

16 June 2021

H.E António Guterres  
Secretary-General  
United Nations  
685 Third Avenue, FL 12  
New York, NY 10017

Dear Mr Secretary-General

### **CEO Commitment to the UN Global Compact**

I am pleased to confirm that Petrofac supports the ten principles of the Global Compact with respect to human rights, labour, environment, and anti-corruption. In this annual Communication on Progress, we express our intent to advance those principles within our sphere of influence and report publicly on our progress.

Petrofac's sustainability strategy is aligned to the Global Compact, and as we enter the 'decade of delivery' for the UN Sustainable Development Goals, we have also selected seven goals most relevant to our business that our key programmes support and contribute to.

A description of the relevant policies, public commitments and company goals, and the actions we have taken to implement these are included in the attached Environmental, Social and Governance Strategic Report of our 2021 Annual Report and Accounts.

We will continue to work in partnership with the local Global Compact teams and other stakeholders where we operate, to progress strategies that improve health and wellbeing, reduce inequality, tackle climate change, and preserve biodiversity – while championing a low-carbon economy and enabling economic growth.

Yours sincerely

*Sami Iskander*  
Group Chief Executive



**Never before have we had such an awareness of the importance of sustainability. We now have a duty of care to do all we can to put this awareness into action.**

**Sami Iskander**  
Group Chief Executive

#### Sources of strength for Petrofac

I arrived at Petrofac with the conviction that Environmental, Social and Governance (ESG) considerations are indivisible from what a company is and does. I see them, not as boxes to be ticked nor risks to be managed, but as sources of strength.

One of the many things that attracted me to Petrofac was, therefore, the progress it has been making on ESG initiatives.

In 2020, for example, the Company launched its new sustainability strategy, including an unequivocal Net Zero carbon goal, a determination to increase diversity, and a continued commitment to meet the highest standards of ethical behaviour. The recent developments add to a good past performance in many ESG matters, a strong ESG governance structure, plus a clear recognition that, by enabling clients to meet the world's evolving energy needs, the coming energy transition represents a tangible commercial opportunity.

All of this is a great basis to build upon, and this report should give insights into the specifics of our ESG performance.

It should also demonstrate the rigour of our approach, including the way we have identified and prioritised our material issues, the targets we have set, and the way we have aligned our approach to wider initiatives, such as the UN Global Compact, the UN Sustainable Development Goals, and the Task Force on Climate-Related Disclosures (TCFD).

I would, however, like to pull out three points which are indicative of my own ESG priorities:

#### **1. Our emphasis on health, safety and wellbeing**

Generally, Petrofac has a strong health and safety culture, and performs well ahead of industry norms. In 2020, however, and influenced partly by COVID, we did see a deterioration in our safety record, including two tragic fatalities. Going forward, I want Petrofac to be among the safest places to work, for us to remain better attuned to the wellbeing of our colleagues, and for everyone on our sites to feel valued and cared for.

#### **2. Our commitment to the highest standards of ethical behaviour**

In recent years, to reinforce our continued commitment to ethical behaviour, we enhanced our compliance function, launched a revised Code of Conduct, and made it easier for colleagues and partners to voice any concerns. This work will continue. Irrespective of geography or circumstance, we will always insist on a single standard of Petrofac behaviours.

#### **3. Our environmental positioning and performance**

One of our 2020 ESG highlights was our Net Zero carbon commitment. During 2021, we expect to provide more granularity on how that will be achieved. We also intend to give more details on our competitive positioning for the energy transition – including the opportunity to work on more green energy projects, and broadening the work we are doing to help our clients reduce the carbon intensity of their existing operations.

I should stress that, although these three points are important, they exist within the context of a broader ESG agenda, which encapsulates our approach to how we do business.

**Sami Iskander**  
Group Chief Executive

# Defining our material issues

## Understanding what matters most to our stakeholders

To fully understand what matters most to them, we formally engage with representatives from various stakeholder groups, including clients, suppliers, investors, NGOs, policymakers, employees, and our supply chain. We align our Environment, Social and Governance (ESG) priorities to the material issues identified.

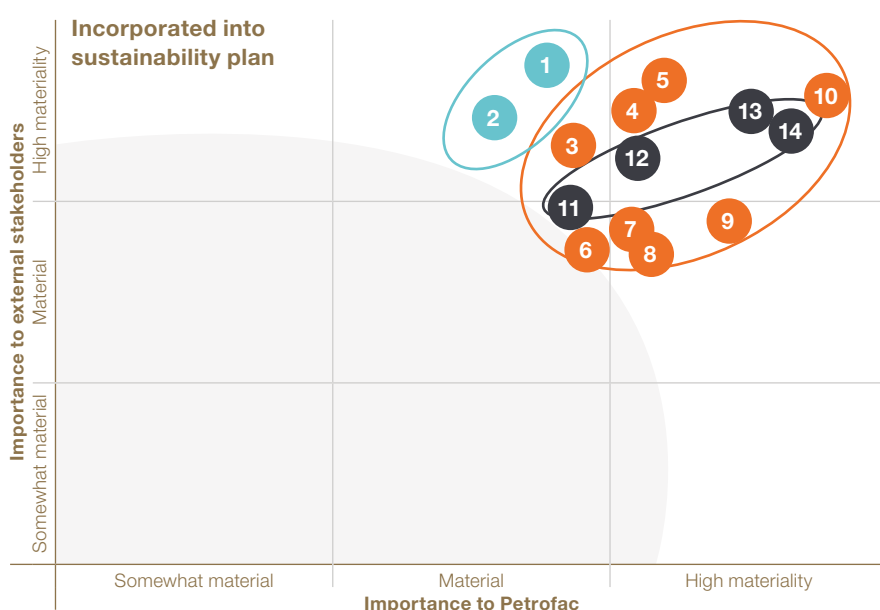
In 2020, we continued the process with a mix of online surveys and one-to-one discussions. We also consulted employees from across the business to better understand their priorities and engage them as advocates of our sustainability programmes – and we will keep on engaging and listening as we go forward.

**‘Cultivating a sustainable mindset is critical to advancing in the energy transition.’**

**Alastair Cochran**  
Chief Financial Officer and  
Chair of the Sustainability  
Steering Committee

## The ESG issues that matter most to our stakeholders

1. Define internal & external stakeholders	2. Stakeholder information gathered	3. Follow-up engagement sessions	4. Materiality reviews	5. Finalise materiality matrix
Broad selection taken from key stakeholder groups and geographies.	Via survey questionnaires, stakeholder roadshows, and various engagement events.	One-to-one sessions with key stakeholders to ‘deep dive’ on specific topics and emerging issues.	Collate and evaluate data, review accompanying commentary and rank issues.	Material issues presented to Sustainability Steering Committee to inform strategy and disclosure.



## Material issues

### Environmental aspects

1. Tackling Climate Change
2. Environmental accidents

### Social aspects

3. Diversity and inclusion
4. Worker welfare
5. Human rights
6. In-country value
7. Process safety
8. Emergency preparedness
9. Safety systems
10. Worker safety

### Governance aspects

11. Whistleblowing
12. Responsible governance
13. Anti-bribery and corruption
14. Ethical conduct

# An ESG Framework to create shared value

## Launching our new sustainability strategy

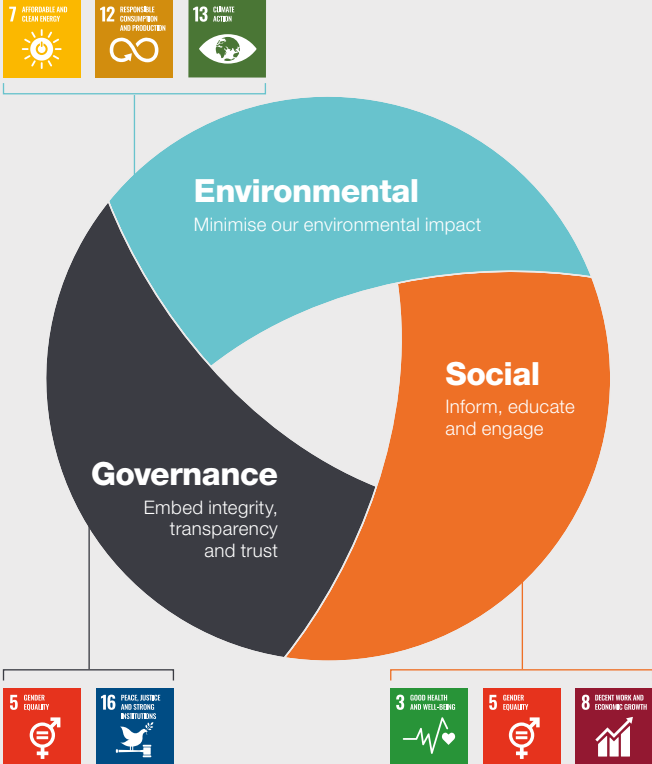
A highlight of 2020 was the launch of our new sustainability strategy. Developed by a Sustainability Committee chaired by our Chief Financial Officer, and approved by the Board in August 2020, this is structured around the three ESG pillars:

**Environment** – ensuring that Petrofac is able to minimise its own environmental impact, while supporting our clients in reducing their environmental impact

**Social** – promoting safe local delivery of our projects and services, drawing on ethical supply chains to create in-country value, helping to address skills gaps, and building a truly diverse workforce

**Governance** – underpinning everything we do with clear, consistent standards of ethical behaviour, bound by rigorous compliance and governance

For each pillar, we have set targets – including a commitment to reduce our Scope 1 and 2 emissions to Net Zero by 2030, and to achieve 30% of women in senior roles by 2030.

Our strategic goals	Our material issues	Our targets	Our stakeholders
	<b>Addressing climate risk</b>	Net Zero by 2030 (EPS by 2025)	Clients
	<b>Spill prevention and response</b>	Zero pollution	Shareholders
	<b>Promoting a circular economy</b>	Circular economy adopted by all sites	Employees
	<b>Sector leading health and safety</b>	Zero harm	Communities
	<b>Enhancing diversity and inclusion</b>	30% women in leadership roles by 2030	Partners
	<b>Respecting human rights</b>	All third parties screened for human rights	Supply chain
	<b>Optimising in-country value</b>	Sector leading local delivery	Governments
	<b>Embedding ethical values and behaviours</b>	No regulatory non-compliance	NGOs
	<b>Enhancing transparency, governance and disclosure</b>	Full compliance with TCFD	
	*Scope 1 and 2 (Petrofac Emissions & power consumption)		

## Aligning with the Sustainable Development Goals

As we enter the 'decade of delivery' for the UN Sustainable Development Goals, we have aligned our sustainability strategy with the seven goals that are most relevant to Petrofac's business.

We aim to work in partnership with our stakeholders to progress strategies that improve health and wellbeing, reduce inequality, tackle climate change, and preserve biodiversity – while championing a low-carbon economy and enabling economic growth.



# Environmental



## Why it is important to our business model and strategy

As an energy services company that designs, develops and operates large scale facilities, Petrofac's business is inextricably linked to environmental considerations.

