

# Environmental, Social and Governance Review

For the Year Ended December 31 2020

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# Contents

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CEO's Letter	03
About Africa Oil Corp.	04
Vision & Values	06
Sustainability Goals	06
ESG Highlights 2020	07
Our Commitment to Global Initiatives	08
Material Issues	09
Stakeholders	10
Governance and Risk Management	11
Direct Impact	14
Governance spotlight	18
Reporting the Recommendations of the Taskforce for Climate-related Financial Disclosure	20
Nigeria Deepwater	22
Kenya Lokichar	24
SASB Standard	26
Forward-Looking Statements	32

Africa Oil is a contributing partner to the Lundin Foundation. Some of the photographs in this report are of the projects that Africa Oil and the Lundin Foundation have collaborated on and are kindly provided by the foundation.

# CEO's Letter



**Keith Hill**  
President & CEO

## Dear Stakeholder,

2020 was a very successful and pivotal year for Africa Oil in many respects. The business transitioned into a full-cycle oil exploration and production (E&P) company through the successful acquisition of Prime Oil & Gas Coöperatief U.A. This has delivered material production, strong cash flow, and attractive development and exploration opportunities. We were also very pleased with the progress made by our operating partners through what were very challenging operating and market conditions, driven by the global COVID-19 pandemic. Their commitment to responsible operating practices remained steadfast in a year where Environmental, Social and Governance ("ESG") considerations continued to enter the mainstream of capital market investment strategies.

**Africa Oil has transformed into a full-cycle E&P company with low production costs and an ongoing commitment to improving our ESG performance management and reporting.**

Commensurate with our commitment to managing our interests in a sustainable manner, we have updated our ESG policies and procedures to reflect the Company's ongoing evolution and have updated our governance and management systems to ensure the effective identification and management of environmental, social and governance issues.

Where we have operational control, all activities will be planned and implemented in accordance with the more stringent of national regulatory requirements and the Performance Standards on Environmental and Social Sustainability of the International Finance Corporation. Where we do not have operational control, we will work with our Operating Partners, to the extent possible, to ensure that activities are undertaken in a manner consistent with our ESG policies and expectations.

In support of our governance procedures, operating partners provide quarterly ESG performance reports, which comprise a range of health and safety, environmental, emissions and social impact metrics. In Nigeria, there is a strong focus upon safety culture. There were no recorded fatalities in 2020, and safety performance continued to track strongly. No material environmental incidents were recorded and a series of initiatives were undertaken to improve emissions management and control, with the aim of reducing emissions. More information can be found later in this report and in our operating partner's public disclosure.

Relative to Africa Oil's controlled operating environment, there were no reported safety or environmental incidents of any kind relating to Africa Oil personnel or operations during the year. Our indirect emissions, attributable to our shareholdings, are 129,231 t CO<sub>2</sub>-e for 2020, representing our first year with interests in operating assets.

To further strengthen our ESG-related disclosures, Africa Oil is aligning its reporting activities with the Task Force on Climate-related Financial Disclosures ("TCFD"). Following a review of the TCFD recommendations, the Board established a multi-year programme to integrate these expectations into the business, including improving Africa Oil's climate resilience and increasing the transparency of climate risk management disclosure.

We recognise the challenges facing the oil and gas industry in addressing concerns over climate change and the transition towards a less carbon-intensive global economy. **We are committed to delivering shareholder value through the efficient and responsible development of oil and gas resources, and in addressing the minimisation of GHG emissions on a proactive basis. As the custodians of our shareholders' capital we ensure robust governance systems are in place to deliver our sustainability goals.** Africa Oil is committed to transparent reporting of the ESG performance of its investments, including GHG emissions data, in line with recognised reporting standards. Whilst our business strategy means that in most cases we are not responsible for day to day management of the operations in which we invest, we monitor Operator performance and work with these partners where possible and necessary to improve ESG reporting.

We are actively exploring opportunities to reduce our emissions footprint per barrel of oil equivalent produced and will report on our strategy in due course. As a non-operator, we endeavour to work with our partners to minimise or eliminate routine gas flaring, while as operators we will directly assume the responsibilities set out in our Greenhouse Gas Emissions Management Policy. Climate considerations will continue to form an integral part of our investment due diligence and selection process. We have incorporated environmental performance metrics into the due diligence process including the use of shadow carbon pricing to assess the potential impact of GHG emissions on investment decisions.

As we move forward on our ESG journey, we have two key areas of focus. Africa Oil will continue to refine the governance structure around engagement with our partners, as we aim to improve lines of communication and ensure that operators are meeting our expectations in performance reporting. Furthermore, we are focused upon progressing our TCFD programme as we develop our understanding of the subject and embed it into our day-to-day management procedures.

I am pleased to present our inaugural Environmental, Social and Governance Review that details how we managed our direct and indirect ESG risks and opportunities during the year and would welcome any feedback or questions that you may have.

Signed for and on behalf of the Board of Africa Oil.

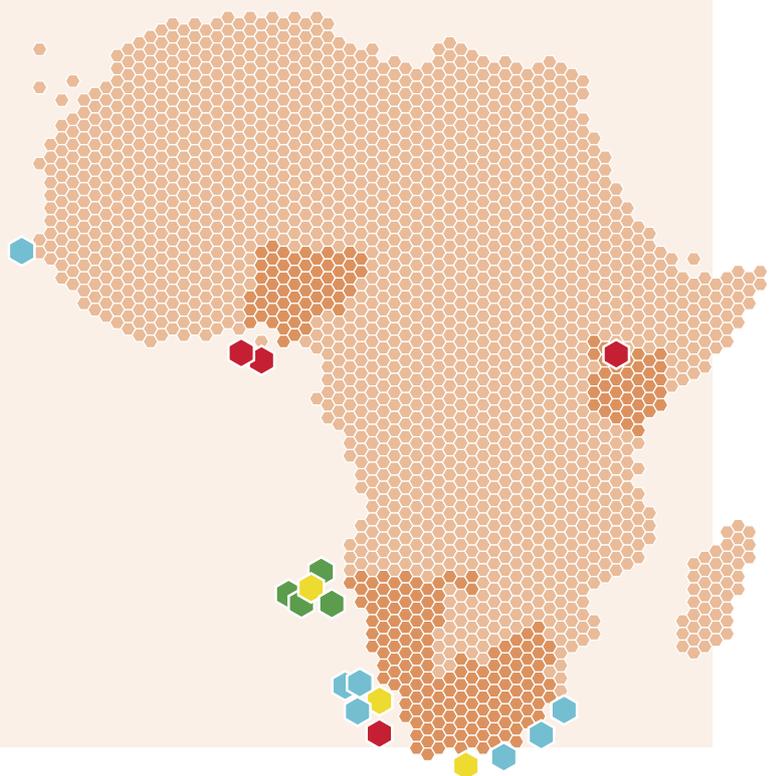
**Keith Hill**  
President & CEO

# Full Cycle Africa Focused

Africa Oil Corp. is a full-cycle E&P with producing and development assets in deepwater Nigeria, development assets in Kenya and an E&A portfolio in Africa and Guyana.

**Our Operating Locations**

● Africa Oil Corp. ● Africa Energy ● Impact Oil ● Eco Atlantic



# About Africa Oil Corp.

Africa Oil is a Canadian oil and gas exploration company with producing and development assets in deep-water offshore Nigeria, and development assets in Kenya. The Company also has a portfolio of exploration assets in Guyana, Kenya, Namibia, Nigeria, South Africa and in the Senegal Guinea Bissau Joint Development Zone (“AGC”). The Company holds its interests through direct ownership interests in concessions and through its shareholdings in investee companies including Prime Oil & Gas Coöperatief U.A (“Prime”), Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and Impact Oil and Gas Ltd.

The Company’s long-range plan is to increase shareholder value through the acquisition, exploration, development and production associated with oil and gas assets. Africa Oil has delivered on the stated objective of acquiring high quality and free cash flowing producing assets.

The Company has actively explored on multiple onshore blocks in various under-explored geological settings in East Africa, and has made numerous oil discoveries in the South Lokichar Basin (Blocks 10BB and 13T) located in the Tertiary Rift trend in Kenya. Appraisal activities are ongoing with the goal of sanctioning development of the oil fields in the South Lokichar Basin.

In addition, Africa Oil has invested into equity interests in junior exploration companies that have active drilling programs in various offshore assets in Africa and South America. Africa Oil will continue to consider acquisition and merger opportunities, focusing on Africa.

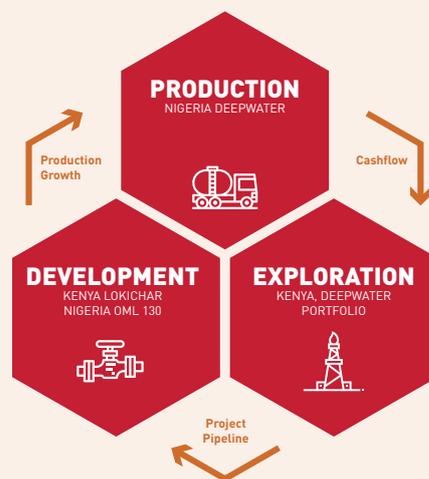
The board of directors of Africa Oil may, at its discretion, approve asset or corporate acquisitions or investments that do not conform to the guidelines discussed above based upon the board’s consideration of the qualitative and quantitative aspects of the subject properties, including risk profile, anticipated return on investment, technical upside, resource potential, reserve life and asset quality.



