

Independent Monitoring Group

Twelfth HSEC Monitoring Review

22 December 2023

Project No: 0709362.01



Document Details	
Document title	Independent Monitoring Group
Document subtitle	Twelfth HSEC Monitoring Review
Project No	0709362.01
Date	22 December 2023
Version	1.1
Lead Authors	Mark Irvine, Victoria Griffiths
Client Name	Africa Oil Corporation

Document History						
Version	Revision	Author	Reviewed by	ERM approval to issue		Comments
				Name	Date	
Draft	0	ERM	Mark Irvine	Jon Perry	30/11/2023	For Review
Final	1	ERM	Mark Irvine	Jon Perry	22/12/2023	For Issue

Mark Irvine Technical Director 	Jon Perry Partner 
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Acronyms and Abbreviations

Name	Description
AOC	Africa Oil Corporation
EIA	Environmental Impact Assessment
EP IV	Equator Principles (Version IV)
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
FPIC	Free Prior Informed Consent
GHG	Green House Gases
GIIP	Good International Industry Practice
HR	Human Resources
HSEC	Health, Safety, Environment and Community
IFC	International Finance Corporation
JV	Joint Venture
IMG	Independent Monitoring Group
POK	Project Oil Kenya
PS	Performance Standard
SASB	Sustainability Standards Accounting Board
SP	Social Performance
SEP	Stakeholder Engagement Plan
TCFD	Task Force on Climate Related Financial Disclosures

EXECUTIVE SUMMARY

Africa Oil Corporation (AOC) is a UK headquartered and Canada listed oil and gas exploration and development company with operated exploration assets in South Africa and Equatorial Guinea, non-operated exploration, development and producing assets offshore Nigeria, as well as a portfolio of other non-operated exploration assets in Guyana, Namibia, South Africa and in the Senegal/Guinea Bissau Joint Development Zone. AOC holds its interests through direct ownership of concessions and through its shareholdings in investee companies (Prime Oil & Gas BV, Africa Energy Corp, Eco (Atlantic) Oil & Gas Ltd and Impact Oil and Gas Ltd).

The 2015 Equity Subscription Agreement between AOC and the International Finance Corporation (IFC) for oil and gas exploration, appraisal and development activities requires AOC, and its Joint Venture partners, to conform to the IFC Performance Standards on Environmental and Social Sustainability (2012) and the associated World Bank guidance, and to fulfil the requirements of an agreed Environmental and Social Action Plan (ESAP).

The investment required the establishment of an Independent Monitoring Group (IMG) to undertake periodic reviews of progress with the ESAP requirements and conformance with the applicable standards. The initial IMG review was conducted in December 2015 and this report is the twelfth IMG review.

AOC has disposed of its investments in Kenya and Ethiopia and therefore the original ESAP actions are closed, as these were focussed on AOC's East Africa interests. A revised ESAP has been developed as part of this review to address activities associated with AOC's broader portfolio of operated and non-operated assets, mainly acquired since the original 2015 ESAP was agreed.

AOC Corporate Environmental and Social Management System (ESMS) Framework and associated corporate policies, procedures and standards of operation were reviewed by AOC in 2023. Relevant recommendations made in previous IMG reviews have been incorporated into the revised ESMS and associated documentation, and further work on the required operating procedures is ongoing, based on operational priorities.

AOC's Environmental, Social and Governance priorities include the Energy Transition Strategy and carbon offsets, which include a commitment to be carbon neutral from 2025 and eliminate flaring by 2030. As part of this strategy, AOC is evaluating an approach to carbon offsetting, alongside the adoption of an emissions reduction strategy. AOC continues to work through Prime to influence the Operators' ESG performance for its non-operated offshore Nigeria assets, in particular to reduce greenhouse gas emissions from flaring.

Overall, the IMG 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. AOC recognises that there will be ongoing work required to finalise draft documents and develop asset-specific systems, plans and procedures as the exploration activities in the operated assets increase through 2024 and beyond. To support the further development of plans and procedures that are in line with the applicable standards, the IMG 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.

AOC's fourth Sustainability Report, covering 2023, is expected to be issued in the first quarter of 2024. 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.

The focus of the next IMG review will be dependent 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 Environmental and Social Impact Assessment. The next review is currently scheduled for the end of the third quarter of 2024.

1. INTRODUCTION

1.1 Background

In August 2015, Africa Oil Corporation (AOC) entered into an Equity Subscription Agreement with the International Finance Corporation (IFC) for financing 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) and to undertake specific actions detailed in an agreed Environmental and Social Action Plan (ESAP). An ESAP was developed by the IFC in June 2015 based on its Environmental and Social Review Summary (ESRS) of AOC's activities.

Environmental Resources Management Ltd (ERM) was commissioned by AOC and the IFC to act as the Independent Monitoring Group (IMG) ⁽¹⁾. The role of the IMG is to conduct a review of Health, Safety, Environment and Community (HSEC) aspects associated with AOC's activities related to oil and gas exploration, appraisal and development with respect to IFC's environmental and social requirements.

Over the last few years AOC has developed its investment strategy which, since 2018, has included investments in a wider portfolio of assets (see details presented in Chapter 2). As part of its investment strategy in 2023 AOC disposed of its interests in Kenya.

AOC has taken the decision to continue with the IMG 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 together are defined as the applicable standards for the purposes of this report.

The scope of the current review is therefore focussed on the HSEC issues related to AOC's current interests and planned future activities.

By way of background, the dates and scope of the previous IMG reviews is 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.

(1) As required for projects classified by the IFC as Category A (projects expected to have significant adverse social and/or environmental impacts that are diverse, irreversible, or unprecedented).

1.2 Scope of the Review

The scope of this review is on AOC's Environmental and Social Governance (ESG) systems, processes and plans associated with its investment portfolio across the oil and gas exploration, development and production cycle. These include operated exploration interests in Equatorial Guinea and South Africa as well as non-operated assets in Nigeria, Namibia, South Africa, Senegal/Guinea Bissau Joint Development Zone and Guyana (as described in Chapter 2).

Previous reviews have included an assessment of AOC's ESG systems, processes and plans along with ESG performance reporting requirements that apply to AOC's operated and non-operated assets. This review evaluates how these ESG systems, processes and plans have been applied across the AOC portfolio, in particular, to the recently acquired operated assets. Recommendations are made on changes that may be required to improve AOC's ESG performance with respect to the applicable standards ⁽¹⁾, and manage ESG risks, compliance issues and other uncertainties. The nature of such 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.

The focus of previous reviews was on AOC's interests in Kenya where AOC had non-operated assets operated by a Joint Venture (JV) partner, Tullow Oil Kenya BV. AOC's withdrawal from these assets is discussed briefly along with the status of the existing ESAP actions, mainly related to POK. As the existing ESAP actions are completed or are now not relevant, a revised ESAP has been produced to address issues related to ongoing and planned activities in AOC's current operated and non-operated assets.

1.3 Objectives

The overall objective of the IMG reviews is to identify areas of non-conformance ⁽²⁾ within the applicable standards and to make recommendations for corrective actions, or improvements in line with Good International Industry Practice (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.
- Progress against the current AOC ESAP requirements and proposed revisions to the ESAP.
- Review of AOC's developing Environmental and Social Management System (ESMS) and associated plans and procedures.
- Update on Corporate ESG status and current activities, including carbon offset strategy.

1.4 Approach

The approach taken for the current review was as follows.

- Attend an inception meeting to receive a briefing on AOC current and planned activities.
- Conduct a desktop review of provided documents and internet-based information sources (documents submitted for this review are listed in Appendix A).
- Request clarifications or further information from AOC and report the review findings.

Previous IMG reports provided updated information on assets and project progress and, where relevant, an update on previous observations/findings and any new observations/findings. For this review, given the withdrawal from POK and AOC's role as an operator for other assets, a review of current AOC ESG documentation (including risk registers, policies, plans and procedures, has been undertaken and recommendations on updates and revisions to address any identified gaps has been provided.

(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.

Where appropriate, information in the previous IMG reviews is referenced or summarised to avoid unnecessary repetition.

1.5 Review Period

This review covers the activities in progress between the eleventh review in September/October 2022 and the current review in November 2023. Where reference is made in this report to the 'next review period', this would cover the approximately twelve-month period from November 2023 to November 2024.

1.6 IMG Review Team

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

- Mark Irvine: Team Leader and Environmental Specialist.
- Aida al Alar: Environmental Specialist.
- Victoria Griffiths: Social Specialist.
- Hannah Watts: Social Specialist.
- Rachel Gray: Social Specialist.

1.7 Limitations

The findings in this report are based on the Scope of the 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 progress against the existing AOC ESAP requirements.
- Chapter 5 presents an assessment of the current AOC ESG system, policies and standards of operation with respect to the applicable standards for its operated and non-operated assets. Recommendations to improve performance and manage ESG risks are made, and these inform the development of a revised ESAP to address current and planned activities.
- 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

