



# Sustainability Report 2022

A socially responsible contributor  
to the global energy mix



# Somaliland drought relief

Throughout 2022 areas of Somaliland were subject to drought conditions and were subsequently identified as at risk of famine during the latter part of the year. In response to these conditions, Genel increased its efforts in social investments with specific focus on immediate drought relief projects, which in 2022 totalled \$500,000.

The first such initiative was completed in March 2022 and involved distribution of drinking water to 99 villages, which ultimately benefitted over 118,000 people within our host communities. Following this, a food relief programme successfully delivered food aid to over 2,500 households, and a second - larger scale - food relief programme was launched at the end of the year which targeted over 6,800 households across 162 villages for provision of emergency food distribution to drought-affected communities.

As our activities increase in Somaliland Genel will continue to monitor these challenging conditions for host communities and will target the areas of most need with social investment.





# Contents

|   |           |
|---|-----------|
| <b>INTRODUCTION</b>                                     | <b>1</b>  |
| A message from the CEO                                  | 2         |
| Sustainability highlights                               | 3         |
| Who we are  | 4         |
| Our values  | 4         |
| Where we operate  | 5         |
| Sustainable development goals                           | 5         |
| Genel's sustainability strategy                         | 6         |
| Materiality: what matters most to Genel's stakeholders? | 7         |
| <b>ENVIRONMENTAL RESPONSIBILITY</b>                     | <b>8</b>  |
| GHG emissions   | 10        |
| Managing the natural environment                        | 16        |
| <b>SOCIAL RESPONSIBILITY</b>                            | <b>20</b> |
| Health and safety                                       | 22        |
| People and diversity                                    | 26        |
| Human rights and modern slavery                         | 30        |
| Community engagement                                    | 31        |
| Social investments                                      | 33        |
| <b>RESPONSIBLE GOVERNANCE</b>                           | <b>36</b> |
| Business ethics   | 38        |
| Crisis and emergency management                         | 39        |
| Regulatory compliance                                   | 40        |
| Supply chain management                                 | 41        |
| Managing sustainability risks                           | 42        |
| Measuring our progress                                  | 48        |
| <b>GRI INDEX</b>  | <b>50</b> |
| <b>SASB INDEX</b>                                       | <b>53</b> |
| <b>APPENDIX</b>   | <b>56</b> |
| <b>GLOSSARY OF TECHNICAL TERMS</b>                      | <b>59</b> |

## ABOUT THIS REPORT

The intention of this report is to provide information on Genel's sustainability strategy and the activities that have delivered on this strategy during 2022. This was a year in which we were pleased to be an early adopter of the communication on progress under the United Nations Global Compact, and this report expands further on our progress towards addressing a broad range of sustainability challenges as a responsible business. Additionally, this report will also provide an insight to Genel's proposed activities and ambitions during 2023 and beyond.

To help navigate this report the Global Reporting Initiative ('GRI') and Sustainability Accounting Standard Board ('SASB') indices are provided in pages 50-54.

# Welcome to Genel Energy's 2022 Sustainability Report

I am pleased to welcome you to Genel's 2022 Sustainability Report, which provides an opportunity for us to share the latest chapter of our sustainability journey. This year marked an important milestone for Genel, as we passed two decades of activity in the Kurdistan Region of Iraq. Investment into host communities has always formed a central pillar of Genel's business and as such, the Genel20 Scholars initiative provided a fitting way to commemorate this achievement.

Moreover, our activities in Somaliland increased throughout the year as we move towards drilling a well, and our social investment projects in this region were able to support local communities through challenging circumstances.

Conducting our operations in a responsible manner remains key to our business success and given the nature of our operations, we do not underestimate the complexities that this entails. Our industry continues to face a broad range of evolving sustainability challenges and as our operational footprint also develops, we consider that our strength lies in our ability to adapt to these challenges, through the steadfast commitment of placing sustainability at the core of our business.

**DAVID MCMANUS CHAIR**

# A message from the CEO



**Ingenuity is a key Genel value. Our solid base, with a robust balance sheet and low-cost production, sets us up to be ingenious and flexible, and take advantage of opportunities in a changing environment.**

We are able to invest appropriately as we seek to increase cash generation, and we are agile in response to our external environment and operating conditions. It is the same agility that we apply in addressing the sustainability challenges that we face.

As you will read within this report, in 2022 we commemorated 20 years of activities in the Kurdistan Region of Iraq ('KRI') and, reflecting on this milestone, the significant social and economic contributions we have made throughout this period remains a great source of pride to us all at Genel. It is very apparent to me that this was only made possible thanks to the value we place on engagement with our host communities. Collaboration is another of our key values, and this remains a constant theme throughout all our operations, whether established production activities, emerging exploration activities, or new business ventures. I was delighted to attend the launch of the Genel20 Scholars programme in November, which will grant a university education for 20 students from disadvantaged backgrounds across the KRI, and which aims to provide an enduring legacy in the region.


2022 saw our continued attention on climate-related topics and we remain focussed on being a responsible operator during the energy transition. As part of the incremental progress we are making to address our own emissions footprint, we completed the installation of solar panels and a battery storage unit at the Sarta-1D wellsite. The project sets a new standard for Genel. It has already reduced our overall emissions and represents an initiative that we plan to replicate at other sites in the future. Moreover, this has enabled local capacity building and introduced solar power capabilities to a region which would otherwise not be exposed to such technology.

We also remain acutely aware of the breadth of sustainability challenges beyond those considered under climate-related risks. We recognise that full responsibility for addressing these challenges lies with Genel and in how we manage our own operations, and I am very pleased to report on meaningful progress made over the past year on this front. The bedrock of being a responsible business remains our uncompromising approach to health and safety, which in 2022 enabled zero lost time injuries ('LTIs') or tier one process safety events ('T-1 PSEs') at our operational sites. In pursuit of continuous improvement of HSE performance, our HSE Leadership programme was launched with the intention of empowering HSE leaders at all levels within our organisation. This training included direct interventions at various Genel facilities including our operated Sarta field. I was pleased to be able to participate personally and be joined in this programme by my executive management colleagues.

Minimising our impact on the natural environment also forms a vital component of being a responsible business and, in a key milestone last year, Genel was able to successfully recycle over 7,500 tons of drill cuttings from Qara Dagh. This initiative not only resulted in zero residual waste from this source, but again set a new standard for Genel and crucially, provided a successful test case for recycling practices in future operations. 2022 also saw the completion of our Biodiversity Management Standard, which reflects the considerable weight Genel places on preservation of the natural environment, as we continue to be determined to work to protect nature and to achieve no net loss of biodiversity wherever we operate.

While the progress we have made over the past year is pleasing to see, we do not underestimate the extent of the sustainability challenges represented within our industry. We believe that our strength lies in our ability to remain adaptable to these challenges. As we enter an exciting period for Genel, not least on account of our ambitions in Somaliland, our activities will continue to be underpinned by robust sustainability practices and continued social investment, as we strive to be a socially responsible contributor to the global energy mix.

**PAUL WEIR** CHIEF EXECUTIVE OFFICER



**we strive to be a socially responsible contributor to the global energy mix**



# 2022 Sustainability highlights

**\$850,000**

invested in social projects in 2022

**Zero**

Tier 1 process safety events

Launch of

**Genel20**  
scholars  
programme

Carbon intensity of

**17.56**

kgCO<sub>2</sub>e/bbl

Sarta waste management:

**zero waste**

to landfill **91%** recycled

**9%** incinerated

Improvement in both

**CDP climate  
change and water  
security** score

**Zero** LTI's

across all Genel operations  
with 3 million hours  
worked incident free

**Solar panel  
and battery  
storage**

unit operational at Sarta

**7,500** tons  
of drill cuttings recycled with  
Zero residual waste



# Who we are

Genel aims to be a socially responsible contributor to the global energy mix, with robust production that funds a material and sustainable dividend programme, and also investment into our sustainability strategy.

Our ambition is to become a world-class creator of shareholder value and a company that has a positive impact by stimulating economic growth and supporting the communities in which we operate. As we do this, we aim to have a positive economic impact both by producing the hydrocarbons that will fuel economies during the energy transition, and directly supporting the communities in which we operate by improving infrastructure and providing employment and development opportunities.



# Our values

At the foundation of our organisation and guiding the manner in which we conduct our business, are Genel's core values.



## Integrity

Working in an honest and transparent manner enables us to build trust with our stakeholders and ultimately drive investor support and maintain our social licence to operate.



## Respect

Respect for our people and our host communities helps build relationships that support sustainable operations. Respect of diversity and of a range of opinions helps us build trust with our stakeholders. Respect of the environment in which we operate helps us build trust of our host communities and continue our operations.



## Accountability

A culture of accountability throughout Genel provides a voice to all employees but also fosters a culture of responsibility which drives the standards expected of safety and quality.



## Collaboration

Collaboration between all stakeholders allows for an inclusive environment which incorporates a range of diverse opinions to drive the business.

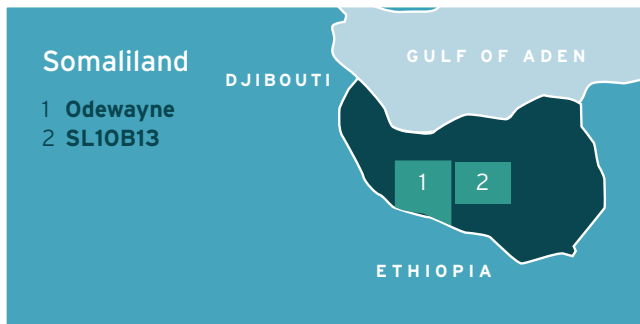
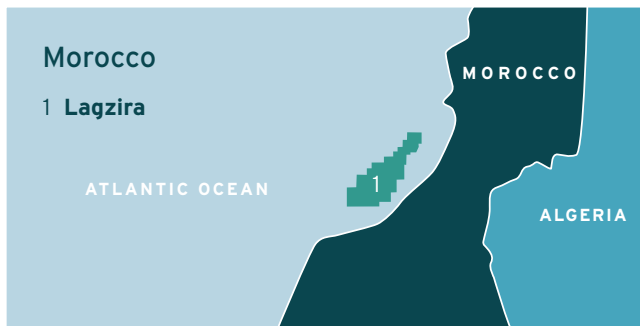
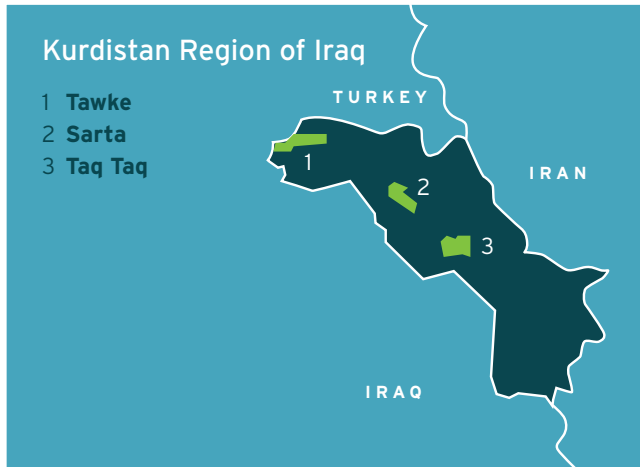


## Ingenuity

Ingenuity remains a key differentiator at Genel. Encouraging a curious and open-minded inquisitive workforce allows convention to be challenged and new opportunities to be realised.



# Where we operate



■ Production  
■ Pre-production

# Guided by sustainable development goals

The UN Sustainable Development Goals ('SDGs') are a set of 17 global goals established by the United Nations General Assembly which are intended to provide a 'blueprint to achieve a better and more sustainable future for all'.

Genel values the guidance provided by the SDGs and we see our commitment to these as a means of making a tangible difference to the lives of people in communities in which we operate. Further distilling these goals to those considered most relevant to our business and to our host communities has enabled us to concentrate our efforts on delivering in a targeted and impactful way. The relevance of these goals is reviewed periodically depending on our operating environment, and most recently Genel has added SDG6: clean water and sanitation, on account of our increased activities in Somaliland as we work towards drilling our first well, and the challenging drought conditions experienced in this region.

Education and health initiatives have long been a central pillar of our social investment programmes and both these topics remain as a key need for local communities in our regions of operation. Additionally, our activities aim to maximise community employment, build local supply chains, and stimulate broader economic activity. As a natural resources company, we are also acutely aware of our environmental footprint, and managing our potential impact on the natural environment is core to our activities and our social investments.

Accordingly, the below five UN SDG's are the goals which we consider to be the focus of our attention:





# Materiality: what matters most to Genel's stakeholders?

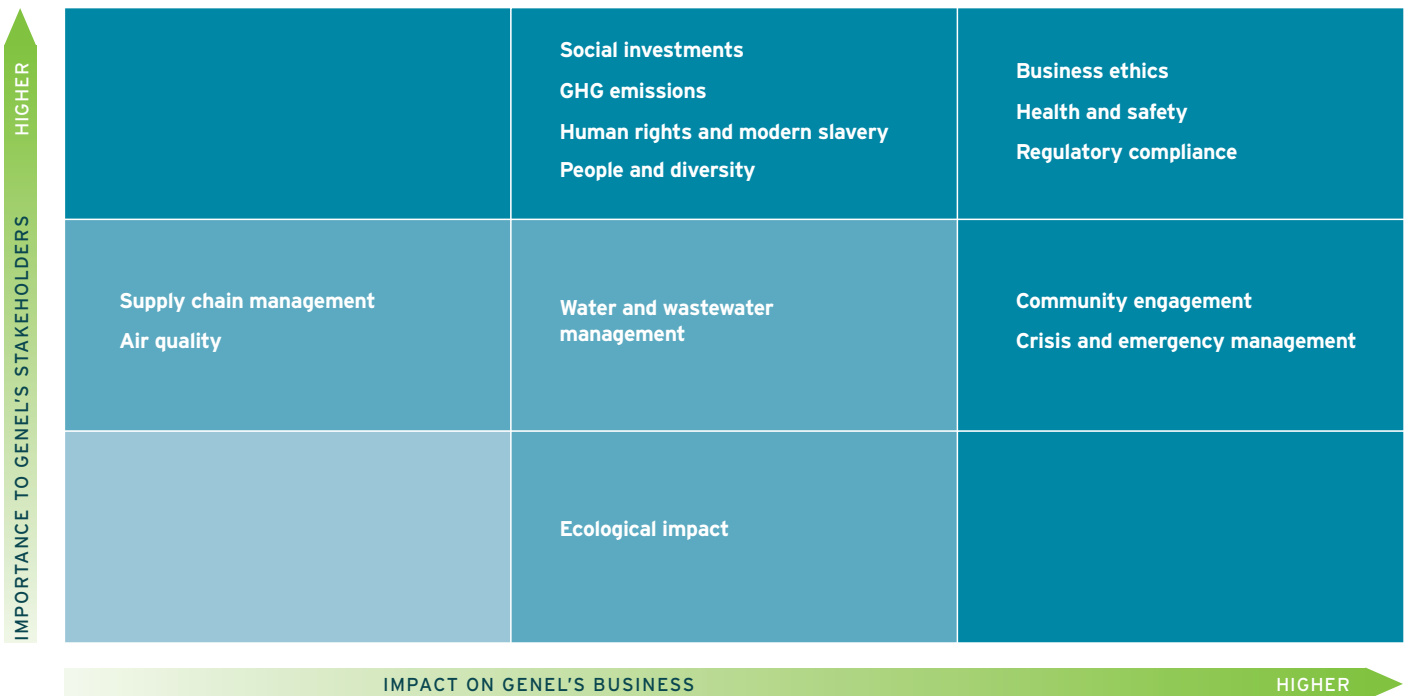
Engagement with our stakeholders remains as the key to understanding the materiality of our business. In turn, understanding the materiality of our business is the key to shaping our sustainability strategy.

Genel began undertaking a materiality assessment in 2022, which was completed in Q1 of 2023 and which provided an opportunity for engagement with a broad range of stakeholders. Maintaining proactive engagement with our stakeholders is an important element of Genel's business and this exercise allowed us to understand the sustainability priorities for each respective stakeholder, including host communities, employees, business partners, regulatory authorities, non-government organisations ('NGOs') and the investment community.

Using the SASB industry-specific material topics for Oil & Gas Exploration and Production as its foundation and tailoring these to Genel's specific operations, this assessment considered the relevant boundaries of material topics, and the scope of the assessment comprised the following:

- **Individual stakeholder interviews**  
24 individual stakeholder interviews were completed with the intention of understanding the views of Genel's geographically and functionally diverse stakeholders.
- **Executive Committee workshop**  
Genel's senior leadership team provided input into the likely business impact of each ESG topic and commentary around views of each topic.
- **Consideration of applicable sustainability trends in Genel's operating environment**  
The priority of sustainability topics has evolved in the years since 2019 and it is important that these emerging trends were considered in the assessment of materiality.

