

Independent Monitoring Group

Thirteenth HSEC Monitoring Review

PREPARED FOR



Africa Oil Corporation

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ACRONYMS AND ABBREVIATIONS

Acronym	Description
AOC	Africa Oil Corporation
BOE	Barrel of Oil Equivalent
CFP	Chance Find Procedure
CHMP	Cultural Heritage Management Plan
Kg CO _{2e}	Kilograms of Carbon Dioxide Equivalent
CSRD	Corporate Sustainability Reporting Directive
EIA	Environmental Impact Assessment
EP IV	Equator Principles (Version IV)
EPRP	Emergency Preparedness and Response Plan
ESAP	Environmental and Social Action Plan
ESRS	Environmental and Social Review Summary
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESG	Environmental and Social Governance
FID	Final Investment Decision
FPSO	Floating Production Storage and Offloading
GHG	Green House Gases
GIIP	Good International Industry Practice
GRI	Global Reporting Initiative
HR	Human Resources
HSE	Health Safety and Environment
HSEC	Health, Safety, Environment and Community
IFC	International Finance Corporation
IUCN	International Union for Conservation of Nature
JV	Joint Venture
KPI	Key Performance Indicator
PRIME	Prime Oil & Gas Coöperatief U.A.
PS	Performance Standard
SASB	Sustainability Accounting Standards Board
SP	Social Performance
SEP	Stakeholder Engagement Plan
TCFD	Task Force on Climate Related Financial Disclosures
WBG	World Bank Group

EXECUTIVE SUMMARY

Africa Oil Corporation (AOC) is a UK headquartered and Canada and Sweden listed oil and gas exploration and development company with operated exploration assets in Equatorial Guinea, non-operated exploration, development and producing assets offshore Nigeria, as well as other non-operated exploration assets in Namibia and South Africa. AOC holds its interests through direct ownership of exploration and production licences and indirectly through its shareholdings in investee companies (Africa Energy Corp and Impact Oil and Gas Ltd).

Environmental Resources Management Ltd (ERM) was commissioned by AOC in 2015 to conduct periodic reviews of the Health, Safety, Environment and Community (HSEC) aspects of its oil and gas exploration, appraisal and development activities. This was a requirement of AOC's Equity Subscription Agreement with the International Finance Corporation (IFC) which commenced in August 2015 for finance to support its oil and gas exploration, appraisal and development activities. The agreement included a requirement for AOC, and its Joint Venture partners, to conform to the IFC Performance Standards (PSs) on Environmental and Social Sustainability (2012).

AOC has developed its investment strategy which, since 2018, has included investments in a portfolio of assets mainly in West Africa and South Africa and AOC has disposed of its interest in Ethiopia, Kenya and Guyana. In 2024, the IFC undertook a planned exit from its investment in AOC, however, AOC has taken the decision to continue with the HSEC reviews of its current assets and current and planned activities, given that conformance with the IFC PSs, the related World Bank Group guidance and the Equator Principles (version IV) are accepted as Good International Industry Practice (GIIP).

The requirements of the original Environmental and Social Action Plan (ESAP), developed by the IFC in 2015 and focussed on Kenya and Ethiopia, have now been closed. A new ESAP has been developed to reflect AOC's current activities, including the amalgamation of AOC and Prime Energy meaning that AOC will have a larger role in the oversight of its non-operated assets offshore Nigeria, including exerting influence on the Operators' HSEC performance.

AOC Corporate Environmental and Social Management System (ESMS) Framework and associated corporate policies, standards of operation and procedures were reviewed by AOC in 2023 and are undergoing a further review to align the requirements with those developed by Prime for the Nigeria assets. As part of the current HSEC review, the revised policies and standards of operation were reviewed, as well as the current Prime HSEC policies, standards and associated procedures. Overall, the approach to the ESMS and the available documents made available to date are considered to be fit for purpose for the current non-operated assets. The integration of these with the current Prime HSEC systems and procedures will be undertaken in early 2025. It is recommended that a 'side-by-side' review of the two organisations' management system documentation is undertaken, followed by integration into a harmonised new AOC-branded suite of documentation.

To support the further development of HSEC standards and operational procedures, an assessment of the current alignment with the IFC Performance Standards and Equator Principles' standards has been provided and, where gaps have been identified, recommendations made on required actions. These actions are then summarised in the updated ESAP. The ESAP will require to be developed further if AOC takes on operator roles in

the future and the key IFC conformance requirements to be addressed at that stage are presented.

AOC developed an Energy Transition Strategy, including carbon offsets, which included a commitment to be carbon neutral from 2025 and eliminate flaring by 2030. AOC is currently undertaking a review of this strategy to develop a revised strategy, that supports its growth strategy and with a focus on energy efficiency and emissions reduction.

AOC's fifth Sustainability Report, covering 2024, is expected to be issued in the first quarter of 2025. AOC has aligned its Sustainability Reports with the Sustainability Accounting Standards Board, Global Reporting Initiative reporting standards and the Taskforce on Climate-Related Financial Disclosures reporting requirements. AOC is currently preparing for compliance with the European Sustainability Reporting Standards (ESRS) under the EU Corporate Sustainability Reporting Directive (CSRD) and is planning to prepare an annual Sustainability Statement, with third party data assurance in 2026.

The focus of the next HSEC review will be dependent on the level of activity at existing assets and any future investments, as well as any updates to the ESMS and associated documents. The next review is currently scheduled for the end of the fourth quarter of 2025.

1. INTRODUCTION

1.1 BACKGROUND

Africa Oil Corporation (AOC) entered into an Equity Subscription Agreement with the International Finance Corporation (IFC) in August 2015 for finance to support its oil and gas exploration, appraisal and development activities. The agreement included a requirement for AOC to conform to the IFC Performance Standards (PSs) on Environmental and Social Sustainability (2012). The IFC undertook an Environmental and Social Review Summary (ESRS) of AOC's activities and agreed an Environmental and Social Action Plan (ESAP) in 2015. At that time, the focus of the ESAP was AOC's activities in Ethiopia and Kenya. Since the initial ESRS was undertaken and the ESAP developed, AOC has developed its investment strategy which, since 2018, has included investments in a wider portfolio of assets mainly in West Africa and South Africa. As part of its investment strategy, in 2019 AOC disposed of its interest in Ethiopia and in 2023, AOC decided to dispose of its interests in Kenya, which AOC notified to the Government of Kenya and approval processes for that are ongoing.

Environmental Resources Management Ltd (ERM) was commissioned by AOC in 2015 to conduct periodic reviews of the Health, Safety, Environment and Community (HSEC) aspects of its oil and gas exploration, appraisal and development activities, with respect to the ESAP and the associated IFC's environmental and social standards.

In 2024, the IFC exited as planned from its investment in AOC, however, AOC has taken the decision to continue with annual HSEC reviews of its current assets and current and planned activities, given that conformance with the IFC PSs, the related World Bank Group guidance and the Equator Principles (version IV) are accepted as Good International Industry Practice (GIIP). These standards and guidance together are defined as the 'applicable standards' for the purposes of this review.

The scope of the current review is therefore focussed on the HSEC issues related to AOC's current interests and planned future activities, both as a non-operator investor and as a potential future operator of some assets. The original 2015 ESAP has been closed and a revised ESAP developed to reflect the change in investment strategy and AOC's roles.

The dates and brief description of the twelve previous reviews are presented below.

- December 2015, including site visit to South Lokichar and Block 12A, Kenya.
- July 2016, including site visit to South Lokichar and Block 12A, Kenya.
- January 2017, including site visit to South Lokichar, Kenya.
- July 2017, desk based due to travel restrictions associated with elections in Kenya.
- May 2018, including site visit to South Lokichar, Kenya.
- December 2019, delayed review due to reduced levels of activity on site and included site visit to Early Oil Pilot Scheme and oil transport in Kenya.
- February/March 2020, including site visit to South Lokichar and desk-based reviews of upstream Phase 1 development and midstream pipeline project Environmental and Social Impact Assessments (ESIAs).
- November/December 2020, desk based due to travel restrictions and a low level of site activity at South Lokichar due to the Covid-19 pandemic.

- July/August 2021, primarily desk-based and included a review of the revised draft upstream ESIA and a site visit to South Lokichar was undertaken to observe community consultations on the ESIA.
- February/March 2022, desk-based review providing an update on Project Oil Kenya (POK), in particular progress with the new water supply pipeline, community water supply arrangements and consolidation and management of historic drilling wastes.
- September/October 2022, desk-based review of progress with POK and other AOC assets, with planned field work to the upstream and midstream components of POK cancelled due to elections in Kenya.
- November/December 2023, desk-based review of AOC's investment assets, with a particular focus on AOC's developing Environmental and Social Management Systems, Plans, Procedures and Standards of Operations. A revised ESAP was prepared, including actions that may be required, at future dates, if AOC took on operator roles in some of its existing or new assets.

1.2 SCOPE OF THE CURRENT REVIEW

The scope of the current review is on AOC's HSEC systems, standards of operation and procedures associated with its investment portfolio across the oil and gas exploration, development and production cycle. These include operated exploration interests in Equatorial Guinea as well as non-operated assets in Nigeria, Namibia and South Africa (as described in Chapter 2).

The review evaluates how AOC's HSEC systems, standards of operation and procedures have been applied across AOC's current portfolio. Recommendations are made on changes that may be required to improve AOC's HSEC performance with respect to the applicable standards ⁽¹⁾, and manage HSEC risks, compliance issues and other uncertainties for current assets. The application of the recommendations will depend on the level of influence that AOC has over its assets (i.e. non-operated or operated assets) and the stage of development of the assets.

As the original ESAP actions have been completed or are now not relevant, the ESAP was revised in the previous review and has been updated in this review to address issues related to ongoing activities in AOC's current assets. Actions that may be required to conform with the applicable standards for potential future operated assets are also presented.

1.3 OBJECTIVES

The overall objective of the review is to identify areas of non-conformance ⁽²⁾ within the applicable standards and to make recommendations for corrective actions, or improvements in line with GIIP.

The current review covers the following areas.

- Overview of status of AOC's operated and non-operated interests and the nature of its holdings.
- Review of AOC's developing Environmental and Social Management System (ESMS) and associated standards of operations and procedures, along with those of Prime Oil & Gas

¹ IFC Performance Standards, Equator Principles and WBG HSE guidance.

² The term 'compliance' relates to specific legal and regulatory measures or contract requirements, whereas the term 'conformance' relates to a standard that is outcome-based.

Coöperatief U.A. (Prime), to assess how these can be aligned and integrated as part of AOC's amalgamation with Prime in relation to its non-operated offshore Nigeria assets.

- Review of Corporate HSEC status and current activities.

Review of conformance of current activities with the applicable standards and revisions to the ESAP to address gaps, and recommendations on ESAP requirements for potential future activities.

1.4 APPROACH

The approach taken for the current review was as follows.

- Attend an inception meeting and briefing from AOC on its current and planned holdings and activities and updates on management systems and plans to identify key issues and obtain sources of information. Documents submitted by AOC for this review are listed in Appendix A.
- Request clarifications, further information and undertake management interviews with AOC.
- Describe AOC's current assets and the nature of its holdings, including the degree and nature of AOC's control on HSEC matters, based on AOC website disclosures, supplemented by additional information provided during management interviews.
- Conduct a desk-based review of the provided information with respect to AOC's ESMS and associated plans, policies and standards and assess AOC's conformance with applicable standards across its portfolio of assets.
- Make recommendations on improvements that could be made to AOC's ESMS, associated documents and HSEC performance with respect to the applicable standards, for current and future plans, for both non-operated and operated assets.
- Update the ESAP based on the findings of the ESMS review and actions required to close or progress identified gaps or non-conformances.

Previous reviews have provided information on AOC assets and progress with various projects and activities at the time of these reviews. Where appropriate, information in the previous reviews is referenced or summarised to avoid unnecessary repetition.

1.5 REVIEW PERIOD

This review covers the activities in progress between the twelfth review in November/December 2023 and the current review in November/December 2024. The next review period would cover the approximately twelve-month period from November/December 2024 to November/December 2025.

1.6 REVIEW TEAM

The ERM team for the current review comprised consultants covering the following skills specified in the Scope of Work.

- Mark Irvine: Team Leader and Environmental Specialist.
- Max Goodwin: ESMS specialist.
- Victoria Griffiths: Social Specialist.
- Rachel Gray: Social Specialist.

1.7 LIMITATIONS

The findings in this report are based on the Scope of the Current Review, described above. ERM performed these services in a manner consistent with the normal level of care and expertise exercised by members of the environmental and social consulting profession. The work is based primarily upon documents produced and studies performed by third parties, and follow-up discussions.

