

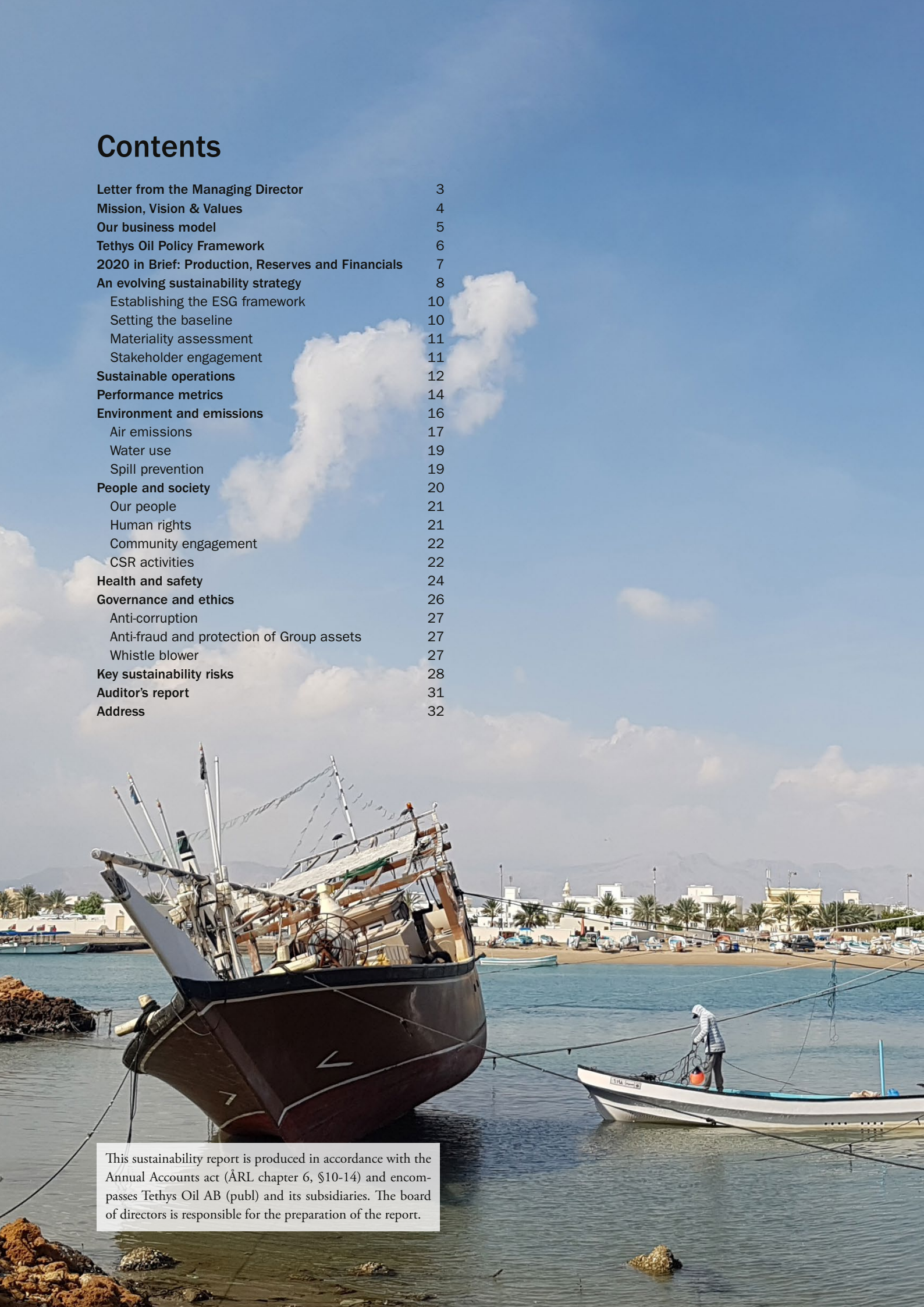


# Tethys Oil Sustainability Report 2020



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This sustainability report is produced in accordance with the Annual Accounts act (ÅRL chapter 6, §10-14) and encompasses Tethys Oil AB (publ) and its subsidiaries. The board of directors is responsible for the preparation of the report.



# Letter from the Managing Director

In this year of the Pandemic, the question of sustainability broadened its reach and increased its urgency. The drop in economic activity decreased levels of pollution and traffic congestion. We welcomed the increase in air quality and return to nature offered by the lock downs. But the response to fight the Pandemic could not have been mustered without strong economies. The need for concerted action and resources to fight the Pandemic underscored the importance to society of resilience, economic reserves and not least - access to energy.

Access to energy is an absolutely essential part of economic activity, which in turn is crucial for progress, affluence and good health. But unfettered use of natural resources, unlimited pollution of the environment where we live and decreasing biodiversity because of human expansion will counteract any progress achieved. The paradox of 2020 illustrated so well the two sides of this equation.

Previously we measured and accounted only the economic activity with focus on

profit and growth, but said nothing of the implicit cost to the environment, the health and well-being of our employees and our impact on society. As this report so aptly illustrates, focus is now also directed at the other side of the equation – the costs that are not immediately obvious.

We provide a product for energy generation that when used has an impact on the overall environment that is measurable and sustainable in the short to medium term. There are any number of energy generating technologies, but they all have trade-offs. In the longer term though the continued growth in oil consumption is unlikely to be sustainable by any counts and more long-term sustainable ways of generating energy must be applied. For Tethys Oil as a Company and for you as investors in an oil producer the task is twofold: supply the product as long as there is demand and do this in an optimally sustainable way.

As this report shows, in 2020 the effects of the pandemic resulted in a lower carbon footprint and while carbon intensity

remained unchanged planning for reduced flaring and reduced emissions has continued unabated. As we have increased our operated acreage, Tethys Oil has and will rise to the opportunity of expanding our brand of sustainability to all operated areas including community relations, low emission vehicles and all health and safety related areas. All in line with our Mission, Vision and Values.

So please take some time to at least browse through our sustainability report for 2020. And if you read it in detail and have comments so much the better. Tethys is in the oil business to stay and we will welcome any feedback to make our presence more sustainable.



Magnus Nordin  
*Managing Director*





## Mission

Tethys Oil AB (publ) (“the Company”) and the entirety of its group (together, “Tethys Oil” or the “Group”) is an oil and gas exploration and production company with a primary objective of creating shareholder value working across the whole upstream industry lifecycle of exploration, appraisal, development and production. A central belief in Tethys Oil's business model is to explore for and produce oil and gas in an economically, socially, and environmentally responsible way. The Group applies the same standards to its activities worldwide to satisfy both its commercial and ethical requirements as per Tethys Oil's Code of Conduct.

Tethys Oil seeks to be a sustainable and profitable business long-term. Sustainability means running a business that is not only profitable but is aligned with the requirements and expectations of stakeholders both within and outside the Group.

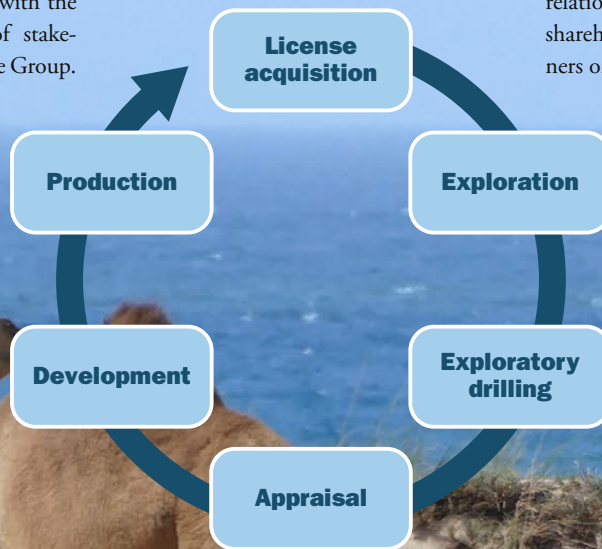
## Vision

Tethys Oil's vision is that growth continues through the Group's exploration success. Tethys Oil seeks to build, maintain and expand a well-balanced and self-financed portfolio of oil assets, offering a measured exposure to onshore production, development, appraisal and exploration potential. The focus today and tomorrow is on geographies with proven petroleum systems, existing infrastructure, established institutional frameworks and low political risk. In all its activities, Tethys Oil seeks a balanced approach to risk.

## Values

Tethys Oil's corporate culture emanates from the Company's Scandinavian roots. It is the responsibility of Tethys Oil's management to foster a corporate culture that promotes the values and principles outlined in Tethys Oil's Code of Conduct. Tethys Oil aims to act in all respects in a responsible, fair, accountable and ethical manner towards all aspects of the environment and to all individuals and entities that the Group encounters in its course of doing business. Tethys Oil aims to apply the same standards to all its activities wherever they are carried out.

It is of vital importance to Tethys Oil that the Group maintains and further builds on its reputation as a responsible and forward-looking corporate citizen in all countries where Tethys Oil has a presence and in relation to all stakeholders, may they be shareholders, employees, contractors, partners or someone else.



# Mission Vision Values



## Our business model

Tethys Oil's business model is to be active in the onshore exploration, appraisal and production stages of the upstream oil and gas business cycle in geographies with proven hydrocarbon deposits, existing infrastructure and an established institutional framework.

In all its activities Tethys Oil seeks a balanced approach to risk. The strategic decision to focus purely on onshore exploration and production of oil is a function of this approach. Onshore oil exploration involves a lower financial exposure due to lower drilling and development cost. It also involves lower environmental and safety risks compared to offshore drilling,

particularly in harsh environments. The strategic decision to focus on geographies with proven hydrocarbons allows Tethys Oil to reduce subsurface risk by seeking to explore in areas with previously overlooked discoveries and plays using modern techniques and with proven, conventional technology.



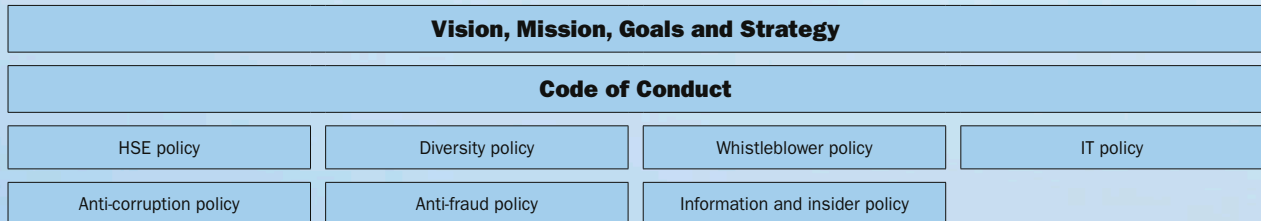


# Tethys Oil Policy Framework

Tethys Oil holds itself to a high standard of ethical, moral and legal business conduct and expects its staff to act honestly, with integrity and in accordance with the Group's Code of Conduct.