## KEY DRIVERS FOR ESG PERFORMANCE

- 
**We are focused on the efficient and responsible exploration, development and production** of oil and gas resources in compliance with host country laws and good international practice (as defined by IFC Performance Standards)
- 
**We support the energy transition** to a less carbon-intensive global economy, recognising the ongoing role for oil and gas in the energy balance
- 
**We recognise the challenge**, which is especially acute in Africa, in how to meet the world’s increasing demand for energy whilst minimising environmental and social impacts

## OUR BUSINESS MODEL



## Vision & Values

### Our Vision

To be a full cycle oil exploration and production growth vehicle that integrates sustainability considerations throughout decision-making and operational management.

We will work with our partners to support the transition to a less carbon-intensive business.

### Our Values

We strive for operational excellence safeguarding the health and safety of people and protecting the environment.

We adopt the highest standards of professional integrity and comply with national and international laws and regulation.

We act in a fair, honest and non-discriminatory way in all our business activities.

We promote a culture of open and honest dialogue with stakeholders.



## Sustainability Goals

As a non-operating investor in exploration and production assets, Africa Oil is focused on the effective identification and management of risk. Our operating partners are selected in part on their ability and commitment to manage ESG risks effectively. We monitor operator performance and work with operators where possible and necessary to improve performance. Our role as the custodians of our shareholders' capital is to ensure robust governance systems are in place to deliver our sustainability goals.

### Our Sustainability Goals



# ESG Highlights 2020

Further development of our ESG performance management and reporting.

FIND OUT MORE  
Pg 09

Supporting our industry and leading our peers in addressing greenhouse gas emissions.

FIND OUT MORE  
Pg 09

Delivering our sustainability goals through robust governance systems.

FIND OUT MORE  
Pg 12

Delivering our ESG strategy via our ESG Management System.

FIND OUT MORE  
Pg 14

Continuing our commitment to cultivating a positive and safe workplace for employees and others.

FIND OUT MORE  
Pg 15

Continuing to hold all personnel to the highest standards of business ethics.

FIND OUT MORE  
Pg 17

Ensuring risks related to any potential new investments follow appropriate due diligence assessments of environmental, health and safety and social performance.

FIND OUT MORE  
Pg 18



# Our Commitment to Global Initiatives



The United Nations' 17 Sustainable Development Goals (SDGs) were set out in 2015 with the aim of creating a sustainable future for all and setting objectives to be achieved by 2030. Across the world, governments, businesses and wider society have adopted these global goals in order to support the mission of protecting our planet and its people. In considering our ESG strategy, we have identified the underlying targets of five goals towards which Africa Oil can make a positive contribution and mitigate any potentially negative impacts.



## Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Through Foreign Direct Investment, we support economic growth in our countries of operation. Furthermore, we seek to maximise local employment – with the exception of one expatriate, all employees in both Kenya and Ethiopia are nationals – as well as minimise direct dependency of local economies on the project.



## Target 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Equality, non-discrimination and fair treatment are embedded into all plans and activities in line with Africa Oil and our operators' policies. The Company has a Board and Executive Officer Diversity Policy, which formalizes the Company's commitment to promote diversity on the Board and in Executive Officer positions. Our Board currently has two women members, representing 26% of the Board's composition.



## Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Climate change is a global issue that requires all sectors to address their environmental impact and reduce their carbon emissions. While we recognise that oil and gas activities result in impacts to the global environment, the demand for energy is ever-increasing and alternative energy sources cannot meet these energy needs. Africa Oil is therefore actively engaged in Energy Transition planning, having created a multi-year plan to implement the recommendations of the TCFD, including establishing a climate risk process.

To strengthen the integrity of our climate approach, we have developed an Investment Due Diligence procedure through which we set out the ESG issues to be addressed during due diligence, ensuring that potential GHG emissions are considered in investment decision making.



## Target 15.1

By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

At Africa Oil, we put the protection of people and property first and comply with all legislation and good industry practices. Our Environmental Policy defines the Environmental Principles by which we ensure that we minimise the impact of the activities for which we are responsible. Regarding our project in Kenya, we are working to develop South Lokichar in a manner that preserves biodiversity and improves pasture management by pastoralists.



## Target 16.6

Significantly reduce all forms of violence and related death rates everywhere.

As a non-operator, we believe our biggest strength lies in responsible and transparent corporate governance. We expect all our employees to uphold the highest standards in business ethics, as specified in our Anti-Corruption Policy, and Code of Business Conduct and Ethics, and we expect our employees to comply with all legal requirements, working in partnership with local communities and governments. To ensure responsible investment, all potential investments are subject to our due diligence process, which includes both our own and independent assessments. Post-investment, we are committed to responsible stewardship, engaging actively with the operators through OCMs, budget scrutiny and audits.



Extractive Industry  
Transparency Initiative



Voluntary Principles on  
Security and Human Rights



IFC Environmental & Social  
Performance Standards

# Material Issues

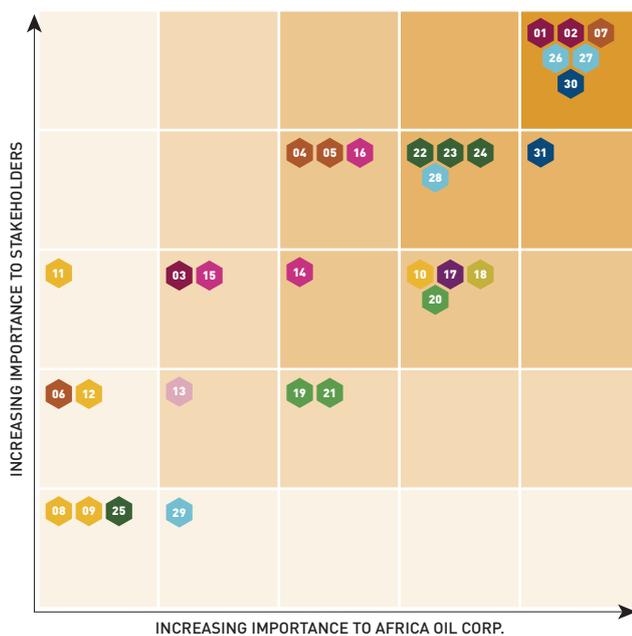
To support effective governance and risk management, we need to manage the issues that are most significant to Africa Oil and our stakeholders. They inform our policies, systems and procedures and determine how we manage our business and assess performance. We report upon the issues that are most material to our business. The issues summarised within our materiality matrix are analysed throughout this report.

Our materiality assessment considers various relevant issues determined from international reporting requirements including GRI, SASB and IPIECA. Our assessment is also informed by our peers and that of our operating partners with whom we engage. We assess these issues and indicate their significance to Africa Oil and their importance to our stakeholders. The results of this materiality assessment were presented to the Board and reviewed in detail by executive Board members.

## Materiality matrix

### Materiality clusters

- Climate risks and opportunities
- Energy and emissions
- Resource management
- Decommissioning
- Health and safety
- Cybersecurity
- Stakeholder rights
- Our people
- Community impact
- Governance
- Ethical business



### Materiality issues key

Listed by Materiality cluster colour

E/S/G	ISSUE	E/S/G	ISSUE
E	01 Climate governance and strategy	S	17 IT Security
E	02 Climate risk and opportunities	S	18 Human rights policy and strategy
E	03 Lower-carbon technology	S	19 Workforce diversity and inclusion
E	04 Greenhouse gas emissions	S	20 Workforce engagement
E	05 Methane emissions	S	21 Workforce training and development
E	06 Energy use	S	22 Local community impacts and engagement
E	07 Flared gas	S	23 Land acquisition and involuntary resettlement
E	08 Freshwater	S	24 Social investment
E	09 Discharges to water	S	25 Local procurement and supplier development
E	10 Biodiversity policy and strategy	G	26 Investment due diligence
E	11 Spills to environment	G	27 Governance approach
E	12 Materials management	G	28 Management systems
E	13 Decommissioning	G	29 Public advocacy and lobbying
S	14 Safety, health and security	G	30 Preventing corruption
S	15 Occupational injury and illness incidents	G	31 Transparency of payments to host governments
S	16 Transport safety		

The materiality matrix identifies our key issues as:

- Climate governance and strategy
- Climate risks and opportunities
- Flared gas
- Investment due diligence
- Governance approach
- Preventing corruption

# Stakeholders

## Stakeholder engagement

We recognise our responsibility to all our stakeholders, which encompasses our employees, partners, suppliers, investors, investments, host communities, governments and regulators. Throughout the year we engage with our stakeholders to effectively manage and support the management of a variety of actions and issues that comprise our business activities.