ERM has used information provided by AOC and their representatives in good faith and with verification limited to requests for clarifications and additional documentary evidence. The assessment and recommendations made are based on professional judgement drawing on the available information and within the limits of the budget and schedule. The information provided in this report should be considered as technical input and not as legal advice.

1.8 REPORT STRUCTURE

The remainder of this review report is structured as follows.

- Chapter 2 summarises the key AOC and JV assets and status of activities.
- Chapter 3 outlines the assessment framework and applicable standards.
- Chapter 4 presents an assessment of the current AOC ESMS system, policies and standards of operation with respect to the applicable standards for its operated and non-operated assets. An update of other relevant HSEC activities is provided and recommendations to improve performance and manage HSEC risks are made.
- Chapter 5 presents an updated ESAP to address current activities and key conformance requirements for potential future activities, based on the review of AOC's assets, systems and processes.
- Chapter 6 presents the conclusions and recommendations for the next review.

The review is supported by the following appendix.

- Appendix A: Documents provided by AOC for the Current Review.

2. AOC AND JV ASSETS AND Current Activities

2.1 OVERVIEW OF NON-OPERATED INTERESTS

A summary of AOC's and its JV Partners material interests is provided in Table 2.1. Further details are provided in the following sections with maps illustrating the location of the assets. Previous direct and indirect holdings have been reported in earlier HSEC reviews.

AOC has a 19.67% holding in Africa Energy Corp which holds a 4.9% interest in Blocks 11B/12B, South Africa. The Operator (TotalEnergies) and other major shareholders have now withdrawn their interests from these blocks. Africa Energy Corp has confirmed that, through its investment in Main Street 1549, it does not intend to withdraw from its interest in Block 11B/12B with the belief that natural gas will play a critical role in South Africa's energy transition, and the use of indigenous gas from Block 11B/12B discoveries are currently the most material domestic supply option in South Africa.

AOC has reported in its 30 September 2024 Report to Shareholders that it has an 'investment held for sale' in Eco (Atlantic) Oil and Gas Ltd (14.84% investment) and, pending government approvals, it will cease to be a shareholder in Eco (Atlantic) Oil and Gas Ltd.

TABLE 2.1 AOC DIRECT AND INDIRECT HOLDINGS

Company	AOC Shareholding	AOC Influence	Country	Block/ Fields	Company Shareholding	Operator and Project Stage
Direct Holdings						
Africa Oil Corp	100%	Wholly owned	Equatorial Guinea	Block EG-18 Block EG-31	80% 80%	AOC Exploration
Africa Oil SA Corp	100%	Wholly owned	South Africa	Block 3B/4B	17% (due to increase to 18% by end 2024)	TotalEnergies Exploration
Indirect Holdings						
Prime Oil & Gas	50%	Major Shareholder. AOC has representation on Supervisory Board	Nigeria	PML 52 PPL 2003	8% (4% to AOC)	Chevron Production and Appraisal
				PML 2, PML 3 and PML 4 and PPL 261	32% (16% to AOC)	TotalEnergies Production and Appraisal.
Impact Oil and Gas	32.42% (due to increase to 39.5% by end 2024)	AOC has Non-Executive Director on the Board	Namibia	2913B 2912	9.5% 9.5%	Total Energies Development and Exploration

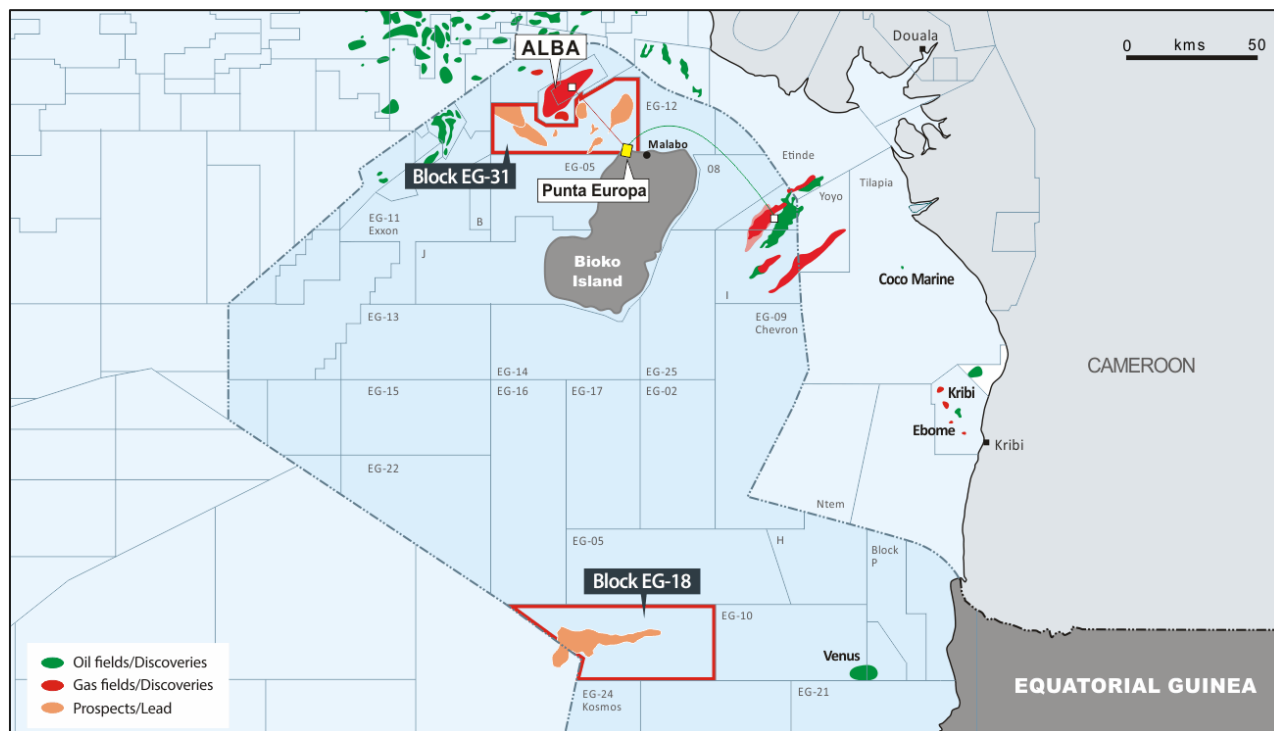
Sources: AOC website (accessed November 2024), AOC Report to Shareholders for the Period Ended 30 September 2024, Prime Oil & Gas Website (accessed November 2024).

2.2 DIRECT HOLDINGS

2.2.1 AFRICA OIL CORPORATION: EQUATORIAL GUINEA

AOC is the operator of Block EG-31 and Block EG-18 in Equatorial Guinea with an 80% interest in each block (see Figure 2.2). Current work includes subsurface studies and seeking farm down partners for both blocks. AOC has established a branch office in the national capital, Malabo. Environmental and Social Impact Assessments (ESIAs)⁽¹⁾ for planned 3D seismic, site survey and potential exploratory drilling activities in these blocks are pending conclusion of these processes.

FIGURE 2.1 OFFSHORE EQUATORIAL GUINEA ASSETS



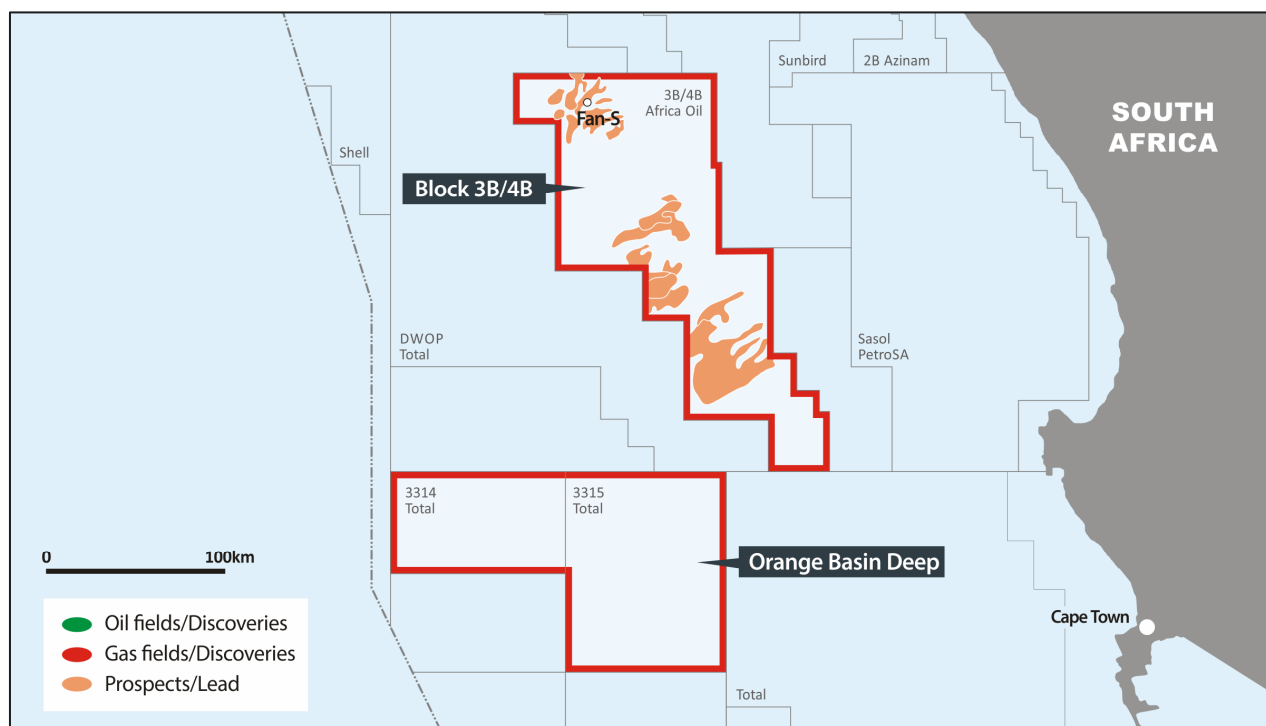
Source: AOC Corporate website, accessed November 2024

2.2.2 AFRICA OIL SA CORP: SOUTH AFRICA

Africa Oil SA Corp, owned by AOC, has a 17% participating interest (due to increase to 18%, expected by the end of 2024) in Block 3B/4B, offshore South Africa. See Figure 2.2 for the location of the block. A farm down agreement with TotalEnergies and Qatar Energy was agreed in August 2024, and TotalEnergies has taken over the operatorship. A review, evaluation and part reprocessing of existing 2D and 3D seismic survey data was undertaken and exploratory drilling prospects identified. An EIA for exploratory drilling of up to five wells was completed and an Environmental Authorisation was granted in September 2024. This is subject to an appeals process which is underway and Africa Oil SA Corp continues to manage this process as the Applicant in relation to environmental approvals.

¹ The Terms EIA and ESIA are used in this report. EIA refers to the country-specific requirements if that is the term used in the legislation. The term ESIA more generally refers to a corporate level or lender compliant assessment.

FIGURE 2.2 OFFSHORE WESTERN SOUTH AFRICA ASSETS



Source: AOC website, accessed November 2024

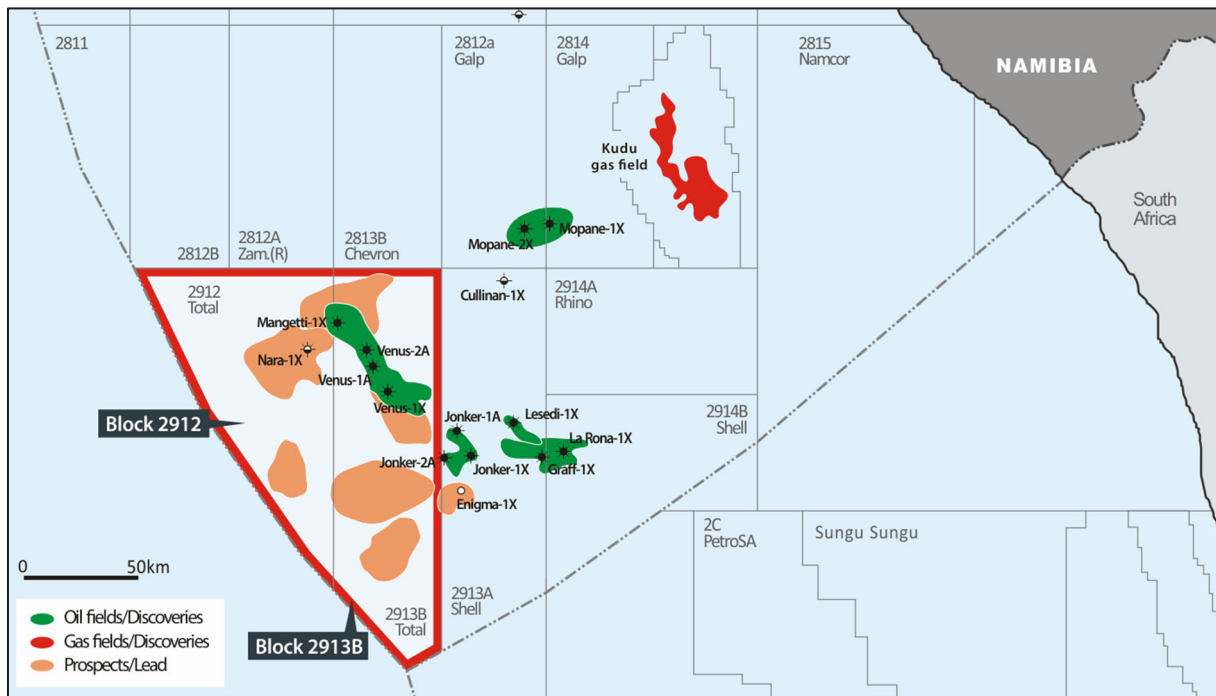
2.3 INDIRECT HOLDINGS

2.3.1 PRIME OIL AND GAS: NIGERIA

AOC currently holds a 50% equity interest in Prime in a Joint Venture with BTG Pactual (which holds the remaining 50%). In June 2024 AOC entered into an agreement with BTG Pactual to amalgamate their interests in Prime and make AOC the 100% owner of Prime. It was reported during management interviews with AOC in November 2024 that this process has now received the necessary approvals and work is now progressing to finalise the business integration and reorganisation.