The objective of the assessment was to characterise the sustainability topics which are of most importance to Genel's stakeholders and determine which of these topics could have most impact on Genel's business performance. The outcome of the assessment was a revision of Genel's ESG strategy in line with the assessment findings, and Genel's revised materiality matrix is presented below.





# Genel's sustainability strategy

Genel has long acknowledged the importance of an integrated sustainability strategy within our broader business strategy, as the two do not occur in isolation. Genel's sustainability strategy provides a foundation for managing core sustainability topics applicable to Genel's activities, while also providing a mechanism to respond to external trends and Genel's evolving business operations.

The strategy is structured around Environmental, Social and Governance ('ESG') elements that are relevant to our business activities and our regions of operation.

## Vision

Genel's sustainability vision is to be the creator of shareholder value as a responsible organisation throughout the energy transition.

## Foundation

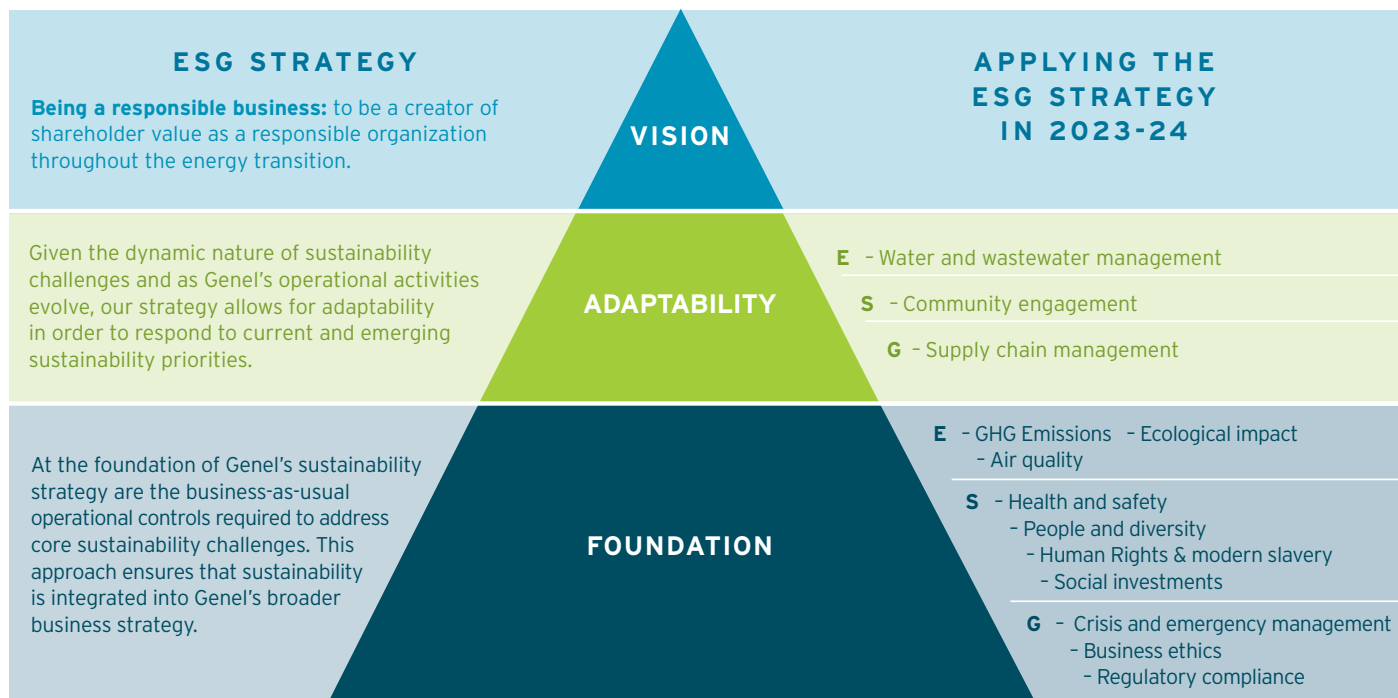
The foundation of Genel's strategy encompasses the existing operational measures in place that manage material sustainability topics. These are the business-as-usual processes at Genel that form the bedrock of being a responsible operator.

## Adaptability

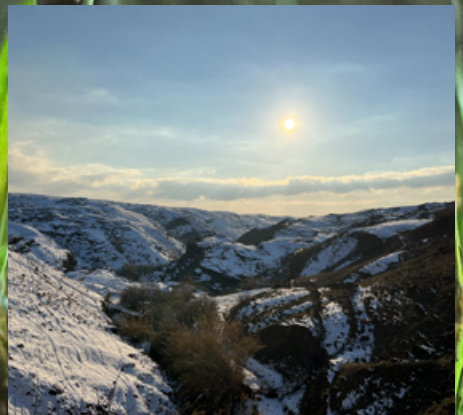
Genel remains aware of the breadth of sustainability topics that could potentially impact our business, and moreover how the importance or severity of impact of these topics may evolve over time. As such, Genel remains adaptable to emerging sustainability trends, and bolstering existing measures when required in response to external factors, or a change in Genel's activities.

## Application

Genel's ESG strategy is intended to evolve in line with changes to Genel's activities and in response to changes in the sustainability landscape. The application of the strategy is intended to be periodically reviewed as the external environment changes. Based on the findings from our materiality assessment, and in the context of existing measures at Genel, the application of this strategy in 2023-24 is provided below. The details of how Genel will deliver this strategy forms the remainder of this report.



# Environmental responsibility





Genel understands the range of environmental factors that need to be considered in our operations. We are acutely aware of the challenges associated with climate change, and the requirement for a reduction in GHG emissions to address global warming. Furthermore, we also recognise the breadth of environmental aspects associated with our activities beyond climate-related risks, be it management of the natural environment in which we operate, promoting biodiversity, how we approach waste management, our use of natural resources, and the ways in which we minimise our operational footprint. This chapter aims to explain Genel's approach as an environmentally responsible operator.



# GHG emissions

over **8 tonnes CO<sub>2</sub>e saved** through installation of solar panels

Carbon intensity of **17.56 kgCO<sub>2</sub>e/bbl**

CDP climate change score of **B**

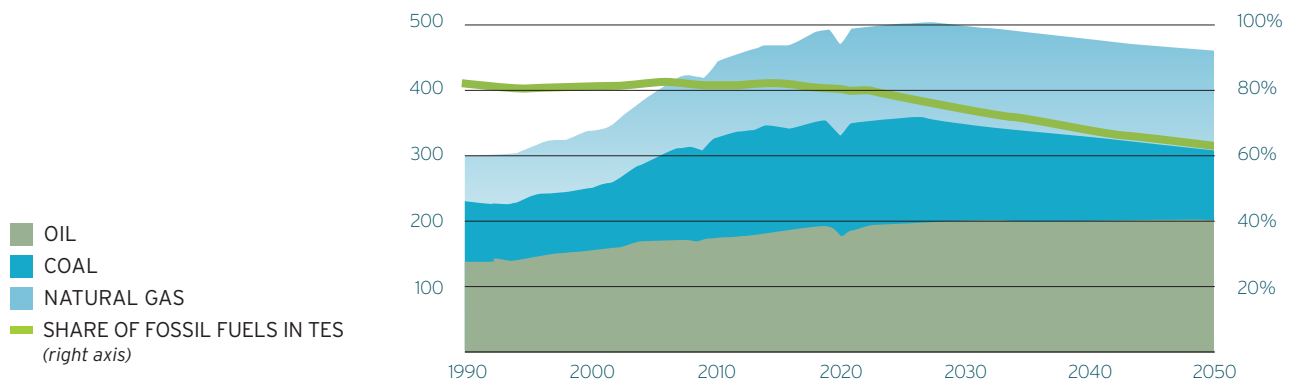
**Enhanced scope 3 GHG emissions reporting**

Genel acknowledges the risks represented by climate change and the challenges represented by the ongoing energy transition. We are also conscious of the critical role that oil and gas will continue to play throughout this transition, and we remain committed to the actions required to mitigate climate-related risks as we continue to contribute to the global energy mix.

The following section of the report details the latest progress we have made throughout the year, which includes the important milestone of reducing our own GHG emissions through application of solar panels at Sarta, in addition to the positive developments with our climate disclosures. All our actions on this front continue to be underpinned by our GHG Emissions Management Standard, which is embedded within Genel's business-as-usual operational activities and decisions.

## Climate change and the energy transition

The most recent forecasts made by the International Energy Agency (IEA) under the Stated Policies Scenario, in the 2022 World Energy Outlook, indicates that by 2030 fossil fuels will account for less than 75% of total energy supply ('TES'), and by 2050 the share will fall to just above 60%. Under the more ambitious Announced Policies Scenario, it is predicted that global oil demand will peak in the mid 2020s, with 2030 demand still projected to remain at a similar level to that of 2019, and will continue to decline thereafter. Accordingly, these scenarios indicate a continued supply of fossil fuels, including oil, to remain as part of the overall energy supply mix during the energy transition. Oil will continue to contribute towards the overall energy demand during this period, albeit supplementing the increased capacity from developing non-fossil fuel energy sources.



Extract from the IEA World Energy Outlook 2022: fossil fuel demand in the IEA Stated Policies Scenario, 1990-2050



During this period of change, Genel acknowledges the need to develop existing and future assets in a manner which focuses on a reduction in emissions, and which is aligned with the transition to alternative lower carbon energy sources. Genel operates in challenging locations where socioeconomic disadvantage is prevalent and where investment within the oil and gas industry is critical to fuel future economic growth, and it is in this context that we consider we can have a meaningful and positive impact on community and governments. Through the combination of our ongoing pursuit of low carbon barrels, and the positive social impact from operating as a responsible business, it is our belief that Genel has the right strategy to continue to navigate the energy transition successfully.

## Greenhouse Gas Emissions Management Standard

It is acknowledged that future energy demand will be met, in part, by the supply of oil and in contributing towards this demand, we aim to have assets that are fit for a low-carbon future. It is acknowledged that future energy demand will be met, in part, by the supply of oil, we aim to have assets that are fit for a low-carbon future. Genel's GHG Emissions Management Standard is our primary tool to ensure that we contribute to the energy supply while also meeting our own ambitions of delivering production appropriate for this environment. This Standard provides a life-of-field carbon budget which considers carbon limits under several climate scenarios, and represents the foundation of our ambitions for managing and reducing emissions. This applies to all operating and non-operating assets and is also considered for any future acquisitions.

It is the application of this Standard that provides a robust understanding of our GHG footprint, which is essential to enable Genel to identify the relevant areas of our operations where emission reductions can be realised.

The Standard is applied in Genel's Asset Development Plans ('ADPs') as we continue to seek opportunities to reduce carbon emissions, maintain low carbon intensity, and embed a culture of assessing and mitigating climate change risks into our operational practices. We will continue to place the management of GHG emissions at the forefront of our business, with operated assets managed to minimise life of field emissions.

Through compliance with our GHG Emissions Management Standard we will demonstrate our competitiveness throughout the energy transition, with the aim of delivering a portfolio that fits a world of fewer and better natural resource projects.

## GHG emissions profile

Since 2020 Genel has reported Scope 1 and 2 emissions on an equity share control basis, and we do so because we consider this to be the most transparent representation of our emissions footprint. GHG emissions data from non-operated assets are provided by our joint venture partners and Scope 1 and 2 emissions have been subject to assurance by an accredited third-party assurance provider, ERM CVS. The 2022 assurance statement and Genel's methodology for emissions reporting, which follows guidance provided in the 2015 GHG Protocol Corporate Accounting and Reporting Standard, is provided on Genel's website.

Our carbon intensity was 17.56 kgCO<sub>2</sub>e/bbl. in 2022. Whilst this represents an increase from 2021 by approximately 10% it is still below industry average. The nature of Genel's activities (exploration and production) and a relatively small asset portfolio are such that short-term variability in this metric is expected. For Genel's operated asset (Sarta), we can also report that flaring accounted for 81% of the total operated Scope 1 emissions, liquid combustion 13%, process vents less than 1% and fugitive emissions 6%.



| GHG emissions (equity based)             | 2022    | 2021    |
|--|---------|---------|
| Scope 1 emissions tCO <sub>2</sub> e     | 192,637 | 190,277 |
| Scope 2 emissions tCO <sub>2</sub> e     | 176     | 232     |
| Carbon intensity kgCO <sub>2</sub> e/bbl | 17.56   | 16      |

## Scope 3 emissions

Previously, Genel has reported Scope 3 emissions on an operational control basis. However, as we look to make progressive steps in our emissions reporting, for 2022 we conducted dual reporting, as we incrementally extend the boundary of our reported Scope 3 emissions. We have reported Scope 3 emissions on an operational basis, as per the previous year, although we have also reported an equity-based reporting for category 11 (sold products).

The rationale for doing so is that category 11 represents the overwhelming contributor to Genel's Scope 3 emissions footprint - in 2022 representing over 92% of these emissions - and so by extending the reporting boundary for this single category, allows us to more accurately present Scope 3 emissions.

2022 saw a reduction in Scope 3 emissions which was reflected across most applicable categories and was largely on account of reduction in production during the period. As Genel aims to increase engagement within our supply chain during 2023 (as detailed on page 41 of this report), we will include supply chain emissions within this process.

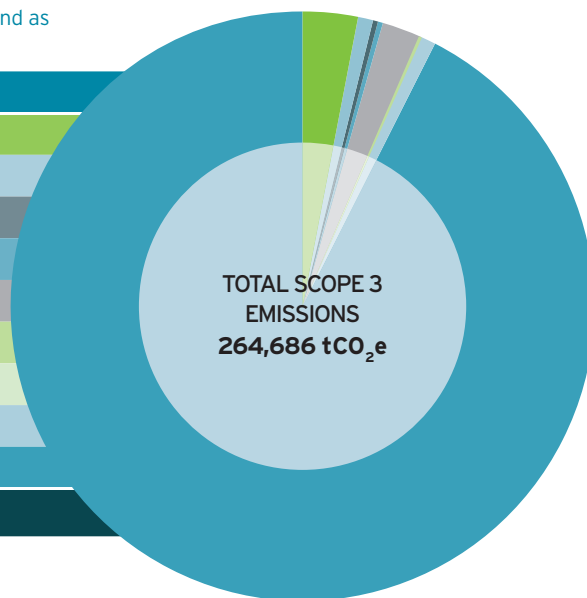
## GHG emissions reduction

With the overarching aim of minimising our own emissions, we focus on effective design, efficient operations, and responsible energy use to reduce emissions, in order that Genel's asset development plans are sustainable from both an economic and a climate perspective. The key contributor influencing our GHG emissions profile is flaring, and gas management remains a primary element of Genel's emissions reduction strategy. With our joint venture partner and operator of the Tawke PSC, DNO, we continue to be part of the first gas injection project in the KRI. Since 2020, the project has captured 1.2 million tonnes of CO<sub>2</sub>e through reduced flaring, while improving Tawke field performance through gas injection and enhanced oil recovery.

| Year  | 2022      | 2021                 |
|---|-----------|----------------------|
| Scope 3 Operational Control (tCO <sub>2</sub> e)      | 264,686   | 356,847              |
| Scope 3 Category 11 Equity share (tCO <sub>2</sub> e) | 4,757,588 | Not reported in 2021 |

The summary of Genel's 2022 Scope 3 emissions shown both as an operational control basis and as an equity share for Category 11.

| Scope 3 Emission Sources                             | Total GHG (tCO <sub>2</sub> e) |       |
|--|--------------------------------|-------|
| Category 1: Purchased Goods & Services               | 8,237                          | 3.1%  |
| Category 2: Capital Goods                            | 2,357                          | 0.9%  |
| Category 3: Fuel & Energy Related Activities         | 941                            | 0.4%  |
| Category 4: Upstream Transportation & Distribution   | 741                            | 0.3%  |
| Category 5: Waste Generated in Operations            | 5,645                          | 2.1%  |
| Category 6: Business Travel                          | 336                            | 0.1%  |
| Category 7: Employee Commuting                       | 46                             | 0.0%  |
| Category 9: Downstream Transportation & Distribution | 1,509                          | 0.6%  |
| Category 11: Use of Sold Products                    | 244,874                        | 92.5% |
| <b>Total scope 3 emissions (operational control)</b> | <b>264,686</b>                 |       |





Emissions reduction strategies have also been central to approval of the Sarta Field Development Plan. A three-year flaring permit was granted by the government regulatory authority MNR which came into effect on 23 November 2020 and is due to expire on 22 November 2023. Since 2019 Genel has explored potential gas management solutions which would enable the flares-out target to be met by this date and a range of surface and subsurface solutions were considered prior to field appraisal. The results of the appraisal programme and pilot production do not currently support a viable flares-out programme, and Genel will consider appropriate gas management options should any future investment be deemed viable.

