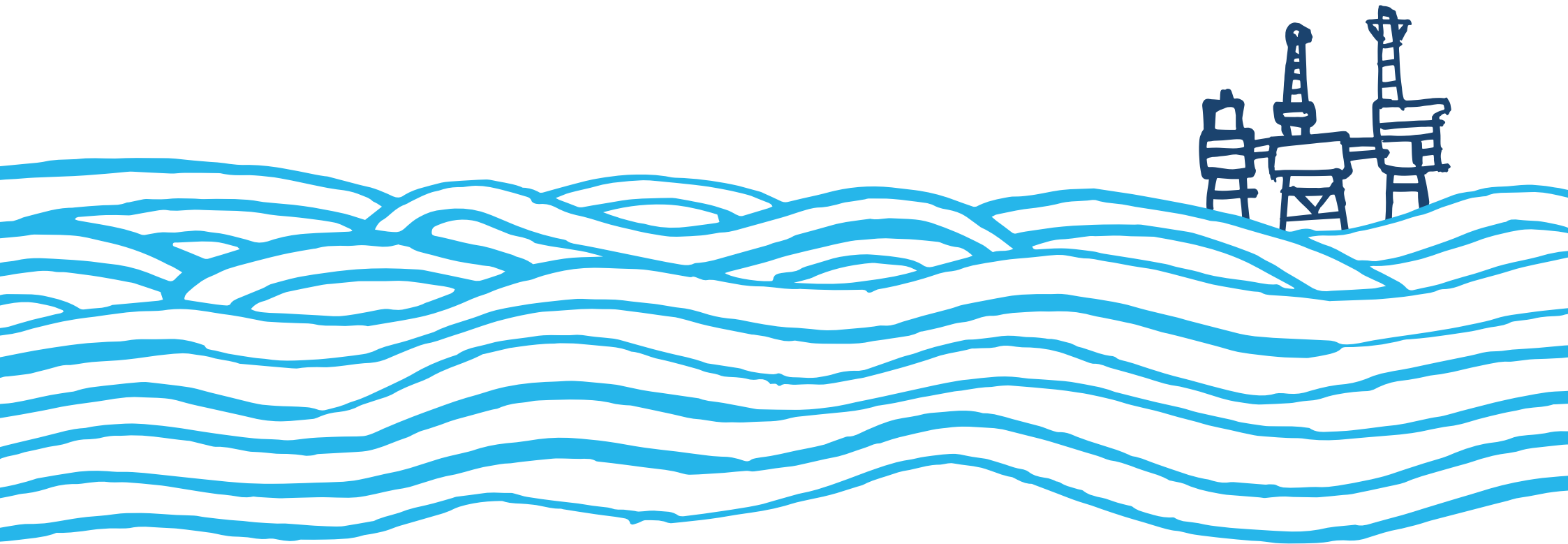


# NAVIGATING THE ENERGY TRANSITION

Environmental, Social & Governance (ESG)  
2021



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# Highlights from 2021

Since assuming operatorship of BKR in December 2018 we have been relentless in our focus on reducing emissions and improving our social and governance performance

## ENVIRONMENTAL

- 53% reduction in flaring volumes from 2019
- Bruce Scope 1 emissions 14% lower than 2019
- Invested in digital emissions management tools
- Carbon Intensity lower than North Sea Average
- Enhanced Scope 3 emissions monitoring
- 88% reduction in waste sent to landfill since 2019
- Won the SPE Offshore Achievement Net Zero Award



## SOCIAL

- Good safety performance on our asset
- 92% participation in our Safety Observation Programme
- Strengthened our recruitment processes to be more inclusive
- Supported good causes across the UK
- Completed over 4,600 hours of training
- Continued to invest in and support innovation



## GOVERNANCE

- Improved our alignment with TCFD disclosures
- Refreshed our Code of Business Conduct
- Published a new whistle blowing policy
- Supported the Energy Services Agreement
- Introduced ESG-related KPIs linked to Senior Management and Directors' remuneration



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# Welcome

**As we enter 2022, I am struck by the rapid changes taking place in the world and how they affect people's everyday lives. Serica's commitment to ESG drives us to continually reflect on the overall impact that we have on our people, communities and the world in general. As CEO of an oil and gas company, producing 85% gas, I see the value Serica provides the UK in the form of energy security and responsible production during the energy transition.**



**Mitch Flegg**  
CEO

We are producing gas directly into the UK market, which currently imports around 50% of its oil and gas. Nearly all forecasts predict that North Sea oil and gas production is falling faster than renewable energy sources are rising, whilst demand is staying fairly constant. To this end, I see Serica as fulfilling an energy need, providing security of supply during a time of soaring energy prices. Our Bruce platform delivers approximately 5% of the UK's energy domestic supply, removing this from the market would only contribute to increasing the price and uncertainty of the UK's energy supply.

I do not downplay the greenhouse gases associated with our operations and am fully aligned with the goals of the UK government to achieve Net Zero. I have clearly stated that our company goal is to Act Responsibly which means that we play our part in the energy transition to reduce emissions from all our operations and to grow the company in a responsible way, supporting the principles of the UK Transition Deal. Since taking over the Bruce, Keith and Rhum assets we have reduced flaring by more than 50% and Scope 1 emissions on Bruce by over 13% from 2019.

This comprehensive report reflects the lengths we go to to achieve complete transparency and the targets I have set each staff member to work towards our goals. We now align to the updated 2021 GRI disclosures, to SASB and are working towards full TCFD alignment. Once again, I am happy to reaffirm Serica's commitment to the UN Global Compact and its ten principles. For the second consecutive year, our ESG report highlights

the actions that we have taken to further integrate the ten principles into our culture, operations and strategy.

In addition to emissions reduction, I have set a goal to develop our people and culture. I want people who work for and with the Company to be proud to be a part of Serica and the positive impact it makes on society. We want the best conditions for our offshore workforce and have supported our onshore staff during the unprecedented challenges of the last two years due to COVID. We have demonstrated our commitment to our suppliers and contractors by being proud supporters of the Energy Services Agreement, which protects contractors' conditions during the downturns and rewards them during the good times.

We will continue in our relentless pursuit of ESG best practice and have pride in the part we play in the energy transition.

**"At Serica we play our part in the energy transition to reduce emissions from all our operations and to grow the Company in a responsible way, supporting the principles of the UK Transition Deal."**

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# Serica's commitment to transparent reporting

**As Serica grows, we recognise that transparency in our reporting has never been more important and in 2021 we are proud to have proactively advanced the depth and quality of the data that we provide.**

## UNSDG

In 2015 world leaders identified and committed to the UN Sustainable Development Goals (UNSDGs), a global framework for sustainable, ethical and responsible development which focused on climate change, global disparity of wealth, climate action, gender equality and world economies. Adoption of these goals and working hard to align with them helps to shape the way we do business.