Prime owns non-operator working interests in three Floating Production Storage and Offloading (FPSO) vessel based deep-water producing assets offshore Nigeria. These are listed below and shown in Figure 2.3.

- Block PML 52 (Agbami producing field) and PPL 2003 (appraisal) operated by Chevron, (Prime has an 8% interest).
- Block PML 2, PML 3 and PML 4 (Akpo and Egina producing fields and Preowei development field) and PPL 261 (Egina South appraisal) operated by TotalEnergies (Prime has a 32% interest).
- In the Agbami, Egina and Preowei fields, further work is underway to process 4D seismic data obtained in 2024 with the aim of planning further drilling in 2025 and 2026 in Agbami and Egina and progressing with the Final Investment Decision (FID) for the approved Field Development Plan for Preowei.
- In the Akpo field, three new production wells and two new injection wells were brought on-stream in 2024.

FIGURE 2.4 OFFSHORE NAMIBIA ASSETS

Source: AOC website, accessed November 2024

3. ASSESSMENT FRAMEWORK AND METHODOLOGY

3.1 ASSESSMENT FRAMEWORK

In addition to the requirements to adhere to all the relevant environmental and social laws and regulations of the host country, and the terms of all license agreements entered into in these countries, AOC has committed to undertake its activities in conformance with the following environmental and social standards.

- IFC PSs on Environmental and Social Sustainability (2012) and related policies and guidance, including:
 - Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts;
 - Performance Standard 2: Labour and Working Conditions;
 - Performance Standard 3: Resource Efficiency and Pollution Prevention;
 - Performance Standard 4: Community Health, Safety and Security;
 - Performance Standard 5: Land Acquisition and Involuntary Resettlement;
 - Performance Standard 6: Biodiversity Conservation and Sustainable; Management of Living Natural Resources;
 - Performance Standard 7: Indigenous Peoples; and
 - Performance Standard 8: Cultural Heritage.

In addition, the following sector-specific guidelines of the World Bank Group, as referenced in the IFC PSs, apply.

- General Environmental, Health and Safety General Guidelines (April 2007).
- Environmental, Health, and Safety Guidelines for Onshore Oil and Gas Development (April 2007).
- Environmental, Health, and Safety Guidelines for Offshore Oil and Gas Development (June 2015).
- Environmental and Social Management System (ESMS) Implementation Handbook – General (March 2015).

The Equator Principles (IV) (2020) requirements on Human Rights and Climate Change Risk also apply.

3.2 METHODOLOGY

3.2.1 OVERVIEW

The review comprised the following activities.

- A review of relevant environmental and social documentation and information. Presentations by AOC on 30 October 2024 with a video-conference link to AOC's offices in London. Copies of presentations and related documents were provided after the presentations.
- Current activities were evaluated against the agreed assessment framework to determine conformance with the applicable standards.

- A desk-based review of AOC ESMS documentation against the IFC ESMS Guideline (related to IFC Performance Standard 1), including an assessment of the suitability of the ESMS arrangements to accommodate planned future operating and non-operating commercial models.
- Assessment of conformance with the applicable standards, recommendations to address gaps identified and a revised ESAP, based on the findings of the current review.

3.2.2 DOCUMENT REVIEW AND PRESENTATIONS

HSEC documents covering AOC's corporate management plans and asset-specific activities were provided during the previous reviews with updated and additional documents provided for the current review. Details of the documents provided for the current review are presented in Appendix A. The documents submitted for the previous reviews are listed in the previous review reports and referenced where required.

An operational update was presented to the review team by AOC covering AOC's Corporate HSEC strategies as well as an overview of its operated and non-operated assets.

3.2.3 REVIEW OF HSEC PERFORMANCE

AOC's current corporate HSEC policies and standards of operations were assessed against the applicable standards listed in Section 3.1 above. Alignment with these standards was rated according to the categories presented in Table 3.1.

TABLE 3.1 ESAP ALIGNMENT CRITERIA

Rating	Definition
Aligned	Information available indicates that the Company and/or project fulfils the requirement or is aligned with intended outcome of the requirement (i.e. is on track for completion in the stipulated timeframe). This considers actions completed to date as well as commitments to complete actions at later stages.
Partially Aligned/May be Required in the Future	Information available indicates that the Company and/or project partially fulfil the requirement and/or are partially aligned with intended outcome of the requirement; however, further actions are necessary to rectify non-alignments identified or to ensure alignment with the requirements for new or planned activities
Not Aligned	Information available indicates the Company and /or project does not fulfil the requirement, and appropriate activity to meet the requirement has not been started.
Not Applicable	The requirements do not apply to the Company and/or project at the current time.

4. ENVIRONMENTAL AND SOCIAL GOVERNANCE SYSTEM REVIEW

4.1 INTRODUCTION

This chapter provides a review of the AOC's ESMS and associated documents submitted to ERM for this review. A description of the further development of the ESMS since the previous reviews is provided along with updates on elements of AOC's HSEC activities.

To support the further development of plans and procedures, the current review provides an assessment of their current alignment with the applicable standards and, where gaps have been identified, recommendations are made on the required actions to close these gaps. These are then summarised in a revised ESAP (see Chapter 5).

4.2 AOC ESMS FRAMEWORK AND PROCEDURES

4.2.1 BACKGROUND

In 2020, AOC developed a Corporate ESMS Framework and associated corporate policies, procedures and standards of operation to apply to its current and potential future operated and non-operated assets to meet AOC's Health Safety and Environment (HSE) and Social Performance (SP) objectives and overall HSEC goals. Recommendations on revising the ESMS Framework to align more fully with the applicable standards were made in previous reviews.

In August 2023, AOC commenced a review and update of its Corporate ESMS Framework and associated corporate policies, standards of operation and procedures. With the amalgamation with Prime and the potential for future operator roles, AOC is currently undertaking a further review of its ESMS, policies and standards of operation to make them more fit for purpose.

This process has included rationalising the previous list of policies into the following three overarching policies.

- Environment and Emissions Policy.
- Health and Safety Policy.
- Community Relations and Human Rights Policy.

Under these overarching policies, AOC has developed the following three Standards of Operation.

- Environment.
- Health and Safety.
- Social Performance.

The standards of operation will apply to all AOC activities, including JV partners, and are designed to make obtaining HSEC data and compliance and HSEC performance reporting for non-operated assets more straightforward.

For AOC's own activities, a series of Procedures under each of the three Standards of Operation will apply. Most of these procedures were developed under the previous ESMS, however, they are currently being reviewed and updated by AOC to focus on AOC's current activities. The previously drafted HSEC management procedures included the following.

- Hazard and Risk Management Procedure 2023.

- Management of Change Procedure 2023.
- Incident Management Procedure 2023.
- Incident Reporting Procedure Draft 2023.
- ESMS Review Procedure 2023.
- HSE and SP Monitoring Procedure 2023.

A number of other Procedures are pending, including the following.

- Worker Complaints & Grievance Procedure.
- Community Complaints Procedure.
- Contractor Management Procedure.
- Procurement Procedure.

4.2.2 APPROACH TO THE CURRENT REVIEW

As part of the current HSEC review, the revised ESMS and associated policies and standards of operation were reviewed to assess their suitability and potential adaptability to different commercial and operating modes namely:

- increasing levels of investment as a non-operating equity partner, and
- as an operator.

In making this assessment, consideration was given to the level of control and influence AOC has over the HSEC aspects and impacts of its, and its partners, activities. Guidance on this issue is provided in the International Standard Specification for Environmental Management Systems, ISO14001 ⁽¹⁾. The Guidance to ISO14001 includes the following statements.

- The scope of the environmental management system is intended to clarify the physical and organisational boundaries to which the environmental management system applies.
- An organisation has the freedom and flexibility to define its boundaries.
- In setting the scope, the credibility of the environmental management system depends upon the choice of organisational boundaries. The organisation considers the extent of control or influence that it can exert over activities, products and services considering a life cycle perspective.

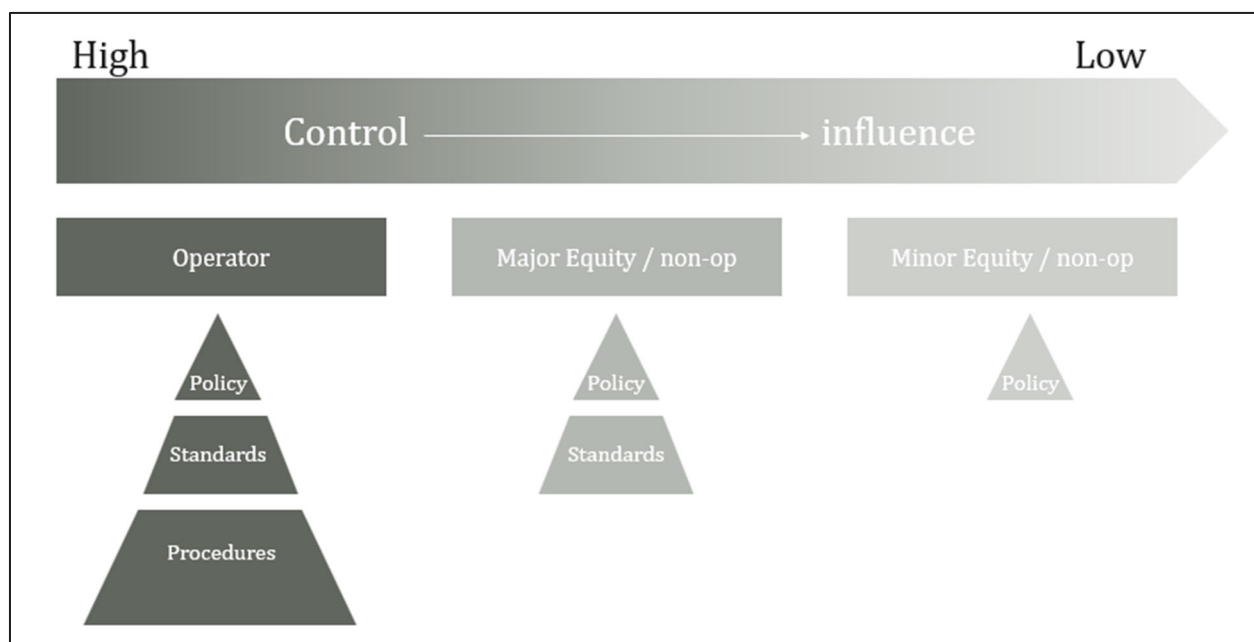
In addition to the revised AOC policies and standards of operation, a series of 37 Prime documents were provided, covering HSEC issues and corporate operational and compliance issues. The provided documents are listed in Appendix A.

4.2.3 FINDINGS

AOC has recognised it needs to adapt its approach to managing the HSEC aspects of its business as it evolves its commercial models, including the acquisition of Prime and potential future field operatorship. In the context of AOC's business, the variability in influence and control is illustrated in Figure 4.1. The AOC presentation 'ESMS Development', dated October 2023, provides an outline of the proposed ESMS evolution, which appears consistent with this type of approach.

¹ Although AOC is not ISO14001 certified, the standard is a useful generic guide and is consistent with the EMS specification outlined in the IFC Environmental and Social Management System (ESMS) Implementation Handbook – General (March 2015).