Additionally, a key element of our sustainability strategy is to address our own operational emissions and a positive step was made in 2022 on this front with the installation of a solar panel and battery storage unit at the Sarta-1D wellsite, which is described on the following page.

### Portfolio resilience

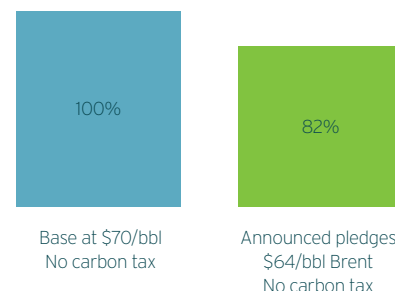
Genel is consistently reviewing the resilience of its portfolio to ensure it remains fit for purpose through the energy transition. We evaluate our producing assets each year against common scenarios outlined by the IEA, with the intention of assessing our business to ensure that our assets remain competitive when stress-tested against variable carbon taxes and oil prices. The scenarios chosen are those that are applicable to the regions in which Genel operates, and the anticipated operational time horizon.

For the purpose of the analysis, we have applied a base case scenario that assumes a Brent oil price of \$70/bbl and no carbon tax, on account of our assets being located in areas where carbon tax is currently not applicable. To this base case, and under our existing cost structure, we apply the oil price and carbon tax values under the IEA's Announced Pledges Scenario, with the time horizon for our analysis of 2030 corresponding with Genel's time horizon for our existing assets.



It should be noted that the Stated Policies Scenario is not applicable for this exercise, on account of the regions in which Genel operates. Under this scenario, Genel's margin was calculated in the 2022 reporting period to erode to 82% against the base case, and it is apparent that under Genel's operational time horizon, the selected IEA scenario will have a manageable impact on our margin, which helps demonstrate the resilient performance of our business in a climate changing world.

#### IMPACT ON MARGIN ON 2030



### Transparency and climate disclosures

Genel welcomes the opportunity to communicate its climate strategy to a wider audience and in doing so aims to demonstrate our commitment to our role in the energy transition, while illustrating the proactive measures we continue to take to address climate-related risks. We continue our annual voluntary environmental disclosures through IOGP, and furthermore, following our 2022 Climate Change submission to CDP (formerly the Carbon Disclosure Project) Genel was pleased to have been awarded a B score in 2022, which represents an improvement from our previous score of C in 2021. This progression is a result of the dedicated work over the preceding years, illustrating our ongoing commitment to climate-related disclosures. Sustainability disclosures remain as an important channel of communication as we continue to provide our stakeholders with information into the material topics that underpin our business.

# Solar power reducing emissions

One element of Genel's approach to climate-related risks is addressing our own operational emissions, and an encouraging step was made in 2022 on this front with the installation of a solar panel and battery storage unit at the Sarta-1D wellsite. This development is powering production equipment at the S-1 pad and will reduce the use of diesel generators at this location, which will therefore lower our emissions at Sarta. The unit was made operational in July 2022 and by the end of the year had achieved a gross saving of 8.8 tonnes of CO<sub>2</sub>.

This project has provided local capacity building and introduced solar power capabilities to a region which would otherwise not be exposed to such technology. Moreover, this achievement represents an incremental step in addressing our own emissions footprint, which could be replicated at other locations, thereby reducing operational emissions further.



This project has provided solar power capabilities to a region which would otherwise not be exposed to such technology



## TCFD Disclosures

In reflection of Genel's commitment to transparency in reporting climate-related risks and opportunities, we welcomed the opportunity to provide responses to recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD') as part of Genel's 2022 Annual Report. Genel supports the recommendations of the TCFD, which aims to increase transparency in climate-related risks. In 2022 Genel considered the 'comply or explain' obligation under the UK's Financial Conduct Authority's Listing Rules as well as the TCFD's Guidance for All Sectors and Guidance for Non-Financial Groups and we consider that our following disclosures are consistent with the TCFD recommendations:

- Governance recommended disclosures (a) and (b)
- Strategy recommended disclosures (a) and (c)
- Risk Management recommended disclosures (a), (b) and (c)
- Metrics and Targets recommended disclosures (a) and (b)

The four TCFD recommendations were provided in Genel's Annual Report (at page 25-27) as part of our UK financial reporting obligations, and these disclosures are also detailed in Appendix one of this report, with a description of Genel's actions for each of the disclosures where applicable.

As part of its ESG workplan in 2023, Genel is developing a TCFD roadmap to provide actions over the next two years to address, and ultimately make disclosures consistent with, the recommended disclosures relating to Strategy recommended disclosure (b) and Metrics and Targets recommended disclosure (c), but more crucially to continue to address the climate-related risks and opportunities that have been identified by Genel, and which are provided in the table below. For the purpose of this classification, short-term has been defined as one to three years, medium term as three to five years, and long term as five years and beyond.

## Climate-related risks and opportunities

| Climate-related risk | Time horizon   | Detail  |
|----------------------|----------------|---|
| Reputation           | Short - term   | Stakeholder and investor perceptions and expectations during the energy transition, resulting in potential divestment.  |
| Climate disclosures  |                |   |
| Current regulation   |                | Genel's ability to meet a regulatory response in relation to climate and carbon abatement.  |
| Acute physical       |                | Water-related risks (availability and operating in water scarce regions)<br>Event-driven, e.g., extreme weather impacting Genel's assets, or Genel's ability to mobilise to assets. |
| Market               | Short - medium | Fluctuating oil demand and price. Limited financing for fossil fuels having implications on ability to raise capital.   |
| Legal                | Medium - long  | International changes to climate-related legislation impacting assumptions in Genel's current business model.   |
| Technology           |                | Availability and cost of technology to minimise carbon emissions (e.g., relating to gas management or alternative energy).  |
| Supply chain         |                | Availability of suppliers in regions of operation, and potential climate-related impacts in supply chain (i.e. scope 3 emissions).  |
| Emerging regulation  |                | Potential future climate-related regulation requiring carbon reductions or abatement measures.  |
| Chronic physical     | Long - term    | Longer term climatic changes beyond five years, potentially impacting Genel's regions of operation.   |

# Managing the natural environment

As we navigate this period of the energy transition, Genel recognises the critical importance of preserving the natural environment. We place great value on the diverse natural areas in which we operate and Genel's approach to environmental management focuses on managing waste, reducing resource and water use, preventing pollution and protecting the natural environment.

## Genel's approach to environmental management

We acknowledge the importance of conducting our operations in such a way that minimises environmental risk and potential adverse impact to the natural environment. This extends to resource use, waste management, air quality, prevention of pollution, and to the protection of biodiversity. Given the diverse nature of our operations and the varied environmental settings in which we operate, our risk-based approach ensures that we allocate our efforts and investment where it is most required, with the aim of minimising any potential impact.

Our agility enables us to adapt to external changes in our operating landscape to ensure ongoing management of the environment, and our approach comprises the following pillars:

- **Environmental Social Impact Assessments (ESIAs)**
- **Prudent water management**
- **Robust waste management practices**
- **Spill response preparedness**
- **Water management**
- **Continuous air quality monitoring**
- **Protecting biodiversity**

## The ESIA process

A critical element of Genel's environmental due diligence, which is intended to protect both the natural and built environment, is the role of the ESIA process. Specifically, an ESIA will precede any development activities by Genel in order to identify and manage potential impact from our operations and provide robust mitigation measures. This process forms an essential part of our business-as-usual operational practices and broadly includes the following:

- **Stakeholder engagement:** an opportunity for prior and informed discussion with all affected stakeholders in advance of project approvals.
- **An Environmental and Social Management Plan ('ESMP')** is developed to monitor and respond to the potential environmental, social and human rights impacts identified in the ESIA.
- **A grievance mechanism:** to provide local affected communities with an avenue to voice grievances that may arise associated with any project development.

By undertaking ESIA's in this manner, we aim to meet demands from local host governments and communities in preserving the integrity of the environment and communities of the areas in which we operate. Genel follows the guidance provided by the International Finance Corporation ('IFC') throughout this process and we pride ourselves on application of these best-practice international standards.





## Water management

Water management forms a key priority in our approach to environmental stewardship. We recognise our presence in water-restricted regions of the world and we understand the necessity of freshwater availability. Water management remains a key priority for Genel as we continually strive for incremental improvements in water recycling practices.

Throughout 2022 we continued to record water use, its source, and its disposal at all operational sites. We have focused on reducing freshwater consumption by increasing the quantity of water for recycling, an example of which is the use of our high-grade sewage treatment unit at Sarta. Furthermore, re-injection of produced water at Sarta eliminates the need for any off-site disposal. In reflection of our efforts in water management, following our annual CDP Water Security disclosure, we were pleased to see an improvement in our score to B- in 2022.

As our activities in Somaliland progress, we will be undertaking an initial baseline water assessment in advance of our proposed drilling operation in 2023. More broadly, we will take the opportunity in 2023 to bolster our existing water management practices to ensure that these can adapt to the dynamic external conditions in which we operate.

## Waste management

**Zero**  
waste to landfill from Sarta  
operations

**7,500 tons**  
of drill cuttings recycled with  
zero residual waste

Although this topic was not identified in our most recent materiality assessment, Genel continued to consolidate its robust waste management practices during 2022; a year which saw ongoing strong operational recycling practices at Sarta, and also saw Genel successfully recycle drilling cuttings from Qara Dagh, in a test case which will provide an example for future sustainable waste management operations.

The established waste segregation programme at Sarta remains in place, where site personnel and contractors continue to follow the principles and hierarchy of waste management.

During the year, we have issued contracts at Sarta for recycling of general waste, and waste treatment and disposal of hazardous waste. The collective ambition of these initiatives, and Genel's overall waste management approach, focus on reducing impact to operational areas.

As part of our drive for local capacity building, our teams maintain close relations with our waste contractors, introducing new recycling initiatives and mentoring the workforce in effective and safe waste handling and management practices. In further evidence of continued focus in waste management practices, our waste streams from Sarta resulted in zero waste being sent to landfill, approximately 9% of the waste was incinerated, and 91% of the waste recycled.

In a key milestone for Genel we were able to successfully recycle over 7,500 tons of drill cuttings from the Qara Dagh asset. The waste cuttings contained high content of chloride and heavy metals and following a successful thermal treatment process at a local cement factory, this has resulted in zero residual waste from this source.



## Spill response capability

We have maintained tier 1 and 2 oil spill response capability during the year, and we purchased additional equipment to enhance our capabilities in order to deal with specific spill scenarios with training provided for operational and tactical spill responses. We also simulated a large oil spill incident as part of annual preparedness exercise relating to one of the crude oil tanker operations in Sarta field, an activity that our risk register identifies as a high-risk activity.

Our commitment to waste management and to spill response capabilities, and our progressive continuous improvements in these areas, emphasises the critical role that Genel considers each of these to contribute to our sustainable business practices.

## Air quality: continuous monitoring

**Zero**  
non-compliance against 2020  
KRI air quality regulations for  
our Sarta operations in 2022

Genel has always acknowledged the importance of air quality for the host communities in areas in which we operate, and for Genel personnel present at our sites. In 2022 we maintained these air quality standards and have implemented robust and continuous monitoring.

Throughout 2022 we maintained our continuous air quality monitoring from three units in the vicinity of the Sarta production facility, to monitor and mitigate any potential adverse impacts associated with these operations.

This ongoing programme provides an understanding of local air quality conditions at Sarta, compared to the baseline conditions established in 2019. This constant monitoring helps prevent any potential adverse impact to neighbouring communities resulting from poor air quality. In 2022 the air quality data was compared against the draft 2020 KRI regulations and with the exception of exceedances in particulate matter PM2.5 due to agricultural activities in the surrounding area, no air quality exceedances were recorded, even when applying these more stringent guidelines.

Furthermore, our year-on-year record of zero air quality exceedances from operated assets demonstrates not only the importance that we apportion to this topic, but also the business-as-usual operational measures we have in place to manage this risk. This forms one element of the foundation to Genel's approach to being a responsible business, and one that will be applied with equal rigour to future Genel operations.





## Protecting biodiversity - minimising ecological impact

Protection of biodiversity forms an important element of Genel's approach to sustainability and is acknowledged as a central tenet of being a responsible business, to minimise ecological impact. Moreover, the role that biodiversity plays in supporting the natural environment more broadly is not underestimated by Genel. The approach to management of biodiversity was further embedded into Genel's operational practices in 2022, through finalising our Biodiversity Management Standard, which defines the approach to be adopted by Genel in relation to the assessment, mitigation and management of biodiversity issues and impacts relating to all activities. The development and internal approval of this Standard reflects the considerable significance which we place on preservation of biodiversity, as we continue to work in collaboration with partners to protect nature and to achieve no net loss of biodiversity wherever we operate.

Central to our approach to biodiversity management is the development and implementation of a biodiversity management plan ('BMP') during the ESIA phase. This provides a framework for managing project risks specifically related to biodiversity and details the necessary measures required to mitigate these risks. The Qara Dagħ PSC expired on 2 January 2023 though despite this, we are committed to establishing a programme at Qara Dagħ in line with the IFC Performance Standard 6 on Biodiversity, to at least offset any potential loss of biodiversity caused by our past drilling operations. The specific sensitive environmental setting of this region was a key consideration of our operations and Genel continues to work with stakeholders and monitor the measures laid out in the BMP.





# Social responsibility





Genel's focus on being a responsible operator extends beyond environmental aspects, and equally considers our responsibility towards the people who could potentially be impacted by our business; be it the host communities of the regions in which we operate, our own workforce safety, wellbeing and working conditions, and that of our supply chains. This chapter provides a summary of the business-as-usual measures in place at Genel to manage these elements, and also provides an insight as to the additional steps we are taking in 2023 to improve our social responsibility.



# Health and safety

## Zero

LTIs in 2022 across all Genel operations, with over 3 million hours worked since the last incident

HSE leadership programme initiated, with a focus on site tours of field operational facilities

Contractor HSE engagement stepped up with theme of: One Team with One Common Goal - Being Safe Together

Driving safety maintained  
**1.5** million km driven with no serious motor vehicle crash incidents

Without a safe operating business, Genel would not have a business at all. It is for this reason that our focus on health and safety is unwavering, and provides a foundation for all activities. During 2022 we continued to operate Sarta in the KRI and increased our activities in Somaliland, in preparation for the exploration well drilling in 2024.

Sarta oil production, trucking, drilling and well-testing operations were delivered safely without any lost time injuries ('LTIs') or tier 1 process safety events (loss of primary containment) at any of our operational sites. We have now achieved over 3 million work hours since our last LTI, which occurred in 2021.

## Safety improvement plan

Early in 2022 we observed leading indicators that suggested areas for improvement in our safety performance.

We analysed the underlying latent causes for these indicators and developed a safety improvement plan which was implemented with active participation by both senior management and field teams.

