

Communication on Progress 2020

JERSEY OIL&GAS



La Corbière Lighthouse, Jersey



This is Jersey Oil & Gas' first *Communication on Progress* and outlines how the company is aligned with the UN Global Compact's Ten Principles and the ways in which we intend to develop our activities, in support of the framework provided by the UN Global Compact.



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19th November 2019

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA



Mr. Secretary-General,

I am pleased to confirm that Jersey Oil & Gas plc supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption.

With this communication, we express our intent to implement those principles within our sphere of influence. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Jersey Oil & Gas plc will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Yours sincerely,

Andrew Benitz
Chief Executive Officer
For and on behalf of Jersey Oil and Gas plc

Jersey Oil and Gas plc. Registered office: 10 The Triangle, NG2 1AE, United Kingdom

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To all our stakeholders,

I am pleased to reconfirm Jersey Oil & Gas' support of the Ten Principles of the United Nations Global Compact, in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its Principles into our business strategy, culture and daily operations. We also commit to sharing this information using our primary channels of communication.

Yours sincerely,

Andrew Benitz, Chief Executive Officer

What is the UN Global Compact?

Launched in 2000, the UN Global Compact aims to harness the power of collective action in the promotion of responsible corporate citizenship. The Compact is a framework for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

As the world's largest global corporate citizenship initiative, the Global Compact is concerned with demonstrating and building the social legitimacy of business and market. The platform comprises over 8,800 companies and 4,000 non-business signatories based in 160 countries and more than 80 local networks. Jersey Oil & Gas became a signatory of the UN Global Compact in November 2019.

The Global Compact is a purely voluntary initiative with two objectives:

1. To mainstream the Ten Principles in business activities around the world
2. To catalyse action in support of broader UN objectives, such as the Sustainable Development Goals

The UN Global Compact is not a regulatory instrument, but rather a voluntary initiative that relies on public accountability, transparency and disclosure to complement regulation and provide a space for innovation and collective action.

WE SUPPORT



The Ten Principles

Human Rights

Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2 - Make sure that they are not complicit in human rights abuses

Labour

Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining

Principle 4 - The elimination of all forms of forced and compulsory labour

Principle 5 - The effective abolition of child labour

Principle 6 - Eliminate discrimination in respect of employment and occupation

Environment

Principle 7 – Businesses should support a precautionary approach to environmental challenges

Principle 8 – Undertake initiatives to promote greater environmental responsibility

Principle 9 – Encourage the development and diffusion of environmentally friendly technologies

