

Tethys Oil AB (publ) and subsidiaries



Group CSR Policy

Adopted by:	Managing Director	August 23, 2023
Review:	Annually	
Policy is in force until new version is adopted		

<i>Definitions:</i>	
<i>Tethys Oil or Group</i>	<i>Tethys Oil AB (publ) and its subsidiaries</i>
<i>MD</i>	<i>Managing Director of Tethys Oil AB (publ)</i>
<i>Policy</i>	<i>This CSR Policy</i>
<i>Staff</i>	<i>Employee or Director of Tethys Oil</i>
<i>Board of Directors</i>	<i>The Board of Directors of Tethys Oil</i>

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“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The purpose of this policy is to set guidelines for both the Tethys Oil Group but also its employees to follow with regards to CSR. Furthermore, it will act as guidelines for all parties associated with the Group as to how it wishes to conduct and strive towards the Group’s CSR objectives. This policy will govern the Group’s approach to all its CSR activities.

1. Scope of Policy

The policy pertains to all activities undertaken by the Group towards fulfilling its corporate social responsibility objectives, whereby the interests of stakeholders of the Group are observed. A responsible approach to CSR issues is therefore embedded and implemented in all aspects of the Group’s operations.

With the goal of sustainable development of valuable oil and natural gas resources, Tethys Oil fulfils CSR by meeting the expectations of the Group’s stakeholders with respect to ESG (environment, society, and governance). This policy aims at ensuring that all CSR expectations are handled according to good practice.

2. Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of society. Tethys Oil commits to building a legitimate 'social license to operate' in the communities and countries in which it operates. Tethys Oil adheres to applicable legislation and regulations, considering international standards and values. Tethys Oil utilizes the UN Global Compact as the basis for its CSR policy:

To be fully effective, however Corporate Responsibility must go beyond formulation of policies and procedures. It must be an integral part of the corporate culture.

3. CSR Focus Areas & Priorities

Tethys Oil strongly believes in building long-term and sustainable partnerships with the communities around its operations. The Group aims to make a positive difference, wherever the Company does business. CSR is one of the many ways in which the Group contributes to communities around it. Seeking alignment with the national development agenda and business objectives, Tethys Oil CSR activities aims to create value within the following focus areas:

- **Skills and Education:** creating access to skill development opportunities to ensure improved quality of life; skills to build a safer and globally competitive workforce.
- **Health and Humanitarian work:** increase the quality and capacity of local health structures and support the affected people during natural disasters.
- **Rural development projects:** protection of national heritage, art and culture including promotion and development of traditional art and handicrafts.
- **Environmental Protection:** to undertake locally relevant initiatives in the areas of environmental sustainability.

Tethys Oil’s activities shall strive to create shared prosperity between stakeholders and to avoid and mitigate any potential negative impact. The Group supports initiatives and projects which are of benefit to all levels of society.

The Corporate Social Responsibility Committee (CSR Committee) shall therefore endeavor to have a balanced long term community engagement projects on:

- local community level
- regional level
- international/national levels.

4. Responsibilities and Implementation

The Tethys Oil CSR strategy establishes the direction and scope for the Group's social investments, in alignment with both business and national priorities. Tethys Oil will undertake all CSR activities as stated, in the previous-mentioned focus areas, preferably around the operations or areas of presence of the Company.

All activities will be undertaken in project form with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities. An active monitoring and evaluation system will be developed for each project as per its specific requirements.

The following details of any CSR Activities to be undertaken by the Group shall be presented to the CSR Committee by Asset Managers, Director of External and Corporate Affairs or Head of Sustainability along with its recommendations:

- (i) The objectives and expected results of the CSR Activity
- (ii) The relevant sector and the nature of the CSR Activity
- (iii) The focus area/ location for implementation of the CSR Activity
- (iv) The monetary resources to be allocated towards the CSR Activity
- (v) The indicative timelines for completion of the CSR Activity

5. Monitoring & Evaluation

The monitoring and evaluation process will include the key performance indicators, milestones, and reporting periodicity prior to commencement.

Key performance indicators will include either quantitative or qualitative measurables to measure benefit impacts. Financial and timelines-based measurement will be included with regular progress reporting mechanisms.

Key objectives of monitoring throughout the implementation period will be to establish whether:

- The projects are making satisfactory and timely progress towards the objectives agreed.
- The financial management and reporting are satisfactory.
- To flag any course correction required. Projects will evaluate the success of social investments at the end of their implementation period and document any lessons learned.

6. CSR Governance Structure

The CSR Committee is the governing body that will articulate the scope of CSR activities for the Company and ensure compliance with the CSR Policy. The CSR Committee consists of the MD, CTO, CFO, Director of External and Corporate Affairs as well as the Head of Sustainability.

The CSR Committee shall:

- ensure that the activities included in the CSR Policy in accordance with the specified activities are undertaken by the Company,
- allocate budget for each Project/Program and monitor the progress thereof from time to time,
- appoint a member to CSR Committees not chaired by Tethys Oil, and
- review effectiveness of the CSR Policy and activities included in the Policy.

The employees of the Group have an obligation to understand the manner in which the Group wishes to best conduct its CSR policy.

7. Discipline

Any Staff who violates the term of this Policy will be subject to disciplinary action. Any Staff who has direct knowledge of potential violations of this Policy but fails to report such potential violations to Tethys Oil will be subject to disciplinary action. Any Staff who misleads or hinders investigations into violations or potential violations of this Policy will be subject to disciplinary action. Any related party who violates the terms of this Policy, who knows of and fails to report to Tethys Oil violations or potential violations of this Policy, or who misleads investigations according to this Policy, may have their contracts re-evaluated or terminated.

8. Documentation and reporting

It is the responsibility of the MD to keep an updated record of all suspected and actual policy breaches as well as provide reports of such incidents to the Board of Directors on a continuous basis.

9. Administration of Policy

The MD is responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed annually and revised as needed. Minor revisions of the Policy may be carried out by the CSR Committee.