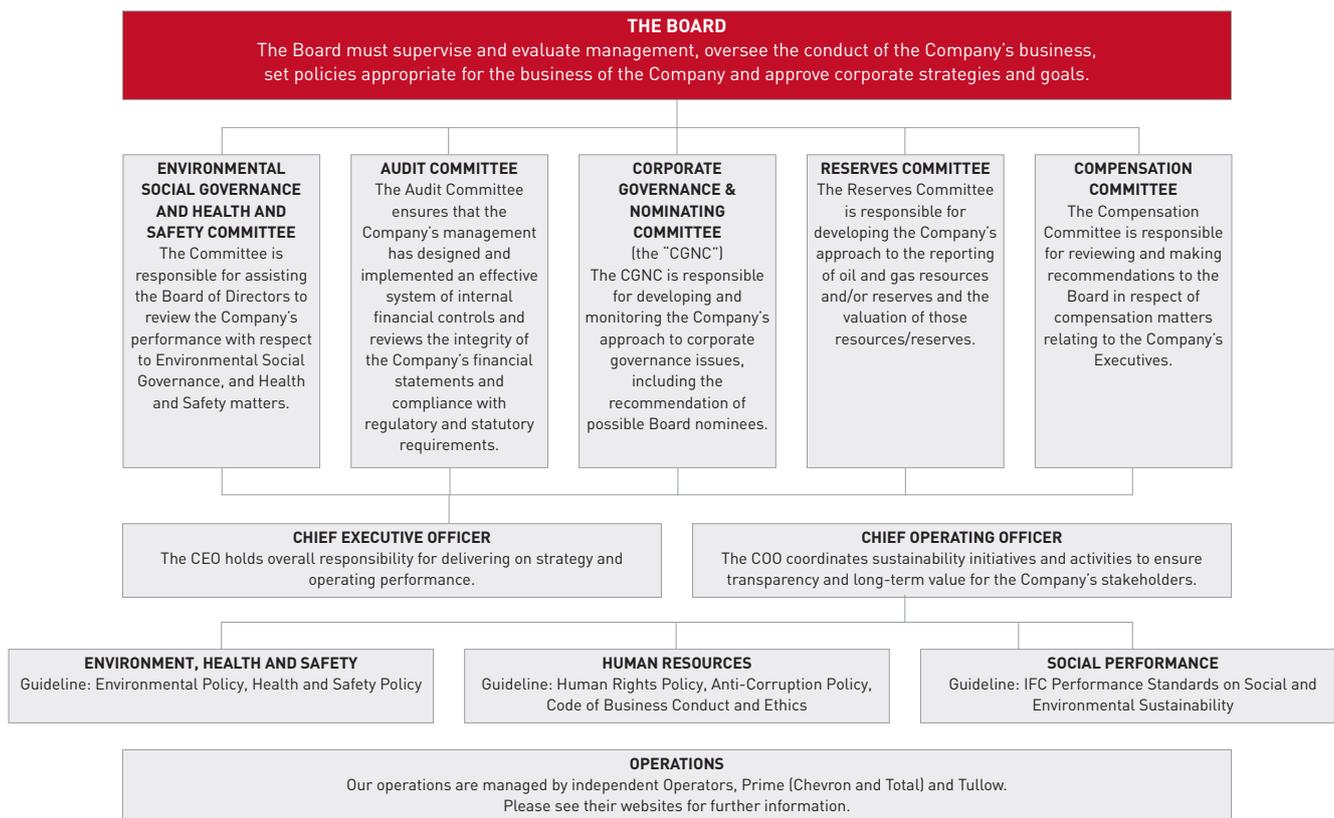


STAKEHOLDER GROUP	MATERIALITY CLUSTERS	WHY WE ENGAGE	HOW WE ENGAGE
<b>Employees</b>	<ul style="list-style-type: none"> <li>● Health and safety</li> <li>● Human rights</li> <li>● Our people</li> </ul>	Key to our management approach is retaining talented and motivated employees. We want to empower and enable our staff to make decisions and enrich their skills and experience.	As a small organisation, we engage with our employees via face to face meetings and updates.
<b>(Operating) Partners</b>	<ul style="list-style-type: none"> <li>● Health and safety</li> <li>● Cybersecurity</li> <li>● Stakeholder rights</li> <li>● Governance</li> </ul>	Working productively with our operating partners and establishing open channels of communication optimises our performance and ensures compliance is maintained.	We engage with our operating partners in meetings (OCMs/TCMs) and joint technical work, and through audits, monitoring and reporting.
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>● Stakeholder rights</li> <li>● Health and safety</li> <li>● Community impact</li> </ul>	For our suppliers, maintaining an open and transparent relationship is crucial for both performance management and upholding standards.	Meetings, audits and monitoring and reporting form our communications with our suppliers.
<b>Listed company investments</b>	<ul style="list-style-type: none"> <li>● Governance</li> <li>● Ethical business</li> <li>● Health and safety</li> </ul>	It is vital to our business that we remain informed of our listed company investments' operations, and we therefore engage with these stakeholders through numerous channels.	Communications with our listed company investments are conducted through meetings (Board Meetings/OCMs/TCMs), joint technical work, audits and monitoring and reporting.
<b>Investors in Africa Oil</b>	<ul style="list-style-type: none"> <li>● Governance</li> <li>● Ethical business</li> <li>● Climate risks and opportunities</li> <li>● Energy and emissions</li> <li>● Resource management</li> <li>● Decommissioning</li> </ul>	Our investors are instrumental to the seamless operation of the business and are relied upon for support and direction. We therefore ensure that they are well informed by providing transparent communications through regular and active engagements.	To maintain transparency with our investors we engage through meetings, conferences, updating our website and shareholder reporting.
<b>Host communities</b>	<ul style="list-style-type: none"> <li>● Community impact</li> <li>● Energy and emissions</li> <li>● Resource management</li> </ul>	Developing and sustaining a positive relationship with local communities is important to our business, as we seek their support to continue operating sustainably to the benefit of the locality.	In order to develop our relationship with local communities we collaborate via project-specific engagement teams.
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>● Governance</li> <li>● Ethical business</li> <li>● Climate risks and opportunities</li> <li>● Community impact</li> </ul>	We recognise the importance of having open and transparent relationships with the governments and regulators in the jurisdictions of our assets, in order to both maintain confidence in our operations, and to coordinate efficiently.	Through meetings (OCMs/TCMs), joint technical work and audits we maintain our positive relationships with governments and regulators.

# Governance and Risk Management

## Governance structure and organisation

Our governance structure and management organisation enables oversight of the implementation of our ESG Policies and Standards of Operation.



# Governance and Risk Management

## Environmental Social Governance and Health and Safety Committee

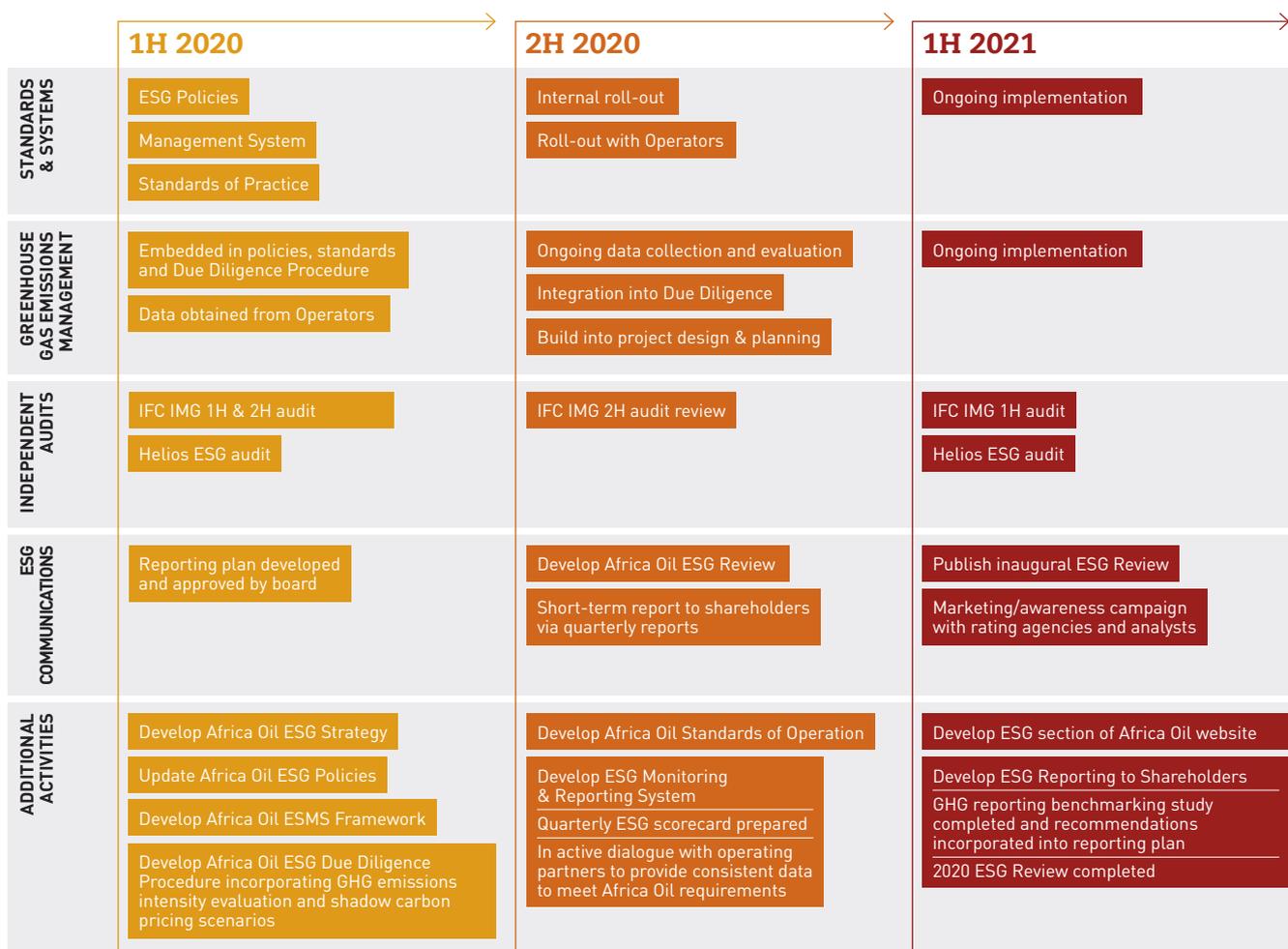
Africa Oil is committed to ensuring it conducts its activities in a manner that will protect the health and safety of its employees, contractors, the public and the environment. The role of the Environmental Social Governance, and Health and Safety (“ESGHS”) Committee is to assist the Board of Directors to review the Company’s performance with respect to Environmental Social Governance, and Health and Safety matters. The responsibilities of the ESGHS Committee entail reviewing and providing recommendations to the Board on the following specific matters, by monitoring performance, investigating risk, and reviewing policies, strategies, approach, targets, activities and reporting:

