



A large, stylized trident logo is positioned on the left side of the page. The trident has three sharp, upward-pointing tines at the top, each with a dark blue gradient. Below them is a horizontal bar, also with a dark blue gradient. The central part of the trident is a vertical bar with a dark blue gradient.

NEPTUNE ENERGY
UN Global Compact
Communication on
Progress – March 2022



17 March 2022

To our stakeholders,

I am pleased to confirm that Neptune Energy reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This communication on progress describes our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We reaffirmed and strengthened our commitment to the UNGC's principles on human rights and labour in 2021 by developing a Human Rights Policy and refreshing our Code of Conduct to clarify our commitments and expectations to our people, and all those we work with. This follows a review of our business and supply chain against the UN Guiding Principles on Business and Human Rights which we commissioned in early 2021 from an independent organisation.

In 2021, we progressed our support of the UNGC environmental principles through the development of our new biodiversity strategy, which commits us to having a net positive impact on biodiversity, and by initiating a partnership in the Netherlands with environmental NGO, SOS Dolfijn.

The outbreak of new variants of COVID-19 in 2021 emphasised the importance of a continual focus on health and wellbeing. We have improved the health services we offer to our people and have supported people in the communities where we operate through our increased social investments in 2021.

We have a strong focus on safe and sustainable operations and ESG is a key topic from Board-level through to our operations. To support this, we include safety and environmental metrics in the variable pay component for our executive team and all employees.

We have submitted this communication on progress to the UN website and it is available at neptuneenergy.com/esg.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Jones".

Pete Jones
Chief Executive Officer
Neptune Energy

This communication on progress covers the period 1 January to 31 December 2021. It should be read together with our *2021 Annual Report and Accounts* and the ESG section of our website at neptuneenergy.com/esg. Our GRI content index can be downloaded from the reporting section of our ESG site.

Global Compact Principle	Our approach		GRI indicator	More information
Human rights				
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> We conduct our business in a manner that respects the rights and dignity of all people, complying with all legal requirements and applicable standards. We respect internationally recognised human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the International Labour Organisation. We are working to align with the UN Guiding Principles on Business and Human Rights (UNGPs). Our Code of Conduct sets clear expectations about how we work, including our expectations and commitment to act with the highest degree of ethics and integrity. Each one of us is responsible for ensuring that our own personal conduct meets these expectations, and for creating a culture that enables everyone else to do the same. The code also contains our expectations for how we work with business partners, suppliers, contractors and their employees, encouraging them to act in a way that is consistent with the code. We are progressing our multi-year sustainable procurement action plan, which includes working with our suppliers to maximise efficiency and reduce operational emissions, as well as enhancing our due diligence procedures on human rights. 	412-1 412-2	Human Rights Policy Code of Conduct ED&I Policy Modern Slavery Act statement Annual Report 2021 - pages 36, 39, 42, 92
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> We recognise our responsibility to avoid complicity in human rights abuses, as stated in the UNGPs. We have introduced a new due diligence screening platform where, for high-risk business partners, we carry out due diligence with respect to labour and human rights risks. Contract agreements have human rights clauses. We respect internationally recognized human rights as set out in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles at Work. 		Human Rights Policy Code of Conduct
Labour				
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> We respect individual human rights as set out in the United Nations Universal Declaration of Human Rights and the core conventions of the International Labour Organization. We are committed to freedom of association and work with trade unions and works councils that our employees wish to be represented by, within the appropriate national laws. 	408-1 408-2	Human Rights Policy Code of Conduct Modern Slavery Act Statement Annual Report 2021 - page 36
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	<ul style="list-style-type: none"> We are opposed to all forms of modern slavery and do not tolerate child, forced or bonded labour in any of our operations or by contractors working for us, as stated in our Code of Conduct. Our Modern Slavery statement highlights our commitment to the elimination of forced and compulsory labour across all aspects of our business, including joint venture partners and supply chain. 		Human Rights Policy Code of Conduct Modern Slavery Act Statement
Principle 5	Businesses should uphold the effective abolition of child labour	<ul style="list-style-type: none"> We do not tolerate child, forced, or bonded labour in any of our operations or by contractors working for us. 		Human Rights Policy Code of Conduct Modern Slavery Act Statement

Principle 6	Businesses should eliminate discrimination in respect of employment and occupation	<ul style="list-style-type: none"> From recruitment to career development to promotion, we aim to ensure equal opportunities for all employees, regardless of age, gender, sexual orientation, ethnicity, marital status, religion or belief, disability or political views. We are committed to treating everyone with dignity and respect and to providing a workplace that is free from discrimination, harassment and bullying. We expect our partners and suppliers to do the same. In 2021, we revised our ED&I Policy to highlight our key commitments and align with our ED&I charter. We also launched our Anti-Bullying, Harassment and Discrimination Standard. 		ED&I Policy Annual Report 2021 – pages 36-37
Environment				
Principle 7	Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> We support the goals of the Paris Agreement and net zero targets set. We are focusing on what we can do in the short to medium term, recognising that action in the next 10 years will be crucial in curbing global temperature rises. We aim to go beyond net zero by storing more carbon than is emitted by our operations and the use of our sold products by 2030. We will target two areas to achieve this: lower carbon energy production and integrated energy hubs. 	302-1 302-4, 5 303-2 304-1, 2, 3 305-5	Annual Report 2021 pages 20-24
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> We have set ambitious carbon and methane intensity targets. We have launched our new biodiversity strategy and partnered with SOS Dolfijn in the Netherlands to support marine conservation. 		Annual Report 2021 pages 20-27, 29
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> Our integrated energy hub strategy provides an excellent opportunity to drive offshore decarbonisation, through extending the life of offshore assets and repurposing them to facilitate CO₂ storage and hydrogen production, using domestic, lower carbon intensive gas or wind power. We have 14 years' experience in CCS and are currently looking at large-scale offshore projects using existing infrastructure. Together, they could help store many times more CO₂ than our own emissions. We made important progress with these projects in 2021, including an evaluation of the potential CCS project at L10 in the Netherlands. In early 2022, we introduced a digital twin for the L10-A complex to help progress these plans. Our L10 project has the potential to store 120-150 million tonnes of CO₂ for third-party industrial customers within depleted gas fields around our operated L10-A, B and E areas. We expect to have the L10 CCS project FEED-ready by the end of 2022, with the aim of taking a final investment decision in 2023. First carbon injection into the reservoir could be in 2026. We are exploring options for hydrogen production and in 2021 we announced a new large-scale offshore green hydrogen initiative in the Netherlands. The H2opZee project aims to produce green hydrogen with wind energy and use existing pipeline infrastructure. 		Annual Report 2021 pages 20-23, 25-27
Anti-corruption				
Principle 10	Businesses should work against all forms of corruption, including extortion and bribery	<ul style="list-style-type: none"> We have policies and standards outlining our requirements on ethical conduct and compliance, including anti-bribery and corruption. We provide regular training and awareness campaigns for employees, contractors and suppliers. We began using a new third-party due diligence platform to screen business partners in 2021. We also have a whistleblowing hotline and misconduct and loss investigation processes in place. 	205-1, 2, 3	Annual Report 2021- pages 36, 38, 91-92 Code of Conduct



	<ul style="list-style-type: none">• We encourage our people to speak up if they are concerned about any inappropriate, illegal or corrupt behaviour in relation to our activities, as well as any actions that are, or could be, harmful to our business.• In 2021, we addressed increased external threats of fraud, bribery and corruption through increased communication with our employees. This included raising awareness of the threats and asking them to remain vigilant and report any suspicious activity.• We promote our whistleblowing channels in our workforce and supply chain.	
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