

Sustainability Report 2019



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WE SUPPORT



Message from the CEO

Responsible operatorship and ensuring that we adhere to the highest principles of business conduct have been an integral part of how we do business since the creation of IPC in 2017. Over the past three years, IPC has rapidly grown our business with the completion of three acquisitions in Canada as well as significant investments in our French and Malaysian businesses. In parallel, we have made a concerted effort to further develop and improve our sustainability strategy. An important part of this journey involves the measurement and transparent reporting of a broad range of ESG metrics. I am very pleased to present to our stakeholders for the first time, IPC's inaugural Sustainability Report.

Throughout 2019 we set out an ambitious development and optimisation plan in each of our operating regions. Thanks to the performance of our high calibre teams we were able to deliver an impressive production increase of more than ten percent. Our teams have demonstrated operational excellence once more with the many successes in 2019.

In Canada, we safely delivered a 26 development well program in the Suffield area, upgraded the Onion Lake Thermal facility and completed the drilling and commissioning of the new F-Pad. In France, we successfully delivered the drilling of the first horizontal wells in our Rhaetian reservoir as part of the Vert-la-Gravelle field redevelopment project. In Malaysia, through our third infill drilling campaign, we saw the successful delivery of an additional three wells at the Bertam field.

The challenges we faced and overcame in 2019, such as the extreme cold weather in Canada, refinery shutdowns in France and rig delays in Malaysia, now seem small in comparison to the unprecedented situation that we faced in 2020. The COVID-19 pandemic disrupted the global economy, put people's health at risk and led to the collapse in oil demand and prices. At IPC we rapidly adapted our working practices to keep our people safe whilst continuing to run our operations with business continuity plans in place. The profound weakness in oil prices in the first half of 2020 required swift action to reset our business plan to preserve the financial strength of IPC for brighter times ahead.

Today, the focus on the industry's contribution to address environmental challenges that the planet faces is higher than ever. We believe that it is critical for IPC to demonstrate to all of our stakeholders how we integrate sustainability into the responsible execution of our projects, the management of our workforce and in our corporate governance. Our sustainability strategy encompasses our commitment to protecting people and the environment, as well as upholding the highest standards of business ethics.

We foster a respectful work environment with a strong safety culture, where employees are given the support needed to develop competency as well as having various forums to contribute and raise questions or concerns. In 2019, we have had a good health and safety performance with only low severity incidents. We recognise that every incident is one too many. Therefore, we make sure that every safety incident, no matter how small, is recorded and improvement measures implemented. It is our priority to make sure everyone comes home safely.

Our engagement with local communities became a more prominent area of involvement in 2019 with the integration of the northern assets in Alberta and Saskatchewan. The Onion Lake Cree Nation is one of our key stakeholders and business partners, and we share the benefits from our activities at Onion Lake with them. We also supported local economic development by investing more than USD 14 million with indigenous suppliers in 2019.

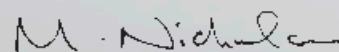
Climate change has become an increasing topic of interest among our stakeholders. To align with growing expectations in this field, we have developed our climate strategy with a five-year horizon. Operational efficiency has been our main contribution to reduced levels of emission in the past. Today, we continue to pursue new operational emission reduction opportunities and engage in carbon offsetting to compensate for our direct emissions. I am very pleased to advise that starting in 2020 we have made the commitment to progressively invest in carbon offsetting projects to lower our carbon footprint by up to 50% of our CO₂ emissions over the next five years.

While a great focus is on reducing CO₂ emissions, we must also focus on terrestrial and marine environmental conservation. These are at the core of our environmental stewardship in all our operating regions where we monitor potential impacts to preserve the surrounding biodiversity.

The backbone of our responsible business is the strong corporate governance we have in place. Our Board of Directors oversees all aspect of our business and ensures that we apply the necessary checks and balances at all times. We have zero tolerance for any form of fraudulent or corrupt practices and we promote revenue transparency.

I am please to announce that IPC has joined the United Nations Global Compact in 2020, the year of the 20th anniversary of this leading global initiative for good corporate citizenship. We support and are committed to upholding the 10 Principles of the UN Global Compact on human rights, labour, environment and anti-corruption. This report is our first Communication on Progress to the UN Global Compact and we look forward to reporting on our progress in the years ahead

Yours Sincerely,



Mike Nicholson
President and CEO



About International Petroleum Corporation

International Petroleum Corporation ('IPC') is an internationally focused upstream oil and gas company with a portfolio of exploration and production assets in Canada, Malaysia and France.

Our vision is to grow a successful upstream exploration and production company in a safe and environmentally responsible manner for the long-term benefit of all stakeholders.

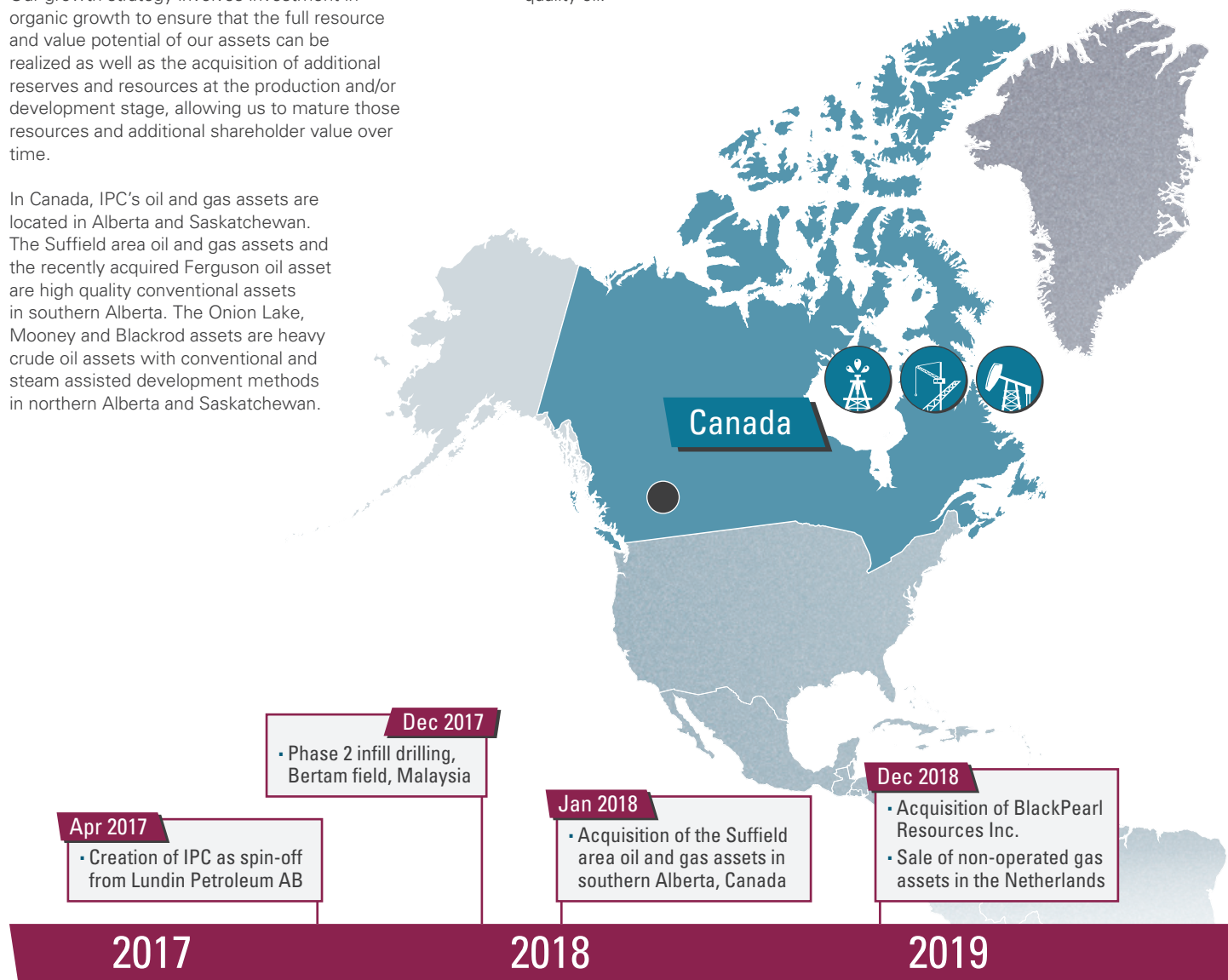
Established in 2017, IPC is now operating on three continents with assets in Canada, France and Malaysia. IPC operates its assets in Canada, France (Paris Basin) and Malaysia and owns non-operated interests in France (Aquitaine Basin).

Our growth strategy involves investment in organic growth to ensure that the full resource and value potential of our assets can be realized as well as the acquisition of additional reserves and resources at the production and/or development stage, allowing us to mature those resources and additional shareholder value over time.

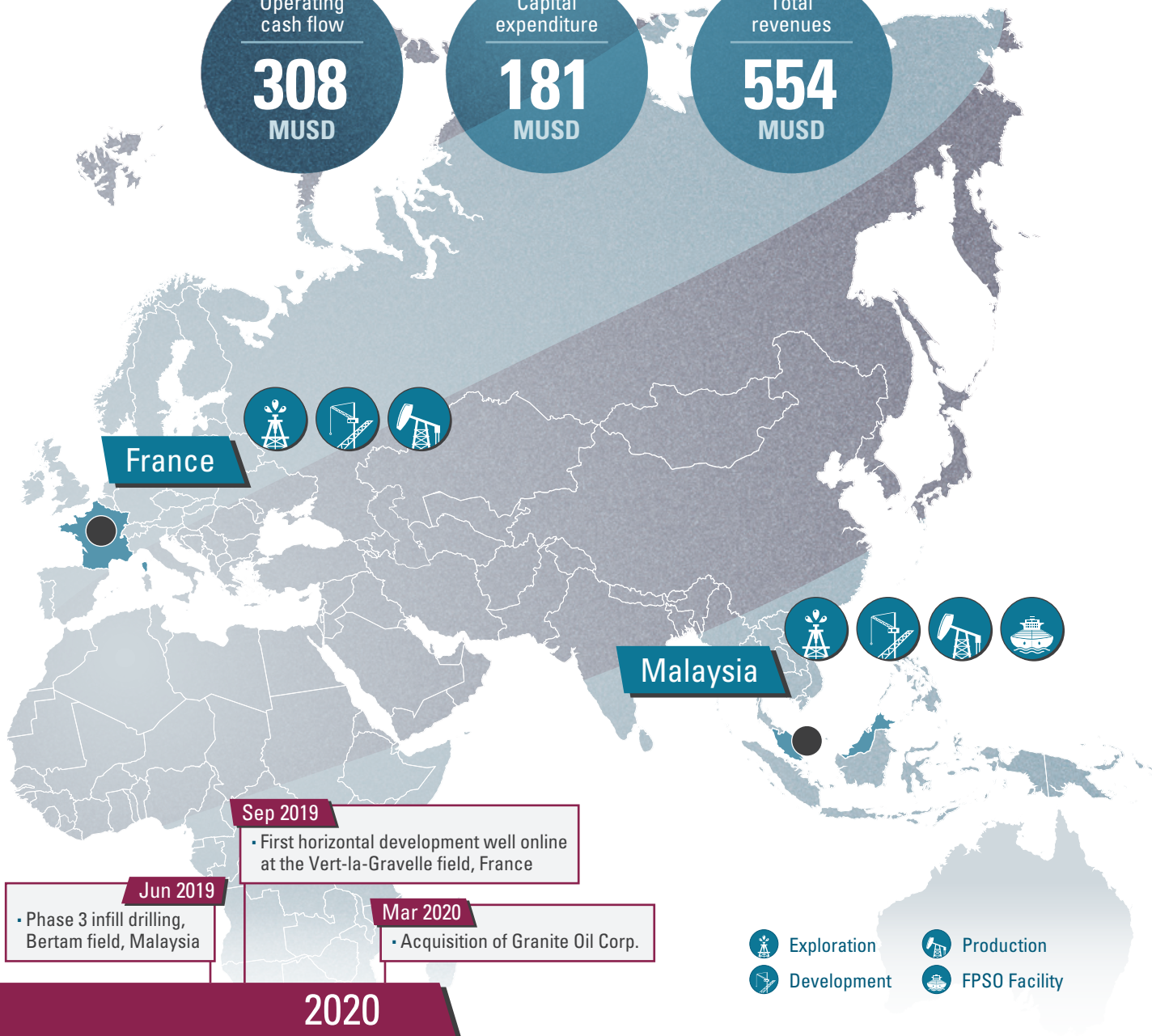
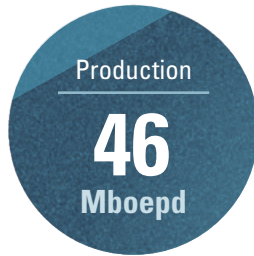
In Canada, IPC's oil and gas assets are located in Alberta and Saskatchewan. The Suffield area oil and gas assets and the recently acquired Ferguson oil asset are high quality conventional assets in southern Alberta. The Onion Lake, Mooney and Blackrod assets are heavy crude oil assets with conventional and steam assisted development methods in northern Alberta and Saskatchewan.

The Bertam field in Malaysia is an offshore asset with light, high quality oil. The field is operated with a wellhead platform and a floating production storage and offloading vessel (FPSO) at approximately 170 km offshore Peninsular Malaysia.

In France, IPC's assets are comprised of two main operating basins, the Paris Basin, which is operated by IPC, and the Aquitaine Basin, which is operated by a subsidiary of Vermilion Energy Inc. Production from IPC's oil and gas assets in France is light, high quality oil.



2019 Highlights



Our Industry in the Global Context

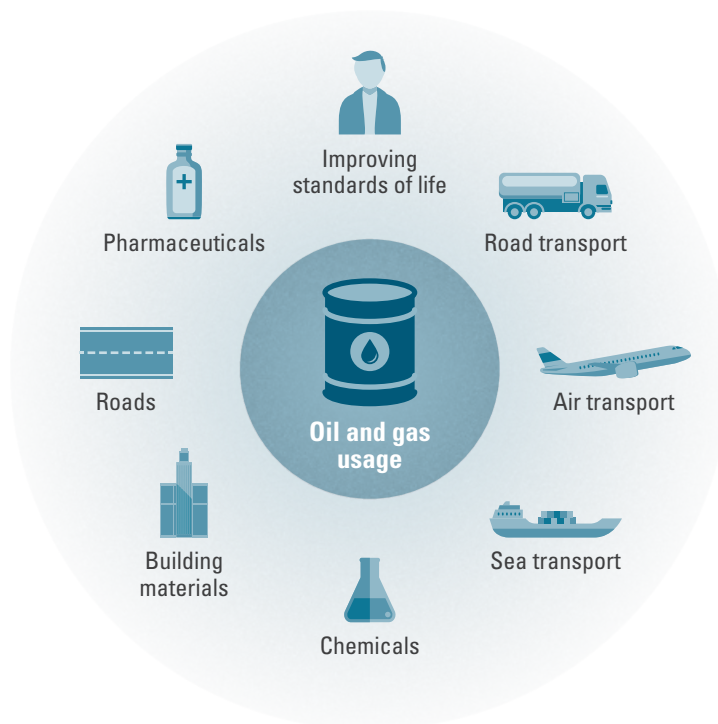
One of the most relevant contributions of the oil and gas industry is providing affordable and reliable energy to the world. Heat, light and mobility have lifted millions of people out of poverty in the past century.