FIGURE 4.1 ESMS ARCHETYPES WITH VARYING LEVELS OF OPERATIONAL CONTROL AND INFLUENCE



The AOC document 'Environment and Social Management System Framework', dated September 2024, appears to reflect an appropriate framework for applying a commensurate level of control and influence for different operating models, with policies, standards of operation and procedures proposed accordingly. The approach also appears consistent with the guidance in ISO14001.

Further, the AOC document 'Standard of Operation – Environment', dated September 2024, provides an outline of the expectations specifically to an operating partner. Equivalents for Social, and Health and Safety matters also exist.

The AOC ESMS Framework document and Standard of Operation documents assume that while AOC may be officially 'operator', the day-to-day activities, such as exploration drilling or production, will be carried out by others, using their own systems and procedures, as opposed to AOC's systems and procedures ('operational controls'), for example, permit to work, emergency response, and plant operating procedures.

The Standard of Operation – Environment document explicitly states:

This document describes the Standard of Operation that Africa Oil requires to be met by its operated assets and which it will use with its Operating Partners on non-operated assets to ensure, as far as practicable, that activities are conducted in line with Africa Oil expectations.

Given the status of the business, that is, not directly operating any facilities, vessels etc, this absence of operational controls is understandable, however, if AOC takes on operational control of activities, further work will be required to:

- verify that any partner or contractors operating facilities on AOC's behalf have effective operational controls in place, and / or
- develop AOC-specific operational controls.

In both cases, additional resources and documentation will be required to ensure an appropriate level of operational and risk control are in place.

With respect to the acquisition of Prime's non-operated interests in AOC's Nigeria assets, a review of Prime's ESMS documentation indicates that a similar level of ESMS documentation and governance approach is in place. For example, the Prime document 'Health, Safety and Environmental Management System' contains a useful section (3.3 HSE Management Model) which outlines how Prime sets HSE performance strategy and goals and monitors, reports and checks its HSE performance, including provision for annual independent verification against IFC standards. Section 3.5 of the document contains a useful list of the minimum information and document requirements applied to non-operated assets, including the reporting of HSE performance indicators.

It is understood from discussions with AOC that once the integration of the existing AOC and Prime systems, standards and procedures has been completed that it is likely to provide a model for the collection and reporting of HSEC data from operators to AOC for any future AOC non-operated investments or acquisitions.

4.2.4 RECOMMENDATIONS

With the amalgamation with Prime, a side-by-side review, gap assessment, and integration of AOC and Prime's HSEC systems and procedures will be required to achieve a harmonised single set of policies, standards and procedures that cover the future AOC Nigeria non-operated assets.

To complete this review it is recommended that an initial compilation of a table listing equivalent documents (e.g. AOC and Prime environmental policies) is undertaken, followed by a comparative review of the documents. An example of the output of this proposed review is provided in Table 4.1 below.

TABLE 4.1 EXAMPLE OUTPUT OF REVIEW OF AOC AND PRIME DOCUMENTS

AOC Document	Prime Document	Finding and Recommendation
AOC Environment and Emissions Policy 2024	Prime Health, Safety and Environment Policy 2023	AOC's policies for Environment and Emissions, and Health and Safety, cover the same (and more) commitments as the Prime HSE policy. It is therefore recommended that the Prime policy be withdrawn and directly replaced by AOC's policies. No amendment of the AOC policies is considered necessary.
AOC Health and Safety Policy 2024	Prime Health, Safety and Environment Policy 2023	

In some cases, as illustrated by the example above, where equivalent documents exist, a straight adoption of one or other company's document may be appropriate. Where a Prime document is adopted directly (in the absence of an equivalent AOC document), it can be renamed as an AOC document; others may need some modification first. In other cases, amalgamation of two or more documents (from AOC and Prime) may be necessary, for example incident management plans. Some Prime documents, for example, corporate or organisation-specific procedures are not likely to be needed and can be withdrawn.

4.3 RISK REGISTERS

AOC has integrated its asset HSEC risks into an AOC Corporate Risk Register. The AOC Risk Register is reviewed quarterly by the members of the management team responsible for each of the risks and then annually by the whole management team. The Risk Register has now been transferred to a spreadsheet format and a series of presentation slides covering the AOC Q3 2024 review of the Risk Register (dated October 2024) was provided as part of the current review.

The top ten residual risks are reported and these continue to be focussed on the Equatorial Guinea assets (Block 31 and Block 18), where AOC is the current operator. These include political and in-country operational risks and AOC's ability to farm down the operatorship for potential future activities (exploration drilling and field development). Mitigation measure, focussed on monitoring of developments, ongoing engagement with government and liaison with potential farm down partners are presented in the register.

The Risk Register summary slides provided for this review also refer to the risks identified by Prime. AOC aims to integrate these risks within its own Risk Register as part of the amalgamation process, understood to be in early 2025. Summary slides describing the September 2024 Prime Risk Register were provided for this review. The top eight risks are reported by Prime and these are mainly related to operational delays with planned appraisal activities in Block PML3 and 4, and development of PML 4, operated by TotalEnergies. Risks related to oil spills and associated costs, delays and reputation issues are also recognised within the top eight risks, however, these are identified as 'low risk' and 'not likely' and the rating has decreased since that last Risk Register review.

The Risk Register provided for the previous review included the following corporate-level risks:

- reduced consumer demand for oil and gas with the continued transition to lower carbon sources of energy, transport, products and services resulting in stranded assets and loss of company value; and
- increasing investor and lender concerns regarding climate resilience leading to limited access to capital, increased cost of capital and costs for new measures to meet investor expectations.

An update on the rating and management of these risk was not provided for this review, however, as discussed in Section 4.4 below, AOC is currently reviewing its emissions management strategy which will have a bearing on the management of these risks

4.4 EMISSIONS MANAGEMENT STRATEGY

In the previous review it was reported that AOC had developed an Energy Transition Strategy, including carbon offsets, which included a commitment to be carbon neutral from 2025 and eliminate flaring by 2030.

With the amalgamation with Prime, AOC will double its investment in the Nigeria assets and this will result in a doubling of emissions attributable to AOC from these assets and a corresponding increase in GHG emission intensity (CO₂ equivalent emissions per barrel of oil equivalent (boe) produced). This, along with other changes to its investment portfolio including its withdrawal from Project Oil Kenya, led AOC in Q2 2024 to decide not to pursue an offset strategy and that a focus on working with its investment partners to reduce emissions would be more fitting with its current investments. In this respect, AOC seeks to maintain its

reputation and provide lender confidence through maintaining its commitment to host government and lender requirements, compliance with the goals enshrined in the 2015 Paris Agreement, and demonstrating efforts to influence operators to reduce emissions. Data on GHG emissions from operated and non-operated assets will require public disclosure of management systems, emissions and third-party verification of the reporting metrics (as discussed in Section 4.5 below).

AOC has commissioned a study to support AOC to review its emissions management strategy and develop an implementation plan, an external communications plan and a disclosure plan (see Section 4.5 below on Sustainability Reporting). The scope of work for that study was provided as part of this review and includes a series of management interviews and setting up a workshop to develop a framework for the developing emissions management strategy. The workshop was scheduled for December 2024 and the outputs from the study are scheduled to be reported in Q1 2025.

With the amalgamation with Prime, the strategy and targets adopted by Prime will require to be reviewed and aligned with AOC's developing strategy. Similarly with any potential new acquisitions, alignment with AOC's emission management strategy will form part of the investment Due Diligence procedure.

4.5 SUSTAINABILITY REPORTING

As discussed in the previous HSEC review, AOC has developed a Health, Safety and Environment (HSE) and Social Performance (SP) Monitoring Procedure to gather and report EHS and SP data for both operated and non-operated assets. For operated assets, performance data are collected monthly and for non-operated assets these are collected quarterly, at a minimum. The data is used for internal and external performance assessment and reporting. With the amalgamation with Prime, this Procedure may need to be updated, or else the existing Prime Procedure adopted.

AOC has issued four Sustainability Reports for the years ending 31st December 2020, 2021, 2022 and 2023. AOC has aligned its Sustainability Reports with the Sustainability Accounting Standards Board (SASB) standard for Oil and Gas Exploration and Production, the Global Reporting Initiative (GRI) Oil and Gas Sector Standard 2021 and the Task Force on Climate Related Financial Disclosures (TCFD) reporting requirements. The relevant metrics for these standards are tabulated in the Sustainability Report.

Greenhouse Gas (GHG) emissions are reported by scope, source, type and volume and in terms of emissions efficiency expressed as kg CO₂ equivalent per boe. It was reported in the previous HSEC review that, due to a lower level of production, the emissions intensity between 2021 and 2022 increased from 12.4 to 13.2 kg CO_{2e} boe. This trend continued through 2023 with an emission intensity of 14.3 kg CO_{2e} boe, due to further reductions in production, and is expected to increase in 2024 for the same reasons, although that data is not currently available.

The 2023 Sustainability Report presented AOC's then Net Zero Strategy, including reference to Prime's ESG strategy. It stated that between 2020 and 2023, AOC had achieved a 17.5% reduction in absolute emissions. As discussed in Section 4.4 above, AOC is revising its Emission Strategy. It is expected that in the 2024 Sustainability Report, AOC will report the performance over 2024 and reductions in emissions since the first Sustainability Report in

2020 and its commitment to continue to work with Operators to reduce flaring and emissions from other sources. It is also expected that the report will reference to the revised Emissions Strategy, although the details of this may not be available at the early 2025 reporting stage.

AOC is currently preparing for compliance with the European Sustainability Reporting Standards (ESRS) under the EU Corporate Sustainability Reporting Directive (CSRD) and will be preparing an annual Sustainability Statement, with third party data assurance. AOC has set up a two-year alignment process, with first reporting due in 2026. The requirement is triggered due to AOC's secondary listing in the Stockholm stock exchange. With the acquisition of Prime, AOC will be defined as 'a large reporting entity' under CSRD. As a Canadian listed company, AOC also has reporting requirements under the 2024 amendments to Canada's Competition Act to substantiate statements made about environmental performance.

4.6 THIRD PARTY REVIEW OF PRIME ESG PERFORMANCE

The Petroleum and Renewable Energy Company Limited (Petrenel) undertook an initial Due Diligence review of Prime's ESG performance in Q2 2022 and updated this review with annual reviews undertaken in Q1 2023 and in Q2 2024.

The findings from the 2023 review, as summarised in the previous HSEC review, where that overall, the EHS performance of Prime's assets was assessed as excellent and most of the actions from the initial 2022 review had been closed out. There were several asset integrity and loss of containment risks that required to be addressed as well as a review and update of the asset Oil Spill Contingency Plans, including sensitivity mapping and clean up methods. The limitations of Prime being non-operators was acknowledged in terms of obtaining HSE related data from the operators, including quantified waste arisings. The positive influence of Prime on the two operators, particularly in relation to achieving reductions in gas flaring, were also recognised.

In the 2024 review, Petrenel assessed Prime's HSE documentation as being robust and well-maintained with reviews and updates of risk registers, policies and procedures being undertaken proactively. The scope for some improvements to the ESMS was also stated as well as the need to confirm that all necessary environmental permits are in place or are being progressed by the operators. These findings are relevant to AOC's planned integration of AOC's and Prime's HSEC systems and procedures for the Nigeria assets.

The 2024 review concluded that Prime, and the asset operators, continue to demonstrate excellent occupational health and safety performance. Environmental performance was good in relation to reductions of GHG emissions in 2023 (approximately 28% reduction from 2022 levels) and in relation to efforts to manage wastewater discharges. It was noted, however, that there were 12 oil and chemical spills in 2023, mostly small and contained but there were two larger spills of approximately 589 barrels at Agbami from a marine breakaway coupling, and 6,000 barrels at Egina from a faulty crude oil offloading hose.

An incident report was prepared by the operator Chevron on the Agbami spill which highlighted coupling design and hose operational shortcomings. Recommendations were made to undertake further analysis on optimal hose management and changes to operational and inspection procedures.

For the Egina spill the review stated that the operator, TotalEnergies, reported that the response measures, including use of dispersants and aerial monitoring were successful and there was no reported impacts on shorelines, marine fish and seabirds or fishing activities. TotalEnergies reported on the results of a post incident workshop held on 25 October 2024 which summarised the actions taken, including the replacement of the hose with a new double carcass hose and oil spill response capability measures (maintenance and recertification of oil spill containers, replenishment of chemical dispersants and undertaking an oil spill activation exercise).

Issues regarding the age of the operators' Emergency Response Plans and the frequency and scope of critical emergency response equipment (including life-saving equipment) inspections was highlighted in the Petrenel review, particularly considering the oil spills that occurred in 2024. It was recommended that Prime exerts its influence on the operators to address these issues.