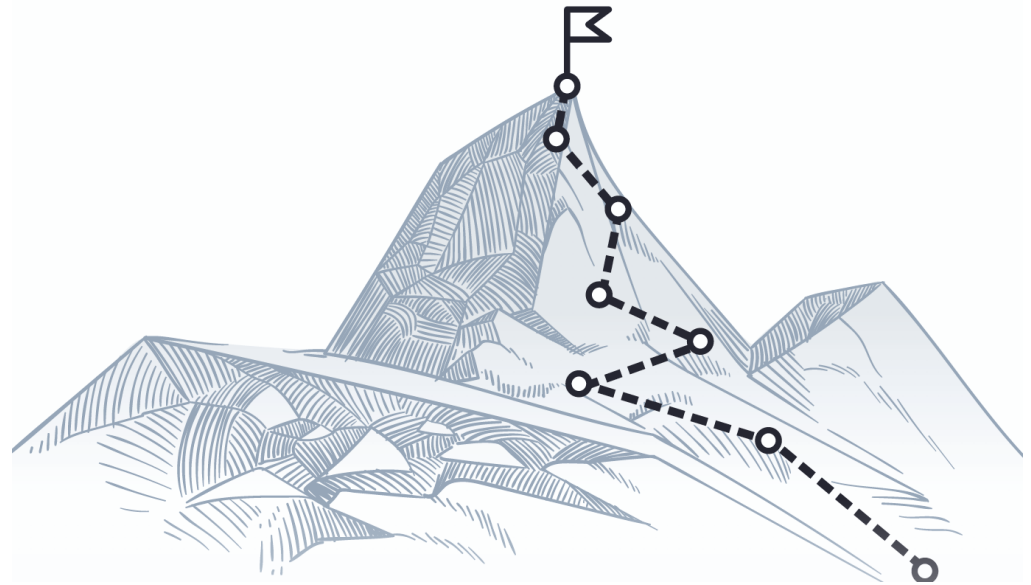
Anti-Corruption

Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery

Jersey Oil & Gas at a glance

Jersey Oil & Gas (JOG) is a 21st Century energy company committed to low emissions production in the UKCS region of the North Sea. Devoted to sustainable and responsible practices, the company has a highly experienced team of engineers developing environmentally conscientious offshore power supply solutions.

Headquartered in Jersey, Channel Islands, JOG is only one of two companies on the island signed up to the United Nations Global Compact and only one of eight within the UK-based oil and gas sector. The philosophy and Principles of the UN Global Compact are consistent with the JOG's own ethics and values, as the company strives to support the energy transition and UK economy for many years to come, while also aligning itself with the wider UK goal of achieving net zero carbon emissions by 2050.



JOG begins its ESG journey today to be the oil and gas company of tomorrow



1 Businesses should support and respect the protection of internationally proclaimed human rights, and

- ❖ JOG ensures responsibilities for safety and health are properly assigned, accepted and fulfilled at all levels of the business. All practical steps are taken to look after the welfare of its employees and others who may be affected by operations under JOG's control. It is the Company's philosophy that all accidents and injuries are preventable.

Measurement of Outcomes

To date we have had no lost time incidents and no breaches relating to safety, security or the environment

- ❖ Discrimination or harassment, of whatever nature, is regarded by JOG as anti-social and unacceptable and if detected in any form will be dealt with as seen fit. This may include disciplinary action and/or summary dismissal.
- ❖ 'Harassment' is unwanted conduct which is, in the reasonable perception of the recipient, offensive to or which affects the dignity of the recipient. Harassment includes any conduct creating an intimidating, hostile or humiliating work

2 Make sure that they are not complicit in human rights abuses.

environment for the recipient. For example, the use of offensive language, bullying, victimisation, unwanted sexual advances, physical or verbal intimidation and other forms of unjust treatment.

- ❖ As employers, JOG operates a policy of equal opportunities, non-discrimination and non-harassment towards all staff and applicants for employment. Dealings with existing staff and new applicants are undertaken on the basis of merit, competence and suitability. No decision is taken on the basis of gender, marital status, religion, disability, sex, sexual orientation, racial origin or age.

Measurement of Outcomes

Our female to male employee ratio has risen from 1:11 in 2019 to 1:2.8 in 2020



3 Businesses should uphold freedom of association & effective recognition of the right to collective bargaining

4 The elimination of all forms of forced and compulsory labour

- ◆ As a responsible employer, JOG does not participate in any form of forced or bonded labour. The company accepts that it has a responsibility through its due diligence processes to ensure that workers are not being exploited, that they are safe and that relevant employment, health and safety and human rights laws and standards are being adhered to, including freedom of movement and communications.
- ◆ The Company has a zero tolerance approach to modern slavery and is committed to acting ethically and with integrity and transparency in all of its business dealings and relationships and to implementing and enforcing effective systems and controls to ensure that modern slavery and human trafficking are not taking place anywhere within either its own business or in any of its supply chains, consistent with

5 The effective abolition of child labour; and

6 The elimination of discrimination in respect of employment and occupation

its obligations under the Modern Slavery Act 2015.

- ◆ JOG also expects the same high standards from all of its suppliers, contractors and other business partners and, as part of its contracting processes, it includes specific prohibitions against the use of modern slavery and expects that its suppliers will in turn hold their own suppliers to the same standards.
- ◆ The company has purchasing policies and procedures in place designed to screen or prevent purchases from companies with child or forced labour.