As a modern oil and gas provider, we recognise that there are potential conflicts, but with guidance from the UNSDGs, we deliver essential energy in the most efficient and responsible way we can. Every positive change we make as individuals, and as a company, is a step towards a sustainable future for all and we are proud to be playing our part.

## UN Global Compact

The UN Global Compact (UNGC) is the world's largest corporate sustainability initiative, created to help companies align their strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption. The Compact actively encourages further action on UNSDGs, emphasising collaboration and innovation to advance broader societal goals. Serica became a signatory in 2020, releasing its first annual Communication on Progress (CoP) Report in 2021 and we will continue to fulfil the

UNGC's three requirements; stating our support, describing our actions and measuring the outcomes using reporting metrics such as the Global Reporting Initiative (GRI).

## GRI

The Global Reporting Initiative (GRI) enables companies to be transparent and take responsibility for their impacts by adopting the GRI Standards, the world's most widely used standards for sustainability reporting. These standards incorporate disclosures relating to environmental impacts, health and safety, diversity and inclusion and economic performance. In 2021 the GRI made its first major update to its standards since 2016 and although Serica is not obliged to align with these until 2023, we took the decision to apply these new standards in this report. In addition, Serica referenced the GRI Oil & Gas Sector Standards when reviewing our material topics at the end of 2021.

Year-on-year we are building our reporting capabilities, enabling us to include disclosures previously deemed 'not material' and thus deliver a more transparent account of the Company's activities.

## SASB

The Sustainability Accounting Standards Board (SASB) sets standards to guide the disclosure of financially material sustainability information by companies to their investors. These disclosures include metrics relating to greenhouse gas (GHG) emissions, water management, reserves valuation and business ethics. Serica uses these metrics similarly to GRI to improve our performance,

with the most notable this year being a significant reduction in flaring. Uniquely, SASB requires data on reserves valuation and capital expenditures, metrics essential to outline the future of the Company's assets. These metrics are useful to determine areas for development or opportunities for innovation, enhancing our reputation with investors. Serica recognises that in June 2022, the SASB reporting framework will be consolidated under the IFRS Foundation, which is now establishing the International Sustainability Standards Board (ISSB) and our team is actively monitoring the impact this will have on our future reporting.

## TCFD

The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 to increase and improve the reporting of climate-related financial issues. The TCFD disclosures provide stakeholders with a clearer picture on how our organisation identifies and plans for climate-related risks and opportunities. In 2021 it was announced that in 2022 the UK will become the first G20 country to make it mandatory for certain businesses to disclose their climate-related risks and opportunities in line with the TCFD Recommendations. Although not currently obliged to do so, we see the benefit in aligning with these recommendations and have built on our initial 2020 TCFD Report to create a 2021 Report that aligns more closely. A snapshot of this is included in this report, with more information included in the Annual Report and Accounts.



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# Our business

Serica is a British independent upstream oil and gas company with operations centred on the UK North Sea supporting a range of exploration and production assets.

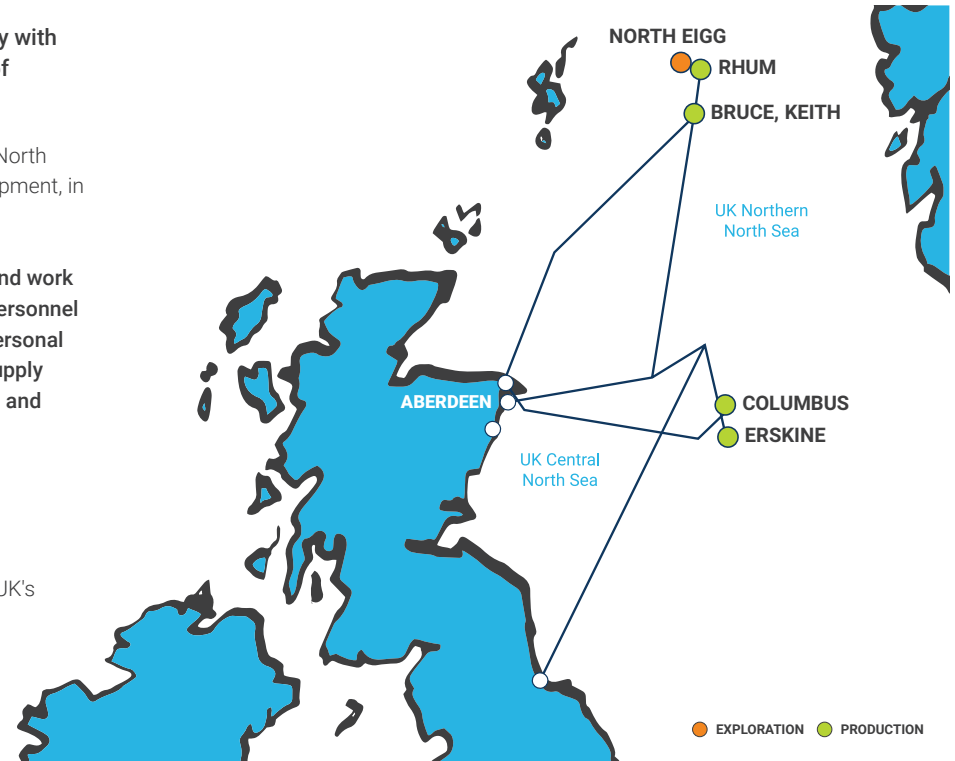
We operate the Bruce, Keith and Rhum fields in the UK's Northern North Sea and in the Central North Sea we operate the Columbus Development, in addition to holding an interest in the Erskine field.



We employ over 160 staff, on and offshore, and work hard to bond, motivate and empower these personnel in a culture of mutual respect, support and personal responsibility. Serica's input to the broader supply chain supports a large number of businesses and jobs UK-wide.

## Responsible for approximately 5% of UK domestic gas production

Around 85% of our production is natural gas, a key element of the UK's Energy transition and we are committed to building a sustainable future, by driving asset efficiency using technology and innovation, and by investing in the region, creating excellent careers and supporting the supply chain.



## Completed Projects



2020/21

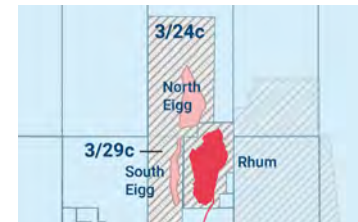
A complex well intervention project brought Rhum's 3rd well into production, adding production capability



2021

Our Columbus development well delivered first production via a subsea tie-back to the Shearwater platform

## Planned Projects



2022

North Eigg exploration well



2022

BKR well intervention campaign



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# The values that support us



## COMMUNICATION

Good communication is key to an effective and productive workforce. We strive to keep people informed, encourage ideas and feedback and want everyone to feel they can challenge the norm or speak out.

We want to improve communication throughout the organisation, within and between teams, disciplines, locations and contractors.



## LEARNING

Learning happens all day, every day. We learn when we share knowledge or experience, when we look outside the organisation and when we discuss lessons learned.

