

# ETHOS

Our World  
Our Responsibility

Delivering a  
**sustainable future**

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**Summary** of  
Sustainability  
Report 2019

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# Ethos

Ethos (noun /'i:θɒs / i:θɑ:s /word of Greek origin)  
- the set of beliefs, ideas, etc. about the social behavior and relationships of a person or group.



Delivering a  
**sustainable future**

Full Sustainability Report 2019

# Joint Address



**Karen Simon**  
Non-Executive Chair



**Mathios Rigas**  
Chief Executive Officer

Dear Shareholders,

We are delighted to share Energean’s second annual Sustainable Development Report, demonstrating our unwavering commitment to sustainable development and our ESG principles. We are committed to delivering results, not just promises, and, during 2019, our dedicated teams have continued to deliver strong and tangible progress towards our social, environmental and governance targets in what is an evolving and challenging energy landscape. We are extremely proud to be part of an organisation that has fulfilled upon a wide range of ESG goals. Achievements that we are most proud of include our commitment to reducing greenhouse gas emissions to net zero, receiving an “A” rating from MSCI, and appointing the company’s first female Chairman to the Board of Directors.

### Overview

Energean continued its strong growth trajectory in 2019, developing from a newly listed independent E&P company in 2018 into a leading FTSE 250 player. We remain focused on our core geographical area, the Mediterranean, and gas as a transition fuel. Following close of the Edison E&P transaction, we expect to have close to 800 mmbbl of 2P reserves and 2C resources, of which 80% is gas, and a clear path to more than 130 kboe/d of production in 2022, again of which 80% is gas. Our gas-focused strategy allows us to play our part in supporting the global fuel transition away from coal and oil, in the drive to reduce emissions of carbon dioxide and protect our environment for future generations.

### ESG Stewardship

Stewardship of ESG is central to Energean’s vision of creating the E&P company of the future; one that excels in all aspects of ESG. Our ESG goals are always at the forefront of our growth and operations and, to this end, we have formally linked Executive pay to ESG goals from 2020. Furthering our commitment to ESG, we are creating a new Sustainability and Climate Change Department that will focus on optimising our goals and performance in this key area that is changing quickly and ever growing in its importance to all of our stakeholders.

#### > Environmental

We are reducing our environmental footprint by setting science-based carbon intensity reduction targets. Not only were we the first E&P company in the world to commit to net zero by 2050, but we will also be setting near-term targets on a rolling three-year basis. We are targeting an initial 70% reduction over 2019 – 2022. Energean views continuous improvement based on near term goals to be essential to delivering upon the net zero target as quickly as possible and we envisage being able to accelerate the 2050 target in the coming years. Energean also continues to participate proudly to the United Nations Global Compact and is committed to continuously supporting the initiative and its principles. Finally, Energean, will conclude its first CDP submission to the Climate Change questionnaire by 2020.

#### > Social

Managing our social impacts is a core element of our ESG priorities and supporting local communities is one of the main pillars of our Corporate Social Responsibility policy. We support

both our local communities and vulnerable groups in the areas in which we operate. Initiatives of which we are particularly proud are the “We Can – We Care” programme, which saw executives of our company supporting and participating with our local citizens with disabilities in basketball games, and our Crowdfunding for a Special School in Kavala, for which we were presented with an award at the “Bravo” Sustainability Dialogues & Awards 2019. We continuously invest in, and engage with, our local communities, establishing mutually beneficial relationships that enhance our contribution to society.

### Health and Safety management

During 2019, Energean continued to deliver upon its exemplary HSE record with one million hours free of Lost Time Incidents in Energean sites plus four million man-hours on the FPSO construction yard in China. We at Energean believe that protecting the environment and the health and safety of our staff and stakeholders is a key factor in the overall success of our business and we are committed to continually improving in all aspects of HSE.

In line with this commitment, we have established a comprehensive and integrated Health and Safety Management System that is aligned with the requirements of international standards and European safety directives. It is based on tried-and-tested, internationally recognized best practices in the E&P industry, structured around a classic “Plan-Do-Assess- Adjust” cycle.

### > Governance

At Energean, we seek to fulfil our vision by adhering to a set of values that encompasses:

- **Responsibility in all of our actions and areas where we conduct our business**
- **Excellence in everything we do, deploying best practices to achieve profitable and sustainable growth**
- **Integrity, respecting our stakeholders, employees and business, promoting transparency and accountability, in all cultivating a unique corporate sustainability culture**
- **Commitment to a talented workforce, investing in our people’s development**

The work of the Board and Management Team will continue, over the coming years, to ensure that Energean is well positioned to advance the energy transition, embrace technological innovation and meet society’s changing expectations of energy companies. Our people are core to delivering upon this aim, and to ensuring that we maintain and advance our Corporate Governance standards. As a Board, we believe it is extremely important that we continue to develop our organisational capabilities, continue to develop a diverse and inclusive culture and enhance governance and compliance with the ongoing embedding of our values and code of conduct.