- Performance of the Company related to Environmental, Social, Governance, and Health and Safety:

- Environmental, Social, Governance, and Health and Safety Risks:
- Compliance with Environmental, Social, Governance, and Health and Safety legal and regulatory requirements:
- External Environmental, Social, Governance, and Health and Safety reporting and disclosures;
- The Company’s strategy to address Environmental, Social, Governance, and Health and Safety trends, future regulations and decisions that could impact the performance of the company

The ESGHS Committee comprises three members of the Board, each of whom are independent non-management directors. The ESGHS Committee meets at least once per quarter.

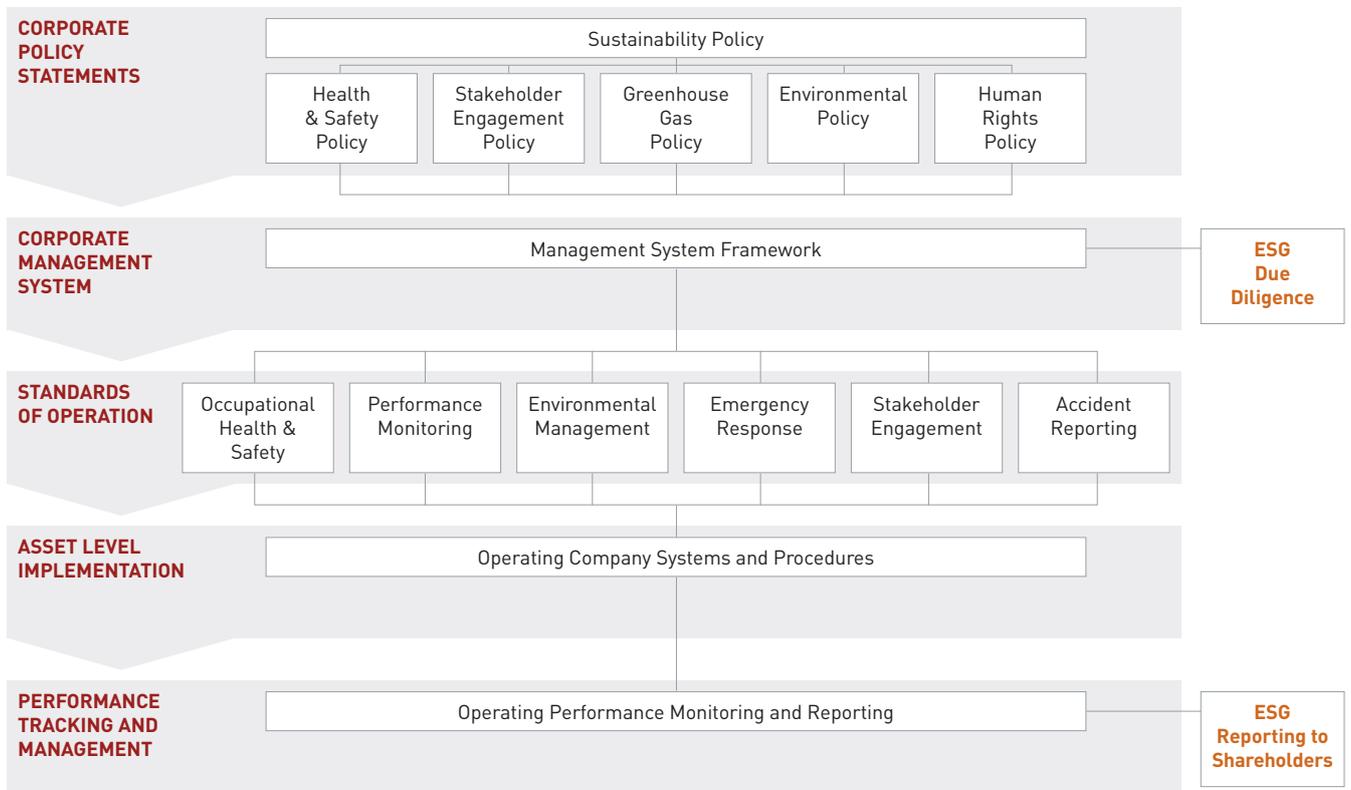
### Governance activity indicative timeline



# Governance and Risk Management

## ESG Management System

Our ESG management system guides the way that we work and operationalises our ESG strategy. It ensures that our work, and that work carried out on our behalf, is done to our standards and in line with international good practice. Our Company policies are implemented via Africa Oil's Management System Framework and our Standards of Operation are used to support the performance management of operated and non-operated assets. Our policies apply to our employees, long-term consultants and the suppliers we engage. Our Standards of Operation are applicable to our operating partners to the extent possible and represent good international practice.



# Direct Impact

## Environment

**Africa Oil is committed to operating in a safe and environmentally responsible manner.** We put the protection of people and property first and comply with all legislation and good industry practices. The Company recognizes that oil and gas activities may result in disturbances to the environment in its areas of operation. Therefore, we are committed to protecting and sustaining the environment and seek to minimize our potential impact.

Our goal is to ensure that activities for which we are responsible cause no harm to our people or our host communities and that we minimize our impact on the environment. We have established an Environmental Policy that has been approved by the Board of Africa Oil that sets out objectives and expectations applicable to all our activities.

### Our approach

The objective is to have a single, consistent and simple approach to the planning and management of HSE and Social risks, commensurate with the nature of the risk and Africa Oil's ability to influence operational management, whilst retaining flexibility to manage specific issues in the most appropriate manner.

Africa Oil has developed a range of corporate policy statements. These are implemented through a corporate management system which will lead to the development of corporate level Standards of Operation. Those Standards of Operation will then be adopted and implemented at an asset level, reflecting the nature of the activities and Africa Oil's ownership interests.

Where Africa Oil is a non-operator, the focus will be on ensuring that Operator procedures are in alignment with Africa Oil Standards of Operation and that Africa Oil is able to monitor Operator performance and to support Operator improvements in performance where these are required.

### Our footprint

As a small organisation operating out of an office environment, our direct carbon footprint is minimal. We occupy a modern office – the size of which suits our capacity – which has been newly refurbished and features energy efficient heating and lighting systems. Based in central London, we have excellent public transport links and the office building itself has bicycle storage facilities. We do not currently capture our Scope 3 emissions for business travel, however, we aim to do so for 2021.

## Social

### Health and safety ("H&S")

Africa Oil is a small 40-personnel organisation, with less than 10 full-time employees at our corporate office in London, and an additional 10 in Kenya and four in Ethiopia. We also engage with contractors and currently we have seven long-term consultants.

We have an H&S policy in place that ensures the provision of a safe working environment for all those that work for us. Our policy is informed by the World Bank Group's (WBG) Environmental, Health and Safety guidelines, industry best practice and national regulatory requirements. To support the effective management of Health and Safety this year we conducted a review of our H&S policy and revised where appropriate and developed relevant Standards of Operation.

Africa Oil personnel operate in the office environment and travelling to sites. Personnel travel to sites that are controlled by operators, and to other remote sites related to the development and permitting of projects. Forms of travel are by road, local air travel and international air travel. In all instances, when individuals enter operating environments, they are subject to the expectations of the operator and must comply with all operator requirements and instructions.

Commensurate with our commitment to health and safety and seeking the highest standards from our operating partners, we record any reportable incidents at our offices. There were no reportable incidents during 2020.



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# Direct Impact

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## Human Rights

Our Human Rights Policy, discussed here within our approach to Health and Safety, was developed in accordance with several key frameworks; United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights, the Voluntary Principles, International Covenant on Economic, Social and Cultural Rights, and International Labour Organisation (ILO) Fundamental Conventions.