Tethys Oil's management integrates sustainability and social responsibility considerations in its decision making: during the year there was a focus on adapting the Group's policy framework and operating systems in light of increased operational activities.

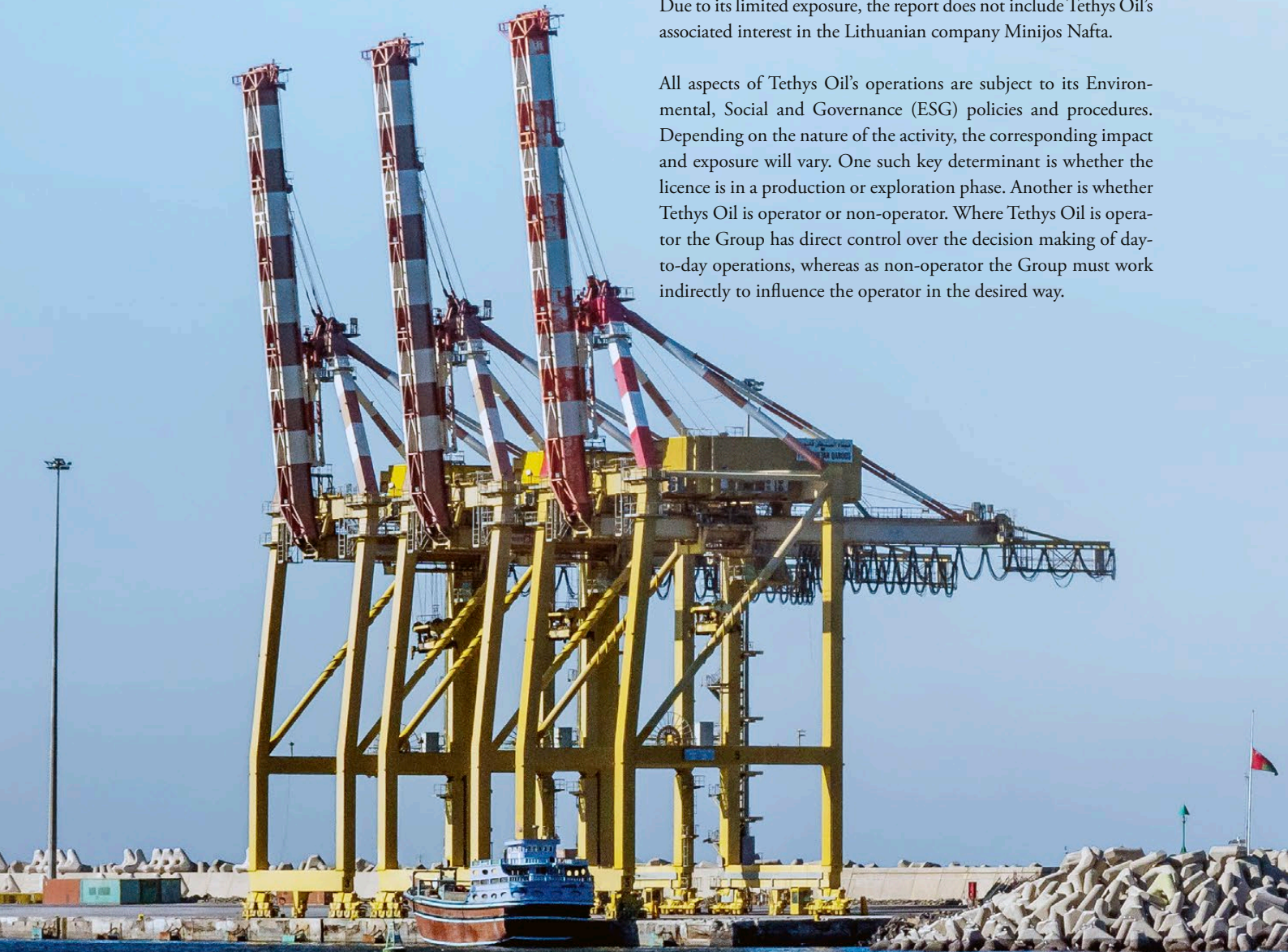
## Overview of Tethys Oil Group Policy Framework



### The scope of Tethys Oil's 2020 Sustainability Report

Tethys Oil's 2020 Sustainability Report covers its operations as consolidated in the 2020 Annual Report. This includes its operated interests in Block 49 and Block 58 (a new licence acquired in 2020) as well as the non-operated interests in Blocks 3&4 and Block 56. Due to its limited exposure, the report does not include Tethys Oil's associated interest in the Lithuanian company Minijos Nafta.

All aspects of Tethys Oil's operations are subject to its Environmental, Social and Governance (ESG) policies and procedures. Depending on the nature of the activity, the corresponding impact and exposure will vary. One such key determinant is whether the licence is in a production or exploration phase. Another is whether Tethys Oil is operator or non-operator. Where Tethys Oil is operator the Group has direct control over the decision making of day-to-day operations, whereas as non-operator the Group must work indirectly to influence the operator in the desired way.





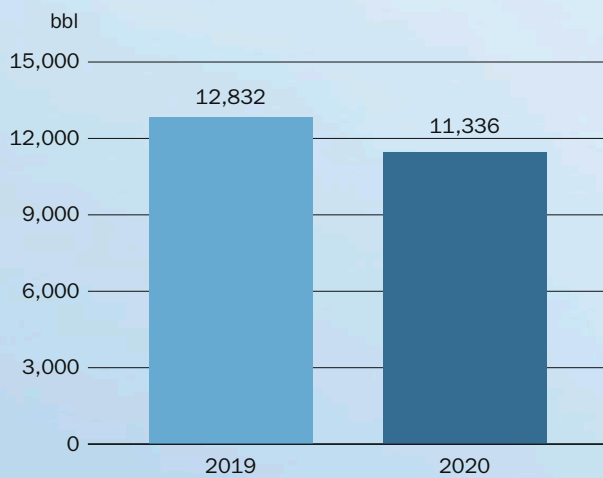
# 2020 in Brief: Production, Reserves and Financials

For all the challenges of 2020, Tethys Oil came through the year very well. Tethys Oil's asset mix improved with the additions of one new block and one farm in, and one farm out. Block 3&4 operations showed remarkable resilience and robustness. Despite production limitations, the

Group produced an average of 11,336 barrels of oil per day with lower opex and a positive cash flow. Revenues and other income reached MUS\$ 101.1, and EBITDA MUS\$ 50.4 with an end of year net cash balance of MUS\$ 55.1.

At the end of the year, Tethys Oil reported 2P reserves of 26.9 million barrels, a reserve replacement ratio (RRR) of 120% – the ninth consecutive year with positive reserves growth. The increasing reserves and reserve life underlines the economic sustainability of Tethys Oil's asset base.

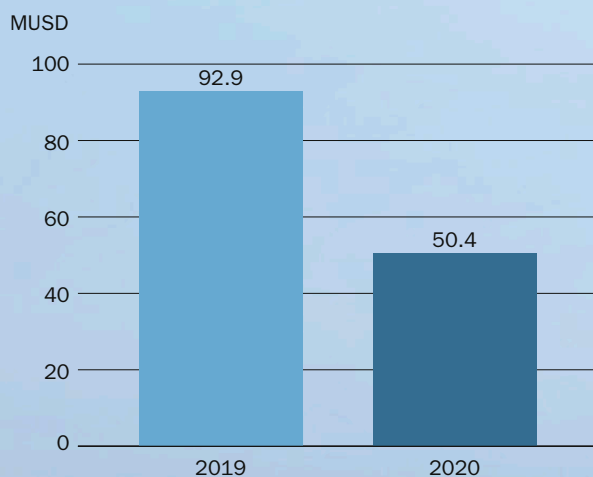
**Net daily production from Oman, Blocks 3&4 before government take**