### Operational Progress and Other Key Events

2019 marked another transformational year for Energean. In Israel, our flagship Karish development project continued to progress well. Physical completion was at 72% by year-end and the project on track to deliver first gas into the Israeli domestic market in 1H 2021. We completed the drilling of the three Karish Main development wells that will deliver the first gas sales and, post period end, demonstrated the ability of these three wells to produce at rates sufficient to fill our 8 Bcm/yr FPSO. We also made a >1.2 Tcf (>25 Bcm) discovery at Karish North, further demonstrating the attractiveness of our acreage, and increased firm Gas Sales and Purchase Agreements to 5.0 Bcm/yr, which is expected to increase to 5.6 Bcm/yr on receipt of the Karish North CPR.

In July 2019, we agreed to acquire Edison E&P for \$750 million, plus \$100 million of contingent consideration, a landmark achievement in advancing Energean as the leading gas-focused E&P player in the Mediterranean. We raised \$865m of funding for the acquisition, demonstrating that capital remains available for the right E&P companies, with the right assets and the right ESG credentials. Once the acquisition is complete, we will have acquired a high-quality portfolio of assets and a strong operating team that will support the day-to-day operations of the enlarged group going forwards.

More recently, the COVID-19 pandemic and OPEC+ price war have put us into uncertain times, but we are well-placed to weather the challenges and, through this period, our number one priority remains the health and safety of our colleagues and stakeholders. As such, we have taken swift and decisive actions to protect our people, whilst maintaining focus on our longer-term business objectives; once the Edison E&P transaction is completed, around 70% of our production will be sold under long-term gas sales agreements that insulate our future revenues against oil price volatility. Following completion of the Edison E&P transaction, we will continue to own and operate the majority of our asset base, and are well-funded for all of our projects. This will ensure that we can respond quickly and appropriately to the macro environment and take the right decisions to protect our business and our stakeholders.

In conclusion, and in recognition of the support and contribution of our employees to the success of the company, we would like to express our deep gratitude to all of you for your hard work and commitment to implementing our values in all aspects of your work. We look forward, alongside all of you, to further developing Energean into the E&P company of the future, focusing on sustainable development and creating shared value for all of our stakeholders.

**Karen Simon**  
Non-Executive Chair

**Mathios Rigas**  
Chief Executive Officer

# Energear's Snapshot

## Environment

**Net Zero** GHG emissions  
by 2050

**Zero** Oil spills  
or environmental damages

**89%**  
of water withdrawn in production sites was recycled

**ISO 14001**  
Certification of production and exploration activities

## Health & Safety

**12** MM man hours  
without LTIs in the whole "Energear Power" FPSO  
development and construction project

**1.3** MM man hours  
without LTI in all Energear sites

**2** MM man hours  
drilling campaign in Israel

## People

**Female chair**  
and increased female participation in the BoD (33.3%), as well  
as (33.3%) representation in the Senior Management.

Employees and Contractors from

**17** different countries

## Partnerships

**UNGC** signatory

Israel Nature and Parks Authority

Teamed up with the  
Israeli Paralympic Committee  
and support 3 Paralympic swimmers

Teamed up with the  
Management Body of the Nestos River

Signed a "Protocol of Industrial Relations" with  
National and Local Italian Unions

Strategic Partnership with Chemecon  
(Non-Profit Organization of Young Chemical Engineers)

## Society

**23** internships  
to college students

**6,377** portions  
of surplus food **from Energear's daily lunch** was saved and  
offered as donation, through the collaboration with the NGO  
"Boroume"

**6** Scholarships granted  
for foreign Universities through our collaboration with the  
**Bodossaki Foundation**

**4** Academic scholarships of  
excellence

In collaboration with two academic institutes in Israel for Clean  
Energy Research (The Technion) and Energy and the Maritime  
Domain (Haifa University).

World Environment Day 2019: Energear sponsors Sharks Live Viewing -  
Viewpoint of Hadera, Israel (June 2019)

# Targets & Progress

Targets 2019	Progress
<div>Occupational health &amp; safety</div> <div>Provision of innovating toxic hoods capable of protecting the persons visiting or working in our onshore installations without having direct access to breathing apparatus distributed to operations and maintenance departments.</div> <div>100%</div>	
<div></div> <div>Replacement of the offshore breathing apparatus purchased during the beginning of the operations with new modern design apparatus suitable for providing the greatest possible protection against potential toxic environment, to all personnel working in our offshore installations.</div> <div>80%</div>	
<div>Community relations</div> <div>Creation of collaborations and relationships with educational institutions, environmental organizations and NGOs.</div> <div>100%</div>	
<div></div> <div>Enforcement of the cooperation with the Kavala Fire Service and the Kavala Airport Fire Service by organizing common drills to exchange knowledge and experience in the techniques that should be applied when dealing with fires caused by liquid fuels, in order to promote our social responsibility.</div> <div>100%</div>	
<div>Air quality and greenhouse gas emissions</div> <div>De-rating of the steam boilers due to lower needs, in order to lower NOx emissions.</div> <div>90%</div>	
<div></div> <div>Revamping of the Gas Turbine 1 exhaust system in order to reduce the NOx emissions.</div> <div>66%</div>	
<div></div> <div>Accreditation for Environmental International Standard ISO 14001 for all Energean's exploration and production of hydrocarbons existing installations.</div> <div>100%</div>	