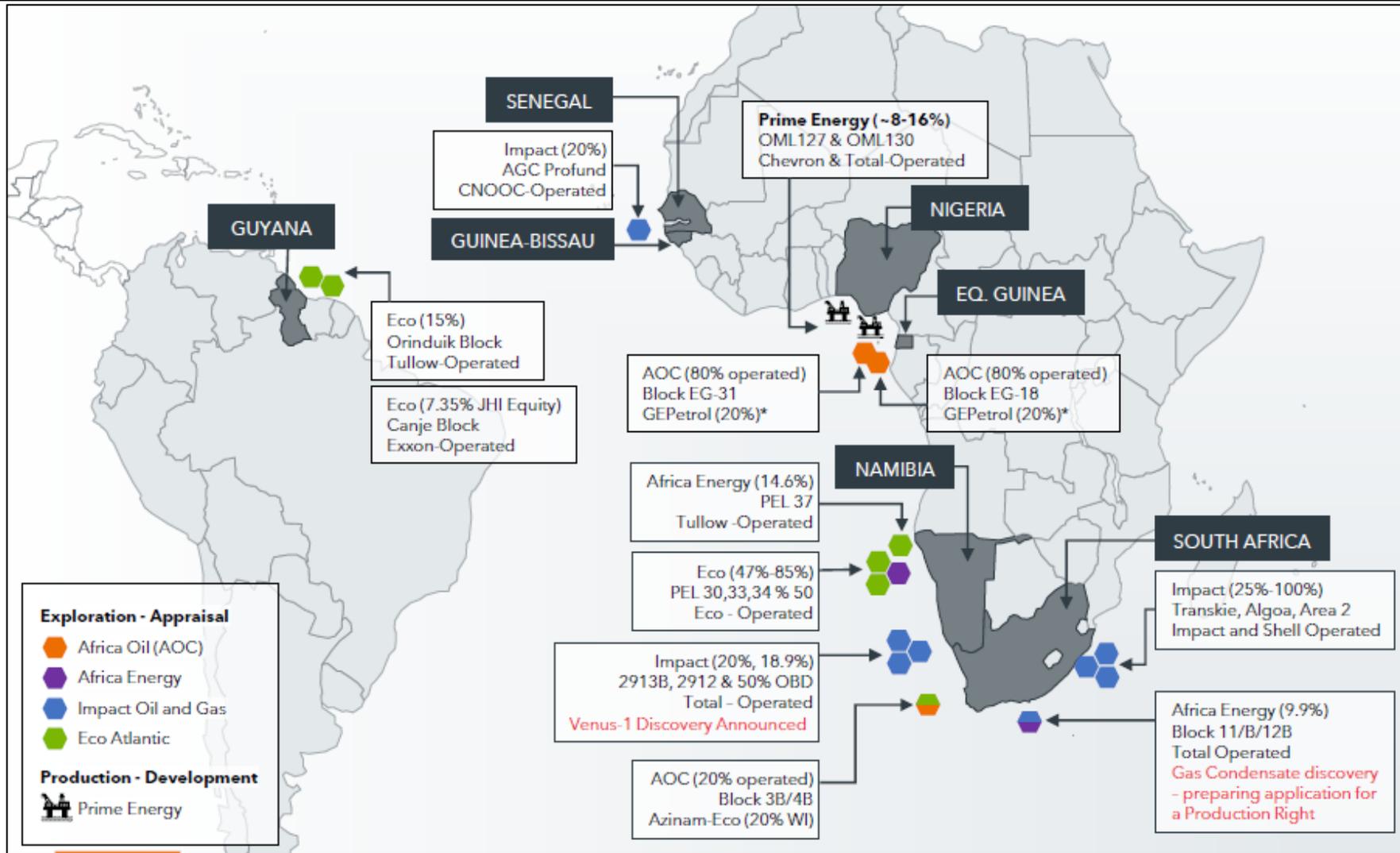
A summary of AOC's and its JV Partners interests is provided in Table 2.1 and illustrated in Figure 2.1. Further details are provided in the following sections with more detailed maps, where available.

Table 2.1 AOC Non-Operated Interests

Company	AOC Shareholding	AOC Influence	Country	Block/Fields	Company Shareholding	Operator
Direct Holdings						
Africa Oil Corp	100%	Wholly owned	Equatorial Guinea	Block EG-18 Block EG-31	80%	AOC
Africa Oil SA Corp	100%	Wholly owned	South Africa	Block 3B/4B	26.25%	AOC
Indirect Holdings						
Africa Energy Corp	19.78%	Independent Director	South Africa	11B/12B	9.9%	Total
			Namibia	PEL 37	14.62	Tullow
Impact Oil and Gas	31%	AOC has Non-Executive Director on Board	Namibia	2913B 2912	20% 18.9%	Total
			South Africa	Area 2	90%	Impact O&G
				Orange Basin Deep	22.22%	Shell
			Senegal/ Guinea Bissau	AGC Profond	20%	CNOOC
Eco (Atlantic) Oil & Gas	15.97%	Independent Director	Guyana	Orinduik Block	15%	Tullow
				Canje Block	7.35%	ExxonMobil
			Namibia	Cooper Sharon Guy Tamar	85% 85% 85% 85%	Eco (Atlantic)
Prime Energy	50%	AOC has Director on Board	Nigeria	OML 127 (Agbami producing field)	8%	Chevron
				OML 130 (Akpo and Egina producing fields)	16%	Total

Sources: AOC website (accessed November 2023), AOC Corporate Update (October 2023).

Figure 2.1 Current AOC JV Assets



Source: AOC October 2023 Corporate Presentation on AOC website accessed November 2023 AOC confirmed in November 2023 that they no longer have interests in PEL 37 .

2.2.2 Africa Oil SA Corp (South Africa)

Africa Oil SA Corp, owned by AOC, has a 20% participating interest in Block 3B/4B, offshore South Africa. Africa Oil SA Corp became the Operator for the block in February 2020. Its current exploration rights expire in October 2024. Work to date has included a desk-based review and evaluation of previously acquired 2D and 3D seismic survey data and reprocessing of some of the existing 3D data. Current work includes interpretation of the reprocessed data and further geological evaluation to identify exploratory drilling prospects. An ESIA for a proposed seismic survey is currently being developed and is due for submission in the first quarter (Q1) of 2024 for determination Q2 2024. No exploratory drilling is required under the current licence. See Figure 2.1 and Figure 2.4 for the location of the blocks.

2.3 Indirect Holdings

2.3.1 Africa Oil Kenya

Africa Oil Kenya is wholly owned by AOC. AOC's 25% non-operated interests in Kenya (blocks 10BA, 13T and 10BB in Turkana County, in north-west Kenya) were relinquished in 2023 and approved by the Government of Kenya. Interests in Blocks 9 and 12A in Kenya were previously relinquished, as reported in earlier IMG reviews. AOC maintains a small number of staff in Kenya dealing with the closing down of its operations.

2.3.2 Africa Energy Corp (South Africa & Namibia)

AOC has an approximate 19.8% interest in Africa Energy Corp. Africa Energy has an approximately 9.9% interest in the Exploration Rights for Block 11B/12B, offshore South Africa, where Total is the operator (see Figure 2.1 and Figure 2.3). Following discoveries in 2019 (Brulpadda) and 2020 (Luiperd), the exploration licence was extended into 2022 and an application for production rights has now been submitted, which is pending approval from the South African government.

Africa Energy previously had a 27.5% participating interest in the offshore Exploration Right for Block 2B, offshore South Africa where Eco (Atlantic) Oil and Gas Ltd is the operator. Africa Energy has now withdrawn from that block.

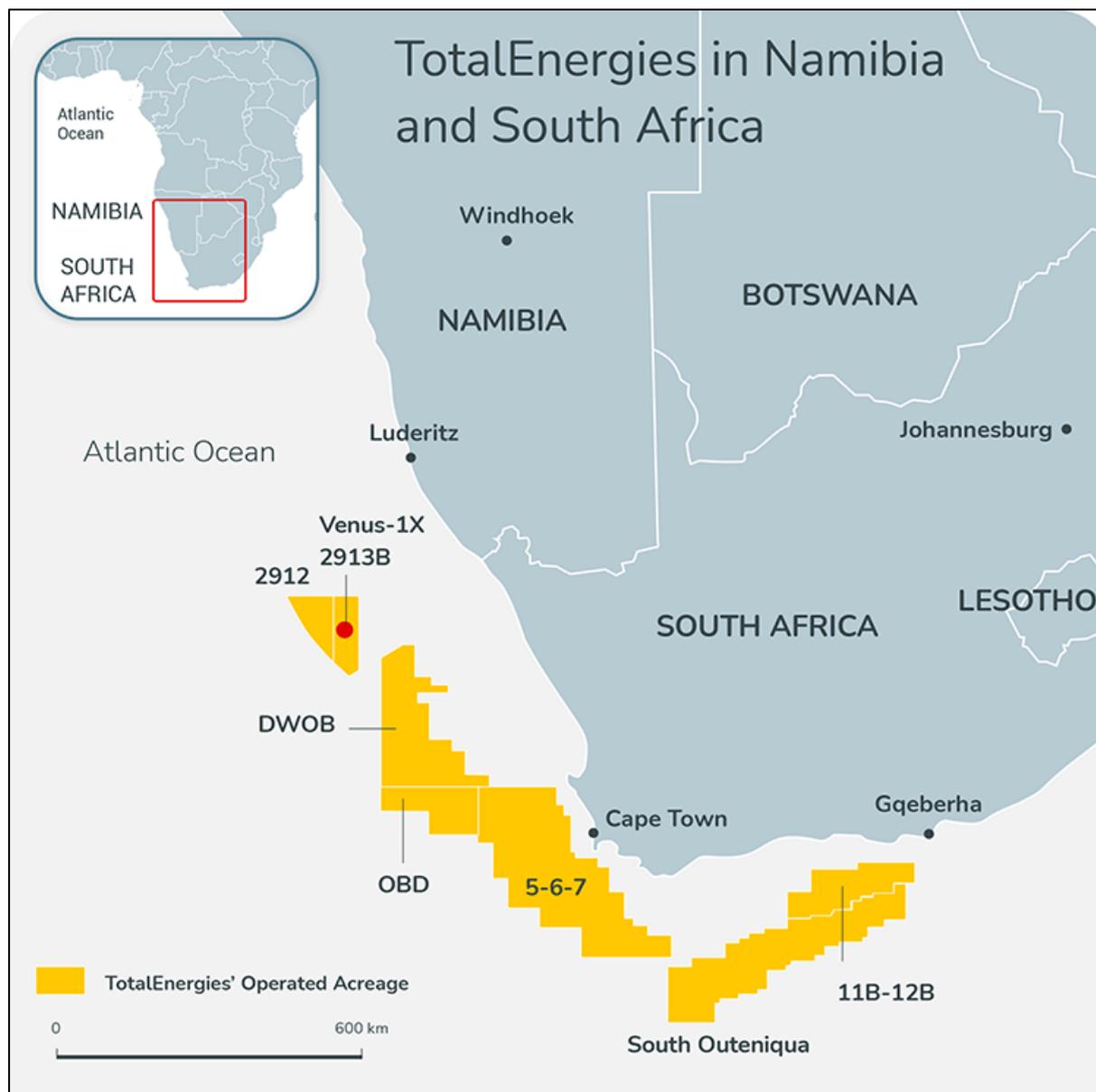
2.3.3 Impact Oil and Gas (Namibia, South Africa and Senegal/Guinea Bissau)

AOC has a 30.9% interest in Impact Oil and Gas that has an 18.89% interest in Block 2912 and a 20% interest in Block 2913B, offshore Namibia, where Total is the Operator (see Figure 2.1 and Figure 2.3). The Venus 1 well spudded in November 2021 and a discovery of light crude was declared on 20th February 2022. A further appraisal well was drilled in 2023 along with a flow test and further drilling and flow tests are planned for 2024.

Impact Oil and Gas has interests in three blocks offshore South Africa: 90% in Area 2 (Impact Oil and Gas is the Operator), 50% in Transkei & Algoa (Shell is the Operator) and 22.22% in Orange Basin Deep (Total is the Operator) (see Figure 2.1 above).

Impact Oil and Gas also has a 20% interest in the CNOOC Operated AGC Profond Block in the Senegal/Guinea Bissau Joint Development Zone (see Figure 2.1 above).