This includes energy and climate change concerns and the risk of environmental incidents, as well as the environmental performance of our own operations. It also includes the requirement from clients to help reduce the carbon intensity of their facilities and operations. As we look to the future, it includes Petrofac's role in the global energy transition.

### Material SDGs



Read how we contribute to these SDGs through our environmental and climate response programmes.

## Committing to Net Zero carbon by 2030

A highlight of the year was the launch of our new sustainability strategy, and the commitment to reach Net Zero<sup>1</sup> in Scope 1 and 2 emissions<sup>2</sup> by 2030, and work to influence our supply chain to set their own reduction targets. To achieve this, we will focus on three areas:

- **Enable** – encourage our staff to be Net Zero advocates and support our clients, partners and suppliers in achieving their lower carbon ambitions
- **Reduce** – cut our emissions by implementing energy efficiencies, optimising our operations and methods of construction, and reducing flaring and venting
- **Transform** – switch to renewable energy, phase-in hybrid and electric vehicles on site, and fit smart building technology in our offices to maximise energy efficiency

At a divisional level, we are committed to achieving Net Zero in our EPS business by 2025, while E&C and our PM304 producing asset in Malaysia will do so by 2030.

## Our performance<sup>3</sup>

### Scope 1 Emissions

(direct from owned or controlled sources)  
Tonnes of carbon emissions (000 tCO<sub>2</sub>e)

**250**



### Scope 2 Emissions

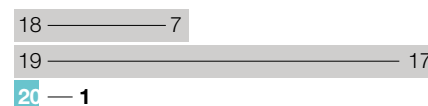
(indirect from purchased energy)  
Tonnes of carbon emissions (000 tCO<sub>2</sub>e)

**10**



### Number of spills above one barrel (0 from vandalism)

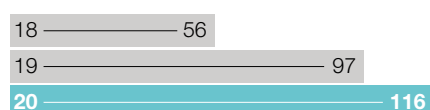
**1**



### GHG Intensity IES

(000 tCO<sub>2</sub>e per million boe production)

**116**



### GHG Intensity E&C/EPS

(000 tCO<sub>2</sub>e per million man-hours worked)

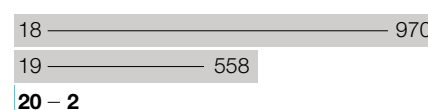
**0.27**



### Hydrocarbon spilled volume in barrels

(0 from vandalism)

**2**



<sup>1</sup> Net Zero: no net increase in GHG emissions to the atmosphere as a result of GHG emissions associated with Petrofac's activities, where residual emissions will be offset by carbon credits.  
<sup>2</sup> Scope 1 (direct emissions e.g. production processes) and Scope 2 (indirect emissions e.g. energy purchased).  
<sup>3</sup> Greenhouse Gas Protocol Standard Corporate Accounting and Reporting (equity share approach) followed for Scope 1 and 2 emissions, utilising SANGA Energy and Emissions Estimating System and UK government GHG conversion factors.

### How we manage our environmental performance

Our goal is to manage the environmental risks of our projects and operations effectively, optimise our use of resources, and minimise our environmental impacts.

In terms of emissions, to support our long-term Net Zero target, we are committed to an interim target of a 3% year-on-year reduction in greenhouse gas (GHG) emission intensity from 2021 to 2023.

Each year, we participate in the Carbon Disclosure Project (CDP). In 2020 we continued to enhance our climate change programme and again achieved a CDP rating of 'B'. This is at the top of the CDP 'Management' band for taking coordinated action on climate issues, and above both the European regional average of C, and the average for our direct competitors.

For 2020, we calculated our carbon footprint and energy consumption in accordance with the new UK Streamlined Energy and Carbon Reporting (SECR) regulations, and our data is assured and verified by an independent third party (Ricardo UK).

An important step forward in 2020 was the development and launch of an Environmental Toolkit – a digital tool to automate reporting and support more consistent and efficient monitoring.

### Enhancing waste management through a circular economy

Our Waste Management Standard governs our waste practices, with duty of care as a basic principle. We aim to reduce the amount of waste we generate and to maximise what we reuse or recycle through the introduction of circular economy ideas across the Group.

At our project sites, we are therefore challenging our teams to identify more sustainable, low-carbon, resource-efficient solutions for our clients. This a programme of work, currently in early development, and will focus on three levers for change:

- **Designing out** – engaging our project teams to 'design-out' waste. This will target single-use plastic packaging in particular, our single largest source of plastic waste. We will also look for opportunities to use more recycled and recyclable materials
- **Optimising use** – exploring ways to use resources for longer, stretching the lifespan of materials and products
- **Recycling more** – as we work to segregate more of our waste, we will create opportunities to improve what we recycle, reduce our landfill waste and put more of our 'waste to work'

See the Ghazeer case study page 41 for examples of how we are working to introduce these ideas.

### Reflecting on our overall 2020 performance

Clearly, the COVID-19 pandemic had an impact on our performance. For example, several of our planned initiatives were delayed, and there was an increase in the volume of single-use plastics. Even so, the trend was generally positive for 2020.

In terms of GHG emissions, we are on target to meet our long-term commitment of a 20% reduction in GHG intensity. In our core E&C and EPS businesses, we reduced absolute emissions by 18%. However, delays to production optimisation at our offshore asset in Malaysia and the loss of gas reinjection due to an integrity incident, led to a 7% increase in absolute group emissions and intensity. Our energy usage decreased by 8% to 418 GWh (Scope 1: 399 GWh, Scope 2: 19 GWh) of which 2% was from our UK operations. This was due to a combination of energy efficiency initiatives, lower activity levels, and the introduction of remote working across many of our offices.

In terms of spill performance, we saw a continued improvement, with a significant reduction in our recordable spill volume down to just two barrels. This reduction was largely due to preventive initiatives implemented in Mexico over recent years to address our biggest cause of spills, namely the deliberate sabotage of pipelines and equipment. Measures included community engagement, technical solutions (such as drone monitoring) and changes to the law (which, in effect, de-incentivised the vandalism).

There was one operational hydrocarbon spill of more than one barrel, which took place at a project in Sharjah and was caused by a damaged hydraulic hose. A full investigation and clean-up operation was conducted by our spill response team, including the removal of all contaminated soil.

**'As part of the World Bank's Zero Flaring by 2030 initiative, we supported several clients to identify and implement flaring reduction opportunities.'**



### Enabling our employees through the Future Think Tank

To navigate the energy transition successfully, we recognise that a critical success factor will be our ability to work differently and to come together to collaborate and innovate. To this end, we established our Future Think Tank programme, which challenges young engineers and technologists from across the Group to develop low-carbon ideas that can be deployed across the business.

A team of leadership mentors give their time to guide the entrants and help them bring their ideas to life, with selected ideas presented to the Executive Management team for funding. Shortlisted ideas covering a range of innovative solutions from low-diesel construction ideas to a sustainable office will be selected for proof-of-concept funding in 2021.

### Deploying digital solutions

An important strategic theme for Petrofac is our use of disruptive digital technologies to help the Company work faster, smarter and safer. We are pursuing techniques that use operational environmental data to enhance the visibility of energy use and enable the real-time tracking of emissions performance.

### Protecting biodiversity

We support the UN Convention on Biodiversity and work with our clients to promote a risk-based approach to protection. A mitigation hierarchy (avoid, minimise, restore, offset) has been adopted as a framework for good practice management.

At our Sakhalin island project site in Russia, where Petrofac is constructing an onshore processing facility, the project team put in place measures to protect a number of Stellar Sea Eagles nesting along the coast near the project's temporary beach landing facility, used to offload cargo.

Habitat corridors and prohibited areas were created to ensure construction personnel and activities were kept away from the eagles' nesting and feeding areas. Strict noise and speed controls were enforced for all vehicles; waste management and pollution prevention plans were implemented; and a programme of conservation awareness training was put in place for all workers.

### Reducing flaring across our operations

As part of the World Bank's Zero Flaring by 2030 initiative, we supported several clients to identify and implement flaring reduction opportunities.

For a client in Oman, we developed initial concepts for the reduction of flared gas across three sites and developed a basic engineering package to take them to the next phase. Solutions included steam generation for enhanced oil recovery, power generation, compressed natural gas, gas to diesel, and LPG production.

Meanwhile, in Southern Libya, we investigated the feasibility of extracting LPG from the associated gas, producing packaged plant solutions for rapid deployment, and modular cylinder filling operations - to both support the local market and reduce flaring by an estimated six million standard cubic feet per day (MMscfd).



# Task Force on Climate-related Financial Disclosures

## Achieving compliance with the TCFD recommendations

To better understand the potential impacts of climate change on the business, we continued to work towards full compliance with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD). To do so, we formed a working group with representatives from the environmental, finance, risk and governance teams.

The working group looked at how Petrofac might be impacted by a changing climate, in order to provide the leadership team with future-looking insight on likely climate risks and opportunities. To this end, it explored the two main climate scenarios developed by the International Energy Agency (IEA):

- **Low Carbon Future at under 1.5 °C** (based on IEA Sustainable Development Scenario) – setting out how the global energy sector could evolve to align with the Paris Agreement and rapidly accelerate to a low-carbon economy
- **High Carbon Future at more than 3 °C** (based on IEA Stated Policies Scenario) – looking at how today's policy frameworks, intentions and targets could impact the energy sector, which would make a significant difference but fall short of the Paris goals.

Working with various functions across the Group, the working group reviewed the arrangements for climate response with respect to our governance, strategy, risk management, and metrics and targets as required by the TCFD.

Read the full TCFD report at [www.petrofac.com](http://www.petrofac.com)

## Governance

Climate change is seen as a material governance and strategic issue for Petrofac. It is periodically addressed by our Board through strategy and investment discussions, enterprise risk management, and performance reviews against our commitments.

Day-to-day governance is delegated to:

- **The Group Sustainability Steering Committee** – is chaired by the CFO and assists the Board in overseeing the Group's response to climate change
- **The Audit Committee** (supported by the Sustainability SteerCo) – monitors and provides oversight to the Board on climate-related risk management

## Strategy

- **Improve performance** – through our Net Zero carbon strategy of 'Enable, Reduce, Transform', we have set targets to minimise the environmental impact of our own operations
- **Mitigate risks** – understand and address climate-related risks to our business and operations
- **Pursue opportunities** – help clients to achieve their low carbon ambitions and pursue adjacent opportunities through our New Energies business line
- **Engage publicly** – engage with government and other stakeholders to better understand and input into the developing public policy agenda on climate action

## Climate risk management

- **Regulatory risk** – respond positively to the evolving policy landscape that may impact the Company, such as carbon taxation or more restrictive emissions legislation
- **Market-related risk** – the Company is exposed to the shift towards a low carbon economy, and we have developed management strategies to advance our business as energy use transitions
- **Reputational risk** – evolve our sustainability strategy, strengthen our ESG reporting, and enhance our compliance culture
- **Physical risk** – enhance the climate resilience of our business by identifying and addressing the potential for extreme weather events to disrupt our operations, particularly with regards to our supply chain

## Metrics and Targets

- **Become a Net Zero company** – we have set a Paris-aligned target and goal for decarbonisation of our projects and operations
- **Set granular climate-related targets across the business** – accountability for climate change leadership has been embedded into executive performance measures and remuneration, and near-term targets are being developed across every team in the Company
- **Support our supply chain** – encourage the adoption of emissions targets among key suppliers, and support their lower-carbon ambitions through various collaborative partnering initiatives





#### Case study:

### Our Climate Response Seeking sustainable solutions in Oman

The Ghazeer project for bp in Oman is special in several ways. As well as coming in well ahead of schedule and having an impeccable safety record, sustainability was an important theme. Examples of environmentally-friendly initiatives pioneered onsite include:

#### Green Completions

In the completions phase of a project, a series of tests are run, which often involve the flaring of hydrocarbons directly into the atmosphere. For Ghazeer, a Green Completions concept was deployed. During the well testing operations, the hydrocarbons were routed to the live production facility and, from there, fed into Oman's gas supply infrastructure. bp estimates that 201,000 tonnes of carbon dioxide emissions were eliminated – the equivalent to removing 44,000 cars from the road for an entire year.