## Targets 2020

<div>Occupational health &amp; safety and wellbeing</div> <div><div>&gt; Achieve an Energean employees Lost Time Injury Frequency (LTIF) less than 0.51 (peers average value, IOGP 2018).</div><div>&gt; Achieve a Contractors Lost Time Injury Frequency (LTIF) equal or less than 0.64 (peers average value, IOGP 2018).</div><div>&gt; Achieve an Energean employees Total Recordable Injury Rate (TRIR) less than 1.15 (peers average value, IOGP 2018).</div><div>&gt; Achieve a Contractors Total Recordable Injury Rate (TRIR) equal or less than 2.41 (peers average value, IOGP 2018).</div><div>&gt; Create and implement a common H&amp;S management system throughout all group, including Crisis Management and Occupational H&amp;S management.</div><div>&gt; Achieve certification of production sites' H&amp;S systems to ISO 45001.</div></div>	
<div>Community Relations</div> <div><div>&gt; Energean plans to maintain its strong and long-standing relationships with the local communities it operates in.</div><div>&gt; The company will aim to extent its collaborations with organizations, institutions, and NGOs and will strive to create new ones, especially with those involved with environmental aspects and subjects. Energean realizes that collaboration and working with others is the only way things can move forward.</div></div>	
<div>Air quality and greenhouse gas emissions</div> <div><div>&gt; Participate in the Carbon Disclosure Project (CDP).</div><div>&gt; Implement the recommendations of the Task Force on Climate-Change Financial Disclosure (TCFD).</div><div>&gt; Reduce our Carbon Emissions Intensity in Scope 1 and Scope 2 by more than 50% following Edison's acquisition.</div><div>&gt; Quantify the medium and long-term plan activities in order to meet company's low carbon future commitment.</div></div>	
<div>Supply Chain</div> <div><div>&gt; The Supply Chain due diligence process will extend to include Human Rights assessments.</div><div>&gt; Energean is planning to implement a Code of Conduct for suppliers, underlining the importance of respecting the key principles of sustainability in the Supply Chain.</div></div>	
<div>Governance</div> <div><div>&gt; The Supply Chain due diligence process will extend to include Human Rights assessments.</div><div>&gt; Energean is planning to implement a Code of Conduct for suppliers, underlining the importance of respecting the key principles of sustainability in the Supply Chain.</div><div>&gt; Formally link Executive pay to ESG goals from 2020.</div><div>&gt; Creation of a new Sustainability and Climate Change Department.</div></div>	

# Our Climate Ambition

Energear pledges to **Net-Zero Emissions by 2050**

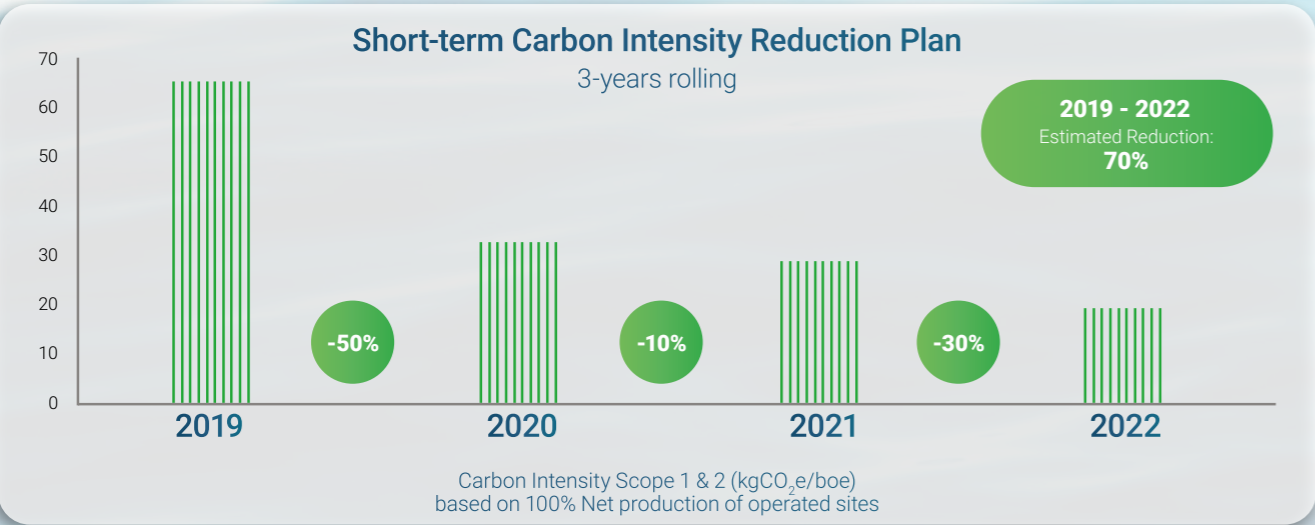
## Our Personnel Engagement on Climate Change Ambitions

Remuneration of senior executives linked to specific carbon emissions targets and ESG rating.

