fields within Bapetco (Bapetco comprises 77% of Group Reserves, 2021 GCA Reserves Audit) • Continue flare gas and vented gas recovery for power projects to support routine elimination of flaring and venting by 2030 • Reconfirm GHG baseline and conduct cost benefit on additional Scope 1 and 2 GHG emission reduction and energy efficiency opportunities, incorporating into forward budgets. • Conduct fugitive emission and methane monitoring studies to report methane separately • Implement pilot solar hybrid solutions into operations 	<ul style="list-style-type: none"> • Deliver identified target in plan (ca >50% to 65% reduction in Scope 1 and 2 emission intensity by 2035). Note: Current sector target in Egypt's NDC is 65% against a 'business as usual' scenario. Assumptions behind BAU scenario however are not currently identified • Identify reduction in absolute emissions that emission intensity reduction corresponds to • Implement Bapetco CCS pilot and potential full scale CCS in one field if identified as feasible and Ministerial approval for joint implementation secured • Eliminate routine flaring and venting across all assets • Continue optimization of operations • Reduction target for methane emissions across Group (anticipated to be > 75% of current levels) • Extended implementation of renewable technologies in current operations 	<ul style="list-style-type: none"> • Net Zero Scope 1 and 2 emissions by 2050 (including offsets considered for any residual emissions) • Implement blue carbon opportunities to capture and sequester carbon (focusing on enhancing critical habitat in Red Sea – see biodiversity section) • All fields implementing CCS where viable or generation of natural offsets through production of biofuels • Routine flaring eliminated • All feasible and viable emission reduction and energy efficiency opportunities implemented • Methane emissions largely eliminated from any remaining production systems within asset portfolio

GHG Emission Reduction and Energy Transition



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Short Term (Now to 2025)		Medium Term (2026 to 2035)	Long Term (2036 to 2050)
<ul style="list-style-type: none"> Conduct research with Universities to identify natural ecosystem enhancement as part of internal offset opportunity (Bapetco) Conduct concept evaluation, infrastructure need identification and preliminary costings for utilization of green hydrogen and/or biofuel in Bapetco 	<ul style="list-style-type: none"> Implement pilot project in Bapetco Implementation of green hydrogen fuel project within Bapetco 	<ul style="list-style-type: none"> Routine use of hydrogen and renewables to power remaining production systems across asset portfolio Natural offsets for any residual emissions as part of above. 	
Engage with Ministry of Petroleum to inform future Egypt's Nationally Determined Contribution (NDC) and support development of sector emission reduction targets	Implement Operational emissions aligned to NDC sector based reduction targets. Continued engagement with Ministry and key stakeholders to evolve Sector wide Net Zero strategy by agreed date	As above	Alignment of reserves consistent with implementation of future Egyptian NDC
Update existing potential carbon emission calculations associated with proven reserves to new PRMS reserves accounting framework (2023) and introduce shadow pricing of carbon into investment and acquisition/divestiture decision making.	Alignment of reserves consistent with implementation of future Egyptian NDC Alignment of reserves consistent with implementation of future Egyptian NDC Alignment of reserves consistent with implementation of future Egyptian NDC	Alignment of reserves consistent with implementation of future Egyptian NDC	Fully diversified investment strategy that includes zero carbon fuel systems
Identify approach to management of Scope 3 (principally product use, Category 11) emissions in line with ability to control product stewardship (e.g where lifting own product)	Implement production targets aligned to product use reductions that are consistent with future Egyptian NDC and identify diversification investment strategy into low to zero carbon fuels	Executive pay linked to HSEs and carbon reduction performance. Proportion linked to reserve replacement targets progressively reduced and ideally eliminated in comparison.	No executive pay linked to fossil fuel related production that is inconsistent with future NDC
Climate Change Resilience			
Conduct Climate Change Resilience and Adaptation assessment for one Western Desert and one Red Sea asset to be analogous for Group operations.	Complete Climate Change Resilience and Adaptation assessments for all remaining, and any newly acquired assets	Review and update company and community adaptation plans.	
Continue to support asset and community flood defence and flood relief programmes in conjunction with sector Geographical Committees	Implement developed Climate Resilience and Adaptation Plan		