We want everyone to know that it's OK to ask for help and good to offer assistance or share ideas. We want our personnel to explore opportunities for further learning and be all they can be.



## EMPOWERMENT & ACCOUNTABILITY

We want our employees to feel that they are empowered to make decisions or put forward ideas and have the confidence to be accountable for their actions. This means that we take pride in our work, following up on actions and looking beyond our individual roles to find out how to help.

We want to provide a sense of ownership which encourages individuals to develop and grow in their roles, delivering job satisfaction and a sense of common purpose.



## RESPECT

Respect comes in many forms. We value the opinions of others. We are supportive of all our colleagues, in our own and other teams, on and offshore and we value our colleagues within our contracting companies.

We want Serica to continue to be a great place to work, building a culture of trust and respect. Showing respect for contractors and the communities in which we operate will build our reputation in the wider world.



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# The goals that drive us



## Maximise the value of our assets

At Serica we will add shareholder value by maximising the performance of our existing assets.

To achieve this goal we consistently work hard to:

- increase efficiency, production and reserves
- find safe ways to lower our costs
- innovate to extend asset life
- efficiently manage technical, commercial and business risks



## Act Responsibly

Serica will protect the health, safety and wellbeing of our staff and contractor personnel. We will act to reduce emissions and waste from all current and future operations.

To achieve this goal we drive a positive HSE culture and play our part in the energy transition through collaboration, technology, awareness and innovation.



## Grow the Company

Serica will expand and diversify its portfolio through M&A, by exploiting synergies and managing risk.

To achieve this goal we will do the right deals at the right price, using market intelligence, innovative structures and industry connections.



## Develop our people and culture

Serica's people are at the very heart of our business, driving our success and safety by learning from experience, striving to improve performance and applying rigour in their decision-making.

To achieve this goal we aim to be an organisation that invests in its employees with training, mentoring and a culture of collaboration, encouraging employees to bring their true selves to work in a diverse and inclusive culture. We are honest, transparent and supportive.



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# Navigating the energy transition



Clara Altobelli, VP ESG and Business Innovation

**“ESG is not a competition but something we all need to excel at, for the sake of the climate, society and energy security.”**

**Reaching Net Zero by 2050, whilst still protecting the security of our energy supply is a daunting task. Like revision for an exam, it's easier to break it down into manageable chunks and focus on the difference you can make. The landscape has changed dramatically over the past two years, the COVID pandemic alerted people to the fragility of things we took for granted, like freedom to travel and socialise, and clearly demonstrated how quickly things can radically change.**

COP 26 refocused the world on climate change and the huge challenges that brings, but also gave a sense of optimism that by all countries doing their bit, there was a way to get through this. Then the invasion of Ukraine changed all that and the idea of everyone pulling together in the same direction has come into serious doubt. The concept of cutting off a major energy source to Europe is now a real threat and the role of energy providers has never been more important.

Breaking it down into bite-sized chunks, our role right now is to provide vital energy to satisfy the requirements of the UK in a safe and responsible manner. We have encouraged and empowered our staff to look for ways to understand and reduce emissions associated with our activities in producing oil and gas, through improvements in the way we operate and reaching out to new technology. We've set targets on an annual basis where good ESG performance rewards our staff and we encourage everyone working within Serica to get involved. Our staff committees focus on emissions reduction and promote team and community engagement through charitable giving, education and diversity and inclusion.

I am a firm believer in collaboration and the energy transition needs this more than ever. We encourage the sharing of information and best practice, as can be seen by our participation in industry workshops, conferences and seminars. I've also given one-to-one presentations to other oil and gas companies sharing our ESG experience. ESG is not a competition but something we all need to excel at, for the sake of the climate, society and energy security.

This ESG report tries to get across the enthusiasm felt by the people at Serica and what we have done to make a positive difference. We are proud of our commitment to transparent reporting, community engagement and how we behave to our staff and contractors.



Picking up our award in the Net Zero category of the Offshore Achievement Awards.

Winning the Net Zero Offshore Achievement Award was a real confidence boost for the team. It recognised the ESG journey we've been on, focusing on staff-engagement, technology and changing the way we operate. It also spurs us on to do more.



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# ENVIRONMENTAL

**Acting responsibly towards the environment is a core component of our ethos and we continuously look for ways to reduce our impact on the planet. We have transformed the way in which our Bruce platform is operated, leading to reductions in flaring volumes, Scope 1 CO<sub>2</sub> emissions and carbon intensity since 2019, our first full year as operator of Bruce.**

The continuous improvement of our environmental performance has been fully integrated into our daily operations, meetings and reporting. We have implemented digital solutions to track and interpret our emissions performance. Our Supply Chain introduced vessel sharing and alternative fueling stations to help us reduce our Scope 3 emissions. Looking ahead, our Emissions Reduction Group are working with technology providers to find ways of changing out major combustion equipment or utilising alternative fuels to achieve step changes in future emissions reduction.

## Our ESG bonus related targets for 2022 are:

- **Daily flare (CAT A) below 9.5 tonnes/day, total flare below 5,000 tonnes**
- **Scope 1 CO<sub>2</sub> emissions below 210,000 tonnes**
- **60% waste recycled, total general waste below 90 tonnes**
- **Develop a Methane Action Plan and establish a baseline**

We fully embrace and support the goals set out by the North Sea Transition Deal, such as reaching zero routine flaring by 2030 and making the North Sea a Net-Zero basin by 2050. We will continue to play our part in reaching these goals.



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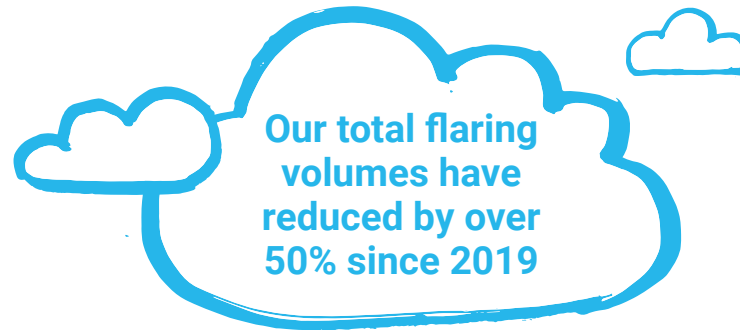
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# Our commitment to the environment



Serica as operator of the Bruce platform is responsible for approximately 5% of domestic UK gas production and is continuously looking for ways to reduce our emissions both now and in the future. [The North Sea Transition Deal](#), published in 2021, is a joint industry and government partnership that aims to accelerate the energy transition, reducing UK greenhouse gas emissions whilst creating job opportunities, economic growth and a fair transition for oil and gas workers. The deal sets targets to reduce emissions from the production of oil and gas and commits to the UKCS being a Net Zero basin by 2050.

In line with the government's [Strategy and Stewardship Expectations](#), we are committed to reducing greenhouse gas emissions in flaring and power generation. Since 2019, our emissions from flaring have reduced by 50% and from fuel and flare combined by 14%.