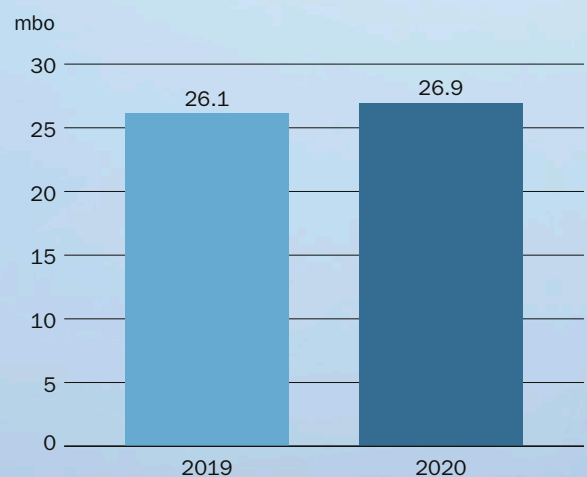
**Revenue and other income**



**EBITDA**

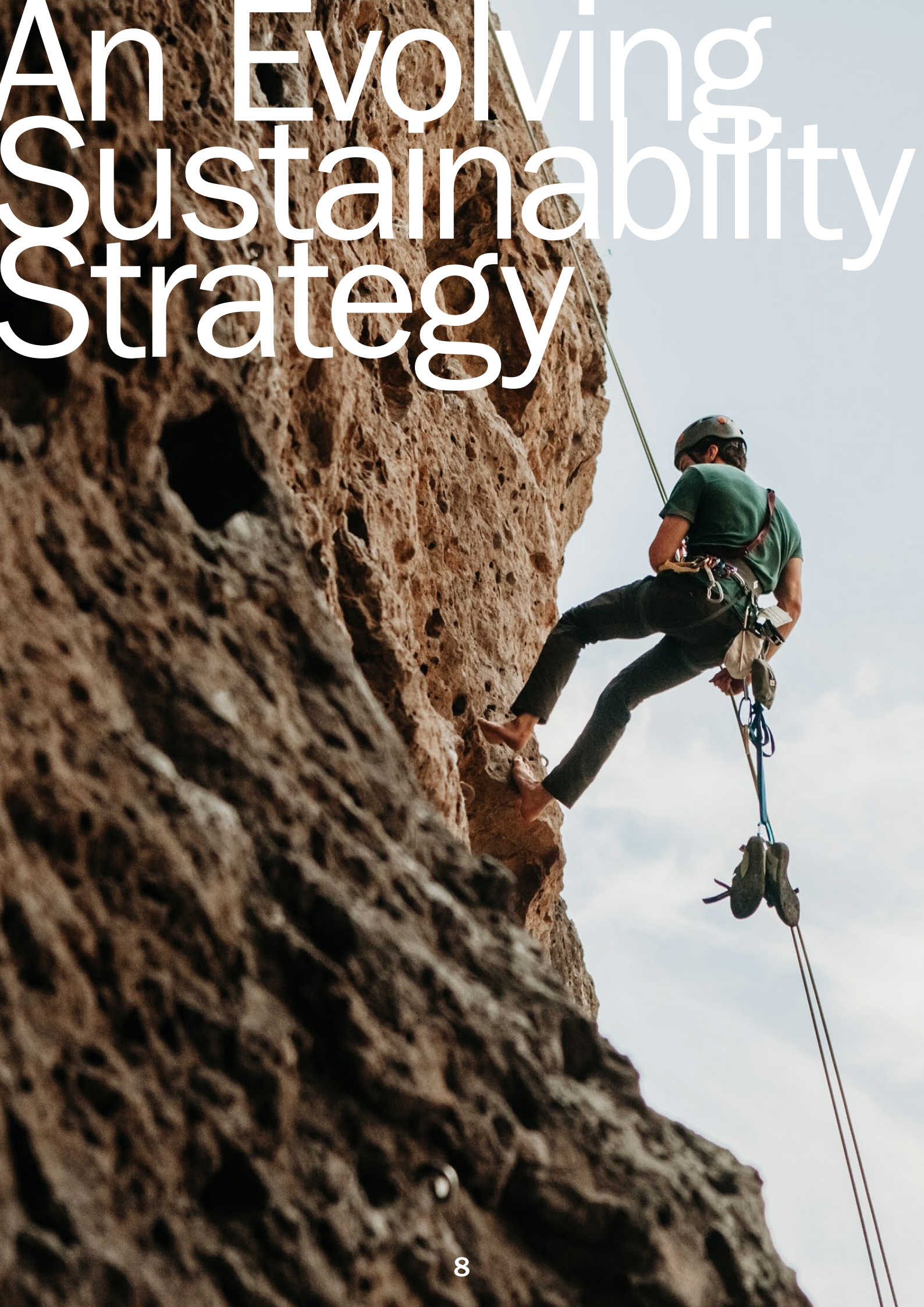


**2P Reserves in Oman (million barrels of oil)**





# An Evolving Sustainability Strategy





As global awareness of the environmental impact of modern society increases, companies across a variety of industries face increasing demands to adapt their business models to become more sustainable. The oil and gas industry is one of the focal points of the ongoing energy transition that aims to meet the challenge of the world's increasing energy needs in an environmentally and socially sustainable way.

Tethys Oil has the stated objective of creating shareholder value by operating across the entire oil and gas upstream lifecycle. As long as there is demand for oil, Tethys Oil intends to contribute to the satisfaction of

that demand in an economically, socially, and environmentally responsible and sustainable way, being both a respected corporate citizen and an attractive investment.

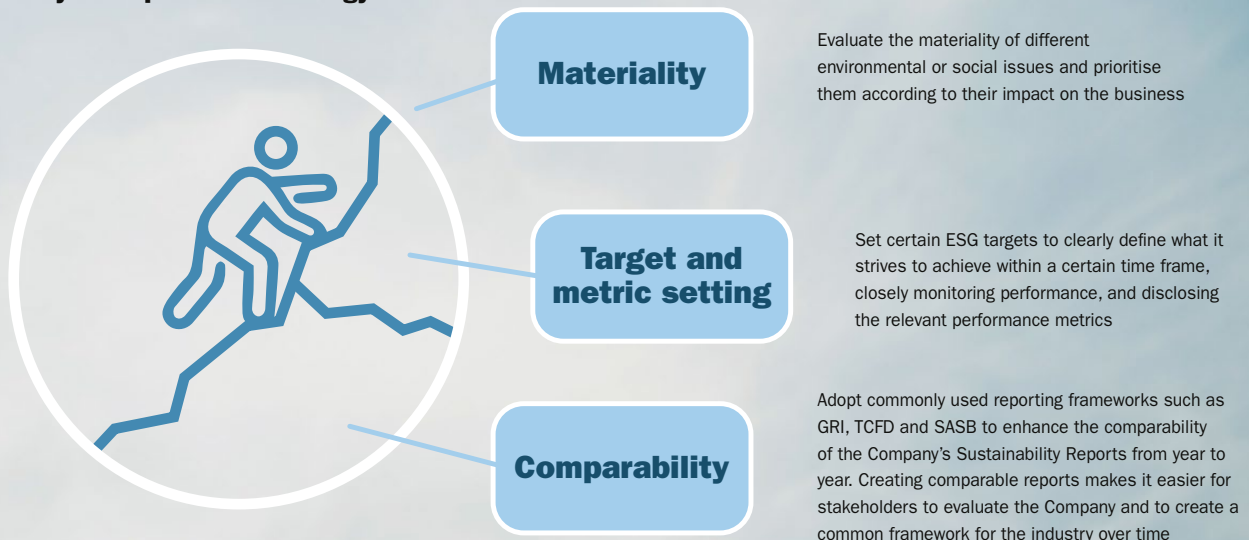
Tethys Oil is committed to continue developing its sustainability strategy to keep up with the rapidly evolving demands of society and its increased responsibilities stemming from the Group's expanding operations and license portfolio.

For the strategy to be effective it has to stem from the Group's unique circumstances – there is no universal solution for upstream oil and gas companies. The ini-

tial efforts are therefore not only focused on understanding external stakeholders' demands and expectations on the Group but also on mapping and understanding the Group's unique circumstances in relation to those expectations.

The development of an effective sustainability strategy is a long-term effort. For it to be relevant and applicable solid foundations are critical. Nonetheless, as of 2021, ESG (Environment, Social and Governance) is key performance indicator (KPI) included in the objectives for executive management forming the basis for variable remuneration.

**Tethys Oil's pursuit for strategy**



**Looking ahead – strategic commitments**

- Achieve robust ESG baseline assessments and data across all (material) ESG issues
- Define metrics that will demonstrate ESG performance and progress
- Provide training and develop the internal capacity to effectively implement the ESG framework and deliver on our commitments

The Tethys Oil sustainability strategy is an evolving one that calls on us to be a progressive energy partner working towards a sustainable future.



# Establishing the ESG framework

Tethys Oil's ESG framework is inspired by the insight and example of several international and industry best practice codes, principles and frameworks for identifying and managing issues and reporting with the intent of being aligned with good international industry practice and concentrating efforts where the biggest impact can be made. Ongoing scanning

and reviewing of applicable sustainability initiatives undertaken by peers will be undertaken and where relevant integrated into the framework.

To be able to adapt our reporting with the Global Reporting Initiative (GRI), a materiality assessment and process of defining ESG metrics have been initiated.

Understanding the value of stretch targets, Tethys Oil has intentionally created an ambitious framework that focuses on practical milestones including efficient responses to ESG challenges and being in keeping with best industry practice in ESG governance.

## Setting the baseline

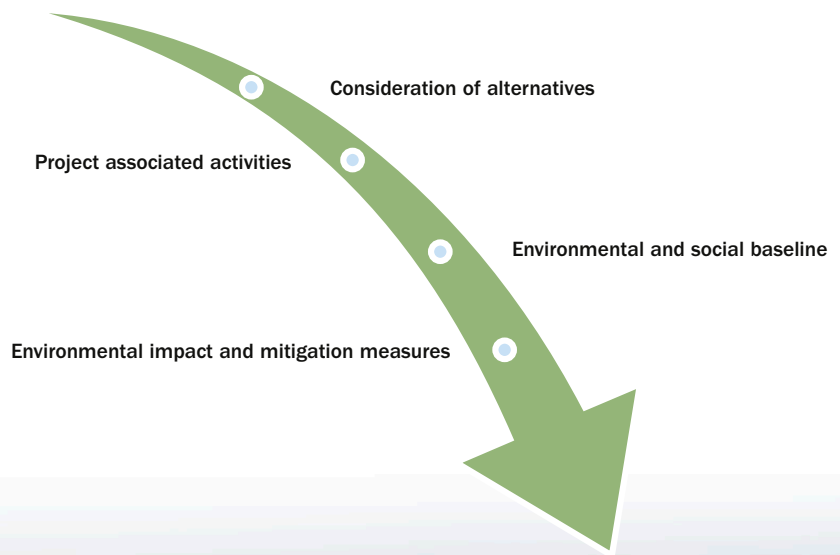
For any meaningful change to take place, the fundamental structure must first be in place. In the past few years Tethys Oil has managed to establish a reasonable knowledge of the Group baseline with the help of external advisors and internal measurement exercises. This analysis has helped determine gaps requiring further attention.

With each new exploration, seismic or development project the Company in conjunction with an environmental services agency conducts a *feasibility scoping report*. If the report's conclusion is positive and other parameters are satisfied, a comprehensive *Environmental Impact Assessment (EIA)* is conducted.