Key themes identified were:

- Leadership
- Competency
- Contractors
- Compliance
- Learning

Each area was overseen by a member of the Executive Committee alongside other senior managers. We have taken our own people and our contractors on a safety improvement journey that is clearly delivering results. The highlights of this journey are elaborated opposite.





|                          |  |
|--------------------------|--|
| <p><b>Leadership</b></p> | <p><b>Visible safety leadership and accountability at all levels in the organization.</b></p> <p>Over 90 staff attended a two-day HSE Leadership training course which comprised a day in the classroom and a field site visit the following day to practice the skills of identifying hazards, holding a coaching conversation on risk, and seeking personal commitment to improve. We have stepped up in this area and over 60 site tours were conducted in 2022 as we continue to build our safety culture of care and compliance.</p>  |
| <p><b>Competency</b></p> | <p><b>Ensure trained and competent staff for safety critical roles.</b></p> <p>We revised our training needs matrix to cover training for all roles across the organisation into the following four categories:</p> <ol style="list-style-type: none"> <li>1. Mandatory onboarding: HSE induction, lifesaving rules, observations and interventions, and emergency response preparedness for key positions.</li> <li>2. Management system: risk assessment, control of work, and incident investigation.</li> <li>3. Risk-based: lifting and rigging, confined space entry, and H2S alarms.</li> <li>4. Emergency preparedness: firefighting, spill response, and crisis management.</li> </ol> <p>We achieved 90% progress on training plans in 2022 with 642 training sessions for 3,113 attendees. A competency development programme was also initiated for frontline operational roles.</p> |
| <p><b>Contractor</b></p> | <p><b>One team with shared goals and commitment - being safe together.</b></p> <p>Towards the end of 2022 we held a contractor HSE Forum that was attended by senior management of our key high-risk contractors. We shared learnings from high potential events and details of our safety improvement plan. Four types of risks were identified as areas of focus, namely: process safety, driving, line of fire and electrical. We agreed that Life Saving Rules will be our key tool for seeking 'improvements and developments' and supporting initiatives. Through 2023 we will report 'leading indicators' with contractors such as audits, inspections, trainings, safe practices, and behavioral observations cards.</p>   |
| <p><b>Compliance</b></p> | <p><b>Risk management, internal controls, and assurance.</b></p> <p>We developed an assurance standard that defines Level 1, 2 and 3 audit schedules. HSE audit trainings were conducted in 2022 based on ISO standards. A documented, risk-based assurance process, including scheduled external and internal audits, inspections and site visits was established for implementation in 2023 to evaluate compliance with the HSE Management System and identify areas for continual improvement.</p>  |
| <p><b>Learning</b></p>   | <p><b>Open incident reporting, quality investigation and closing actions in a timely manner.</b></p> <p>We developed and delivered incident investigation trainings for over 60 personnel including senior management. Genel's existing investigation procedure was also revised with a focus on line management ownership and industry best practices. A software database (Synergi-Life) which centralised all incident reports was implemented in 2022, which has improved identification of incident trends and tracking of actions.</p>   |

### Operational safety

Genel acknowledges the high-risk nature of the activities required of our business and it is for this reason that we apply the necessary mitigation measures proportional to the risks. We continue to implement the hazard identification and risk management process which remains a foundation of Genel's approach to Health and Safety management. Similarly, the hierarchy of controls allows Genel to minimise identified risks to as low as reasonably practical.

### Driving safety and crude oil trucking

Driving required for the movement of people, products and materials continues to represent a high-risk activity for our field operations. In acknowledgement of this, we have mandated the use of an in-vehicle monitoring system in all vehicles. This has allowed for monitoring of potentially unsafe driver behaviours such as speeding, seat belt misuse or inappropriate acceleration/deceleration.

Trucking of crude oil from the Sarta facility to the offloading station 100 km away is a high-risk operation for Genel. We train all tanker drivers for driving safety, procedures in different conditions and terrain, hazard identification, working in operational facilities, and spill response. We have completed over 1.5 million km driven and over 8,279 tanker journeys without a serious motor vehicle crash incident.

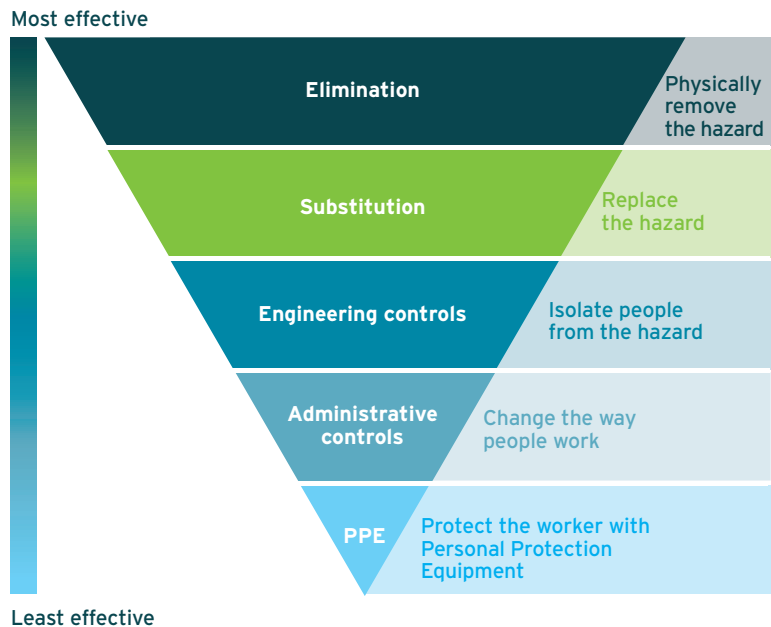
### Lifting and rigging safety

Lifting is one of the high-risk activities for Genel and in order to mitigate this risk we have retained the service of an independent contractor to inspect and certify all lifting equipment. This is intended as an additional assurance on top of the existing equipment certification and is applied to all equipment including that provided and used by all contractors, and in 2022 we extended this to mechanical handling equipment involved in construction activities. We also conducted extensive lifting and rigging training based on industry standards and did not experience a serious incident involving lifting equipment.

IN PURSUIT OF MITIGATING RISKS: THE HAZARD IDENTIFICATION AND RISK MANAGEMENT PROCESS EMPLOYED BY GENEL



IN PURSUIT OF CONTROLLING IDENTIFIED RISKS: THE HIERARCHY OF CONTROLS ADOPTED BY GENEL







The spirit of One Team partnership at the first Contractors Forum organised by Genel was well received by our service companies, as we all engaged in open and honest conversations about safety challenges and how to improve. Ideas were shared, and suggestions were taken to be included in the safety improvement action plan developed as an output of the session. We believe that when it comes to safety, it is important to learn from failures as well as successes, to ensure that we achieve our vision of an incident-free workplace.

## Process safety and integrity

Process safety and integrity is an integral part of our approach to managing major accident hazard-related risks and achieving safe and reliable operations. Safety critical elements inspection and maintenance programmes are in place, and process safety risks are assessed through a variety of process hazard assessments such as hazard and operability (HAZOP) studies, or quantitative risk assessment. Identifying potential hazards and risks and then working to eliminate or mitigate these is a key focus as we strive to protect the public, safeguard the health and well-being of employees and contractors, minimise potential risks to the environment, and protect assets from damage or loss. Other key elements of Genel's established process safety management protocols include the management of change process, operational readiness reviews, pre-start-up reviews, and the continuous monitoring of process safety performance indicators.

## Medical fitness and COVID-19

Genel has medical fitness protocols in place for staff in field operations as well as for international travellers. During 2022, we adopted a mandatory COVID vaccination policy for these workgroups based on expert medical advice and supported operational staff to achieve 96% fully vaccinated status early in the year. This has ensured the safety of our workforce and allowed business operations to continue seamlessly whilst reducing the hardships related to previous protocols of PPE, segregation, and social distancing.

## Somaliland capacity building

As our activities in Somaliland increased, establishing our health and safety standards became a priority. This included a detailed in-country assessment of available medical facilities, roads, transport infrastructure, security threats, and country evacuation protocol. This process also included a gap assessment for the local doctors and provision for delivery of prehospital trauma life support (PHTLS) training to 12 local doctors. The mission of PHTLS is to promote excellence in trauma patient management by all providers involved in the delivery of pre-hospital care. The programme focuses on the treatment of a multi-system trauma patient as a unique entity with specific needs. It promotes critical thinking as the foundation for providing quality care.

# People and diversity

Genel sees an overwhelming benefit from the promotion of gender and cultural diversity in our workforce. Our continued commitment to diversity helps foster improved ideas, skills, knowledge, experience, and our collective performance as a business. More crucially, it provides a respectful workplace where each individual can thrive.

Our diversity was reflected in the make-up of our locations and people in 2022 when, on average, we employed 129 people across four regional offices, including 34 employees in London, 39 in Turkey, 38 in the Kurdistan Region of Iraq, and 18 in our African operations. Across this global footprint, our talent represented nine different nationalities. Women represented 26% of our total workforce and 16% of Board of Director positions, 16% of the Executive Committee, and 23% of management.



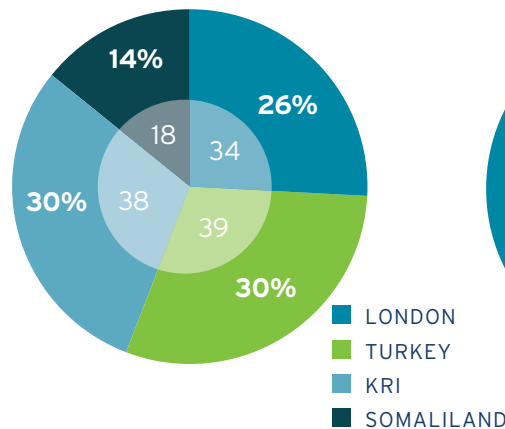
## Employee development

Development of our global talent has seen ever more focus over recent years, and we are able to retain and attract talent through our rewarding work environment, and through promotion of our corporate values and equal opportunities for all. Our commitment to providing a competitive compensation package involves annual market reviews and enables the Company to attract and retain the highly skilled talent needed to deliver our strategy. These market reviews collect data from expert external consultancies to analyse and compare each position's level and pay. Our focus on talent is supported by our talent management process - Talent MAP (Measuring Ability and Potential) - which highlights areas where we can further support employees to maximise their value and impact in delivering the work that we do.

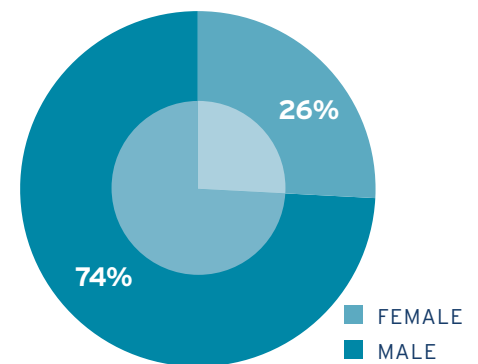
Our focus on our staff performance and our workplace was reflected in the single digit voluntary global turnover we saw in 2022, for a second consecutive year. Similarly, we are pleased to see a continued longevity of service; with over 30% of our employees having been with Genel for over a decade.



### WHERE OUR TEAMS ARE BASED



### GENDER SPLIT IN TOTAL WORKFORCE



As at 31 December 2022



## Employee wellbeing

We recognise that any success at Genel is the result of a thriving workforce, and it is for this reason that maintaining staff wellbeing remains as a fundamental component of a successful Genel. The Genel Wellness programme, launched in 2021, continues to be supported via the Wellbees App platform to provide resources and information to promote physical and mental wellbeing throughout the organisation.



## Employee health and fitness to work

As a key element of Genel's focus on employee wellbeing, Genel has adopted IOGP guidance for 'Fitness to work' that provides a structured process for systematic identification, assessment and management of risks associated with tasks that place specific demands (physical and psychological) on employees. The process details:

- Fitness to work processes and systems
- Risk assessment process to focus on what needs to be accomplished
- Legal constraints on what can and cannot be done in certain jurisdictions
- Medical control options such as fitness to work tests and examinations, functional capacity evaluations, trade tests, special considerations

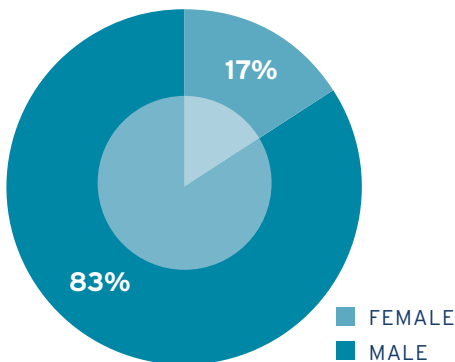
To further enhance the wellbeing of our workforce, annual training is in place for our workforce based on role-specific requirements that are identified by an assessment matrix. We also ensure that our workforce has access to non-occupational health services through medical insurance plans, tailored to the specific locations in which we operate.

## Our policies and initiatives

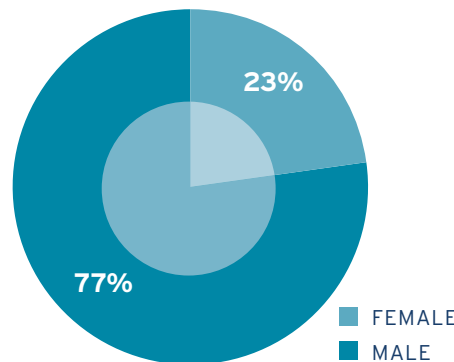
It is important for Genel that our focus on diversity and people management is given a formal structure; not only to provide guidance to current and new employees, but also to allow for transparency. Our Diversity and Equal Opportunities Policy helps support our commitment to diversity, and training on this is delivered to all employees at the start of their employment. This is intended to promote positive employee relationships that enable all individuals to make use of their skills, free from discrimination or harassment.



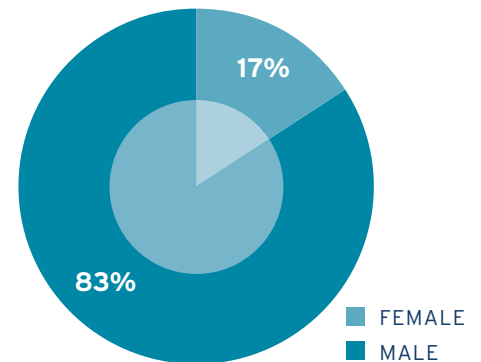
GENDER SPLIT BOARD OF DIRECTORS



GENDER SPLIT MANAGEMENT



GENDER SPLIT EXECUTIVE COMMITTEE



As at 31 December 2022

# Cultural awareness at Genel

At Genel we take great pride in our cultural diversity. In celebration of this diversity, in 2022 we delivered a cultural awareness programme which comprised four online sessions, two of which were delivered by our own employees.

The intention of this programme was to raise awareness of cultures prevalent in our main locations of the UK, Turkey, KRI, and Somaliland, with the aim of supporting our values of respect and collaboration. The sessions allowed individuals to share cultural customs and looked at our often-contrasting communication styles and how we can embrace the commonalities amongst us all.

These sessions were popular and well received; feedback collected indicated that the majority of our staff enjoyed the opportunity to participate and would recommend attendance at future sessions. This programme will be replicated in future years, in order to reinforce our goal of a One Company culture.



This programme will be replicated in future years, in order to reinforce our goal of a One Company culture



## Performance management

The performance management process provides employees with a structured platform, at least twice a year, to discuss career development with their direct managers, and to evaluate personal performance. Our recruitment and salary review processes ensure that we make hiring and promotion decisions on a merit basis. Genel also offers a pension scheme in our regions of operation with contributions that are shared by both the employer and employee, to contribute to future financial planning.

## Hybrid working

An ongoing legacy of COVID-19 at Genel is our hybrid working model, which is applied throughout our corporate offices. This model provides flexibility to our employees as well as representing an incentive to attract and retain talent. It was encouraging to see that our mid-2022 survey showed us that 75% of our staff were 'very happy' with the hybrid working model.

## Global staff surveys and townhall meetings

During 2022, Genel staff welcomed our regular internal global surveys, for which we have enjoyed a high response rate, and which provide us with a direct insight as to how various initiatives have been received. These surveys raise the voice of employees to Board level, and we have seen consistent feedback that demonstrates that the vast majority of our employees are happy working at Genel. The surveys contain open questions, and it is through analysis of this feedback that we are able to examine the impact of our actions. Our townhall meetings are similarly well received, and they provide updates on our ongoing and upcoming activities, as well as giving immediate access for employees to raise questions with Genel's Executive Committee.

## Part time and contractor workforce

A small proportion of Genel's workforce are employed on a part-time basis and we ensure that these individuals receive the same benefits, support and opportunities as full-time employees. Genel provides parental leave policies in each location, designed to facilitate flexibility for both men and women. We were pleased that all full-time employees taking parental leave in 2022 have returned to the workplace and remain with Genel. The operational nature of Genel's activities mean that we rely on the support of highly skilled contractors who provide highly valued, flexible and temporary expertise.



# Human rights and modern slavery

Genel's ongoing commitment to conducting our business in a manner that respects human rights across all areas of operation remains a common and permanent thread through all our activities. We are committed to acting ethically and with integrity in our business dealings, implementing and enforcing effective systems that mitigate the risk of modern slavery within all elements of our business and supply chain.

Our policies, internal training, public disclosures and grievance mechanisms on this topic ensure that it remains firmly as a business-as-usual element of Genel's operations.

In line with the aforementioned independent human rights compliance assessment of our performance against the UN Guiding Principles on Business and Human Rights ('UNGPs'), in 2022 updates were made to Genel's Human Rights Policy to better reflect the evolving business landscape within Genel's areas of operation. Furthermore, in a reflection of the considerable significance Genel attributes to this topic, we were pleased to be an early adopter of the United Nations Global Compact: Communication on Progress in 2022, which is a non-binding United Nations pact to encourage businesses to adopt sustainable and socially responsible policies (including human rights), and to report on their implementation.

Where we have the ability to do so, we require the same high standards from all our contractors, suppliers and other business partners with regard to respecting human rights. As part of our supply contracting processes, Company policy requires that we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude. Further information is available under our Modern Slavery Act 2015 disclosure obligations.