Today, the world is at an intersection; balancing the need to continue to provide affordable energy while addressing the complex environmental challenges it faces. At IPC, we believe that energy lies at the heart of the global economy and will remain an integral part of our modern lives.

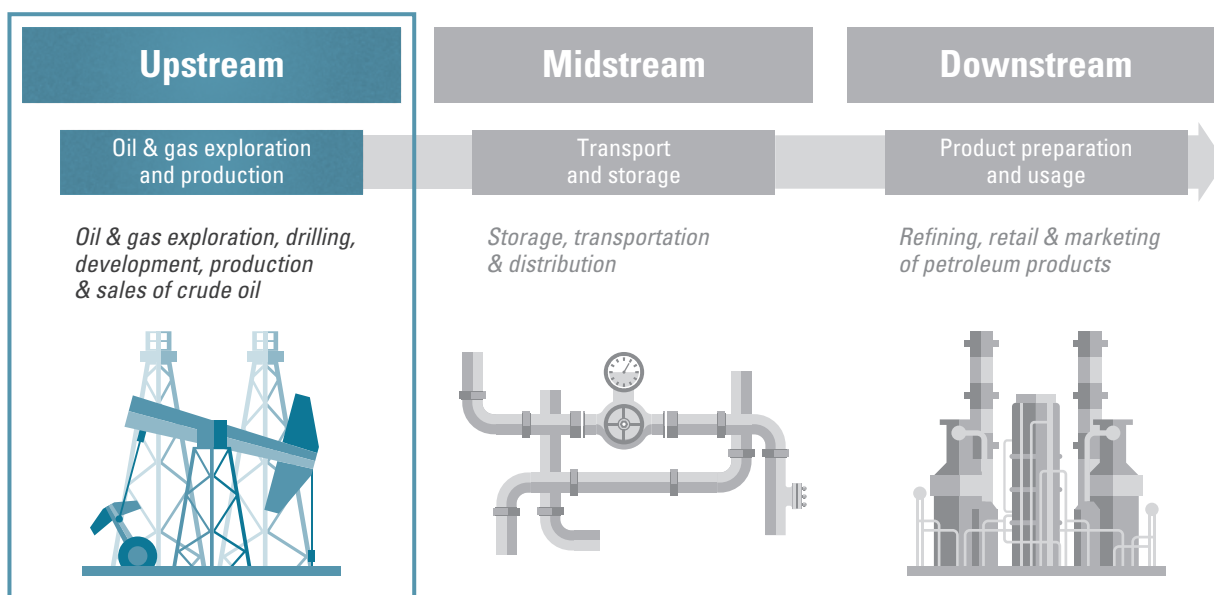
We understand that the global energy system is undergoing rapid and significant change and it is likely that renewable energy sources will become the fastest growing source of energy to meet the IEA's Sustainable Development Scenario.

Oil and gas represent 60% of global energy sources today and will continue to be an essential part of the energy mix in the foreseeable future where world energy demand is predicted to increase by 30% over the next two decades.

Oil and gas are integral to modern life. Beyond their use as fuels, oil and gas are used across many sectors in a wide variety of products and manufacturing applications ranging from everyday items, to life-saving medical equipment.



At the Heart of Energy Supply



Advancing our ESG Reporting

This is the first sustainability report for IPC. We report on how we manage environmental, social and governance (ESG) factors, including impacts, risks and opportunities.

About this report

In guiding the development of this report, IPC implemented the reporting frameworks and best practices in the oil and gas industry including the Global Reporting Initiative (GRI) Standards and the International Petroleum Industry Environmental Conservation Association (IPIECA) reporting guidance. The report aligns to the GRI standard disclosures, and GRI principles have defined our reporting approach. The GRI index is included on pages 36-37 and indicates where specific disclosures are addressed within the report. The index also cross references progress on the UN Global Compact principles, as well as contributions to the SDGs. In 2019, we updated our environmental reporting using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Materiality for sustainability reporting

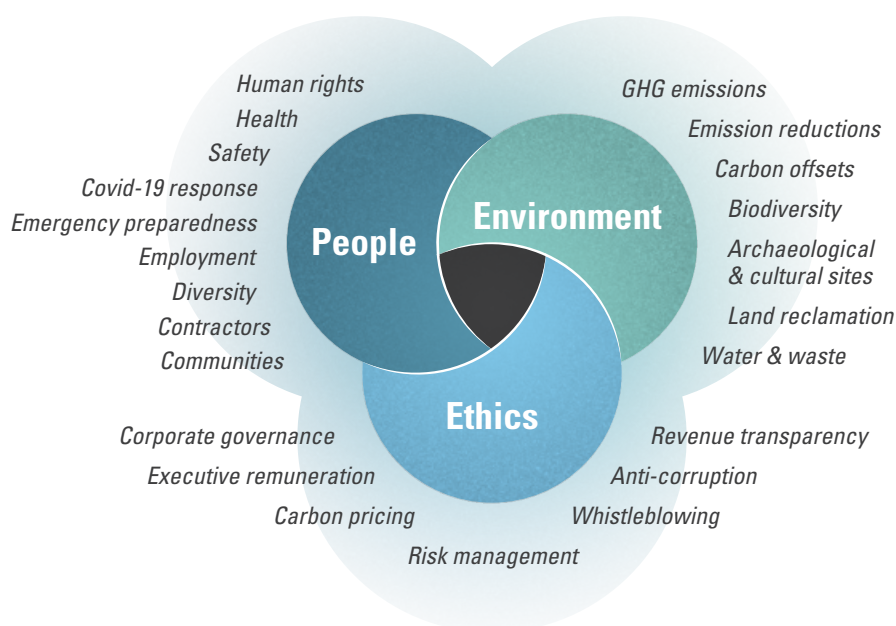
Materiality in sustainability reporting is determined by the potential of a particular topic to affect, positively or negatively, a company's performance and external opinion. To determine our material topics, we solicited internal and external stakeholder views through dialogue, media articles, public reports and trends in sustainability and ESG assessments. IPC then benchmarked these results against those topics most reported by our industry peers. In the process of defining the report content we adopted a stakeholder identification and engagement approach in line with IPC's Stakeholder Relations Policy. The content of the report reflects the most material areas of focus to the Company and its stakeholders, and has been approved by the Executive Committee and the Board of Directors ("Board").

We strive to continuously improve our sustainability reporting and will engage with our stakeholders to ensure our disclosures are relevant and focused. We will continue to evaluate our approach to materiality as we progress in our disclosures and conduct materiality assessments both through internal and external methodologies with a view to refining the topics we report on and remaining aligned with stakeholders' evolving expectations.

Reporting on data

Data presented in this report covers the entire Company with our three operating countries and operations offices unless otherwise stated. The terms "IPC", "International Petroleum Corp.", "our", "we", "us", "the Company" and "organisation", refer to International Petroleum Corporation combined with its subsidiaries. Any data limitations are explicitly noted within the performance figures. The data contained in this report includes data through to December 31, 2019 and all financial information is presented in USD unless otherwise stated. While the reporting period is 2019, key developments in early 2020 have been provided for additional context given the extraordinary nature of Q1 and Q2 2020.

Material Topics



Our Approach to Sustainability

IPC has created a sustainability framework under which we integrate environmental, social and governance issues across all aspects of the Company. Responsibility and accountability for the conduct of our activities lies with the Board of Directors, our highest governing body, and its dedicated Reserves and HSE Committee. Strategic decision making with respect to IPC's sustainability strategy sits with the Executive Committee. In our operating regions, General Managers have the overall responsibility for the safe and sound conduct of operations. We have established sustainability task forces and health & safety committees, recognising that our sustainability journey requires the involvement of everyone.

In working towards defining and executing on our sustainability strategy, we align with the United Nations Global Compact Principles and seek to contribute to the United Nations Sustainable Development Goals (SDGs). We believe all members of society have a role to play in achieving the SDGs, and IPC contributes positively to a number of the SDGs, such as SDG 8 (Decent Work and Economic Growth), and we are working to improve our impact on others, such as SDG 13 (Climate Action). Based on the estimated demand for oil and gas in the coming decades, we understand our main contribution is to ensure that this demand is met in a responsible way. The SDG icons within this report help the reader navigate the report through a SDG lens.

In 2019, the Board adopted a Sustainability Policy which provides high-level guidance and reflects how sustainable business practices are part of every aspect of our activity. The overall policy is further supported by subject specific policies and procedures setting clear expectations and providing guidance to our countries of operations, ensuring we apply the same high standards across IPC. This structure creates accountability throughout IPC from the Board and executive level to the operations in each country.

The Sustainability Policy sets out the following overarching principles that guide IPC in developing and implementing its sustainability strategy:

Deliver energy to meet the needs of society by:

- *Responsibly developing our assets in a manner that minimises adverse impacts to the environment and to people; and*
- *Supporting the economic and social well-being of our stakeholders and the communities in which we work*

Each of these principles is further explored and developed through the lens of three focal areas; namely, People, Environment and Ethics & Governance.

People drive our performance and are key to our success. Positive relationships are fundamental to maintaining our social licence to operate and enable IPC to have a positive impact on people by providing opportunities and increased quality of life.

2019 Highlights



¹ Including fees, production entitlements, bonuses

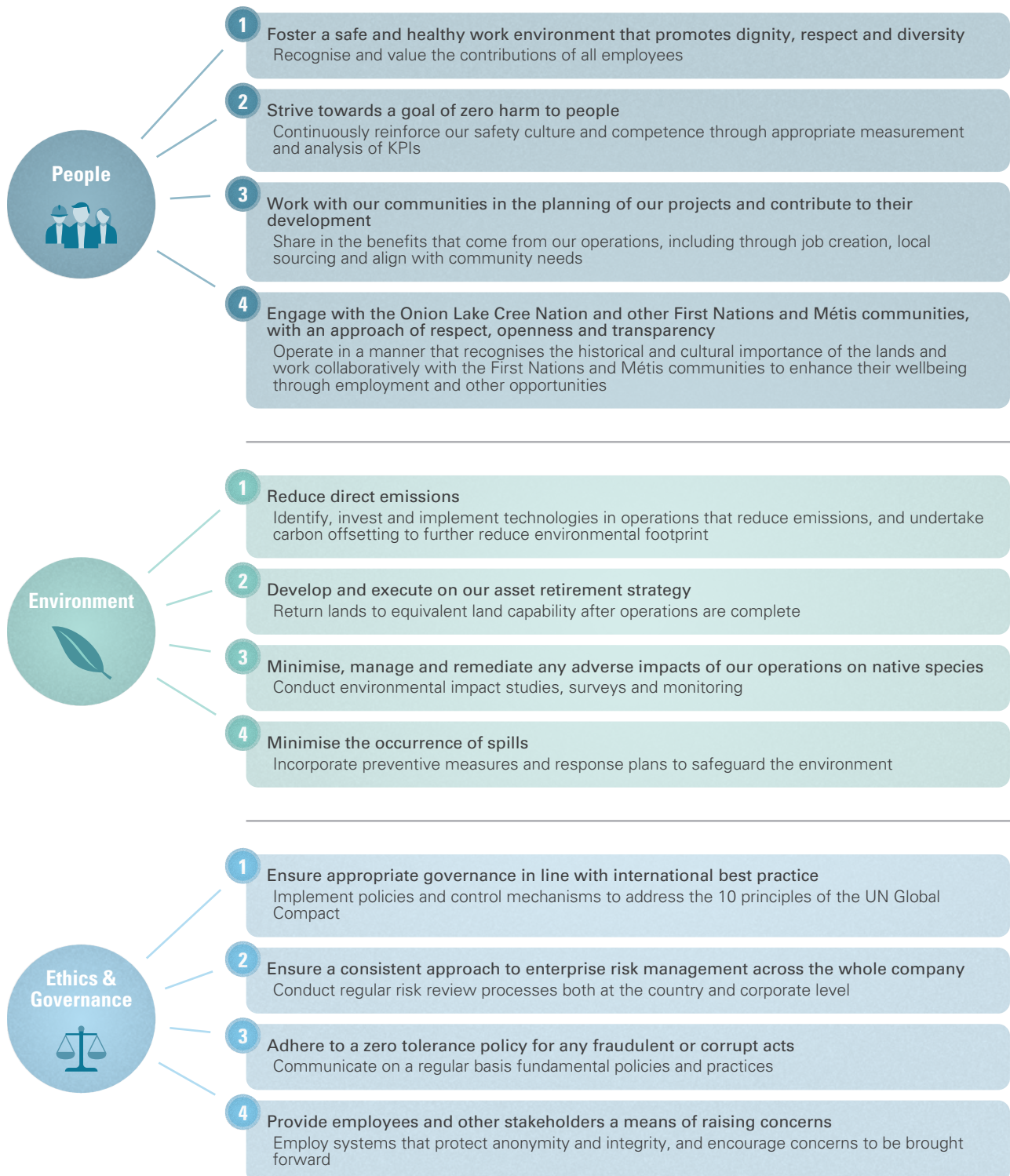
We manage the environmental effects of our operations and work to continuously improve upon the ways in which we interact with and impact the environment. We operate in a manner that seeks to preserve biological diversity and safeguard ecosystems, species and genetic diversity for future generations.

Strong governance starts at the top of our organisation. Our Code of Ethics and Business Conduct is the foundation of our corporate values. We place responsibility on each and every employee to comply with and uphold these standards. At IPC, we are driven by values of fairness and transparency. We promote a culture of open and honest dialogue with our stakeholders and recognise the principles set out in the UN Guiding Principles on Business and Human Rights.

Our journey continues

2019 marks the first year of IPC's sustainability reporting. With that we are embarking on the journey of disclosing our management of ESG aspects and pursuing our sustainability vision. Our sustainability goals represent the elements which provide the foundation on which IPC continues to refine its sustainability strategy towards achieving broad integration of sustainability across all areas of our business.

Our Sustainability Goals



PEOPLE

Health and safety of employees and contractors working for IPC always comes first. We are committed to a goal of zero harm to people and to providing our workforce with a safe, healthy and productive work environment wherever we operate.



Safety

Approach to safety in our workplace

IPC is committed to developing and maintaining a strong safety culture across our organisation. IPC pursues a goal of causing zero harm to people by providing our workforce with a safe, healthy and productive work environment that promotes a culture in which all employees have shared ownership and accountability towards safety. IPC strives to ensure that we can deliver strong business performance, maintain our reputation as a responsible operator, and keep staff fully engaged in our operations and safety culture. Safety is integrated into every aspect of our operations, and ownership and responsibility for safety is shared across all levels of the organisation. Our priority is ensuring that every employee, contractor and service provider at IPC returns home safely.