#### Recycling waste concrete

For a project of this size, a large volume of waste concrete is always generated. Typically, it is then hauled to a waste facility. In the case of Ghazeer, the nearest such facility was more than 250 kilometres away. The project team came up with an ingenious way of crushing the waste concrete onsite, mixing it with surplus soil, and then using it to even out the terrain and construct safety berms around the project perimeter. This avoided an estimated 944 lorry journeys – saving an estimated 92,512 litres of diesel, equating to 246 tonnes of greenhouse gas emissions.

#### Re-using waste water

For Ghazeer, we aimed to re-use as much water as possible, and equipped the work camp with five membrane bioreactor (MBR) sewage treatment units. The equivalent of 500 cubic metres of water was recycled every day, adding-up to a grand total of 440,000 cubic metres, which was of good enough quality for many tasks like dust suppression and tree planting. This eliminated the need for 150 tanker trips, which would have added up to 2.3 million kilometres of driving, consumed 390,000 litres of diesel, and emitted 1,026 tonnes of greenhouse gasses. By reducing onsite traffic, there were commensurate safety benefits.

#### Securing a supply of clean energy

Instead of relying solely on diesel generators, power was drawn from the neighbouring facility. With its own gas turbine driven generators, there was more than enough energy on tap, via overhead lines, to power the Petrofac work camp. This eliminated the need for eight diesel generators to be operational, saving an estimated 10,000 litres of diesel every day, equating to a total 17,350 tonnes in carbon dioxide emissions.

As we engage different parts of the Group to be advocates of our Net Zero programme, we will share these and other good practice ideas to further drive down our emissions.



Read full story  
in Petrofacts

# Social



## Why this is important to our business model and strategy

As a service business, it is our people, their attitude and skills who set us apart from our competitors. We are therefore committed to building a diverse workforce, which is representative of the communities in which we operate, while developing all of our people, keeping them safe, and looking out for their wellbeing.

Wherever the Company operates, we are committed to creating shared value, by engaging with local communities, investing in local supply chains, employing local people, and stimulating local economies. As well as being the right thing to do, we see the creation of in-country value (ICV) as a source of competitive advantage, helping us to operate globally and bid on challenging projects, while benefiting from the economies of delivering locally.

Because we operate in challenging environments, where the rights and welfare of workers can sometimes be at risk, we are committed to protecting human rights throughout our business operations and extended supply chain, ensuring that everyone who works with and for us are treated with respect, fairness and dignity.

### Material SDGs



Read how we contribute to these SDGs through our safety, diversity & inclusion, community and human rights programmes.

## Targeting 30% of women in senior roles by 2030

A highlight of the year was our increased focus on diversity and inclusion, including the setting of new targets, and the appointment of our first Global Head of Diversity and Inclusion, as well as two Diversity Champions in the Leadership Team.

Petrofac comprises 80 nationalities. While we have 30% female representation on our Board, we recognise we need to do more to increase the number of women in management. During 2020, as part of our new sustainability strategy, we therefore set a target of 30% of women in senior roles<sup>4</sup> by 2030 through a formal series of measures.

We are proud of our track record of developing young talent and building diversity from within. We have therefore committed to build on the 46% women in our 2019 graduate engineering intake by continuing to encourage more female graduates to join Petrofac as we develop our female leaders.

## Our performance

### Gender profile of our people (%)

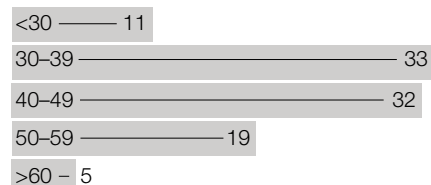
Employees



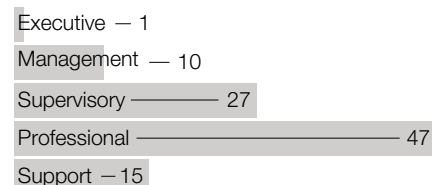
Leadership



### Age profile of our people (%)

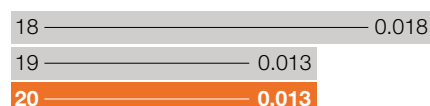


### Grade profile of our people (%)



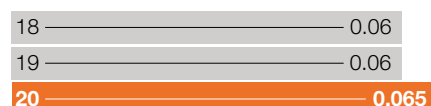
### Lost time injury frequency rate

**0.013**



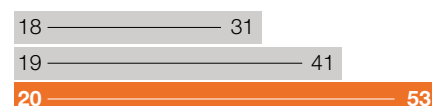
### Recordable incident frequency rate

**0.065**



### % Spend on local goods and services<sup>5</sup> (%)

**+53%**



<sup>4</sup> Executive management and direct reports (as per Hampton-Alexander criteria)

<sup>5</sup> Non-JV projects

## Safety

### Safe: of paramount importance

Across Petrofac, our aim is for zero safety incidents, as reflected in the name of our Horizon Zero global safety campaign. We see this as an entirely realistic and achievable goal and are proud to say that, much of the time, we do live up to it.

To maintain our performance, we continue to enhance our programme of health, safety, security, environment and integrity assurance (HSSEIA) measures. We also continue to refine the way we measure our performance.

### Reflecting on our 2020 safety performance

From a safety management perspective, 2020 was a challenging year.

In the face of the COVID-19 pandemic, our health and safety teams were focused on how best to continue our operations, whilst also protecting our people and partners from the virus. We therefore complied with local requirements and international guidelines, and implemented social distancing measures accordingly. In some locations, however, we did experience minor outbreaks which were managed through our pandemic response processes.

Regrettably, in some instances, this appears to have diverted attention away from more routine safety considerations, and the situation was compounded by the fact that many people were onsite for much longer than would normally be the case. As a consequence, we did see a regrettable deterioration in our safety performance, including two fatalities. In India, a man died during a hydrostatic pressure test and, in Oman, an offloading incident resulted in a second death. Both incidents were investigated in forensic detail and reviewed by senior management and, separately, by the Board. It was determined that both of the fatalities could have been prevented by one of our most basic Life Saving Rules, namely the Line of Fire rule. A priority for 2021, therefore, is the roll out of a Safety Back to Basics campaign, emphasising that safety is a shared responsibility, and looking at ways to ensure that everyone on our sites understands, embraces and follows the fundamentals of good safety.

In terms of broader indicators:

- Lost time injury (LTI) frequency rate – remained at 0.013 per 200,000 man-hours, compared to an industry average of 0.048 (International Association of Oil and Gas Producers 2019)
- Recordable incident frequency rate – increased to 0.065 per 200,000 manhours, compared to an industry average of 0.184 (International Association of Oil and Gas Producers 2019).

### Strengthening our safety culture

Despite the challenges of 2020, a number of new initiatives were implemented, including:

- **HSSEIA Deep Dives** – our global leadership teams met on eight occasions to conduct HSSEIA Deep Dive sessions, with a view to identifying and addressing potential barriers to safe and healthy working that may have previously been overlooked. In total, more than 240 people were involved in the sessions.
- **Life Saving Rules e-learning** – we launched a mandatory e-learning course for all Petrofac employees, incorporating videos in English, Hindi, Russian and Arabic, which will also be shared with partners and subcontractors
- **Hazard Hunt process** – we introduced a new Hazard Hunt process on our project sites, such as regular ‘cold eye’ reviews, whereby workers from one area perform a hazard hunt of another area, to identify hazards that others might miss after seeing them every day
- **Excavation hazard awareness programme** – a set of flip cards was developed to raise awareness of the risks relating to excavation activities
- **Behavioural-based training** – to assist onsite personnel, we revived a number of training programmes, including the HSSE Bootcamp for supervisors in our E&C business, and mental health awareness across the Group



### Making better use of digital technologies

In line with Petrofac's wider digital transformation programmes, new technologies are playing an ever more prominent role in our HSSEIA activities, for example:

- **Developing new digital platforms** – significant preparatory work was completed on a range of digital tools and platforms, such as the creation of a full functional specification for a new HSSEIA data collection and reporting tool, and the development of a new digital enterprise risk management tool
- **Virtual site audits** – due to travel restrictions, we were unable to conduct in-person site audits and therefore turned to Microsoft Teams to handle our usual annual schedule of Corporate HSSEIA audits and Petrofac Assurance Index (PAI) audits
- **Driving behaviours** – to help improve driving safety, in-vehicle monitoring system (IVMS) technology is used to keep track of driving behaviours, and identify and address any issues
- **Virtual meetings** – Instead of meeting face-to-face, Group Crisis Team and Business Support Teams are able to meet virtually irrespective of location

### Stepping-up our health and wellbeing programmes

In the face of the COVID-19 pandemic, the disruption of the lockdown, and the longer-than-normal onsite postings, we chose to step-up our existing health and wellbeing programmes, with a particular emphasis on mental health. For example:

## – Extending our Employee

**Assistance Programme** – we extended our LifeWorks Employee Assistance Programme globally, giving all of our people and their family members easy 24/7 access to independent advice and counselling on a wide range of issues, whether from inside or outside work, that could adversely impact their health, wellbeing or work performance. To raise awareness and encourage use of this facility, while also demonstrating that the leadership team are acutely aware of the challenges being faced by employees, we conducted a number of internal townhall sessions for managers. In October 2020, we launched a #WellbeingWednesday initiative, with a weekly series of webinars drawing attention to health and wellbeing topics, such as mental health, healthy lifestyle and diet, breast cancer, and flu awareness

## – Raising awareness of mental health issues

– to normalise discussions around mental health, we ran a number of initiatives throughout the year. We drew attention to Mental Health Awareness Week through a range of initiatives, such as seminars with mental health specialists. We also launched the RU OK? programme globally, to raise awareness of mental health issues and encourage employees to seek support

## – Enlisting the support of our future leaders

– mental health awareness was a prominent topic at our virtual Graduates Conference

## Protecting our people from COVID-19

A Group-wide COVID-19 response and recovery programme, including guidance and a toolkit, was initiated to provide direction and support to all offices and project sites globally, with regular Group Crisis Team and Business Support Team meetings to oversee the situation. As lockdowns eased, a Return to Workplace Guide and toolkit were developed which outlined Petrofac precautions and protocols, as well as individual responsibilities. The approach was adapted locally to reflect in-country circumstances and regulations.