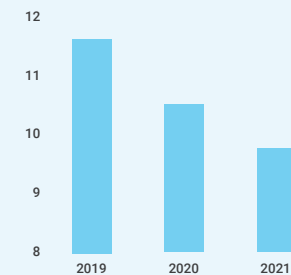
Our main achievements in emissions reduction have come about through staff engagement, changing the way we work and having a greater focus on daily emissions performance. We have also developed emissions monitoring technology and offshore processes to help us keep emissions in check. Studies are underway as to how we can achieve greater emissions reduction in the future using, for example, waste heat to power and improving the efficiency of our major equipment.

## Reducing flaring

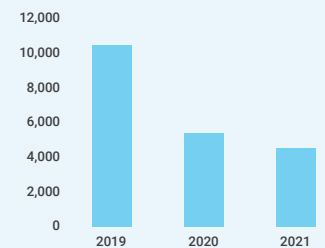
We are fully supportive of the World Bank's target of Zero Routine Flaring by 2030 and in 2021 we continued to take meaningful steps towards this target. Since taking operatorship of the Bruce Platform at the end of 2018, Serica has reduced annual flaring volumes by over 50%. This has gone from 10,309 tonnes of gas in 2019, to 5,696 tonnes in 2020 to 4,804 tonnes in 2021. The continued reduction in flaring is underpinned by a robust company Flaring Strategy, clear operating procedures, an increase in the visibility of daily flared volumes and the setting of a challenging but achievable Category A (flaring during steady operations) flaring Key Performance Indicator (KPI).

Increased awareness of the impacts of flared emissions in terms of CO<sub>2</sub>, a cultural change in "what good looks like" and the continual improvement of well and plant operating techniques have all contributed to the decline in flared volumes. For 2022, Serica has set two flaring related KPI targets, the first is a total flared volume of less than 5,000 tonnes of gas and the second is an average Category A daily flaring volume of 9.5 tonnes of gas.

Daily Category A Flaring (tonnes)



Total Flared Gas (tonnes)



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Carbon intensity

Our carbon intensity is calculated by dividing our reported Scope 1 emissions in kilograms of CO<sub>2</sub> by barrel of oil equivalent (boe) produced from the BKR fields. Intensity is therefore reduced by both reducing CO<sub>2</sub> emissions and increasing production without increasing emissions.

In 2021, we set the target of reaching a carbon intensity of 17 kg CO<sub>2</sub>/boe and we achieved 17.75 kg CO<sub>2</sub>/boe, which is significantly lower than UK offshore average carbon intensity of around 20 kg CO<sub>2</sub>/boe (as per NSTA benchmarking 2020). We carried out a well intervention on one of our Rhum wells, R3, that increased the production through the Bruce facilities and lowered our carbon intensity for the latter part of 2021. We have set our internal 2022 carbon intensity target to 17 kg CO<sub>2</sub>/boe.



Empowering our team to reduce emissions:

**Emissions Reduction Group:**



Our Emissions Reduction Group is formed of a cross-company combination of onshore and offshore engineering and specialist staff who focus on emissions reduction. In 2021, the group reduced fuel gas consumption during pressure build up operations and further reduced flaring by more thoroughly reviewing valve seating post actuation.

**ESG Champions:**



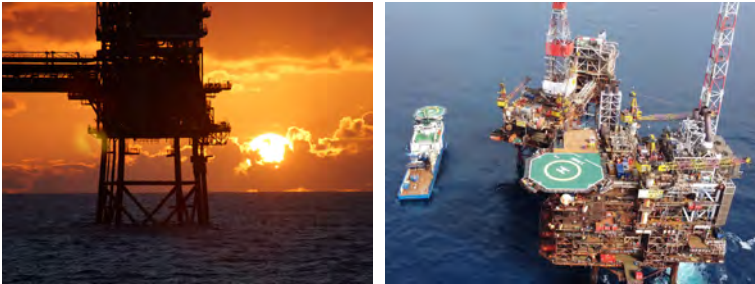
Our Bruce ESG Champions Committee was formed in 2021 and is made up of members of our offshore team. They work together to generate and implement initiatives to help us lower emissions, improve efficiency, reduce waste volumes, and promote wellbeing offshore. In 2021, our Champions challenged longstanding procedures to reduce the weekly diesel engine function tests on firewater pumps, emergency generators, and black start air compressors from two hours to one. This simple change resulted in an estimated annual saving of over 30,000 litres of diesel and over 60 tonnes of CO<sub>2</sub> per annum.

Carbon Dioxide emission reductions

Serica is committed to decarbonising its production operations in supplying domestic sales gas to the UK market, and through the full life cycle of its business operations: field appraisal to decommissioning.

Our total Scope 1 CO<sub>2</sub> emissions are reported in our Databook. Emissions in 2021 were within 2% of emissions in 2020, but still 14% lower than in 2019. Certain conditions made it challenging to make a significant improvement on 2020. This was partly due to increased production rates from our R3 well, requiring higher gas compression and fuel gas usage. There was also additional production from a third party facility through the FUKA gas export pipeline, that we also use to export our gas. This caused additional back-pressure that required higher gas export compression on our facilities.

In 2022 Serica has set a Bruce CO<sub>2</sub> emissions target of 210,000 tonnes. This will be challenging due to increased production following the well intervention and overcoming back-pressure issues.



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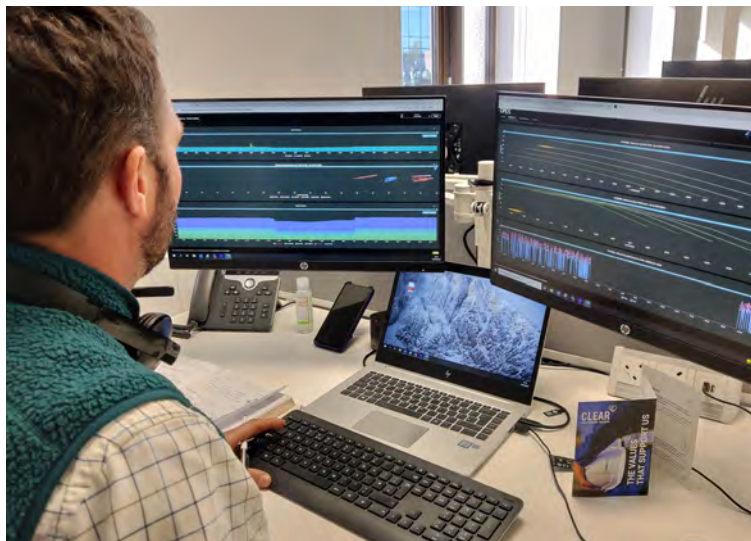
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## Reduced emissions in power generation and compression

Fuel gas usage in our turbines for power generation and gas compression makes up approximately 90% of our operational CO<sub>2</sub> emissions. As a part of our continued efforts to reduce emissions, we committed to exploring how we could better understand, measure, and monitor our fuel gas usage and efficiency.