Figure 2.3 Offshore Western South Africa and Namibia Assets



Source: <https://totalenergies.com/>

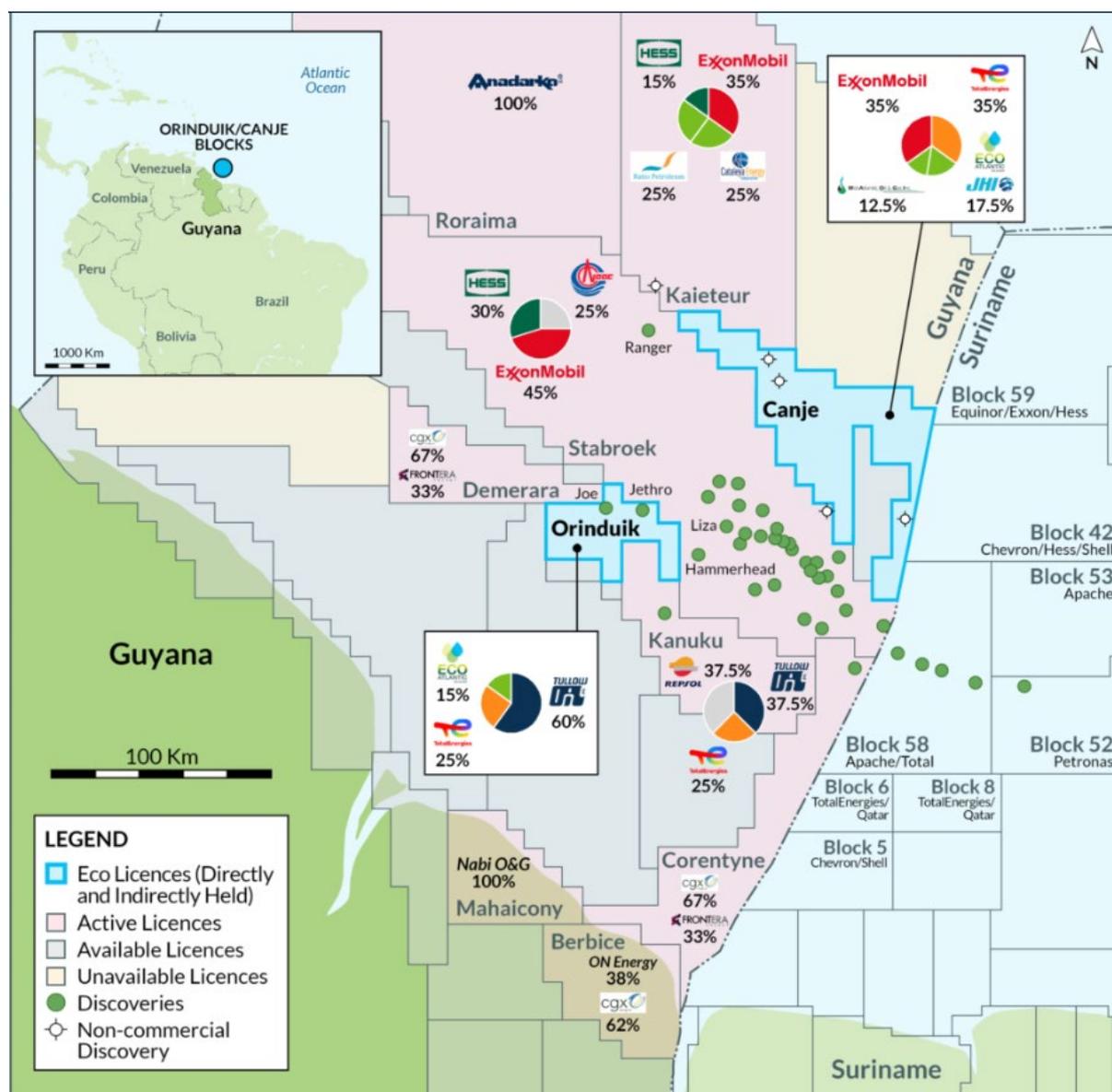
2.3.4 Eco (Atlantic) Oil and Gas Ltd (Guyana and Namibia)

AOC has an approximate 18.4% interest in Eco (Atlantic) Oil and Gas Ltd, which has a 15% working interest in the Orinduik block, offshore Guyana. The Operator is Tullow. Two discoveries were made in 2019 (Jethro-1 and Joe-1 wells), and there is potential for further exploration and appraisal wells under current permits.

Eco-Atlantic also has exploration interests in the Canje Block through a 7.35% holding in JHI Associates, which has a 17.5% interest in the block (see Figure 2.1). ExxonMobil is the Operator. The Sapote-1 exploration well was drilled in 2021 but was unsuccessful. The partners signed a licence renewal to Q1 2023 and has an option to extend that through another renewal to 2026.

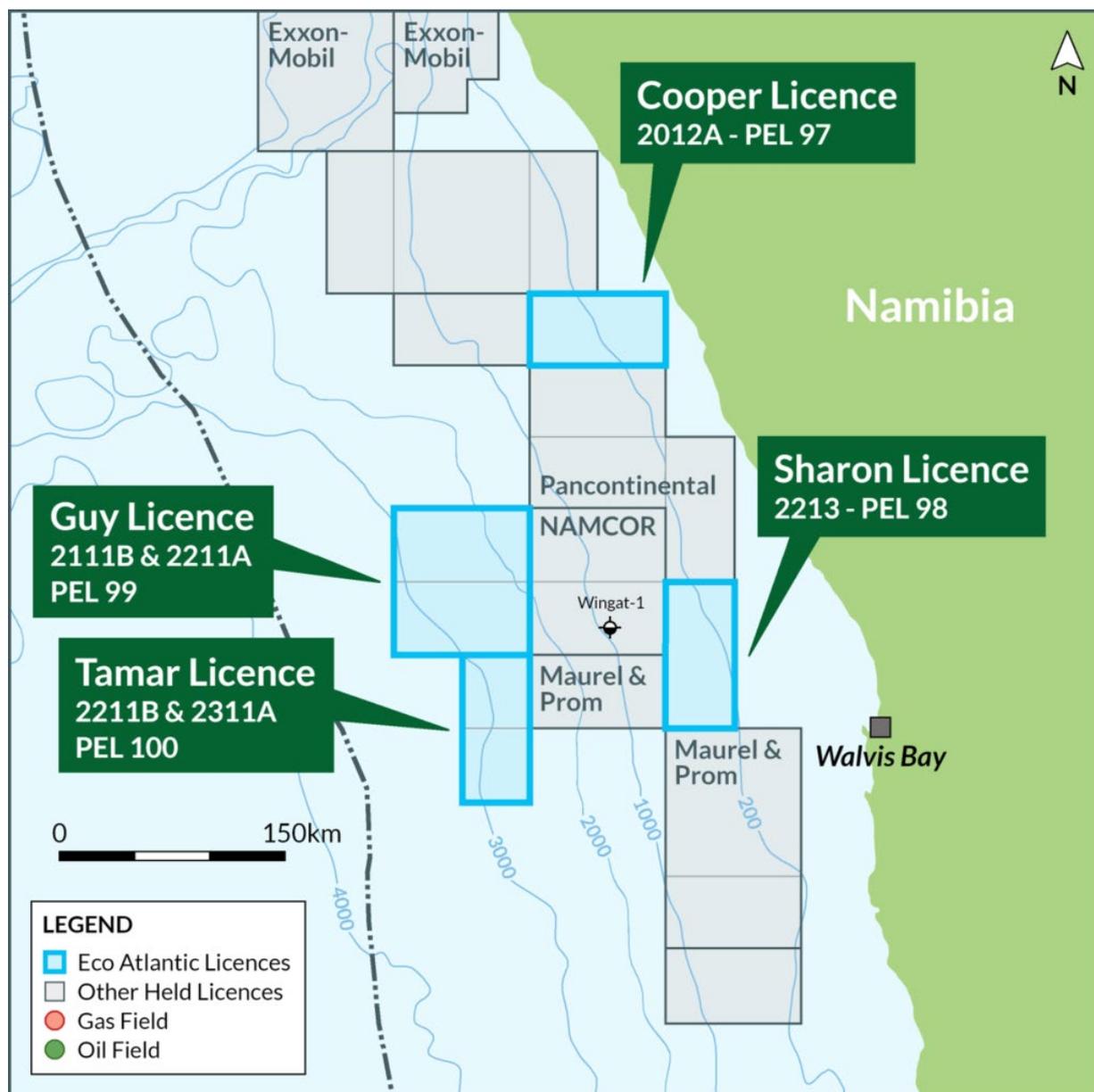
Eco-Atlantic also has four blocks offshore Namibia: Cooper, Sharon, Guy and Tamar (see Figure 2.1 and Figure 2.5). Work is being undertaken to process seismic data from these blocks with licences extended to 2031.

Figure 2.4 Offshore Guyana Assets



Source: <https://www.ecoilandgas.com/projects/guyana/#map>. Accessed November 2023.

Figure 2.5 Offshore Namibia Assets



Source: <https://www.ecoilandgas.com/projects/namibia/#cooper>

2.3.5 Prime Oil and Gas BV (Nigeria)

AOC holds a 50% equity interest in Prime Oil and Gas in a Joint Venture with BTG Pactual. Prime owns non-operator working interests in three FPSO based deep-water producing assets offshore Nigeria. These are listed below and shown in Figure 2.6.

- Block OML 127: Agbami field operated by Chevron (AOC has approximately a 4% interest as part of Prime's approximately 8% interest).
- Block OML 130: Egina and Akpo fields operated by Total (AOC has approximately an 8% interest as part of Prime's approximately 16% interest).

3. ASSESSMENT FRAMEWORK AND METHODOLOGY

3.1 Assessment Framework

The IMG review of AOC's plans and activities was undertaken against the following environmental and social standards.

- Relevant environmental and social laws and regulations of the host country in force at the time of the assessment.
- AOC's agreed ESAP requirements (disclosed by the IFC on 31 August 2015).
- 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.

The review considered the sector-specific guidelines of the World Bank Group as referenced in the IFC PSs, including the following.

- 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).

In addition, the Equator Principles (IV) (2020) requirements on Human Rights and Climate Change Risk also apply.

Regarding AOC's non-operated interests in a broader portfolio of projects, it is recognised that the application of its ESG systems, policies and standards of operations to these assets and projects is limited by the degree of influence that AOC has over the management of assets and ESG risks that the Operator is willing and able to implement.

3.2 Methodology

3.2.1 Overview

The IMG review comprised the following activities.

- A review of relevant environmental and social documentation and information. Presentations were made by AOC on 2 November 2023 with a video-conference link to AOC's offices in London. Copies of presentations and related documents were provided after the presentations.
- Activities were evaluated against the agreed assessment framework to determine compliance with national laws and regulations, corporate requirements, and conformance with lender requirements.

