



Statement under the UK Modern Slavery Act for financial year ending 31 December 2021

This statement is published by Kistos plc and its relevant subsidiaries in compliance with the UK Modern Slavery Act 2015.

Introduction

Kistos is opposed to all forms of modern slavery. Such exploitation is against Kistos's commitment to respect human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization's 1998 Declaration on the Fundamental Principles of Rights at Work. This is Kistos's fifth published UK Modern Slavery Act statement setting out the steps we have taken against modern slavery in our business and supply chains.

Our business and supply chains

Kistos is a group of energy companies that aims to meet the world's growing need for more and cleaner energy solutions in ways that are economically, environmentally and socially responsible. We currently operate in 2 countries and employ 22 staff.

Our organisation manages the exploration for and extraction of natural gas, natural gas liquids and crude oil. It also markets and transports oil and gas and, in some cases, operates the infrastructure necessary to deliver them to market.

We are exploring emerging opportunities and investing in those where we believe sufficient commercial value is available. We also focus on power from low-carbon sources.

Kistos's procurement team comprises of 5 people, and in 2021 we spent £50m on goods and services from around 300 contractors and suppliers. This statement predominantly describes how our procurement team approaches modern slavery risk in the purchase of goods and services as we believe this to be an area that poses higher labour rights risk, and our focus, for the purpose of this statement, is on our direct suppliers.

Our procurement team aims to develop and strengthen relationships with contractors and suppliers who are committed to our supplier standards or to equivalent standards through their own activities and the management of their own suppliers and subcontractors. Each of Kistos's contractors and suppliers has its own supply chain and we recognise that each level in the supply chain is responsible for ensuring compliance with all applicable laws and regulations and for respecting human rights.

Our values and policies

We recognise our responsibility to respect human rights in all aspects of doing business and have embedded human rights in the our General Business Principles and Code of Business Conduct.

Our approach is informed by the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the 1998 Declaration on the Fundamental Principles of Rights at Work of the International Labour Organization (ILO), which covers; freedom of association and the effective recognition of the right to collective bargaining,

the elimination of forced or compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

We believe that an integrated approach to human rights, by embedding it into our policies, business systems and processes, allows us to efficiently and effectively manage human rights within our existing ways of working. Our approach applies to all our employees and contractors. We focus on four areas where respect for human rights is particularly critical to the way we operate: labour rights, communities, supply chains and security. We have community feedback mechanisms at all our major facilities. These mechanisms enable employees, people in the communities where we operate, contractors and any third party to raise concerns, so they can be resolved, enabling us to meet our commitment to provide access to remedy.

Our contractors and suppliers are expected to conduct their activities in a manner that respects human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the ILO. The Kistos Supplier Principles further clarify the expectations we have from our suppliers and contractors on labour and human rights, including (but not limited to):

- no use of child labour;
- no use of forced, prison or compulsory labour;
- no payment of recruitment fees by workers;
- compliance with all applicable laws and regulations on freedom of association and collective bargaining;
- a safe, secure and healthy workplace and not tolerating discrimination, harassment or retaliation;
- compliance with all applicable laws and regulations on working hours;
- providing wages and benefits that meet or exceed the national legal standards.

All Kistos companies and Kistos operated joint ventures must comply with local legislation and regulations and must conduct their activities in line with the Kistos General Business Principles and our core values of honesty, integrity and respect for people. Joint ventures that we do not operate are encouraged to apply materially equivalent business principles in their operations.

Risk assessment

Our risk assessment is a combination of both country and category risk. Supply chain category risk has been determined by analysis of typical contract work-scopes, identifying those such as branded merchandise and construction or maintenance services where there may be higher risks of unethical labour practices in the recruitment of migrant workers.

Kistos continues to strengthen its risk assessment to identify risks of modern slavery in our supply chains or where mitigations may be needed in our businesses, including in areas of new business development.

Due diligence

We recognise the role of counterparty due diligence in bringing our commitments to life.

In our supply chains, all direct suppliers undergo pre-contract screening, and this includes screening against sanctions lists and adverse media checks where evidence of modern slavery and human rights abuse could be identified. Contractors and suppliers deemed to be at higher risk for labour rights issues are engaged to undertake a detailed assessment of their labour rights management system prior to the award of a contract. This assessment has been developed in collaboration with other operators and includes a declaration of suppliers' own processes to assess and manage labour rights risks with their own suppliers.

The results of these supplier assessments performed by Kistos's procurement team are summarised in a rating depending on the number and significance of any gaps between our requirements and the supplier's policies or performance. Where gaps are found, the procurement team may work with suppliers and contractors to help them implement corrective action. We may carry out on-site audits or we may also consider potentially terminating the contract if serious or persistent shortcomings are found. The most common shortcomings found during our supplier assessments typically relate to policy rather than performance gaps in the following areas:

- freely chosen employment;
- child labour avoidance;
- working hours, wages and benefits;
- dormitory, housing and working conditions;
- humane treatment, equal opportunities and freedom of association; and
- supply chain and performance management.

The number of suppliers assessed is dependent on the level of project activity and the number of new contracts awarded throughout the year.

In our model procurement contracts, contractors and suppliers agree to adhere to the Kistos General Business Principles and the Kistos Code of Business Conduct. Suppliers are required to comply with all applicable laws and regulations and agree to provide and maintain safe and healthy working conditions for all supplier personnel.

Effectiveness and performance management

Through our procurement team's supplier qualification process, contractors or suppliers may be subject to on-site audits, which could be announced or unannounced, and which may be performed by either Kistos personnel or third-party auditors.

Allegations of practices running contrary to the Kistos Code of Business Conduct that are raised with us will be investigated and may result in suppliers being required to develop corrective action plans backed up by on-site audits. In addition, our model procurement contract allows for termination with immediate effect if suppliers breach Kistos General Business Principles.

On an annual basis, we will seek to collect performance data against internal mandatory requirements such as the Kistos General Business Principles and our Code of Business Conduct. Senior Kistos representatives are required to confirm such performance data where Kistos is the operator or has a controlling interest.

Kistos will investigate concerns or allegations about a breach of our Code of Business Conduct. If a violation is confirmed, we take appropriate action up to and including contract termination or dismissal. We maintain a stringent, no-retaliation policy to protect any person making a good faith allegation.

Training

All Kistos staff undertake regular refresher training on our Code of Business Conduct and associated Ethics and Compliance policies. Training participation is documented, repetition cycles are clearly defined and follow-up is automated. Both the Code of Business Conduct and Kistos Our Code of Business Conduct is available on our website.

As described above, attention to modern slavery and related human rights issues are an integral part of our contracting and procurement process. There is training provided for

contract personnel to gain visibility on up to date accurate supplier information. Following the completion of assessments on their suppliers, our staff who manage contracts with a higher labour rights risk may be given individual coaching and support on how to manage supplier corrective action plans.

In 2022 we continued to deliver a rolling programme of training for Kistos staff on our procurement process, including guidance on when and how to undertake assessments of suppliers.

For more information, please visit our webpages:

www.kistosplc.com

Andrew Austin, Executive Chairman

For and on behalf of Kistos plc

Date: 17/02/2022

This statement has been approved by the Board of Kistos plc and of each of its relevant subsidiaries in compliance with the UK Modern Slavery Act. It was approved by the Board of Kistos plc on 17/02/2022