Safety culture

IPC recognises that a culture of safety requires a strong commitment from the highest levels of the organisation. As part of that commitment, members of our senior leadership team participate in regular safety meetings held with field staff. These meetings encourage staff and management to share safety moments and to learn from one another. Daily reports and toolbox talks, weekly site-level safety meetings and monthly management meetings form part of the day-to-day integration of safety planning and execution in our operations. Analysis of safety performance and targets is also important for the leadership team, with management performance evaluated in part through key safety performance indicators.

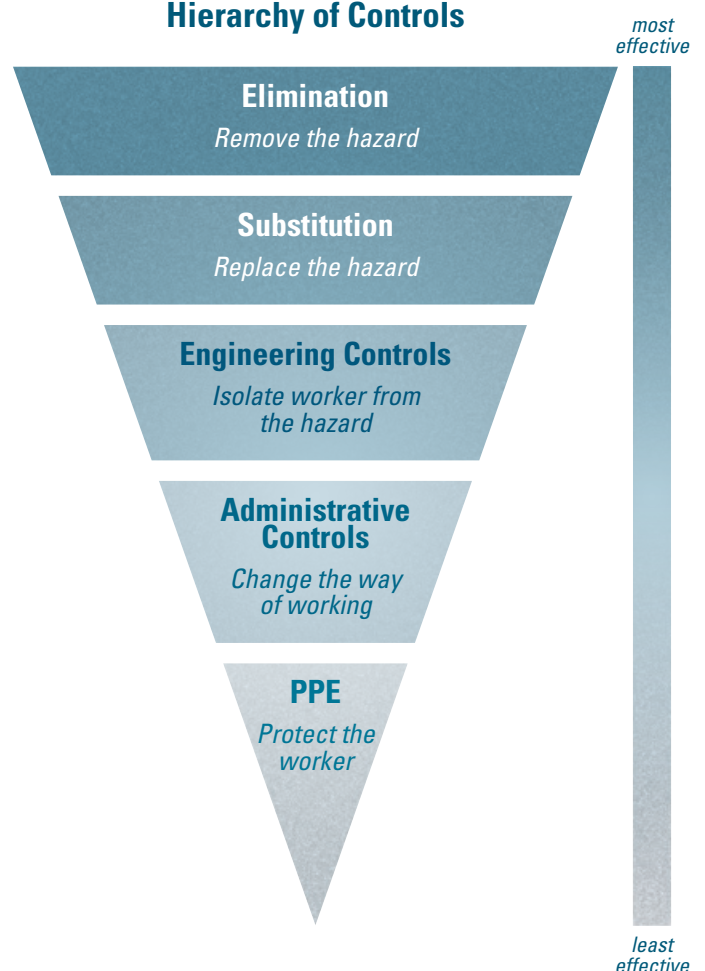
In order to mitigate risks to our culture, IPC safety advisors are integrated into the day-to-day operations. This also helps to promote a collaborative approach to safety, as well as prioritizing safety as a defining aspect of our overall culture.

Health and safety management systems

The IPC Health & Safety Policy and Health & Safety Management System set the context for the local health and safety management systems in our operating regions. Executing our operations in a safety conscious manner also means providing staff with adequate and relevant guidance, regular training opportunities and involving them in the reviews of key policies, procedures and safe practices. Online training modules and quick reference guides are daily reminders of safe work practices.

Fundamental to ensuring our activities are conducted in a safe manner is the identification, elimination or minimisation of hazards, which we do according to the hierarchy of safety controls. Workplace hazard identification and control, qualitative and quantitative risk assessments, safe work procedures and permit-to-work systems, safe work observations, stop card systems, incident reporting and investigation are intrinsic parts of our management of health and safety.

Hierarchy of Controls



Safety planning for drilling

Drilling programmes involve a coordinated effort from staff across various disciplines at IPC. As part of our 2019 drilling season preparations in Canada, Malaysia and France, we conducted a two-phased approach which included a “drilling a well on paper” (DWOP) exercise, as well as large-scale drilling safety meetings. The intent of the DWOP is to ensure a common understanding of the technical features of the well, including identification of any potential hazards. That information then forms the basis of the drilling safety meeting held primarily with field operations, including staff and service providers, which allows operation teams to anticipate and prepare for the drilling programme. During drilling operations, safety tailgate meetings are held at the beginning of each day in the drilling programme to ensure that staff and service providers are aligned from a safety and technical perspective and to share key learnings from the previous day’s activities.

Health and safety reporting

Our health and safety performance is shared across the Company from field operators to the Board. Incidents that are classified as high-potential or result in a reportable injury are reported, analysed and lessons learnt are shared and integrated in work practices. Consolidated health and safety performance data are evaluated to identify trends and to develop focused incident and injury prevention strategies.

Over the years 2018 and 2019 we have leveraged on modern technology by implementing in all our Canadian assets a software application through which data is continuously collected, recorded and reviewed. Switching to this online HSE data management system allows field workers to record incidents or hazard identifications in real time from their mobile device. A notification is sent to the competent supervisor who can act quickly to address the reported incident. Collected data is then analysed to understand emerging trends, and shared in regular safety meetings where staff are given the opportunity to share key learnings and raise awareness around potential hazards.

Performance indicators

We measure our health and safety performance using a combination of leading and lagging indicators. Leading indicators help us identify strengths and weaknesses in our health and safety systems and procedures, and highlight areas where we need to address potential hazards to safety or health to prevent incidents from occurring. Leading indicators include occurrences like near-misses, workplace inspections, identified hazard reports, workplace safety observations and health and safety suggestions. Lagging indicators help us to learn from incidents and to improve our existing practices using that knowledge. Our primary lagging indicators for measuring health and safety performance are lost time incidents (LTI) and total recordable incidents, which is the sum of fatalities, LTIs, restricted work incidents (RWI) and medical treatment incidents (MTI). We account for employee and contractor incidents equally. In 2019, we recorded in total four low severity LTIs; two in Canada and two in France, as well as one RWI and two MTIs in Canada for 2.2 million hours worked.

Safe offshore transportation in Malaysia

On September 1, 2019 IPC operated its first flight for routine crew change to the Bertam field in Malaysia. Months of planning and coordination with the helicopter operator, authorities and industry partners preceded the first flight. Industry recognised offshore survival training is mandatory for all passengers, with safety controls and measures enhanced by robust boarding and departure compliance protocols. Additionally, there are stringent metocean condition limitations and monitoring requirements to be met prior to any planned helicopter takeoff.

Helicopters service offshore oil and gas operations. Not only are they utilised for routine crew change operations, they are also key to emergency transportation such as vessel evacuation, medical evacuation, and search and rescue operations. IPC joined a Malaysian industry initiative to substitute vessels with helicopter crew transfers during the monsoon season. In 2019, the helicopter services operated for 18 weeks and a total of 177 flight hours with no safety incidents. No helicopter transfer for emergency transportation was required for 2019.



2019 Performance



⁽¹⁾ employees & contractors

Contractors

IPC engages contractors as part of its regular ongoing operations. Responsible contractor management starts with a due diligence process at pre-qualification stage, during which contractors are screened using HSE criteria. Our agreements with contractors contain clauses respecting their obligation to abide by nationally and internationally recognised safety standards and highest standards of business conduct. After we have ensured that contractors meet our high safety standards, they are introduced into our operations, and integrated into our safety practices and culture through continued engagement with our staff. Developing strong relationships with our contractors helps to ensure that we are aligned in our operations and promotes learning opportunities across all members of our team.

In France, we organise an annual contractor safety day with more than 100 people representing approximately 80 contracting companies. General managers, HSE managers and health and safety committee members attend our safety day where operational updates, safety statistics and requirements, and lessons learnt are communicated. It is also a unique opportunity for our contractors to learn about IPC's development activities and participate in site visits. Finally, one-on-one sessions are held with each contractor for a final review of the previously established risk assessments of their activities. Through the conduct of these safety days we ensure to engage with our contractors in a meaningful manner prior to the start of the work, to establish individual prevention plans and meet regulatory requirements.

Emergency preparedness

Crisis management, emergency response and site-specific contingency plans are in place at all of our operations. We ensure appropriate levels of emergency response preparedness through regular training and simulated emergency exercises at site, country and corporate level. In addition, each operation maintains emergency response capabilities and equipment suited to the operating environment and the associated risks.

Spill prevention and response

Oil spill contingency plans, training and affiliations with oil spill response organisations are key elements to effective prevention and remediation of spills. Every operation has arrangements with regional oil spill response organisations in order to obtain assistance in the event of a spill that would exceed IPC's internal response capabilities. We are also a member company to the world largest oil spill preparedness and response organisation, Oil Spill Response Limited (OSRL), as an additional tier to our oil response capabilities.

In 2019, we had no reportable oil spills in our offshore operations. In Canada, releases reported to the regulator include emulsion leaks due to top drive seal failure and nipple fitting corrosion at Suffield and handling error during tank fill operations at Onion Lake. Due to access constraints at Suffield, one spill resulted in 30 m³ of emulsion, composed of 98% of produced water and 2% of oil. The spill did not spread on land as all fluids were contained within the wellhead caisson.

Recovery and remediation is deployed as soon as a release is identified. A steam and vacuum technique is used to remove the released fluids. Top soil is removed and replaced where required, and native grass sowed. Our goal is to recover as close to 100% of the released volumes as possible within the shortest time frame.

Offshore oil spill response training

In April 2019, IPC's FPSO Bertam operation team completed a 3-day advanced oil spill response training course provided by our partner Pimmag, Malaysia's oil spill response organisation.



Spill management in Canadian onshore operations

IPC's operations involve more than 6,000 km of pipelines, oil and gas processing facilities as well as over 10,000 wells. We actively strive to minimise the occurrence and impact of oil or produced water spills in a variety of ways. IPC has developed an asset integrity plan which guides us in our spill reduction efforts. The plan is supplemented by a newly implemented pipeline management software that incorporates operational parameters along with static pipeline data to quantitatively aid in determining which pipelines present the highest risk. In addition, IPC's Emergency Response Plan ensures that spills receive timely action when they occur. Through continuous investment in proven technologies and engaging in collaborative working sessions between management, operations and engineering, IPC works to proactively safeguard the surrounding environment where our assets are situated.

In 2019, IPC strengthened its approach to spill management through various operational implementations. IPC completed the installation of leak detection in the Suffield asset which transmits data through radio networks to its supervisory control and data acquisition systems. This has resulted in a more than 50% improvement in response time to pipeline failures, thus minimising spill volumes. Additionally, IPC increased cathodic protection measures on pipelines and conducted leak detection surveys to reduce the likelihood of spills. Staff are trained internally to recognise early signs of potential leaks, and spills are tracked and analysed with historical data being used to understand spill sources and predict potential areas for further investigation.

Health

Occupational health

Industrial hygiene and occupational health are an integral part of our overall health and safety management system. We have stringent measures in place, from product selection and storage, operating practices to PPE requirements, to prevent exposure to chemical substances, noise or other potential hazards. We continuously monitor the control of exposures to chemical, biological, physical and ergonomic risks at our sites to prevent acute illness and long-term chronic occupational disease. Health assessments and fitness-for-work examinations include hearing tests, respiratory evaluations and workplace drug and alcohol screenings.

Health promotion

Our occupational health efforts go beyond regulatory requirements. IPC employees globally benefit from medical insurance coverage and paid medical leave. We also promote sound health practices and encourage office and field staff to adopt healthy habits. Health campaigns conducted in 2019 include:

- General health awareness
- Stress management and mental health
- Ergonomics campaign
- Availability of sport facilities
- Promotion of bike to work

2020 Global Challenge

In January 2020, IPC participated for the first time in the Global Challenge.

We had 259 participants from IPC Canada, France, Malaysia and Switzerland.

During the 100-day challenge we walked:

- 4,75 times around the world or 190,596 km.

The Global Challenge benefits:

- 71% of IPC participants walked 10,000+ steps per day (vs 17% before the programme).
- 62% of IPC participants report greater awareness about what they eat.
- 74% of IPC participants lost weight.
- IPC participants slept on average 47 minutes more per night.

"This journey took me to a better place by helping me be more aware of my choices, stimulating me to be more active and as a bonus, helping me shed a few pounds."

Carmen Koch
Senior Facilities Engineer Canada





COVID-19 Response

The impact of the novel coronavirus (COVID-19) has touched every corner of the globe in 2020. At IPC, we have been working across our organisation in response to these unprecedented circumstances that our people, communities and business have faced. Operating practices had to rapidly adapt, including a swift response incorporating recommendations from governments on dealing with the outbreak. Throughout the peak of the pandemic, we held daily meetings with emergency response teams, leadership and senior management to address and respond to the ever-changing conditions in the countries where we operate.

Robust processes

Since January 2020, we have been closely monitoring the evolving epidemic, putting proactive measures in place to safeguard the health and safety of our employees and contractors. Our pandemic response plans were swiftly adapted to ensure business continuity during the COVID-19 pandemic and activated measures to address COVID-19 in accordance with the guidance of local health authorities and the World Health Organization (WHO). To date, we have not experienced any serious disruption to our operations directly due to the coronavirus.

Protecting people

To allow work from home for a portion of our workforce, and thus reduce interactions through commuting or close contact with co-workers, we have enhanced IT systems and security, and ensured the internal control framework, financial reporting and review process remain active.

We have site specific business continuity plans in place at our operating sites to make sure we can continue to produce oil and gas, one of the key sectors recognised as an essential service during this crisis.

We implemented processes and PPE to protect those workers involved in critical operations and required to continue to work at their normal workplace. This includes operating robust protocols for health and pre-mobilization checks, travel and workplace access, social distancing and isolation.

Credible information

As the situation related to the spread of the coronavirus evolved, we recognised the importance of sharing credible information on the virus to counteract the myths and false information spread across the internet. We regularly updated our staff with the latest information from credible sources such as local health authorities and the WHO, touching on topics such as transmission, signs and symptoms, risks of exposure and preventive actions.

COVID-19 response working group

IPC also participates in a COVID-19 response working group with other Lundin group companies and coordinated by the Lundin Foundation. A broad spectrum of socio-economic and health aspects brought to light during this crisis continues to be addressed through sharing of best practice and lessons learnt. Common areas of concern and interest include stakeholder communication, building community trust, mental health, crisis preparedness and a possible rebalancing of ESG interest in favour of social aspects by the investor community post COVID-19.

IPC COVID-19 Response





Employment

People drive our performance and are key to our success. IPC aims to create a safe work environment that promotes dignity and respect, and in which diversity and the contributions of all employees are recognised and valued.

Our approach to human resources

We believe that success depends on a skilled and motivated workforce. Our corporate culture is based on the values of trust, integrity, respect, transparency and accountability. We strive to attract, retain and develop talented and enthusiastic people who are dedicated to creating a respectful environment of high performance and achievement. We are committed to the training and development of our people. We offer in-house and external training in the areas of health and safety, technical expertise and courses that enhance team performance and capability.

Our workforce

As of December 31, 2019, IPC had a total of 285 full-time employees. IPC's global workforce in 2019 constituted of 529 people, including employees (54%) and contractors (46%).