## Our Strategy to Net-Zero emissions by 2050

### Short-term plan - next 5 years:

- > Get engaged in the Carbon Disclosure Project (CDP) in 2020
- > Disclosure of climate related information following the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2020
- > Engage with organizations working on the transition to a low carbon future
- > Support and motivate costumers and contractors to a low carbon utilization future  
Increase the efficiency of production installations by optimizing performance
- > Increase the use of low or zero carbon electricity
- > Strengthen our low carbon portfolio by increasing gas production to 80%, following close of the Edison E&P transaction
- > Reduce our carbon emissions intensity by 70% by 2022, following close of the Edison E&P transaction



### Medium-term plan - by 2035:

- > Innovation projects for using industrial carbon emissions to produce goods
- > Further increase the use of low carbon energy



Zero carbon electricity



Hydrogen



Biofuels

### Long-term plan - by 2050:

- > Carbon Capture Storage and Utilization
- > Reforestation, Afforestation and Forests Conservation
- > Negative Emissions Technologies

#### Commitment to net-zero emissions by 2050

Strategy for net-zero from own operations

#### Commitment to use our best endeavors to reach value-chain net-zero emissions by 2050

Strengthen transition to a low carbon future by producing mainly gas  
Minimize our indirect activities emissions  
Engage with our customers to support and motivate them to a low-carbon future

#### Scope 1 Direct emissions

#### Scope 2 Indirect emissions

#### Scope 3 Indirect emissions

#### Fuel combustion on site

#### Purchased electricity

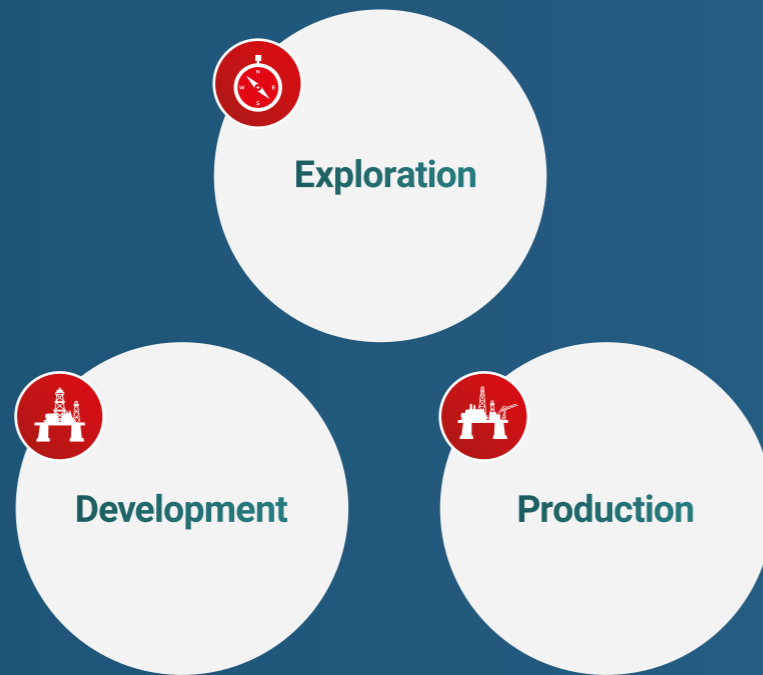
#### Not owned or controlled sources and sold products

# Our Sustainable Business Model

## Inputs >>>



## Business Activities >>>



## Business Support Services

- > Human resources management and administration
- > Health, Safety and Environmental management
- > Operations
- > Business development
- > Corporate finance and financial control
- > Research and development
- > Quality assurance
- > Legal department
- > Marketing
- > Procurement and supplier management
- > Corporate social responsibility management

## Outputs >>>

## Performance >>>

## Outcomes (Contribution to the SDGs)

Safeguarding occupational health & safety and wellbeing

**0**  
Employees Injured



Growing the share of natural gas in the product portfolio

**80%**  
Gas-weighted



Reducing greenhouse gases and other air emissions

**47.7k** tCO<sub>2</sub>e  
Direct emissions



Reducing (non-renewable) energy consumption

**731** TJ  
Total fuel consumption from non-renewable sources



Generating economic value / economic performance of the company

**\$76** million  
Direct economic value generated



Safeguarding human rights at work

**0**  
Incidents of discrimination



Increasing the implementation of water efficiency innovations

**89%**  
of water withdrawn in production sites was recycled



Building and maintaining community relations

**0**  
Significant disputes with local communities and indigenous people



Ensuring emergency preparedness

**0**  
Spills



Ensuring regulatory compliance

**0**  
Incidents of corruption



# Material topics and their boundaries

The table below presents the material topics prioritized against both the significance of their economic, social and environmental impacts and the significance for stakeholders' assessments and decisions in ascending order. According to the GRI standards, it is not recommended to conclude on a combined assessment for both axes but rather define the material topics as the most significant either for the stakeholders or in terms of significance of impacts. This is the reason why the topic "Ensuring regulatory compliance" is included in the material topics as being the third most important topic for the stakeholders even though in the combined assessment its overall score is lower.