3.2.2 Document Review and Presentations

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

An operational update was presented to the IMG by AOC covering AOC's Corporate ESG, Risk Management and Energy Transition Strategies as well as an overview of its operated and non-operated assets.

3.2.3 Review of ESG Performance

AOC's corporate ESG policies, plans 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 by the Project to date as well as commitments to complete actions at later stages.
Partially Aligned	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 progress 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 project at the current time.

4. ENVIRONMENTAL AND SOCIAL ACTION PLAN

4.1 Conformance with the Original ESAP Requirements

The original ESAP was developed in 2015 and focused on planned and potential operations in Ethiopia and Kenya. As discussed in Chapter 2, AOC has relinquished its Ethiopian and Kenyan interests and has adopted an investment strategy with operated and non-operated interests in West Africa, South Africa and South America.

The original ESAP is presented in Table 4.1 below, showing that all actions are closed.

4.2 Revised ESAP Requirements

For the current review, a revised ESAP is presented, drawing from the general requirements of the original ESAP but updated to apply the current AOC assets and activities. This is presented in Chapter 5 following the review of AOC's ESMS and associated documents with respect to AOC's operated and non-operated assets.

Table 4.1 Evaluation of Original ESAP Requirements

Index	Task Title & Description	Anticipated Completion Date	Status	Discussion
ESAP 1.1	The Company will enhance HSE capacity through: i) an IFC Performance Standard focused training for senior management and operational teams	N/A	Closed	Training process established and training undertaken
ESAP 1.2	(ii) hiring an Environmental, Social and Governance Manager.	N/A	Closed	ESG Manager appointed 9 November 2015.
ESAP 2.1	The Company will develop Stakeholder Engagement Plans (SEP), for its Kenya and Ethiopia activities per the requirements of Performance Standard 1.	N/A	Closed	A SEP Framework document was produced by AOC and approved by IFC. The Kenya and Ethiopia blocks have now been relinquished.
		N/A	Closed	No longer relevant
		N/A	Closed	No longer relevant
ESAP 2.2	Company to prepare and submit ESIA's to IFC for review and approval – undertaken per project.	N/A	Closed	An ESIA for potential drilling on the west coast of Lake Abaya in Ethiopia was completed in Q2 2018. The Ethiopian Blocks were relinquished. For the South Lokichar Basin development, Tullow Kenya undertook an ESIA for the Early Oil Production System (EOPS) in Q4 2018.
		N/A	Closed	The POK ESIA and Supplementary Assessment is addressed under ESAP 7
ESAP 3	The Company will complete the additional requirements for Free Prior Informed Consent (FPIC), per the circumstances listed in Performance Standard 7, and complete a mutually acceptable process between Company and affected community and provide evidence of an agreement between the two parties on the outcome of the negotiation	N/A	Closed	For the exploration phase of the South Lokichar Basin development, Tullow Kenya has prepared a <i>Stakeholder Engagement Framework, Pre-Development Stakeholder Engagement Plan and Land Acquisition and Resettlement Framework</i> that outlined the approach required to achieve and document FPIC based on the definition of the project footprint and specific impacts. These were finalised following approved by the IFC.
ESAP 4a	The Company will develop an overarching human resource policy (HR) for Kenya and Ethiopia, which will make reference to Performance Standard 2 and ILO conventions, and will include associated country specific implementation procedures	N/A	Closed	Tullow Kenya has an Employee's Handbook that includes a Human Resources Policy. This has been reviewed by the IFC and confirmed as acceptable.

Index	Task Title & Description	Anticipated Completion Date	Status	Discussion
	(ii) The Company will develop a Retrenchment Framework Plan that aligns with the requirements of Performance Standard 2 and that should be utilised in cases of collective dismissal by the Company and/or contractor/subcontractor	N/A	Closed	Tullow Kenya follows national law and conformance with IFC requirements regarding retrenchment as evidenced in relevant HR procedures that provided during previous IMG reviews.
	(iii) The Company will develop and implement a formal internal grievance mechanism applicable to all employees and workers employed at Company's sites by contractors and sub-contractors.	N/A N/A	Closed	Framework document has been produced and approved by IFC.
			Closed	Tullow Kenya has an Employee's Handbook that includes a Human Resources Policy. This has been reviewed by the IFC and confirmed as acceptable.
ESAP 4b	The Company will prepare a security risk assessment and develop Security Management Plans that are aligned with Performance Standard 4. These will be reviewed and updated as the project evolves.	N/A N/A	Closed	Framework document has been produced and approved by IFC.
			Closed	Tullow Kenya has prepared Security Management Plans for ongoing activities and submitted these and supporting studies to IFC for review and they have been confirmed as acceptable.
ESAP 5.1	The Company will develop Land Acquisition and Livelihood Restoration (LALR) Plans for each of the two countries (Kenya, Ethiopia).	N/A N/A	Closed	Framework document has been produced and approved by IFC.
			Closed	No longer relevant
ESAP 5.2	The Company will redesign its compensation plan in Ethiopia to incorporate procedures to compensate prior to commencing work, vacating land and any potential damage that could occurred after seismic survey.	N/A	Closed	Compensation Plan redesigned and the Management of Change provided to IFC as evidence. Ethiopian blocks have been relinquished.
ESAP 6.1	i. The Company will develop a biodiversity strategy for Kenya as described in the ESRS.	N/A N/A	Closed	AOC have issued a Biodiversity Management Strategy (KE/ESG/FRM/BD/2017/8) that has been aligned with the Operator's Biodiversity Management Framework that has been accepted by the IFC.
			Closed	For blocks where Tullow Kenya is the Operator, a Kenya Biodiversity Management Framework has been produced and accepted by the IFC. In the event that critical habitat is identified in later stages of the project or in new areas, then the strategy will require to be updated to address the relevant PS requirements.
			Closed	A biodiversity panel has been set up and a Terms of Reference agreed by the IFC.

Index	Task Title & Description	Anticipated Completion Date	Status	Discussion
	ii. The Company will develop a similar plan prior to any substantive work related to development of successful wells in Ethiopia	N/A	Closed	Ethiopia blocks have been relinquished.
ESAP 7	The Company will prepare and submit ESIA's to IFC addressing local regulatory requirements and IFC PSs in any case where wells progress to production. These will be presented to IFC for review and approval at least four months prior to start of any substantive construction.	N/A	Closed	AOC commissioned an ESIA for the potential exploratory drilling well at Lake Abaya. The ESIA was completed in Q2 2018. Ethiopia blocks have been relinquished.
		N/A	Closed	The ESIA for POK was submitted to NEMA in September 2021 for determination. The LLCOP ESIA Licence was issued in November 2021. The revised water pipeline ESIA was issued to NEMA in February 2022. Supplementary Lenders Information Package addressing gaps in meeting lender requirements was planned for mid-2023. The Kenya blocks have now been relinquished.

5. ENVIRONMENTAL AND SOCIAL GOVERNANCE SYSTEM REVIEW

5.1 Introduction

This chapter provides a review of the AOC's ESMS and associated documents submitted to the IMG for this review. A description of the further development of the ESMS since the previous IMG reviews is provided along with updates on some key elements of the ESG strategy. A summary of the key findings from other third-party reviews and audits is also provided.

To support the further development of plans and procedures the IMG has provided an assessment of their current alignment with the applicable standards and, where gaps have been identified, made recommendations on required actions to close these gaps (provided in Table 5.2 and Table 5.3). These are then summarised in a revised ESAP in Table 5.4.

5.2 AOC ESMS Framework and Procedures

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 ESG goals.

Recommendations on revising the ESMS Framework to align more fully with the applicable standards were made in previous IMG reviews. The Framework was updated in August 2023 and is subject to annual review with any associated asset-level Standards of Operation reviewed every two years.

The ESMS Framework follows the Plan-Do-Check-Act model and comprises thirteen components with a series of supporting policies, plans and procedures. For non-operated assets, the focus on the ESMS is to obtain and report on ESG performance data and any incidents received from the operators. For the operated assets, given the stage in development of these assets (planned exploration activities), a series of plans and procedures, such as asset-specific HSE and SP plans, supplier and contractor management, and monitoring and evaluation procedures, will be developed prior to the exploration activities commencing and for potential future development activities.

The ESMS components and progress with the Implementation documentation are presented in Table 5.1. The development of the implementing documents are based on AOC's priorities to operationalise the ESMS for its current activities with a number of implementing procedures completed or drafted, pending endorsement by the AOC Board. Other ESMS implementation documents will be developed, based on operated asset requirements.

Table 5.1 ESMS Components and Documentation

Component	Implementing Documents	Status
1. Policy and Compliance	<ul style="list-style-type: none"> ■ HSE and Social Policies ■ ESMS Framework ■ Commitments & Compliance Register 	<ul style="list-style-type: none"> ■ Done ■ Done ■ Drafted
2. Risk Assessment & Management	<ul style="list-style-type: none"> ■ Hazard & Risk Management Procedure ■ Risk Register 	<ul style="list-style-type: none"> ■ Drafted ■ Drafted
3. Objective & Target Setting	<ul style="list-style-type: none"> ■ Annual Review & Action Plan 	<ul style="list-style-type: none"> ■ Pending
4. Organisation, Accountabilities & Responsibilities	<ul style="list-style-type: none"> ■ Organisation Chart ■ Roles & Responsibilities 	<ul style="list-style-type: none"> ■ Drafted ■ Drafted
5. Competency & Training	<ul style="list-style-type: none"> ■ Training Needs Assessment ■ Training Plan ■ HSE and SP Awareness Training ■ Training Records 	<ul style="list-style-type: none"> ■ Pending ■ Pending ■ Pending ■ Pending
6. Communications & Consultation	<ul style="list-style-type: none"> ■ Internal Communications Procedure ■ Stakeholder Engagement Plan ■ Worker Complaints & Grievance Procedure ■ Community Complaints Procedure 	<ul style="list-style-type: none"> ■ Pending ■ Pending ■ Pending ■ Pending
7. Management of Change	<ul style="list-style-type: none"> ■ Management of Change Procedure 	<ul style="list-style-type: none"> ■ Drafted
8. Operational Control of ESMS	<ul style="list-style-type: none"> ■ Asset HSE & Social Management Plans ■ Commitments Register 	<ul style="list-style-type: none"> ■ Pending ■ Pending
9. Emergency Preparedness	<ul style="list-style-type: none"> ■ Emergency Preparedness & Response Plan 	<ul style="list-style-type: none"> ■ Drafted
10. Supplier & Contractor Management	<ul style="list-style-type: none"> ■ Procurement Procedure ■ Contractor Management Procedure 	<ul style="list-style-type: none"> ■ Framework Drafted ■ Pending
11. Monitoring & Evaluation	<ul style="list-style-type: none"> ■ HSE & SP Monitoring Procedure (Non-Op) ■ Medical surveillance Programme ■ Environmental Monitoring Procedure ■ Community Relations Monitoring Procedure 	<ul style="list-style-type: none"> ■ Drafted ■ Pending ■ Pending ■ Pending
12. Non-conformance Management	<ul style="list-style-type: none"> ■ Incident Reporting Procedure 	<ul style="list-style-type: none"> ■ Drafted
13. Management Review	<ul style="list-style-type: none"> ■ Management System Review Procedure 	<ul style="list-style-type: none"> ■ Drafted

5.3 ESG Risk Registers

AOC has integrated its ESG risks into the AOC Corporate Risk Register. The 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 AOC Q1 2023 Risk Register was provided as part of the current review.