Local hiring

Economic development is supported through our local recruiting efforts. It is a priority at IPC to draw our workforce from our host countries, regional and local communities, to ensure the economic benefit of employment remains in the communities near our operations. IPC recruits its workforce locally, with 98% of our global workforce hired in our countries of operations. We also promote youth education and work experience by offering internships to students with a variety of backgrounds. In 2019, we welcomed interns at our operations office as well as regional offices in Canada, France and Malaysia.

Four post-secondary students from the First Nations participated in our internship programme at IPC Canada. In France, IPC sponsored and mentored one student from the French petroleum institute IFP School for the academic year 2019-2020.

Working together with the Onion Lake Cree Nation

In our operations on the Onion Lake Cree Nation (OLCN) lands, located in Saskatchewan, we partner with the local community to support employment opportunities. In 2019, members of the OLCN represented 30% of our workforce at Onion Lake. Through its operations, IPC has aided in the establishment and contracting of service companies that are owned and operated by the OLCN or its individual band members. The services provided are directly translatable to other operations and provide opportunities for OLCN members to work across the industry. In addition, students in related post-secondary programmes can apply for an internship with IPC where they receive direct, hands-on field training. After completion of the programme, interns are placed on a priority list for hiring.

Diversity in the workforce

We are committed to diversity in the workplace and equal opportunity between women and men. As outlined in our Diversity Policy, we value individual differences and diversity in our workforce, and recognise its benefits in accessing a broad pool of quality employees and ensuring employee retention. IPC fosters a work environment free from all forms of discrimination and harassment, and promotes an inclusive environment where employees have equal opportunity to contribute to our success.

The Nominating and Corporate Governance Committee of the Board of Directors is responsible for making recommendations on the election or re-election of Board nominees and considers a range of factors, such as performance, skills and diversity, including identification and nomination of female directors.



Communities

Meaningful engagement with communities nearby our operating assets is key to ensuring sustainable operations.

Operating context

We currently operate in three different countries, each with unique and diverse cultures, languages, landscapes and levels of economic development. Our approach to community engagement is tailored to these differing operational contexts, making sure we respect and consider the rights, concerns and traditional land uses of nearby communities. Through inclusive dialogue, we are able to develop long-term relationships built on trust and mutual understanding.

Our approach to stakeholder engagement

We continuously engage with all of our stakeholders. Engagement takes place with regulators, mayors, local communities, indigenous communities and employees, and can take the form of in person meetings, town hall meetings, consultation processes or written communications. For instance, engagement with the Onion Lake Cree Nation community, living 10 km away from the Onion Lake asset, takes place on an ongoing basis. IPC's Senior Vice President Canada is in direct regular contact with the community's Chief and Council to share and discuss any activity being planned by the Company. In France, local municipalities are engaged with on a regular basis. In annual meetings with the mayors of surrounding towns our IPC France General Manager shares past performance and future plans. In 2019, we have also organised site visits for community representatives during the VGR drilling campaign and hosted an open door day for high school students sharing our knowledge about geology and oil & gas with the next generation.

Community Investment

IPC believes in providing financial support to the communities in which we operate in a way that supports continued community development is key to our community investment strategy. We align our contributions with the areas that matter most to our stakeholders and that impact the success of our business.

For the past two years, IPC has made financial donations to HALO Air Ambulance, a dedicated air ambulance helicopter for the south-east corner of Alberta which is able to reach remote areas and locations with difficult accessibility. HALO serves all area residents and is critical to ensuring that community members can reach emergency medical care with minimum delay. IPC has also committed to ensuring that local emergency responders are equipped properly to respond to emergencies and provided the Slave Lake fire department's oil field training response centre with funding to secure safety specific equipment for oil and gas operations.

"This service means the world to the Suffield employees of IPC and our families that want us safe. It's a security blanket for our families knowing that we, their loved ones, work for a company that cares enough about us to help this service stay in the air and available to us if the need arises."

Brad Christian
Foreman Suffield Field Operations

IPC engages with the OLCN to support initiatives that are meaningful to its members and to the ongoing development of the community. IPC provided financial support for the building of a community centre as well funds towards a housing initiative, both of which represented key infrastructure projects geared at community well-being.



Our partnership with the Onion Lake Cree Nation

IPC is proud of its long-standing relationship with the Onion Lake Cree Nation (OLCN). As our stakeholder, the OLCN is consulted at each stage throughout the development project in Onion Lake, Canada. As our partner, the OLCN is encouraged to participate as a working interest owner in the day to day business in addition to receiving a royalty on every barrel produced. IPC strives to be recognised as part of the OLCN community and we work closely with the community to ensure that they share in our success. We contribute funding for various community driven projects as well as support for spiritual and educational initiatives. IPC is committed to minimizing the environmental impact of our operations and we respect the importance for the OLCN to preserve the land for future generations. As part of our continued presence on the lands, we seek to learn and understand stewardship of the land from the OLCN perspective guided by their historical and spiritual connection to the lands.

Chief Henry Lewis
Onion Lake Cree Nation



ENVIRONMENT

We recognise the need to conserve ecosystems and living organisms and we aim to avoid, minimise, restore or offset potential impacts resulting from our operations.

IPC operates in an environmentally responsible manner everywhere we operate. We integrate environmental considerations in all phases of our project planning and seek to minimise risks to the natural environment. This includes measures such as environmental assessments, continuous monitoring, rehabilitation, and the implementation of new or improved technologies for the management of resources and facilities. We aim to make the most efficient use of natural resources recognising the valuable ecosystem services they provide.

We account for and report on our emissions to air, effluents and waste. We seek to limit greenhouse gas (GHG) emissions and optimise natural resource use where operationally possible. We are committed to applying the Best Available Technique (BAT) principle and operate our facilities with enhanced operational efficiency.

GHG Emissions & Climate Strategy

We understand that impacts related to greenhouse gas (GHG) emissions are increasing in importance for our stakeholders and society as a whole, and that it is our responsibility to mitigate these effects. Our operations are subject to GHG emissions regulations, including carbon cap and pricing policies. These are in constant evolution as governments are refining their policies post the Paris Agreement on climate change.

Having a climate strategy helps us mitigate climate-related risks to our business and informs our approach in a changing industry and society. IPC is committed to minimising emissions that pose potential climate risks while recognizing the importance of economic viability of development activities.

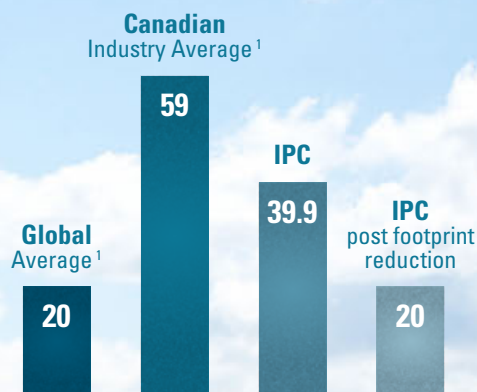
Methane reduction

IPC recognises its responsibility to continue to address emissions reductions in its operations, not only to meet regulatory requirements, but also to remain a credible operator. Under the Pan-Canadian Framework, as well as under Canadian provincial legislation, the government has set rigorous goals relating to emissions reductions and targets. In advance of the 2023 regulatory deadline, steps were taken at the Suffield asset to reduce emissions through retrofitting and upgrading older equipment. All pneumatics have been converted from high bleed to low bleed, or to instrument air, with the effect of reducing methane venting. In addition, various pieces of equipment have been fitted with engine fuel management and vent gas capture technologies which work to reduce fuel usage and vented emissions of natural gas from engine driven gas compression facilities through engine fuel management and using ventilated natural gas as supplementary engine fuel.

Emission reduction target

During 2019, more than 80% of our production came from our Canadian business. Our average emissions intensity of 39.86 kg CO₂e/boe was more than one third below the Canadian average emissions intensity of 59 kg CO₂e/boe. As part of our commitment to continually improve our emissions performance our Board of Directors has approved our plan, commencing in 2020, to reduce our emissions intensity over the next five years to the global average of 20 kg CO₂e/boe through a combination of identifying and implementing operational emissions reductions as well as investing in carbon offsetting projects.

Emission Reduction Target kg CO₂e/boe



¹ Sources National Inventory Report Canada and International Association of Oil & Gas Producers

GHG emission data

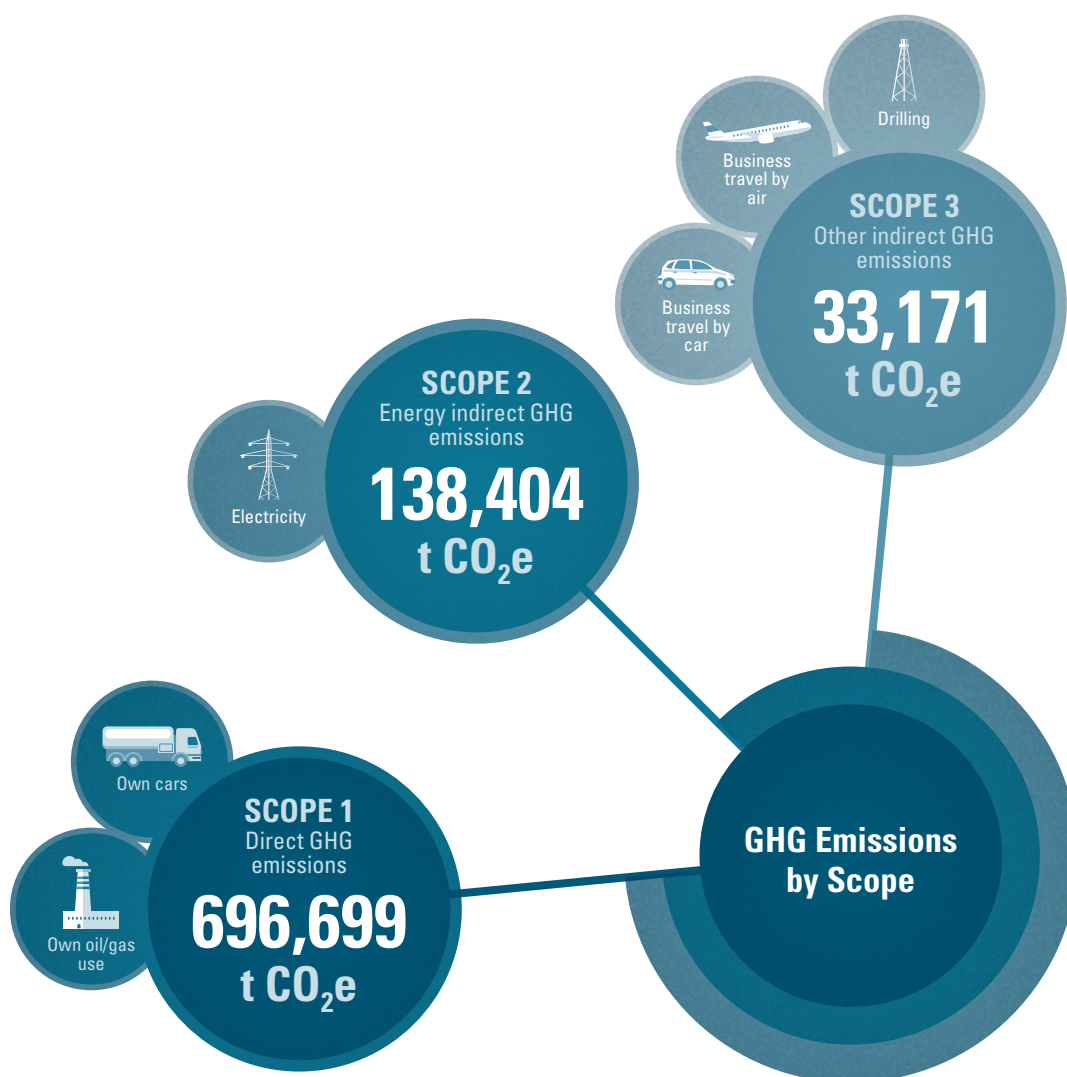
To implement a climate strategy that effectively evaluates costs, risks and opportunities, IPC must have a clear understanding of its carbon footprint. We have therefore developed a reporting approach that includes mandatory and voluntary reporting requirements to track our GHG emissions and measure performance on an annual basis. We maintain an emissions inventory and identify emission sources for each asset we operate.

GHG emissions from our operations are classified as scope 1, scope 2 and scope 3. Scope 1 emissions are direct emissions from owned or controlled assets. Scope 2 emissions are indirect emissions from the generation of purchased electricity. Scope 3 includes emissions from sources owned or operated by a third party. The reporting boundaries applied reflect operational control, and we account for 100% of emissions from operated assets.

GHG emissions

In 2019, our emissions intensity was 0.039 tonnes of CO₂e per barrel produced. IPC began to measure its emissions using more advanced methodologies in 2019, in line with the GHG Protocol and including the implementation of industry recognised software. Our 2019 data for stationary fuel combustion at the Onion Lake Thermal asset has been verified by a third-party engineering firm. Verified emissions account for nearly 50 percent of our total 2019 scope 1 emissions.

Scope 1 emissions are primarily generated by the combustion of hydrocarbons in support of operations in northern Alberta, Canada. Scope 2 emissions originate 95% from purchased electricity for the Suffield asset, and IPC's scope 3 emissions include business travel by air and land, crew transfer by air and sea as well as drilling operations.



Enhanced operational efficiency

IPC's onshore and offshore facilities have been designed or adapted to enhance energy efficiency and reduce emissions to air. With current processes in place we save more than 20% of CO₂ emissions compared to the base case, with Suffield achieving a 30% reduction and Onion Lake Thermal and Bertam each realising a 25% reduction when compared to the base case. This results in a total annual saving of 150,000 t CO₂e. These are achieved mainly through:

- Heat recovery – using process heat to pre-heat feed water for boilers
- Gas recovery – reducing flaring and fugitive emissions by reusing the waste gas as fuel gas
- Operational efficiency – reducing the need for fuel gas by aligning operational requirements and equipment capacity

We recognise that further reductions of this magnitude will be difficult to attain in the future, but we continue to assess new opportunities and technologies to reduce our operational emissions. We monitor R&D developments and emerging technologies in low carbon oil and gas extraction.

Carbon credit generation

IPC has been actively participating in carbon offset generation and the carbon markets. In 2018 and 2019, through the operation of engine fuel management and vent gas capture systems as well as pneumatic device conversions in Canada, IPC has validated nearly 11,000 t CO₂e of offsets and has generated another 13,000 t CO₂e carbon credits. IPC expects to generate a further 30,000 t CO₂e carbon credits in 2020, and will evaluate how to best apply these offsets as we continue to understand the carbon tax regime in Canada as well as opportunities to reduce our emissions.