Material Topic	Link to Sustainable Development Goals	Topic Boundary <small>(Entities which may cause or be associated with the impacts)</small>
Safeguarding occupational health & safety and wellbeing	 	> Energean > Suppliers and Contractors
Growing the share of natural gas in the product portfolio	   	> Energean > Business Partners
Reducing greenhouse gases and other air emissions	 	> Energean > Suppliers and Contractors > Business Partners > Customers
Reducing (non-renewable) energy consumption	 	> Energean > Suppliers and Contractors
Generating economic value / economic performance of the company	  	> Energean > Rating Agencies > Banks & Financial Institutions > Suppliers and Contractors > Business Partners > Customers
Safeguarding human rights at work	  	> Energean > Suppliers and Contractors
Increasing the implementation of water efficiency innovations	   	> Energean > Suppliers and Contractors
Building and maintaining community relations	        	> Energean > NGOs > Local Communities > Media
Ensuring emergency preparedness	  	> Energean > Suppliers and Contractors
Ensuring regulatory compliance		> Energean > Governments & Regulatory Authorities

## Materiality Map



- 1 Creation of employment
- 2 **Safeguarding occupational health & safety and wellbeing**
- 3 Provision of employee training, certifications and employee development
- 4 **Safeguarding human rights at work (e.g. equal opportunities, diversity, eliminating forced labor etc.)**
- 5 **Generating economic value / economic performance of the company**
- 6 **Growing the share of natural gas in the product portfolio**
- 7 Safeguarding business ethics and establishment of transparent relationships with host governments
- 8 **Reducing (non-renewable) energy consumption**
- 9 **Reducing greenhouse gases and other air emissions (e.g. NOx, SOx, VOCs)**
- 10 **Increasing the implementation of water efficiency innovations (e.g. reuse, recycling and discharged wastewater treatment)**
- 11 Protecting and preserving biodiversity
- 12 Minimizing waste and increasing the implementation of Circular Economy practices
- 13 **Building and maintaining community relations**
- 14 **Ensuring emergency preparedness**
- 15 **Ensuring regulatory compliance**
- 16 Ensuring data security
- 17 Improving supplier social and environmental performance

# 3. Axioms and Ethical Synergies

## Axiom

(noun /ˈæk.si.əm/ word of Greek origin)

- a statement or principle that is generally accepted to be true

## Ethical

(adjective /ˈeθ.ɪ.kəl/ /ˈeθ.ɪ.kəl/ word of Greek origin)

- relating to beliefs about what is morally right and wrong

## Synergy

(noun /ˈsɪn.ə.dʒi/ word of Greek origin)

- the combined power of a group of things when they are working together that is greater than the total power achieved by each working separately

This section includes the following Material Topics:

- Ensuring Regulatory Compliance

## Why is this topic material?

Energean operates in an inherently hazardous industry subject to substantial regulation. Compliance with the applicable laws and regulations is fundamental to our business. Energean implements various controls in order to ensure compliance to the rapidly changing regulatory environment it operates in. Potential impacts of non-compliance include safety impacts on our personnel, suppliers and contractors, severe impacts to the environment, as well as loss of our social license to operate in the countries of our operations, further to potential legal and financial liabilities.

## Our Management Approach

Our management approach enforces a strong implementation of regulatory compliance followed by all employees, contractors and business partners. We are committed to laws and regulations set by our states of operation to ensure environment, health and safety and employment rights are met. We regularly review our performance against such laws and against the best practice in industry. Energean has a highly established risk management framework whereby our Audit and Risk Committee are dedicated to identifying, monitoring and managing known and unknown risk. Likewise the committee receives regular, regulatory updates regarding financial compliance, in addition to external audits, internal audits are performed to identify the effectiveness of our function.





# 4. Symbiosis

## Symbiosis

(noun /ˈsɪm.bəˈɒzɪs/ word of Greek origin)

- interaction between two different organisms living in close physical association, typically to the advantage of both.
- a relationship between people or organizations that depend on each other equally.

This section includes the following Material Topics:

- **Safeguarding Occupational Health & Safety and Wellbeing**
- **Increasing the implementation of water efficiency innovations**
- **Ensuring Emergency Preparedness**
- **Reducing greenhouse gases and other air emissions**
- **Reducing (non-renewable) Energy Consumption**
- **Growing the share of natural gas in the product portfolio**

## Why are these topics Material

### Safeguarding Occupational Health & Safety and Wellbeing

It is Energean's utmost responsibility to provide a safe working environment for its employees and contractors. If health and safety incidents occur, our people as well as society in general may be significantly affected. Should health and safety incidents occur, our company could face regulatory and financial implications while our business continuity may be disrupted, causing delays and having a negative impact on our reputation and social license to operate. In recognition of our responsibility towards our employees, contractors and the wider local communities we operate in, our company maintains an integrated Health and Safety Management System, the basis of which is to ensure a safe working environment for our people and those affected by our Group activities.