In 2021, we worked with two digital technology providers, OPEX and Xodus, to assist in the development and trial of two separate emissions monitoring and reporting tools. The OPEX.AI tool is a cloud based artificial intelligence system that takes data directly from turbine meters to calculate the emissions from each gas turbine. In real time, the data is presented on a dashboard that gives our team a clear insight into where our emissions are coming from and what could be causing any fluctuations in emissions. Using the tool through 2021 has increased our wider understanding and has led to some emissions reducing insights.



Monitoring our emissions using the OPEX.AI tool

The Emissions Insight tool was the second emissions tracking tool to be developed and rolled out in 2021. The tool was collaboratively developed with Xodus and was designed to automate the requirements of the UK Emissions Trading Scheme (ETS) reporting. It provides us with both accurate, up to date CO<sub>2</sub> data and reduces the likelihood of input error by taking data directly from the meters.



Elise Murray and Oliver Lever, our Environmental Advisors

## The Emissions Reduction Action Plan

Serica is developing an Emissions Reduction Action Plan which aligns with the guidance in the NSTA (formerly OGA) Stewardship Expectations #11. This builds on the hopper of projects we have generated to target emission reductions from power generation, flaring and venting. These projects are aligned to longer-term power generation strategy and engineered projects.

It will also draw on the existing Flare Reduction Strategy and will include commitments to reduce vented emissions. The document will track actions, timeframes and assess emissions savings from specific projects that have been approved in the company's schedule. It will be managed by the Emissions Reduction Group who will continue to push forward activities. Activities being investigated by the emissions reduction group are:

- Revamping compressors to reduce fuel gas consumption
- Temporary power supply during maintenance periods
- Lower carbon fuels
- Enhanced monitoring of emissions factors and power generation efficiency
- Waste heat recovery



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Reducing Methane emissions

According to the IPCC 5th Assessment Report, methane has a global warming potential of 28 times that of CO<sub>2</sub> over a 100-year time horizon. In an offshore setting, methane emissions are predominantly attributed to venting, gas turbine and flare system combustion inefficiencies and fugitive emissions from our processing plant.

One common source of methane emissions on offshore installations is from venting, which refers to the discharge of uncombusted hydrocarbon gases to the atmosphere via designated vents. In recognition of this, we undertook an in-depth review of all vent sources in 2021. From the review, we identified a gas stream that had been blocked off from a vent line and had been redirected to flare, where it was combusted and so was less harmful to the environment. As a result, we were able to reduce our vent consent from over 2 tonnes per day to just over 0.5 tonnes per day to reflect the situation.

In line with the OEUK Methane Action Plan, by the end of 2022, we have committed to developing and implementing a Methane Action Plan that will detail our plans to monitor and reduce methane emissions further. This will include using an unmanned aerial vehicle (UAV) to establish a methane emissions baseline for the Bruce Platform. Methane emission figures for 2021 can be found in the report data book, [page 47](#).



Scope 3 emissions

Scope 3 emissions are classified as all other indirect emissions (not included in Scope 2 emissions) that occur within the value chain of a company, such as emissions related to non-operated producing assets, drilling rigs, completion operations, supply chain and transportation. In line with that, Serica recognises the importance of monitoring, reporting and reducing our Scope 3 emissions.

In 2021, we improved our monitoring and reporting of Scope 3 emissions associated with our R3 well intervention and Columbus drilling projects. We worked with suppliers and vessel operators to calculate the month-on-month emissions of our projects. In addition to this we have increased our capability to report our Scope 3 emissions associated with our standard operations and have worked with the operators of our non-operated assets to provide a more accurate picture of our share of emissions.

Serica is operator of the Columbus Development which is a single well tied back to a third-party pipeline. The well was drilled in 2021 and the associated emissions from the drilling rig and supply vessels are classed and reported as Scope 3. Columbus came on production in late November 2021 and so the Scope 3 emissions relate to just one month. These include a pro-rata share of the emissions from the Shearwater platform, which is operated by Shell and reported through the UK ETS. These are not the same as incremental emissions caused by Columbus production, which would be much lower.

Serica has an 18% non-operated interest in Erskine, which is a gas condensate field operated by Ithaca Energy and produced via an unattended platform, before being exported via the Lomond platform. Ithaca Energy reports Erskine's emissions as their Scope 1 on an operational control basis, meaning that only CO<sub>2</sub> emissions associated with diesel consumption, fugitives and venting on the unattended platform are included in their calculation, which was 538 tonnes in 2021. Serica reports these as Scope 3 as we do not have operational control. Fuel consumption and flaring on the Lomond platform are not included as this is operated by Harbour Energy.

Scope 3 emissions in 2021 (Tonnes of CO<sub>2</sub>)

Operation	2021	2020
BKR operations	8,867	9,016
Columbus drilling	10,820	N/A
R3 well Intervention	15,103	6,180
Columbus operations	4,200	N/A
Erskine operations	538	548

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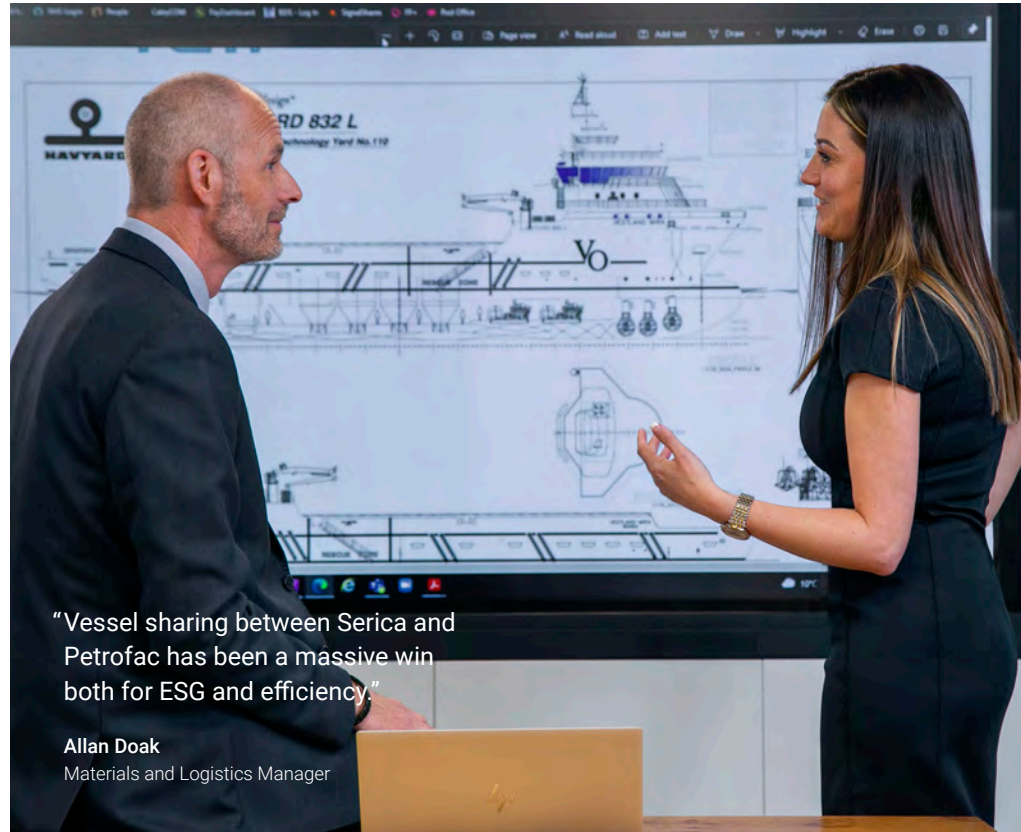
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## Reducing the impact of our Supply Chain

In order to run our offshore production and drilling operations, we manage a large supply chain consisting mainly of domestic suppliers. We are committed to reducing the environmental impact of our supply chain through fuel use reduction, collaboration and improved efficiency.