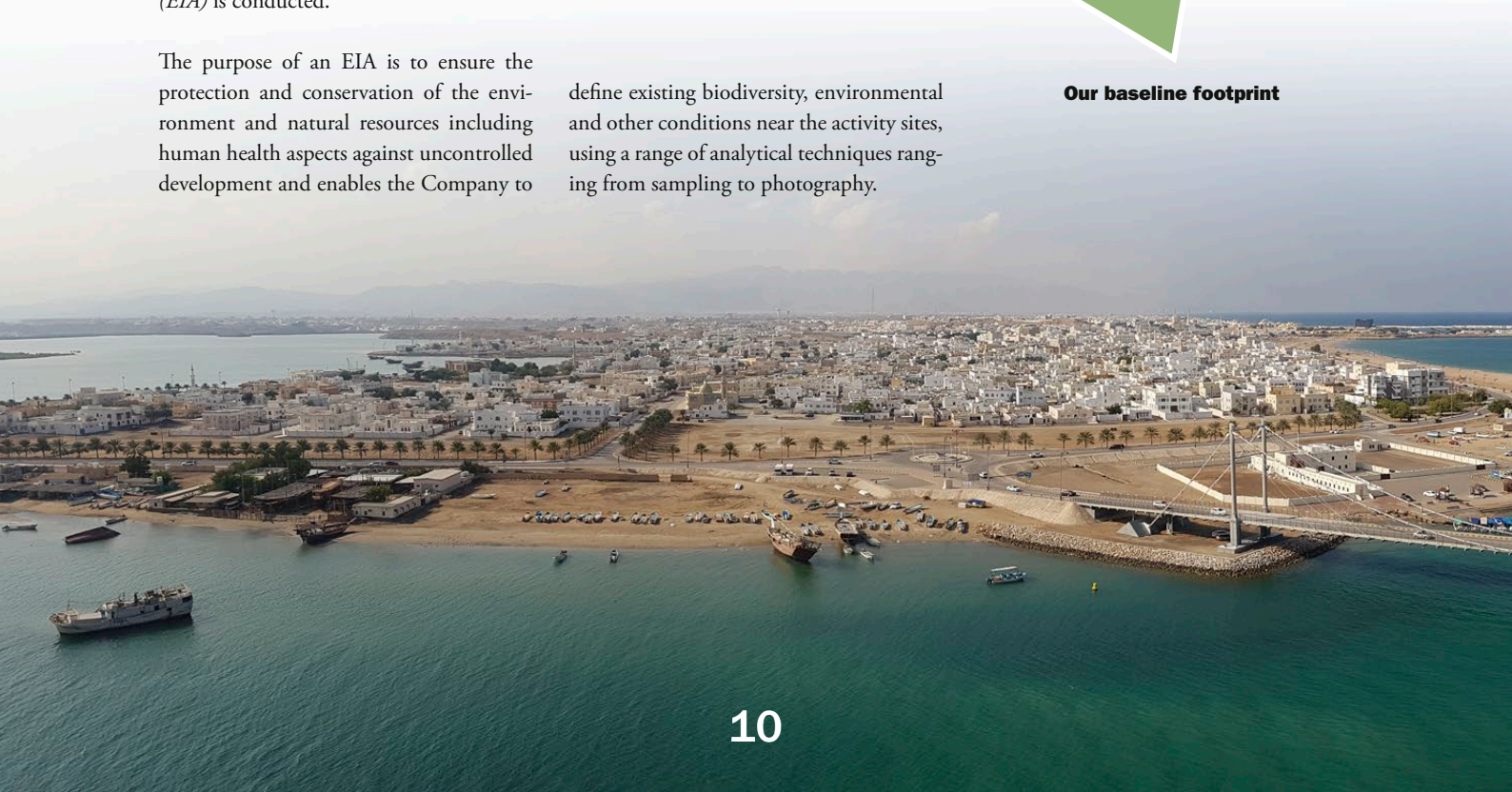
The purpose of an EIA is to ensure the protection and conservation of the environment and natural resources including human health aspects against uncontrolled development and enables the Company to

define existing biodiversity, environmental and other conditions near the activity sites, using a range of analytical techniques ranging from sampling to photography.

Scoping Report



**Our baseline footprint**

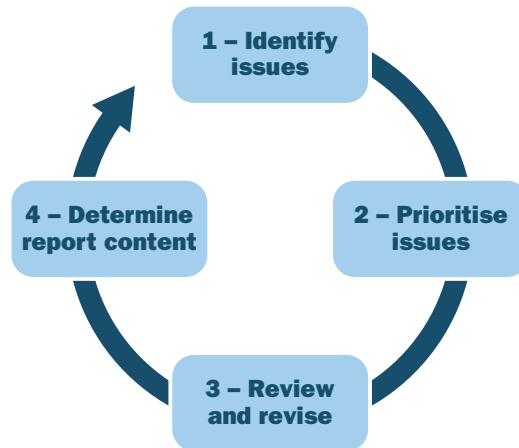




# Materiality assessment

To identify focused issues in sustainability efforts, a materiality assessment is conducted. Evaluation of potential ESG issues based on their significant economic, environmental and social impact, in determining what matters to report upon, Tethys Oil has conducted an initial assessment that will in a second step make sure it reflects changes in our business and the external environment. The issues identified will be evaluated and ranked according to importance from the perspective's external stakeholders. This will be done through correspondence with external stakeholders to further prioritize the topics.

Material assessment through a four-step process:



## Definition: What is a Material Issue?

A material issue is any topic that – in the view of management or stakeholders – affects a company's performance significantly and informs external opinion. They tend to be issues that most affect value creation and the economic and reputational resilience of a company in a positive or negative way.

Source: IPIECA/API/IOGP Sustainability reporting guidance for the oil and gas industry, 4th edition 2020.

# Stakeholder engagement

Tethys Oil endeavours to promote a framework of stakeholder relations through:

- two-way communication
- engagement
- collaboration
- transparency
- active listening
- equal treatment

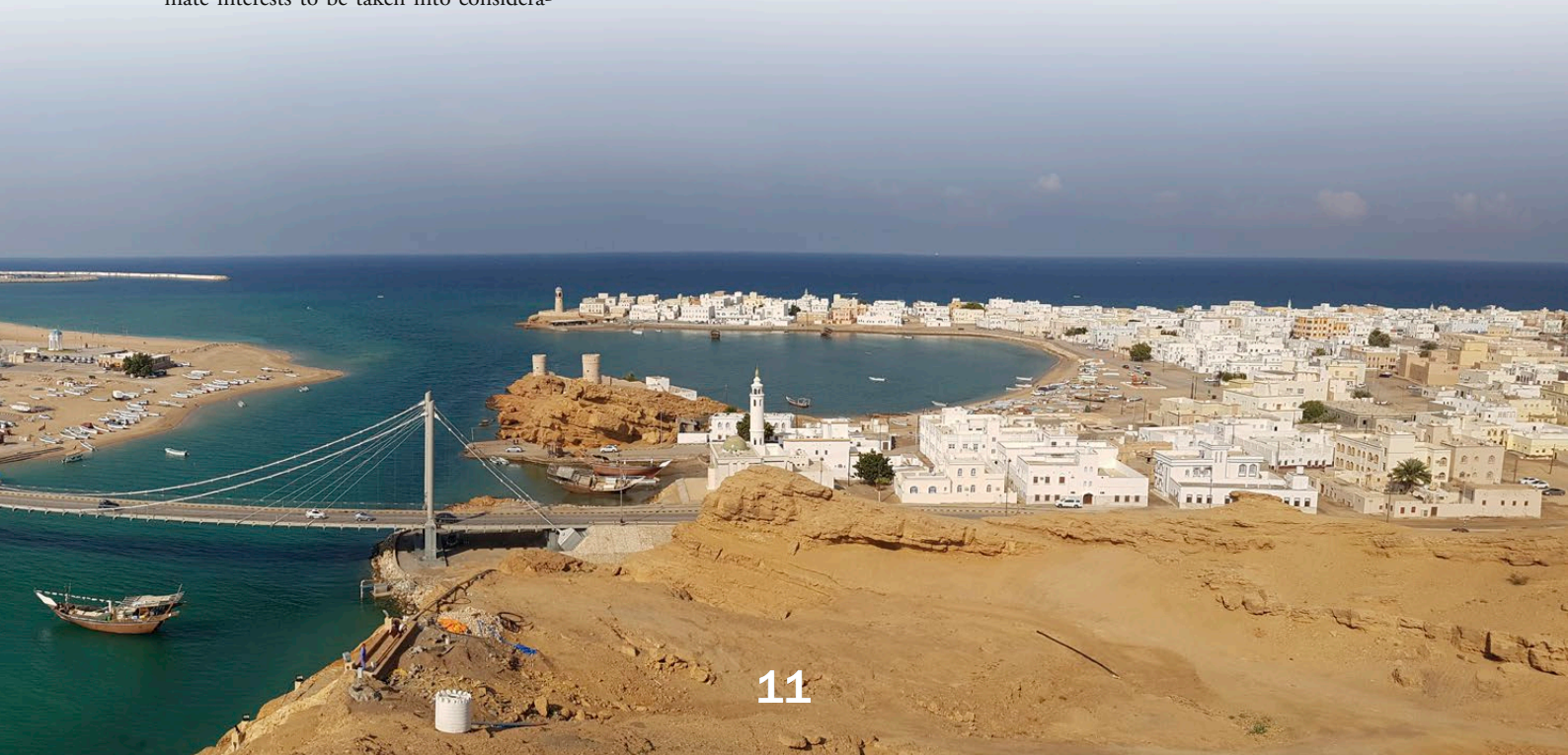
This approach allows for all parties' legitimate interests to be taken into considera-

tion and to effectively disclose information regarding the activities and businesses of the Group, building relationships of trust on an ongoing basis.

## Principles of Stakeholders Relations

Among the corporate policies, sustainable development policies, of which the Stakeholder Relations Policy is one, are intended to promote:

- a global culture of social responsibility within the Group, which will help improve the well-being of people,
- the economic and social development of the communities in which the Group has a presence and to create sustainable value for employees, shareholders and investors, customers, suppliers and other stakeholders, in line with the Sustainable Development Goals (SDGs) approved by the United Nations.





# Sustainable Operations

ESG considerations exist at all stages of the Company's activities in varying ways. For example, environmental impact during exploration and appraisal activities, such as on Blocks 49, 56 and 58, is minimal as operations are sparse, targeted and sporadic, whereas more detailed and broader-spectrum analyses are customarily required on areas undergoing production activities, such as on Blocks 3&4.

## **Exploration & Appraisal**

### *Block 49*

The Block 49 licence covers an area of 15,439 km<sup>2</sup> located in the Dhofar Governorate in the south of Oman. The block is sparsely populated with a majority of the environment covered by gravel desert. The north western part of the Block sees the edge of the Rub Al-Khali desert, also known as the Empty Quarter where the desert is largely made up of sand dunes. Tethys Oil entered into the licence for the block at the end of 2017 as operator and 100 percent interest holder.

Since entering into the licence on-block operations have included field studies by Tethys Oil's G&G team, planning and execution of seismic acquisition and in 2020 preparations ahead of spudding the Thameen-1 exploration well. The main activities in 2020 involved civil works in the preparation of the drill site including drilling of water supply wells, construction of roads, drill pad, and camp site. Drilling operations on the Thameen-1 exploration well commenced on the 31 December 2020.

ESG-related activities on the block have throughout the years included two separate EIAs ahead of the seismic acquisition in 2018 and the exploration well in 2020. The Company has also developed community relations on both the local and regional level as outlined on page 22,

engaged in, and funded certain CSR activities to endeavour that local communities benefit from the presence of Tethys Oil in their region.

During the exploration phase the main ESG challenges are mainly related to the risks and disruptions caused by the seismic acquisition and drilling operations. Seismic is performed using vibrator trucks driving offroad – this can cause disruption to the surface environment and habitats. Exploration drilling presents risks to both surface and subsurface environment with risk of spills, water pollution, noise pollution and disruption to the surface environment and natural habitats of animals. From the human perspective the increase in traffic the use of potential grazing and agricultural land can present to be a threat to the local community's livelihood. Based on EIA recommendations, Tethys Oil strive to minimize potential impact by identifying and implementing suitable measures at all stages of the Company's activities.