## Whistleblowing and Grievance Policy

Genel has always encouraged a culture of openness and accountability and this culture is formalised through our Whistleblowing Policy and Grievance Policy. These policies were initially developed in the context of the public commitment we have given to observe the requirements of United Nations Global Compact, one aspect of which requires Genel to establish a grievance mechanism under which third parties can raise grievances with the Company, including in the human rights context. The policies apply to all individuals working with Genel, including directors, officers, employees, and to contractors, and any stakeholder third parties. These policies are communicated to Genel employees through internal training and are available for all stakeholders on Genel's website.

Alongside our Whistleblowing and Grievance Policy, Genel operates a whistleblowing hotline service, which is available in a number of languages, and which enables employees and third parties to report concerns on a range of matters including human rights violations such as slavery and trafficking. Every whistleblowing incident is investigated fully and the General Counsel is responsible for review and investigation of allegations of potential violations of law. If the allegation is substantiated, we are committed to taking appropriate disciplinary action up to and including dismissal. The Policy requires the Whistleblowing Officer (currently the General Counsel), in conjunction with the Audit Committee to review this Policy from a legal and operational perspective. All staff are responsible for the success of this Policy and are instructed to disclose any suspected danger or wrongdoing. Staff are invited to comment on this Policy and suggest ways in which it might be improved. Training on this Policy is provided, as appropriate, at each new employee's induction training and through periodic training for all staff members.





# Community engagement

As Genel's operational footprint in Somaliland looks to increase, we can look back on our experiences during 20 years in the KRI to provide an example of how a focus on community engagement provides a platform for operational success. Not only do we acknowledge our responsibility to host communities but we appreciate the opportunity to work alongside community members to enable capacity building that will provide long-term benefit to the regions in which we operate.

## Local economic development

Supporting local economic development is a key objective for Genel, and ensuring that our projects are supported by a community workforce is an essential component of our broader sustainability strategy. Our in-country community liaison teams are guided by Genel's Local Content Policy in their engagement with local communities, while also interacting with applicable regulators to understand expectations. Empowering a community workforce as stakeholders within Genel's operations, and by adding value to the local economy through their participation, enables ownership of the long-term well-being of these regions. Furthermore, we also encourage our contractors to hire from the communities in which we operate, and support training if the necessary skills are absent.

In 2022 we were pleased to see our previous successes on this front continue, with opportunities presented to the local community with respect to job opportunities, machinery hire, and employee development and training. In 2022, the following opportunities contributed to a direct positive impact on economic development within the respective communities:

- 18 local companies provided services for our KRI operated assets, and a progressively increasing number of local businesses being engaged in our Somaliland operations.
- 172 employment opportunities provided for KRI nationals in Sarta and Qara Dagh, and a further 425 in Taq Taq.

To promote career development of local students during 2022 we were pleased to provide two weeks of technical training at Sarta for a group of twenty interns from Erbil Polytechnic University, and later in the year Genel provided English language training to 26 of our local personnel at Sarta.

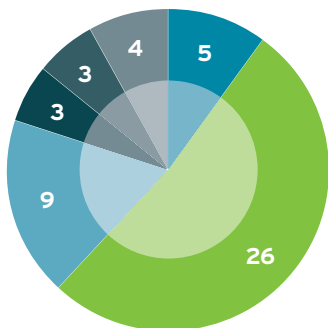


## Grievance mechanisms

Genel is proud of the meaningful economic impact our operations can have on local communities, through direct employment, skills sharing, and training opportunities. However, we are also acutely aware of the limitations in scope and scale of our own activities and accordingly, of the potential community grievances that can result from this, for example, with regard to expectations of employment opportunities. Meaningful community engagement is a key part of understanding and managing community expectations and grievances, and our in-country liaison teams work with local communities to ensure that this process is undertaken in a timely and respectful manner.

At the beginning of 2022 Genel took over the operator role at Sarta and this provided an opportunity for increased emphasis on engagement with local communities. The expectations of local community stakeholders resulted in an initial high number of grievances received, though by following our focused engagement with communities Genel worked throughout the year to resolve these issues. Examples of the grievances at Sarta in 2022 are provided below. Grievances in Qara Dagh numbered only four, all of which were raised by contractors in the local community.

### 2022 RECORDED GRIEVANCES BY CATEGORY



- ENVIRONMENT
- LOCAL HIRING
- LOCAL MACHINERY HIRING
- LOCAL COMMUNITY ISSUES
- LOCAL COMPANY ISSUES
- WAGES AND TRIPS

## Land compensation

Genel acknowledges the significance that land compensation represents within local communities and we are conscious of maintaining consistent engagement and dialogue on this matter. As part of this process, any area adversely impacted by Genel's operations is compensated in line with the applicable policy in KRI or Somaliland. Furthermore, any temporary or residual impact on the community will be compensated by way of appropriate local investment to provide a commensurate benefit to the community. During our 20 years of operations in the KRI for example, Genel has compensated over \$3 million by means of land and crop compensation.

## Looking ahead

Our ongoing focus on community engagement helps demonstrate how responsible investment in natural resources can provide substantial benefits to the quality of life in host countries, and we are proud of the positive impacts we continue to make in local communities. As our Somaliland activities increased throughout 2022, our community engagement activities also increased, as we worked to inform local communities of the activities planned for 2023 and beyond. As we move forward in this region, we look forward to providing meaningful and long-term community benefit by encouraging economic activity through employment, training, skills transfer and social investments.





# Social investments

Investment in our host communities has always been an immensely important feature of Genel's business. The opportunity to provide meaningful investment and to improve the wellbeing of community members is a significant driver for Genel, and forms an important element of our social responsibility.

Genel's corporate social responsibility ('CSR') policy provides guidance to our CSR strategy, and application of this policy helps Genel understand community expectations and implement the most impactful possible social investments. Genel's approach to social investments is broadly guided by the five UN SDGs that are considered of most relevance to our business and to our regions of operation. These are reviewed periodically in line with any changes in our activities, for example, given the anticipated increase in our Somaliland operations and the ongoing drought, the UN SDG of Water Security has been included for 2023.





# Twenty years investment in the Kurdistan Region of Iraq

Genel has contributed on average

**\$500 million**

each year to the KRI's GDP and supported an average of **10,000 jobs per year**

On average, Genel has supported

**30,000 jobs**

in the KRI each year since operations began in 2002

**3% of total employment**

in the KRI over the past 20 years has been supported by Genel's presence

Over 20 years, Genel has invested

**\$60 million**

across 267 social investments in the KRI.

Our experiences during the past 20 years in the KRI provide us with an example of how a focus on community engagement represents a key element of our operational success, and we are proud of the positive impact we have made in the region.

2022 was a milestone year for Genel in the KRI, as it marked 20 years since Genel signed its first PSC. Reflecting on these two decades, Genel commissioned an independent study in 2022 by PwC to understand the impact of our investment, which delivered some notable results.

The role we have played in developing the oil industry and our investments of over \$3.5 billion in the region, have contributed to direct employment, local capacity building, and the establishment of local supply chains.

These findings underpin what has long been a central tenet of Genel's operations; that our projects are supported by a community workforce which enable training and skills transfer within that workforce. Moreover, making the community workforce active stakeholders empowers these individuals to take ownership of the overall well-being of the area.





## Genel20 Scholars

To commemorate this milestone, we were pleased to launch our Genel20 Scholars programme, which will provide a university scholarship for 20 talented high school graduates, from disadvantaged backgrounds.

The programme was open to citizens of the KRI, with strong academic credentials and the potential to be future industry leaders in Kurdistan. Genel is pleased to be providing full funding for tuition and living expenses, as well as offering civic leadership and career-oriented workshops, and faculty mentorship and guidance from Genel staff. A range of courses are being studied by the students, including Petroleum Engineering, Nursing, Accounting and Finance Management, and Electronics and Telecommunication Engineering.

This programme is intended to provide a long-term commitment in the KRI and has the potential to transform the education and career opportunities for many families.



## Sarta: A focus on education

Education formed a recurring theme of Genel's local investments in the KRI this year which included the following investments to communities within Sarta asset:

- Renovation of two classrooms at Bawakhalan Elementary School.
- Full renovations of Bawakhalan High School and Khalawan Elementary School.



## Qara Dagh: Enhancing communities

Maintaining close relations with our host communities is a central pillar of Genel's business, and it is through this engagement that Genel was able to identify the need for several seasonal community projects in the Qara Dagh region in 2022.

- **Winter support:** Qara Dagh is a region of KRI that can be subject to some challenging winter conditions, and during 2022 Genel made delivery of heating fuel to schools and vulnerable families, to support the community through this period.
- **Kurdish New Year (Nawroz):** In the springtime, Genel implemented a waste collection and disposal project during the annual Nawroz celebrations, which allowed for minimum impact from these important celebrations to the protected region of Qara Dagh.
- **Safe drinking water:** we were also able to replace water trucks in the Sewsenana district, which are essential for providing fresh drinking water to local villages in the Qara Dagh region.
- **Future training:** we also attended the opening of the Genel-funded, newly-constructed youth training centre at Qara Dagh, which will provide vocational training opportunities for communities from around the entire Qara Dagh region for many years to come.
- **Capacity building:** we were pleased to engage a Rwanda, a local NGO, to complete a social baseline assessment for Sarta which provided guidance for needs in the region for community investments going forward. It was a valuable study which Genel will look to replicate in our other areas of operation.

# Responsible Governance



Genel's business practices are supported by a series of procedures and policies relevant to the nature of our activities and our diverse geographical footprint. These not only provide robust guidance to the rules which govern our organisation, but also allow us to meet a broad range of regulatory requirements and to prepare for unplanned eventualities. However, it is our core value of integrity, and our ongoing commitment to transparency, which drives Genel to conduct our business in a responsible and ethical manner. This chapter provides details of the measures taken by Genel in our pursuit of responsible and ethical governance.





# Business ethics

Transparency and integrity are the critical attributes which enable Genel to conduct our business in a responsible and ethical manner, and we place a great weight of importance on upholding these values. We set ourselves ambitious operational targets, but we do so with an understanding that it is the manner in which we conduct our business that will define us as an organisation.

## Code of Conduct

Our code of conduct underpins all that we do and provides the foundation to guide our employees on being an ethical business. These values are cemented as a foundation of Genel's business practices and continue to set a clear expectation of how our people conduct themselves when carrying out any activities that are directly or indirectly related to our business. Our Code of Conduct refers to our corporate values and outlines their application in our daily operations and decisions.

They form a key component of our on-boarding for every new employee and any failure of our employees to adhere to our Code of Conduct, and our policies, may result in disciplinary action. Moreover, in order to ensure we collaborate and work with third parties that reflect our values, our business partners are required to acknowledge our values as part of the approval process of registration.

Based on recommendations made in a 2021 independent human rights compliance assessment commissioned by Genel, we took the opportunity in 2022 to update the Code of Conduct to better incorporate protection of human rights.

## Anti-bribery

Genel does not tolerate bribery in any form and is committed to complying with all applicable laws and preventing, detecting, and deterring corruption in all of its business dealings. We have been consistent in our messaging on this topic and we maintain an unwavering commitment to it. This applies to:

- All employees
- All contractors
- All third parties providing services to Genel or operating on Genel's behalf.

Genel's Anti-bribery Policy and procedures are publicly available on our website and provide guidance for staff on assessing risks, understanding applicable anti-bribery laws, and reporting concerns via the right channels.

Genel's Anti-bribery Policy and procedures are fully endorsed by the Board and Senior Management and are further supported by collaboration amongst the Company's stakeholders. We all play our part in demonstrating a collective commitment to fostering a culture of compliance underpinned by the Genel Code of Conduct and our corporate values. Set out below are the six essential elements of Genel's Anti-bribery Compliance Programme.

Further details of these elements are contained in our Anti-bribery Policy and our Anti-bribery Procedures and can be found on the Genel website.

- 1. Leadership and top-level commitment**
- 2. Policies and procedures**
- 3. Risk assessment**
- 4. Due diligence**
- 5. Training and communication**
- 6. Oversight**

In 2022 training was given through a combination of online and in-person sessions, for which the business units are each accountable for implementing, subject to the appropriate oversight. With our risk-based approach focused on anti-bribery, trade sanctions export import controls, and criminal third-party tax evasion facilitation, we conduct due-diligence by means of a questionnaire for potential third-party business partners (who interact with others on Genel's behalf) prior to engaging with them. Through our memberships with TRACE International and Transparency International UK, we exhibit our external commitment to conducting our business ethically, lawfully, and responsibly.



# Crisis and emergency management

Genel has robust emergency response and crisis management processes and plans in place. During 2022 role-based trainings and simulation exercises were conducted for field operational teams, business support staff, and in-country incident management teams, as well as Genel's senior management who have overall responsibility for crisis management.

We continue to maintain in-house capabilities such as spill response equipment, a fire response vehicle and an array of rescue equipment to protect lives in case of a fire or rescue incident. We have also developed business continuity plans based on impact analysis for all critical functions. These plans are regularly tested for operational preparedness.

Hydrogen sulphide (H<sub>2</sub>S) level 2 training is mandatory for all personnel working at Genel operations and is delivered by a competent H<sub>2</sub>S services contractor. Other trainings include fire-fighting, spill response, on-scene commander, care for people, and relative response.

## Trucking and spill mitigation

In recognition of one of our key risks, the trucking of crude oil from the Sarta facility to the offloading station in Khurmala 100 km away, we have continued to enhance our tier 1 and 2 spill response capabilities. We provide spill response training to Genel personnel as well as the crude oil trucking and production facility operating contractors. The trucking contractor has mechanical response equipment situated at key points along the trucking routes with local contractors. Tactical spill response plans are in place to organise content and focus on specific actions and priorities to bring speed and clarity to any response.





# Regulatory compliance

As a London-listed exploration and production company, Genel is subject to a wide range of sustainability-related regulations, and we operate in a regulatory landscape that is subject to frequent changes.

Moreover, our diverse geographical locations require that we remain conscious of applicable national and local regulations which can influence our boundaries of operation. Our approach to regulatory compliance is well established in Genel and provides a foundation for all our activities.

## **In-country regulatory engagement**

A key element of our robust regulatory compliance is ongoing in-country engagement with host governments and regulatory bodies. This is applicable for the entire lifecycle of any activities and in each instance our country manager will lead this engagement supported by our local country teams. This process not only enhances our social licence to operate but also allows Genel to take a proactive role with regulators in supporting the protection of the natural environment and enhancing the wellbeing of our local communities.



# Supply chain management

Genel is pleased with the meaningful progress we have made in identifying, managing, and mitigating sustainability risks in our direct operations. However, we also recognise the need to extend consideration of sustainability performance beyond our own operations and to our supply chain.

This is already being considered in the scope of GHG emissions reporting, bringing emissions from suppliers under scrutiny (Scope 3 emissions), and this level of supply-side scrutiny is progressively extending beyond emissions reporting to encompass a broader suite of sustainability topics.

Genel plans to develop a two-year roadmap to support the identification of sustainability risks in the supply chain, with the intention that the actions of this roadmap will allow Genel to achieve the following:

- Identify and reduce sustainability risks in Genel's supply chain.
- Engage with contractors to increase awareness of sustainability risk within their own operations.

Based on existing mechanisms in place, the tasks within the roadmap are anticipated to be formed around each of the three themes below:



|                                    |   |
|------------------------------------|---|
| <b>Procurement and contracting</b> | <p>Identification of sustainability material topics that are to be incorporated into Genel's existing tender process.</p> <p>Inclusion of sustainability criteria in Genel's established procurement process, with applicable weighting applied for each tender.</p>  |
| <b>Audit and evaluation</b>        | <p>Desktop or site audits of contractors to be undertaken focusing specifically on relevant sustainability elements.</p>  |
| <b>Management</b>                  | <p>The following internal management tasks will be incorporated into the roadmap:</p> <ul style="list-style-type: none"> <li>- Raise internal awareness within procurement and technical teams and communicate intended timeline of implementation of measures</li> <li>- Review and communicate emerging legislation relevant to supply chain risk</li> <li>- Develop sustainability contractor evaluation register</li> </ul> |



# Managing sustainability risks

Sustainability remains a core consideration in Genel's business, and internal policies and standards are in place to guide how we manage associated risks. Underlining this process is an alignment to Genel's enterprise risk management system, with each risk being evaluated and ranked as high, medium or low; the same criteria as other material risks in the business.



A key element to managing our sustainability risks is acknowledging the landscape in which we operate and identifying relevant stakeholders with whom engagement is necessary.