### Increasing the implementation of water efficiency innovations

Water is essential to our operations, as significant water amounts are required during our production processes. Therefore, proper and responsible water management processes are highly important to Energean. Energean recognizes its responsibility to protect access to clean water, which is an established human right. In this context, Energean has established various controls in an effective and responsible water management approach, which aims to avoid potential impacts to the marine environment. In case water is not properly managed, we may face regulatory and financial implications, and our relationships with the local communities we operate in may be severely impacted.

### Ensuring emergency preparedness

For an oil and gas company like Energean, it is of critical importance to always be fully prepared for emergencies, in order to ensure the safety of our people, the safety of the local communities of our operations, and the protection of the environment. An oil spill, a release of hydrocarbons or other hazardous substances or any other potential critical incident can have serious implications on our people, on the environment, on our reputation and social license to operate. Energean has established a safety culture across our operations through the implementation and continuous improvement of safety management systems and policies, in order to prevent emergency incidents which could be caused within our supply chain. Through these policies and systems Energean ensures the effective response of its personnel and contractors in case of critical incidents.

### Reducing greenhouse gases and other air emissions

Energean is focused on reducing emissions generated regularly or potentially through our company's operations, such as combustion emissions (e.g. flared hydrocarbons, emissions from stationary devices and mobile sources), vented emissions (e.g. from floating roof tanks) and fugitive emissions (e.g. unintended equipment leaks). Such emissions may occur across the scope of our onshore and offshore facilities. Potential unintended impacts that could occur include a deterioration of the environment local to our operations as well as a negative impact on our relationships with local stakeholders. In addition, our company may face operational, reputational and regulatory issues related to the management of greenhouse gases and other air emissions such as NOx, Sox and VOCs. We have established various controls and monitoring systems in order to meet our objectives in terms of emissions reduction and to continuously improve our performance in alignment with the targets set by the international community.

### Reducing (non-renewable) energy consumption

Responsible energy management is essential to Energean, as it is a top priority for our company to contribute to the sustainability agenda of our international community and to the Paris Agreement. Our energy management activities are part of our comprehensive Environmental Management System, which covers all our facilities and activities. Impacts may occur at any point throughout our value chain, as energy is consumed at our office buildings and onshore facilities, as well as at our offshore facilities and during the use of equipment. Through our efforts on efficient energy management we aim to reduce our carbon emissions, ensure efficient resource management and avoid placing further strain on the planet's fuel resources.

### Growing the share of natural gas in the product portfolio

Undeniably, oil and gas are critical in today's energy and economic systems. However, increasing societal demands on oil and gas companies are questioning their business models and asking them to contribute to tackling climate change. Energean is committed to contributing to the energy transition through its business model and primary output of extracting and producing fuels. We consider gas as a transition fuel, the way forward to the sustainable growth of both society and business. We have made it a strategic priority to delivering lower-carbon fuels and becoming a primarily gas-focused company. Inaction in this regard is not an option; it would be detrimental to our sustainable development and existence, as well as to our social license to operate. Over the coming years, pressures including regulatory ones, will only increase on all industry actors to contribute to the transformation of the energy sector, and thus Energean has commenced transitioning its business model and contributing to the global needs for clean energy access and cleaner air.

# Our Management Approach

## Safeguarding Occupational Health & Safety and Wellbeing

Energean takes pride in operating at the highest HSE standards and values the well-being of its employees, partners, general public and environment. Health and safety is part of our culture, whereby we implement H&S investment plans and provide regular training to our employees. We closely monitor our HSE performance indicators in order to continue our exemplary track record of 1 million hours free of Lost Time Incidents. Energean values internal and external audits, reviews, inspections and compliance checks to ensure that activities are conducted in accordance to all necessary standards. Likewise accident reporting is carried out through detailed process ensuring Corrective and Preventative Actions (CAPAs).

## Increasing the implementation of water efficiency innovations

At the core of our operations is effective water management. We are committed to our excellent track record of operating in sensitive marine environments without causing damage. Therefore, we closely monitor regulatory framework for water management such as, The Water Framework Directive, The Barcelona Convention and The Marine Strategy Framework Directive. Energean is focused on investing in innovative water technology as well as recycling and reusing water withdrawals for production, cooling, firefighting and utilities. Our projects are strictly monitored during all phases by Environmental and Social Impact Assessments (ESIA's), these studies aid our mitigation measures for example, avoiding accidents and fuel handling. We recognize the importance of global water resources and always aim to reduce our impact.

## Ensuring emergency preparedness

Energean is committed to providing safe and healthy working conditions for all involved in its business, frequent monitoring and reviewing of emergency procedures, instructions and control mechanisms is of the utmost importance to our company. Likewise we have implemented a Corporate Major Accident Prevention Policy (CMAPP) in order to responsibly control and manage potential risk, whilst enforcing advancements in technology and good oilfield practices. Our Board of Directors are responsible for ensuring compliance of the CMAPP throughout all of our activities, the CMAPP is implemented and regularly monitored country-wide by each Country Manager.

## Reducing greenhouse gases and other air emissions

Energean strives to reduce its greenhouse gas emissions while minimizing impact on air quality. We are committed to transitioning to a portfolio of natural gas, aiming to become a leading E&P company in sustainability by pledging to net zero carbon emissions by 2050. We are compliant with applicable European Union directives regarding air quality and ensure our vessels meet the International Convention for the Prevention of Pollution from Ships. We ensure that our policies are aligned with local and national, legal and regulatory requirements in our areas of operation. We have a comprehensive Environmental Management System (EMS) in which management, monitoring and reporting processes are included.