In July 2021, Serica signed an agreement with the operator of another offshore installation, the GP-III FPSO, to share our main Platform Support Vessel (PSV). This collaboration has significantly improved efficiencies in associated transportation emissions for both us and the operator, Petrofac. The new set-up has saved us 2-3 days' sailing time per week, which has resulted in a major reduction in our diesel usage.

Additionally, we have limited all deliveries by up to 50 vendors to our D2 warehouse to one day per week. This reduces local traffic congestion whilst encouraging our suppliers to plan their deliveries more efficiently. This initiative has helped us further reduce fuel usage in our supply chain.



"Vessel sharing between Serica and Petrofac has been a massive win both for ESG and efficiency."

Allan Doak  
Materials and Logistics Manager

Allan Doak with Teri Greig, Serica Logistics Lead

## Industry engagement on emissions

Serica personnel continue to be active participants on multiple OEUK atmospheric working groups to ensure Serica remains up to date with the evolution of emissions reduction technologies and advances in the regulations that are likely to impact our business. In addition, our VP ESG and Business Innovation Clara Altobelli participated, presented, or facilitated the following ESG related events:

### OGA staff engagement session

### SPE Young Professionals – Women in STEM

### E&P knowledge share with Trinity Energy

### SPE London – ESG in oil and gas

### Assala Women's Network – Lunchtime Review

### Peel Hunt ESG Industry Engagement

### Westwood ESG podcast

### ETZ Emissions Reduction Programme

## Regulators

Serica has a close and transparent working relationship with UK Regulators such as HSE, OPRED and the NSTA. We view our relationships with Regulators as working towards a set of unified goals to reduce emissions, reduce pollution, maximise economic recovery from the basin and improve the safety and environmental standards. The Regulatory Permits, Licensing, Consents and Applications process overseen by the Regulator facilitates partnership with our Statutory Consultees. These Statutory Consultees both review and comment on Serica's environmental permit applications and when required, we work to address consultees' comments and can amend operations accordingly. We also play an active role in guiding future policies by sharing our experience and expertise.

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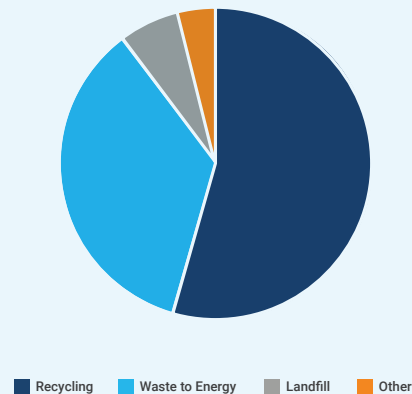
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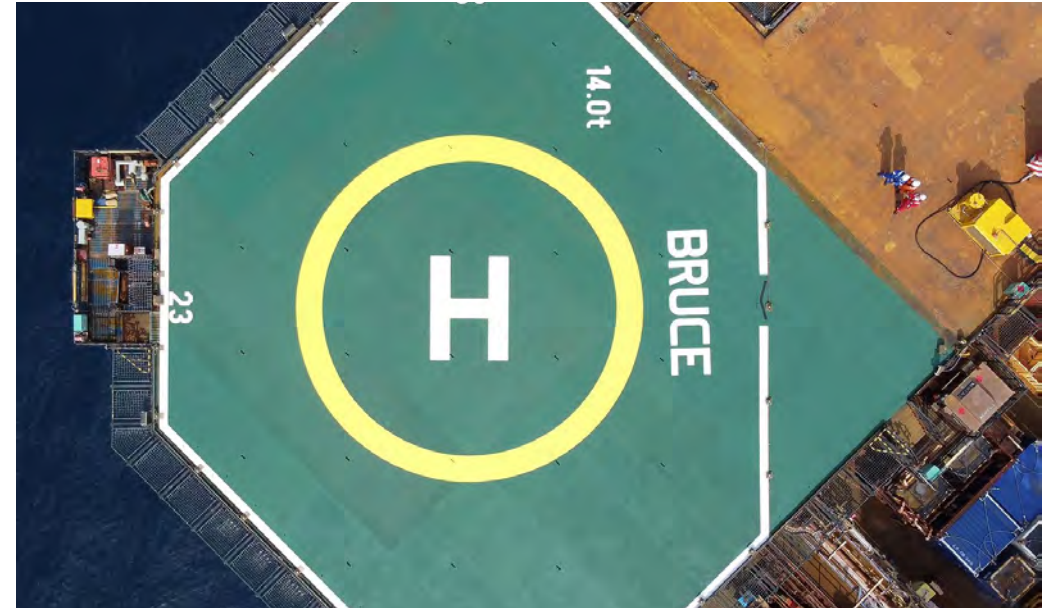
# Managing our waste

Our Bruce platform is home to over 100 people, who are responsible for around the clock operations, maintenance and repairs to keep life and production running smoothly and safely. As a responsible operator, Serica works hard to track and reduce the amount of waste associated with our activities and we continuously look for ways to make better use of our waste and avoid it going to landfill.

Waste disposal in 2021 (Tonnes)



In 2021 we set and achieved our target of generating less than 200 tonnes of total general waste on Bruce, with a reduction of around 55 tonnes compared to 2020. We also managed to reduce the amount of waste going to landfill by two thirds, sending just over 12 tonnes in 2021. We have developed a culture which has nurtured creative ideas and helped us reduce our waste.



We used a new, more environmentally friendly method to re-surface Bruce's helideck to minimise waste

The four largest waste streams by mass from 2021 are general waste, dry mixed recycling, scrap metal and wood. Much of this waste was recycled (54.3%) and sent to waste to energy (35.4%). We checked our waste segregation performance on Bruce, with offshore receiving 99.8% in the spot check skip audits. A key focus heading into 2022 will be to investigate how we can remove items from the general waste category and replace them with products or materials that can either be reused or recycled. Our plan is to engage with our supply chain and vendors to find alternative products and materials which we are hoping will reduce our overall waste primarily and increase our percentage of reused and recycled volumes.