## Stakeholder engagement

Genel approaches all stakeholder engagement in an open, honest and transparent manner that builds relationships and helps understand the needs and expectations of all individuals. The Board (drawing on input from senior management throughout the Group) monitors Genel's stakeholders and their impact on key strategic objectives, and how the Company engages with each of them. In this regard, three formal annual updates are scheduled in the Board calendar to allow management to provide an update on key stakeholder engagement activity. In this report we have applied the GRI Reporting Principles of stakeholder inclusiveness, sustainability context, materiality, and completeness to help shape the content and quality of our disclosures. Further information on stakeholder engagement and how the Board has complied with s172(1) of the UK Companies Act 2006 is available on page 35 of our 2022 Annual report. A summary is provided in the following table.

## Approach to risk management

Through Genel's stakeholder engagement process, the key issues which emerged through our 2022 materiality assessment as the most relevant to our stakeholders, and which have been detailed throughout this report, form the key topics for our sustainability risk management.

## Company-led

Genel's approach to anticipating and managing sustainability risks is primarily addressed within our ESG strategy. Based on the application of this strategy each year, we develop an annual ESG workplan which outlines specific tasks and action items to serve as a performance indicator of how well we are mitigating potential sustainability risks. The governance structure of Genel ensures that management of social and environmental risks is integrated across all levels of the business and periodic progress reviews on the workplan is undertaken by Genel's senior management and heads of functions.

Sustainability has also been integrated into the agenda of our Board meetings and our ESG performance continues to be embedded in the remuneration schemes for all employees, representing a percentage of the total annual bonus. The Board and its Committees review the Company risk register biannually, with Principal risks disclosed annually in the annual report.

Supplementing our Company Risk Register is our Asset & Project Risk Registers which are kept live throughout the year and used to update our Company Risk Register biannually. Asset and project risk registers are developed through workshops with management of asset operation teams to allow for a wide breadth of expertise and experiences to be incorporated in identifying and assessing risks. A semi-quantitative risk assessment matrix (5x5) that is aligned to industry best practices is used to aid with risk assessment processes.

Furthermore, Genel's ESG Manager chairs quarterly ESG meetings with Genel senior management, which provides a platform to increase awareness of and capability building and complement Genel's stakeholder engagement and communication strategies.

| Stakeholder                                      | Importance  | Approach to engagement   | Related issues  |
|--|---|--|---|
| <b>Investors/financial community</b>             | Influence strategic and operational decisions<br>Accountable to shareholders  | Comprehensive investor programme, AGM, roadshows, conferences, financial reporting, meetings with shareholders | Strategy and performance<br>Corporate governance<br>The energy transition<br>Remuneration   |
| <b>Host government, regional/local authority</b> | Working with governments to secure licences to operate<br>Legal compliance  | Regular meetings with ministers and civil servants   | Legal compliance, major accident prevention, job creation<br>Investment and economic growth   |
| <b>Employees and contractors</b>                 | Dependent on employee performance and that of the wider workforce<br>Legal and ethical responsibility to employee wellbeing   | Holding regular staff and contractor meetings  | Company strategy, lessons learned from projects<br>Collaboration across teams<br>Remuneration and benefits                              |
| <b>Local community</b>                           | Ethical responsibility to minimise impacts on livelihoods and the environment   | Community meetings, interviews, surveys<br>Social investments<br>Board/senior management visits                | Employment opportunities<br>Social benefits and infrastructure development  |
| <b>Business partners</b>                         | Reliant on viable partners for JV<br>Commercially responsible to partners<br>Performance directly impacts our financial, operational and responsible performance    | Senior executive meetings<br>Active management of key projects and assets                                      | Policies and standards<br>Industry reputation<br>Opportunities for growth<br>Ensuring regular compliance<br>ABC policies and procedures |
| <b>Suppliers</b>                                 | Performance directly impacts our financial, operational and responsible performance<br>Ensure compliance with ABC policies<br>Source of providing local development | Contract and tenures   | Local content policy<br>Health and safety requirements for tendering  |
| <b>NGOs and community organisations</b>          | Provide perspective leading to new understandings and the mitigation of local tensions  | Collaboration on social investments<br>Media monitoring  | Promoting local capacity<br>Biodiversity and conservations<br>Promoting social equality   |
| <b>Industry associations</b>                     | Managing reputation<br>Providing collaboration on systemic risks facing the industry to other stakeholders  | Frequent event participation<br>Payment of fees  | The energy transition<br>Best industry practices<br>Media engagement  |



### Function-led

Genel applies the bowtie method of risk management which is widely used in the industry to improve the identification, design and management of prevention and mitigation controls. This occurs through risk register workshops where teams review current controls and design additional controls where needed to

reduce the residual risk to As Low As Reasonably Practical ('ALARP'). Furthermore, risk focal points are identified to develop and maintain the bowtie diagrams for the risks that they are managing. These focal points are also responsible for reporting the outcomes of these workshops and reporting on an annual basis to the Board at scheduled meetings.

The following table presents each of Genel's material sustainability topics and summarises the management approach and measurement indicators relevant to each topic discussed in this report.

| Risk management approach  |   |  |
|---|---|--|
| Material topic  | Management Approach   | Policies, Commitments, Goals & Responsibilities  |
| <b>GHG emissions</b>  |   |  |
| <b>A reduction in GHG emissions throughout the energy transition is required to address climate change risks. The challenges presented by carbon reduction will also influence access to future capital.</b>  | To provide assurance that Genel's business is sustainable from a climate and economic standpoint, Genel aims to demonstrate that the life of field carbon emissions of operated assets can be minimised through active gas management or other emission abatement measures.   | <p><b>Policies &amp; Procedures:</b></p> <ul style="list-style-type: none"> <li>- GHG Emissions Management Standard</li> <li>- GHG Accounting &amp; Reporting Standard</li> </ul> <p><b>Commitments</b></p> <p>Submission of CDP climate and alignment with TCFD recommendations</p>                             |
| <b>Water and wastewater management</b>  |   |  |
| <b>Genel operates in semi-arid regions and as such, it is critical to use water responsibly, and increase recycling capabilities in order to minimise water resource consumption. Preserving water quality is also a key issue for local communities.</b> | Genel is committed to assessing the potential impacts on local water resources and to meeting national permitting requirements. In reflection of this, water availability, disposal and management is factored into our planning for all new and operated assets. We identify potential water risks through the ESIA process and collectively manage water to minimise impact and recycle whenever possible. Our water management is underpinned by the concept of water stewardship which goes beyond simply managing risks to include the use of water that is environmentally sustainable and economically beneficial. | <p><b>Policies &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>- HSE Policy</li> <li>- Environmental Procedures</li> <li>- Water Management Standard</li> </ul> <p><b>Responsible parties:</b></p> <ul style="list-style-type: none"> <li>- Field Managers, HSE Team, Asset Managers</li> </ul>  |
| <b>Ecological impact</b>  |   |  |
| <b>Genel acknowledges the importance of biodiversity conservation as an integral part of sustainable development.</b>   | Genel integrates biodiversity considerations into the ESIA process and applies the International Finance Corporation Performance Standard 6 'Mitigation Hierarchy' from the inception of a project through site selection and initial design, to ensure biodiversity impacts are identified, avoided, or minimised. Residual impacts on biodiversity values will be appropriately accounted for through an offset programme of conservation measures, guided by good industry practices.  | <p><b>Policies &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>- Genel's Biodiversity Management Standard</li> <li>- HSE Policy</li> <li>- Biodiversity Management Plan</li> <li>- Biodiversity Action Plan</li> </ul> <p><b>Commitments:</b></p> <p>Adherence to IFC Performance Standard 6</p> |

| Material topic   | Management Approach   | Policies, Commitments, Goals & Responsibilities   |
|--|---|---|
| <b>Air quality</b>   |   |   |
| <p>Monitoring local air quality allows Genel to protect the health and wellbeing of our workforce, local communities and the environment. Furthermore, this aligns with our goal of minimising environmental impacts whenever possible.</p>  | <p>Air quality monitoring against regulatory standards and ESIA commitments is achieved through the use of continuous air quality monitoring stations and routine field measurements conducted at selected sites as part of the established Environmental and Social Monitoring Plan (e.g. diffusion tubes).</p>  | <p><b>Policies &amp; Procedures:</b></p> <ul style="list-style-type: none"> <li>- Environmental Social Impact Assessments</li> <li>- Environmental Social Monitoring Plan</li> </ul> <p><b>Commitments:</b></p> <ul style="list-style-type: none"> <li>- Maintain continuous air quality monitoring to ensure compliance with ambient air quality regulations</li> </ul>  |
| <b>Health and safety</b>   |   |   |
| <p>The health and safety of employees, contractors and the general public is a top priority to Genel and we believe all incidents are preventable.</p> <p>A failure of health and safety processes could lead to major accidents that could result in serious injuries, environmental pollution, asset damage or financial or regulatory consequences.</p> | <p>Genel has a fully developed HSE management system underpinned by our HSE policy. HSE plan, trainings, procedures, forms and tools provide guidance to manage hazards and conduct safe operations. Contractor HSE systems are evaluated and bridged to Genel's expectations. Audits and inspections are conducted regularly. Incidents are reported, investigated, actions implemented, and lessons shared.</p> <p>Process Safety &amp; Integrity Management Standard and Asset Integrity Management Plan ('AIMP') to design inherently safe facilities and conduct safe and reliable operations. Through operational integrity, the focus is on the management of safety critical elements ('SCE'), including preventive maintenance through computerised maintenance management system ('CMMS') and management of change ('MOC') process. Use of bowtie for identification of potential hazards and risks and then define controls to prevent or mitigate these are core to our risk-management approach.</p> | <p><b>Policies &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>- HSE Policy</li> <li>- HSE Management System</li> <li>- HSE Plan</li> <li>- Permit to Work Procedure</li> <li>- Occupational Health Procedures</li> <li>- HSE Risk Registers</li> <li>- HSE Reports</li> <li>- Process safety and integrity management</li> <li>- Asset integrity management plan</li> <li>- Management of change</li> <li>- Equipment and reliability strategy</li> <li>- Operational pigging procedure</li> </ul>   |
| <b>Human rights and modern slavery</b>   |   |   |
| <p>Genel respects internationally recognised human rights and we seek to conduct business in a manner that respects the human rights and dignity of all people. Genel is also committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place in our own business or in our supply chains.</p>         | <p>Management at all levels are responsible for ensuring those reporting to them understand and comply with the relevant policies and are given appropriate training on these issues. This extends to considering human rights in the communities in which we operate, where mitigation measures are in place to ensure air quality and noise monitoring, and road safety factors are considered.</p> <p>We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.</p>   | <p><b>Policies &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>- Anti-Slavery Policy</li> <li>- Human Rights Policy</li> <li>- Modern Slavery Act statement</li> <li>- Code of Conduct</li> </ul> <p><b>Commitments:</b></p> <ul style="list-style-type: none"> <li>- Genel aims to conduct its business in a manner that respects the rights and dignity of all people, complying with all legal requirements.</li> <li>- Genel will meet its responsibility to respect human rights by implementing the relevant sections of the UN Guiding Principles on Business and Human Rights.</li> </ul> |



| Materiality   | Management Approach  | Policies, Commitments, Goals & Responsibilities   |
|---|--|---|
| <b>Community Engagement</b>   |  |   |
| <p>Achieving our financial goals is essential for long-term business success, enabling us to meet shareholder and business partner expectations. This business success is contingent on our ability to foster meaningful and respectful relations in local communities.</p>   | <p>Our operations generate revenue and economic opportunities for the host regions in which we operate. Furthermore, we provide training, skills transfer and knowledge sharing with local communities, and our social investment projects provide further economic opportunities for local communities.</p>   | <p><b>Policies &amp; Procedures:</b></p> <ul style="list-style-type: none"> <li>- Local Content Policy</li> <li>- Workforce Development Plan</li> <li>- ABC Policy</li> </ul>   |
| <b>People and diversity</b>   |  |   |
| <p>Attracting top talent and applying their skills, expertise and innovation, while supporting diversity through our workforce and providing a safe and positive work environment for all. Genel also seeks to hire and develop candidates from the local communities as much as possible.</p>  | <p>Genel is developing and distributing Workforce Development Plans and Local Development Plans. We are constantly refining our recruitment processes and prioritising localisation. Localisation statistics are reviewed by Genel's Executive Committee.</p>  | <p><b>Policies &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>- Diversity &amp; Equal Opportunities Policy</li> <li>- Recruitment Policies for each location</li> </ul> <p><b>Commitments:</b></p> <ul style="list-style-type: none"> <li>- Provide localisation statistics, recruitment targets, and female interview and application statistics</li> </ul> <p><b>Responsibilities</b></p> <ul style="list-style-type: none"> <li>- Human Resources supports line managers to implement policies and procedures</li> </ul>                                  |
| <b>Social investments</b>   |  |   |
| <p>Social investments are the foundation of Genel's community engagement strategy and demonstrate our corporate values, secure our social licence to operate, help build goodwill and meet PSC obligations. This is a key focus area for our local communities, host governments, regulatory authorities, community organisations and local NGOs.</p> | <p>Through partnership with local NGOs and community organisations to implement meaningful social investment projects tailored to the specific regions of operation. This is achieved through collaboration with the local communities, governments, contractors, suppliers, potential partners in civil society organisations and other stakeholders.</p> | <p><b>Policies &amp; Procedures</b></p> <ul style="list-style-type: none"> <li>- CSR Policy based on ISO 26000</li> <li>- Local Companies Engagement Plan</li> <li>- ABC Policies and Procedures</li> <li>- Communications &amp; Stakeholder Engagement Plan</li> <li>- Corporate Social Investment (CSI) Plan</li> </ul> <p><b>Commitments</b></p> <ul style="list-style-type: none"> <li>- Build trusted relationships and invest in high-impact community development projects</li> <li>- Demonstrate social responsibilities &amp; good corporate citizenships</li> </ul> |

| Materiality  | Management Approach  | Policies, Commitments, Goals & Responsibilities  |
|--|--|--|
| <b>Anti-bribery &amp; corruption</b>   |  |  |
| Genel does not tolerate bribery in any form and is committed to complying with all applicable laws and detecting, preventing, and deterring corruption in all of its business dealings.  | Genel's Anti-bribery Policy and procedures are fully endorsed by the Board and Senior Management and are further supported by collaboration amongst the Group's stakeholders.  | <b>Policies &amp; Procedures</b> <ul style="list-style-type: none"> <li>- Code of Conduct</li> <li>- Anti-Bribery Policy and procedure</li> </ul>  |
| <b>Regulatory compliance</b>   |  |  |
| Compliance with local and international regulation secures our licence to operate, builds goodwill among our stakeholders and preserves the integrity of our investments.  | Comply with all applicable laws and regulations in addition to voluntary requirements such as industry standards, codes, principles of good governance and accepted community standards. The "plan-do-check-act" cycle requires the management of Genel to act and review the environmental management system periodically to ensure its suitability and effectiveness. Review of legal compliance and compliance with other requirements, including contractor compliance, is a key topic discussed in the management review. | <b>Policies &amp; Procedures</b> <ul style="list-style-type: none"> <li>- HSE Policy</li> <li>- Environmental Procedures</li> </ul> <b>Commitments:</b> <ul style="list-style-type: none"> <li>- Ongoing continuous improvement in processes and procedures</li> </ul>   |
| <b>Crisis and emergency management</b>   |  |  |
| We operate in a hazardous industry and while prevention and mitigation are vital, planning and preparation for emergency situations is of equal importance. Doing so not only secures the operational integrity of our assets, but mitigates any potential adverse impact to our staff, local communities, or the environment. | Emergency response team members are selected and trained. Drills and exercises are conducted to develop competency and maintain emergency preparedness. Unannounced crisis simulations are conducted to test preparedness. Firefighting and spill response teams are equipped and supported by regular training exercises.   | <b>Policies &amp; Procedures:</b> <ul style="list-style-type: none"> <li>- Emergency Response &amp; Crisis Management Plan</li> <li>- Medical Emergency Response Plan</li> <li>- Spill Response Plan</li> <li>- Fire Safety Plan</li> <li>- Offsite Emergency Response Plan</li> </ul>   |
| <b>Supply chain management</b>   |  |  |
| It is important that Genel's activities foster economic and social development for our local communities in the regions in which we operate. In doing so, we remain committed to operating in a responsible manner, with respect to sustainability factors within the supply chain.  | Our contracting and tendering process prioritises local companies whenever possible. Service providers are audited to ensure Genel is pursuing compliant and best possible practices, with Genel's supply chain procurement criteria ensuring that external companies have adequate standards and processes in place.  | <b>Policies &amp; Procedures</b> <ul style="list-style-type: none"> <li>- Local Content Policy</li> <li>- CSR Policy</li> <li>- Workforce Development Plan</li> <li>- ABC Policy</li> <li>- Community Grievance Mechanisms</li> </ul> <b>Commitments:</b> <ul style="list-style-type: none"> <li>- Prioritising local companies</li> <li>- Assessing sustainability metrics within the supply chain</li> </ul> |