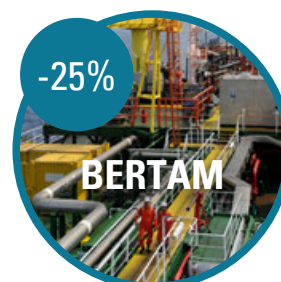
Operational emission reductions

Operational efficiencies: IPC has implemented several design features at its Onion Lake facility which result in operational efficiency. The installation of a single glycol heater for both Phase 1 and 2, rather than two glycol heaters, one in each phase, results in increased efficiency. The piping in the entire facility is insulated providing various benefits; namely, protecting people from piping heat in case of contact, retaining heat energy and reducing heating cost. IPC estimates that these measures save approximately 7,740 t CO₂e per year.

Capture and recovery: Vent gas capture systems installed at 14 facilities in IPC's Suffield operation prevent venting of methane, by capturing and reusing it as fuel gas. Similarly, vapour recovery units recover tank vapours and route these back through the hydrocarbon recovery process. The estimated savings from these two initiatives have resulted in savings of approximately 15,000 t CO₂e per year.

Power: In addition to powering approximately 97% of drive heads using electricity instead of combustion of propane or gas, IPC has installed electrically driven pumps on various glycol pumps, preventing more than 10,000 t CO₂e from being emitted.

Emissions to Air Reductions by Assets



Instrument air and high bleed to low bleed pneumatics:

Pneumatic devices are required for control and management of valves of critical site equipment and have the potential to emit methane when controlled with gas. They are the largest source of methane emissions in Alberta. In order to reduce or eliminate methane venting, the majority of IPC facilities in Suffield have low bleed or instrument air systems. The result is an approximate reduction of 25,000 t CO₂e per year of emissions from its operations.

Flare reduction: In 2019, IPC installed three micro-turbines as part of the Vert-la-Gravelle (VGR) development in France. Associated gas is used as the energy source to fuel turbines generating electricity on site. The produced electricity supplies power to the VGR1 production centre which gathers the gas produced on the field. The use of micro-turbines at VGR contributes to a 30% reduction of flaring emissions.

Electricity reduction: At the Villeperdue site in France IPC enhanced the efficiency on water injection pumps in 2019. These have been modified to reduce the need for electricity by approximately 30%.

Carbon offsetting

Voluntary carbon offsets

IPC is committed to compensating for emissions that cannot be avoided or reduced. In the first half of 2020, we have invested in a carbon offset project and retired 50,000 t CO₂e carbon credits. This accounts for 7% of IPC's 2019 scope 1 emissions.

IPC has partnered with First Climate, one of the world's leading providers of climate protection solutions, and currently engage in an offset project through which we contribute to the development of renewable energy.

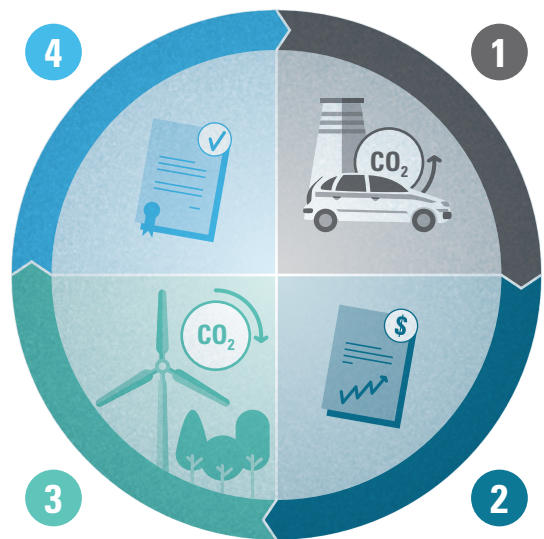
Supporting solar energy

The carbon offsets we have acquired through First Climate originate from a solar energy project in northern India. The project consists of two solar parks with a total capacity of 100 MW. It delivers 166,440 MWh of renewable electricity to India's national grid and meets the electricity needs of over 200,000 people per year. This is particularly relevant in India where 75% of energy is fuelled by coal and where 25% of the population is still disconnected from the grid.

The project is certified by Verra and received certification from the Verified Carbon Standard (VCS), a global standard for the validation and verification of voluntary carbon emission reductions. Emissions reductions from VCS projects must be real, measurable, permanent, additional, unique, transparent, and third-party verified. The VCS certification gives assurance on the additionality of a project in terms of emission reductions and its contribution to sustainable development.

The project contributes to the reduction of GHG emissions by replacing electricity from fossil-fuelled power plants. It has been demonstrated to be 100% additional on the basis of the "Approved consolidated Baseline and monitoring methodology ACM0002" published by the Clean Development Mechanism under the Kyoto Protocol. Without the additional revenues generated by voluntary carbon offsetting, this project would not have been economically viable and therefore would not have been realised. This ensures that supporting the energy project generates real benefits and maximum impact.

How Carbon Offsets Work



- 1 When CO₂ emissions cannot be avoided...
- 2 ...an investment can be made in a project elsewhere.
- 3 This project reduces CO₂ emissions that otherwise would not be avoided...
- 4 ...and issues carbon credits that can be retired to demonstrate that carbon emissions have been offset.

Solar energy project contribution to the SDGs

While focusing on reducing greenhouse gas emissions, the project also generates multiple co-benefits supportive of the Sustainable Development Goals.



Affordable and clean energy:

Solar energy is an emissions-free source of electricity. The addition of the power plant sustainably reduces the gap between supply and demand in India's power grid.



Industry, innovation and infrastructure:

This project supports the implementation of solar power and the installment of new power lines in India.



Sustainable cities and communities:

By increasing India's power supply with renewable sources, the project helps support India's development without increasing its output of carbon emissions.



Climate action:

According to the IEA, 11 of the world's 20 most polluted cities are located in India. This is largely due to the heavy reliance on coal. Supporting the development of renewable alternatives actively contributes to cutting the country's emissions.

Carbon pricing

As the carbon pricing regime continues to evolve in Canada both federally and provincially, particularly as benchmarks are being established, there remains potential for changes to the price of carbon in Canada where 80% of IPC's production and 94% of GHG emissions originate from. We currently model and implement a carbon price into our operational expenditures using assumptions which we have developed internally in relation to scope 1 and 2 emissions and in line with regulatory programmes established in the provinces we operate in.

Alberta and Saskatchewan have implemented programmes which have received equivalency from the Canadian Federal Government in respect of carbon pricing. We participate in programmes administered by each of the Alberta and Saskatchewan governments, such as the output-based performance standard (OBPS), through which we are measured against a facility-specific benchmark.

As a result of participation in the various carbon tax programmes, our facilities are required to meet performance standards that are expected to increase in stringency over time in accordance with established benchmarks.

The regular carbon price for 2020 sits at CAD 30 per tonne CO₂e in Alberta and Saskatchewan, based on equivalency agreements with the Federal government, and a carbon price of CAD 40 per tonne CO₂e for 2021 and CAD 50 per tonne CO₂e for 2022 is foreseen. IPC also evaluates future projects with consideration for carbon pricing impacts and is working towards the development of a carbon based model which incorporates the benefits of reduced emissions as they relate to carbon pricing.





Land & biodiversity

Through environmental impact studies, surveys and monitoring, we work to limit our impact on the surrounding biodiversity and plan for efficient land use. We risk assess, mitigate and remediate any adverse impacts.

Our management approach

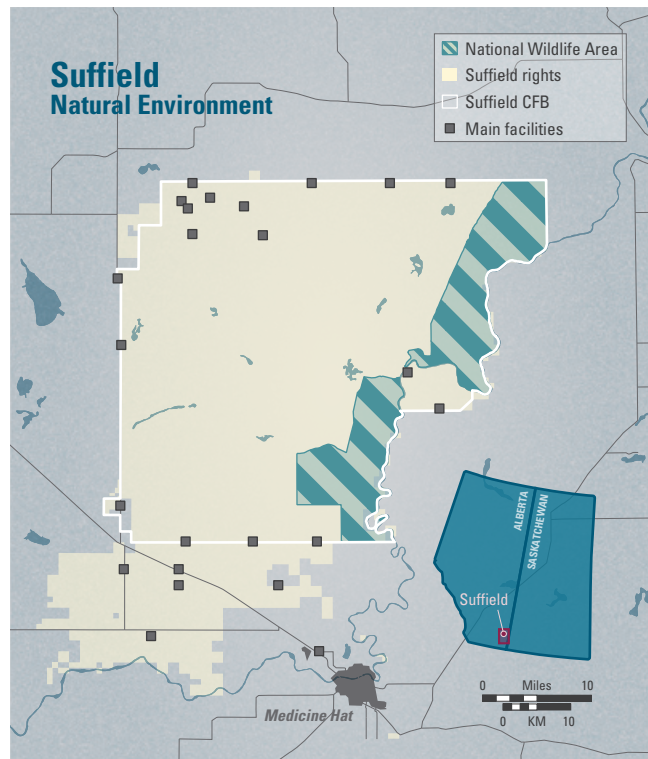
We are committed to the preservation of biological diversity, to safeguard ecosystems, species and genetic diversity. Through environmental baseline and impact studies we acquire information and understanding of the environments we operate in and how to best act to preserve the natural environment. Regular monitoring and sampling are used to assess any potential impact on biodiversity in the most sensitive places in which we operate. We also support local biodiversity efforts, from planting trees to preserving coral reefs in areas where we operate.

CFB Suffield land use

Oil and gas operations at the Canadian Forces Base (CFB) Suffield commenced in the mid-1970s under a series of agreements between the federal and provincial governments that enabled exploration and development on a military base. In addition to oil and gas activities, the lands at CFB Suffield are used for military training exercises, cattle grazing, and elk hunting. CFB Suffield has distinct areas used for research, oil facilities and a designated wildlife protection area. Successful co-existence is founded on an approach of mutual understanding and cooperation between the various users of the lands. In order to recognise the varying uses, IPC accesses sensitive areas only during dry and frozen ground conditions, constructs infrastructure underground, and removes equipment from sites at different times of the year. In addition, IPC has strategically placed its facilities to be able to operate them year-round during the periods of military training and exercises.

CFB Suffield National Wildlife Area

Approximately 2% of IPC's assets at CFB Suffield in southern Alberta are located within the CFB Suffield National Wildlife Area. While the National Wildlife Area does not have an international classification, it is considered nationally significant as it contains some of the largest tracts of native prairie grassland in Canada. As a result, it contains species at risk endemic to the prairie environment. The combination of designation and protection under the Canada Wildlife Act, the listing of critical habitat for species at risk under the Species at Risk Act, and no public access as a result of being on lands under the administration of the National Defense Act arguably make the Suffield National Wildlife Area one of the most protected areas in Canada. Interference between the natural environment and IPC activities is minimal as much of IPC's infrastructure is below ground with compressor stations and the oil battery appearing above ground in designated areas.



Natural environment in southern Alberta

IPC's assets in southern Alberta, Canada, are located exclusively within grasslands. It is characterized by level to undulating landforms covered predominantly with semi-arid grasses and occasional shrubs. Trees are generally restricted to river valleys. Despite the aridity, the area hosts diversity of over 1,100 species, including plants, mammals, birds, reptiles, amphibians, and insects. It is common to see large mammals like pronghorn and elk as well as hear birds like meadowlarks and pipits. Five snake species, including the prairie rattlesnake, and a small variety of amphibians are known to occupy wetlands. Regularly cited species at risk are present on the lands where we operate in and include the ferruginous hawk, burrowing owl, ord's kangaroo rat and sprague's pipit. To protect these species, we abide by the Species at Risk Act and the Alberta Wildlife Act, conduct regular environmental assessments and adapt our operational plans where they are present.

Environmental assessments at CFB Suffield

Environmental assessments are conducted prior to submitting all new applications for activities which involve ground disturbance. The environmental assessments include field studies to determine the presence or absence of individual species, wetlands, topographical constraints, soil types, and historical or archaeological features. The results of the field studies are incorporated into the land acquisition process to ensure developments have minimal impact to the land while still achieving resource development objectives. Due to the time between initial studies and project commencement, additional field studies are often completed prior to field mobilization to again confirm absence of sensitive features.

Archaeological and cultural sites in southern Alberta

There are archaeological and cultural sites located in IPC's southern Alberta assets. Alberta's Historical Resource Act currently applies on both CFB Suffield and Alderson, creating the regulatory requirement of seeking clearance under that act. Significant historical sites on CFB Suffield are already permanently out of bounds (i.e. Ellis Medicine Wheel), but tipi rings are regularly encountered on hill tops and other prominent landscape features. Lands with historical features like tipi rings are assigned a historic resource value and trigger the need for an archaeological assessment. IPC conducts archaeological assessments on lands with historic resource values to ensure archaeological or cultural features are preserved.

Onion Lake natural environment

The Onion Lake asset is situated within the mid-boreal ecoregion, which is characterised by continuous land cover of aspen and mixed-wood forests pitted with wetlands. The area has a rich and diverse wildlife population of which a number of species are considered as endangered species under the Canada Species at Risk Act, such as the tiger salamander, horned grebe, common nighthawk, and the barn swallow. The presence of provincially rare plant species, as well as bird and amphibian species at risk, are monitored through IPC's environmental programmes. At its Onion Lake assets, IPC works with the local community, the Onion Lake Cree Nation, to steward the land in a manner that respects the Nation's traditional uses. As part of our commitment, IPC has developed environmental monitoring programmes and has conducted traditional land use and cumulative effects studies to better understand the short and long-term effects of our operations on the environment.

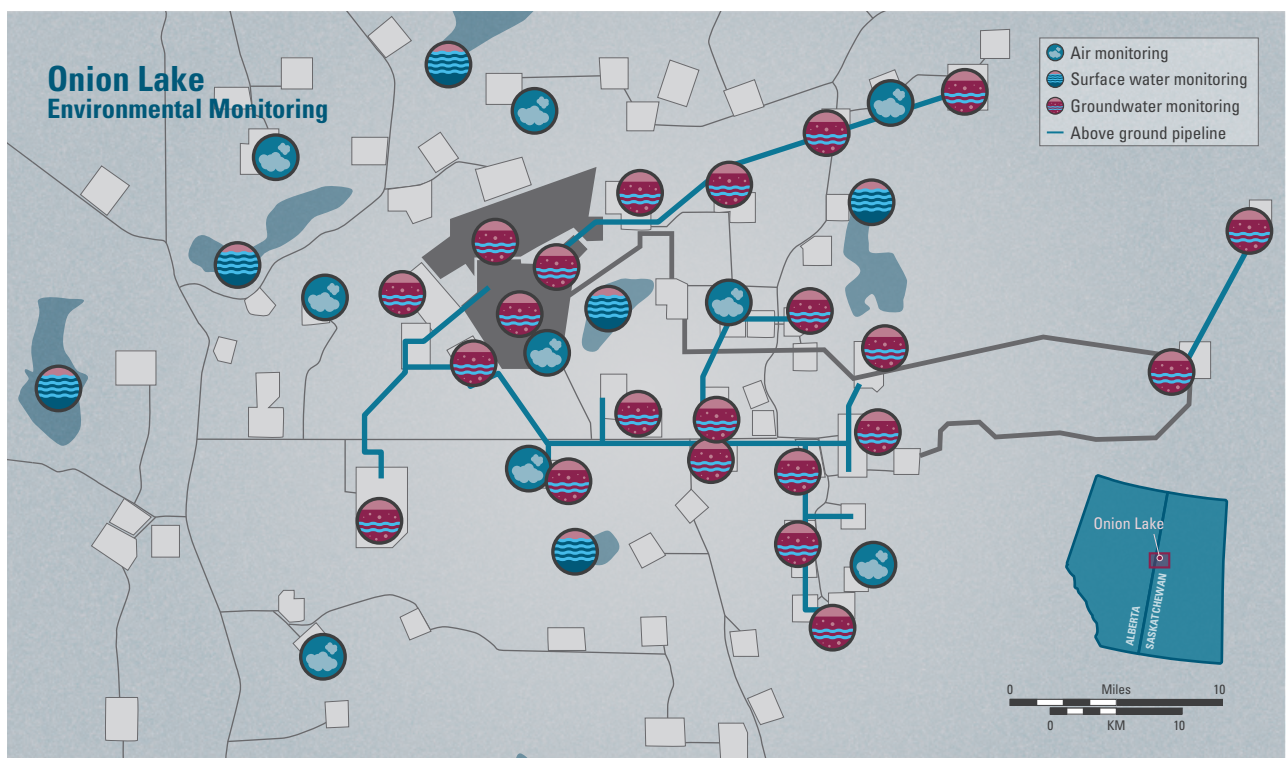
Environmental monitoring at Onion Lake

IPC and its predecessors have been monitoring ambient air since 2014 through nine passive exposure stations. This helps to ensure there are no adverse effects from industry emissions. Sites are continually monitored and collect data to determine ongoing air quality which is shared with neighbouring communities.