The Environmental Social Governance, and Health and Safety (ESGHS) Committee assists the Board in reviewing the Company's performance with respect to Environmental Social Governance, and Health and Safety matters. This includes reviewing and monitoring performance, risks, compliance, reporting and trends relating to Health and Safety. The ESGHS Committee meets at least once per quarter and provides a report to the Board following each meeting.

## Diversity and inclusion ("D&I")

Africa Oil is committed to cultivating a positive and safe workplace for its employees and others, and discrimination on the basis of any personal characteristics (including age, gender, race, ethnicity, sexual orientation and disability) protected by human rights law is not tolerated.

We encourage and expect all personnel to report harassment or other inappropriate conduct as soon as it occurs. Furthermore, any hostility toward, or resistance against, any activity specifically protected under the Code, such as expressing our good faith opposition to prohibited discrimination or harassment, or participating in making a good faith complaint of discrimination or harassment, will not be tolerated.

Recruitment is undertaken on a case by case basis and against a defined job specification. The focus is on identifying the candidate best qualified to fulfil and exceed the job specification requirements.

We recognise the importance of diversity, and the benefits of having a board and executive officers with varying characteristics including, but not limited to, religious and political beliefs, gender, ethnicity and socioeconomic background, as diversity enhances the decision-making of the Board and at senior management levels.

The Company has a Board and Executive Officer Diversity Policy, which formalizes the Company's commitment to promote diversity on the Board and in Executive Officer positions. Our Board currently has two women members, representing 26% of the Board's composition. With the exception of one expatriate, all employees in both Kenya and Ethiopia are nationals.

## Training and development

Africa Oil acknowledges the importance of developing the skills and expertise of its employees. While we do not implement a training policy given the small size of our operation, personnel are given every opportunity for growth and development in a fast-moving entrepreneurial environment. Similarly, given our size, we engage with personnel directly through emails and face-to-face interactions and do not capture performance metrics.

## Approach to COVID-19

The safety and security of our personnel was a priority throughout the pandemic. Plans were put in place in Nairobi, Addis Ababa, North America and London to support our personnel and to ensure business continuity. Working remotely for our UK-based and North America personnel was easily facilitated being small offices. The London office remains closed, but the Nairobi office is fully operational. Personnel were kept informed of developments through staff briefings, and we impressed upon them that their health and wellbeing was of key importance to the Company.

## Direct contributions to society

### Food distribution

In July 2020, we undertook a collaborative venture along with the Kenyan Ministry of Petroleum and Mining and the local government of Turkana South, in the area of the Upstream Field Area, to provide food donations to local communities. It is hoped that this collaborative approach will provide a model for future engagement with local communities.

Africa Oil is a contributing partner to the Lundin Foundation. The Foundation leverages capital from its contributing partners to make impact investments into high potential small and medium enterprises in the areas of agriculture, access to energy and financial services. The Foundation also provides strategic grants that support education and skills development. To date, the Foundation has invested over \$13M into SMEs across Sub-Saharan Africa. The Foundation holds monthly Group ESG meetings in which Africa Oil participates.

# Direct Impact

## Corporate Governance

### Board composition and responsibilities

The board is composed of seven individuals; five men and two women. Our Board Mandate defines the responsibilities of the board. The principal responsibilities are to supervise and evaluate management, to oversee the conduct of business, to set appropriate policies and to approve corporate strategies and goals, as well as identify and understand risks to the Company.

Where appropriate, responsibilities of the Board are delegated to Board Committees. There are five Board Committees: Corporate Governance & Nominating; Audit; Reserves; Compensation; and Environmental Social and Governance, and Health and Safety (ESGHS).

### Business ethics

**Africa Oil expects all its personnel to uphold the highest standards in business ethics.** These are described through our Anti-Corruption Policy, Corporate Disclosure Policy, Code of Business Conduct, and Whistleblower Policy. We have compliance systems in place to supervise conformance with the policies and code of conduct. The Company Secretary is responsible for the enforcement of these systems and ensures compliance from personnel through management of approvals and contracts.

### Anti-Corruption Policy

The Company expects that all personnel promote honest and ethical behaviour. Africa Oil's Anti-Corruption Policy addresses a comprehensive set of issues including prohibited payments, receiving gifts and hospitality, expenses, facilitating payments and political contributions. The policy applies to all employees, consultants, officers, and directors, and extends to personnel who provide management or administrative services to the Company. In addition to the policy, and the annual anti-corruption training module, the Company has also established an anti-corruption compliance and onboarding program for anyone that does business with the Company. The Anti-Corruption Policy is available on the Company's website at [www.africaoilcorp.com](http://www.africaoilcorp.com).

### Corporate Disclosure Policy

Africa Oil is committed to ensuring timely, informative and accurate disclosure of the Company's material information to the public and to providing equal access to such information through broadly disseminated disclosure in accordance with all applicable laws and regulations.

### Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics covers a range of business practices and procedures. The Code is a set of key guiding principles of conduct and ethics that Africa Oil expects of our employees, consultants, officers and directors. This Code is designed to deter wrongdoing and to promote honest and ethical conduct; the avoidance of conflicts of interest; full, fair, accurate, timely and understandable disclosure; a safe and healthy working environment; good international practices regarding health, safety, and international management; compliance with all applicable laws, rules and regulations; the prompt internal reporting to an appropriate person or persons of violations of the Code; and accountability for adherence to the Code.

### Whistleblower Policy

The Company has a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The Company has a Whistleblowing hotline and online reporting system for individuals to report in concerns in various languages, including English, French, and Kiswahili.





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# Governance spotlight

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## Investment practice and engagement

**As the Company is not an operator, we place great importance on our Governance practices.** We support responsible development of the oil and gas assets and businesses in which we are invested through several methods. Foremost, in 2020, we developed an ESG Due Diligence Procedure that was implemented mid-year and provides internal assurance, assists in decision-making, and ensures alignment with both internal ESG policies and industry good practice on greenhouse gas (GHG) emissions management. Further detail is provided within the "Governance spotlight – Investment Due Diligence" section of this report.

Post-investment, where we are a joint venture partner we have active participation in relevant operational and technical oversight meetings and budget reviews, we work alongside appropriate technical staff in Operator activities, and conduct six-monthly audits by an Independent Monitoring Group to assess compliance with International Finance Corporation (IFC) Performance Standards.

Africa Oil has voting rights in line with those of other shareholders and seeks to influence via engagement with the operators and investment holding companies. As a small company, neither a justification for voting nor a proxy voting procedure are appropriate; instead, matters are dealt with on a case by case basis through the engagement methods previously described. Operating partners and investment holding companies typically keep the Company informed via monthly and quarterly reporting.

Employees of Africa Oil Kenya, together with management and technical experts, engage with the operator (Tullow Oil) to drive performance. This is via review and approval of budgets and other management activities. In addition, Africa Oil management and technical experts are also taking lead responsibility for managing a range of activities critical to delivery of the proposed project. For operations in Kenya, the full spectrum of ESG issues are considered on an ongoing basis in line with Kenyan law, IFC Performance Standards and industry good practice.

For operations in Nigeria (via Prime Oil & Gs BV), the Company participates in regular review meetings and approves budget expenditure by Prime. We engage in regular and ongoing dialogue with Prime on ESG matters to ensure accurate and timely reporting of performance. In Nigeria, ESG issues are routinely reported on a quarterly basis by Prime to Africa Oil.

For other assets, where Africa Oil is a shareholder rather than a joint venture partner, Africa Oil has a seat on the Board of the investee company and relies on experienced and world-class operators (such as Total, with whom the Company has no direct relationship or control) to undertake activities in an appropriate and responsible manner. For these assets, issues are reported to Africa Oil on a case by case basis should they arise.

## Investment Due Diligence

**As a non-operator, we have a responsibility to ensure appropriate due diligence assessment of environmental, health & safety and social performance risks related to potential new investments.** Due diligence provides internal assurance, assists in decision-making, and ensures alignment with both internal ESG policies and industry good practice on greenhouse gas (GHG) emissions management. We have therefore developed a due diligence procedure with the purposes of defining the scope of ESG due diligence required for different types of transaction, setting out the basic ESG issues to be addressed during due diligence, ensuring that potential GHG emissions are considered, and defining roles and responsibilities.

The COO is responsible for providing leadership and direction to achieve the objectives of due diligence and the procedure will be evaluated bi-annually. The procedure was implemented in mid-2020 and has been used in the evaluation of three opportunities to date. While initial due diligence is undertaken within a week, it is then followed by ongoing Q&A communications throughout the transaction process.

The application of the procedure varies between asset types and depends on the nature of the transaction – greatest scrutiny being applied to those assets where Africa Oil seeks operatorship or sole ownership. The due diligence procedure includes: financial/fiduciary due diligence; "red flag" ESG screening; ESG due diligence screening checklist; assessment of forecast GHG emissions on project economics; site visits (where appropriate); independent due diligence assessments; due diligence reporting; development of an Environmental and Social Action Plan (ESAP); and sharing due diligence reports with the Independent Monitoring Group (IMG) in compliance with the International Finance Corporation (IFC).