Throughout this programme, safety was prioritised, together with continuous engagement and communications. Measures implemented in all locations included temperature checks, deep cleaning, sanitation stations, PPE, signage, isolation rooms, and contact tracing procedures.

## Asset integrity

### Ensuring the integrity of our operating assets

We are committed to designing, building and operating assets that are safe, reliable and meet or exceed their specified purpose.

Key to this is our Asset Integrity Framework, which enables us to take a structured and consistent approach to integrity across all Group operations. As we often operate ageing assets, it is particularly important for us to take a rigorous approach to asset integrity management. During 2020, the Group was responsible for managing and ensuring the integrity of 18 operating assets. To assist clients with their operations, we also sought to apply these asset integrity principles across the wider Group services.

### Reflecting on our asset integrity performance

In evaluating our asset integrity performance, our main area of focus is managing process safety hazards, reducing high potential incidents (HiPos) and those incidents that involve process safety procedures.

In 2020, only one HiPo was recorded on the assets we operate (down from three in 2019). We believe the improved performance was attributable to a first principles approach, whereby all work plans were subject to enhanced risk reviews.

### Seeking continuous improvement in asset integrity

We continue to review and enhance our approach to asset integrity and assurance. Developments in 2020 were largely related to the COVID-19 pandemic. In our Asset Integrity Audit Programme we were able to increase engagement with operating teams, encouraging and enabling them to be more mindful of integrity issues, to take a more active role in site audits, and for more of the audit process to be managed virtually.

Priorities going forward relate largely to the digitalisation of the asset integrity processes and the full delivery of the related platforms. By integrating big data into the audit programmes, it should become easier to target assurance activities based on a more accurate understanding of asset condition.

## Security and crisis management

### Remaining responsive to a fast-changing security environment

Petrofac works in challenging environments with fast-changing security issues. Our aim is to protect our employees and assets in a responsible manner, and to prevent any security-related disruption.

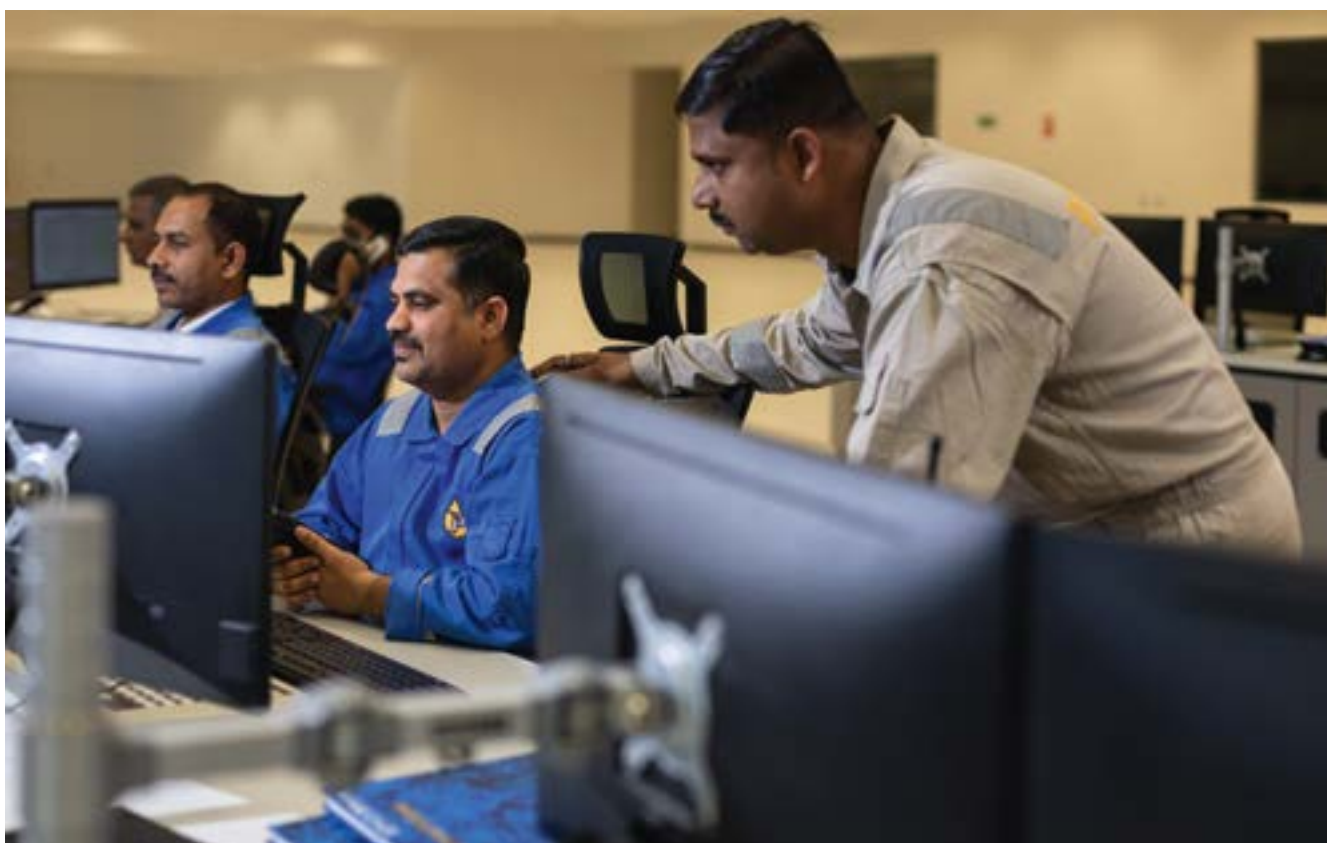
Our security and crisis management team is closely integrated into the wider HSSEIA community. Our Security Policy sets out the responsibilities of our senior management team and our business units and, with regards to crisis management, we aim to operate to the same standard as ISO22301:2019.

### Reflecting on the security environment in 2020

The COVID-19 pandemic had an impact on the security environment in 2020. With less movement of people, the risks of crime and civil unrest was reduced commensurately. However, we are mindful that, as the economic impact of the pandemic unfolds, the potential for security incidents could escalate.

The only security-related incident to report for 2020 took place in Iraq at the start of the year, when much of the south of the country was experiencing protests relating to the economic environment. At one of our project sites, work was disrupted for several weeks by largely peaceful protesters who blockaded the entrance to the facility. The situation was resolved by the operator. Throughout, our teams focused on keeping employees safe, and ensuring that progress on the project was not completely impeded.





### Enhancing the protection we provide to employees, partners and assets

To reflect the fast-changing security environment, we continue to review and refine our security approach. The main development in 2020 related to the roll-out and adoption of Security Companion, an online tool which gives all employees easy access to security-related policies, procedures, standards, resources, training and messaging. Throughout the year, we ran a programme of webinars to draw attention to security issues and advise on the use of the tool.

We also replaced our security assurance visits to project sites with virtual equivalents.

Meanwhile, we reviewed our Crisis Management Framework with the aim of digitalising it and integrating it into a Microsoft Teams-based platform.

### Cyber-security and data protection Improving our capabilities

In response to rapidly evolving data security risks, and to support Petrofac's wider digitalisation initiatives, cyber-security and data protection continued to be an area of focus. In the face of the COVID-19 pandemic, we ensured that all core IT services and applications could be delivered remotely and with the same level of security as onsite, enabling a seamless transition from office to working from home.

During 2020, we stepped-up our programme of related initiatives, while our alignment with the ISO27001 standard and other best practices continued.

Related initiatives included:

- Enhancing our threat detection capabilities and threat-hunting capabilities by leveraging machine learning-based detection systems
- Improving our threat intelligence capabilities, with an emphasis on region- and industry-specific threats
- Extending our cyber-security awareness programmes to cover vendors and third parties to create a culture of cyber risk awareness across our supply chain
- Continuing our phishing simulation tests and awareness programme to ensure our employees remain aware of the latest phishing techniques and to create a strong and dynamic cyber-security culture
- Continuing the assessment of cyber-security risks with regular vulnerability assessments, penetration tests and Red Team exercises

Meanwhile, cyber-security remained a key priority in all our digitalisation initiatives, and we ensure that appropriate security protection is embedded from the initial ideation and conceptual phases.

## People

From a people perspective, 2020 was a particularly challenging year for Petrofac.

With the COVID-19 pandemic and the economic downturn, we had to take decisive action to reduce our labour costs while also protecting the mental and physical health of our people.

Despite these twin threats to our business and our people, we nonetheless made encouraging progress with several of our planned Human Resource initiatives.

### Addressing the challenges of 2020

In early 2020, as we started to see the impact of the oil price collapse, it became clear that difficult decisions would need to be made regarding our workforce.

In responding to the realities of the situation, our priorities were to minimise the headcount reduction and retain our core capabilities. It was therefore necessary to proceed collaboratively with our people, ensure that they accepted our rationale, and obtain their consent for the planned changes.

To minimise the headcount reduction, we asked all employees, from the Board down, to accept a permanent 10% to 15% pay cut. We also applied reductions to certain allowances. We cancelled

previously awarded pay increases. We asked all E&C employees to take two days unpaid leave per month for eight months, and those in management grades to take three days per month. In the UK, we utilised the government's furlough scheme.

Open, two-way communication was, of course, critical throughout. The Group Chief Executive and the COOs of each business unit were directly involved, several virtual townhall sessions were held, messaging was cascaded through the business, and personal emails were sent to all employees. We used appropriate employee consultation processes in each location, we worked with The Petrofac Workforce Forum and, where redundancies had to be made, outplacement support was offered.

Overall, temporary and permanent employment reduced by 1,830 in 2020, representing a 16% decrease on 2019.

### Providing additional support to onsite teams

Many Petrofac employees work onsite at our projects and, for them, the pandemic has been particularly challenging.

Typically, they work on rotation, with regular home visits. With much of the world in lockdown, many remained onsite for the duration, unable to take holidays or spend time with their families.

From an HR perspective, we endeavoured to be extra vigilant, and a number of new health and wellbeing initiatives were introduced, including extending our Employee Assistance Programme (see page 44). Also, holiday and rest and recuperation (R&R) allowances were held over to 2021 so that employees did not lose out. Where we were able, we chartered aircraft to repatriate our employees.

### Making progress with diversity and inclusion

Petrofac has a strong record of diversity in terms of ethnicity. We employ people from more than 80 different nationalities, from the Board, through the Executive Team, right the way down to our entry-level employees.

However, it is clear that, in terms of gender, we have a long way to go.

In 2020, following the appointment of our first Head of Diversity and Inclusion, as well as two Diversity Champions in the Leadership Team, we set a target of 30% of women in senior roles<sup>6</sup> by 2030. To ensure that we achieve this target, we set ourselves an interim target of 20% of women in senior roles by 2025. However, by the end of 2020, the number of women in senior roles had improved from 6.3% to 18.7%. As a result, we have revised the interim target to 25% of women in senior roles by 2025.