Obtaining data from the operators on waste arisings and waste management, including audits of waste management contractors remained a challenge for Prime in 2024 and it was recommended that Prime continues to press for more consistent and transparent monitoring and reporting of hazardous and non-hazardous waste streams.

Issues related to asset integrity and process safety were also highlighted in the review with recommendations for Prime to encourage the operators to undertake regular reviews of asset integrity and process safety performance for wells and surface and sub-sea facilities, and to undertake the necessary timely repairs, remedial actions and upgrades, particularly for the older assets. A major loss of containment from surface and sub-sea facilities was highlighted as a key risk and is listed in the top eight risks in Prime's Risk Register.

4.7 SOUTH AFRICA BLOCK 3A/4B EIA

AOC has agreed a farm down of the operatorship of Block 3A/4B with TotalEnergies and will remain a shareholder through Africa Oil SA Corp. AOC was the operator during the initial seismic data review and interpretation phases and commissioned the Environmental Impact Assessments (EIA) for the planned exploratory drilling activities. AOC is continuing to manage the permitting process on behalf of the investors.

A copy of the EIA was provided (main report and executive summary, supported by a series of 7 Appendices including records of engagements, technical studies and management plans) as required by the South Africa regulatory process. A detailed review of these submitted documents was outside the scope of this review, however, the contents of the EIA and the associated appendices seem to cover all the key elements of what would be expected in an EIA for offshore exploratory drilling activities (i.e. stakeholder consultations, air quality, biodiversity, cultural and maritime heritage, socio-economics including fisheries, climate change, accidental events, cumulative impacts) as well as an Environmental Action Plan.

It was noted that no specific Critical Habitat or Ecosystem Services assessments or a Human Rights study was undertaken. Whilst the EIA was prepared specifically to comply with South African requirements and the location of these block in offshore deep waters would mean that these would be unlikely to be significant issues, these issues were not specifically addressed and ruled out, which would follow GIIP.

4.8 EQUATORIAL GUINEA

AOC is currently the operator for Block EG-18 and EG-31 in Equatorial Guinea. A Country Manager has been appointed and scopes of work for ESIA have been produced, but the ESIA process has not yet commenced in either block. It is possible that AOC may manage the ESIA and permitting processes, pending agreeing a farm down to another entity who would take over the operatorship, as was done for the South Africa Block 3A/3B assets.

In addition, as operator, AOC has social investment requirements under the licence agreements. AOC has developed a Social Investment Framework (dated January 2024). The framework is guided by the requirement for AOC to spend \$200,000 per year on social programmes in Equatorial Guinea. The intention is for the framework to guide the development of a specific investment plan for Equatorial Guinea by setting out a clear purpose and guidance through community investment pillars (defined as education, clean energy and health), an approval process, selection criteria, and impact monitoring requirements. Social investments undertaken to date include the rehabilitation and expansion of a school (National College of Ayene) in collaboration with the Ministry of Hydrocarbons and Mines. The project was handed over to the Ministry of Education on 21 September 2024. Reports of the work undertaken and the hand over certificate were provided as part of the current review.

4.9 SUMMARY OF ASSESSMENT AGAINST APPLICABLE STANDARDS

This review has provided an assessment of AOC's current alignment with the applicable standards and, where gaps have been identified, recommendations are made on actions to address these gaps (provided in Table 4.1 for the IFC PSs and Table 4.2 for the Equator Principles).

AOC's Standards of Operations apply to all activities that AOC is engaged in, including those undertaken by asset operators. As part of AOC's oversight of HSEC performance of non-operated assets, AOC will seek to obtain details of operator plans, procedures, performance data and other relevant documents to assess conformance with its standards and to identify any gaps that need to be addressed. As discussed, in Section 4.1, AOC has varying degrees of oversight of the activities of the operators.

The focus of the assessment against the applicable standards is based on AOC corporate policies, standards of operations and procedures, as they apply to its operated assets. The requirement for AOC to seek to obtain and review operator documents is therefore not repeated for each requirement of the applicable standards in Table 4.1 and Table 4.2.

Where AOC is the operator, i.e. in Equatorial Guinea, and may be undertaking ESIA and other permitting processes in advance of farm down agreements for future exploration, appraisal and development activities, then specific elements of the applicable standards may apply to AOC at that stage and then pass to the operator once the farm down has been agreed.

TABLE 4.2 IFC PERFORMANCE STANDARDS ASSESSMENT

Requirement	Status	Alignment	Recommendations
Performance Standard 1 Assessment and Management of Environmental and Social Risks and Impacts			
Environmental and Social Assessment Management Systems	<p>AOC has an ESMS Framework that was updated in August 2024. This document describes the company's Health, Safety, Environment and Social Performance Management System. The Framework also sets out the policies and processes which must be adopted by all assets and functions to achieve AOC's objectives. The Board of Directors and Senior Management within AOC oversee the environmental and social governance.</p> <p>For non-operated assets, the focus of the ESMS is to obtain and report on HSEC performance data and any incidents received from the operators, whereas for operated assets, a series of asset specific plans and procedures will need to be developed prior to the exploration activities commencing and for any future activities. The ESMS is currently appropriate for the nature and scale of AOC's activities. A review and potential harmonisation and integration of Prime's HSEC systems and procedures will be required following acquisition.</p>	Aligned	
Policy	AOC has a set of three Policies and three Standards of Operation that guide the company's Environmental, Health and Safety and Social Performance, which were updated in 2024. They apply to AOC and its subsidiary companies, and all employees and contractors are responsible for conducting their work in conformance with these Policies.	Aligned	
Identification of Risks and Impacts	<p>Corporate procedures in place to facilitate the identification of risks, hazards and impacts include the AOC Hazard and Risk Management Procedure (2023) and the AOC Management of Change Procedure (2023).</p> <p>AOC has developed an ESIA Scope of Work document for their operated Equatorial Guinea asset which specifies the technical scope of services that contractors/ consultants will need to apply when bidding and subsequently carrying out the ESIA. As per the Scope of Work, the ESIA is required to meet both national legislative requirements as well as GIIP (notably the IFC PSs, World Bank Group EHS Guidelines, industry specific guidelines, etc.).</p>	Partially Aligned	Complete ESIAs for the operated assets in Equatorial Guinea as well confirming with operators of other assets that they are scheduling ESIAs for any future developments and expansions to existing operations.
Management Programmes	The AOC ESMS Framework (section 5.8) provides for the development of management programmes including commitments registers for operated and non-operated ventures.	Partially Aligned	Complete ESIAs, including development of Commitments Registers and ESMPs for the

Requirement	Status	Alignment	Recommendations
	As part of ESIA's for operated assets an Environmental and Social Management Plan (ESMP) will be developed. A Commitments Register will also be developed, setting out the commitments/ requirements of the ESMP, roles and responsibilities for each commitment, monitoring measures for each commitment and completion indicators. For operational assets, specific management plans will be required (e.g. waste management plan, water management plan, stakeholder engagement plan, etc.).		operated assets in Equatorial Guinea as well as confirming with operators of other assets that they are scheduling ESIA's and ESMP's for any future developments and expansions to existing operations.
Organisational Capacity and Competency	Roles and responsibilities for the implementation of the AOC ESMS are set out in the ESMS Framework. Roles and Responsibilities are defined for AOC corporate leadership, personnel and contractors and sub-contractors. Organograms have been developed for the executive, finance, legal, HR and admin teams which demonstrate the roles and reporting lines as well as vacancies.	Aligned	
Emergency Preparedness and Response	<p>The AOC draft Incident and Management Procedure (2023) has a section on the company's emergency response organisation and process, including roles and responsibilities, incident management, first responder and duty incident team, among others.</p> <p>Emergency Preparedness and Response is addressed in the revised AOC Health and Safety Standard of Operation. The Standard includes:</p> <ul style="list-style-type: none"> • Risk identification and assessment • Organisation of emergency response • Requirements for individual emergency response plans • Business impact assessment • Resourcing • Roles and responsibilities • Training 	Partially Aligned	Finalise the Incident Management Procedure, including to address in-country office requirements.
Monitoring and Review	<p>As part of the 'Plan-Do-Check-Act' structure of the ESMS, the framework document has a section on monitoring and evaluating the company's HSEC performance.</p> <p>The AOC draft ESMS Review Procedure (2023) is used to identify any inadequacies in the HSE policies, incidences of non-compliance, performance against key performance indicators, and actions to improve the ESMS. The monitoring also considers audit findings. Key outcomes of the review are then shared with the company and assets where appropriate. The review of the ESMS will take place on an annual basis.</p>	Partially Aligned	Finalise the draft ESMS Review Procedure and any required Monitoring Procedures to address activities in operated assets.

Requirement	Status	Alignment	Recommendations
	<p>There is quarterly reporting to AOC's HSE Committee on the company's HSEC performance, asset performance and project specific HSEC activities.</p> <p>The draft HSE and SP Monitoring Procedure (2023) sets out the approach and general principles for the collection of EHS and SP monitoring data related to AOC operated and non-operated assets.</p> <p>Operated Assets will report performance to AOC monthly. Non-Operated Assets will report performance to AOC quarterly as a minimum. If monthly performance data is available, this should be provided to AOC.</p> <p>For Operated Assets there will be a Medical Surveillance Programme, Environmental Monitoring Procedure and Community Relations Monitoring Procedure.</p>		
Stakeholder Engagement	<p>The AOC Community Relations and Human Rights Policy is applicable to all AOC operated assets including contractors and sub-contractors and makes provisions for stakeholder identification, consultation, and ongoing monitoring and review.</p> <p>Stakeholder engagement was included as a requirement in the Scope of Work for the EIA process for Block 31 Equatorial Guinea.</p>	Partially Aligned	As part of the ESIA process, develop asset specific Stakeholder Engagement Plans, including Stakeholder Register and carry out stakeholder consultations in accordance with local regulatory requirements to disclose the findings of the ESIA's and solicit feedback from stakeholders.
External Communications and Grievance Mechanisms	<p>The AOC Community Relations and Human Rights Policy has commitments to engage with stakeholders, including project-affected communities. The AOC Human Rights Policy has a commitment to a grievance mechanism for external use.</p> <p>The community complaints procedure is still pending.</p>	Partially Aligned	As part of the ESIA process, develop asset specific Stakeholder Engagement Plans which include a community complaints procedure, including grievance register.
Affected Communities	<p>The AOC Community Relations and Human Rights Policy has commitments to engage with stakeholders, including project-affected communities. For operated assets this is/ will be undertaken through the ESIA process.</p>	Partially Aligned	Throughout the operated asset lifecycle, carry out regular engagement with affected communities as set out in the relevant project-specific Stakeholder Engagement Plan.

Requirement	Status	Alignment	Recommendations
Performance Standard 2 Labour and Working Conditions			
Working Conditions and Management of Worker Relationship	<p>AOC has a Code of Business Conduct and Ethics, adopted in May 2020, that covers all operations, subsidiaries and affiliates. This Code promotes honest and ethical employee conduct, avoidance of conflicts of interest, transparent disclosure in reports and documents, a safe and healthy work environment, international health and safety management practices, compliance with laws, rules and regulations, reporting procedures for violations of the Code and accountability for adherence.</p> <p>Working Conditions relating to health and safety, incidents and injuries are covered in the AOC Health and Safety Policy (2024).</p> <p>AOC has an Anti-Corruption Policy, adopted in May 2020. The policy applies to all employees of AOC and joint ventures.</p> <p>The AOC Standard of Operation for Health and Safety (2024) states that all staff will be appropriately trained in the requirements of the Standard. Operators of each asset will be responsible for this training of their staff.</p> <p>The AOC Standard of Operation for Health and Safety states that AOC will assess Operators on an annual basis to determine if the Operator has appropriate and fit for purpose management procedures in place as set out in the Standard. This will include a review of occupational health and safety performance data.</p>	Partially Aligned	<p>As and when required, develop appropriate Human Resources procedures specific to office location and operated assets which build on AOC Corporate policies and procedures.</p> <p>Depending how the Equatorial Guinea office develops and expands, there may be a need to develop and conduct a Training Needs Assessment for each of the operated assets.</p> <p>Develop a training Plan for staff and maintain records of all training provided.</p> <p>If accommodation is to be provided to the workforce at the assets (by AOC or the Operator), ensure accommodation complies with IFC/EBRD worker accommodation guidelines.</p>
Workers Organisations	AOC has a Community Relations and Human Rights Policy (2024) which applies to staff at all operated assets including contractors and sub-contractors. The policy includes protection of freedom of association for employees with legal organisations.	Partially Aligned	As and when required, ensure asset-specific HR procedures and documentation align with the AOC Community Relations and Human Rights Policy.
Non-discrimination and equal opportunities	AOC has a Code of Business Conduct and Ethics (2020), that covers all operations, subsidiaries and affiliates. This Code promotes honest and ethical employee conduct, avoidance of conflicts of interest, transparent disclosure in reports and documents, a safe and healthy work environment, international health and safety management practices, compliance with laws, rules and	Partially Aligned	As and when required, ensure HR procedures and documentation developed specific to office location and operated assets. include non-discrimination and equal