## Governance spotlight

The ESG due diligence checklist encompasses governance issues (internal, governmental, reputational), environmental and social (reported performance, non-compliance incidents, risks and opportunities), and health & safety. The “red flag” ESG screening process is undertaken to identify issues for particular focus such as corruption and GHG emissions; the latter is placed under particular scrutiny, with performance, trends, risks and opportunities being modelled. For further information please see our ESG Due Diligence Procedure.

Whilst the Company has sufficient resources and capabilities in relation to the ESG due diligence procedure it does engage independent support from time-to-time. Independent assessment was undertaken for the Prime transaction and this was reviewed by a number of key shareholders to ensure they were satisfied with the scope and depth of the due diligence undertaken.

### Approach to Climate Risk

At Africa Oil, while we recognise that oil and gas activities result in impacts to the global environment due to the emission of greenhouse gases, human progress and economic demand drive the world’s growing energy needs and we also recognise that fossils fuels will continue to play an important part in meeting global energy needs for the foreseeable future. Our approach to managing climate change risk can be found in our Greenhouse Gas Emissions Management Policy.

The provision of affordable and ever cleaner energy is essential for tackling poverty and inequality, safeguarding the natural environment and promoting human prosperity. The provision of clean and affordable energy is a key element in meeting the United Nations Sustainable Development Goals. Global action, as set out in the Paris Agreement and the overall move towards other energy sources present the oil industry, and the wider world, with fundamental new challenges. Demand for oil and gas will require continued investment even under aggressive low-carbon scenarios. The challenge is how to meet the world’s demand for energy whilst minimizing impacts to the global environment. We are committed to protecting and sustaining the environment and seek to minimize our impacts in line with the Paris Agreement.

In order to contribute towards the goals of the Paris Agreement, our aim is to ensure that we integrate the monitoring management and reporting of GHG emissions into our activities, strategy and decision-making. Where we are a non-Operator, we aim to work with our Operating Partners to minimise, and where possible eliminate, regular gas flaring in line with the World Bank “Zero Routine Flaring by 2030” initiative. We will look for innovative impact investment solutions to use excess gas that might otherwise have been flared, as an alternative source of clean energy. Where we are an Operator, we will assume directly the responsibilities set out in our Greenhouse Gas Emissions Management Policy.

We have developed a roadmap for tackling climate risk in the current and future investments, considering short-term, medium-term and long-term objectives. This includes incorporating climate into due diligence process for new investments (specific climate questions and shadow carbon pricing as a tool) and aligning with aspects of Taskforce for Climate-related Financial Disclosure (TCFD) including establishing a climate risk process. We are actively exploring opportunities to reduce our emissions footprint per barrel of oil produced and will report on our approach in due course.



*“As a Board, we recognise the importance of maintaining robust governance systems that address climate risk.*

*In line with our commitment to prioritise ESG performance, we have included ESG as a component of our Executive pay-for-performance program as we believe these important factors align with long-term value creation for the Company and the interests of our stakeholders. In addition, we made significant strides forward to advance our systems, integrate new diligence steps in our investment screening procedures and charted a path to reduce our emissions profile. By aligning our oversight, strategy and performance to the TCFD framework, we also believe we are taking the appropriate steps to communicate our activity and look forward to providing further updates to our stakeholders in due course.”*

**John Craig**

Chairman of the Board

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# Reporting the Recommendations of the Taskforce for Climate-related Financial Disclosure

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## Governance

Africa Oil's board closely monitors and works with senior management to ensure that careful consideration is given to relevant climate change-related risks and opportunities affecting our business. As a non-operating business, the board has directed the executive and management teams to work with Africa Oil's operating partners deliver appropriate climate-related information to the company on a quarterly basis.

As an investor in development and operating assets, the board has also sought to integrate climate risk assessment tools into its due diligence processes. This includes emissions management strategies and assessing potential carbon tax scenarios to consider the long-term financial resilience of a project.

The Board is presently engaged in enhancing its understanding through engagement with specialist consultants and external stakeholders.

At executive-level, our CEO is responsible and accountable for the company's approach to environmental and climate change management. He is responsible for identifying and assessing business risks and opportunities, including those related to climate change, defining the strategy and approving action plans suitable to control and mitigate any identified risks. The CEO and the board actively discuss climate change-related issues on a regular basis

## Strategy

Africa Oil recognises and understands the risks posed by climate change and the need for the energy transition to achieve the goals of the Paris Agreement.

During the year, Africa Oil engaged in a benchmarking exercise to assess and review its position in relation to the recommendations set out in the Task Force on Climate-related Financial Disclosures (TCFD) framework. The findings were discussed by the board and have resulted in a multi-year programme to integrate and operationalise plans to improve Africa Oil's climate resilience, and to improve the transparency of climate risk management disclosure.

Through our investment at the project level in Nigeria and Kenya, we will seek to influence operator decision-making relating to emissions management and control.

We have equity investments in a number of other E&P businesses, both listed and private. We seek to influence the climate risk management of these businesses via our representation on the board of directors – a position held in each instance by Africa Oil's CEO – and separately activating our shareholder rights

## Transitional Risk Policy and legal risks

We anticipate that evolving measures being implemented by national governments and international unions, as well as public sentiment, will drive stricter climate-related policy developments.

Africa Oil is actively assessing emerging climate change legislation and regulation in order to anticipate and mitigate potential risks and derive benefit from the opportunities they present.

## Technological and Market

The energy transition is well underway with the proportion of renewables in the energy mix anticipated to grow in the future.

Global demand for fossil fuels for energy and produce derivative products will continue to comprise a significant proportion of the global energy mix over the coming decades.

## Reputation

Natural resource projects are a critical to the socio-economic development of developing nations across the African continent.

Such projects provide jobs and economic stimulus to local communities through the creation of supplier networks, as well as through fiscal spending through the taxes generated.

We take seriously our responsibility to balance the socio-economic needs of the communities and nations that we impact with the immediate and global environmental concerns relating to air pollution and greenhouse gas emissions.

## Physical Risk

We work with our operating partners to ensure that projects are designed and managed to be resilient to potential changes to relevant weather patterns and other climatic phenomena.

# Reporting the Recommendations of the Taskforce for Climate-related Financial Disclosure

## Risk management

Our risk management framework ensures we effectively and appropriately identify, monitor and address risks to our business and investments, in addition to identifying and capitalising on potential opportunities.

We have in the past year further enhanced Africa Oil's risk management processes to include climate change-related considerations. These include the adoption of a carbon pricing models in our ESG investment due diligence procedures. To demonstrate due process in terms of incorporating the potential impact of GHG emissions into investment decisions the concept of Shadow Carbon Pricing has been introduced. The Company developed two standard shadow carbon price scenarios (a "most likely" and a "reasonable worst case") to be used to evaluate the potential financial impacts of carbon pricing being applied to GHG emissions. Scenarios will consider both the price, expressed as \$ per tonne of carbon dioxide equivalent (tCO<sub>2</sub>-e), and timing in terms of when such a pricing regime may be implemented. The scenarios will be applied to project cashflows after applicable national taxation. Shadow Carbon Pricing was first implemented by Africa Oil during a transaction evaluation in 2020.

We will further strengthen our approach to climate change-related risk management, including assessing these risks against their potential financial, legal, physical, market and reputational impact to our company.

The Board has overall responsibility for determining the nature and extent of risks it is willing to take in achieving the company's strategic objectives, and ensuring all types of risks (including all short, medium and long-term climate-related risks) are managed effectively.



## Metrics and targets

Africa Oil is working closely with its operating partners to enhance the timeliness, accuracy and quality of its emissions data in line with its climate policies and objectives.

### Opportunity Resource Efficiency

We rely on our operator partners to manage responsibly the development of assets and day-to-day operations. Careful management can present opportunities to reduce operating costs, improve efficiency of resources use and deliver commercial benefits. For example, at the Agbami field, significant improvements in the maintenance and repair routine of certain operating equipment led to significant reductions in planned non-continuous production flaring against operating plans. This resulted in total flared volumes of 37mmscf/d, down from a projected 69mmscf/d; a significant reduction. The operator is setting new targets for 2021.

In Kenya, we took the opportunity of working more closely with our development partners and are revising the project FEED to avoid the need to for routine flaring. Gas will either be reinjected or sold to a local third party for beneficial use – meeting the commercial objectives of the company whilst delivery a cheap and reliable source of energy

### Energy source

Commensurate with its commitment to emissions management and minimisation, Africa Oil and its partners are evaluating the integration of co-generation technology into the Kenya project, through the use of renewable energy sources, to displace oil-fired power generation to the extent possible. This will be considered on an ongoing basis during operations to identify further opportunities to minimise the production-related emissions footprint.

### Performance

This is our first year as an owner of operating assets and indirect emissions net to Africa Oil equate to 129,231 t CO<sub>2</sub>-e, for 2020.

# Nigeria Deepwater

## Key Cash Flow Generating Assets



# Nigeria Deepwater

At the beginning of 2020 we completed the acquisition of effective 50% interest in Prime Oil & Gas Coöperatief U.A. This encompasses three deep water, high quality producing fields; Agbami, Engina and Akpo, holding an indirect 8% interest in OML 127 (Agbami), operated by Chevron, and an indirect 16% in OML 130 (Engina and Akpo), operated by Total. There are underdeveloped horizons within these existing fields, as well as nearby underdeveloped discoveries, and there are identified exploration opportunities within the licenses.