The top AOC Corporate ESG risks were identified as:

- 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.

To mitigate these risks, AOC is looking at diversifying into alternative, lower-carbon, business lines, improving the resilience of existing operations through cost controls, regular communications with investors on AOC's Energy Transition Strategy, and reporting emissions data following the Task Force on Climate Related Financial Disclosures (TCFD) reporting requirements.

At the operation level, AOC has produced a Risk Register for its Equatorial Guinea assets in Q3 2023. At this stage of the development of the assets the key risks are identified as:

- political instability that could lead to uncertainty over operating licences and conditions;
- restrictions on AOC and contractor staff to enter or to work in the country and security risks when working in the country; and
- lack of capacity with AOC to undertake exploratory drilling activities.

Liaison with Government officials and ongoing monitoring of the political situation using specialist advisors will be undertaken to mitigate the political and security risks. Early resource planning, management capacity building within AOC and contracting experienced drilling companies will be key to addressing the current capacity issues.

Overall, the risk rating for Equatorial Guinea is slightly above AOC's threshold (21.6 out of 100 with a threshold of 20), with the country currently assessed as being above average for political stability for the region. Although not specifically referred to in the Risk Register, offshore piracy was also identified as an operational risk by AOC in presentation slides provided to the IMG.

5.4 ESG Reporting

AOC has now issued three Sustainability Reports for the years ending 31st December 2020, 2021 and 2022. 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 TCFD reporting requirements.

For operated and non-operated assets, AOC has developed a HSE and SP Monitoring Procedure to gather and report EHS and SP data. For operated assets these are collected monthly and for non-operated assets these are on a quarterly basis, at a minimum. The data is used for internal and external performance assessment and reporting. The reporting requirements include the following categories.

- Health and Safety (including recordable injuries, near misses and loss of containment), environment (including spills, water use, produced water discharges, oil in water content).
- Waste (including type, waste stream and disposal route).
- Hydrocarbon production and consumption (including volumes produced, exported, re-injected, flared and used for fuel).
- Emissions to air (by scope, source, type and volume).
- Social Performance (including delays, social investment).

The Greenhouse Gas (GHG) emissions are also reported in terms of emissions efficiency (kg CO₂ equivalent per barrel of oil equivalent).

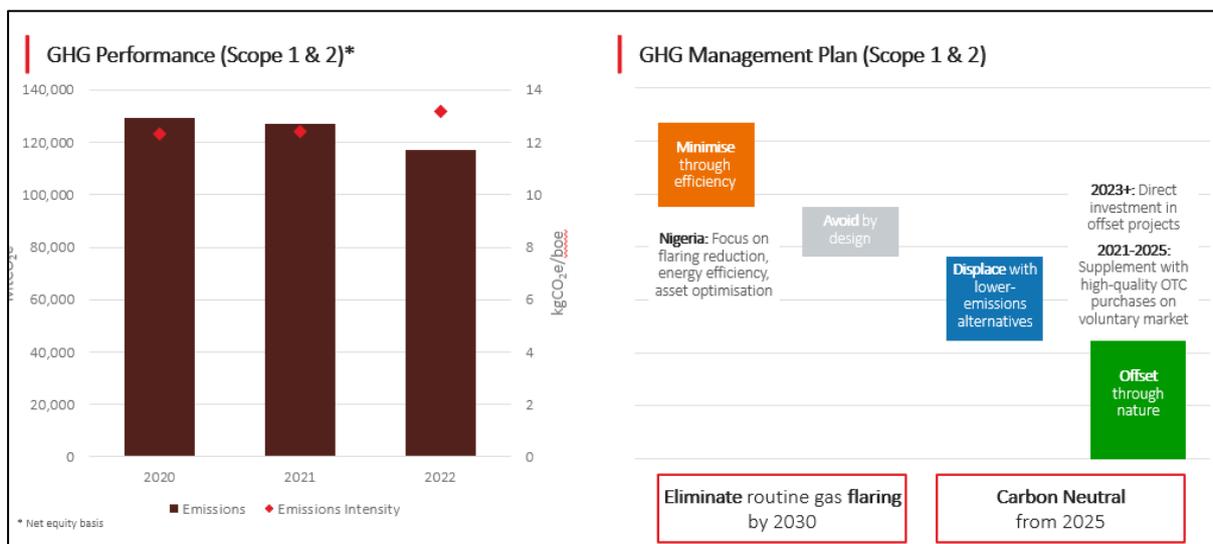
An ESG Strategy has been developed by PRIME for its non-operated assets offshore Nigeria. As reported in the previous IMG review, a key element of the strategy is the reduction of emissions of GHG with interim milestones to be set on a path to net zero by 2050. A preliminary goal has been set for a 20% reduction in attributable GHG emissions in 2025 and 30% in 2030, compared to 2020 levels. The 2022 sustainability report states that there was a 27% reduction in GHG emissions from flaring from Block OML 127 and Block OML 130, with an overall 8% reduction in GHG emissions. Due to a lower level of production, however, the emissions intensity increased from 12.4 to 13.2 kg CO₂ equivalent per barrel of oil equivalent (boe) (see Figure 5.1 below).

5.5 Energy Transition Strategy

The development of the AOC Energy Transition Strategy has been reported in previous IMG reviews. In summary, in 2022, AOC announced its commitment to being carbon neutral across its direct operations from 2025 and eliminating flaring by 2030. For operated assets or for non-operated assets where AOC has a high degree of influence, AOC will aim to reduce emissions through design, energy efficiency and renewable sources of energy, with offsetting applied to its attributable residual emissions (Scope 1 and Scope 2). Progress with the strategy is reported in AOC’s annual sustainability report, following SASB and TCFD standards.

Figure 5.1 provides an update on AOC’s Scope 1 and Scope 2 emissions with the reduction in flaring from the Nigeria assets reducing the emissions in 2022.

Figure 5.1 GHG Management Plan & Performance (Scope 1 and 2)



Source: AOC ESG Presentation November 2023

As part of the Energy Transition Strategy, AOC has investigated a number of Scope 1 and Scope 2 carbon offset projects, with a focus on Nature Based Solutions, as reported in previous IMG reviews. The strategy is under management review to consider a suitable approach for AOC’s current asset portfolio.

5.6 Third Party Audit Findings

Petrenel undertook an initial Due Diligence review of Prime’s ESG performance in 2022 and updated this review with an annual review in 2023. Overall, the EHS performance of Prime’s assets was assessed as excellent. The limitations of being non-operators were acknowledged in terms of obtaining HSE related data from the operators, however, Prime’s ability to influence the operators was recognised, particularly in relation to gas flaring reductions.

Most of the previous actions from the 2022 review have been closed. There were a number of major outstanding actions related to surface and subsurface asset integrity and loss of containment risks as well as the continued need to further manage gas flaring and fugitive emissions through an agreed integrated strategy for gas flare and GHG emission reduction.

Although the review acknowledged that the operators of OML 127 and OML 130 were quantifying and recording waste arisings, details of this have not been shared with Prime. It was advised that Prime should continue to try to exert its influence on the operators to obtain this data. The IMG noted in this review that the Prime 2023 ESG and HSE Goals (dated 14 02 2023) list a series of Key Performance Indicators (KPIs), however, recording waste arising is not currently one of these.

A requirement for the operators to review and update their Oil Spill Contingency Plans, with a focus on mapping areas of environmental and human sensitivity, and clean up and recovery of contaminated waste was also identified.

In July 2023 an assessment of AOC's alignment with the IFC PSs was undertaken by Helios Investors, one of AOC's investors. Of the eight IFC PSs, PS 1-4 were assessed to be partially aligned and PS5-8 were aligned. The key findings were related to the following areas.

- Oversight of supplier and contractor environmental and social performance.
- Emergency preparedness.
- Employee HSE training.
- Operator waste management performance.

These included the recommendation made on the POK activities in the previous September 2022 IMG review. The report acknowledges that the findings related to POK are likely not to be applicable to other assets, following AOC's exit from POK. The challenges in obtaining waste performance data from the operators of the OML 127 and OML 130 blocks, through Prime, was also identified.

5.7 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, made recommendations on required actions to close these gaps (provided in Table 5.2 and Table 5.3). These are then summarised in a revised ESAP in Table 5.4. As AOC is at an early stage of development for its current operated assets, the completion dates have been assigned as 'when required'. When more detailed plans and programmes of work have been defined then these dates will be updated during future reviews.

Table 5.2 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	AOC has an ESMS Framework that was updated in August 2023. 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. For non-operated assets, the focus of the ESMS is to obtain and report on ESG 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.	Partially Aligned	For operated assets Legal Registers and a Regulatory Action Plan will need to be developed. Develop an ESMS targeted for operated assets which will include finalising the drafting of the implementation documents listed in Table 5.1.
Policy	AOC has policies and procedures that guide the company's HSE and social performance, many of which have been updated recently. They also have an overarching Sustainability Policy which was adopted in 2020. This Policy applies to Africa Oil Corp and its subsidiary companies, and all employees and contractors are responsible for conducting their work in conformance with this Policy.	Aligned	
Identification of Risks and Impacts	Corporate procedures in place to facilitate the identification of risks, hazards and impacts include the AOC Hazard and Risk Management Procedure and the AOC Management of Change Procedure. AOC is currently in the process of applying for environmental permits/ licenses for their two operated assets. 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	Partially Aligned	Complete EIA/ESIAs for the two operated assets in Equatorial Guinea and South Africa as well as for any future developments and expansions to existing operations.