Requirement	Status	Alignment	Recommendations
	<p>regulations, reporting procedures for violations of the Code and accountability for adherence.</p> <p>The AOC Community Relations and Human Rights Policy (2024) includes a statement that employment is based on the principle of equal opportunity and fair treatment and there is zero tolerance for discrimination, harassment, or physical assault in the workplace.</p>		opportunity clauses in line with AOC corporate requirements.
Retrenchment	AOC do not currently have a Retrenchment Plan for operated assets given the early stage of development of these assets.	Partially Aligned	As and when required, a Retrenchment Plan will need to be developed for operated assets.
Grievance Management	<p>The AOC Health and Safety Standard of Operation (2024) references the IFC PS2 standard on Labour and Working Conditions. The AOC Community Relations and Human Rights Policy (2024) and Standard of Operation for Social Performance (2024) include the commitment to a grievance mechanism for stakeholders. Stakeholders are defined as project-affected people including employees. The AOC Standard of Operation for Social Performance (2024) includes a Key Performance Indicator to collate data on stakeholder grievances but does not explicitly include workers grievances.</p> <p>AOC has a 'whistleblower' process that was adopted in August 2021, which allows for employees to make anonymous reports of actual or suspected wrongdoings within the Company. AOC reported that an internal grievance management system is also in place.</p>	Partially Aligned	As and when required, develop a Worker Complaints and Grievance Procedure for operated assets and ensure that it is adopted and adapted so that it is appropriate for all in-country offices and operated assets. Ensure that the Grievance Mechanism is explained during the onboarding process and in HR procedures and documentation.
Protecting the Workforce	The AOC Community Relations and Human Rights Policy (2024) specifically prohibits the use of child or forced labour amongst contractors and suppliers.	Aligned	
Occupational Health and Safety	<p>The AOC Health and Safety Policy (2024) and the Health and Safety Standard of Operation (2024) facilitate the identification and management of health and safety risks, emergencies and unexpected incidents.</p> <p>The Health and Safety Policy includes the commitment to:</p> <ul style="list-style-type: none"> • preventing workplace incidents, illnesses and injuries; • identifying safe and correct ways of working; • investigating the root cause of workplace incidents, illnesses and injuries and taking appropriate remedial action to prevent them from reoccurring; • holding contractors accountable for compliance with health and safety policies; and 	Partially Aligned	As and when required, finalise the draft occupational health and safety procedures required for operational assets.

Requirement	Status	Alignment	Recommendations
	<ul style="list-style-type: none"> choosing safety over operational results. <p>The Health and Safety Standard of Operation (2024) also includes a requirement that staff are appropriately trained in the requirements of the Standard. The Operators are responsible for the appropriate training of their staff in relation to health and safety. The Health and Safety Standard of Operation includes requirements for operators to implement safe work systems. This includes the following requirements.</p> <ul style="list-style-type: none"> Employees are trained and equipped to conduct their work according to the applicable safe work procedures, and that their competence is assessed. Activities requiring technical certification are conducted only by suitably certified people. Risks associated with transport operations are controlled in accordance with IOGP Guidelines. Emergency procedures are practiced and tested. Staff are competent, trained, equipped and, if required certified, to conduct their work in compliance with safe work procedures. Workplace audits of implementation of and compliance with applicable safe work procedures are undertaken. <p>Associated draft procedures previously provided by AOC include:</p> <ul style="list-style-type: none"> Hazard and Risk Management Procedure Incident Management Procedure 		
Workers Engaged by Third Parties	<p>Supplier and Contractor Management is addressed under the updated ESMS Framework, which outlines the need to ensure that HSE and social requirements are set out in tender specifications, and that all material, equipment, services, and workforce procured from a Third Party must meet the required specifications.</p> <p>The ESMS Framework also includes the requirement to establish contractor management procedures which incorporate training and monitoring relating to HSE and Social risks.</p>	Partially Aligned	As and when required for operated assets, finalise the Contractor Management Procedure, including processes to ensure that the performance of third-party employers is managed and monitored in terms of labour and working conditions.
Supply Chain	The use of child and/or forced labour amongst AOC suppliers is prohibited in the Community Relations and Human Rights Policy (2024). AOC reported that these requirements are integrated into the Company's ProActis procurement system.	Partially Aligned	As and when required for operated assets, finalise the Contractor Management Procedure, as described above.

Requirement	Status	Alignment	Recommendations
Performance Standard 3: Resource Efficiency and Pollution Prevention			
Resource efficiency and Pollution Prevention	<p>AOC has an Environmental and Emissions Policy that outlines their operational planning, resource management, biodiversity, waste, and monitoring and reporting commitments. These include commitments to identify potential environmental risks and impacts and adopt management and mitigation measures.</p> <p>Regarding resource management, the policy addresses minimising freshwater consumption and responsible management of produced water and waste-water. The avoidance of discharges of pollutants and wastes into the natural environment is addressed and where that is not possible then to minimise the volumes and ensure that they meet relevant environmental standards. The policy states that AOC will strive to maximise operational efficiency and monitor water use, energy use and emissions to air, including GHG against measurable objectives and targets.</p> <p>The Policy also includes a commitment to establish relevant and quantifiable year-on-year targets for monitoring and reporting, as well as regular review of objectives and targets, and report performance to stakeholders.</p> <p>The Policy applies to all AOC staff and operated assets, including contractors and subcontractors. Where AOC is not the operator, they encourage and work with operating partners to the extent possible.</p>	Aligned	
GHG emissions	<p>AOC has an Environment and Emissions Policy that commits AOC to seek to minimise its impacts in line with the Paris Agreement goals. This includes reducing its direct GHG emissions where practicable and in line with host government policy. The policy includes monitoring and reporting on GHG emissions in line with the TCFD recommendations. AOC is current reviewing its emissions strategy to better align it with its investment strategy and with a focus on working with its investment partners to reduce emissions.</p> <p>Where AOC is a non-operator, it will use its influence to work with operators to minimise, and where possible eliminate, regular gas flaring in line with the World Bank 'Zero Routine Flaring by 2030' initiative.</p>	Partially Aligned	Emissions Strategy to be finalised, adopted and an action plan developed and monitored.
Waste and hazardous materials management	AOC's Environmental and Emissions Policy addresses waste and material management. It states that all materials onsite are stored in an appropriate	Partially Aligned	As and when required for operated assets, develop a Waste Management Procedure.

Requirement	Status	Alignment	Recommendations
	manner and AOC manage and monitor waste streams according to the waste hierarchy.		
Performance Standard 4 Community Health, Safety, and Security			
Community Health and Safety	<p>AOC Community Relations and Human Rights Policy (2024) includes commitment to Community Relations which applies to all staff, assets, contractors and subcontractors including the following.</p> <ul style="list-style-type: none"> • Respect local cultures and community rights, and aim to preserve or develop these, where possible, through our activities. • Consult with representatives of local communities and other stakeholders about activities undertaken for operations based on informed consultation and participation. • Seek to build trust and mutually beneficial relationships with local communities. • Implement a process for systematically receiving, investigating, responding to and closing out complaints or grievances from project-affected stakeholders in a timely, fair and consistent manner. • Seek to contribute to enhancing the overall social and economic wellbeing of local communities in the areas where we operate, by hiring local staff and participating in targeted social investment activities. 	Aligned	
Infrastructure and Equipment Design and Safety	AOC's Health and Safety Standard of Operation (2024) references IFC Performance Standard 4: Community Health, Safety, and Security and a commitment to implementing the applicable standards. Requirements are set out for occupational health and safety. The Standard does not include requirements specific to the management of risks and impacts on the affected community during design, construction and operation and decommissioning of assets, however, at this stage AOC would not be undertaking these types of activities. If AOC's mode of operations changes then this issue would need to be revisited.	Aligned	
Hazardous Materials Management and Safety	AOC's Health and Safety Standard of Operation (2024) includes the requirements for operators to establish systems based on risk assessment, for ensuring that effective controls and safe work procedures exist for all hazardous activities, including the safe handling and storage of hazardous substances and including emergency procedures.	Aligned	
Ecosystem Services	In AOC's Environmental and Emissions Policy (2024) the critical role of biodiversity in maintaining ecosystem benefits on which the business and communities depend is acknowledged.	Partially Aligned	An assessment of ecosystem services should be completed in future ESIA's along with

Requirement	Status	Alignment	Recommendations
	The requirement to complete an ecosystem services assessment is included in the ESIA Scope of Work document for their Equatorial Guinea asset.		implementation of any required management measures in the ESMP and Commitment Registers.
Community Exposure to Disease	The Health and Safety Standard of Operation (2024) does not include the requirements to prevent the occurrence and spread of diseases within host communities.	Partially Aligned	Ensure that future updated Health and Safety standards related to operations include community exposure to disease considerations.
Emergency Preparedness and Response	<p>The AOC Health and Safety Standard of Operation (2024), includes the requirement for Operators to prepare Emergency Procedures to ensure safe work systems.</p> <p>Emergency Preparedness is referenced in the AOC ESMS Framework (2024). It considers community health and safety in relation to emergency management and refers to how Incident Management Procedures will be established and implemented for all operated assets. AOC reported that Emergency Procedures are in place for current office-based activities.</p>	Partially Aligned	As and when required, ensure Emergency Procedures are developed for operated assets.
Security Personnel	<p>The AOC Social Performance Standard of Operation states that the operator will ensure that security activities are undertaken in conformance with the Voluntary Principles on Security and Human Rights.</p> <p>The 2023 Sustainability Report (page 18, 21) references how Africa Oil is dedicated to conducting its business in an ethical and transparent manner. This includes conducting due diligence assessments to ensure all third parties meet high standards. This includes due diligence of security service providers.</p> <p>The 2023 Sustainability Report (page 27) states "The Company also ensures proper security is in place to minimise the impact of any potential disruptions and prevent harm to staff, bystanders and assets.</p>	Aligned	
Performance Standard 5 Land Acquisition and Involuntary Resettlement			
General	It is stated in the Social Performance Standard of Operation (2024) that Africa Oil assets are located in deep water offshore locations. As such it is unlikely that land acquisition and resettlement issues will be of relevance. If such issues arise, the	Partially Aligned	As part of ESIA's being undertaken for operated (or future) assets, assess whether physical and/or economic

Requirement	Status	Alignment	Recommendations
	<p>Operator will ensure that land acquisition and involuntary resettlement are undertaken in a manner to meet Applicable Standards.</p> <p>The Scope of Work for the Equatorial Guinea ESIA does not refer to the need to evaluate physical and/or economic displacement.</p>		<p>displacement will occur, and if so, what the extent of this displacement will be. If no displacement will occur, make a statement to that effect.</p> <p>Depending on the level of impact, a Livelihoods Restoration Framework/Plan may need to be developed.</p>
Private Sector Responsibilities Under Government-managed Resettlement	Not applicable	Not Applicable	
Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources			
Protection and Conservation of Biodiversity	<p>AOC's Environmental and Emissions Policy (2024) and Environment Standard of Operation (2024) outlines their biodiversity commitments.</p> <p>These include a commitment not to conduct oil and gas exploration or development in Strict Nature Reserves (International Union for Conservation of Nature Category 1a) or Wilderness Areas (IUCN Category 1b).</p> <p>AOC state to preserve and protect biodiversity where they operate, they follow a four-step cross-sector mitigation hierarchy, prioritising avoiding negative impacts:</p> <ul style="list-style-type: none"> • Avoid; • Minimise; • Remediate; and • Compensate through offsetting measures. <p>AOC has committed to no net loss of biodiversity in natural habitats or a net positive impact in areas of critical habitat. AOC has included biodiversity risk in its corporate risk management framework and is committed to measure establish metrics to measure and monitor impacts.</p>	Partially Aligned	Complete evaluation of applicability of setting science-based targets and, if required, develop implementation strategy.