## Greener blasting methods

The Northern North Sea provides a harsh operating environment. As a result, blasting with an abrasive material such as garnet is a common technique to remove rust or worn material prior to painting or applying a new coating. Instead of using traditional garnet blasting methods that can generate a lot of waste, our team opted to work with BME Services to utilise their innovative Blastrac technology to clean and re-surface the platform's steel helideck. The Blastrac machines are closed loop and are able to recycle the abrasive material used multiple times, thus minimising the waste produced.



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## Acting on our belief in the Circular Economy



"Making our operations more sustainable is a key focus for Serica and conversations within our supply chain are highlighting solutions to minimise waste and reduce use of our earth's natural resources..."

**Alex Pirie**  
Serica Wells Manager



After some creative thinking and collaboration with the John Lawrie Group, we were able to repurpose 156 tonnes of high-grade steel tubular pipe retrieved from one of our wells during a workover operation. Now the tubular pipes have been put into use as piling for the construction industry which has delivered a saving of around 340 tonnes of CO<sub>2</sub>.

Early 2021, we were the only company to respond to a social media appeal from start-up Razor Oil Tools who needed tubulars to test their innovative new lithium-free, explosive-free tools that run completely on disposable alkaline batteries. Our values aligned further when Razor founders told us they had calculated that the carbon footprint of a two person visit to the Middle East was larger than that of running their factory for a year!



## Re-homing retired life rings

Replacing life rings periodically is standard on offshore installations but our offshore team thought it would be a waste to send 20 of our retired life rings to landfill and so set out to find them new homes.

We donated 10 life rings to the Scottish SPCA's 'Wooftop' sensory garden, near Banchory. The garden provides a safe space for the many dogs who arrive at the centre under-socialised without basic learned behaviours.

Louise Griese from the Scottish SPCA said "The staff and animals at the Scottish SPCA in Drumoak would like to say thank you to Serica for donating their retired life rings to be used in our sensory garden. The sensory garden is used to rehabilitate and socialise rescue dogs. The garden has lots of sensory items and the life rings will be a great addition."

The remaining life rings were donated to local Secondary School, Mackie Academy, where they have been used as planters in their new sensory garden. Using life rings has helped Mackie Academy achieve Level 1 in the Royal Horticultural Society School Garden Award.

## Making meaningful replacements of everyday items

Throughout the year we replaced several disposable products with reusable or recyclable alternatives. Notably, we discontinued the use of single-use Monarflex, a type of scaffold sheeting for a recyclable alternative, we estimate that this change could prevent up to 600kg of waste going to landfill. We also changed to more durable disposable gloves, reducing the number of gloves being used offshore, and switched from disposable shoe covers to material reusable ones. Green hard hats are used to identify someone who has not previously visited the platform and were often disposed of after use. We have now started using green hard hat covers that can be placed on any hard hat and are completely reusable.



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# Respecting the marine environment



## Produced Water

**The Bruce platform is located in the UK Northern North Sea. We value the diversity and abundance of flora and fauna in our vicinity and act responsibly and respectfully to protect this.**

We pay close attention to any substance that is discharged into the sea from our Bruce Platform and we strive to minimise its impact on the marine environment. On Bruce, as well as oil and gas, we produce around 1,300 barrels of water per day. This water cannot be exported with the oil and would under normal operations be pumped down a water injection well into an underground reservoir. Unfortunately, at the beginning of 2021 we suffered an equipment failure of the water injection pump and a blockage in our water disposal well which meant we could no longer inject the produced water and needed to discharge it to sea. At the beginning of 2021, as a result of the re-injection system being off-line we experienced high oil in water concentrations of around 70mg/l. To reduce these concentrations we installed and commissioned de-oiler equipment to remove almost all of the oil

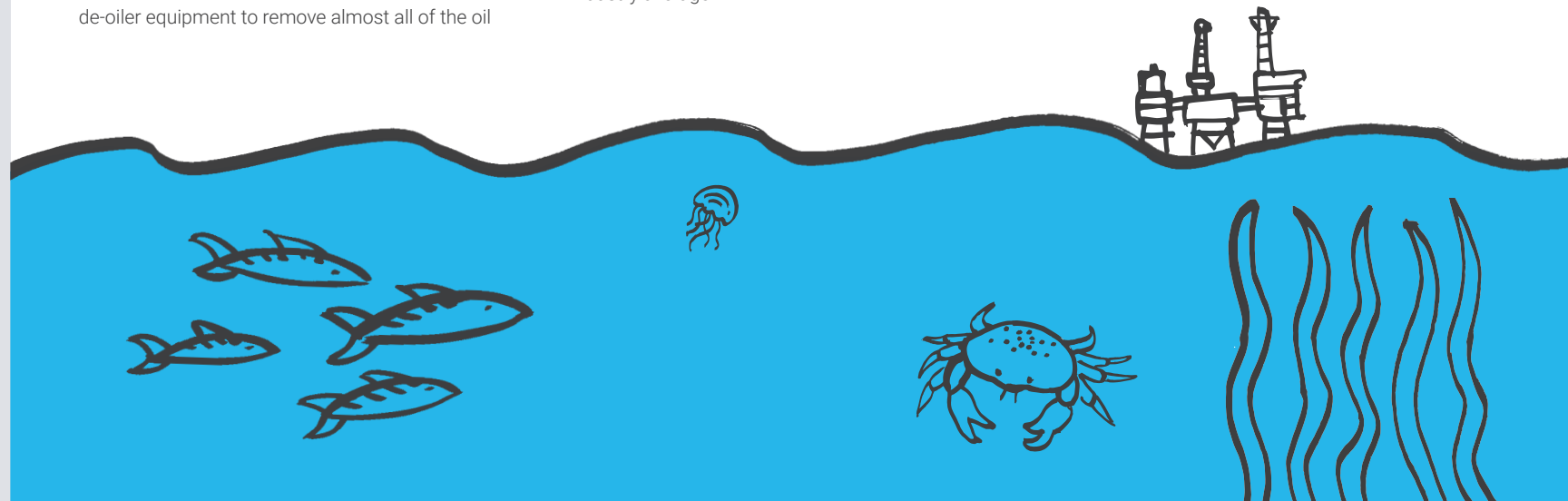
and reduced the concentration to as low as 5mg/l by the end of February. The industry oil in water average is 17.8mg/l and we achieved 17.4mg/l for the full year, despite the disappointing start. We aim to do better than this in 2022 and our average oil in water concentration in the first three months is around 8mg/l.

Serica has put a plan in place to eliminate all oil in water going overboard to optimise our water disposal by water injection. Our existing process used an oversized pump which consumed a lot of power, resulting in a significant increase in greenhouse gas emissions and this is being addressed in the context of our efforts to identify and clear the blockage in the disposal well. We will optimise the size of a replacement pump to allow water injection without increasing greenhouse gas emissions. In the meantime, the de-oiler package is performing well and keeping oil in water levels at acceptable levels, 70% lower than the industry average.