IPC has installed 76 shallow groundwater monitoring wells to assess the quality of the shallow groundwater within our thermal facilities and well pads. Additionally, water samples are collected from seven surface sampling locations to detect any potential changes in surface water quality.

Wetlands are continually monitored from 77 monitoring stations to preserve the functional health of each wetland as they affect the abundance and distribution of aquatic and terrestrial species. Continued long term monitoring of wetlands provides important data in terms of proper wetland management, how specific wetlands are reacting to site specific conditions and influences, and for future planning purposes.

IPC's wildlife monitoring programme is designed to monitor the wildlife populations which are listed under the Canada Species at Risk Act. In addition, the programme monitors the long-term cumulative effects of IPC's operations on the abundance and biodiversity of wildlife present in the region. Data is collected through annual visual and auditory surveys for breeding birds, water birds, common nighthawk and amphibians as well as winter track surveys for mammal species.





Land reclamation and asset retirement obligations

IPC's activities therefore include the final steps of putting the lands back to equivalent land capability for the use of future generations. To accomplish this, IPC has a robust asset retirement obligation (ARO) strategy in which we plan the retirement of our assets in the near and long term, including the costs associated with abandonment and reclamation.

IPC continues to invest in reducing its ARO through setting annual budgets and developing strategies that look to retiring sites that have the greatest environmental impact. Full details of IPC's ARO obligations for 2019 are disclosed in its audited consolidated financial statements for the year ended December 31, 2019 and is available on SEDAR at www.sedar.com.

In addition, in 2019, IPC participated in Alberta's Area Based Closure Programme, which required it to commit to spending 4% of its deemed liability on closure activities during the year. In Alberta, IPC contributes financially, on an annual basis, to the Orphan Well Association, which is tasked with cleaning up sites which have been left orphaned by defunct oil and gas companies.

Preserving the surrounding environment in France

In France, we conducted environmental impact studies to determine whether IPC's activities at the Vert-la-Gravelle site would have a negative impact on the diverse bird population in the adjacent nationally protected area. Recommendations from the studies were implemented in the development of the Vert-la-Gravelle project to minimise the impact of IPC's activities on the surrounding fauna and flora.

Coral reef preservation in Malaysia

IPC is partnering with the Institute of Oceanography & Environment of the University Malaysia Terengganu (UMT) on the project "Coral Reef Conservation & Restoration Towards Sustainable Ecosystem". The project aims at assisting the scientific community in generating information for a better understanding of coral reef and ways to conserve it, as well as preserving and restoring deteriorated coral reef areas involving local communities.

In the course of this 3-year project UMT researchers recover live coral cover at the damaged reef and restore coral-related species assemblages, improve food webs and contribute to healthy reef ecosystem, including the recovery of coral reef species and associated marine benthic communities. As a result of this in situ work, a sustainable coral restoration model will be developed and put in application to empower local stakeholders to take part in reef management.

Coral reefs and climate change

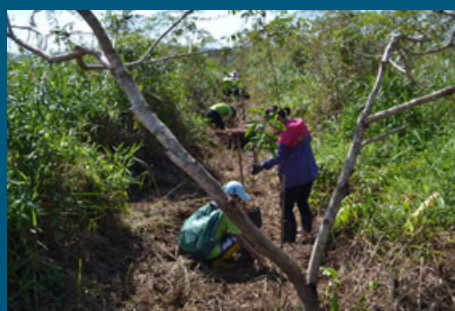
Coral reefs harbour the highest biodiversity of any ecosystem globally and provide unique ecosystem services. Coral reefs assist in carbon and nitrogen fixing, protect coastlines from flooding and erosion, provide shelter for marine organisms which are the source of essential nutrients for marine food chains essential to the fishing industry, and directly support over 500 million people worldwide.

But coral reefs are among the most threatened ecosystems on earth, largely due to climate change. An increase of 1–2°C in ocean temperatures sustained over several weeks can lead to coral bleaching, a stress response turning corals white. If corals are bleached for prolonged periods, they eventually die. Sustaining and restoring coral reefs is key to avoid their disappearance.



Tree planting in Malaysia

In 2019, IPC participated in an environmental rehabilitation programme in Malaysia promoting environmental awareness among employees and their families. The IPC team planted 120 trees in the north Selangor peat swamp forest.



Water management

Our management approach

We are committed to responsible use of this natural resource and to minimising any negative impact on water sources. Environmental stewardship of water resources includes protecting water bodies, such as oceans, lakes and rivers, as much as pursuing water efficiency in our operations. We take a location-specific approach, complying with or exceeding water and operating regulations in all of our countries of operations and engaging with key stakeholders.

Water sourcing for the Onion Lake Thermal project

The water required for steam injection at the Onion Lake asset is sourced from the North Saskatchewan River in Canada. IPC's use of the water is approximately 0.0004% of the total daily flow from the river and represents the entirety of IPC's water withdrawal in the area. Water is sourced and withdrawn in accordance with local regulations and after obtaining prior informed consent from the Onion Lake Cree Nation (OLCN). As part of IPC's ongoing relationship with the OLCN, IPC recognises the importance of prioritising access to water for the OLCN, such that the OLCN will always have first rights to river water use and withdrawal. The exposure to water risks in this region is low, and the water withdrawal from North Saskatchewan River is minimal compared to its daily flow.

Protection of water bodies

We source and dispose of water in a manner that seeks to reduce our impact on water supply and the surrounding environment. We protect water bodies through water management and contingency planning, including water recycling and reinjection. None of our operations take place in areas that are considered water stressed under local regulation. However, we take seriously our responsibility to protect water bodies close to our operations.

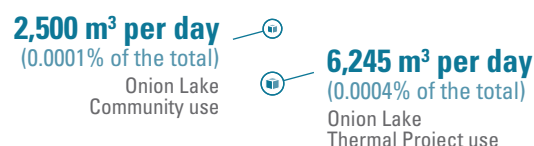
Water withdrawal, recycling and discharges

We seek to reduce water extraction from natural water systems through operational efficiency, water re-use and water recycling. Reflecting the diversity of natural environments in which IPC's operations are located, our assets rely on different sources of water for operational and potable water needs, including desalinated seawater, surface water, municipal water and groundwater. IPC monitors its water withdrawals and discharges. Produced water is reinjected or disposed of in accordance with regulatory requirements and corporate standards.

The installation of the ECO3 produced water recycle system at IPC's Onion Lake Thermal site in 2019 is the first implementation of the technology in a steam assisted gravity drainage (SAGD) operation. The ECO3 facility separates water from emulsion and cleans it to be used as boiler feed water, thereby reducing the need for fresh water intake. IPC's innovative approach to water recycling in SAGD has been proven a technical success and will continue to be evaluated for economic implementation.

Onion Lake Thermal Water Withdrawal 2019

Compared to daily river flow



18 million m³ per day

North Saskatchewan River
daily flow

Water and climate change

Climate change manifests itself primarily through changes in the water cycle with uneven consequences across the globe, which range from droughts to floods and severe storms. The resulting impact can be felt in alterations to agricultural patterns and water availability.

Water is a shared resource upon which people, cities, businesses and nature depend. Its availability is varied among geographic regions due to natural topographies and impacts of climate change. As a company, we identify risks related to water scarcity and quality and work to ensure water is sourced in a way that is socially equitable and environmentally sustainable.

Waste management

We manage waste to minimise, segregate and dispose safely any waste generated in our operations. IPC's Environmental Policy incorporates the "3 R" principle, i.e. reduce, reuse and recycle to minimise the waste generated and for the continual improvement of waste management processes. Everywhere we operate, we have waste management plans in place, and handle and dispose of waste in accordance with local regulations. We aim at reducing waste production and minimising the potential for environmental or health and safety impacts. All waste is identified, characterised and tracked from generation to final disposal to ensure there is minimal risk related to our waste production and transportation.

Drilling waste

Waste from drilling operations are singular to oil and gas operations and have been optimised with various technologies to reduce volumes and maximise the opportunity for reuse of drilling fluids. Drilling waste generally consists of rock, clay and other sediments with small amounts of entrained drilling fluids, and are termed 'cuttings'. Drilling fluids are stripped from the cuttings as much as possible and reconditioned and re-used where practical. Spent portions of drilling fluids, not suitable for reuse, are safely disposed to off-site treatment plants or by injection into specially classed disposal wells at approved facilities.

Plastic reduction on Bertam FPSO

In 2019, IPC launched a plastic bottle reduction campaign in its offshore operations in Malaysia. Bottled water has been replaced with water dispensers to reduce the amounts of single-use plastic items onboard, including items such as cups and drinking bottles.

Recycling in Malaysia

Two third of IPC's offshore waste is being recycled at the onshore scheduled waste treatment facility. Gloves, cotton rags, drums, activated carbon and wood are recycled into reusable drums, rags, and fuel pellets.



10 tonnes/year
FPSO Bertam

3R Principle



ETHICS & GOVERNANCE

Strong governance starts at the top of our organisation. Our Code of Ethics and Business Conduct is the foundation of our corporate values. We place responsibility on each and every employee to comply with and uphold these standards.

At IPC, we are driven by values of fairness and transparency. We promote a culture of open and honest dialogue with our stakeholders.

Governance Structure



Corporate Governance

The Board of Directors sets the tone and standards for IPC. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure IPC meets its obligations on an ongoing basis and to ensure that IPC operates in a reliable and safe manner.

IPC adheres to principles of corporate governance found in both internal and external rules. Through our corporate policies we ensure that all employees understand our values and commitments and that ethical business practices are applied throughout the Company.

Sustainability Policy

In 2019, IPC adopted a Sustainability Policy articulating the approach around three components: people, environment and ethics. IPC recognises that people are key to the Company's success and confirms the commitment to ensure health, safety and well-being at work. In respect of the environment, IPC seeks to conserve ecosystems and living organisms and aims to avoid, minimise, restore or offset potential impacts resulting from our operations. We are also driven by values of fairness and transparency and adopt high standards of professional integrity and ethics.

The Board has also adopted and implemented policies to address and ensure appropriate governance in respect of the 10 principles of the UN Global Compact. IPC's Human Rights Policy affirms IPC's commitment to respect internationally recognised human rights and not to infringe on individuals' human rights, nor be complicit or contribute directly or indirectly to human rights abuses. IPC's Anti-Corruption Policy prohibits all forms of corruption, including direct, indirect, active and passive forms, in all of the Company's activities. IPC's Anti-Fraud Policy has the objective of preventing fraud and enhancing the Company's governance and internal control standards for its business activities. Our Anti-Money Laundering Policy states IPC's commitment to the highest standards of integrity and compliance in striving to prevent money laundering or potential unintended financing of criminal activities.

Board of Directors

The Board of Directors is primarily responsible for the oversight of management, as well as IPC's strategy and business affairs. The Board ensures that appropriate governance mechanisms are in place to monitor the Company's activities, and that relevant information and reporting are provided, including progress and continuous improvement efforts with respect to its operational, financial and ESG performance.

The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Canadian National Policy 58-201 Corporate Governance Guidelines ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines to ensure compliance. The Board has adopted a Code of Ethics and Business Conduct for the Company's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Company.

Our Code of Ethics and Business Conduct Commitments

- Act in a fair, honest and equitable way
- Observe local laws and regulations
- Respect local customs and traditions
- Observe applicable international laws and standards
- Accurately reflect all transactions in books and records
- Comply with the highest standard of integrity throughout the organisation
- Be honest and forthcoming with the Company's internal and independent auditors
- Avoid actual or apparent conflict between a director's or an employee's own personal interests and the interests of the Company
- Protect the assets of the Company and use them efficiently to advance the interests of IPC

The Board has also adopted a mandate which acknowledges its responsibility to supervise the management of the Company, and through the Executive Committee Charter has delegated the day-to-day management of the Company. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure IPC meets its obligations on an ongoing basis and to ensure that the Company operates in a reliable and safe manner.

Board Composition and Independence

In 2020, the Board is composed of seven members, six of whom are independent, non-executive directors. Ashley Heppenstall, Don Charter, Chris Bruijnzeels, Torstein Sanness, Daniela Dimitrov and Harry Lundin are independent for the purposes of the Canadian regulation NI 58-101 (a director is independent if he or she has no direct or indirect material relationship with the Company). There is an independent Chair of the Board and the role of the Chair and CEO is separated.

The Board carries out its responsibilities directly and through its four standing committees:

- Nominating and Corporate Governance Committee
- Audit Committee
- Compensation Committee
- Reserves and Health, Safety & Environment (HSE) Committee



Executive remuneration

The Compensation Committee receives information and makes recommendations to the Board and, if applicable, shareholders, on matters relating to the principles of compensation, as well as all remuneration and other terms of employment of executive officers. Individual compensation of the Board of Directors and IPC's five highest paid executive officers is communicated via the annual Information Circular.

Sustainability performance is reflected in IPC's executive officers' compensation. Performance in the core areas of safety and environment is linked to incentive compensation for all executives. The 2019 goals for corporate and operational performance for management were: production (15%), proved plus probable reserves replacement (15%), net asset value accretion (15%), ESG performance (10%), financial performance based on capital and operating expenditures and cash flow generation (20%) and operational and corporate strategic targets (25%). Starting 2020, the ESG performance target includes the carbon intensity reduction as per IPC's climate strategy.



Revenue transparency

We believe revenue transparency in the natural resource sector advances good governance by providing citizens with information to hold their government representatives accountable, ensuring revenues from the natural resource extraction support economic growth and enhance social development. IPC complies with applicable tax laws wherever we operate and we are transparent about our tax payments to governments.