Requirement	Status	Alignment	Recommendations
	AOC has reported that it plans to evaluate the applicability of setting science-based biodiversity targets during 2025 and will develop an appropriate implementation strategy based on that evaluation.		
Identification of Habitats: Modified, Natural, and Critical Habitats	AOC have included in the ESIA Scope of Work document for their Equatorial Guinea asset that a Critical Habitat Screening will be required and will need to be aligned with IFC PS6 and other national and international standards and guidelines. The document also requests the consultant to develop a baseline of the marine and coastal ecosystems.	Partially Aligned	A Critical Habitat Screening to be completed for operated assets. Identification of habitats should be included in all ESIA's for assets.
Invasive Alien Species	The commitment to minimise impacts on biodiversity and ecosystems is made in the AOC Environmental and Emissions Policy, however explicit reference to invasive alien species management is not made.	Partially Aligned	An Invasive Alien Species Management Plan to be developed for all projects where risks are identified through the ESIA process and for offshore operations those that involve the use of international vessels.
Ecosystem Services	Addressed under PS4 Ecosystems Services section	Not Applicable	
Performance Standard 7 Indigenous Peoples			
General	<p>AOC's Community Relations and Human Rights Policy (2024) commits the company, their Operated Assets, including their contractors and subcontractors to respecting internationally recognised human rights and not contributing to human rights abuses either directly or indirectly. It is a requirement that local management of assets establish approaches to comply with this commitment.</p> <p>The AOC Social Performance Standard of Operation (2024) states that all AOC's assets are located in deep water offshore locations. As a result, it is unlikely that indigenous peoples and vulnerable groups issues will be of direct relevance. If such issues arise, the Operator will ensure that issues related to Indigenous Peoples and Vulnerable Groups are undertaken in a manner to meet Applicable Standards.</p> <p>AOC's ESIA Scope of Work document for their operated Equatorial Guinea asset does not mention the need to assess Indigenous People. However, research on public databases indicates that two groups of Indigenous People inhabit the country (the Beyele and Bokuigns) and therefore further assessment is needed.</p>	Partially Aligned	For ESIA's being undertaken for operated (and all future) assets, identify if Indigenous People occur in the project area and if they could potentially be impacted by the project. Depending on the level of impact, an Indigenous People's Management Plan will need to be developed for the assets.

Requirement	Status	Alignment	Recommendations
Circumstances Requiring Free, Prior and Informed Consent	N/A	Not Applicable	
Mitigation and Development Benefits	N/A	Not Applicable	
Private Sector Responsibilities Where Government is Responsible for Managing Indigenous Peoples Issues	N/A	Not Applicable	
Performance Standard 8 Cultural Heritage			
Protection of Cultural Heritage in Project Design and Execution	AOC's ESIA Scope of Work document for their operated Equatorial Guinea asset includes the requirement for a consultant/ contractor to conduct a cultural heritage specialist study which will include a cultural heritage impact assessment.	Partially Aligned	Although AOC assets are offshore, as part of the ESIA's, a Cultural Heritage Management Plan (CHMP), including a Chance Find Procedure (CFP), should be developed to address the protection of unknown archaeological finds, for example shipwrecks.
Project's Use of Cultural Heritage	N/A	Not Applicable	

TABLE 4.3 EQUATOR PRINCIPLES IV ASSESSMENT

Requirement	Status	Alignment	Recommendations
Principle 1: Review and Categorisation	Projects likely to be classified as Category A.	Not Applicable	
Principle 2: Environmental and Social Assessment	<p><u>Environmental and Social Impact Assessment:</u> See IFC PS 1.</p> <p><u>Human Rights:</u> The AOC Community Relation and Human Rights Policy (2024) commits that all operated assets, including contractors and subcontractors, respect internationally recognised human rights and not contributing to human rights abuses.</p> <p>AOC completed a Human Rights Assessment in 2024 for the Africa Oil workforce, Africa Oil project activities, Prime Oil & Gas, JV Operating Partners and Africa Oil social investment projects.</p> <p><u>Climate Change Risk Assessment:</u> AOC's 2023 Corporate Sustainability report outlines AOC's HSEC strategic framework which includes being a responsible steward. AOC state that part of being a responsible steward of the environment is supporting good environmental practices and embed further considerations regarding the risks posed by climate change in their strategic decisions. AOC have aligned their approach to climate risk assessment with TCFD.</p> <p>For any ESIA's undertaken, the completion of a Climate Change Risk Screening is required to determine whether a Climate Change Risk Assessment / Impact Assessment is necessary. If this is not necessary, a justification is to be provided in the ESIA.</p>	Partially Aligned	<p><u>Environmental and Social Impact Assessment:</u> See IFC PS 1</p> <p><u>Human Rights:</u> For any ESIA's undertaken, a screening of potential human rights risks and impacts (including down the supply chain) is required to determine whether a Human Rights Risk Assessment / Impact Assessment is necessary. If this is not necessary, a justification is to be provided in the ESIA's.</p> <p><u>Climate Change Risk Assessment:</u> Include climate change screening exercise into ESIA's for operated assets and, if required, conduct a Climate Change Risk Assessment.</p>
Principle 3: Applicable Environmental and Social Standards	<p>The applicable environmental and social standards for AOC's Projects are:</p> <ul style="list-style-type: none"> • Relevant E&S host country laws and regulations and permits; • Equator Principles IV; • IFC PSs; and • WBG EHS Guidelines (General and Industry Sector). <p>Continue to monitor environmental and social performance against these standards and confirm compliance for ESIA's undertaken and in developing operational procedures.</p>	Aligned	

Requirement	Status	Alignment	Recommendations
Principle 4: Environmental and Social Management System and EP Action Plan	See IFC PS 1.	Partially Aligned	See IFC PS 1
Principle 5: Stakeholder Engagement	See IFC PS 1.	Partially Aligned	See IFC PS 1
Principle 6: Grievance Mechanism	See IFC PS 1.	Partially Aligned	See IFC PS 1
Principle 7: Independent Review	This is the 13 th review.	Aligned	
Principle 8: Covenants	Not Applicable	Not Applicable	
Principle 9: Independent Monitoring and Reporting	This is the 13 th review.	Aligned	
Principle 10: Reporting and Transparency	Refer to Section 4.5 – Sustainability Reporting.	Aligned	

5. ENVIRONMENTAL AND SOCIAL ACTION PLAN

5.1 INTRODUCTION

A revised ESAP is presented in Table 5.1, updated to apply to the current AOC assets and activities and the identified gaps.

If AOC takes on operator roles in the future, then there would be a number of actions required to align operator activities with the applicable standards. The existing ESMP structure is considered suitable to incorporate the required procedures and standards of operation that will need to be developed. The key general requirements are presented in Table 5.2, however, the specific requirements will depend on the type and location of the assets AOC will be operating. The current ESAP will require to be revised to incorporate any asset-specific operator roles.

TABLE 5.1 REVISED ESAP (DECEMBER 2024)

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next Review
IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Identification of Risks and Impacts Complete ESIA's for the operated assets in Equatorial Guinea as well confirming with operators of other assets that they are scheduling ESIA's for any future developments and expansions to existing operations.	When ESIA's are being planned or undertaken	Open	
1.2	Management Programmes Complete ESIA's, including development of Commitments Registers and ESMP's for the operated assets i.e. in Equatorial Guinea as well as confirming with operators of other assets that they are scheduling ESIA's and ESMP's for any future developments and expansions to existing operations.	When ESIA's are being planned or undertaken	Open	
1.3	Emergency Preparedness and Response Finalise the Incident Management Procedure, including to address in-country office requirements.	When establishing new offices or other facilities	Open	
1.4	Monitoring and Review Finalise the draft ESMS Review Procedure and any required Monitoring Procedures to address activities in operated assets.	Q1 2025	Open	
1.5	Stakeholder Engagement As part of the ESIA process, develop asset specific Stakeholder Engagement Plans, including Stakeholder Register and carry out stakeholder consultations in accordance with local regulatory requirements to disclose the findings of the ESIA's and solicit feedback from stakeholders.	When ESIA's are being scoped	Open	
1.6	External Communications and Grievance Mechanisms As part of the ESIA process, develop asset specific Stakeholder Engagement Plans which include a community complaints procedure, including grievance register.	When ESIA's are being scoped	Open	
1.7	Affected Communities Throughout the operated asset lifecycle, carry out regular engagement with affected communities as set out in the Stakeholder Engagement Plan.	When establishing new offices or other facilities	Open	

IFC Performance Standard 2: Labour and Working Conditions				
2.1	<p>Working Conditions and Management of Worker Relationship As and when required, develop appropriate Human Resources procedures specific to office location and operated assets which build on AOC Corporate policies and procedures.</p> <p>Depending how the Equatorial Guinea office develops and expands, there may be a need to develop and conduct a Training Needs Assessment for each of the operated assets.</p> <p>Develop a training Plan for asset staff and maintain records of all training provided.</p> <p>If accommodation is to be provided to the workforce at the assets (by AOC or the Operator), ensure accommodation complies with IFC/EBRD worker accommodation guidelines.</p>	When establishing new offices or other facilities	Open	
2.2	<p>Workers Organisations As and when required, ensure new asset-specific HR procedures and documentation align with the AOC Community Relations and Human Rights Policy.</p>	When establishing new offices or other facilities	Open	
2.3	<p>Non-discrimination and equal opportunities As and when required, include non-discrimination and equal opportunity clauses and in all new asset-specific HR procedures and documentation developed specific to office location and operated assets.</p>	When establishing new offices or other facilities	Open	
2.4	<p>Retrenchment A Retrenchment Plan will need to be developed for operated assets as and when activities are of an applicable scale (as defined in the IFC Managing Retrenchment - Good Practice Note No4, August 2005)</p>	Prior to any retrenchment activities	Open	
2.5	<p>Grievance Management As and when required, develop a, asset-specific Worker Complaints and Grievance Procedure for operated assets ensuring that it is adopted and adapted so that it is appropriate for all in-country offices and operated assets. Ensure that the Grievance Mechanism is explained during the onboarding process and in HR procedures and documentation.</p>	When establishing new offices or other facilities	Open	
2.6	<p>Occupational Health and Safety As and when required, finalise and implement occupational health and safety procedures required for operational assets.</p>	When establishing new offices or other facilities	Open	

2.7	Workers Engaged by Third Parties As and when required, develop asset-specific Contractor Management Procedures, including processes to ensure that the performance of third-party employers is managed and monitored in terms of labour and working conditions.	When establishing new offices or other facilities	Open	
2.8	Supply Chain As and when required, develop asset-specific Contractor Management Procedures.	When establishing new offices or other facilities	Open	
IFC Performance Standard 3: Resource Efficiency and Pollution Prevention				
3.1	GHG emissions Emissions Strategy to be finalised, adopted and an action plan developed, and implementation monitored.	Q2 2025	Open	
3.2	Waste and hazardous materials management As and when required, develop an asset-specific Waste Management Procedure.	When establishing new offices or other facilities	Open	
IFC Performance Standard 4: Community Health, Safety, and Security				
4.1	Ecosystem Services An assessment of ecosystem services should be completed in future ESIAs along with any required management measures as set out in the ESMP and Commitment Registers.	When ESIAs are being scoped	Open	
4.2	Community Exposure to Disease As and when required, update asset-specific Health and Safety procedures to include community exposure to disease considerations. Ensure that consideration of community exposure to diseases is also considered when the corporate ESMS, policies and procedures are updated.	At next ESMS review	Open	
4.3	Emergency Preparedness and Response As and when required, develop asset-specific Emergency Procedures for operated assets at the appropriate level required for current activities, i.e. currently mainly office-based activities	When establishing new offices or other facilities	Open	
IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement				
5.1	General As part of ESIAs being undertaken for operated assets, assess whether physical and/or economic displacement will occur, and if so, what the extent of this displacement will be. If no displacement will occur, make a statement to that effect. Depending on the level of impact, a Livelihoods Restoration Framework/Plan may need to be developed.	When ESIAs are being scoped	Open	

IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
6.1	Identification of Habitats: Modified, Natural, and Critical Habitats A Critical Habitat Screening to be completed for operated assets. Identification of habitats should be included in all ESIA's for assets.	When ESIA's are being scoped	Open	
6.2	Invasive Alien Species An Invasive Alien Species Management Plan to be developed for all projects where risks are identified through the ESIA process and for offshore operations those that involve the use of international vessels.	When ESIA's are being scoped	Open	
IFC Performance Standard 7: Indigenous Peoples				
7.1	General For ESIA's being undertaken for operated assets, identify if Indigenous People occur in the project area and if they could potentially be impacted by the project. Depending on the level of impact, an Indigenous People's Management Plan will need to be developed for the assets.	When ESIA's are being scoped	Open	
IFC Performance Standard 8: Cultural Heritage				
8.1	Protection of Cultural Heritage in Project Design and Execution Although AOC assets are offshore, as part of the ESIA's, a Cultural Heritage Management Plan (CHMP), including a Chance Find Procedure (CFP), should be developed to address the protection of unknown archaeological finds, for example shipwrecks.	When ESIA's are being scoped	Open	
Equator Principles 2: Environmental and Social Assessment				
9.1	Human Rights For any ESIA's undertaken, a screening of potential human rights risks and impacts (including down the supply chain) is required to determine whether a Human Rights Risk Assessment / Impact Assessment is necessary. If this is not necessary, a justification is to be provided in the ESIA's.	When ESIA's are being scoped	Open	
9.2	Climate Change Risk Assessment Include climate change screening exercise into ESIA's for operated assets and, if required, conduct a Climate Change Risk Assessment.	When ESIA's are being scoped	Open	