## Reducing (non-renewable) energy consumption

One of our top priorities is to protect the environment, our Environmental Management System (EMS) enables us to enhance our efficiency and minimize energy consumption. As part of our EMS we regularly review our energy use from multiple sources using key performance indicators such as, thermal and electrical. In addition, we conduct annual Energy Analysis & Reviews identifying energy issues and opportunities to improve our performance. Which, in 2019 resulted in, Conventional lamps being changed to LED, inspections of our steam networks to reduce losses and revamping and downgrading of a sour gas compressor medium voltage motor.

## Growing the share of natural gas in the product portfolio

Energean actively seeks to achieve the goals of the Paris Agreement and meet demands to transition the business models and operations in a natural gas direction. With sustainable development at the core of our philosophy we are developing a balanced portfolio of gas assets. Recent acquisition of Edison E&P (80% gas accounts) further contributes to our strategic plan for a gas-weighted portfolio. We are continually investing in projects to transform our business and attain a leadership position as a sustainable and gas-focused company in the Eastern Mediterranean.



This section includes the following Material Topics:

**-Building and maintaining Community Relations**

### Why is this topic material?

Establishing strong and mutually beneficial relationships with the communities we operate in, is something we highly value. We monitor the impact of our operations on the local and host communities and undertake initiatives in order to address any concerns. Energean takes further action, not simply to coexist in the local environment, but to actually contribute to an improved standard of living. As part of the Oil & Gas industry, which is part of debate on its impacts on the local communities and their ecosystems, we actively manage relevant risks and take advantage of opportunities in order to create shared value for all. We try to avoid potential disruption of our efforts, which would lead to a deterioration of the relationships that we have managed to establish with the local stakeholders, damage to our reputation and the ultimate loss of our social license to operate.

### Our Management Approach

Relationships with our communities is at the forefront of our company values, and we seek to develop our sustainability by collaborating with governments, the private sector and the civil society. Energean is dedicated to the United Nations Sustainable Development Goals and aims to provide solutions to social issues of importance in our areas of operation on a global, regional and local level. In line with good international practice, we conduct our projects with skill, diligence and foresight, resulting in good health, safety and security of both our employees and the communities we are working in. It is of great importance to the company that at all stages of our projects we meet all cultural, environmental and land acquisition laws in order to maintain our license to operate and reduce conflict with local communities.



# 5. Metamorphosis

Metamorphosis

(noun /ˈmet.əˈmɔːf.ə.sɪs/ word of Greek origin)

- a complete change

- the process of transformation and development from an immature/young form to an adult form in two or more distinct stages

This section includes the following Material Topics:

- **Generating economic value / economic performance of the company**

### Why is this topic material?

We are a full-cycle E&P business focused on delivering on our economic commitments to our stakeholder groups. Our economic contribution not only focuses on our direct stakeholders such as our employees, contractors, and suppliers and partners, but extends to the communities in which we operate through our direct and indirect tax payments to governments and local social investments.

### Our Management Approach

Our vision is to discover, develop and monetize gas in the Eastern Mediterranean and create value for our stakeholders. With sustainability leading us we are transitioning to a gas-focused and innovative E&P company. Core strategic goals such as optimizing production, developing reserves, adding hydrocarbons and portfolio integration aim to create growth in production and cash flows, whilst distributing value to both sustainability and ESG.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



17 PARTNERSHIPS FOR THE GOALS



# 6. Economic Acme

## Economy

(noun /iˈkɒn.ə.mi/ word of Greek origin)

- the system of trade and industry by which the wealth of a country or region is made and used

## Acme

(noun /æk.mi/ word of Greek origin)

- the highest point of achievement

This section includes the following Material Topics:

- **Safeguarding human rights at work**

### Why is this topic material?

Energean, a global company with an international supply chain, is committed to safeguarding human rights throughout the full scope of its operations. Impacts on human rights may occur at any stage of our operations and at any part of our supply chain. If human rights are not respected, our people may be affected, and our reputation may be severely damaged leading to financial loss. Furthermore, we may face legal consequences as well as a lack of trust in our business relationships and in the communities within which we operate.

### Our Management Approach

Energean upholds and promotes human rights at work as they are defined in the Universal Declaration of Human Rights (UNDHR). Likewise we have committed to the United Nations Global Compact (UNGC) and abide by their regulations regarding human rights, labor, environment and anti-corruption. We uphold all laws relevant to countering bribery and have a zero tolerance to corruption which is closely monitored through clauses and contractual agreements with all suppliers and partners. We have active and established structures for raising concerns of this nature.

Energean offers equal opportunities and recruits on a merit based evaluation system which promotes a culture of inclusivity. Our Corporate Culture and Business Ethics Policy outlines our values which apply to all employees and joint ventures. The Board of Energean has stated that we have zero-tolerance to slavery and are committed to acting ethically, following policies and controls to safeguard modern slavery from happening in our business and supply chain.