In November 2020, Tethys Oil reached an agreement with EOG Resources Inc. ("EOG") to farm out 50 percent of the working interest in the EPSA. The transaction was finalised and completed in March 2021.

The work programme for 2021 includes completion of drilling and testing operations of the Thameen-1 well.

### *Block 56*

Tethys Oil entered into the licence at the end of 2019 as a non-operator with a 20 percent interest. Block 56 covers an area of 5,808 km<sup>2</sup> in the south-eastern part of Oman some 200 km south of Blocks 3&4. The block lies at the intersection of different geological provinces including the prolific South Oman Salt Basin and is characterised by flat rocky, sandy and salt plains.

Due to the high aridity of the area water is considered a valuable resource in the area, as the ground water resources are highly saline and is the principal water source. Biodiversity is typically poor but certain plant and animal species are regionally endemic, with few small fishing villages in the southern coastal tip of the Block. The end of 2020 Tethys Oil entered into agreement to acquire a further 45 percent interest, whereby assumed operatorship of Block 56 in the Sultanate of Oman.

The principal work conducted in 2020 on the block was a well test programme performed on three previously drilled wells during the first quarter 2020.

### *Block 58*

Tethys Oil was awarded the licence, in July 2020 as operator holding 100 percent. Block 58 is located in the Dhofar Governorate in the southern part of Oman adjacent to Tethys Oil's operated exploration licence Block 49 and covers an area of 4,557 km<sup>2</sup>.

Block 58 straddles the western flank of the South Oman Salt Basin and the Western Deformation Front, as the area is normally characterised by vacant desert. The physical environment is typical of south-west Oman and comprises rocky desert with varying areas of sandy dunes. These areas are sparsely vegetated and land use is limited to dispersed agricultural activities and livestock farming.

A review of legacy seismic 3D data was conducted in the fourth quarter 2020. No other on-block operations were conducted during 2020.

The 2021 work programme consists mainly of reprocessing of legacy 3D seismic data and conducting a new 3D seismic acquisition. In 2021 Tethys Oil plans to expand



its ESG programme and commitments to include Block 58 including conducting an EIA ahead of seismic acquisition and establishing relations with the relevant regional and local stakeholders.

## **Production**

### *Blocks 3&4 (non-operated interest)*

Blocks 3&4 in south-eastern part of Oman covers an area of 29,130 km<sup>2</sup>. The Company holds a 30 percent non-operated interest. Tethys Oil has held an interest in the blocks since 2007, and production operations have been ongoing since 2010.

The oil in Blocks 3&4 is produced from several fields; Farha South, Saiwan East, Shahd, Ulfa, Samha and Erfan. The majority has been developed with water injected into the reservoir via injection wells to maintain pressure and thereby stimulate production. Full production facilities have been constructed both on Farha South field and on Saiwan East field. At these facilities, reservoir fluids are processed in separators and heater treaters to remove water, gas and impurities in order to make the oil ready for export. The facilities also include large storage tanks, pumps and other necessary infrastructure, including field camps for the oil field workers.

In addition, Early Production Facilities (EPF) have been constructed on Shahd and on Ulfa fields. An EPF is a smaller production facility, which, to some extent relies on the infrastructure at the Saiwan East field to process the oil to be ready for export. All production is transported through pipelines to the main exporting point at the Saiwan East facility. From Saiwan East, the oil is pumped through an 83 km long 16-inch pipeline to Alam Station just west of Blocks 3&4, for further transportation through the national pipeline system to the export port in Muscat, the Mina Al Fahal Terminal.

Blocks 3&4 have an active Health, Safety and Environment (HSE) programme managed by the operator focused on health and safety issues as well as emission reduction and spill prevention plans. One of the primary environmental challenges for Blocks 3&4 is the reduction of emissions resulting from the flaring of associated gas as well

as the consumption of diesel for power generation. More of this is outlined in the Section Environment and Emissions on page 16.

During the year, the rigorous testing and quarantining procedures to mitigate the spread of the coronavirus at operating facilities have been in place.

Focus has primarily been on reducing emission by gas utilization projects, a wide range of community engagement activities and implementing measures to ensure staff health and safety. The work programme for 2021 includes continuing development drilling, upgrading infrastructure with focus on asset integrity, continuing the gas utilization project and the drilling of exploration wells.

## **Main exploration activity during 2020**

### *Insight Case – Thameen Exploratory Drilling, Block 49*

The project area, which is located within the northern portion of Block 49, is 6,188 km<sup>2</sup> and the landscape is typically arid and homogenous with areas of small to relatively large dunes.

The near-term aim of the project is to determine hydrocarbon presence, reservoir performance and productivity to define and maximize recovery of the hydrocarbon resources present within the project area. Anticipated activities include:

- Drilling of one (1) exploratory well
- Well testing

The development of a hydrocarbon well typically follows a logical sequence of events that starts with the drilling of the exploration well, testing and appraising the reservoir formation or formations, and ultimately being “hooked up” and put into production or suspended until a later date.

The environmental, social and health baseline condition of the Project Area was determined through field investigations as well as through the review of available literature and past data collection from previous assessments conducted for the seismic acquisition in 2018.

The impact assessment methodology is determined using five main components:

- Size & severity (geographical scale and pathway of disturbance)
- Importance & value (ability to disrupt environmental and social function);
- Sensitivity (degree that environmental and social functions change);
- Timeframe (period that is directly and/or indirectly affected); and
- Reversibility (ability to be undone so that the pre-existing conditions are restored).

Block 49 has previously undergone exploration drilling; including the first well drilled in Oman (Dauka-1 in 1955).

Potential project emissions could arise from the following sources:

- Diesel fuel consumption by the generators at the drilling and camp sites for power generation and by mobile sources (e.g. construction equipment, trucks delivering equipment/materials to the site, trucks collecting wastes/sewage wastewater from the site);
- Down-hole gas from the drilled formations coming to the surface with returning drilling mud;
- Fugitive emissions from mud materials breakdown and evaporation, which may lead to odors;
- Other fugitive emissions from cooling systems, handling and storage of chemicals (e.g. paints, solvents), fuel loading and storage systems (tanks, pipes); and
- Flaring – (If required)

Project controls for avoiding, reducing, and restoring potential negative impacts and ensuring that positive impact materials are maximized and inherent to the basis of the impact assessment. All mitigation and management measures recommended by the EIA have been accepted by Tethys Oil and are integrated into the project design.

The preparation work for the exploratory drill was conducted during 2020. The Thameen-1 well was spudded on 31 December and on 1 March 2021 it was announced that the well had reached its final depth.



# Performance Metrics





Climate-related performance metrics have been included in the Company's reporting since it began reporting on sustainability matters. Measuring the emissions profile provides visibility into which cost-efficient measures are most effective in reducing the Company footprint. The Company

continues to improve both the reduction of emissions intensity and the transparency of reporting. The data is recorded by third party Environmental Monitoring & Auditing Agency for Environmental Performance.

### Metrics Overview

This framework centers around five key metrics groupings in promoting more consistent reporting – Greenhouse Gas (GHG), Flaring, Spills, Water Use, and Safety.

The following provides a high-level overview of each of these metrics' groupings.

### Tethys Oil's net share of Blocks 3&4 in Oman

<b>Metric 1: Greenhouse Gas Emissions (Scope 1)*</b>	<b>2020</b>	<b>2019</b>
GHG Emissions (metrics tons CO <sub>2</sub> e)	154,987	177,188
GHG Intensity – (GHG Emissions / Gross Annual Production (boe)) Kg per bbl produce	37.5	37.8
Methane Emissions (Metric tons CH <sub>4</sub> )	149.9	4.3
Methane Intensity – (Methane Emissions (Metric tons CH <sub>4</sub> )/Gross Annual Production (Mboe)) Kg per bbl produced	0.04	0.00
Nitrous Oxide (Metric Tons N <sub>2</sub> O)	0.48	0.40
<b>Metric 2: Flaring</b>		
Gross Annual Volume of Flared or Vented Gas (Mcf)	2,260,944	2,721,274
Volume of gas flared per barrel of oil equivalent produced (Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (boe))	0.50	0.53
<b>Metric 3: Liquid Hydrocarbon Spills</b>		
Number of Spills > 1 Barrel	8	4
Spill Intensity (Produced Liquids Spilled (bbl)/Total Produced Liquids (Mbb))	0.02	0.06
<b>Metric 4: Water Use</b>		
Utility Water Use (m <sup>3</sup> )	2,156	1,152
Non-Fresh Water consumption intensity bbl/boe	0.93	0.99
Fresh Water Intensity (bbl/boe)	0.3%	0.3%
Total Produced Water (m <sup>3</sup> )	665,784	807,264
Water Recycle Rate (Recycled Water (bbl)/Total Produced Water (bbl))	84%	86%
<b>Metric 5: Safety</b>		
Fatalities	–	–
Lost Time Incidents	3	2
Traffic Accidents	1	3
Total Recordable Cases	4	4
Total Recordable Cases Frequency (#/mm Hrs)	0.63	0.49
Lost Time Incident Frequency (#/mm Hrs)	0.47	0.24
Road Traffic Accident Frequency (#/mm km)	0.07	0.15

\* Scope 1 – Greenhouse Gas (GHG) Protocol refers to emissions that are directly emitted by or controlled by the company at the non-operated producing fields in Oman. Emissions related to purchased electricity are Scope 2 emissions and are not included. Emissions from company owned or leased fleet vehicles are not included.



# Environment and Emissions







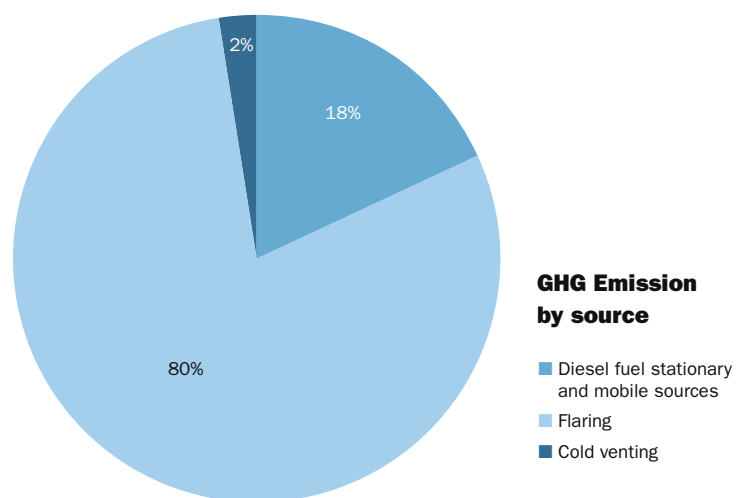
Tethys Oil has a stated ambition to explore for and produce oil and gas with minimal environmental impact. This ambition is intermeshed with the Company’s operations on exploration licenses Blocks 49, 56 and 58. With respect to its non-operated licence for Blocks 3&4, Tethys Oil has supported the operator’s efforts in improving its environmental focus in operations and proactive work to minimise environmental impact, not least the risks for spills and damage.