Requirement	Status	Alignment	Recommendations
	<p>both national legislative requirements as well as GIIP (notably the IFC PSs, World Bank Group EHS Guidelines, industry specific guidelines, etc.).</p> <p>The scoping phase has been concluded for Block 3B/4B ESIA in South Africa, including public consultation.</p> <p>Previous reviews and monitoring demonstrate that all other assets under AOC's investment were found to have adequate EIAs/ESIAs in place.</p>		
Management Programmes	<p>The EIA/ESIA process for the two operated assets is currently underway and as part of the ESIAs, an Environmental and Social Management Plan (ESMP) will be developed for each asset. Furthermore, a Commitments Register will also be developed (as specified in the SoW for the Equatorial Guinea asset) which sets out the commitments/ requirements of the ESMP, roles and responsibilities for each commitment, monitoring measures for each commitment and completion indicators.</p> <p>As the ESIAs are not yet finalised, subject specific management plans have yet to be finalised for each of the operated assets (e.g. waste management plan, water management plan, stakeholder engagement plan, etc.).</p>	Partially Aligned	<p>Complete EIA/ESIAs, including development of ESMPs for the two operated assets in Equatorial Guinea and South Africa. as well as for any future developments and expansions to existing operations.</p> <p>Develop Commitments Register for operated assets.</p>
Organisational Capacity and Competency	<p>Roles and responsibilities for the implementation of the AOC ESMS are set out in the 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.</p>	Partially Aligned	<p>For operated assets, a capacity assessment and contracting/recruitment plan will be required at an appropriate time as part of the development phase.</p> <p>Finalise organisational chart for the operated assets.</p>
Emergency Preparedness and Response	<p>The AOC Incident and Management Procedure was developed in 2023 and 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>	Partially Aligned	<p>Develop an Emergency Preparedness and Response Plan for each of the operated assets.</p> <p>Develop an Incident Management and Reporting Procedure for each operated asset.</p>

Requirement	Status	Alignment	Recommendations
	<p>An Emergency Preparedness and Response Standard of Operation is referenced in the AOC ESMS Framework. This Standard was approved in August 2020. 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 <p>According to status updates, an Emergency preparedness and Response Plan had been drafted but this needs to be finalised and tailored to each of the operated assets and their local context.</p>		
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 ESG performance.</p> <p>AOC has an Environmental and Social Management System Review Procedure that was adopted in August 2023. This procedure is used to identify any inadequacies in the Health, Safety and Environment (HSE) Policy, incidences of non-compliance, performance against key performance indicators, and actions to improve the ESMS. The VP of ESG is responsible for ensuring compliance with this procedure. 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	<p>Finalise the HSE & SP Monitoring Procedure for non-operated assets.</p> <p>Develop an Environmental Monitoring Procedure for each of the operated assets.</p>

Requirement	Status	Alignment	Recommendations
	<p>There is quarterly reporting to AOC's Environmental, Social, Governance and Health and Safety Committee on the company's ESG performance, asset performance and project specific ESG activities.</p> <p>An HSE and SP Monitoring Procedure has been developed for AOC (August 2023) which 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.</p> <p>Non-Operated Assets will report performance to AOC quarterly as a minimum. If monthly performance data is available, this should be provided to Africa Oil.</p>		
Stakeholder Engagement	<p>AOC has a Corporate-level Stakeholder Engagement and Community Relations Policy that was adopted by the Board in May 2022. The 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>Public consultations as part of a wider Public Participation Process were held for the Scoping Phase of the South Africa Block 3B/4B Joint Venture.</p> <p>Stakeholder engagement was included as a requirement in the Scope of Work for the EIA process for Block 31 Equatorial Guinea.</p> <p>According to the 2022 Sustainability Report, operational assets have project-specific engagement teams that organise community meetings, distribute relevant informational materials, provide grievance mechanisms and develop social programmes based on community needs and requirements.</p>	Partially Aligned	<p>As part of the EA/ESIA process, develop asset specific Stakeholder Engagement Plans, including Stakeholder Register for the operated assets.</p> <p>For each operated asset, carry out stakeholder consultations in accordance with local regulatory requirements to disclose the findings of the ESIA's and solicit feedback from stakeholders.</p>
External Communications and Grievance Mechanisms	<p>The AOC Stakeholder Engagement and Community Relations Policy has commitments to engage with stakeholders, including affected communities. The AOC Human Rights Policy has a commitment to a grievance mechanism for external use.</p>	Partially Aligned	<p>Develop a Complaints and Grievance Procedure for external stakeholders for each operated asset.</p>

Requirement	Status	Alignment	Recommendations
Affected Communities	The AOC Stakeholder Engagement and Community Relations Policy has commitments to engage with stakeholders, including affected communities	Partially Aligned	As part of the EA/ESIA process, develop asset specific Stakeholder Engagement Plans for operated assets, once physical activities are planned. (See also Grievance Mechanism for external stakeholders referenced above).
Performance Standard 2 Labour and Working Conditions			
Working Conditions and Management of Worker Relationship	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. Specific Human Resources Policies and Procedures relating to terms of employment as well as a Working Conditions Plan were not available for review. Working Conditions relating to health and safety, incidents and injuring are covered in the AOC Health and Safety Policy. AOC has an Anti-Corruption Policy, adopted in May 2020. The policy applies to all employees of AOC and joint ventures.	Partially Aligned	Develop appropriate Human Resources procedures for each of the operated assets which build on AOC Corporate policies and procedures. Develop and conduct a Training Needs Assessment for each of the operated assets. Develop a training Plan for each of the operated assets and maintain records of all training provided. Include HSE and SP awareness training in the onboarding process and include refresher training. If accommodation is to be provided to the workforce at the assets, ensure accommodation complies with IFC/EBRD worker accommodation guidelines.
Workers Organisations	AOC has a Human Rights Policy which was adopted in May 2022. The policy applied 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	Ensure HR procedures and documentation align with AOC Human Rights Policy .
Non-discrimination and equal opportunities	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,	Partially Aligned	Include non-discrimination clauses and cross reference to AOC Code of Business Conduct and Ethics, Human Rights Policy and Diversity, Equity

Requirement	Status	Alignment	Recommendations
	<p>international health and safety management practices, compliance with laws, rules and regulations, reporting procedures for violations of the Code and accountability for adherence. Specific Human Resources Policies and Procedures relating to terms of employment as well as a Working Conditions Plan were not available for review.</p> <p>AOC has a Diversity Equity and Inclusion Policy, adopted in May 2022, which sets out the Company's commitment to a positive and safe workplace free of discrimination. This policy is also applicable to the hiring process.</p>		and Inclusion Policy in HR procedures and documentation.
Retrenchment	AOC do not currently have a Retrenchment Policy/Plan for operated assets given the early stage of development of these assets.	Partially Aligned	For any future retrenchment requirement, project-specific plans will be prepared as required.
Grievance Management	<p>The AOC Workers Health and Safety Standard of Operation references the IFC PS2 standard on Labour and Working Conditions and the AOC Human Rights Policy includes the commitment to a workers grievance mechanism. The AOC Performance Monitoring and Reporting standard of operation includes a requirement to collate data on grievances, under Social Performance, but does not specifically include workers grievances.</p> <p>AOC has a Whistleblower Policy that was adopted in August 2021, which allows for employees to make anonymous reports of actual or suspected wrongdoings within the Company.</p>	Partially Aligned	<p>Develop HR procedures to provide a confidential mechanism for employees to lodge complaints or grievances.</p> <p>Develop HR procedures to provide a confidential mechanism for employees to lodge complaints or grievances.</p> <p>Ensure that the Grievance Mechanism is explained during the onboarding process and in HR procedures and documentation.</p>
Protecting the Workforce	The AOC Human Rights Policy specifically prohibits the use of child or forced labour amongst contractors and suppliers.	Aligned	
Occupational Health and Safety	<p>The Occupational Health and Safety Policy was adopted in May 2022. The policy facilitates the identification and management of health and safety risks, emergencies and unexpected incidents.</p> <p>The Occupational Health and Safety Policy includes the commitment to:</p> <ul style="list-style-type: none"> ■ identifying potential risks and hazards, ■ the elimination or mitigation of risks and hazards to acceptable levels, 	Partially Aligned	<p>Develop an Incident Management and Reporting Procedure to be implemented by operated assets once physical activities are planned.</p> <p>Develop an Occupational Health and Safety Procedure to be implemented by operated assets once physical activities are planned.</p>

Requirement	Status	Alignment	Recommendations
	<ul style="list-style-type: none"> ■ health and safety induction of all staff and contractors, ■ documentation and reporting on incidents, and ■ planning and preparation for emergency situations. <p>Associated plans and procedures provided by AOC include:</p> <ul style="list-style-type: none"> ■ Hazard and Risk Management Procedure ■ Incident Management Procedure 		Provide training to all employees on HSE requirements as well as any job-specific training.
Workers Engaged by Third Parties	<p>Component 10 of the ESMS Framework for AOC is Supplier and Contractor Management. This component outlines the need to ensure that HSE and social requirements are clearly set out in tender specifications, and that all material, equipment, services, and labour procured from a Third Party must meet the required specifications. The ESMS Framework also includes the requirement to establish contractor management procedures which incorporate training and monitoring relating to HSE and Social risks.</p> <p>A Contractor Management Procedure has not yet been developed</p>	Partially Aligned	<p>A Corporate Contractor Management Procedure is required, including processes to ensure that the performance of third-party employers are managed and monitored in terms of labour and working conditions.</p> <p>A Corporate Procurement Procedure also needs to be developed.</p> <p>A Contractor and Supplier Management Plan should be developed for each operated asset. This should include sections covering, among others: procurement and screening, hiring and onboarding, management and monitoring reviews and audits (internal and external).</p>
Supply Chain	<p>The use of child and/or forced labour amongst AOC suppliers is prohibited in the Human Rights Policy.</p> <p>A procedure for the selection, monitoring, and evaluation of primary suppliers was not available for review.</p>	Partially Aligned	A Corporate Contractor Management Procedure is required, including processes to ensure that the performance of third-party employers is managed and monitored in terms of labour and working conditions.