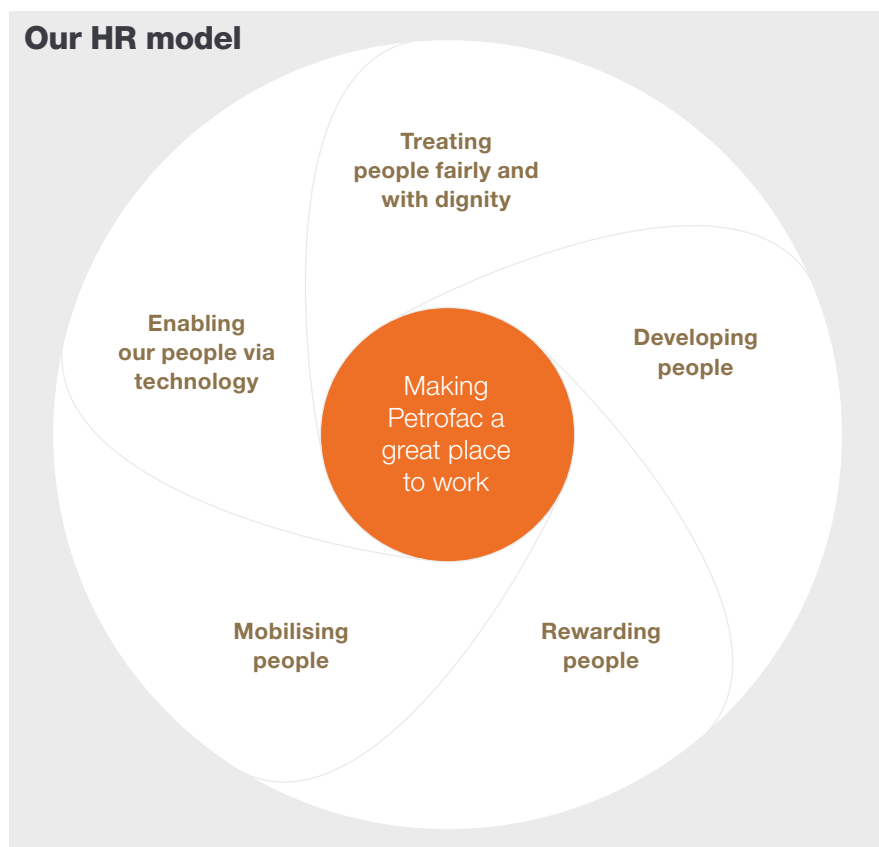
We also made progress on a comprehensive Diversity Strategy, with a particular focus on building our pipeline of female leaders. Developments in 2020 include:

- Each member of the Executive Leadership team is a mentor to two high potential female employees
- A Women's Leadership programme was established. This is a six-day programme, and 80 of our most senior women participated
- In the external recruitment of all middle management roles, a requirement was introduced for at least one woman to be included on the final interview shortlist
- A new diversity and inclusion e-learning programme has been developed, which is mandatory for all employees from 2021

Reflecting this level of emphasis, the central diversity and inclusion metric in our PetroVoices survey improved from 82% to 87%.

<sup>6</sup> Executive management and direct reports (as per Hampton-Alexander criteria).

### Our HR model





### Promoting local nationals

We have set ourselves ambitious targets of having more local nationals in our in-country senior management positions. We want our management to better represent the countries and communities we serve. As with gender diversity, we have a long way to go. However, in UAE and Oman we have many local nationals who have been recruited in our Graduate Development Programmes over the years, and we need to accelerate their development. In 2020, we appointed Ali Abdullah Al Ali, a UAE national, as our Country Chair in the UAE.

### The Petrofac Workforce Forum

As one of a number of ways to engage with and hold conversations with our workforce, we have a Workforce Forum, which played an important role in helping us navigate the challenges of 2020.

Along with the usual bi-annual meetings with our Board and Executive Leadership team, we held an extraordinary meeting in April to discuss the Company's proposed response to the COVID-19 pandemic. Separately, we consulted with the Forum on our new HR Performance Management and Talent Management modules. Following employee changes, we also held by-elections to elect three new members to the Forum during 2020.

### Digitalising our HR operations

A significant new project, which came to fruition during 2020, was the global migration of all legacy HR systems to the Oracle Fusion platform. This enables the entire global organisation to benefit from a single and seamless set of HR modules, including compensation, development, performance, and learning management.

As well as improving the experience for employees and their line managers, this brings increased consistency and efficiency to the Group. It also enables Petrofac to harvest the richness of big data by building smart analytics and data dashboards for managers and leaders, and also to optimise the HR service delivery model.

To enable all of this to happen, a new HR Global Shared Service Centre was created in Chennai, India, which consolidates our worldwide HR data management, global recruitment sourcing, and global payroll control functions under one roof.

## Listening to our people – and acting on what they tell us

From 19 October to 13 November 2020, we asked all our employees to participate in PetroVoices, our confidential employee engagement survey, which is run annually by an independent third party, Willis Towers Watson.

More than 5,000 employees participated, representing 60% of our workforce. This was down from 63% in 2019, but still a respectable participation rate.

The survey comprises 53 questions, grouped into nine categories. Of these, the Sustainable Engagement category is one we watch particularly closely, since it is a combination of questions that collectively reveal our employee engagement. This score and the overall participation rate are targets on the performance scorecard of all senior managers.

We were pleased to see Sustainable Engagement improve from an already high 85% to a record 87%. In fact, eight out of the nine categories improved year-on-year. The reduction in Change and Future Direction was disappointing but understandable in a very challenging year.

We also asked two free text questions, "what would you like to see Petrofac do more of in 2021?" and "what would you like to see Petrofac do less of in 2021?", and received more than three thousand comments – a rich source of employee opinion which we will review and act upon.

It was pleasing to see which questions improved the most (see below). The People agenda has been very focused on improving our Diversity performance, improving HR Technology, getting senior leaders to communicate more effectively with employees and, not least, continuously improving our Compliance culture. All these areas receive improved feedback in 2020.

From December 2020, the results were shared with employees, and we asked all senior leaders to produce action plans for the top three topics in their respective area. These plans will be reviewed by the Group Executive Committee with the intent of implementing improvements well ahead of the next PetroVoices survey in October 2021.

### Scores vs. 2019

Category	Total Favourable Score 2020	Versus 2019
Leadership	67%	+4%
Immediate Management	88%	+3%
Sustainable Engagement	87%	+2%
Safety	93%	+2%
Development & Recognition	67%	+1%
Ethics and Social Responsibility	84%	+5%
Values	91%	+2%
Working Together	84%	+4%
Change & Future Direction	81%	-2%

### Top 5 Questions

Most Improved Questions	Total Favourable Score 2020	Versus 2019
<b>Ethics and Social Responsibility:</b> Employees from all nationalities and cultures are given equal opportunities	77%	+5%
<b>Working Together:</b> My department is making appropriate use of technology to improve our internal operating efficiency.	86%	+6%
<b>Ethics and Social Responsibility:</b> Petrofac provides a working environment free of discrimination and harassment.	87%	+5%
<b>Leadership:</b> Senior leadership (ExCom and MD's) does a good job of explaining the reasons behind major decisions	70%	+6%
<b>Ethics and Social Responsibility:</b> People here adhere to Compliance because they feel it is the right thing to do, and not just because they have to.	89%	+5%



#### **Sponsoring a Masters Programme at the American University of Beirut**

Another of the ways in which we responded to the COVID-19 pandemic was to work with the American University of Beirut to sponsor a Masters Programme in Engineering Management.

With the downturn across the oil and gas industry and delays to several of our projects, we were facing the prospect of having to make a number of our talented engineers redundant. Instead, we offered them the opportunity to study for a Masters programme, on either a classroom or a distance learning basis, with Petrofac paying tuition fees and covering subsistence costs.

Some 65 of our employees took up the opportunity, and we hope to re-employ as many of them as possible when they complete their studies.

#### **Taking our Leadership Excellence Programme online**

Through our Petrofac Academy, we have run an extensive range of leadership training programmes, supported by a mobile Learning App.

In 2020, working with our longstanding partner, The London Business School, we evolved our Leadership Excellence Programme and delivered it online. We put 70 of our most senior managers worldwide through the four-day programme. We also ran programmes for our leadership on organisational resilience, as well as a suite of technical engineering modules.

The transition to virtual formats was highly successful, and we expect to follow a 'digital first' approach in future years.

#### **Extending the success of the Petrofac Academy Online**

As we digitalise our business, we are conscious that our employees are also changing how they prefer to learn. Many of our employees live and work in harsh environments, maybe offshore or in remote areas. They can be on rotations that keep them away from their home office for months at a time. We want to provide them with high-calibre training and development opportunities.

We therefore continued to develop Petrofac Academy Online, to include more than 1,300 e-books, audio books and Expert Talks covering a wide range of topics, as well as more than 75 e-learning courses. In 2020, more than 14,000 e-learning courses were completed, 60,000 learning hours were studied, and 18,000 books were downloaded from our e-library.

#### **Priorities for 2021**

The new digital HR platform, as well as the Shared Service Centre in Chennai, will be an important enabler for the main HR priorities in 2021. These include:

- Developing a performance culture – drawing on the new digital tools, defining and encouraging the type of behaviours we value most highly, and enabling more of a coaching culture among our managers
- Establishing a new Global Mobility Framework – bringing more consistency to our approach to mobility, in a way that aligns with our ambition to expand geographies beyond our traditional core markets
- Creating a Global Recruitment Centre of Excellence – bringing more efficiency and consistency to our recruitment processes, while also improving the experience of candidates. Even in 2020, we still recruited more than 1,600 temporary and permanent employees

## Community engagement

### Making a positive contribution to our local communities

Wherever we work, we want local communities to benefit from our presence by helping them to be healthier, more prosperous and engaged with our work. In particular, we aim to engage with local stakeholders to understand and manage the social impacts of our business and address their concerns. Maximising the benefits we bring through community development, focused on local capacity building, and strategic corporate giving initiatives targeting improved access to education and the employability of people from marginalised groups.

The Petrofac Social Performance Framework governs the way we approach community engagement.

It consists of our Social Performance Standard and a set of guidelines that enable us to meet our regulatory commitments and support our contribution to the UN Sustainable Development Goals.

In 2020, we broadened our approach to help local communities respond to the COVID-19 pandemic.