## Air emissions

In 2020 all of the Group’s material atmospheric emissions were generated by its interest in the production operations on Blocks 3&4 where the main sources of emissions arise from the flaring of associated gas produced in conjunction with the recovery of oil and the use of diesel-run power generators used to power production facilities, camps, downhole pumps and drilling rigs. In addition to flaring the produced gas, gas has been, on a smaller scale, been used for power generation within the facility camps replacing some diesel generated power.

Tethys Oil’s share of atmospheric emissions from its 30 percent interest in Blocks 3&4:

Total Emission (tonnes)	2020	2019	2018	2017
Carbon Dioxide CO <sub>2</sub>	151,096	176,959	93,302	101,700
Methane CH <sub>4</sub>	149.9	4.3	892.0	982.0
Nitrous Oxide N <sub>2</sub> O	0.5	0.4	2.0	2.0
Total GHG Emission CO <sub>2</sub> e	154,987	177,186	116,198	126,846
GHG Intensity (kg per bbl produced)	37.5	37.8	27.1	28.6
Carbon Intensity (kg per bbl produced)	37.5	37.8	21.7	22.9
Methane Intensity (kg per bbl produced)	0.036	0.001	0.207	0.221

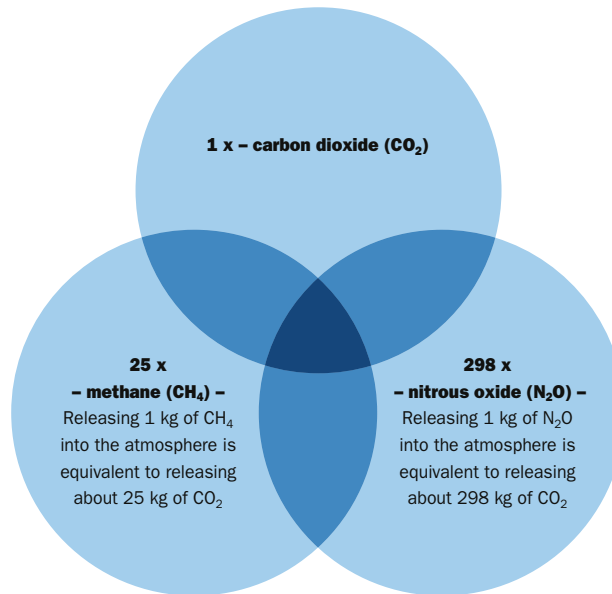


Total atmospheric emissions decreased in 2020 as a result of reduced production following OPEC+ mandated production limitation guidelines. Total carbon intensity (37.5kg per bbl produced) remained at the same level year over year due to continued significant production from fields with high gas to oil ratio (GOR).



**CO<sub>2</sub> Emissions declined with 14.6% in 2020 compared with the previous year**

The main GHGs included in the GHG inventory calculations are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Each of the GHG components has a global warming potential (GWP) assigned to it by the United Nations Framework Convention on Climate Change (UNFCCC) for use in its GHG reporting programs. The volume of each component gas — multiplied by its GWP — results in a calculated value of carbon dioxide equivalents (CO<sub>2</sub>e) for that component.



0.48 tonnes N<sub>2</sub>O x 298 GWP = 143 Tonnes CO<sub>2</sub>e  
 149.9 tonnes CH<sub>4</sub> x 25 GWP = 3,748 tonnes CO<sub>2</sub>e  
 151,096 tonnes CO<sub>2</sub> x 1 GWP = 151,096 tonnes CO<sub>2</sub>e  
**Total GHG Emissions = 154,987 Tonnes CO<sub>2</sub>e**

**Gas Flaring Mitigation Technology and Solutions**

Flaring and venting are a substantial source of GHG emissions from oil fields. Flaring refers to disposal of associated gas produced during extraction through burning. Venting refers to intentional releases of gas, including the amount of gas unburned in flaring.

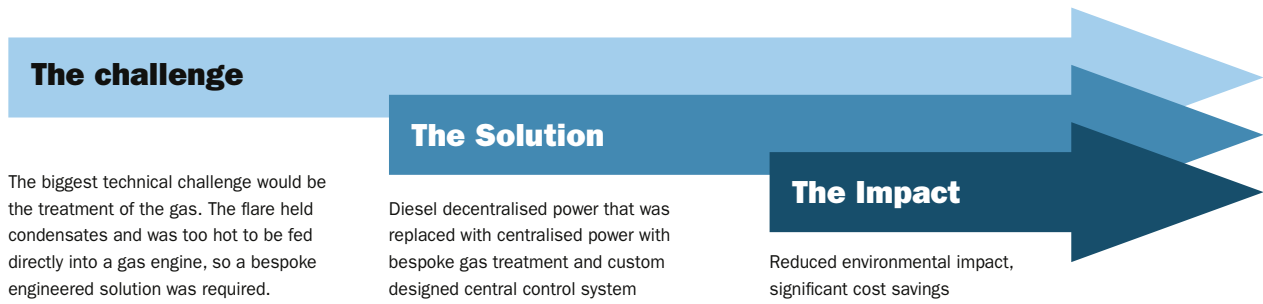
The Sultanate of Oman is committed to the World Bank initiative Global Gas Flaring Reduction Partnership (GGFR) and its goal of “Zero routine flaring by 2030”. As part of this effort the Ministry of Energy and Minerals (MEM) hosts the Oman Gas Flaring Reduction Task Force in which

operators coordinate their efforts in finding solutions to reduce flaring. Tethys Oil has been a participant in the task force since its inception in 2018.

In the past few years, the Blocks 3&4 partnership has been studying several alternatives for reducing the routine flaring and related emissions. One of the alternatives considered has included monetising the

gas by exporting it to the Omani gas network for commercial use. However, in light of the volumes available, current market prices, and the significant investments involved this is not viewed as a viable option. A more cost-efficient option would be to utilize the gas for local power generation with permanent facilities and thus reducing the dependence on diesel generators and decreasing the related emissions.

**Flare to power**



The biggest technical challenge would be the treatment of the gas. The flare held condensates and was too hot to be fed directly into a gas engine, so a bespoke engineered solution was required.

Diesel decentralised power that was replaced with centralised power with bespoke gas treatment and custom designed central control system

Reduced environmental impact, significant cost savings

Instead of flaring gas, a small-scale gas-to-power project was set up in one of the fields to generate electricity for the camps, the electric submersible pumps of some of the wells, and other facilities. This initiative is making a significant environmental contribution, as well as a financial impact

owing to the reduction in diesel consumption for power generation.

Another project has been to reduce the use of diesel-powered generators to drive drilling rigs, which can be a significant source of emissions. Actions have been taken in a pilot project to cut those emis-

sions, reduced related noise and reduce the operational footprint by replacing diesel-only engines with dual fuel motors that run on diesel or gas. By assessing each oil field’s asset integrity, the Company is striving to find solutions which aim to reduce its environmental footprint.



# Water use

Water is both a key aspect of the business and critical to the communities where the Company operates. Groundwater resources are scarce in Oman and in particular in the concession area. The groundwater resources are primarily high-level

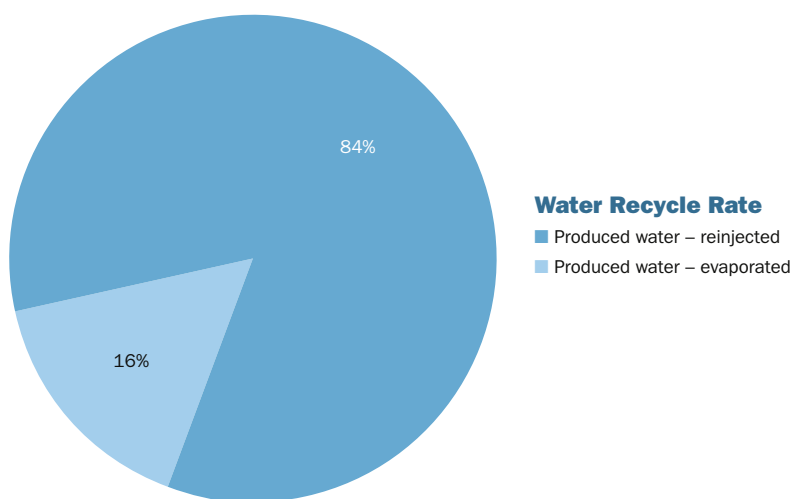
salinity water, making it not even suitable for agricultural purposes. All water used in the operations are non-fresh water. However, the produced water is handled under environmental authority (EA) permits through:

- Discharged to lined evaporation ponds permitted by EA, to evaporate; or
- Treated and re-inject into the ground reservoir to enhance the oil field production.

Total water usage on Blocks 3&4:

(cubic meters)	2020	2019	2018	2017
Total Produced Water	2,219,280	2,690,881	2,182,474	1,465,208
Produced Water – re-injected	1,864,280	2,304,675	1,900,904	1,313,289
Produced Water – evaporated	346,219	343,451	303,008	154,088

Regular lab sample analysis is conducted on the produced water from the discharge end of disposal pumps. The produced water contains in average within the concession area roughly 250 times more Total Dissolved Solids than what is considered by the U.S. Geological Survey or IPIECA defines as “Fresh Water”. Due to the extreme high salinity levels of the brine water, the treatment for other application areas is limited, therefore the main volume of the produced water is re-injected into the reservoir via injection wells to maintain reservoir pressure and thereby stimulate oil well production. However, the Group is further exploring if there are advancements in water treatment and desalination technology to find other applicable usages.



Note: Recycled Water includes water that was produced in the oil field and reused in the oil field

Fresh Water	Non-fresh Water	Produced Water	Recycled Water
Water sources with a total dissolved solids concentration of up to 2,000 milligrams per litre.* These sources can include drinking water, potable water and water used in agriculture.	Water sources not meeting the definition of fresh water. These sources could include produced water and saline groundwater.	Non-fresh water found in hydrocarbon formations that is brought to the surface during the oil and gas production process	Produced water that has been treated for reuse in subsequent operations, including well completions or secondary recovery

\* Based on IPIECA's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2015).