Measurement of Outcomes

No labour infringements or breaches were identified in any area of operations during 2020



7 Businesses should support a precautionary approach to environmental challenges

8 Undertake initiatives to promote greater environmental responsibility

❖ JOG recognises the importance of understanding the environmental impact of all its activities both direct and indirect. It is the company's intention to be a distinctive leader during the energy transition by operating at the highest possible environmental standards across all aspects of the business. Particular importance is placed upon the following areas of environmental management:

- Compliance with environmental law
- Reporting & disclosure of greenhouse gas emissions
- Waste and by-product management
- Oil spill prevention and management

❖ The company regularly assesses the environmental footprint of its operations. JOG's business activities are currently office-based and therefore we monitor and track all related

9 Encourage the development and diffusion of environmentally friendly technologies

emissions, air travel and paper usage. As operations progress and expand our monitoring coverage will grow in parallel.

❖ We are currently working with our landlords to track water and energy usage in our offices in order to define a baseline for the company. Once established, we aim to set specific science-based reduction targets relative to the baseline performance.

❖ Water and energy management is also incorporated into JOG's corporate culture in the form of sustainability moments before meetings.

❖ In 2020 JOG implemented a 'Need to Travel' Policy to promote the use of video conferencing technologies and limit non-essential travel. This coincided with the upgrade of all JOG video conferencing facilities.



10

Businesses should work against all forms of corruption, including extortion and bribery

- ❖ JOG always operates with dignity to drive ethical, inclusive and sustainable prosperity. The Board believes that a sound corporate governance policy, involving a transparent set of procedures and practices, is an essential ingredient to the company's success both in the medium and long term. The application of these policies enables key decisions to be made by the Board as a whole, and for the company to function in a manner that takes into account all stakeholders in the group, including employees, suppliers and business partners.
- ❖ The Company has a comprehensive set of governance policies and complies with the QCA Corporate Governance Code.
- ❖ We publicly report on stakeholder engagement mechanisms and results
- ❖ The beneficial ownership of the company, its financial performance and the membership of the board of directors are all made publicly available.
- ❖ To promote ethical decision making and prevent corruption in

Measurement of Outcomes

In 2020, JOG actively engaged with the QCA for the third consecutive year and received a clean audit.

all forms, JOG has a written Code of Ethics, a whistle-blower policy and created internal financial controls.

- ❖ The company instructs its employees on behavioural expectations, bribery and corruption via the following routes:
 - We instruct the Board of Directors on the Code at least annually
 - We instruct all newly hired workers on the Code
 - We instruct managers on the Code on an ongoing basis
 - We instruct all non-managerial workers on the Code on an ongoing basis
 - We communicate changes to the Code whenever it is updated

Measurement of Outcomes

The company has not been involved in any legal cases, investigations or proceedings relating to bribery or corruption.

COVID-19 Response



The events of 2020 saw the JOG team quickly mobilise in response to the COVID-19 crisis and transition to remote working.

A key focus for the business was the health and wellbeing of all employees during this time. Several initiatives were introduced to achieve this including 'Mindfulness Mondays' and other collaborative informal discussions. JOG also financed the purchase of the CALM meditation app for all employees.



The global response to the pandemic brought to the fore issues around sustainability and the corporate sector's licence to operate. Opportunity was taken to further upskill the team on the UN Global Compact and the Sustainable Development Goals. This proved a valuable CPD exercise.

In the spirit of solidarity and international cooperation, JOG will continue to use the Ten Principles to guide the company's response to the COVID-19 outbreak.

DIGNITY



UN Day 2020

In support of the United Nations in its 75th year and the UN Global Compact in its 20th, members of JOG joined others in demonstrating their commitment to sustainability by uploading a photo to the UN75 Campaign forum.

#UnitingBusiness #UN75.