### Responding to the COVID-19 pandemic

While our philosophy remained unchanged in 2020, our overall approach continued to be responsive to the changing needs of the local communities in which we work – hence the inclusion of a number of COVID-19 response initiatives, such as:

- **Algeria** – we purchased and donated around US\$100,000 worth of medical equipment to a crisis fund and, subsequently, our Tinnert Field Development Project team donated a range of medical equipment for the In Amenas Hospital in Southern Algeria
- **India** – we supported several government agencies in their response to the pandemic, including the provision of some 1,000 COVID-19 test kits to a hospital local to our Raageshwari Deep Gas Field Development project
- **Iraq** – we purchased and donated a range of PPE and medical equipment, including ventilators, worth US\$32,000 to assist the Basra Oil Company in its response to the pandemic
- **Kuwait** – we vacated the sizeable accommodation facilities at the Lower Fars heavy oil project, and made them available to the Ministry of Health to provide quarantine facilities
- **Mexico** – we donated around US\$70,000 to the Tabasco Secretary of Health for the purchase of PPE and other medical supplies
- **Oman** – we donated around US\$100,000 to the Special Economic Zone Authority at Duqm to help its response to the pandemic, which enabled a local school to be converted into a temporary hospital
- **UAE** – to reflect our support for and appreciation of the UAE's essential frontline workers, we supported and participated in the Abu Dhabi Police/ SAEED Association campaign – a community initiative which recognised the efforts and dedication of the many key workers across the Emirates
- **UK** – our various offices coordinated a number of initiatives, such as volunteering, the delivery of food to local food banks, and donations of PPE to local care homes and charities

### Initiatives in India

There is a regulatory requirement for us to spend at least 2% of our revenues on social investments, equating to a Petrofac investment of more than US\$330,000 per annum.

In 2020 the focus of our community engagement programmes continued to be the provision of training and employability skills for disadvantaged young people.

Through the PanIT Alumni Reach for India Foundation (PARFI) initiative, we provided vocational skills training, such as welding, fitting and grinding to 150 young people, through full-time residential courses. By the close of the year, some 115 had secured work placements with local employers. Meanwhile, through the Collective Good Foundation (CGF), we initiated a programme to provide training for 240 young people in pipe fitting and as domestic appliance engineers.

To reflect our emphasis on diversity, we backed several programmes to support under-privileged young women. For example, through the Women's Organization for Rural Development (WORD), we provided literacy and language training to more than 550 young people and, through the Ravanasmudram initiative, we provided sewing skills training to 50 unemployed women, around half of whom subsequently started working as seamstresses.





Our Indian teams also continued to contribute to social initiatives in the communities close to our projects. The Visakh Refinery Modernisation team support the local Nethra Vidyalaya School – a social programme for visually challenged and abandoned children near the project site.

### Initiatives in MENA

During 2020, aside from our COVID-19 response initiatives, we continued with a number of well-established partnerships and initiatives across the Middle East and North Africa region. Examples include:

- **Algeria** – our Tinrhert Field Development Project team continued to support its local communities, including the donation of backpacks, books and stationery to more than 100 children at local schools, and the refurbishment and upgrade of the airstrip terminal building, which is one of the major transport links with the outside world
- **Sharjah** – for many years, reflecting our education projects that encourage young people to study STEM subjects, we have supported the American University of Sharjah. Through a donation of around US\$27,000 we supported a year-long programme of education-based events and initiatives

### Initiatives in Mexico

As an asset owner and operator, we had traditionally run a wide-ranging programme of community engagement in Tabasco State. This included the provision of a field office for local people to drop-in, get assistance and raise and check on grievances, a set of community engagement rules for contractors, and support for several vocational development and agricultural skills initiatives.

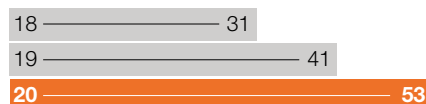
In 2020, with the completion of the sale of our remaining stake in the operations, our emphasis was to manage the transfer of our pre-existing programmes and teams to the new owner, Perenco, in order to ensure consistency and resolve legacy issues.

## In-country value

### % Spend on Local Goods and Services\*

**53%**

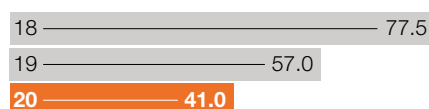
(US\$456M)



\* Non-JV Projects

### Key project jobs ('000)

**41,000**



### Generating economic value in-country

Wherever Petrofac operates, we are committed to creating shared value, by supporting local supply chains, employing local people, developing local capabilities, and stimulating local economies.

As well as being the right thing to do, we see the creation of in-country value (ICV) as a source of competitive advantage, helping us to bid on challenging projects, keep costs down, improve the quality and availability of local suppliers, and build stronger relationships with local stakeholders.

Alongside shareholder and client value, we recognise ICV to be one of the core outcomes of our business model. We therefore aim to make a positive and measurable contribution to the economies in which we operate.

In 2020, we continued to enhance and formalise our related initiatives, and align our local employment, training and development, and procurement programmes with the ICV priorities of our clients and other national stakeholders.

### Our approach to ICV

We continue to procure a large proportion of goods and services from local vendors and suppliers, support a significant number of local jobs, and work to enhance the capabilities of local people. While some governments require us to do this, we typically go beyond our contractual and regulatory obligations regarding local content.

### Supporting local economies

In 2020, just taking into account our major non-joint venture projects (as listed on page 72), where we have direct control over procurement and subcontracting, we purchased almost US\$456 million worth of goods and services, and supported around 41,000 jobs at our project sites.

The proportion of locally-sourced goods and services, increased to 53% in 2020, up from 41% in 2019. This reflects our efforts to maximise our support of local supply chains, build and utilise capacity of small and medium-sized enterprises (SMEs) and stimulate local economies.

Indicative examples from across our core geographies include:

#### — Oman

In Oman, where we have worked on many of the Sultanate's most significant oil and gas assets and partnered with the Oman Oil Company on establishing the prestigious Takatuf Petrofac Oman (TPO) training centre, our formal ICV programmes have been running for many years. We have a dedicated ICV management team in place, and continue to increase and quantify our impact.

In selecting sub-contractors, we give priority to local providers and provide formal support to SMEs. In 2020, we placed orders worth around US\$100 million with Omani vendors, and spent almost US\$120 million with Omani SMEs. We also aim to provide high quality employment opportunities to Omanis. To support the Duqm refinery project, for example, we provided local and international scholarship programmes to 45 Omani students.

In 2020, although the COVID-19 pandemic brought significant disruption to our Omani operations, we nonetheless increased our ICV contribution over 2019. With projects such as Duqm and Ghazeer reaching the construction and commissioning phases, manpower levels increased, along with support and additional contracts for Omani sub-contractors and SMEs.

As a demonstration of our commitment to ICV, Petrofac was recognised with the Best Practice Award in the 'Omani Products and Services' category at the Oman Society for Petroleum Services (OPAL) Awards in November 2020.

This award highlighted our collaboration with a Salalah-based company, Dhofar Structures and Iron Industries, as part of our Salalah LPG extraction project in southern Oman. As a result, the company was able to increase its capacity by 300%, hire an additional 30 Omani employees, strengthen its safety culture, and extend its operations outside of the Salalah region.

#### — Algeria

Petrofac's commitment to Algeria is indicated by the scale and nature of our in-country operations. A full-service engineering centre in Algiers is supplemented by a busy operations hub in Hassi Messaoud, plus project sites in Tinrher and Ain Tsila. We also operate the Hassi Messaoud Construction Skills Training Centre, although this was closed for much of 2020 due to the COVID-19 pandemic.

For 2020, more than 85% of the total workforce were Algerian nationals, and around 60% of goods and services were sourced from locally-based subcontractors and suppliers.

#### — UAE

Our UAE operational centres in Sharjah and Abu Dhabi are home to around 2,000 employees and a significant part of our heritage is closely associated with the Emirates. As well as working on a number of large local oil and gas projects, we also execute large-scale fabrication works in the UAE and export fabricated goods for clients based in other countries.

We have a significant, national five-year ICV programme in place, which covers the value of goods and services sourced from locally-based businesses, the number and quality of jobs held by UAE nationals, and the investment in-country. Our performance across these criteria are progressing well year-on-year and we foresee an improving ICV score.

#### — Russia

Our Russian operations are concentrated on Sakhalin island, where we have an operations office and a technical training centre, as well as a site office for Sakhalin Energy's onshore processing facility project. In 2020, almost 75% of goods and services were sourced from locally-based providers and around 35% of the total workforce were Russian nationals.

## Ghazeer and the creation of in-country value

Although the principle of ICV applies everywhere, its implementation is probably at its most mature in Oman, where Petrofac agrees ICV targets with all its clients.

In the case of the Ghazeer Phase 2 project, bp had initially set a demanding ICV target of US\$275 million, equating to around a third of the total project value. By the time we handed over the new facility in 2020, the true ICV had exceeded US\$311 million – around 13% more than originally anticipated.

"The more we can work with local suppliers, the better it becomes," explains Project Manager Alok Agarwal.

"We save on shipping, we increase control, we build local capacity and, in the case of large components, we can also get more prefabrication done offsite, which helps with the speed and safety of construction."

For the future, it means that Petrofac can call on more local capacity and experience. As well as benefiting from significantly-sized contracts, several local firms have been able to add to their credentials and capabilities.



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### Making a significant contribution to public finances

Through the taxes we pay, Petrofac makes a significant contribution to the public finances of the local economies in which we operate.

The total amount paid to governments in 2020 was US\$213 million, comprising corporate income tax, employment taxes, and other forms of tax and social security contributions.

### Priorities for 2021

We will continue to strengthen our ICV programmes in 2021, extending our collaboration with local communities, supply chains and governments to nurture and grow sustainable economies and create shared value.

Where there is not a mature local supply chain, we will continue to work to build capacity and connect SMEs with main project subcontractors and suppliers to facilitate successful partnerships.

We aim to extend the good practice model developed in Oman across other relevant geographies, targeting the recruitment of local country managers for country offices, maximising our sourcing of local goods and services, while focusing on developing and training our young local national employees with the leadership and technical skills for the future.

Meanwhile, within Petrofac, we aim to build teams that are more representative of the communities we serve. This includes further increasing the national diversity of our workforce and leadership to better reflect the countries in which we operate.

## Human rights

### Respecting human rights across our supply chain

We strive to protect and respect human rights throughout our business operations and extended supply chain. Our commitments are set out in our Code of Conduct, and we work in accordance with our Social Performance Framework, the UN Guiding Principles on Business and Human Rights, and the Fundamental Conventions of the International Labour Organization (ILO). We are also proud of our long-term commitment to the United Nations Global Compact and disclose annually our progress against its Ten Principles.

However, we acknowledge that the nature of our global operations and the type of geographies we work in at times present human rights risks. Our main exposure to these issues is in the extensive supply chains of our large EPC projects, particularly the labour practices of some of our subcontractors and the recruitment agents and brokers they use.

Each year, we assess our operations for human rights issues and take a risk-based approach to addressing any incidents of modern slavery related to forced and bonded labour, worker welfare infringements and other labour rights abuses. This review is detailed in our annual Modern Slavery Statement, published in accordance with the UK Modern Slavery Act 2015, which outlines the steps taken to enhance our corporate responsibility to respect human rights.

In 2020, there were no incidents of modern slavery or human rights violations reported through our auditing or internal incident reporting mechanisms.

### Embedding human rights in our Code of Conduct

In 2020, our priority was to raise awareness among our employees and supply chain of our updated Code of Conduct, which set out our expectations on human rights protections. This was particularly important given the COVID-19 pandemic which acted as a 'stress-test' for our social contract with many of the vulnerable stakeholder groups within our value chain.