# Spill prevention

While most of recorded incidents of unplanned hydrocarbon releases in 2020 are considered minor, the number of Tier 1 hydrocarbon releases (more than 1 barrel of oil spilled) was 8 recorded incidents. The minor releases have been identified in relations to the facility plants in terms

of leaks. All oil spills are recorded, and regular site surveys are conducted by third party environmental service agency, that provides recommendations on how these issues might be mitigated.

The spill ratio\* is less than 0.2 per mille (‰)

\* Calculation: Produced Liquid Spills (bbbls) / Total Produced Liquid (1,000 bbbls)  
 Produced Liquid Spilled (bbbls): crude oil, condensate and/or produced water spills ≥ 1 bbl which are not confined to impermeable secondary containment  
 Total Produced Liquid (1,000 bbbls): crude oil, condensate and produced water generated from exploration and production activities (does not include gas).



# People and Society





# Our people

Tethys Oil recognises that its performance as a company is dependent upon the performance of its employees as individuals. The Group's employees are its principle asset and therefore aims to achieve high employee satisfaction and high standards of performance. Tethys Oil shall respect and promote its employee's rights, including freedom of association and the right to collective bargaining. Tethys Oil shall offer rewarding working conditions and realise each employee's individual potential through training and job promotion. The use of underaged bonded or forced labour, direct or indirect should never occur.

Tethys Oil has implemented a diversity and non-discrimination policy to ensure that the diversity of its staff is respected and that all forms of discrimination are prevented.

## **Tethys Oil's Position on Diversity and Discrimination**

- Tethys Oil seeks to recruit and retain the best possible candidates for all positions on the basis of merit regardless of gender, sexual orientation, age, disability, nationality, race or religion.
- The cultural diversity of the Group's employees is an asset and shall be respected. Furthermore, Tethys Oil will not accept any form of harassment or discrimination of its employees for any reason.
- Tethys Oil's staff shall always act with the utmost integrity and respect when dealing with colleagues, partners and society.
- Tethys Oil's employees, partners and contractors should feel free to voice concern or report instances of discrimination without fear of recrimination or harassment.

Tethys Oil's employees shall always act with the utmost integrity and respect when dealing with colleagues, partners and society.

During 2020, Tethys Oil had an average of 23 full-time employees of seven nationalities, in a broad age range, of which 36 percent were female and 64 percent male. A majority of the staff have graduated from universities and colleges, primarily with geosciences, engineering or business administration.

# Human rights

Tethys Oil has committed firmly to the United Nations Global Compact (stated further in the Code of Conduct), and adheres to the United Nations Guiding Principles on Business and Human Rights.

The Group has made a commitment to support internationally recognised human rights wherever it operates. Human Rights are to be understood as those referred to in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights and in the International Labour Organisation's (ILO) Conventions, and in relations to business activities, in the Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles.

The Group recognises the importance of respecting the rights of local communities, and thus prior to any new investment or operational activity, it analyses potential impacts on human rights. While the Group respects all human rights, it focuses primarily on those human rights that potentially may be most impacted by its operations. Typically, those most impacted are the populations and communities in the countries where Tethys Oil is active or within its license areas where it operates.

The Group furthermore expects all its affiliated partners to respect human rights and to observe highest standards of professional integrity.

The nature of Tethys Oil's operations as a highly skilled upstream oil and gas operator in Oman means that the risk for child

labour or bonded and forced labour is limited. There are potential risks in the use of subcontractors in some cases but Tethys Oil's stringent policies and the transparent process for procurement minimises any such risks.

From a wider perspective, Tethys Oil seeks to minimise the risk of Human Rights violations as a result of its business by strictly implementing its code of conduct in all aspects of its dealings.

No human rights-related grievances were filed against the Company in 2020. There were no recorded incidents of discrimination at Tethys Oil's operations during the reporting period.



# Community engagement

Tethys Oil's activities shall strive to create shared prosperity between stakeholders. It seeks to respect and gain the respect of the people and governments of countries in which it operates. Good relations with host countries are prerequisites to Tethys Oil's business. Wherever operations are conducted, the sovereignty of the state is respected and the rule of law is to be observed and promoted.

The Group aims to optimise local content in all aspects of its business and to promote the creation of in-country value.

The Group is committed to achieving a beneficial impact on its host communities by engaging in a dialogue with the Group's stakeholders, whether these are local communities or relevant interest groups, such as local governments and civil society. Tethys Oil engages in an active relationship with stakeholders in order to understand the concerns surrounding the Group's operations and to set mutually beneficial goals. This is to ensure local stakeholders needs and priorities are considered and avoid

that the Group's operations disrupt the livelihood of the local population and has a detrimental effect on their quality of life.

Local people and their traditions are respected. Tethys Oil strives to encourage local employment and, where appropriate, work with local communities to improve their health, skills and welfare. Tethys Oil endeavours, where appropriate, to engage in capacity building, through the transfer of skills and technologies. Tethys Oil shall refrain from any implications in tribal, internal, or other armed conflicts or acts of violence.

Tethys Oil's Corporate Social Responsibility (CSR) activities are focused and conducted in-country. In Oman they are headed by the Director of Corporate Affairs.

In addition to non-profit partnerships, Tethys Oil has dedicated local team members focused on listening and responding to community concerns in the operating areas.

## Corporate Social Responsibility process

To meet the need for Tethys Oil to maintain and further build on its reputation as a responsible corporate citizen in Oman among stakeholders at national and local community levels, the Company adheres to the following:

- Seek to avoid or minimise the negative impacts of our activities
- Endeavour to ensure neighbouring communities benefit from our presence
- Strive to create and deliver opportunities that maximise benefits to society
- Listen to and engage with communities in the area of operation through the Government representatives in area in order to comply with rules and regulations adopted in the tribal system

## CSR activities

Tethys Oil's CSR activities in 2020 were principally focused on Oman, as it is the core area of operations and with the addition of license interests in Blocks 56 and 58 the need for systematic community engagement has only grown.

In 2020 Tethys Oil's CSR activities were organized around executing CSR initiatives on Block 49, as well as its participation in the CSR program for Blocks 3&4. Due to the Covid 19 pandemic and its resulting restrictions on meetings and movement, community engagement was more limited than planned and unfortunately some of the scheduled activities had to be postponed.

Going forward CSR activities will be organised from a national, regional and local perspectives in order to work efficiently across the whole portfolio of blocks and leverage on recent years' experience.

The main activities in 2020 were:

- Continued Block 49 stakeholder engagement
- The execution of a comprehensive CSR program for Block 49
- Continued engagement in the governance of Block 3&4 CSR activities
- Selective CSR Projects
- Master in Geoscience Scholarships

## Academic scholarships

During 2020 Tethys Oil sponsored MSc thesis in Geoscience for three students at the Sultan Qaboos University. Two students successfully graduated during the year. The third student will continue her MSc thesis in Geoscience throughout 2021.

Additionally, a two-year scholarship program was created for two students from the Wilayets of Maqshin and Thumraite in the Governorate of Dhofar who belong to families on Social Security or Low-income schemes to obtain diploma in Business from University of Dhofar.





#### Block 49

The Company has been included in a continuous dialogue with all key stakeholders relating to Block 49 on a national, regional and local level. This includes several ministries, the Royal Omani Police, the military, the Governorate of Dhofar and the Wilayats of Maqshin and Thumrait.

The Block 49 CSR program was developed and established with focus areas on providing education and training opportunities for the local population through scholarships, contributing to sustainable development of the local economy and minimising any potential negative effects of Tethys Oil's operations. It is of vital importance to maintain support from the local community in order for Tethys Oil and its subcontractors to operate efficiently and safely. If Tethys Oil is to operate with the support of the local community, the community must also perceive to benefit from Tethys Oil's investments. Below outlines a selection of the CSR activities Tethys Oil was engaged in during 2020:

- Assisted the village of Marsudadin the Wilayat of Maqshin to build a playground for children with appropriate HSE requirements
- Supported the Ministry of Education in their efforts to ensure the safety of

students, teachers and staff during the academic year of 2020 in line with the measures adopted to limit and control the impact of Covid-19. Students from grades 5 to 12 in the Wilayat of Maqshin were provided with 97 Tablets to facilitate distance learning

- Sponsored several competitions at Dhofar University under the themes: Volunteerism During Covid-19 Pandemic, Arabic Language and Computer Coding
- Sponsored several civil works at the village of Marsudad related to safety at RO-tank supplying the village with water
- Sponsored a follow-up on an archaeological assessment in Block 49 to explore the lithic typological and technological characteristics of the surface assemblages, as well as to assess the archaeological sensitivity of the landscape
- Honoured 240 students from four Wilayats in Dhofar region for their outstanding academic achievements and performance in school competition events
- Sponsored a multimedia design competition for students during Arab and International Water Days which was planned to be held in Salalah in March 2020 but postponed until 2021 due to Covid-19 situation

#### Blocks 3&4

The Blocks 3&4 joint venture partnership has an active Corporate Social Responsibility (CSR) programme. Its CSR expenditure in 2020 was just over MUSD 1.

The following details some of the community engagement projects collectively undertaken with or by the partners in Blocks 3&4:

##### *Community Development projects contributions*

- Fruits and Vegetable Market in Adam
- Livestock market in Adam
- Job Security Fund
- Fish Market in Mahout

##### *Other national HSE related contributions was undertaken in collaboration with:*

- Muscat University – Social Impact campaign “Building Awareness of Digital Benefits”
- Ministry of Health – Covid-19 Fund
- Ministry of Health – Oman Cancer Association
- Ministry of Higher Education – Study on “Convalescent plasma in the treatment of Coronavirus Disease



# Health and Safety





Tethys Oil's activities are subject to the health, safety and environmental (HSE) risks inherent in the oil industry. The Group recognises that the prevention of accidents and ill health is critical to the efficient operation of its business and therefore has established an HSE policy with accompanying corporate procedures. The ultimate responsibility for HSE lies with the Managing Director. It is, however, the responsibility of all Tethys Oil staff to ensure compliance with the Group's standards for safe operations.

Tethys Oil has a responsibility for all activities that are a consequence of its operations.

At a minimum, it is Tethys Oil's duty to ensure compliance with all relevant laws and governmental regulations and directions concerning HSE.