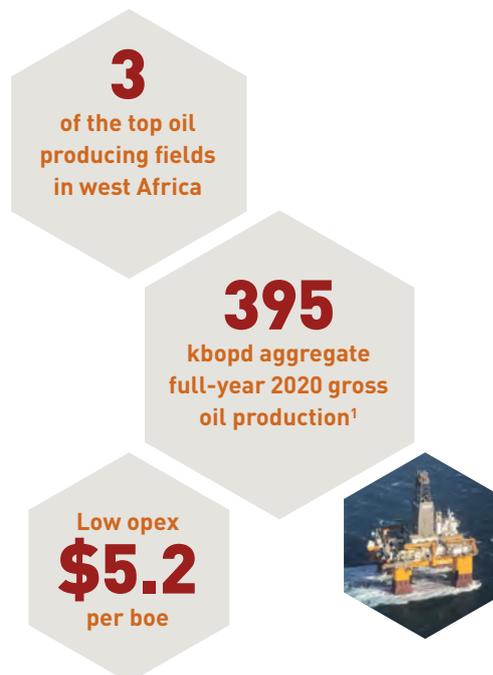
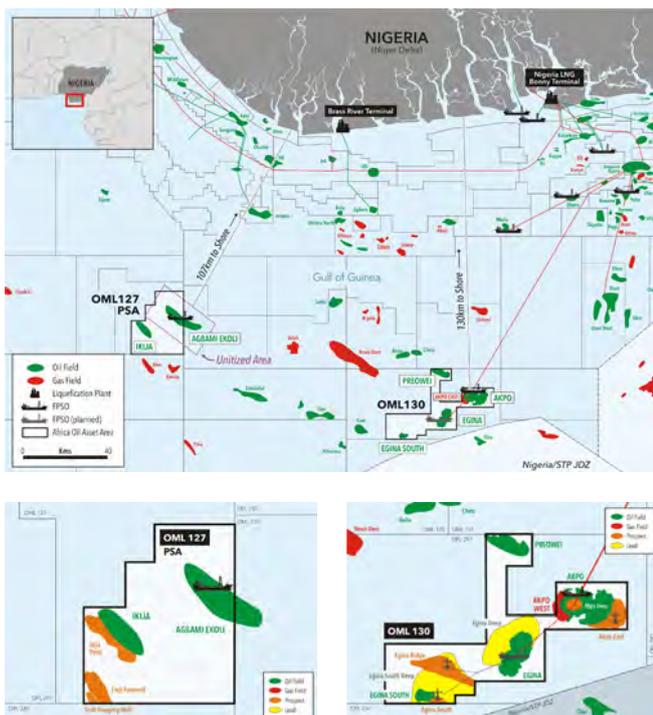
While we are not the operator, as responsible stewards, we work with our operators to ensure sustainable development of oil and gas assets. Total has this year announced its ambition to reach net zero emissions for its global business by 2050; measures implemented will include the lowering of their direct emissions and helping customers to reduce their Scope 1 and Scope 3 emissions.

For operations in Nigeria, Prime report ESG performance to the Company. Currently this data includes the following health and safety metrics: fatalities, Lost Time Injury (LTI), Restricted Work Injuries (RWI), and Medical Treatment Injuries (MTI) and significant reported community incidents. Environmental data includes gas flared, emissions intensity, material environmental incidents and spills.

Key to the management of Scope 1 emissions, is flare reduction, the primary location of focus for this being Agbami. For the most part, gas is flared due to the inability to process and commercialise it, and this is due to a lack of pipeline infrastructure to transport the gas to a refinery or processing plant. As the Agbami field is farthest from shore, commercialisation of gas is most challenging and costly for this site. Where possible, natural gas is reinjected back into the reservoir, and Prime, along with other partners and the operator, Chevron, are considering initiatives to support further reduction of flaring. Akpo and Engina are both equipped to commercialise gas, which has both economic and environmental benefits, and the operator, Total, has targeted zero routine flaring by in Nigeria by 2025.

Health and safety performance is historically good in Nigeria, with Engina recording only one LTI (a hand injury) during 2020, and Agbami and Akpo not recording any LTIs for seven and ten years respectively.

The impact of the COVID-19 pandemic has been minimal, with effective management meaning cases in Akpo and Engina had no impact upon production. Social investment is also a key output, with the operators having national level Corporate Social Responsibility Budgets. During the year, our net social investment expenditure (via Prime) was \$867,010.



1. Of light and medium gravity crude oil

# Kenya Lokichar

## A Growth Opportunity



# Kenya Lokichar

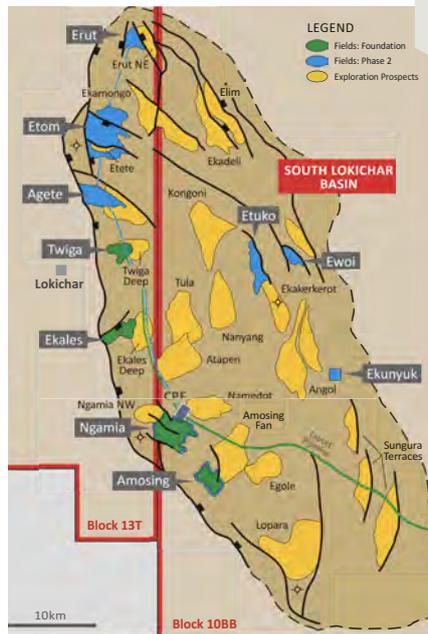
We are JV partners, alongside Tullow Oil (the operator) and Total in the South Lokichar Development in Kenya. There have been a number of challenges in the development during 2020 related to the COVID-19 pandemic, and resultant restrictions and decline in oil prices which have delayed progress. The Government of Kenya has agreed an extension to the exploration licence such that a completed Field Development Plan is submitted by the end of 2021.

Tullow Oil has committed to reducing its carbon emissions, supporting the Paris Agreement in targeting net zero in the next 30-50 years.

An ESIA to meet Kenyan regulatory requirements is being prepared and further activities will be undertaken to meet the requirements of the IFC Performance Standards on Social and Environmental Sustainability. Land access for the project is being led by the Kenyan Government under statutory provisions and supplemental activities will be undertaken by the JV to meet international good practice.

During the year, our net social investment expenditure (both our 25% JV contribution and Africa Oil Kenya direct spend) was \$55,689.

- 500+** mmbbl gross field recoverable resource potential
- Block licenses extended, working with the Government of Kenya to update and submit FDP in 2021
- Formalise land and water access rights and secure pipeline project finance
- Successfully completed the Early Oil Production System and exported Kenya's first ever oil cargo
- Optimise production and cost profiles and finalise tax terms with Government of Kenya



# SASB Standard

## Oil & Gas Exploration and Production

Topic	Accounting metric	Category	Unit of measure	Code	Drafted answers
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	Metric tons CO <sub>2</sub> -e (t), Percentage (%)	EM-EP-110a.1	Net emissions of 129,231 tCO <sub>2</sub> -e attributable to Africa Oil shareholding in Prime Oil & Gas BV. As we are not the operator, we do not capture information on percentage methane emissions.
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons (2) other combustion (3) process emissions (4) other vented emissions, and (5) fugitive emissions	Quantitative	Metric tons CO <sub>2</sub> -e	EM-EP-110a.2	Regarding (4) other vented emissions and (5) fugitive emissions, we do not capture this information.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-EP-110a.3	Regarding measures to manage Scope 1 emissions in Nigeria, this includes the Agbami flare gas project, as well as the operator's plan to implement a '21 10mmscf/d flare target (vs '20 forecast of 66mmscf/d).
<b>Air Quality</b>	Air emissions of the following pollutants: (1) NOx (excluding N2O) (2) SOx (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Quantitative	Metric tons (t)	EM-EP-120a.1	As we are not the operator, we do not capture this information. For further information please visit our operators' websites. <a href="https://www.tulloil.com/sustainability/">https://www.tulloil.com/sustainability/</a>
<b>Water Management</b>	(1) Total fresh water withdrawn (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	EM-EP-140a.1	This metric is not material to the Company as our assets are currently offshore and therefore freshwater is not withdrawn/ consumed.
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%), Metric tons (t)	EM-EP-140a.2	As we are not the operator, we do not capture this information. Prime, our operator in Nigeria, reports its gross water usage. For further information please visit our operators' websites. <a href="https://www.tulloil.com/sustainability/">https://www.tulloil.com/sustainability/</a>
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Quantitative	Percentage (%)	EM-EP-140a.3	This metric is not material to the Company as we neither own nor operate any hydraulically fractured wells.
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Quantitative	Percentage (%)	EM-EP-140a.4	This metric is not material to the Company as we neither own nor operate any hydraulically fractured wells.