LABOUR RIGHTS



JUSTICE



DIGNITY



HEALTHY PLANET



SDG Action Manager

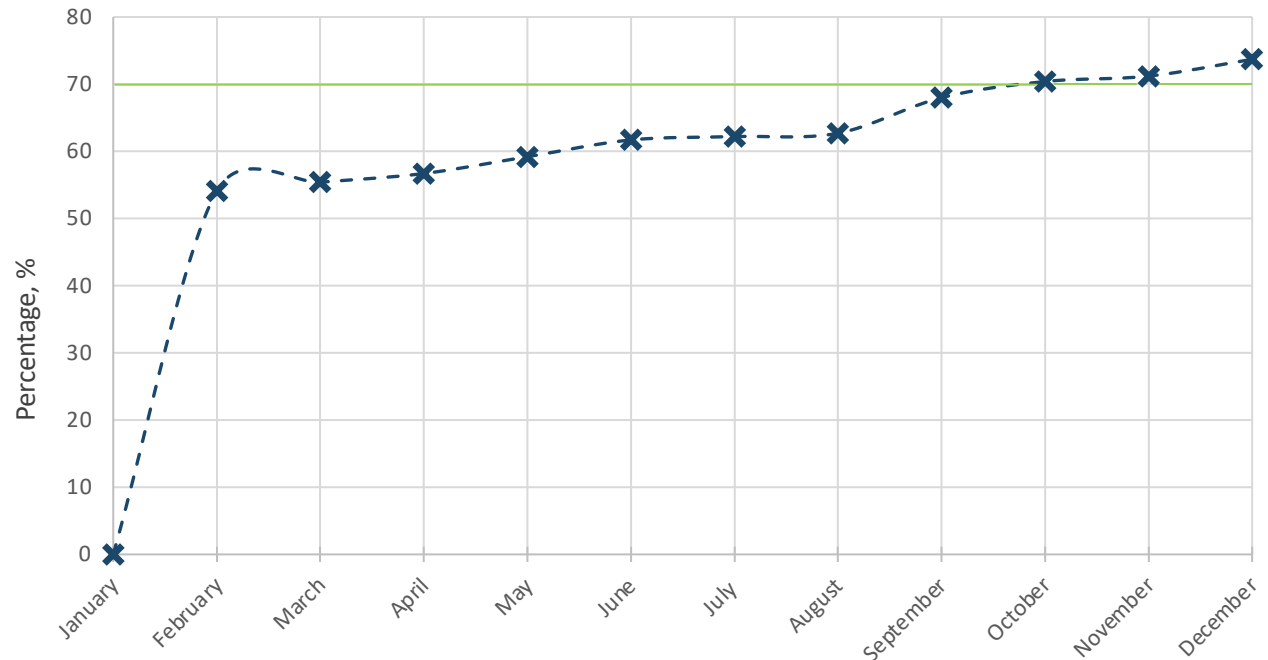
The SDG Action Manager assessment platform has been a vital tool throughout JOG's sustainability journey in 2020. The platform enabled meaningful progress via continuous and dynamic self-assessment, with JOG making huge steps in its commitments to both the Ten Principles and the Sustainable Development Goals.

The ESG Team set a KPI to reach an assessment score of 70% by year end in 2020. An indication of the company's progress in 2020, the KPI was reached and surpassed in October.



Take action.
Track progress.
Transform the world.

2020 SDG Action Manager Score



Looking Forward

Contribution to the SDGs

JOG will continue to review its efforts taken to develop, or align, aspects of both its general business strategy and social and environmental performance with the SDGs.

- We have analysed and identified specific SDGs and their underlying targets that are most relevant to our business.
- We aim to align our ongoing sustainability reporting metrics to the SDGs via the GRI and TCFD standards.
- We have set specific improvement goals to help achieve the SDGs (including goals set in the SDG Action Manager).
- We have conducted internal trainings across our organisation to educate our employees about the SDGs and our strategy to contribute to them.

Materiality & Supply Chain

Via a materiality assessment, JOG will further define which aspects of ESG and sustainability are most important to its stakeholders in order to ensure effective action and communication. Once identified, these topics will become the basis of the ESG-centric selection criteria for contracts.



ESG ACTION



Targeted
Corporate
Carbon Policy



Plan to report
disclosures in
line with the
TCFD



Tracking and
disclosure of
corporate CO₂
emissions



UN Global
Compact