Payments to governments in countries where we operate are disclosed in the Extractive Sector Transparency Measures Act (ESTMA) report available on our website. Canada is a supporting country to the Extractive Industries Transparency Initiative (EITI), which has confirmed that ESTMA provides an equivalent level of reporting to the EITI Standard. In our ESTMA report we publicly report on payments totaling CAD 100,000 or more which are made to all governments both in Canada and abroad related to the commercial development of oil and gas. Types of payments reported include taxes, royalties, fees, production entitlements, bonuses, dividends, and infrastructure improvement payments.

Anti-corruption

IPC is committed to maintain the highest business standards at all times. We have policies on anti-corruption, anti-fraud, anti-money laundering and anti-competition in place to ensure ethical business practices throughout the Company.

IPC prohibits all forms of corruption, bribery, money laundering and other illegal behaviour, and we encourage anyone working for us to report suspected wrongdoing. We conduct internal audits of all our subsidiaries and have robust financial controls and processes in place for monitoring and oversight with respect to the financial aspects of operations. There were no known incidents of corruption in 2019.

Risk management

One of the key roles of the Board and the Executive Committee is to provide risk oversight, including sustainability related risks, and ensure adequate controls and mitigations are put in place.

IPC has a systematic approach to identify, analyse, evaluate and manage business risks. Our risk management process is based on the COSO ERM framework that considers a broad spectrum of stakeholders and risk exposures, both internal and external. We conduct risk assessments to assess operational, health and safety, environmental, financial and reputational risks and opportunities, among others, at both a country and corporate level.

Our risk review process is conducted twice per year with country and corporate level risk reviews. Risk exposures are captured in risk registers, and ranked based on the anticipated impact severity and likelihood of an event occurring in consideration of potential human, environmental, social licence to operate and financial consequences. Serious risks are those that are assessed as having the potential to result in a major impact on the Company and its stakeholders. We track the effectiveness of controls and the implementation of related risk mitigation strategies. Identified key risks are monitored and reported on a bi-annual basis to the Executive Committee and inform the internal audit plan.

Risks associated with climate change are part of the risk review process and are ranked for each country of operation. We assess implications and identify mitigating measures that are required to limit or reduce risk and potential liabilities to an acceptable and manageable level.

Whistleblowing

IPC is committed to conduct operations in an honest, transparent and ethical manner and encourages employees, former employees and contractors of the Company or any of its affiliates who have serious concerns about any aspect of the business to raise them and to disclose any information which relates to improper, unethical or illegal conduct in the workplace, including questionable accounting or auditing procedures. Whistleblowers are protected from reprisals and victimization for raising concerns in good faith.

In 2019, we have revised our Whistleblowing Procedure and introduced an independent third-party service for the reporting and investigation of concerns regarding improper, unethical or unlawful conduct in the workplace. Individuals governed by the Whistleblowing Policy are entitled to report any such improper conduct on a confidential and, if preferred, anonymous basis, including by submitting a report to the independent third-party service provider, via online platform, telephone, email or mail. The Whistleblowing Policy and Procedure are available on our website.

Human rights

Protecting people is one of the three key areas around which IPC's sustainability approach is articulated. Safeguarding the health, safety and security of our employees, contractors and the public is our priority. Respecting human rights also means offering fair and equitable employment terms and respecting indigenous rights.

Respect for human rights is a fundamental commitment, consistent with IPC's Code of Ethics and Business Conduct, Human Rights Policy and UN Global Compact commitment. We recognise the principles of the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, UN Declaration on the Rights of Indigenous Peoples and International Labour Organization's (ILO) Conventions. IPC understands the responsibility of businesses to protect human rights in respect of the UN Global Compact, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. We have policies in place to support these principles throughout our operations, including the creation of an equal-opportunity workplace, free of discrimination and harassment, and maintaining constructive engagement and relationships with local communities.

No human rights-related grievances were filed against the Company in 2019. There were no recorded incidents of discrimination at our operations during the reporting period.

Grievance mechanism

IPC provides various channels through which affected stakeholders can communicate their grievance. Any grievance against the Company is taken very seriously and due process is followed to ensure adequate mitigation is implemented and any potential harm addressed.

The most appropriate grievance mechanism is selected for each stakeholder group and location. In Canada, landowners adjacent to the Suffield and Alderson block are provided with direct points of contact within the Company with whom they can raise concerns. For indigenous communities in the areas of our operations the community's consultation office brings forward any questions or concerns by the community members. Further grievance and dispute settlement mechanisms are determined in the agreements we have entered into with First Nations communities.

To date there have been no grievances brought against the Company.



Sustainability data

PEOPLE ¹		2019
Health and safety²		
Fatalities		
Employees		0
Contractors		0
Total		0
Lost time incidents		
Employees		0
Contractors		4
Total		4
Restricted work incidents		
Employees		0
Contractors		1
Total		1
Medical treatment incidents		
Employees		0
Contractors		2
Total		2
Lost time incident rate ³		1.8
Total recordable incident rate ⁴		3.1
Exposure hours		
Employees (hours)		523,617
Contractors (hours)		1,692,813
Total (hours)		2,216,430
Near misses with high potential ⁵		2
Employment		
Employees ⁶		
Canada		156
Malaysia		62
France		47
Switzerland		20
Total		285
Contractors		244
Employee turnover (%) ⁷		10.4
New hire rate (%) ⁷		31.7
Gender diversity ⁸		
Number of men		203
Number of women		82
Women in workforce (%) ⁸		29
Women in senior management (%)		17
Women in the Board of Directors (%)		14
Employees by age groups (%)		
< 30 years		7
30–50 years		68
> 50 years		25
Board of Directors by age groups (%)		
> 50 years		86
ENVIRONMENT⁹		
Unplanned releases to sea or land		
Oil spills ¹⁰		
Number		1
Volume from spills (m ³)		30
Produced water spills ¹¹		
Number		1
Volume from spills (m ³)		350
Chemical spills ¹²		
Number		0
Volume from spills (m ³)		0
Water		
Water withdrawal		
Surface water		
Fresh surface water (m ³)		2,313,541
Saline surface water (m ³)		868,902
Ground water		
Fresh ground water (m ³)		95,176
Saline ground water (m ³)		413,203
Total water withdrawal (m ³)		3,690,822
Withdrawal from areas with high water stress (m ³) ¹³		0
Water recycling		
Volume (m ³)		57,628
Produced water		
Volume (m ³)		26,010,608
Disposal of produced water		
Produced water reinjected into the reservoir (m ³)		22,162,998
Produced water injected into disposal wells (m ³)		3,157,547
Produced water discharged to sea (m ³) ¹⁴		690,063
Produced water discharged to surface water (m ³)		0
Waste		
Drilling waste		
Drill cuttings (t)		3,610
Oil-based drilling fluid (t)		3,328
Water-based drilling fluid (t)		15,761
Other wastes generated during drilling (t)		1,155
Hazardous waste generated (t)		3,596
Hazardous waste recovered or recycled (t)		317
Non-hazardous waste generated (t)		20,247
Non-hazardous waste recycled (t)		340
GHG emissions		
Emission intensity (kg CO ₂ e/boe) ¹⁵		39.86
Scope 1 GHG emissions (t CO ₂ e) ¹⁶		696,699
Scope 2 GHG emissions (t CO ₂ e) ¹⁷		138,404
Scope 3 GHG emissions		
Business travel by air (t CO ₂ e) ¹⁸		410
Offshore travel and logistics (t CO ₂ e)		5,332
Sales trucking (t CO ₂ e)		2,077
Drilling activities (t CO ₂ e)		25,352

ENVIRONMENT (continued)		2019
Energy		
Energy consumption (KWh) ¹⁹		220,221,327
Energy intensity (MWh/bbl)		0.012
Carbon offset		
Voluntary carbon offsets purchased (t CO ₂ e) ¹⁸		50,000
Carbon credits earned (t CO ₂ e) ²¹		24,000
Biodiversity		
IUCN Red List species with habitats in operating areas ²²		
Critically Endangered		0
Endangered		1
Vulnerable		5
Near Threatened		3
National conservation list species with habitats in operating areas ^{22 23}		
Endangered		9
Threatened		18

ETHICS & GOVERNANCE ²⁴		2019
Human Rights		
Incidents of discrimination		
Number of incidents		0
Incidents of indigenous rights infringement		
Number of incidents		0
Anti-corruption		
Confirmed incidents of corruption		
Number of incidents		0
Whistleblowing		
Critical concerns		
Number of incidents		0
Compliance		
Disputes associated with operations		0
Significant fines ²⁵		
Number		0
Value (USD)		0
Environmental fines ²⁵		
Number		0
Value (USD)		0
Non-monetary sanctions		
Number		0
Environmental non-monetary sanctions		
Number		0

Payments to governments (TUSD) ²⁶					
	Taxes	Royalties	Fees	Production Entitlements	Bonuses
Canada	6,260	23,840	7,890	–	280
France	11,150	–	–	–	–
Malaysia	660	220	–	21,620	–

- ¹ The People data boundary includes Canada, France, Malaysia and Switzerland.
- ² HSE data is based on assets where IPC has operational control, excluding Aquitaine Basin asset where IPC has no operational control.
- ³ Lost time incident rate is a rate calculation based on the 2019 total hours worked (employee + contractor). It indicates the number of lost time injuries and fatalities per 1,000,000 hours worked.
- ⁴ Total recordable incident rate is a rate calculation based on the 2019 total hours worked (employee + contractor). It indicates the number of recordable injuries (medical treatment incidents + restricted work incidents + lost time injuries + fatalities) per 1,000,000 hours worked. First aid injuries are not included.
- ⁵ Near miss with high potential incidents are incidents or near miss events which in combination of potential consequences (people, environment, asset) and likelihood are assessed to be in the red area of the risk matrix.
- ⁶ We account for permanent and fixed term employees by end of year.
- ⁷ Employee turnover and new hire rate reflect organisational changes resulting from amalgamation of IPC Alberta Ltd. and BlackPearl Resources Inc.
- ⁸ Gender diversity figures include employees only.
- ⁹ The Environment data boundary includes Canada, France and Malaysia. Data is represented as 100% ownership interest regardless of actual share owned by IPC with acquisitions and divestitures reflected using the effective date of the transaction.
- ¹⁰ Significant oil spills greater than 100 barrels or 15.89 m³.
- ¹¹ Produced water spills greater than 100 barrels or 15.89 m³.
- ¹² Chemical spills greater than 100 barrels or 15.89 m³.
- ¹³ Based on the 2019 national water stress rankings, World Resource Institute.
- ¹⁴ Discharged produced water with a ppm content of 23 ppm, below the 40 ppm regulatory limit.
- ¹⁵ Emission intensity includes scope 1 CO₂e emissions.
- ¹⁶ Scope 1 is accounted for on an operated basis accounts for all direct emissions to air from operated assets.
- ¹⁷ Scope 2 is accounted for on an operated basis accounts for indirect emissions from electricity consumption.
- ¹⁸ Business travel emissions include Switzerland.
- ¹⁹ Energy consumption includes electricity only.
- ²⁰ Voluntary carbon offsetting was initiated in 2020.
- ²¹ Carbon credits were validated in 2019 covering the years 2018-2019.
- ²² IUCN and national conservation list species reported for Canadian assets.
- ²³ National conservation list species are based on Canadian national listings, including COSEWIC and SARA.
- ²⁴ The Ethics & Governance data boundary includes Canada, France, Malaysia and Switzerland.
- ²⁵ We apply a reporting threshold of USD 50,000 reflecting the size of our company and qualification of significant monetary sanction.
- ²⁶ The report on payments to governments (ESTMA) with details of payments is available on www.international-petroleum.com
- Note: IPC will report sustainability data on an annual basis with 2019 as baseline year for 2020 reporting.

GRI Index

Standard Disclosure	Description	Reference	IPECA	UN SDG	UN Global Compact
GRI 102: GENERAL DISCLOSURES (2016)					
1. Organisational profile					
102-1	Name of the organisation	SR front cover			
102-2	Activities, brands, products, and services	SR 2-3			
102-3	Location of headquarters	AIF 9 / SR back cover			
102-4	Location of operations	SR 2-3			
102-5	Ownership and legal form	AIF 9			
102-6	Markets served	SR 4 / AIF 14-23			
102-7	Scale of the organisation	SR 2-3, 14, 34 / AIF 24, 49, 56, 60		8.2, 8.5, 10.3	
102-8	Information on employees and other workers	SR 14, 34			
102-9	Supply chain	SR 4			
102-10	Significant changes to the organisation and its supply chain	AIF 10-12, 24			
102-11	Precautionary Principle or approach	SR 16, 22			
102-12	External initiatives	SR 5-7, 29, 32, 36-37			
102-13	Membership of associations	SR 11, 31			
2. Strategy					
102-14	Statement from senior decision-maker	SR 1			
102-15	Key impacts, risks and opportunities	SR 6-7, 31 / AIF 37-43			
3. Ethics and integrity					
102-16	Values, principles, standards, and norms of behaviour	SR 14, 28-29 / Code of Ethics and Business Conduct		16.3	1, 2, 3, 4, 5, 6, 7, 8, 9, 10
102-17	Mechanisms for advice and concerns about ethics	SR 28-32	GOV-2, SOC-8	16.3	
4. Governance					
102-18	Governance structure	SR 28-30	GOV-1		
102-19	Delegating authority	SR 29	GOV-1		
102-20	Executive-level responsibility for economic, environmental and social topics	SR 28-29	GOV-1		
102-21	Consulting stakeholders on economic, environmental and social topics	SR 15	GOV-2	16.7	
102-22	Composition of the highest governance body and its committees	SR 14, 28-29	GOV-1	5.5, 16.7	
102-23	Chair of the highest governance body	SR 28-29	GOV-1	16.6	
102-24	Nominating and selecting the highest governance body		GOV-1	5.5, 16.7	
102-25	Conflicts of interest	SR 29, 31 / AIF 66	GOV-2, GOV-3		
102-26	Role of highest governance body in setting purpose, values, and strategy	SR 28-30	GOV-1, GOV-2		
102-27	Collective knowledge of highest governance body	SR 28-31	GOV-2		
102-28	Evaluating the highest governance body's performance	SR 30	GOV-1		
102-29	Identifying and managing economic, environmental and social impacts	SR 15, 31	GOV-2, SOC-13	16.7	
102-30	Effectiveness of risk management processes	SR 31	GOV-2		
102-31	Review of economic, environmental and social impacts	SR 30 / IC 37	GOV-2		
102-32	Highest governance body's role in sustainability reporting	SR 5-6			
102-33	Communicating critical concerns	SR 31-32	GOV-2, SOC-8		
102-34	Nature and number of critical concerns	SR 31, 35	GOV-2, SOC-8		
102-35	Remuneration policies	SR 30 / AIF 64-65 / IC			
102-36	Process for determining remuneration	SR 30 / IC			
102-37	Stakeholders' involvement in remuneration	IC		16.7	
5. Stakeholder engagement					
102-40	List of stakeholder groups	SR 15			
102-42	Identifying and selecting stakeholders	SR 7			
102-43	Approach to stakeholder engagement	SR 15			
102-44	Key topics and concerns raised	SR 5			
6. Reporting practice					
102-45	Entities included in the consolidated financial statements	AIF 9			
102-46	Defining report content and topic Boundaries	SR 6			
102-47	List of material topics	SR 5, 7			
102-48	Restatement of information	SR 6			
102-49	Changes in reporting	SR 5-6			
102-50	Reporting period	SR 5			
102-51	Date of most recent report	SR 5			
102-52	Reporting cycle	SR 5			
102-53	Contact point for questions regarding the report	SR 40			
102-54	Claims of reporting in accordance with the GRI Standards	SR 5			
102-55	GRI content index	SR 36-37			
102-56	External assurance	N/A			
103-1	Explanation of the material topic and its Boundary	SR 5			
103-2	The management approach and its components	SR 5-6			
103-3	Evaluation of the management approach	SR 5-6			
GRI 205: ANTI-CORRUPTION (2016)					
205-1	Operations assessed for risks related to corruption	SR 31, 35 / Business Conduct	GOV-3	16.5	10
205-3	Confirmed incidents of corruption and actions taken	SR 31, 35	GOV-3	16.5	10
GRI 302: ENERGY (2016)					
302-1	Energy consumption within the organisation	SR 35	CCE-6	7.2, 8.4, 12.2, 13.1	9
302-3	Energy intensity	SR 35	CCE-6	7.2, 8.4, 12.2, 13.1	