Requirement	Status	Alignment	Recommendations
Performance Standard 3: Resource Efficiency and Pollution Prevention			
Resource efficiency /BAT assessments	<p>AOC has an Environmental 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>Under the heading of resource management, AOC states that they strive to minimise water consumption, responsibly handle and dispose of wastewater, seek to avoid discharges of pollutants, where not possible minimise the volumes and ensure that they meet relevant environmental standards. They also strive to maximise operational efficiency by monitoring and minimising water use, energy use and greenhouse gas and air emissions.</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>	Partially Aligned	<p>For operated assets, project-specific policies, procedures and management plans will need to be developed at the appropriate time to meet commitments, as outlined in the AOC Environmental Policy. These include:</p> <ul style="list-style-type: none"> ■ Energy Management Plan ■ Water Management Plan ■ Waste Management Plan ■ Air Emissions Monitoring Plan
GHG emissions	<p>AOC has a GHG Emission Management Policy that commits AOC to seek to minimise its impacts in line with the Paris Agreement. This includes reducing its direct GHG emissions where practicable and in line with host government policy and offsetting residual GHG emissions. The policy includes monitoring and reporting on GHG emissions in line with the TCFD recommendations.</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>	Aligned	
Waste and hazardous materials management	<p>AOC's Environmental Policy includes a bullet point on waste and material management. It states that all materials onsite are stored in an appropriate</p>	Partially Aligned	<p>A Waste Management Procedure should be developed. This will include hazardous waste management.</p>

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>Reference Community Health, Safety & Security, Standards of Operation, in Sustainability Report. This document (online dated 2020) aligns with the requirements of PS4 and the Voluntary principles on Security and Human Rights.</p> <p>AOC Stakeholder Engagement & Community Relations Policy includes commitment to Community Relations which applies to all staff, assets, contractors and subcontractors including:</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. ■ 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 local community development projects when applicable. ■ strive to deliver tangible and sustainable development opportunities to targeted populations through community infrastructure, sustainable livelihoods initiatives and economic developments. 	Partially Aligned	<p>As part of the EA/ESIA process for operated assets, evaluate the potential impacts on community health and safety, including those related with project infrastructure and activities.</p> <p>Include management measures in the ESMPs and Commitments Registers for operated assets.</p> <p>Depending on the scale of the impacts identified, develop a Community Health and Safety Management Plan tailored to operated assets.</p>
Infrastructure and Equipment Design and Safety	AOC's Community Health, Safety & Security Standard of Operation (2020) includes the requirements to ensure the evaluation and management of risks and impacts on the affected community during design, construction and operation and decommissioning of the Project is carried out in line with international good practice.	Partially Aligned	<p>As part of the EA/ESIA process for operated assets, evaluate the potential impacts on community health and safety, including those related with project infrastructure and activities.</p> <p>Include management measures in the ESMPs and Commitments Registers for operated assets.</p>

Requirement	Status	Alignment	Recommendations
Hazardous Materials Management and Safety	<p>AOC's Community Health, Safety & Security Standard of Operation includes the requirements to establish procedures to ensure compliance with local legislation regarding transformation of hazardous materials and measures to prevent or minimise release of these materials.</p> <p>AOC's Environmental Policy includes a bullet point on waste and material management. It states that all materials onsite are stored in an appropriate manner and AOC manage and monitor waste streams according to the waste hierarchy.</p> <p>A Hazard & Risk Management Procedure has been drafted as part of the ESMS framework.</p>	Partially Aligned	<p>Develop a waste management plan for operated assets that includes the management of hazardous materials.</p> <p>(See also references to the Hazardous Materials Management Policy above).</p>
Ecosystem Services	<p>AOC's Community Health, Safety & Security Standard of Operation includes the requirement to avoid adverse impact on soil, groundwater; water quality and water availability. It also references the consideration of potential exposure to natural hazards.</p> <p>In their Environmental Policy, AOC recognise the critical role of biodiversity in maintaining ecosystem benefits on which the business and communities depend.</p> <p>The requirement to complete an ecosystem services assessment is included in the ESIA Scope of Work document for their Equatorial Guinea asset.</p> <p>The EIA scoping report for the South Africa asset refers to the requirement under the South African EIA Guidance to assess impacts on ecosystem services as part of the EIA, however, none have been identified in the preliminary environmental impacts (section 9.2 in the Scoping Report).</p>	Partially Aligned	<p>An assessment of ecosystem services should be completed in the ESIA for operated assets.</p> <p>Management measures should be included in the respective ESMPs and Commitment Registers.</p>
Community Exposure to Disease	<p>Community Health, Safety & Security Standard of Operation, includes the requirements to prevent the occurrence and spread of communicable diseases, including active surveillance, screening, and treatment of workers, as well as undertaking health awareness/ education initiatives in local communities.</p>	Partially Aligned	<p>Develop the Medical Surveillance Programme specified as part of the ESMS Framework</p>

Requirement	Status	Alignment	Recommendations
<p>Emergency Preparedness and Response</p>	<p>The AOC Community Health, Safety & Security Standard of Operation, includes the requirements on preparing Emergency Preparedness and Response Plans of each facility including communication systems, community notification, media and agency relations and provisions for medical services.</p> <p>In addition, An Emergency Preparedness and Response Standard of Operation is referenced in the AOC ESMS Framework. This Standard was approved in August 2020.</p> <p>The AOC ESMS Framework considers community health and safety within Component 9 in relation to emergency management. Component 9 also refers to how Incident Management Procedure will be established and implemented for all assets.</p> <p>According to status updates, an Emergency Preparedness and Response Plan has been drafted but this needs to be finalised and tailored to each of the operated assets and their local context. Furthermore, the Plan needs to include emergency procedures for the local communities (e.g. in case of leak and spills along pipelines) and these communities need to be made aware of this procedure.</p>	<p>Partially Aligned</p>	<p>Develop an Emergency Preparedness and Response Plan (EPRP) for each operated assets at an appropriate time to support development activities.</p> <p>For each operated asset, engage with local communities about the EPRP and ensure they are aware of what to do in the case of an emergency.</p>
<p>Security Personnel</p>	<p>Reference Community Health, Safety & Security, Standards of Operation aligns with the requirements of PS4.</p> <p>The 2022 Sustainability Report also included reference to how Supplier Due Diligence is conducted to ensure any third party engage meets high standards of governance and business ethics.</p> <p>The 2022 Sustainability Report (page 25) 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>	<p>Partially Aligned</p>	<p>Develop Security Management Plan for each operated asset that aligns with international standards and includes the following as a minimum.</p> <ul style="list-style-type: none"> ■ Using licensed security providers. ■ Conducting prequalification screening/ Supplier Due diligence. ■ Conducting regular audits and spot checks. ■ A position on possession of arms and use of force. ■ A requirement for security contractors to develop and implement a security

Requirement	Status	Alignment	Recommendations
			<p>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.</p> <p>Provide training (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.</p> <p>For non-operated assets, ensure that AOC has visibility of the operators' security management plans and procedures and how they monitor the performance of the security contractors and their security guards.</p>
Performance Standard 5 Land Acquisition and Involuntary Resettlement			
General	<p>AOC's Human Rights Policy states that the Company avoids involuntary resettlement of individual and/or communities, but if this is not possible, the principles of Performance Standard 5 are followed.</p> <p>For AOC's operated assets, the Scoping Report for Block 3B/4B in South Africa does not assess the potential impacts for physical and economic displacement. Although physical displacement is unlikely (assets are offshore), economic displacement associated with onshore infrastructure (e.g. pipelines) cannot be excluded, nor the economic impact on local fishing communities.</p>	Partially Aligned	<p>As part of ESIA's 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.</p> <p>Depending on the level of impact, a Livelihoods Restoration Framework/Plan may need to be developed.</p>

Requirement	Status	Alignment	Recommendations
	The Scope of Work for the Equatorial Guinea asset does not refer to the need to evaluate physical and/or economic displacement.		
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 has an Environmental Policy that outlines their biodiversity commitments. 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. <p>AOC commit to no net loss of biodiversity, and where possible, a net positive impact in their operations. They state that they contribute to nature restoration through nature-based solutions with climate, community, and biodiversity benefits.</p> <p>From 2023, AOC committed to measure nature dependencies and impacts, and identify biodiversity risks for their existing and new assets, by incorporating biodiversity risks into the corporate risk management framework with measurable metrics. By 2025, AOC commits to set science-based biodiversity targets with a strategy to achieve them.</p>	Partially Aligned	A Biodiversity Management Standard of Operation to be developed to set out AOC's process for the protection of biodiversity.

Requirement	Status	Alignment	Recommendations
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. For non-operated assets the evidence of this should be requested from operators along with any available Biodiversity Management Plans. 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 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 Human Rights Policy 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.</p> <p>The Scoping Report for Block 3B/4B in South Africa notes the historic context of indigenous peoples in the coastal area near the proposed development. Impacts to indigenous people (who are classed as a vulnerable group) were considered in the preliminary impact assessment. The scoping report notes that many members of the fishing communities are indigenous and therefore further assessment of potential impacts on indigenous peoples is required.</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</p>	Partially Aligned	<p>As part of 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.</p> <p>Depending on the level of impact, an Indigenous People's Management Plan will need to be developed for the assets.</p> <p>For non-operated assets, evidence of an Indigenous Peoples assessment to be requested from operators confirming their presence/ absence in the project areas.</p>

Requirement	Status	Alignment	Recommendations
	inhabit the country (the Beyele and Bokuigns) and therefore further assessment is needed.		
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	<p>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.</p> <p>A preliminary description of both tangible and intangible cultural heritage resources is included in the scoping report as part of the EIA process for the proposed exploration of Block 3B/4B in South Africa. In addition, a preliminary impact assessment has been conducted. The scoping report recommends that cultural heritage aspects be considered further as part of the ESIA.</p>	Partially Aligned	<p>Develop a cultural heritage baseline (including both tangible and intangible heritage) for operated assets as part of the ESIA and assess potential impacts.</p> <p>Although operated 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.</p> <p>For non-operated assets, evidence of CHMPs and CFPs should be requested from operators.</p>
Project's Use of Cultural Heritage	N/A	Not Applicable	

Table 5.3 Equator Principles IV Assessment

Requirement	Status	Alignment	Recommendations
Principle 1: Review and Categorisation	Projects likely to be classified as Category A	Not Applicable	NA
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 Human Rights Policy commits that all operated assets, including contractors and subcontractors, respect internationally recognised human rights and not contributing to human rights abuses. 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 for the two operated assets.</p> <p><u>Climate Change Risk Assessment:</u> AOC's 2022 Corporate Sustainability report outlines AOC's ESG 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 the Task Force on Climate Related Financial Disclosures (TCFD). In 2021, AOC announced a 2025 carbon neutrality target for net equity Scope 1 and Scope 2 emissions. The completion of a Climate Change Risk Screening is required to determine whether a Climate Change Risk Assessment /</p>	Partially Aligned	<p><u>Environmental and Social Impact Assessment:</u> See IFC PS 1</p> <p><u>Human Rights:</u> Include human rights screening exercise into the ESIA for operated assets and conduct a Human Rights Risk Assessment for each.</p> <p><u>Climate Change Risk Assessment:</u> Include climate change screening exercise into the ESIA for operated assets and conduct a Climate Change Risk Assessment if indicated for each.</p>

Requirement	Status	Alignment	Recommendations
	Impact Assessment is necessary. If this is not necessary, a justification is to be provided in the ESIA's for the two operated assets.		
Principle 3: Applicable Environmental and Social Standards	<p>The applicable environmental and social standards for the Project 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) 	Partially Aligned	Continue to monitor these standards to confirm compliance.
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 12 th IMG review.	Aligned	
Principle 8: Covenants	Not Applicable	Not Applicable	Not Applicable
Principle 9: Independent Monitoring and Reporting	This is the 12 th IMG review.	Aligned	
Principle 10: Reporting and Transparency	Outside of IMG Scope	Not Applicable	Not Applicable