# Measuring our progress

It is important to Genel that the progress of our sustainability metrics is tracked. Presented below are our 2022 ESG metrics from operated assets, with performance from previous years shown for context.

| ESG Topic                       | Indicator                                    | Unit of measurement      | 2022    | 2021    | 2020    |
|---------------------------------|--|--------------------------|---------|---------|---------|
| Climate                         | Total Scope 1 & 2 GHG Emissions <sup>1</sup> | Tonnes CO <sub>2</sub> e | 192,813 | 190,509 | 148,644 |
|                                 | Scope 1 emissions                            | Tonnes CO <sub>2</sub> e | 192,637 | 190,277 | 148,381 |
|                                 | Scope 2 emissions                            | Tonnes CO <sub>2</sub> e | 176     | 232     | 262     |
|                                 | Scope 3 emissions <sup>2</sup>               | Tonnes CO <sub>2</sub> e | 264,686 | 356,857 | 31,748  |
|                                 | Methane emissions                            | Tonnes CO <sub>2</sub> e | 24,734  | 9,006   | 5,188   |
|                                 | Carbon intensity                             | KgCO <sub>2</sub> e/bbl  | 17.56   | 16      | 13      |
|                                 | Flaring Intensity                            | KgCO <sub>2</sub> e/bbl  | 9.18    | 9.66    | 6.53    |
| Air quality                     | SO <sub>2</sub>                              | Tonnes                   | 3,286   | 4,357   | 1,402   |
|                                 | NO <sub>x</sub>                              | Tonnes                   | 186,856 | 186,639 | 188,552 |
|                                 | NM <sub>10</sub> VOC                         | Tonnes                   | 488     | 539     | 359     |
| Water usage                     | Fresh water withdrawn                        | Cubic meters             | 42,624  | 124,586 | 109,282 |
|                                 | Volume of produced water <sup>3</sup>        | Cubic meters             | 49,140  | -       | -       |
|                                 | Produced water reinjected                    | Cubic meters             | 32,865  | 499,398 | 633,793 |
| Hydrocarbon spills              | Number of spills                             | #                        | 6       | 9       | 1       |
|                                 | Spill Size                                   | 1-10 barrel              | <1      | 0       | 1       |
|                                 | Total quantity spilled                       | Barrels                  | <1      | <1      | 1       |
| Waste                           | Total waste generated                        | Cubic meters             | 32,494  | 48,885  | 9,544   |
|                                 | Total non-hazardous waste generated          | Cubic meters             | 6,371   | 46,207  | 1,043   |
|                                 | % non-hazardous in landfill                  | Percentage               | 0%      | 0%      | 0%      |
|                                 | % non-hazardous recycled                     | Percentage               | 63%     | 95%     | 70%     |
|                                 | % non-hazardous incinerated                  | Percentage               | 37%     | 5%      | 30%     |
|                                 | % non-hazardous stored                       | Percentage               | 0%      | 0%      | 0%      |
|                                 | Total hazardous generated                    | Cubic meters             | 26,123  | 2,678   | 8,501   |
|                                 | % hazardous in landfill                      | Percentage               | 0%      | 0%      | 0%      |
|                                 | % hazardous stored                           | Percentage               | 27%     | 15%     | 99%     |
| % hazardous recycled/remediated | Percentage                                   | 73%                      | 85%     | 1%      |         |



| ESG Topic       | Indicator                               | Unit of Measurement      | 2022      | 2021               | 2020    |
|-----------------|---|--------------------------|-----------|--------------------|---------|
| Health & safety | Hours worked                            | Million                  | 2,276,371 | 2,599,799          | 194,368 |
|                 | Number of employee fatalities           | # per year               | 0         | 0                  | 0       |
|                 | Number of contractor fatalities         | # per year               | 0         | 0                  | 0       |
|                 | Process safety events Tier 1            | # of events per year     | 0         | 0                  | 0       |
|                 | Process safety events Tier 2            | # of events per year     | 1         | 0                  | 0       |
|                 | Lost Time Injuries (LTIF)               | # per year               | 0         | 1                  | 0       |
|                 | Lost Time Injuries Frequency (LTIF)     | Per million hours worked | 0         | 0.38               | 0       |
|                 | Total Recordable Injuries (TRIR)        | Per million hours worked | 0.90      | 1.92               | 0.51    |
|                 | High-Potential events (HiPos)           | # per year               | 6         | 6                  | 0       |
|                 | High-Potential events frequency (HiPoF) | Per million hours worked | 2.69      | 2.3                | 0       |
|                 | Kilometres driven                       | Thousands                | 2,023,676 | 3,664,587          | 330,141 |
|                 | Motor vehicle collision rate (severe)   | Per million km driven    | 0         | 0.191 <sup>6</sup> | 0       |
|                 | HSE training completed                  | % percentage             | 90%       | 90%                | 80%     |
|                 | Total HSE training                      | Number of attendees      | 3,113*    | 784                | 354     |

<sup>1</sup> 2022 Scope 1 and Scope 2 GHG emissions are presented on an equity share basis and have been subject to assurance by ERM CVS

<sup>2</sup> Genel's Scope 3 emissions are based on operated assets

<sup>3</sup> Not reported in previous years

\*This includes all site trainings conducted for the contractors

The companies in which Genel Energy plc directly and indirectly has an interest are separate and distinct legal entities. In this document, "Genel" and "Group" are used for convenience only where references are made to Genel Energy plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, "we", "us" and "our" are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

# GRI Index

| GRI standard                    | Topic/standard                                  | Number                          | Indicators  | Internal response/reference   |
|---------------------------------|---|---------------------------------|---|---|
| GRI 2: General Disclosures 2021 | 1. The organisation and its reporting practices | 2-1                             | Organisational details  | Genel Energy PLC, London, United Kingdom<br>Nature of ownership: 2022 Annual Report p.87-88<br>Countries of operations: p.5   |
|                                 |   | 2-2                             | Entities included in the organisation's sustainability reporting            | 2022 Annual Report p.3, 125   |
|                                 |   | 2-3                             | Reporting period, frequency and contact point                               | Annual Reporting cycle. Unless otherwise stated, the information contained in this report covers the period 01 January - 31 December 2022.<br><a href="https://www.genelenergy.com/contact-us/contact-us/">https://www.genelenergy.com/contact-us/contact-us/</a> |
|                                 |   | 2-4                             | Restatements of information   | No restatement of information from previous reporting cycle.  |
|                                 |   | 2-5                             | External Assurance  | p.11. 2022 Scope 1 and Scope 2 GHG emissions disclosed in this document have been subject to independent assurance by ERM CVS   |
|                                 | 2. Activities and workers                       | 2-6                             | Activities, value chain and other business relationships                    | p.31-34, 41<br>2022 Annual Report p.3, 4, 31-32<br>There has been no significant changes to Genel's supply chain during the reporting period  |
|                                 |   | 2-7                             | Employees   | p.26-29   |
|                                 |   | 2-8                             | Workers who are not employees   | p.29  |
|                                 | 3. Governance                                   | 2-9                             | Governance structure and composition  | 2022 Annual Report p.50-51  |
|                                 |   | 2-10                            | Nomination and selection of the highest governance body                     | 2022 Annual Report p.60-61  |
|                                 |   | 2-11                            | Chair of the highest governance body  | 2022 Annual Report p.50-51  |
|                                 |   | 2-12                            | Role of the highest governance body in overseeing the management of impacts | 2022 Annual Report p.51   |
|                                 |   | 2-13                            | Delegation of responsibility for managing impacts                           | 2022 Annual Report p.50-51  |
|                                 |   | 2-14                            | Role of highest governance body in sustainability reporting                 | p.42, 44, 56-58   |
|                                 |   | 2-15                            | Conflicts of interest   | 2022 Annual Report p.42, 66   |
|                                 |   | 2-16                            | Communication of critical concerns  | 2022 Annual Report p.43   |
|                                 |   | 2-17                            | Collective knowledge of the highest governance body                         | p.42, 43, 56  |
|                                 |   | 2-18                            | Evaluation of the performance of the highest governance body                | p.48. 2022 Annual Report p.4, 5   |
|                                 |   | 2-19                            | Remuneration policies   | 2022 Annual Report p.8-9, p.69-86   |
|                                 |   | 2-20                            | Process to determine remuneration   | 2022 Annual Report p.8-9, p.69-86   |
|                                 | 2-21  | Annual total compensation ratio | Genel does not disclose on account of the size of our company               |   |
|                                 | 4. Strategy, policies and practices             | 2-22                            | Statement on sustainable development strategy                               | p2, 6-7   |
|                                 |   | 2-23                            | Policy Commitments  | p.44-47   |
|                                 |   | 2-24                            | Embedding policy commitments  | p.42  |
|                                 |   | 2-25                            | Processes to remediate negative impacts                                     | p.32, 2022 Annual Report p.21   |
|                                 |   | 2-26                            | Mechanisms for seeking advice and raising concerns                          | p.30, 32  |
|                                 |   | 2-27                            | Compliance with laws and regulations  | p.40  |
|                                 |   | 2-28                            | Membership associations   | No membership associations to report in the reporting period  |
|                                 |   | 2-29                            | Approach to stakeholder engagement  | p.42. 2022 Annual report p.35   |
|                                 |   | 2-30                            | Collective bargaining agreements  | Not Applicable. Genel does not have any employees covered by collective bargaining agreements   |

| GRI standard                | Topic/standard                              | Number   | Indicators  | Internal response/reference  |
|-----------------------------|---|--|---|--|
| GRI 3: Material topics 2021 | Disclosure of material topics               | 3-1  | Process to determine material topics  | p.7  |
|                             |   | 3-2  | List of material topics   | p.7  |
|                             |   | 3-3  | Management of material topics   | p.8-47   |
|                             | 201: Economic performance 2016              | 201-1  | Direct economic value generated and distributed   | p.34   |
|                             |   | 201-2  | Financial implications and other risks and opportunities due to climate change  | p.56-58  |
|                             | 204: Procurement Practices 2016             | 204-1  | Proportion of spending on local suppliers   | p.31-32, 34  |
|                             | 205: Anti-corruption 2016                   | 205-1  | Operations assessed for risks related to corruption   | p.38, 47   |
|                             |   | 205-2  | Communication and training about anti-corruption policies & procedures  | p.38, 47   |
|                             |   | 205-3  | Confirmed incidents of corruption and actions taken   | p.38   |
|                             | 302: Energy 2016                            | 302-1  | Energy consumption within the organization  | 2022 Annual Report p.28  |
|                             | 303: Water and Effluents 2016               | 303-1  | Interactions with water as a shared resource  | p.17   |
|                             |   | 303-2  | Management of water discharge-related impacts   | p.17, 44   |
|                             |   | 303-3  | Water withdrawal  | p.48   |
|                             |   | 303-4  | Water discharge   | p.48   |
|                             |   | 303-5  | Water consumption   | p.48   |
|                             | 304: Biodiversity 2016                      | 304-1  | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | p.19.<br>No applicable sites in 2022   |
|                             |   | 304-2  | Significant impacts of activities, products, and services on biodiversity   | p.19, 44   |
|                             |   | 304-3  | Habitats protected or restored  | p.19   |
|                             |   | 304-4  | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | p.19<br>Not applicable in 2022   |
|                             | 305: Emissions 2016                         | 305-1  | Direct (Scope 1) GHG emissions  | p.11   |
|                             |   | 305-2  | Energy indirect (scope 2) GHG emissions   | p.11   |
|                             |   | 305-3  | Other indirect (scope 3) GHG emissions  | p.11   |
|                             |   | 305-4  | GHG emissions intensity   | p.11   |
|                             |   | 305-5  | Reduction of GHG emissions  | p.12, 14   |
|                             |   | 305-6  | Emissions of ozone depleting substances (ODS)   | Not available at time of reporting   |
|                             |   | 305-7  | Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions   | p.48   |
|                             | 306: Waste 2020                             | 306-1  | Waste generation and significant waste-related impacts  | p.17,48  |
|                             |   | 306-2  | Management of significant waste-related impacts   | No significant waste-related impacts in reporting period   |
|                             |   | 306-3  | Waste generated   | p.48   |
|                             |   | 306-4  | Waste diverted from disposal  | p.17, 48   |
|                             |   | 306-5  | Waste directed to disposal  | p.17, 48   |
|                             | 307: Environmental Compliance 2016          | 307-1  | Non-compliance with environmental laws and regulations  | Genel has not identified any non-compliance with environmental laws and regulations, within the reporting period |
|                             | 308: Supplier Environmental Assessment 2016 | 308-1  | New suppliers that were screened using environmental criteria   | p.47   |
| 401: Employment 2016        | 401-1                                       | New employee hires and employee turnover   | p.26-27   |  |
|                             | 401-2                                       | Benefits provided to full-time employees that are not provided to temporary or part-time employees | p.29  |  |
|                             | 401-3                                       | Parental leave   | p.29  |  |



| GRI standard                         | Topic/standard                            | Number   | Indicators  | Internal response/reference                                   |
|--------------------------------------|---|--|---|---|
| GRI 3: Material topics 2021          | 403: Occupational Health and Safety 2018  | 403-1  | Occupational health and safety management system  | p.22-25   |
|                                      |   | 403-2  | Hazard identification, risk assessment, and incident investigation  | p.24  |
|                                      |   | 403-3  | Occupational health services  | p.27  |
|                                      |   | 403-4  | Worker participation, consultation, and communication on occupational health and safety                       | p.24-25   |
|                                      |   | 403-5  | Worker training on occupational health and safety   | p.24-25   |
|                                      |   | 403-6  | Promotion of worker health  | p.27, 29  |
|                                      |   | 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | p.24-25, 45   |
|                                      |   | 403-8  | Workers covered by an occupational health and safety management system  | p.24-25   |
|                                      |   | 403-9  | Work related injuries   | p.49  |
|                                      |   | 403-10   | Work related ill health   | p.49  |
|                                      | 404: Training and Education 2016          | 404-1  | Average hours of training per year per employee   | Data per employee not available                               |
|                                      |   | 404-2  | Programs for upgrading employee skills and transition assistance programs                                     | p.26  |
|                                      |   | 404-3  | Percentage of employees receiving regular performance and career development reviews                          | p.29  |
|                                      | 405: Diversity and Equal Opportunity 2016 | 405-1  | Diversity of governance bodies and employees  | p.26-27   |
|                                      |   | 405-2  | Ratio of basic salary and remuneration of women to men  | Genel does not disclose on account of the size of our company |
|                                      | 406: Non-discrimination 2016              | 406-1  | Incidents of discrimination and corrective actions taken  | p.27  |
|                                      | 409: Forced or Compulsory Labour 2016     | 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labour                     | p.30, 41  |
|                                      | 412: Human Rights Assessment 2016         | 412-1  | Operations that have been subject to human rights reviews or impact assessments                               | p.30, 45  |
|                                      |   | 412-2  | Employee training on human rights policies or procedures  | p.30, 45  |
|                                      | 413: Local Communities 2016               | 413-1  | Operations with local community engagement, impact assessments, and development programs                      | p.31, 33-35, 46   |
| 413-2                                |   | Operations with significant actual and potential negative impacts on local communities | p.19, 31, 32  |   |
| 414: Supplier Social Assessment 2016 | 414-1                                     | New suppliers screened using social criteria   | p.41, 47  |   |
|                                      | 414-2                                     | Negative social impacts in the supply chain and action taken                           | p.32  |   |