Standard Disclosure	Description	Reference	IPEICA	UN SDG	UN Global Compact
GRI 303: WATER AND EFFLUENTS (2018)					
303-1	Interactions with water as a shared resource	SR 26	ENV-1, ENV-2	6.1, 6.3, 6.4, 6.6, 12.4	7, 8
303-2	Management of water discharge-related impacts	SR 26	ENV-1, ENV-2	6.3	7, 8
303-3	Water withdrawal	SR 34	ENV-1, ENV-2	6.4	7, 8, 9
303-4	Water discharge	SR 34	ENV-2	6.3	7, 8, 9
GRI 304: BIODIVERSITY (2016)					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 22-23	ENV-3, ENV-4	6.4, 6.6, 14.2, 15.1, 15.5, 15.8	7, 8
304-2	Significant impacts of activities on biodiversity	SR 22-23	ENV-3, ENV-4	6.6, 14.2, 15.1, 15.5, 15.8	7, 8
304-3	Habitats protected or restored	SR 22-23	ENV-3, ENV-4	6.6, 14.2, 15.1, 15.5	7, 8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR 35	ENV-3	6.6, 14.2, 15.1, 15.6	7, 8
GRI 305: EMISSIONS (2016)					
305-1	Direct (scope 1) GHG emissions	SR 15, 34	CCE-3, CCE-4, CCE-5	3.9, 12.4, 13.1, 14.3, 15.2	7, 8, 9
305-2	Energy indirect (scope 2) GHG emissions	SR 18, 34	CCE-3, CCE-4, CCE-5	3.9, 12.4, 13.1, 14.3, 15.3	7, 8, 9
305-3	Other indirect (scope 3) GHG emissions	SR 18, 34	CCE-3, CCE-4, CCE-5	3.9, 12.4, 13.1, 14.3, 15.4	7, 8, 9
305-4	GHG emissions intensity	SR 17, 34	CCE-3, CCE-4, CCE-5	13.1, 14.3, 15.2	9
305-5	Reduction of GHG emissions	SR 17-21	CCE-3, CCE-4, CCE-5	9.4, 13.1, 14.3, 15.2	
GRI 306: WASTE (2016)					
306-1	Waste generation and significant waste-related impacts	SR 27	ENV-7	3.9, 6.3, 6.4, 6.6, 12.4, 12.5, 14.1, 15.1	7, 8
306-2	Management of significant waste-related impacts	SR 27	ENV-7	3.9, 6.3, 12.4, 12.5	7, 8
306-3	Significant spills	SR 11, 34	ENV-6	3.9, 6.3, 6.6, 12.4, 14.1, 15.1	7, 8, 9
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)					
307-1	Non-compliance with environmental laws and regulations	SR 35		16.3	
GRI 401: EMPLOYMENT (2016)					
401-1	New employee hires and employee turnover	SR 34		5.1, 8.5, 8.6, 10.3	3, 4, 5, 6
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)					
1. Management approach disclosures					
403-1	Occupational health and safety management system	SR 9	SHS-1, SHS-2	3, 8.8	1
403-2	Hazard identification, risk assessment, and incident investigation	SR 9-10	SHS-1, SHS-2	8.8	1
403-3	Occupational health services	SR 9-11	SHS-1, SHS-2	8.8	1
403-5	Worker training on occupational health and safety	SR 9-12	SHS-1, SHS-2	8.8	1
403-6	Promotion of worker health	SR 12-13	SHS-1, SHS-2	3.3, 3.5, 3.7, 3.8	1
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 9-13	SHS-1, SHS-2	8.8	1
403-8	Workers covered by an occupational health and management system	SR 9-10, 34	SHS-1, SHS-2	8.8	1
403-9	Work-related injuries	SR 10, 34	SHS-1, SHS-2	3.6, 3.9, 8.8, 16.1	1
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)					
405-1	Diversity of governance bodies and employees	SR 14	SOC-5	5.1, 5.5, 8.5	1, 6
GRI 406: NON DISCRIMINATION (2016)					
406-1	Incidents of discrimination and corrective actions taken	SR 31, 35	SOC-5	5.1, 8.8	1, 6
GRI 408: CHILD LABOUR (2016)					
411-1	Operations and suppliers at significant risk for incidents of child labour	SR 31		8.7, 16.2	1, 2, 5
GRI 411: RIGHTS OF INDIGENOUS PEOPLES (2016)					
411-1	Incidents of violations involving rights of indigenous peoples	SR 35	SOC-10	2.3	1, 2
GRI 413: LOCAL COMMUNITIES (2016)					
413-1	Operations with local community engagement, impact assessments, and development programmes	SR 15	SOC-9, SOC-12		1, 2
413-2	Operations with significant actual and potential negative impacts on local communities	SR 15	SOC-9, SOC-12	1.4, 2.3	1, 2
GRI 419: SOCIOECONOMIC COMPLIANCE (2016)					
419-1	Non-compliance with laws and regulations in the social and economic area	SR 35		16.3	
G4: OIL AND GAS SECTOR DISCLOSURE (2012)					
G4-OG1	Volume and type of estimated proved reserves and production	SR 3			
G4-OG5	Volume and disposal of formation or produced water	SR 34	ENV-1, ENV-2		
G4-OG7	Drilling waste	SR 34	ENV-7		
G4-OG10	Significant disputes with local communities and indegenous peoples	SR 35	SOC-10, SOC-12		
G4-OG11	Decomissioned sites and sites that are in the process of being decomissioned	SR 24	ENV-8		

AIF: Annual Information Form / IC: Information Circular / SR: Sustainability Report

Forward-looking statements

This Sustainability Report contains statements and information which constitute “forward-looking statements” or “forward-looking information” (within the meaning of applicable securities legislation). Such statements and information (together, “forward-looking statements”) relate to future events, including the Company’s future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. The forward-looking statements contained in this Sustainability Report are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this Sustainability Report, unless otherwise indicated. IPC does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.

The Covid-19 virus and the restrictions and disruptions related to it, as well as the actions of certain oil and gas producing nations, have had a drastic adverse effect in 2020 on the world demand for, and prices of, oil and gas as well as the market price of the shares of oil and gas companies generally, including the Company’s common shares. During Q2 2020, commodity prices improved although such prices are still below historical levels and there can be no assurance that commodity prices will not decrease or remain volatile in the future. These factors are beyond the control of the Company and it is difficult to assess how these, and other factors, will continue to affect the Company and the market price of IPC’s common shares. In light of the current situation, as at the date of this Sustainability Report, the Company continues to review and assess its business plans and assumptions regarding the business environment, as well as its estimates of future production, cash flows, operating costs and capital expenditures.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, budgets, 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”, “forecast”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “budget” and similar expressions) are not statements of historical fact and may be “forward-looking statements”.

Forward-looking statements include, but are not limited to, statements with respect to: IPC’s estimates of future production, cash flows, operating costs and capital expenditures that are based on IPC’s current business plans and assumptions regarding the business environment, which are subject to change; IPC’s financial and operational flexibility to react to recent events and to prepare the Company to navigate through periods of low commodity prices; IPC’s ability to maintain operations, production and business in light of the Covid-19 outbreak and the restrictions and disruptions related thereto, including risks related to production delays and interruptions, changes in laws and regulations and reliance on third-party operators and infrastructure; IPC’s intention and ability to continue to implement our strategies to build long-term shareholder value; the ability of IPC’s portfolio of assets to provide a solid foundation for organic and inorganic growth; IPC’s belief that oil and gas will continue to be an essential part of the world’s energy mix; IPC’s ability to improve future sustainability reporting; IPC’s ability to implement its GHG emissions and climate strategy and achieve emission reduction targets; and IPC’s ability to reduce exposure to carbon pricing related costs. Statements relating to “reserves” and “contingent resources” are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves and resources can be profitably produced in the future. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

The forward-looking statements are based on certain key expectations and assumptions made by IPC, including expectations and assumptions concerning: prevailing commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve and contingent resource volumes; operating costs; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the benefits of acquisitions; the state of the economy and the exploration and production business in the jurisdictions in which IPC operates and globally; the availability and cost of financing, labor and services; and the ability to market crude oil, natural gas and natural gas liquids successfully.

Although IPC believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because IPC can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses; health, safety and environmental risks; commodity price fluctuations, including those experienced in 2020; exchange rate and interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; the ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties, environmental and abandonment regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in the Company’s unaudited interim condensed consolidated financial statements and management discussion and analysis (MD&A) for the six months ended June 30, 2020 (See “Cautionary Statement Regarding Forward-Looking Information”), the Company’s Annual Information Form (AIF) for the year ended December 31, 2019 (See “Cautionary Statement Regarding Forward-Looking Information”, “Reserves and Resources Advisory” and “Risk Factors”) and other reports on file with applicable securities regulatory authorities, including previous financial reports, management’s discussion and analysis and material change reports, which may be accessed through the SEDAR website (www.sedar.com) or IPC’s website (www.international-petroleum.com).

The current and any future Covid-19 outbreaks may increase IPC's exposure to, and magnitude of, each of the risks and uncertainties identified in these documents that result from a reduction in demand for oil and gas consumption and/or lower commodity prices and/or reliance on third parties. The extent to which Covid-19 impacts IPC's business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and spread of the current and any future Covid-19 outbreaks, their severity, the actions taken to contain such outbreaks or treat their impact, and how quickly and to what extent normal economic and operating conditions resume and their impacts to IPC's business, results of operations and financial condition which could be more significant in upcoming periods as compared with the first half of 2020. Even after the Covid-19 outbreaks have subsided, IPC may continue to experience materially adverse impacts to IPC's business as a result of the global economic impact.

Non-IFRS Measures

References are made in this Sustainability Report to "operating cash flow" (OCF), "free cash flow" (FCF), "Earnings Before Interest, Tax, Depreciation and Amortization" (EBITDA), "operating costs" and "net debt", which are not generally accepted accounting measures under International Financial Reporting Standards (IFRS) and do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with similar measures presented by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

The definition and reconciliation of each non-IFRS measure is presented in IPC's MD&A (See "Non-IFRS Measures" therein). Actual results may differ materially from forward-looking estimates and forecasts. See "Forward-Looking Statements" above.

Disclosure of Oil and Gas Information

This Sustainability Report contains references to estimates of gross and net reserves and resources attributed to the Company's oil and gas assets.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in Canada (including oil and gas assets acquired in the acquisition of the Granite Acquisition) are effective as of December 31, 2019, and are included in reports prepared by Sproule Associates Limited (Sproule), an independent qualified reserves evaluator, in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) and using Sproule's December 31, 2019 price forecasts.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France and Malaysia are effective as of December 31, 2019, and are included in the report prepared by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using Sproule's December 31, 2019 price forecasts.

The price forecasts used in the Sproule and ERCE reports are available on the website of Sproule (sproule.com) and are contained in the AIF. These price forecasts are as at December 31, 2019 and may not be reflective of current and future forecast commodity prices.

2P reserves as at December 31, 2019 of 300 MMboe includes 286.2 MMboe attributable to IPC's oil and gas assets and 14.0 MMboe attributable to oil and gas assets acquired in the Granite Acquisition. Contingent resources (best estimate, unrisks) as at December 31, 2019 of 1,089 MMboe includes 1,082.5 MMboe attributable to IPC's oil and gas assets and 6.2 MMboe attributable to oil and gas assets acquired in the Granite Acquisition.

The product types comprising the 2P reserves described in this Sustainability Report are contained in the AIF. Light, medium and heavy crude oil reserves/resources disclosed in this Sustainability Report include solution gas and other by-products.

2P reserves and contingent resources included in the reports prepared by Sproule and ERCE in respect of IPC's oil and gas assets in Canada, France and Malaysia have been aggregated by IPC and may also be aggregated by IPC with the 2P reserves and contingent resources attributable to the oil and gas assets acquired in the Granite Acquisition included in the reports prepared by Sproule on behalf of IPC. Estimates of reserves, resources and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves, resources and future net revenue for all properties, due to aggregation. This Sustainability Report contains estimates of the net present value of the future net revenue from IPC's reserves. The estimated values of future net revenue disclosed in this Sustainability Report do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Currency

All dollar amounts in this Sustainability Report are expressed in United States dollars, except where otherwise noted. References herein to USD mean United States dollars. References herein to CAD mean Canadian dollars.

ABBREVIATIONS

bbl	Barrel (1 barrel = 159 litres)
boe	Barrel of oil equivalent, including crude oil and natural gas
boepd	Barrel of oil equivalent per day
CO ₂ e	Carbon dioxide equivalents, including carbon dioxide, methane and nitrous oxide
ERM	Enterprise risk management
ESG	Environmental, social and governance
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HSE	Health, safety and environment
IEA	International Energy Agency
IPC	International Petroleum Corporation
IPIECA	International Petroleum Industry Environmental Conservation Association
KPI	Key performance indicator
LTi	Lost time incident
LTIR	Lost time incident rate
Mboepd	Thousand barrels of oil equivalent per day
MMboe	Million barrels of oil equivalents
MTI	Medical treatment incidents
OLCN	Onion Lake Cree Nation
PPE	Personal protective equipment
RWI	Restricted work incidents
SAGD	Steam assisted gravity drainage (a thermal recovery process)
SDG	Sustainable Development Goal
t CO ₂ e	Tonne of carbon dioxide equivalents
TRIR	Total recordable incident rate

SUSTAINABILITY REPORT FEEDBACK

We welcome feedback from stakeholders regarding our 2019 Sustainability Report.

For further information or comments, please contact:

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COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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