### Building capacity to ensure compliance

We continued to innovate and improve, completing enhancements to the labour rights screening process within our vendor management system. This process is now fully automated, with 100% all vendors and suppliers screened against human rights criteria when pre-qualified, and required to read and commit to Petrofac's Labour Rights and Worker Welfare Standards.

We also continued the process of screening those third parties already registered on the system and yet to be selected for prequalification, and completed 1167, equating to 40%, in 2020. As a result of the screening, a small number of vendors were red-flagged for enhanced due diligence. Where issues are found, we work with third parties to improve their understanding of our Standards, and support their efforts to comply fully.

### Collaborating across the industry

We also continued to share good practice through our engagement with industry and other stakeholders, such as the Building Responsibly Group of engineering and construction companies.

However, our activities in this area were limited in 2020, as resources were diverted to address the immediate impacts of the COVID-19 pandemic. At a number of our sites, where demobilised subcontractor personnel found themselves unable to travel, our efforts were focused on providing accommodation, food and welfare, and helping the affected companies to get their people home safely.

### Addressing security and human rights risks

To enable respectful relationships between our security providers, our workforce, and the local communities we work in, we operate in accordance with the Voluntary Principles on Security and Human Rights. Adherence to these Principles is a prerequisite in our selection of security providers. We provide awareness training to staff and third parties to help improve the way we work, and we review performance to assure compliance with the Principles and Petrofac's Security Management Framework.

To broaden our oversight of labour rights and worker welfare performance, we are also integrating social performance into the Group HSSEIA compliance assurance programme.



# Governance



## Why it is important to our business model and strategy

Responsible governance and ethical business practice are critical considerations for Petrofac.

As a key stakeholder and a significant part of the supply chain in the industries and countries in which we operate, we must uphold the highest standards of integrity, transparency and trust. We therefore recognise the responsibility and opportunity we have to enable and embody ethical behaviours. We take this commitment seriously and continue to invest in our people and processes to ensure that we live up to it.

### Material SDGs



Read how we contribute to these SDGs through our ethical and governance programmes.

## Continuing to invest in our compliance function

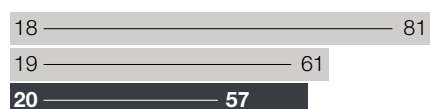
Over recent years, we have invested considerably in our compliance function, and this process continued during 2020. At the start of the year, we launched our revised Code of Conduct which sets out our expectations of everyone who works for and with Petrofac. We also enhanced the compliance team, with new senior-level appointments; we made it easier for any employee to Speak Up about suspected breaches of the Code of Conduct; and we worked harder to embed a commitment to compliance across the business.

The aim is that everyone connected to our business lives up to the same high standards of ethical behaviour. If anyone has any concern that our Code of Conduct is not being followed, we want to make it easy for them to Speak Up, without any fear of reprisal or retaliation. And we want any such allegation to be effectively investigated and acted upon.

## Our performance

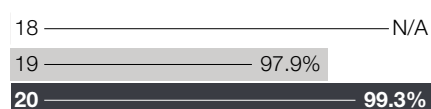
### Alleged breaches of the Code of Conduct reported via Speak Up

**57**



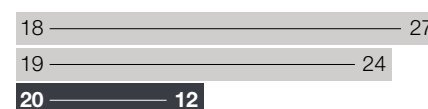
### Proportion of employees, with line management responsibility, who completed mandatory Code of Conduct e-learning

**99.3%**



### Number of substantiated allegations

**12**



### Proportion of employees who completed mandatory eLearning

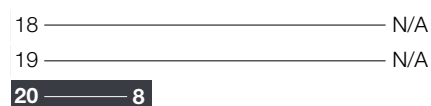
**98.9%**



(Share Dealing Code, Standard for the Prevention of Bribery & Corruption, Code of Conduct)

### Number of employees facing discipline or dismissal following substantiated allegations

**8**



### Number of employees attending training conducted by the compliance team

**887**



(Code of Conduct, trade compliance, investigations)

### Proportion of employees who completed an annual declaration confirming their compliance with the Petrofac Code of Conduct

**100%**



## Ethical behaviour and compliance

### Enhancing the compliance function

In 2020, we continued to enhance the Group compliance function, with a restructure of the team to reflect our areas of emphasis: communication and training, trade compliance, evaluation and monitoring, due diligence, investigations, systems and processes, and contracts compliance.

We also made a number of new appointments, including the recruitment of three seasoned, senior-level specialists: a new Investigations Director, a Trade Compliance Manager and a Due Diligence Manager.

As part of the functional restructure, we also selected a number of compliance focal points. These are senior compliance team members who, aside from their day-to-day operational responsibilities, have a remit to work closely with the leadership team of a given business unit, act as a champion for compliance, and provide support and problem-solving advice.

### Relaunching the Code of Conduct

Following an extensive review process in 2019, our revised Code of Conduct was rolled out from the start of 2020. Available in electronic and printed formats, this has so far been produced in Arabic, English, French, Hindi, Malay, Russian, Spanish, Thai and Turkish.

To reflect its importance, this revised Code of Conduct was given a high-profile launch led by the Group Chief Executive, the Chairman, and key members of the global leadership team (see case study on page 55). From June 2020, to help embed the Code of Conduct further, we introduced a mandatory e-learning programme for everyone with line-management responsibility and achieved a 100% completion rate by September 2020. From February 2021, we rolled out a further e-learning programme for all other employees, available in English, Arabic and Russian.

### Making it easier for Employees to Speak Up

It is vital that everyone working with or for us is able to raise any concerns which they might have without fearing retaliation, and have the option to do so anonymously.

Another significant development for 2020 were the improvements we made to our Speak Up tool, which is how employees, contractors, suppliers and customers and any other third parties can report any breach or suspected breach of our Code of Conduct, policies, standards, procedures or local laws. To make it easier to report any such concerns, the hosting of this service was transferred to another independent third party (Navex) which operates a more user-friendly platform and allows for more interaction with reporters. It is available in six languages: Arabic, English, French, Hindi, Russian, and Thai.

To launch the new Speak Up service, our newly appointed Investigations Director first presented it to the executive leadership team, who gave it their full support. It was then rolled out across the Group through an all-employee message from the Group Chief Executive, and training of key stakeholders, including members of the compliance and human resources teams.

Going forward, an additional training programme is planned for 2021, targeting mid-level managers to promote more of a Speak Up culture. This will be reinforced by a separate training programme for all other employees. To address any remaining reticence, we introduced a standalone Non-Retaliation Policy in 2021.

### Enhancing communications and training

With a dedicated resource in place, the compliance team has been stepping-up its wider communications and training activities, with a number of new initiatives in place to supplement the mandatory training programmes.

While some limited face-to-face training was delivered as part of the launch of the revised Code of Conduct, the COVID-19 pandemic forced us to adapt our approach. We have since progressed our training plan virtually, using either Zoom or Microsoft Teams and, in some cases, over the telephone. In addition, a new Trade Compliance Procedure and associated training was delivered to more than 700 employees.

### Continuing priorities for 2021

For 2021, we will continue to enhance our approach. Plans include the launch of a new due diligence platform, increased emphasis on compliance evaluation and monitoring, greater alignment with the business through Compliance Review Boards, further development of a new compliance risk assessment tool, and an update to our standard for the prevention of bribery and corruption.

## Tax transparency

Ensuring tax compliance and increasing tax transparency continue to be priorities for governments, regulators and businesses. We therefore continue to monitor regional and global best practice, maintain membership of industry groups, and follow and provide input into tax policy development.

Our tax strategy and tax policy explain how we approach the management of our tax affairs (these are available for download on [www.petrofac.com](http://www.petrofac.com)).

The total amount that we pay in taxes is not limited to the corporate income tax disclosed within the financial statements. It also includes employee and employer taxes and social security payments, VAT and sales taxes, and other taxes such as withholding, property and other indirect taxes. The total amount paid by Petrofac to governments worldwide includes those taxes which are borne by Petrofac, as well as taxes collected by Petrofac, but which are recoverable from tax authorities or clients and supplies. VAT and sales taxes are shown on an accruals basis.



#### Case study:

### Code of Conduct: getting the message across, and making it stick

A key moment for Petrofac in 2020 was the global launch of our revised Code of Conduct.

The Code of Conduct sets out our expectations of everyone who works for and with Petrofac. It was given an extensive review in 2019, with a view to making it simpler to understand, linking it to the full range of Petrofac policies, standards and processes, and using it as a tool to guide and inform the way that decisions are made across the business. It rests on three guiding principles:

1. **Own** – emphasising that our ethical integrity is the responsibility of every Petrofac employee and business partner
2. **Discuss** – encouraging open and frank discussion of any issues or uncertainties with, for example, colleagues, management, Human Resources, the Compliance Team, or Internal Audit
3. **Record** – insisting that the business keeps accurate and complete records of all its dealings, to demonstrate why and how decisions are made

In January 2020, the new Code of Conduct was introduced to the business via a live global webcast coinciding with the first Board meeting of the year, which provided the opportunity for all Board Directors to attend. The event was led by the Group Chief Executive, together with the Chairman, and Chief Operating Officers of both E&C and EPS. A recording was then made available to all employees.

A central message was that the Company expects behaviours and decision-making to be consistent. Irrespective of geography or circumstance, we always insist on identical high standards, with one Petrofac way of behaving. To ensure the message is understood and acted upon, mandatory training programmes have been developed and rolled out for all employees.