# SASB Standard

Topic	Accounting metric	Category	Unit of measure	Code	Drafted answers
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	n/a	EM-EP-160a.1	<p>We have robust environmental management processes in place including our Environmental &amp; Social Management System Framework, Environmental Policy, Greenhouse Gas Emissions Management Policy and Sustainability Policy.</p> <p><b>Environmental &amp; Social Management System Framework</b> We have a Framework of the Africa Oil Health, Safety and Environment (HSE) and Social Performance Management System. Our objective is to have a single, consistent and simple approach to the planning and management of HSE and Social risks, commensurate with the nature of the risk and Africa Oil's ability to influence operational management, whilst retaining flexibility to manage specific issues in the most appropriate manner.</p> <p><b>Environmental Policy</b> We are committed to operating in a safe and environmentally responsible manner and our Environmental Policy sets out objectives and expectations applicable to all our activities. Our goal is to ensure that activities for which we are responsible cause no harm to our people or our host communities and that we minimize our impact on the environment.</p> <p><b>Greenhouse Gas Emissions Management Policy</b> Our aim is to ensure that we integrate the monitoring management and reporting of greenhouse gas emissions into our activities, strategy and decision-making. Our GHG Emissions Management Policy describes the principles by which we manage these climate-related risks and opportunities across our business, including greenhouse gas emissions in line with good industry practice.</p> <p><b>Sustainability Policy</b> We believe sustainability to be essential and integral to our business strategy, our stakeholders and our shareholders. This policy outlines how we undertake our business in line with good international practice related to health, safety and environmental management, and engage with our stakeholders in a fair, open, informed and transparent manner.</p>
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Quantitative	Number, Barrels (bbls)	EM-EP-160a.2	This metric is not material to the Company as we neither own nor operate any projects in the Arctic.
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	Percentage (%)	EM-EP-160a.3	0% of our operations are in or near protected areas.

# SASB Standard

Topic	Accounting metric	Category	Unit of measure	Code	Drafted answers
<b>Security, Human Rights &amp; Rights of Indigenous Peoples</b>	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-EP-210a.1	0% of our operations are in or near areas of conflict.
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	Percentage (%)	EM-EP-210a.2	0% of our operations are in or near indigenous land. It is important to note that this concept is not applicable in Kenya, and we have instead developed an approach to treat pastoralists as Vulnerable and Marginalised. This approach has been accepted by the IFC.
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	n/a	EM-EP-210a.3	Engagement is undertaken on the basis of Informed Consultation & Participation (ICP). All other issues are governed by Kenyan law and IFC performance standards.
<b>Workforce Health &amp; Safety</b>	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Rate, Hours (h)	EM-EP-320a.1	With regards to Africa Oil employees there have been no safety incidents this year. For information on the Health and Safety of our operators, please visit their websites. <a href="https://www.tulloil.com/sustainability/">https://www.tulloil.com/sustainability/</a>
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and Analysis	n/a	EM-EP-320a.2	As we are not the operator, we do not have these management systems in place. For information on the Health and Safety management systems of our operators, please visit their websites. <a href="https://www.tulloil.com/sustainability/">https://www.tulloil.com/sustainability/</a>
<b>Reserves Valuation &amp; Capital Expenditures</b>	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Quantitative	Million barrels (MMbbls), Million standard cubic feet (MMscf)	EM-EP-420a.1	As we are at the beginning of a process of alignment to TCFD recommendations, this has not been evaluated in 2020
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Quantitative	Metric tons CO <sub>2</sub> -e (t)	EM-EP-420a.2	We have not evaluated this metric.
	Amount invested in renewable energy, revenue generated by renewable energy sales	Quantitative	Reporting currency	EM-EP-420a.3	This metric is not material to the Company as we do not invest in renewable energy.
	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Discussion and Analysis	n/a	EM-EP-420a.4	As part of our due diligence process we have introduced Shadow Carbon Pricing to evaluate the potential financial impacts of carbon pricing being applied to GHG emissions, however we have not used this for valuation of our current assets.

# SASB Standard

Topic	Accounting metric	Category	Unit of measure	Code	Drafted answers
Business Ethics & Transparency	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Percentage (%)	EM-EP-510a.1	This metric is not material to the Company as we neither own nor operate any assets in countries that have the 20 lowest rankings in the Transparency International's Corruption Perception Index.
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	n/a	EM-EP-510a.2	<p>Our management systems for prevention of corruption and bribery throughout the value chain are disclosed in our Code of Business Conduct and Ethics and Anti-Corruption Policy.</p> <p><b>Code of Business Conduct and Ethics</b> The Code is a set of key guiding principles of conduct and ethics that Africa Oil expects of its employees, directors and officers. This Code is designed to deter wrongdoing and to promote honest and ethical conduct; this includes the adherence to all applicable bribery and anti-corruption laws.</p> <p><b>Whistleblower Policy</b> The Company has a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The Company has a Whistleblowing hotline and online reporting system for individuals to report in concerns in various languages, including English, French, and Kiswahili.</p> <p><b>Anti-Corruption Policy</b> Our Anti-Corruption Policy addresses a comprehensive set of issues including prohibited payments, receiving gifts and hospitality, expenses, facilitating payments and political contributions. The policy applies to all employees, consultants, officers, and directors, and extends to personnel who provide management or administrative services to the Company. The Company has also established an anti-corruption compliance and onboarding program for anyone that does business with the Company.</p> <p><b>Government Payments</b> All payments to governments are disclosed on the Africa Oil website in compliance with the Extractive Sector Transparency Measures Act (ESTMA) of Canada.</p>

# SASB Standard

Topic	Accounting metric	Category	Unit of measure	Code	Drafted answers
<b>Management of the Legal &amp; Regulatory Environment</b>	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	EM-EP-530a.1	Africa Oil is a contributing partner to the Lundin Foundation. The Foundation leverages capital from its contributing partners to make impact investments into high potential small and medium enterprises in the areas of agriculture, access to energy and financial services. The Foundation also provides strategic grants that support education and skills development. To date, the Foundation has invested over \$13M into SMEs across Sub-Saharan Africa. The Foundation holds monthly Group ESG meetings in which Africa Oil participates.
<b>Community Relations</b>	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	n/a	EM-EP-210b.1	In Kenya, to management of community relations will be undertaken via a Community Development Plan, which is to be developed in conjunction with local communities and stakeholders.
	Number and duration of non-technical delays	Quantitative	Number, Days	EM-EP-210b.2	This metric is not material to the company as there were no field activities during 2020.
<b>Critical Incident Risk Management</b>	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Quantitative	Rate	EM-EP-540a.1	We have had no Process Safety Events for Loss of Primary Containment (LOPC) of greater consequence.
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	n/a	EM-EP-540a.2	Our management systems used to identify and mitigate risks are disclosed in our Health & Safety Policy, Sustainability Policy and Environmental Policy.  <b>Health &amp; Safety Policy</b> Our goal is to ensure that activities for which we are responsible cause no harm to our people or our host communities. This is done by applying high standards of practice through a process of continual improvement of our management system and adoption of international standards. The goal of the Company is zero fatalities and zero accidents on all its operated and non-operated assets.  <b>Sustainability Policy</b> We believe sustainability to be essential and integral to our business strategy, our stakeholders and our shareholders. This policy outlines how we undertake our business in line with good international practice related to health, safety and environmental management, and engage with our stakeholders in a fair, open, informed and transparent manner.  <b>Environmental Policy</b> We are committed to operating in a safe and environmentally responsible manner and our Environmental Policy sets out objectives and expectations applicable to all our activities. Our goal is to ensure that activities for which we are responsible cause no harm to our people or our host communities and that we minimize our impact on the environment.

# SASB Standard

## Activity metrics

Production of: (1) Oil, (2) Natural gas, (3) Synthetic oil, and (4) Synthetic gas	Quantitative	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A	(1) Oil: 23.7 MMbbl/day of light and medium gravity crude oil (working interest) (2) Natural gas: 28.8 Mmscf/day of conventional natural gas (working interest, export gas only) (3) Synthetic oil: nil (4) Synthetic gas: nil
Number of offshore sites	Quantitative	Number	EM-EP-000.B	Nigeria <b>OML127</b> Agbami FPSO Operated by Chevron Nigeria Ltd <b>OML130</b> Akpo FPSO, Engina FPSO Operated by Total Upstream Nigeria Ltd
Number of terrestrial sites	Quantitative	Number	EM-EP-000.C	The number of operated terrestrial sites is zero.

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# Forward-Looking Statements

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Certain statements and information contained herein constitute “forward-looking information” (within the meaning of applicable Canadian securities legislation). Such statements and information (together, “forward looking statements”) relate to future events or the Company’s future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements involve known and unknown risks, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

Although the Company believes that the expectations reflected by the forward-looking statements presented in this document are reasonable, the Company’s forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources, including third party consultants, suppliers and regulators, among others. Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-

looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to the Company.

No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in macro-economic conditions and their impact on operations, changes in oil prices, reservoir and production facility performance, hedging counterparty contractual performance, OPEC+ quota impact on production, results of exploration and development activities, cost overruns, uninsured risks, regulatory and fiscal changes, defects in title, claims and legal proceedings, access to financing on favourable terms, availability of materials and equipment, availability of skilled personnel, timeliness of government or other regulatory approvals, actual performance of facilities, joint venture partner underperformance, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental, health and safety impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

The Company’s Annual Information Form for the year ended December 31, 2020 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://www.sedar.com)) describe risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference.



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