TABLE 5.2 ESAP CONSIDERATIONS FOR FUTURE OPERATED ASSETS

Index	Task Title & Description
IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	
1.1	Legal Registers and a Regulatory Action Plan to be developed to support development activities. Develop project-specific ESMSs and implementing procedures for operated assets to support development activities.
1.2	Complete ESIA for activities in new assets or expansions to existing assets to meet local regulatory and lender standards. Undertake asset integrity and process safety assessments of existing assets.
1.3	As part of the ESIA process, develop project-specific Commitments Registers and ESMPs.
1.4	Undertake capacity assessments and contracting/recruitment plans for any field development phases.
1.5	Draw up an organisational chart for each asset.
1.6	Develop an Emergency Preparedness and Response Plan for each asset. Develop an Incident Management Procedure for each asset.
1.7	Develop an Environmental Monitoring Procedure for each asset.
1.8	As part of the ESIA process, develop asset specific Stakeholder Engagement Plans, including Stakeholder Register for each asset and conduct stakeholder consultations in accordance with local regulatory requirements to disclose the findings of the ESIA's and solicit feedback from stakeholders.
1.9	Develop a Grievance Mechanism for external stakeholders for each asset.
IFC Performance Standard 2: Labour and Working Conditions	
2.1	Develop project-specific Human Resources procedures for each asset.
2.2	Develop and conduct a Training Needs Assessment for each asset. Develop a Training Plan for each asset and maintain records of all training provided. Include Health, Safety and Environment and Social Performance awareness training in the onboarding process and include refresher training.
2.3	If accommodation is to be provided to the workforce at the assets, ensure accommodation complies with IFC/EBRD worker accommodation guidelines.

Index	Task Title & Description
2.4	Include non-discrimination clauses and cross reference to AOC Code of Business Conduct and Ethics, Human Rights Policy and Diversity, Equity and Inclusion Policy in HR procedures and documentation.
2.5	For any future retrenchment requirement, project-specific plans need to be prepared as required.
2.6	Develop HR procedures to provide a confidential mechanism for employees to lodge complaints or grievances.
2.7	Develop HR procedures to provide a confidential mechanism for employees to lodge complaints or grievances. Details of the grievance procedures to be included during the onboarding process and in HR procedures and documentation.
2.8	Develop an Incident Management and Reporting Procedure to be implemented by each asset. Develop an Occupational Health and Safety Procedure to be implemented by each asset. Provide training to all employees on HSE requirements as well as any job-specific training.
2.9	Develop a Procurement Procedure and Contractor Management Procedure for each asset, including processes to ensure that the performance of third-party employers is managed and monitored in terms of labour and working conditions.
2.10	A Contractor and Supplier Management Plan should be developed for each project. This should include sections covering procurement and screening, hiring and onboarding, management and monitoring reviews and audits (internal and external).
IFC Performance Standard 3: Resource Efficiency and Pollution Prevention	
3.1	Project-specific procedures and management plans will need to be developed at the appropriate time. These include: <ul style="list-style-type: none"> • Energy Management Plan • Water Management Plan • Waste Management Plan • Air Emissions Monitoring Plan
3.2	A Waste Management Procedure should be developed for each asset, including hazardous waste management.
IFC Performance Standard 4: Community Health, Safety, and Security	
4.1	For each asset evaluate the potential impacts on community health and safety, including those related with project infrastructure and activities. This should be undertaken as part of the ESIA process. Include management measures in the ESMPs and Commitments Registers for each asset. Depending on the scale of the impacts identified, develop a Community Health and Safety Management Plan tailored to each asset.

Index	Task Title & Description
	Develop the Medical Surveillance Programme for each asset.
4.2	An assessment of ecosystem services should be completed as part of the ESIA's for each asset. Management measures should be included in the respective ESMPs and Commitment Registers.
4.3	Develop an Emergency Preparedness and Response Plan (EPRP) for each asset at an appropriate time to support development activities. For each asset, engage with local communities as required about the EPRP and ensure they are aware of what to do in the case of an emergency.
4.4	Develop Security Management Plan for each asset that aligns with international standards and includes the following as a minimum. <ul style="list-style-type: none"> • Using licensed security providers. • Conducting prequalification screening/ Supplier Due diligence. • A position on possession of arms and use of force. • A requirement for security contractors to develop and implement a security management plan agreed with the company, which should include the key components listed in the IFC Good Practice Handbook: Use of Security Forces: Assessing and Managing Risks and Impacts. Provide (or ensure that the security company provides) all security guards with training on HSE and SP, including safeguarding human rights. This training should align and cover the UNGPs and the Voluntary Principles on Security and Human Rights.
IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement	
5.1	As part of any ESIA's undertaken, assess whether physical and/or displacement will occur, and if so, what the extent of this displacement will be. Depending on the level of impact, a Livelihoods Restoration Framework/Plan may need to be developed.
IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	
6.1	A Critical Habitat Screening should be completed for assets and identification of habitats should be included in all project-specific ESIA's
6.2	An Invasive Alien Species Management Plan should be developed for all projects where risks are identified through the ESIA process and for offshore operations that involve the use of international vessels.
IFC Performance Standard 7: Indigenous Peoples	
7.1	As part of any ESIA's being undertaken, identify if Indigenous People occur in the project area and if they could potentially be impacted by the project. Depending on the level of impact, an Indigenous People's Management Plan will need to be developed for the assets.

IFC Performance Standard 8: Cultural Heritage	
8.1	Develop a cultural heritage baseline (including both tangible and intangible heritage) for operated assets as part of the ESIA and assess potential impacts. A Cultural Heritage Management Plan (CHMP), including a Chance Find Procedure (CFP), should be developed to address the protection of unknown archaeological finds, including shipwrecks for offshore assets.
EPIV Principle 2: Environmental and Social Assessment	
9.1	Include human rights screening exercise in any ESIAs undertaken and conduct a project-specific Human Rights Risk Assessment.
9.2	Include Climate Change Risk screening exercise in project-specific ESIAs and conduct a Climate Change Risk Assessment.

6. CONCLUSIONS

6.1 AOC ESMS, HSEC MANAGEMENT, EMISSIONS MANAGEMENT AND REPORTING

AOC is in the process of developing a revised ESMS and associated policies, procedures and standards of operation to apply to current activities and potential new operator roles. The ESMS revision process commenced in August 2024 with the documents produced to date provided for the current review. AOC has integrated its HSEC risks into the AOC Corporate Risk Register with the top risks mainly related to its operator interests in Equatorial Guinea.

Overall, ERM considers the ESMS and associated documents to be fit for purpose for the current non-operated assets and for the current level of activity for the operated assets.

With the amalgamation with Prime in 2025, a side-by-side review, gap assessment, and integration of AOC and Prime's HSEC systems and procedures will be required to achieve a harmonised single set of policies, standards and procedures that cover the future AOC Nigeria non-operated assets. A recommended approach is outlined in Section 4.2.4, which includes compiling a table of all the equivalent AOC and Prime documents and a comparative review of the documents. Where equivalent documents exist, the adoption of one or other company's document may be appropriate. Where a Prime document is adopted directly it can be modified, as required, and renamed as an AOC document. In some cases the amalgamation of two or more documents from AOC and Prime may be necessary.

The harmonised set of documents developed through the integration of the AOC and Prime HSEC systems should provide a model set of documents that can be used to develop asset-specific systems, plans and procedures for future similar roles with other assets.

AOC is currently undertaking a review of its emissions strategy to develop a revised strategy with a focus on energy efficiency and emissions reduction.

AOC's fifth Sustainability report, covering 2024, is expected to be issued in Q1 2025. AOC has aligned its Sustainability Reports with the SASB and GRI reporting standards and TCFD reporting requirements. AOC is currently preparing for compliance with the ESRS and will be preparing its first annual Sustainability Statement in 2026.

6.2 REVISED ESAP

To support the further development of plans and procedures that are in line with the applicable standards, ERM has provided an assessment of the current alignment with these standards and, where gaps have been identified, made recommendations on required actions. These are then summarised in the revised ESAP. Key requirements to conform with the applicable standards for any future operated roles are also presented.

6.3 RECOMMENDATIONS FOR NEXT REVIEW

The focus of the next review will depend on the level of activity at existing assets and any future investment decisions, as well as the outcome of any update of the ESMS and associated documents, including project-specific ESIA's, for operated assets. There will also be an ongoing review of AOC's HSEC strategy, emissions management and reporting in relation to its operated and non-operated assets. The next review is currently scheduled for the start of the fourth quarter of 2025.

APPENDIX A DOCUMENTS PROVIDED BY AOC FOR CURRENT REVIEW

SOURCE/TOPIC	DOCUMENT TITLE
AOC Updates	AOC Annual HSEC Review Kick-Off Meeting Oct 24
01 AOC Corporate	Africa Oil Corp. Report to Stakeholders For the Period ended September 30 2024
	AOC Sustainability Report For Year Ended December 31, 2023.
	AOC Emissions Management Strategy May 2024
	AOC Social Investment Framework Slides for AOC EXCO 260124
	AOC Human Rights Assessment Report Draft
02 Risk Registers	AOC Risk Register - Oct 2024
	AOC Risk Register Overview
	Risk Register 2024.09 (V1)
03 AOC ESMS	AOC ESMS Development 2024
	AOI - ESMS Framework_2024 track change
04 AOC Policies	2024-05-14 AOI - Health & Safety Policy
	2024-05-14 AOI - Environment & Emissions Policy
	2024-05-14 AOI - Community Relations Human Rights Policy
	AOI Standard of Operation - H&S - 090924
	AOI Standard of Operation - ENV - 090924
	AOI Standard of Operation - Social - 090924
05 Prime Standards	Anti-Bribery and Corruption Policy - 2022
	Climate Change Risk Assessment - 2022
	Climate Change Risk Assessment Annex 1 - Detail for Prime
	Code of Ethics & Business Conduct - 2024
	Compliance Function Policy and Rules - 2023
	Contingency Management System - 2024
	Contingency Management System Annex A - Crisis Management Plan - 2024
	Corporate Email Usage Policy and Rules - 2024
	Disciplinary Regime - 2024
	Due Diligence Policy - 2023

SOURCE/TOPIC	DOCUMENT TITLE
	Due Diligence Tool Procedure - 2023
	Ethics and Business Conduct Policy - 2024
	Flexible Work Arrangements and Leave Management - 2023
	Health Management - 2023
	Health Safety and Environment Policy and Guidelines - 2024
	Health, Safety and Environment Management System - 2022
	Human Rights Risk Assessment - 2022
	ICT Policy and Guidelines - 2024
	Information Security Policy and Rules - 2024
	Internal Audit Management Standard - 2024
	Internet Usage Policy and Rules - 2024
	Management of Standardization System - 2022
	Office Emergency Plan - Rotterdam 2024
	Office Evacuation Plan - Lagos 2024
	Personal Data Protection Policy Concerning EU Residents - 2024 (vf)
	Prime ESG Strategy - 2024
	Prime GHG Roadmap 2024
	Prime HSE Policy One-Pager - 2023
	Procurement Management Standard - 2024
	Response to Contagious Disease Outbreaks and Epidemics - 2023
	Risk Management Manual - 2022
	Risk Management Standard - 2024
	Social Responsibility Policy - 2023
	Standard of Operation - HSE & Social Performance - 2022
	Travel Policy - 2024
	Users Access Management - 2024
	Whistle-Blowing and Investigation Policy and Rules - 2024
06 Prime Audits and HSE Data	2Q 2024 Report Prime OG
	08 Mar 2024 Tech Workshop Egina Incident Update
	Agbami MBC Activation Investigation Report External Aug 2024
	Mar 2024 SVB Meeting - HSE slides

SOURCE/TOPIC	DOCUMENT TITLE
	PML 2_3_4 TCM Q4 October 2024 - Update 2023 Egina Oil Spill
	Prime HSEC_GHG Statistics Q2 2024
	Shareholder Tables_Q3 2024 v4
	Prime 2024 ESHS Review Report Draft 2023-05-30 Final Draft
07 Equatorial Guinea	3- INFO REHAB ESCUELA AGOSTO - 16-08-2024
	20240510-01 Non authorization to execute the Virtual Library Project
	Hand Over Certificate of Social Investment Project of Ayene School
	Project scope of work
08 South Africa Block 3B/4B	Environmental Impact Assessment Report. Proposed Africa Oil South Africa Corp Block 3b/4b Exploration Right including Appendices 20/05/2024



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