	Short Term (Now to 2025)	Medium Term (2026 to 2035)	Long Term (2036 to 2050)
	Develop Company and Community based Climate Resilience and Adaptation Plan based on the above		
Biodiversity			
	<p>Apply Biodiversity and Ecosystem Services Hierarchy of avoid-minimise-restore-offset and associated Management Process</p> <p>Avoid all new exploration or development in IUCN Category 1b (Wilderness) areas wherever practical</p> <p>Continue no disposal of drilling fluids and cuttings within environmentally sensitive locations with critical habitat (e.g Geisum) and silt sensitive locations</p> <p>Apply no net loss (natural habitat areas) and net gain (for critical habitat) with appropriate supporting analysis</p> <p>Implement enhancements as part of net gain strategy within concessions with Critical Habitat present (principally mangrove, coral and seagrass focused within Red Sea) including blue carbon related opportunities (carbon capture through habitat enhancement)</p> <p>Habitat enhancements across all assets including extensive use of nature to capture and sequester carbon.</p>		
Biodiversity			
	<p>Put in place new Biodiversity Management Plans (BMP) for acquired facilities in sensitive locations once development options identified (including NUMB area of Bapetco within ElQasr BA)</p> <p>Update BMPs for existing assets where modification or expansion occurs including GNN development (within Red Sea Northern Islands Protectorate)</p> <p>Conduct updated biodiversity monitoring survey as per scope identified in BMPs</p> <p>Update Cheiron's Biodiversity Management SOP in line with latest GIIP guidance including IFC Performance Standard 6 and link with Cheiron's updated ESIA SOP</p>	<p>Ongoing review in line with GIIP</p> <p>Identify designs to avoid structures and facilities located within concessions potentially categorized as IUCN 1a and IV areas and eliminate discharges of produced water in such locations</p> <p>Continued monitoring in line with reviewed BMPs</p> <p>Ongoing review in line with GIIP</p>	
Produced Water Management			
	<p>Water</p> <p>Develop produced water generation models over field development lifetime and identify opportunities to reduce water generation through targeted well locations, shut in of high water producing wells, side tracks to lower water cut locations. Maintain and update models in line with field develop plans.</p> <p>Ensure 100% of onshore discharges are treated in lined evaporation pits or reinjected into permitted reservoirs</p> <p>Deliver 100% compliance of oil in water discharges to sea</p>	<p>Produced</p> <p>Water</p> <p>Continued compliance</p> <p>Re-utilise produced water for reinjection/water flood to reduce abstraction rates.</p>	



		Long Term (2036 to 2050)	
Short Term (Now to 2025)		Medium Term (2026 to 2035)	
	<p>Commission advanced produced water treatment units or reinject water into permitted reservoirs to deliver compliant discharges for 40% of total discharges to sea for hard to treat discharge parameters including BOD and COD.</p> <p>Deliver compliant discharges for greater than 90% of total discharges to sea in high sensitivity areas including national protectorates for hard to treat discharge parameters including BOD and COD.</p> <p>Select chemicals with increasingly benign characteristics that reduce subsequent treatment requirements for produced water. Utilise Gold rated (least hazard) chemicals wherever practical as rated via OSPAR Harmonised Mandatory Control Scheme e.g. through CHARM/CEFAS rating)</p>	<p>Commission advanced produced water treatment units or reinject water into permitted reservoirs to deliver compliant discharges for 100% of total discharges to sea regardless of location for hard to treat discharge parameters including BOD and COD.</p> <p>Minimise chemical treatment requirements e.g. through reservoir management, facility design and material selection of infrastructure to reduce corrosion inhibition and cooling water treatment requirements for example.</p> <p>Utilise Gold rated chemicals.</p>	Avoid all discharges to sea through secondary use of produced water wherever practical
	<h3>Other Sustainability Related Aspects including Water Sourcing, Water Use and Waste Management</h3>		
	<p>Apply hierarchy of control through JOC Annual HSES Action Plans to reduce all Health, Safety, Environmental and Social risks to as low as reasonably practicable (ALARP), applying GIIP and including community related aspects</p> <p>Implement Bapetco Sustainability Improvement Plan to meet GIIP. Develop Bapetco HSES Action Plan aligned to Group requirements for FY23/24 onwards.</p> <p>Continue to independently audit Action Plan implementation and HSES / Sustainability performance against GIIP on annual basis.</p>	<p>Continue to apply of HSES Action Plans and auditing programme including application of circular economy principals as infrastructure in country develops to minimise resource and waste related impacts. Select chemicals with increasingly benign characteristics and select materials that enhance reuse and recoverability.</p> <p>Continue to apply HSES Action Plans and auditing programme in line with strategic, Board approved/adopted priorities, targets and GIIP defined benchmarks</p>	

Other Aspects



Short Term (Now to 2025)	Medium Term (2026 to 2035)	Long Term (2036 to 2050)
<p>Ensure hydrogeological studies are in place in all relevant assets to confirm sustainable water extraction rates with no aquifer competition with other users.</p> <p>Identify water intensity and conservation goals</p> <p>Undertake pilot to reuse produced water for water reinjection/waterflood to reduce water extraction.</p>	<p>Implement water management plans to manage and reduce water abstraction levels where practical.</p> <p>Reinject produced water in all applicable locations where permitted reservoir conditions allow and scale build up is manageable (instead of extracting water for waterflood).</p> <p>Optimise efficiency of cooling water systems to minimise extraction rates and identify alternative technologies for water extraction for cooling water in the Red Sea</p>	<p>Target 100% recovery of water discharges by utilising water for secondary application.</p> <p>Eliminate cooling water abstraction in sensitive locations including Red Sea e.g. through avoiding need for facilities or electrification (with shore to sea power from renewable sources).</p>