The genuine care for HSE is a core value for the Group and shall be transparent through all Tethys Oil's plans and actions. It is the Group's objective to provide a healthy and safe working environment for employees, contract personnel and members of the general public who might be affected by its activities. The Group is implementing a systematic approach to HSE-management to achieve continuous improvement toward the goal of no harm

to people, no accidents, no spills and to strive for minimum impact on the environment, thereby contributing to sustainable development.

Tethys Oil is committed to ensuring that all operations that the Group conducts are done in a safe manner with genuine regard for the wellbeing of the staff, contractors and third parties. Through fostering a culture of transparent decision making, responsibility and thorough planning, Tethys Oil strives to create a safe, accident-free work environment. This applies not only to Tethys Oil's operations, but Group representatives should work to ensure that the same standards are applied in all projects and joint ventures where the Group has an interest.

In 2020, Tethys Oil continued to strengthen its HSE capabilities and preparedness by executing risk assessments and risk mitigation plans for the ongoing activities in Block 49. In preparation for the exploration drilling, an emergency response plan was prepared in case of accidents. One Tethys Oil HSE staff member has been seconded to CCED during the year to both learn from and follow the operator's HSE work, both in the office and the field. General HSE training and awareness sessions have been conducted during the year for all staff in Oman.

### Blocks 3&4 Health and Safety

2020 saw the same number of Total Recordable Cases (TRC) as in 2019, however the frequency in relation to worked hours increased which requires further investigation and action. On a positive note there was a substantial decrease in Road Traffic Accidents (RTA), both in absolute terms and in frequency, which is very positive.

The Company works with concepts such as Behavioural Based Safety to improve attitudes and encourage hazard recognition and incident reporting. This has been done by increased training, monitoring, and review as well as improved incentives. This form of training development is a top priority to further improve the health and safety culture and awareness beyond its operations.

Regarding Lost Time Incidents (LTI) the joint venture had 3 minor incidents of which one of them required medical treatment during the last months of the year. Due to the Covid-19 social restriction and physical interaction recommendations, there were limited safety training courses this year. As the pandemic situation improves, Tethys Oil will seek to maintain an overriding focus on occupational health and safety.

#### Blocks 3&4

Unit of measure		2020	2019	2018	2017
Fatalities	(Number)	0	0	0	1
Lost Time Incidents	(Number)	3	2	2	5
Lost Time Incident Frequency	(#/mm Hrs)	0.47	0.24	0.28	0.94
Total Recordable Cases	(Number)	4	4	10	8
Total Recordable Cases Frequency	(#/mm Hrs)	0.63	0.49	1.42	1.51
Total Traffic Accidents	(Number)	1	3	4	4
Total Traffic Accidents Frequency	(#/mm km)	0.07	0.15	0.25	0.34

#/mm Hrs – number of cases/incidents per million worked hours

#/mm Km – number of accidents per million kilometres driven

Lost time incidents – The sum of fatalities and injuries where the impacted person is unable to return to work the day (or days) after the injury.

Total Recordable Cases – The Total number of incidents reported including Lost Time Incidents and more minor incidents which include restricted work capacity and medical treatment.



# Governance and Ethics





# Anti-corruption

Tethys Oil has zero tolerance for corruption. It is strictly prohibited for Tethys Oil staff or contractors to give, authorise, offer, promise, request, agree or receive gifts, hospitality and entertainment to improperly influence or reward acts or decisions, or as an actual or intended compensation for any improper benefit.

In order to prevent the misuse of public office or company position or power for private gain, or the misuse of private

power in relation to business, Tethys Oil has adopted an anti-corruption policy and clear procedures for employees to report suspected cases of corruption. The policy and procedures have been drawn up in accordance with Transparency International's Business Principles for Countering Bribery.

Tethys Oil recognises that accepting or offering gifts or hospitality of moderate value is customary and in accordance with

local business practice in the region that it operates. As a result of this, Tethys Oil has implemented a policy requiring all staff, or contractors who receive or offer gifts on behalf of Tethys Oil should seek approval from their supervising manager and that a record is kept of donor, recipient as well as value.

To date, Tethys Oil has not had any reports of involvement in corruption or suspected corrupt activity.

# Anti-fraud and protection of Group assets

Tethys Oil has strict anti-fraud policies, aimed at safeguarding the Group and its staff from fraud and dishonest behaviour. For the purposes of the policy Tethys Oil has defined fraud as:

“The theft or misuse of Tethys Oil's funds or other resources, by an employee or a third party which may or may not involve

the misstatement of financial records to conceal theft or misuse.”

The policy is aimed at improving all Tethys Oil staff's knowledge and understanding of what constitutes fraud, how to prevent, detect and report suspected fraud and where the responsibilities for investigation lies. The policy also aims to assist in creat-

ing an atmosphere of openness and trust where staff feel comfortable and able to raise concerns openly and without the risk of repercussions.

No suspected cases of fraud have been reported in 2020.

# Whistle blower

Employees are encouraged to report suspected or known cases, which they believe may be illegal or a violation of the Group's Code of Conduct or any Group policies and as a result Tethys Oil has implemented a Whistle blower Policy. The aim of the

function is to provide an avenue for staff to raise concerns about improper, unethical or illegal conduct and to obtain reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

There have been no incidents or activities reported through the whistle blower function during 2020.



# Key Sustain- ability Risks

Risks are considered at both the corporate, asset and project level, ensuring that risks are identified and assessed from the bottom-up.



# Climate regulatory

**Risk assumptions**

With increasing awareness and concern regarding climate change and the role played by the use of fossil fuels in driving these changes, there is an increased risk of increased regulation, decreased demand for oil and gas as well as divestment of the sector from major financial investors

**Risk response**

Tethys Oil aims to produce oil and gas in an environmentally responsible way with a minimum of environmental impact. By reporting its environmental impact in a transparent way and joining in industry initiatives to reduce its emissions, the Group looks to mitigate the risks as much as possible.

# Environmental

**Risk assumptions**

Environmental impact through disruption of the natural environment through drilling, or environmental damage by leaks and spill

The release of atmospheric emissions through the use of diesel or the flaring of associated gas.

**Risk response**

Tethys Oil and its partners commit significant resources to ensure a minimal environmental impact from its operations, be it on the environment around the area of operations, from spills and releases as well as emissions from the oil production, thereby contributing to sustainable development.

The Company uses a third-party specialist company to monitor and measure the environmental impact of the operations

Use of Environmental Impact Assessment (EIA) to define existing biodiversity, environmental and other conditions near the Company activities and providing data for assessing the potential impacts on habitats and helping to develop mitigation plans

Work is progressing on developing a broad and long-term solution for handling the associated gas that is produced together with the oil. A concept has been selected that includes utilising some of the gas for power generation in the field and thus replacing the diesel-powered generators

# Safe operations

**Risk assumptions**

Serious injury, fatality or health deterioration of staff, contractors or the general public

Accidents resulting in damage to facilities, the environment and personal injury

**Risk response**

Tethys Oil has implemented a strict Health, Safety and Environment (HSE) policy framework to be adhered to by all employees, partners and contractors. By creating a culture of risk awareness including high level training and information the Company seeks to minimise the frequency and impact of accidents

The Group has implemented a systematic approach to Health and Safety management to achieve continuous improvement towards the goal of no harm to people and no accidents in respect of facilities are operated by one of the Company's partners, Tethys Oil aims to be actively involved in reviewing and contributing to HSE policies, initiatives and actions taken within areas in which the Company has an interest. The genuine care for HSE is a core value for the whole Group and shall be transparent through all of Tethys Oil's plans and actions. It is the Group's objective to provide a healthy and safe working environment for employees, contract personnel and members of the general public who might be affected by the activities of its operations.



## People and society

### Risk assumptions

Local community tensions and grievances

Negative impact of operations on local community's quality of life

Negative external perception of the industry by investors and stakeholders, and increased activism

Damage to Archaeology and Cultural Heritage sites

### Risk response

The Group has a commitment to have a beneficial impact on the community through engaging in a dialogue with the Group's stakeholders, whether these are local communities or relevant interest groups, such as local governments and civil society.

Tethys Oil engages in an active relationship with local stakeholders in order to understand the concerns surrounding the Group's operations and to set mutually beneficial goals. This is to ensure local stakeholders needs and priorities are considered and avoid that the Group's operations disrupt the livelihood of the local population and has a detrimental effect on their quality of life.

Tethys Oil endeavours to promote a framework of stakeholders relations, building relationships of trust on an ongoing basis.

Through an EIA, field survey is carried out to understand the Project's cultural heritage and archaeological context. Information is used to inform sample locations for field investigation. Cultural heritage / archaeology management – identification, classification and protection of cultural / archaeological sites in accordance with the country's laws/international standards and conventions

## Human rights & discrimination

### Risk assumptions

Risk for child labour or bonded and forced labour in the use of subcontractors

Increasing stakeholder focus on diversity and gender equality

### Risk response

Tethys Oil has committed firmly to the United Nations Global Compact and adheres to the United Nations Guiding Principles on Business and Human Rights.

Tethys Oil Human Rights Policy applies to all companies in the Tethys Oil Group and any ventures that are controlled or operated by Tethys Oil. This Policy should be followed by all employees, the Board, consultants and subcontractors employed or retained by the Group.

Tethys Oil has implemented a diversity and non-discrimination policy to ensure that the diversity of its staff is respected and that all forms of discrimination are prevented.

## Governance

### Risk assumptions

Ethical misconduct in operations or supply chain, impacting license to operate

Non-compliance with Code of Conduct and Policies

Non-compliance with current or emerging HSE related regulation

### Risk response

Tethys Oil has adopted an "zero tolerance" anti-corruption policy in accordance with Transparency International's Business Principles for Countering Bribery and clear procedure for employees to report suspected cases of corruption. Tethys Oil is publishing an annual report of all the Group's payments to authorities. The reported amounts refer to direct payments in excess of the threshold amount of SEK 800,000 and production sharing.

Tethys Oil has implemented a Whistle blower Policy. The aim of the function is to provide an avenue for staff to raise concerns about improper, unethical or illegal conduct and to obtain reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

Tethys Oil has a responsibility for all activities that are a consequence of the Group's operations. At a minimum, it is Tethys Oil's duty to ensure compliance with all relevant laws and governmental instructions concerning HSE. As well as continued roll out of sustainability policies and procedures across the business with ongoing monitoring of the regulatory landscape



# Auditor's report

## Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Tethys Oil Ab (publ), corporate identity number 556615-8266.

### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of

the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory sustainability report has been prepared.

Gothenburg, 9 April 2021

PricewaterhouseCoopers AB

Ulrika Ramsvik  
*Authorised Public Accountant*  
*Lead Partner*

Sophie Damborg  
*Authorised Public Accountant*





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