# SASB Index

| Code   | Metric  | Reference                  |  |
|--|---|----------------------------|--|
| <b>Greenhouse Gas Emissions</b>                                  |   |                            |  |
| EM-EP 110a.1   | Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations   | p.11                       | Scope 1: 9% methane  |
| EM-EP 110a.2   | Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions | p.11                       |  |
| EM-EP 110a.3   | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets      | p.11-13, 14, 44 Appendix 1 |  |
| <b>Air Quality</b>   |   |                            |  |
| EM-EP 120a.1   | Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)                       | p.48                       | Excluding PM10<br>Non-methane VOC provided                     |
| <b>Water Management</b>  |   |                            |  |
| EM-EP 140a.1   | (1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress                            | p. 17, 48                  |  |
| EM-EP 140a.2   | Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water                             | p. 48                      | Re-injected figure provided.<br>Remainder to evaporation ponds |
| EM-EP 140a.3   | Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used   |                            | Not applicable to Genel  |
| EM-EP 140a.4   | Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline  |                            | Not applicable to Genel  |
| <b>Biodiversity Impacts</b>                                      |   |                            |  |
| EM-EP 160a.1   | Description of environmental management policies and practices for active sites   | p.19, 44                   |  |
| EM-EP 160a.2   | Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered                               |                            | Not applicable to Genel  |
| EM-EP 160a.3   | Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat  |                            | Not applicable to Genel  |
| <b>Security, Human Rights &amp; Rights of Indigenous Peoples</b> |   |                            |  |
| EM-EP 210a.1   | Percentage of (1) proved and (2) probable reserves in or near areas of conflict   |                            | Not applicable to Genel  |
| EM-EP 210a.2   | Percentage of (1) proved and (2) probable reserves in or near Indigenous land   |                            | Not applicable to Genel  |
| EM-EP 210a.3   | Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict                          | p.30, 45                   |  |
| <b>Community Relations</b>                                       |   |                            |  |
| EM-EP 210b.1   | Discussion of process to manage risks and opportunities associated with community rights and interests  | p.30, 32, 46               |  |
| EM-EP 210b.2   | Number and duration of non-technical delays   |                            | No non-technical delays in 2022                                |

| Code  | Metric   | Reference    |  |
|---|--|--------------|--|
| <b>Workforce Health and Safety</b>                          |  |              |  |
| EM-EP 320a.1  | (1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees | p.22, 29, 48 |  |
| EM-EP 320a.2  | Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle   | p.22-25, 45  |  |
| <b>Reserves Valuation &amp; Capital Expenditures</b>        |  |              |  |
| EM-EP 420a.1  | Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions  | p.13         |  |
| EM-EP 420a.2  | Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves   | -            | Not available at the time of reporting   |
| EM-EP 420a.3  | Amount invested in renewable energy, revenue generated by renewable energy sales   | -            | No revenue from renewable sales. US\$400k 2021 capital spend on solar projects detailed in p.24, operational in 2022 |
| EM-EP 420a.4  | Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets   | Appendix 1   | Detailed in Genel's 2022 Annual report p.32  |
| <b>Business Ethics &amp; Transparency</b>                   |  |              |  |
| EM-EP 510a.1  | Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index   | -            | All Genel proved and probable reserves are located in KRI  |
| EM-EP 510a.2  | Description of the management system for prevention of corruption and bribery throughout the value chain   | p.38, 47     |  |
| <b>Management of the Legal &amp; Regulatory Environment</b> |  |              |  |
| EM-EP 530a.1  | Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry   | p.40, 47     |  |
| <b>Critical Incident Risk Management</b>                    |  |              |  |
| EM-EP 540a.1  | Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)  | p.3, 22      |  |
| EM-EP 540a.2  | Description of management systems used to identify and mitigate catastrophic and tail-end risks  | p.39, 47     |  |
| <b>Accounting Metrics</b>                                   |  |              |  |
| EM-EP 000.A   | Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas  | p.5          | Detailed in 2022 Annual report p.12  |
| EM-EP 000.B   | Number of offshore sites   | p.5          |  |
| EM-EP 000.C   | Number of terrestrial sites  | p.5          |  |





 Genel Energy  
International

# Appendix one: TCFD recommendations

Genel is committed to transparency in reporting climate-related risks and opportunities, and we welcomed the opportunity to provide responses to recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD') as part of Genel's 2022 Annual Report. Genel supports the recommendations of the TCFD, which aims to increase transparency in climate-related risks. In 2022 Genel considered the 'comply or explain' obligation under the UK's Financial Conduct Authority's Listing Rules, as well as the TCFD's Guidance for All Sectors and Guidance for Non-Financial Groups, and considers that the following disclosures are

consistent with the TCFD recommended disclosures:

- Governance recommended disclosures (a) and (b)
- Strategy recommended disclosures (a) and (c)
- Risk Management recommended disclosures (a), (b) and (c)
- Metrics and Targets recommended disclosures (a) and (b)

As part of its ESG workplan in 2023, Genel is developing a TCFD roadmap to provide actions over the next two years to address, and ultimately make disclosures consistent with, the recommended disclosures relating to Strategy disclosure (b) and Metrics and Targets disclosure (c). The four pillars of the TCFD recommended disclosures are provided below, with a description of Genel's actions for each of the disclosures where applicable. This information was also provided on pages 25-27 of Genel's 2022 Annual Report as part of our UK financial reporting obligations.

## TCFD Recommendation: Governance

### TCFD recommended disclosure: Describe the Board's oversight of climate-related risks and opportunities

Climate topics are included in Board meeting agendas at least once a year, during its main strategy session. The Board is also informed more frequently through ongoing engagement opportunities and other meetings, as well as when climate-related issues arising in relation to major plans of action, annual budgets and business plans. For example, the HSSE Committee reports to the Board with progress on the ESG workplan which includes an evaluation of our GHG performance, including emissions reduction initiatives, which allows for monitoring of these climate-related risks. GHG performance (in the form of life-cycle carbon budgets) was also included in Asset Development Plans ('ADPs') presented to the Board in 2022. Furthermore, our Board's commitment to robust sustainability governance is illustrated in the inclusion of an ESG component of the Company's annual performance score card, which allows oversight and monitoring of progress, with details of this process provided on pages 69-73 of Genel's Annual report.

### TCFD recommended disclosure: Describe management's role in assessing and managing climate- related risks and opportunities.

Genel's Executive Committee oversees implementation of the sustainability strategy, which includes climate-related risks and opportunities, and which is achieved through implementing Genel's annual ESG workplan. The ESG Manager is responsible for implementing the ESG plan (applicable to all Genel assets), and reports progress to the Head of HSE and Risk Management, a permanent Executive Committee Member. This allows a direct line of communication, for information and monitoring of progress, on climate-related matters to the Executive Committee, which in turn reports to the Board on such matters.

Once a risk or opportunity has been identified and evaluated at either the corporate, asset or project level, Genel takes a proactive approach to design and implement robust controls to mitigate any potential negative implications and enhance positive outcomes. Sustainability risks, including the physical, socio-economic political, and economic elements associated with climate change have been identified at Genel as a Board reserved matter.

| TCFD recommendation: Strategy   |   |
|---|---|
| <b>TCFD recommended disclosure:</b><br><b>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.</b>                               | Genel continuously reviews major risks or opportunities to which its operations are exposed. This is achieved through leveraging local expertise, industry knowledge, and strategic relationships. Genel also aims to hold ourselves accountable to robust regulatory environmental standards in our operations, and we comply with climate-related reporting within the UK. Through the strategic review and assessment of climate-related risks and opportunities detailed above, Genel has identified the climate related risks presented on page 15 of this report, which could have a material financial impact on Genel. For the purpose of this classification, short term has been defined as one to three years, medium term as three to five years, and long term as five years and beyond.   |
| <b>TCFD recommended disclosure:</b><br><b>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</b>                        | <p>Genel's GHG Emissions Management Standard (the Standard) underpins Genel's approach to incorporating climate-related risks and opportunities in our strategy and financial planning. The implementation of the Standard informs our ADPs which were reviewed by the Board in 2022 and which form the basis of business strategy and financial decisions. The same level of climate-related scrutiny is also considered in any potential new acquisitions. More broadly, scenario analysis allows Genel to assess the resilience of our business under a range of climate scenarios.</p> <p>In 2022 Genel completed installation of a solar panel and battery storage unit at the Sarta-1D wellsite. This has provided local capacity building and introduced solar power capabilities to a region which would otherwise not be exposed to such technology. Furthermore, Genel developed an ESG supply chain roadmap in 2022 which provides the steps required over the next two years to encourage engagement with contractors to increase awareness of ESG risk with their own operations.</p> <p>We have considered the impact of climate-related issues on our businesses, strategy, and financial planning and Genel acknowledges that access to capital may be impacted by reputational concerns as a result of climate-related issues. However, we do not currently fully disclose the impact of climate-related issues on our financial performance or financial position. As part of Genel's TCFD roadmap which is being developed under the ESG workplan in 2023, Genel will provide the specific actions and timeline for Genel's future approach to meeting this requirement.</p> |
| <b>TCFD recommended disclosure:</b><br><b>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</b> | <p>Genel is consistently reviewing the resilience of our portfolio to ensure it remains fit for purpose through the energy transition. We evaluate our producing assets each year against common scenarios outlined by the International Energy Agency ('IEA'), with the intention of assessing our business to ensure that our assets remain competitive when stress-tested against variable carbon taxes and oil prices. This analysis is shown on page 13 of this report.</p> <p>For the purpose of the analysis, we have applied a base case scenario that assumes a Brent oil price of \$70/bbl and no carbon tax, on account of our assets being located in areas where carbon tax is currently not applicable. To this base case, and under our existing cost structure, we apply the oil price and carbon tax values under the IEA's Announced Pledges Scenario, with the time horizon for our analysis of 2030 corresponding with Genel's time horizon for our existing assets. It should be noted that the Stated Policies Scenario is not applicable for this exercise, on account of the regions in which Genel operates.</p> <p>Under this scenario, Genel's margin was calculated in the 2022 reporting period to erode to 82% against the base case, and it is apparent that under Genel's operational time horizon, the selected IEA scenario will have a manageable impact on our margin, which helps demonstrate the resilient performance of our business in a climate changing world.</p>   |



| TCFD Recommendation: Risk Management   |   |
|--|---|
| <p><b>TCFD recommended disclosure:</b></p> <p>a) Describe the organisation's processes for identifying and assessing climate-related risks</p> <p>b) Describe the organization's processes for managing climate-related risks</p> <p>c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.</p> | <p>Genel's established risk management process is detailed on pages 30 - 33 of our Annual Report, which helps support the TCFD's Risk Management recommendation. For this reason, we have chosen to group these recommended disclosures together.</p> <p>The management of climate-related risks and opportunities is incorporated into our wider business strategy. Responsibility for the management of sustainability risks, and monitoring of other climate-related topics is integrated into Board oversight through the roles of the Chair, CEO and the HSSE Committee.</p> <p>Climate-related risks are considered under ESG risks at Genel, which consider existing and emerging regulation. The process of identifying climate-related risks, and the relative significance of these risks, is integrated within Genel's established risk management framework, through the processes described on page 64 of our Annual Report. The outcome of this risk identification process establishes Genel's Risk register. This Risk register is reviewed and further distilled to Principal Risks and Uncertainties, and the 2022 iteration of these risks is presented on page 31 - 33 of the Annual Report, which provides details on potential opportunities, threats and mitigation measures to manage the risk. The size and potential impact of this risk, and potential mitigation and controls, are managed in Genel by communication channels from the ESG Manger to the Executive Committee, which in turn assesses the relative priority of each risk, and raises these matters, when applicable, with the Board.</p> <p>The risk owners for climate-related risks are the ESG Manager and the Head of HSE and Risk Management, with the HSSE Committee supporting the Board on overall management of the identified risks. The identified risks are managed through implementation of the annual ESG plan, the progress of which is communicated to the Executive Committee, and in turn with the Board.</p> |
| TCFD Pillar: Metrics and Targets   |   |
| <p><b>TCFD recommended disclosure:</b></p> <p>disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>   | <p>Scope 1, Scope 2, and Scope 3 GHG emissions (tonnes CO<sub>2</sub>e) are presented each year in Genel's Annual Report. They are also presented on page 12 of this report and a reference to the methodology applied in calculating these metrics is also provided on Genel's website. Genel also discloses the following climate-related metrics in this annual Sustainability Report: methane emissions (tonnes CO<sub>2</sub>e), carbon intensity (kgCO<sub>2</sub>/bbl), and flaring intensity (kgCO<sub>2</sub>/bbl). For each of these metrics, the preceding year's figure is also provided to allow for trend analysis. In relation to water-related climate risks, we report freshwater withdrawals and produced water reinjected (cubic meters) in Genel's annual Sustainability Report. In 2022 we received a score of B- for our CDP water disclosure, which represented an improvement from the previous year. Genel remains open to consideration of additional metrics as the business evolves.</p>  |
| <p><b>TCFD recommended disclosure:</b></p> <p>disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.</p>   | <p>Genel's 2022 Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are presented on page 12 with a description of reporting boundaries for each.</p>   |
| <p><b>TCFD recommended disclosure:</b></p> <p>describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>   | <p>Genel reports absolute emissions and the carbon intensity of our portfolio assets on an annual basis, with our portfolio being assessed against the life-of-field carbon budgets outlined in the GHG Emission Management Standard.</p> <p>As part of Genel's TCFD roadmap which is being developed under the ESG workplan in 2023, Genel will identify gaps against current disclosure requirements and provide the specific actions and timeline for full compliance against said requirements. This will include the nature and the time horizon of emissions targets, which will be a function of the portfolio assets over the same time period. This process will consider potential targets relating to emissions reductions, internal energy use, and application of alternative energy sources in operations.</p>  |

# Glossary of technical terms

Genel', 'we', 'us', 'our' and the 'Group' may refer to Genel Energy plc and/or one of its subsidiaries and/or one or more employees as the case may be. It is used for convenience only and is in no way indicative of how the Genel Group, or any entity within it, is structured, managed or controlled. The 'Company' refers to Genel Energy plc.

## **ADP**

Asset Development Plan

## **AGM**

Annual General Meeting

## **AIMP**

Asset Integrity Management Plan

## **BAP**

Biodiversity Action Plan

## **BBL**

Barrel of crude oil

## **CDP**

CDP is a not-for-profit organisation that runs a global disclosure system for investors, companies, cities, states and regions to report and benchmark their environmental impacts

## **CO<sub>2</sub>e**

Carbon dioxide equivalent is a quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO<sub>2</sub> that would have the same global warming potential

## **CSR**

Corporate Social Responsibility

## **ESG**

Environmental Social Governance

## **ESIA**

Environmental Social Impact Assessment

## **GHG**

Greenhouse Gases

## **GRI**

Global Reporting Initiative

## **HSE**

Health Safety & Environment

## **HSSE Committee**

Health, Safety, Security, Environment Committee

## **H<sub>2</sub>S**

Hydrogen Sulphide

## **IEA**

International Energy Agency

## **IFC**

International Finance Corporation

## **IFC Performance Standards**

An international benchmark for identifying and managing environmental and social risk

## **IOGP**

International Association of Oil & Gas Producers

## **ISO**

International Organisation for Standardisation

## **IUCN**

International Union for Conservation of Nature

## **KRI**

The Kurdistan Region of Iraq

## **LOPC**

Loss of primary containment

## **MNR**

Ministry of Natural Resources

## **NGO**

Non-governmental organisation

## **Non-hazardous waste**

Waste that is not defined as hazardous waste. This excludes drill cuttings and produced water from operations

## **Produced water**

Water that is brought to the surface during operations which extract hydrocarbons from oil and gas reservoirs

## **PSC**

Production Sharing Contract

## **PSE**

Process Safety Event

## **SASB**

Sustainability Accounting Standards Board

## **SCE**

Safety Critical Elements

## **Scope 1**

Direct GHG emissions from operations that are owned and/or controlled by the organisation (Source: Greenhouse gas protocol).

## **Scope 2**

Indirect GHG emissions from energy imported from third parties, heating, cooling, and steam consumed within the organisation

## **Scope 3**

All GHG emissions that occur as a consequence of the operations of the organisation but are not directly controlled or owned by the Company, such as use of sold products

## **SDG**

The United Nations' Sustainable Development Goals

## **TCFD**

Task Force on Climate-related Financial Disclosures

## **tCO<sub>2</sub>e**

Tonnes of CO<sub>2</sub> equivalent

## **TES**

Total energy supply

## **T-1 PSEs - Tier 1 Process Safety Event**

A Tier 1 Process Safety Event is an LOPC with consequence. It is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials, from a process that results in consequences as listed, per the API 754 Guide. A Tier 1 Process Safety event may involve significant actual or potential impacts.

## **T-2 PSEs - Tier 2 Process Safety Event**

A Tier 2 Process Safety Event is an LOPC with consequence. It is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials, from a process that results in consequences per the API 754 Guide. As an approximation Tier 2 events are roughly an order of magnitude lower impact than Tier 1 Process Safety Events.

## **TRACE**

A non-profit business association dedicated to anti-bribery, compliance and good governance

## **UNGP**

UN Guiding Principles on Business and Human Rights







**CBG**:together  
Consultancy, design and production  
cbgtogether.com

**Registered Office**

12 Castle Street  
St Helier  
Jersey  
JE2 3RT

**London Office**

Fifth Floor  
36 Broadway  
Victoria  
London  
SW1H 0BH

**Erbil Office**

1st Floor  
Divan Hotel  
Gulan Street  
Erbil 44001  
Kurdistan Region of Iraq

**Istanbul Office**

Vadi Istanbul 1 B Block  
Ayazağa Mahallesi  
Azerbaycan Caddesi  
No:3 Floor: 18  
Sarıyer/Istanbul  
34396

**[genelenergy.com](http://genelenergy.com)**