## Environmental, social and governance

### Performance tables

#### Environmental

2020 Priorities	2020 Performance	2021 Priorities
Launch the new Environmental Toolkit across the Group and roll out an online environmental data collation tool	The Environmental Toolkit and online data collation tool were successfully launched	Embed the tools to enhance our waste reporting
Develop a methodology for assessing the potential for introducing renewables in future projects	Group-wide initiatives for introducing renewable energy were progressed within each business unit	Develop a Group-wide standard to outline requirements for energy efficiency and renewable energy use
Implement solar-diesel hybrid power generation system onto any new projects that meet the criteria	A suitable project to pilot hybrid power generation was reviewed	
Raise awareness of UN SDG 14 (Life below water), promoting initiatives to prevent and significantly reduce marine pollution	Initiatives were progressed and publicised across the Group – such as the installation of the BorWin3 platform	Develop a Groupwide programme to reduce single-use plastics in our supply chain and reduce plastic waste
Work towards TCFD compliance, including the completion of climate scenario analyses	Climate risk and opportunity reviews were undertaken (including scenario analyses) and a TCFD disclosure completed	Develop a climate response report detailing the output of the TCFD programme  Fully integrate TCFD climate-related financial disclosure into risk and governance processes
Initiate our journey towards carbon neutrality, and create awareness of the subject across the Group	We committed to achieving carbon neutrality by 2030, and built awareness across the Group	Develop and launch a Net Zero strategy, interim targets and implementation plan
Build on our CDP 'B' rating and further improve our disclosure	Our CDP 'B' rating was successfully consolidated	Build on our CDP 'B' rating and further improve our disclosure
Develop sustainability plans for each of our main offices (including initiatives that support improvements in energy efficiency and the reduction in single-use plastics)	Sustainability initiatives were launched across our offices. We drafted a guidance document and circulated to our offices, but further progress was delayed due to the Covid-19 pandemic and transition to remote working	Progress with the original goal of developing site-specific sustainability plans at each of our main offices
Promote circular economy initiatives in our projects and operations	Circular economy initiatives were progressed and work on a delivery strategy commenced on some projects and operations	Develop a more formal Group-wide approach to circular economy projects
Raise further awareness of the UN Sustainable Development Goals through a programme of monthly themed initiatives	The original plan was superseded by the launch of our new sustainability strategy (which includes reference to the UN SDG aligned initiatives)	Continue to raise awareness of our sustainability strategy, including the alignment with the SDGs

#### Social – People

2020 Priorities	2020 Performance	2021 Priorities
Continuous improvement on employee engagement, including through use of PetroVoices and the Petrofac Workforce Forum	Both PetroVoices and the Petrofac Workforce Forum helped us improve engagement – particularly in the face of the COVID-19 pandemic	Complete
Three further Leadership Excellence events are scheduled for early 2020	The Leadership Excellence programme was migrated online	Complete
Continue with the Graduate Development Programme in 2020, with the planned recruitment of around 130 graduates from key operation locations	Due to the challenges faced across the oil and gas sector, the graduate recruitment was paused	Complete
Bring more transparency for employees on how our processes work, career paths, succession planning, compensation and performance management	Good progress was made through the new digital platform and provides an enabler for future development	Draw on the new digital tools and platform to develop more of a performance culture across the Group

## Social – People continued

2020 Priorities	2020 Performance	2021 Priorities
Make progress on gender diversity, including appointing more women to middle and senior management positions, and on delivering more diversity and inclusion training for our management	A comprehensive diversity and inclusion strategy was put in place	Complete
Improve HR efficiency through the establishment of a Shared Service Centre in Chennai, including greater use of technology, more employee- and manager-self-service of HR services	The Shared Service Centre was established and all HR systems migrated to a single consistent platform	Creating a Global Recruitment Centre of Excellence as part of the Shared Service Centre in Chennai
		Establish a new Global Mobility Framework

## Social – Safety and asset integrity

2020 Priorities	2020 Performance	2021 Priorities
Development and roll out of an HSSEIA data collection and reporting tool, and a new incident reporting system	The plans were delayed. However, a full functional specification was developed	To progress to the development and roll out of the tool
Full transition to Life Saving Rules (LSR) with roll-out of e-learning and embedding new requirements in the corporate assurance programme	The LSR e-learning is now mandatory for all Petrofac employees, with videos available in English, Hindi, Russian and Arabic	The LSR principles will be further embedded through hands-on training at project sites, and related videos developed in multiple languages will be shared with all key partners and subcontractors
Development and roll-out of a Safety Companion online tool	The online tool was successfully developed and introduced	This tool will be rolled-out more widely from the start of 2021, with webinars for all HSSE personnel
Extend the roll-out across the Group, embedding the discipline behind the last-minute risk assessment	The principles behind the last-minute risk assessments were reinforced via a Hazard Hunt (hazard identification) programme globally	The emphasis on conducting risk assessments prior to commencing and tasks will be extended through an intervention and behavioural check programme
Monitor the effectiveness of the Asset Integrity Audit Programme, and increase engagement among asset operating teams	There were good levels of engagement from operating teams, especially since several audits had to be conducted remotely	Delivery of the digital platform for audits, including links to big data
Extend the new asset integrity KPI dashboard across the Group	Progress was hampered by the COVID-19 pandemic	Continue to extend the new asset integrity KPI dashboard across the Group

## Social – Security and crisis management performance

2020 Priorities	2020 Performance	2021 Priorities
Continue to enhance and promote the Security Companion as a one-stop-shop for all security related matters	The tool continued to be enhanced, and a programme of webinars was run to draw attention to security issues and advise on the use of the tool	Review the post-pandemic security environment and implement appropriate security measures and programmes

## Social – Community engagement

2020 Priorities	2020 Performance	2021 Priorities
Place the remaining 46 enrolled PARFI candidates in paid apprenticeships	Remaining PARFI candidates were placed in paid apprenticeships	Provide support for the Kaushal College in Jharkhand, to provide a one-year catering course for disadvantaged young women
Initiate PARFI vocational training programmes for a further 200 young people	Additional PARFI training programmes were commenced for an additional 150 young people	
Undertake social performance reviews of programmes launched in 2019 to assess their effectiveness	The social performance programmes were broadened to put more emphasis on gender diversity	

## Strategic report

### Environmental, social and governance

#### Performance tables continued

## Social – Community engagement continued

2020 Priorities	2020 Performance	2021 Priorities
Develop mechanisms in collaboration with stakeholders to address and resolve legacy social issues	By supporting legislative changes, legacy issues relating to the vandalism were largely resolved	Complete
Effective handover of social programmes as part of the agreed sale of our Mexican assets	Social programmes, premises and personnel were handed over to Perenco	Complete
Finalise user acceptance tests and roll-out of social investment due diligence screening module	System configuration anomalies identified during testing have resulted in postponement of the module roll-out to 2021	Roll out the enhanced due diligence module

## Social – In-country value

2020 Priorities	2020 Performance	2021 Priorities
ICV programmes in place in all main countries, including localisation plans to target the recruitment of country managers, local training and capacity building, and a progressive year-on-year increase in retained value	A national ICV programme is in place in UAE. In all other main countries, ICV disciplines are universally applied, and project-specific plans are in place	Enhance the Group ICV strategy, plan and process of assessment, promoting better alignment with evolving national objectives  Enhance consistent integration of ICV into business development, contract strategy/delivery and external communications  Establish a 'community of practice' to develop ICV good practice notes, implementation guidance, and tools
We plan to support further supply chain engagement events connecting SMEs with main project subcontractors/suppliers to facilitate successful partnerships, scope delivery and SME development	In various countries, we have trained sub-contractors in the use of e-tendering platforms, as well as engaging with local SMEs and exploring the opportunities where their provided services can be leveraged	Continue to support local SMEs and facilitate their engagement with main sub-contractors
Progress training and development of local Omani engineering SMEs in Petrofac systems, procedures and optimised engineering processes	Support routinely provided to Omani engineering SMEs, exposing them to best practices, and encouraging them to develop their own capabilities	Maintain focus on expanding our ICV in core countries

## Social – Human rights

2020 Priorities	2020 Performance	2021 Priorities
Extend coverage of labour rights and worker welfare audits by integrating social performance into the Group HSSEIA compliance assurance programme	Integration of social performance into the Group assurance programme commenced, although operational disruptions and organisational changes prevented us from completing this work	Complete the implementation of the assurance programme, including auditor training
Continue to extend the awareness and training programme, completing sessions on all new E&C projects	Training and awareness sessions undertaken with project supply chain teams in the UAE	Extend training to Group HSSEIA compliance assurance teams
Join Business & Human Rights Resource Centre Modern Slavery Registry to allow benchmarking of practice and drive performance improvement	Modern slavery statement posted to BHRRC Modern Slavery Registry	Review BHRRC guidance and resources to benchmark current practice and enhance 2021 MSA reporting  Formalise our involvement with the Building Responsibly Initiative
Progress collaboration with industry peers and present progress at industry forum/stakeholder event	Collaboration with industry partners and the Building Responsibly Group continued, including sharing the lessons from our COVID-19 response	Foster peer-to-peer learning across industry and supply chain to support development of shared good practice



## Governance

2020 Priorities	2020 Performance	2021 Priorities
Launch and roll out the revised Code of Conduct, and seek to further embed it in the culture of the Group	<p>Revised Code of Conduct launched and rolled out in January 2020</p> <p>Mandatory e-learning module introduced for employees at Grade 18 and above, with a 100% completion rate by September 2020</p> <p>Mandatory e-learning module developed for employees at Grade 17 and below</p> <p>Face-to-face training curtailed due to Covid-19, but replaced by virtual training</p>	<p>Continue with training and communications programmes</p> <p>Launch and roll out of mandatory e-learning module for employees at Grade 17 and below</p> <p>Roll out a Code of Conduct e-learning refresher as an annual requirement</p>
We will continue to invest in and enhance the Group compliance function	<p>New and improved Speak Up service launched and rolled out</p> <p>Three seasoned compliance professionals recruited (Trade Compliance Manager, Due Diligence Manager and Investigations Director)</p> <p>Additional on-the-job training for the entire compliance team</p> <p>Compliance focal points introduced for each Business Unit</p>	<p>Revamp the due diligence system and introduce a new platform</p> <p>Enhance and optimise the gifts and entertainment and conflict of interest systems</p> <p>Continue training and development of compliance resources</p>
Focus on Trade Compliance management	<p>New Trade Compliance Manager recruited.</p> <p>Trade Compliance Procedure and associated training delivered to 700 employees</p>	<p>Launch and roll out Trade Compliance procedures in relation to Hand Carry and the US recusal programme</p>
Continue to enhance and optimise the due diligence process	<p>New Due Diligence Compliance Manager recruited</p> <p>System-level controls put in place to ensure transactions can only be conducted after valid due diligence</p> <p>Process streamlined to reduce the time taken to conduct a due diligence review</p>	<p>Transition to a new due diligence platform</p> <p>Migrate data from the compliance portal into the new due diligence platform</p> <p>Deliver training on the new due diligence platform</p> <p>Continue to focus on the quality of due diligence reports and the timeline for delivering them</p>
Progress with training plans, including mandatory e-learning on the revised Code of Conduct, in addition to new training on the reporting of allegations	<p>Training delivered to key stakeholders on the new and Speak Up platform</p> <p>Mandatory e-learning on the revised Code of Conduct delivered to 100% of employees at Grade 18 and above</p>	<p>Launch and roll out mandatory e-learning on the revised Code of Conduct for employees at Grade 17 and below</p> <p>Training and communications plan in place for 2021, with a focus on targeted training for agents, mid-management, and employees in high-risk countries</p>
Compliance monitoring will continue to cover all new projects	<p>The decision was taken to replace compliance monitoring with Compliance Review Boards</p>	<p>Implement Compliance Review Boards in collaboration with the business</p>
Continue to extend cyber-security, with a focus on further protection for our cloud platform and data lakes, application security, and single sign-on authentication for all our legacy applications	<p>All planned initiatives were implemented, including multi-factor authentication for legacy applications, and enhanced protection for our cloud platform, and data lakes</p>	<p>More attention will shift to the Company's wider digitalisation programmes, with cyber-security support provided to ideation and development teams</p>
Follow progress of digitalisation of tax administration and continue to monitor changes to international tax system	<p>New enterprise planning system designed to digitalise and automate future tax reporting</p> <p>OECD Base Erosion and Profit Shifting (BEPS) project activity and country specific legislative developments monitored</p>	<p>Enhance and optimise tax control framework to achieve strong tax risk management, internal controls and tax processes</p>