# 7. Anthropocentric

## Anthropocentric

(adjective / ˈæn.θrə.pəˈsen.trɪk / word of Greek origin)

- considering humans and their existence as the most important and central fact in the universe



## Awards and Ratings

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2019 Energy Company of the Year  
2019 M&A Deal of the Year

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2019 Main Market Company of the Year by  
Shares Magazine

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The MSCI ESG Rating places Energean  
above 63% of the industry's companies

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Energean was one of the top 20 companies  
out a total of 212 industry peers

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In category BRAVO Society 2019 – Human  
Rights

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Rated under Maala Index at Gold level

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Best ESG Energy Growth Strategy  
Europe 2020

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Placed 16th out of 114 companies in the Oil  
& Gas producers' industry

# Our Actions



- Continuing our excellent HSE performance with more than 4 million man-hours with no Lost Time Injuries (LTI) in the building of the “Energean Power” FPSO, and more than 1 million man-hours without LTIs in all Energean sites.
- Obtained a Molecular Control Diagnostic Device for Thasos Island (Greece) – Allowing for more than 100 COVID tests a day.
- Supported the creation of COVID medical protection shields
- Donated COVID Medical Kits to Israeli Pre-Hospital and Blood services organization
- Donated medical supplies in collaboration with “One Hand”.
- Organized “Run for our local healthcare heroes” initiative to raise money to fight COVID 19 in our areas of operation.



- Became a strategic partner with Chemecon (a non-profit association of Young Chemical Engineers).
- Offered paid internships to 23 college students.
- Provided scholarships and academic financial aid to 7 college students.
- Awarded 5 academic scholarships in collaboration with the Bodossaki Foundation.
- Supported Environmental Webinars (Montenegro, Greece, Israel)
- Organized an Elementary School “Time for Nature” webinar.
- 4 Scholarships awarded to students in Israel.



- Proud to announce Karen Simon as the Company’s new Chairman who is an advocate for creating leadership opportunities for women.
- Welcomed Amy Lashinsky to Energean’s Board of Directors as an Independent Non-Executive Director.
- Percentage of female representation in Energean’s work force: BOD 33.3% , Senior Management 33.3% ,Middle Management 24% , other Employees 12%.



- Proudly opening the crowdfunding project for the creation of a multi-sensory room in a Special School, the School of Special Vocational Education and Training of Kavala, Greece
- Energean was recognised and received an award at the “Bravo! Sustainability Dialogue & Awards 2019” for the CSR activity “We can – We care” a basketball game/event with and for our fellow citizens with disabilities alongside a crowdfunding initiative for a Special School in Kavala, Greece.



- Continued support for the Israel Nature and Parks Authority in protecting and conserving Israel’s nature, landscapes and heritage sites.
- Continued support of the Hof HaCarmel Regional Council promoting community and environmental projects (Israel).
- Awarded “blue flag” for a beach in Israel in collaboration with Hof HaCarmel.
- Etgarim - Haifa Sailing Club empowerment activities for youth at risk.



- Organized and performed a beach clean-up at the Delta of the Nestos River, in North-eastern Greece.



- United Nations Global Compact: Renewed Global Cooperation
- Joined Maala, a non-profit, CSR standards-setting organisation in Israel. Maala’s CSR Index is an ESG rating system used as an assessment tool, benchmarking Israeli companies on their CSR performance 2019
- Awarded Gold Level Maala Index 2020
- Collaboration with Sembcorp Marine, TechnipFMC & Sub-Con - “Say no to Plastics”
- Etgarim - Israel
- Management Body of Nestos



- Joined the “Business Ambition for 1.5 Degrees Centigrade: Our Only Future” ahead of the 25th annual UN Climate Change Conference, in Madrid, Spain.
- Committed to becoming a net-zero emitter by 2050.
- Committed to reporting to Carbon Disclosure Project (CDP) and to Task Force on Climate -related Financial Disclosures (TCFD).
- CEO, called on UK Prime Minister for a green COVID recovery using the SDGs.
- Bought 100% renewable electricity in Kavala.



- Maintenance of Telemetric Stations in the Nestos River Delta – Northeastern Greece
- Installed ODYSSEA platform – for monitoring deep water marine data – Kappa platform, Prinos Greece



Energiean supports "Etagarim" (Israel), an NGO for rehabilitation of disabled adults and children through outdoor sports (February - June 2019).



World Environment Day: Nestos River Delta - Beach Clean Up, Greece (June 2019).



Energiean supported an event at Rabin Elementary School (city of Nesher, North Israel), where students experienced some of the daily challenges faced by disabled people (December 2019).



Energiean sponsors the 2nd International Wheelchair Basketball Tournament "Rebound of Friendship" in Kavala, Greece (September 2019).



"Run for our Local Healthcare Heroes" initiative, to raise money for the front-line people needs of the COVID 19 fight in our areas of operation (March - May 2020).



Energiean sponsors the 2019 Israeli Offshore Regatta by Carmel Sailing Community - NGO that develops the sailing community in Haifa, Israel (October 2019).



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