Table 5.4 Revised ESAP (2023)

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	For operated assets, Legal Registers and a Regulatory Action Plan to be developed to support development activities. Develop project-specific ESMSs for operated assets, to support development activities, which will include finalising the drafting of the relevant implementation documents.	When required	Open	
1.2	Complete ESIA's for operated assets in Equatorial Guinea and South Africa as well as for any future developments and expansions to existing operations.	When required	Open	
1.3	As part of the ESIA process, develop ESMPs for operated assets in Equatorial Guinea and South Africa. as well as for any future developments and expansions to existing operations. Develop Commitments Register for operated assets.	When required	Open	
1.4	For operated assets, a capacity assessment and contracting/recruitment plan will be required at an appropriate time as part of the development phase.	When required	Open	
1.5	Finalise organisational charts for operated assets.	When required	Open	
1.6	Develop an Emergency Preparedness and Response Plan for each operated asset. Develop an Incident Management Procedure for each operated asset.	When required	Open	

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
1.7	Develop an Environmental Monitoring Procedure for each operated asset. Finalise the HSE & SP Monitoring Procedure for non-operated assets.	When required	Open	
1.8	As part of the ESIA process, develop asset specific Stakeholder Engagement Plans, including Stakeholder Register for the operated assets. For each operated asset, carry out stakeholder consultations in accordance with local regulatory requirements to disclose the findings of the ESIA's and solicit feedback from stakeholders.	When required	Open	
1.9	Develop a Grievance Mechanism for external stakeholders for each operated asset.	When required	Open	
IFC Performance Standard 2: Labour and Working Conditions				
2.1	Develop appropriate Human Resources procedures for each of the operated assets which build on AOC Corporate policies and procedures.	When required	Open	
2.2	Develop and conduct a Training Needs Assessment for operated assets and for AOC corporate staff. Develop a Training Plan for operated assets 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.	When required	Open	
2.3	If accommodation is to be provided to the workforce at the assets, ensure accommodation complies with IFC/EBRD worker accommodation guidelines.	When required	Open	

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
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.	When required	Open	
2.5	For any future retrenchment requirement, project-specific plans will be prepared as required.	When required	Open	
2.6	Develop HR procedures to provide a confidential mechanism for employees to lodge complaints or grievances.	When required	Open	
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.	When required	Open	
2.8	Develop an Incident Management and Reporting Procedure to be implemented by operated assets once physical activities are planned. Develop an Occupational Health and Safety Procedure to be implemented by operated assets once physical activities are planned. Provide training to all employees on HSE requirements as well as any job-specific training.	When required	Open	
2.9	A Corporate Contractor Management Procedure is required, including processes to ensure that the performance of third-party employers are managed and monitored in terms of labour and working conditions. A Corporate Procurement Procedure is also required.	When required	Open	
2.10	A Contractor and Supplier Management Plan should be developed for each of the operated assets. This should include sections covering, among others: procurement and screening, hiring and onboarding, management and monitoring reviews and audits (internal and external).	When required	Open	

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
IFC Performance Standard 3: Resource Efficiency and Pollution Prevention				
3.1	<p>For operated assets, project-specific policies, procedures and management plans will need to be developed at the appropriate time for AOC to meet their commitments, as outlined in the AOC Environmental Policy. These include:</p> <ul style="list-style-type: none"> ■ Energy Management Plan ■ Water Management Plan ■ Waste Management Plan ■ Air Emissions Monitoring Plan 	When required	Open	
3.2	A Waste Management Procedure should be developed, including hazardous waste management.	When required	Open	
IFC Performance Standard 4: Community Health, Safety, and Security				
4.1	<p>As part of the ESIA process for operated assets, evaluate the potential impacts on community health and safety, including those related with project infrastructure and activities.</p> <p>Include management measures in the ESMPs and Commitments Registers for operated assets.</p> <p>Depending on the scale of the impacts identified, develop a Community Health and Safety Management Plan tailored to operated assets.</p> <p>Develop the Medical Surveillance Programme specified as part of the ESMS Framework.</p>	When required		
4.2	An assessment of ecosystem services should be completed in the ESIA for operated assets.	When required	Open	

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
	Management measures should be included in the respective ESMPs and Commitment Registers.			
4.3	<p>Develop an Emergency Preparedness and Response Plan (EPRP) for each operated asset at an appropriate time to support development activities.</p> <p>For each operated asset, engage with local communities about the EPRP and ensure they are aware of what to do in the case of an emergency.</p>	When required	Open	
4.4	<p>Develop Security Management Plan that aligns with international standards and includes the following as a minimum.</p> <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. <p>Provide training (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.</p> <p>For non-operated assets, ensure that AOC has visibility of the operators' security management plans and procedures and how they monitor the performance of the security contractors and their security guards.</p>	When required	Open	

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement				
5.1	<p>As part of ESIA's being undertaken for operated assets, assess whether physical and/or displacement will occur, and if so, what the extent of this displacement will be.</p> <p>Depending on the level of impact, a Livelihoods Restoration Framework/Plan may need to be developed.</p>	When required	Open	
IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
6.1	A Biodiversity Management Standard of Operation to be developed to set out AOC's process for the protection of biodiversity.	When required	Open	
6.2	<p>A Critical Habitat Screening should be completed for operated assets. For non-operated assets then evidence of this should be requested from operators along with any available Biodiversity Management Plans.</p> <p>Identification of habitats should be included in all ESIA's for assets.</p>	When required	Open	
6.3	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.	When required	Open	
IFC Performance Standard 7: Indigenous Peoples				
7.1	<p>As part of the ESIA 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.</p> <p>For non-operated assets, evidence of an Indigenous Peoples assessment to be requested from operators confirming their presence/ absence in the project areas.</p>	When required	Open	

Index	Task Title & Description	Anticipated Completion Date	Status	Progress to be reported at next IMG Review
IFC Performance Standard 8: Cultural Heritage				
8.1	<p>Develop a cultural heritage baseline (including both tangible and intangible heritage) for operated assets as part of the ESIA and assess potential impacts.</p> <p>Although operated assets are offshore, as part of the ESIA, 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.</p> <p>For non-operated assets, evidence of CHMPs and CFPs should be requested from operators.</p>	When required	Open	
EPIV Principle 2: Environmental and Social Assessment				
9.1	Include human rights screening exercise in ESIA for operated assets and conduct a Human Rights Risk Assessment.	When required	Open	
9.2	Include Climate Change Risk screening exercise in ESIA for operated assets and conduct a Climate Change Risk Assessment.	When required	Open	

6. CONCLUSIONS

6.1 Original ESAP Requirements

The ESAP requirements relevant to the Kenya operations in South Lokichar are closed. Proposed changes to the ESAP have been provided to address activities associated with AOC's broader portfolio of operated and non-operated assets, mainly acquired since the original ESAP was agreed.

6.2 AOC ESMS, ESG Management, Reporting and Energy Transition

AOC Corporate ESMS Framework and associated corporate policies, procedures and standards of operation were reviewed by AOC in 2023. Relevant recommendations made in previous IMG reviews have been incorporated into the revised ESMS and associated documentation, and further work on the required operating procedures is ongoing, based on operational priorities.

AOC has integrated its ESG risks into the AOC Corporate Risk Register with the top ESG risk identified as climate-related market risk, resulting in reduced demand for oil and gas with the transition to a lower carbon future and access to capital from investors.

AOC's ESG priorities include the Energy Transition Strategy and carbon offsets, which include a commitment to be carbon neutral from 2025 and eliminate flaring by 2030. As part of this strategy, AOC is evaluating an approach to offsetting, alongside the adoption of an emissions reduction strategy. AOC continues to work through Prime to influence the Operators' ESG performance for its non-operated offshore Nigeria assets, in particular to reduce GHG emissions from flaring.

AOC's fourth Sustainability report, covering 2023, is expected to be issued in Q1 2024. AOC has aligned its Sustainability Reports with the SASB and GRI reporting standards and TCFD reporting requirements.

6.3 Revised ESAP

Overall, the IMG 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. AOC recognises that there will be ongoing work required to finalise draft documents and develop asset-specific systems, plans and procedures as the exploration activities in the operated assets increase through 2024 and beyond. To support the further development of plans and procedures that are in line with the applicable standards, the IMG 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.

6.4 Recommendations for Next Review

The focus of the next review will be dependent 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 ESAs. There will also be an ongoing review of AOC's ESG strategy and reporting in relation to its operated and non-operated assets and progress with its Energy Transition Strategy. The next review is currently scheduled for the end of the third quarter of 2024.

APPENDIX A DOCUMENTS PROVIDED BY AOC FOR CURRENT REVIEW

SOURCE/TOPIC	DOCUMENT TITLE
AOC Updates	Africa Oil ESG Presentation November 2023
01 Corporate	AOC Corporate Presentation October 2023
	AOC Annual Sustainability Report 2022
	AOC - Organisation - October 2023
	AOI - ESGHS Cttee Aug 2023 v0
	AOI - ESGHS Cttee Feb 2023 v0
	AOI - ESGHS Cttee May 2023 v0
	IFC PS Assurance AOC Management Report ERM CVS x Helios July 2023
02 ESMS	AOI - ESMS Framework 2023 update 030823
	AOI Procedure - Hazard & Risk Management 140823
	AOI Procedure - HSE & SP Monitoring 140823
	AOI Procedure - Incident Management & Reporting 010923
	AOI Procedure - Management of Change 140823
	AOI Procedure - Management System Review 140823
03 Policies	AOI Environmental Policy12-05-2023_
	AOI Anti-corruption Policy2020-05-07
	AOI Code of Business Conduct2020-05-07
	AOI - GHG Emissions Management Policy 2021-05-19
	AOI Whistleblower Policy AOI Website Version2021-08-12-
	AOI - Diversity Equity Inclusion Policy 2022
	AOI - Health & Safety Policy_2022 update
	AOI - Human Rights Policy_2022 update
	AOI - Stakeholder Engagement & Community Relations Policy_2022 update
04 Prime	Prime 2023 ESG-HSE Goals
	Prime HSEC GHG Statistics 2023
	Prime_2023 ESHS Review Report_Final_Signed_2023-07-03
05 Equatorial Guinea	AOI EG Block 31 ESIA Draft Final 291023
	Seabed Geotechnical Survey Clarification Request 251023
	Seismic Hazards Assessment
06 South Africa 3B_4B	1570_EA Application_Rev1_Final
	1570_PPR-signed
	1570_Scoping Report-signed
	ECO-AOC Team Notes-3B4B Public Meetings Scoping Phase 15.08.2023
07 Risk Registers	Risk Register User Guide20220824 R
	AOI Risk Register 20230118
	AOI Risk Register: Assets - Equatorial Guinea EG31 060923



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