## Chemicals

Bruce needs chemicals to ensure plant efficiency by, amongst other things, separating out oil, gas and water for export to shore. Chemicals are also required to protect the facilities from hazards such as corrosion, hydrogen sulphide (H<sub>2</sub>S), wax and hydrate formation. There is a 'permitted allowance' for chemical usage on Bruce and in 2021 only 31% of this allowance was used, around 300,000kg in total. In 2021 we have reduced our permit by 30%.

Chemicals deemed to be potentially harmful to the environment or hazardous are termed 'Substitution Chemicals'. Serica continues its efforts to limit their use, either identifying less harmful chemicals or making a process change so the hazard is eradicated, instead in 2021 we managed to remove five Substitution Chemicals from our Production Chemical Permit, with only three now remaining.



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# SOCIAL

**Serica is only as good as the team we field and the individuals within that team are the heart of our business. Our industry is demanding and in particular life offshore can test even the most experienced when health, extreme weather, and technical challenges combine.**

To motivate and bond our teams on and offshore, in London and in Aberdeen, we do all that we can to be inclusive and develop a mindset of mutual support and respect.

To do this we have to find ways to listen, to broaden our mindsets outwith the day-to-day focus on business returns and profits.

During 2020 we set up committees chaired and populated by members of staff. These committees provide a forum to actively encourage discussions, sharing of ideas and information between colleagues. The committees organise events and their feedback helps us to develop initiatives that are meaningful and effective, rather than being handed down from senior management. This empowerment and the resulting dialogue is developing a sense of ownership and responsibility that we hope makes our staff proud to be part of the Serica organisation.



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# Health, Safety & Wellbeing



Craig Robertson, HSEQ Manager

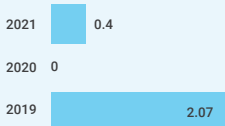
We are responsible for the health, safety and wellbeing of the people on the Bruce platform, people working on the drilling rigs and vessels on our operations and the staff and contractors in our offices and at home. The importance of this is reflected in the way we manage our operations and the priority we give to risk management, process safety and working conditions in every procedure we carry out. All our staff understand that safety comes first, and we have included challenging Health and Safety targets as part of staff remuneration at all levels.

There is a positive Health and Safety culture on our operated assets, which is reflected in the 92% average participation rate in our Safety Observation Programme. We are confident that all our staff and contractors are empowered to stop work if they feel that there is a potential safety risk. We track and report key safety metrics to the whole organisation, including the Serica Board, to help us understand, manage and build on our safety performance.

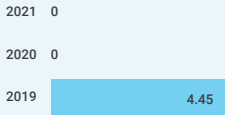
## Health and Safety Performance on our asset

### Production Operations (BKR)

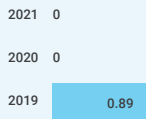
#### TRIR: Total Recordable Injury Rate



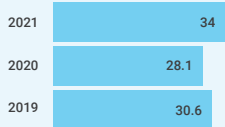
#### Lost Time Injury Rate per 1,000,000 hours



#### Total Lost Day Rate per 200,000 hours

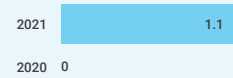


#### Near Miss Frequency Rate per 200,000 hours

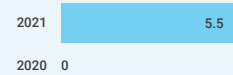


### Drilling (Columbus and R3)

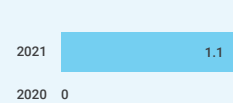
#### TRIR: Total Recordable Injury Rate



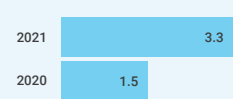
#### Lost Time Injury Rate per 1,000,000 hours



#### Total Lost Day Rate per 200,000 hours



#### Near Miss Frequency Rate per 200,000 hours



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Health and Safety performance is regularly analysed and discussed across the organisation. For example, Serica organises monthly Safety meetings that are held both on and offshore respectively. These meetings provide an opportunity for our onshore and offshore teams to come together and learn about the safety performance from the previous month, including any near misses and general safety observations that have been made across our activities. They help to keep everyone on the same page and keep the health and safety of our team in the forefront of our minds.

## Health and Safety performance on our major projects

We were disappointed with the Health and Safety performance across our major projects. However, this highlighted some improvement opportunities and as a result we have changed the way we work with our contractors, including collaborating with those contractors to conduct detailed investigations into any incidents. We have increased our involvement in HSE project preparations to emphasise our HSE values and principles and introduced HSE coaching on site.

## Health and Safety targets linked to employee remuneration

To demonstrate our commitment to improved HSEQ performance, we have set challenging health and safety KPIs, and these are linked to staff remuneration. These targets cover a wide variety of health and safety areas such as reportable injuries, releases and participation in our Safety Observation Programme.



## Health and Safety Observation Programme

We want every member of staff and contractor to feel empowered to raise safety concerns that could help avoid preventable accidents and injuries. Positive HSE performance requires the engagement of all our personnel and as such, we actively encourage participation in our Safety Observation Programme. The programme encourages anyone to intervene when they see a behaviour or a condition which they feel presents a risk, and conversely to commend positive behaviour. Participation increased during 2021 with 92% of personnel engaging in the programme each week. This year-on-year growth demonstrates that our offshore team are proactively engaged in a positive HSE culture.

## Serica's HSEQ Policy

Serica's longstanding HSE policy is delivered through our Operational Management System (OMS) and highlights our framework for the systematic and comprehensive management of HSEQ subjects throughout the organisation. Serica's HSEQ policy highlights how we:

- comply with all applicable legislation, industry standards and good practice;
- promote a positive HSEQ culture through visible leadership commitment, personal accountability, communication and engagement with key stakeholders;
- understand our risk profiles and apply a risk management process that reduces this risk to As Low As Reasonably Practicable (ALARP)
- ensure that HSEQ remains integral to the planning, design, construction, operation, maintenance and disposal of our assets;
- promote environmental sustainability and the reduction of our Carbon footprint;
- provide staff with suitable information, instruction and training relevant to their duties and responsibilities;
- maintain emergency response plans and the organisational capability to respond effectively to incidents and emergencies;
- continually improve our HSEQ performance by defining performance objectives, monitoring and measuring results, and completing a programme of audit and assurance activities.

Serica expects everyone involved in our activities to take ownership of their actions and ensure that they comply with our policy, our OMS, current legislation and any applicable regulatory requirements. Our CEO, with the support of our Board of Directors, owns this policy and is ultimately responsible and accountable for Serica's HSEQ performance.

More information on our OMS can be found on [page 45](#).



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Our HSEQ plan

In 2021 we developed and implemented our HSEQ plan, which is designed to include near term goals aligned to our HSEQ policy. The plan highlights specific actions to help us improve in key areas, known as pillars, year on year. The plan is shared with all staff and contractors and progress is tracked and reported throughout the organisation, including the Serica Board.

We have rolled out our 2022 HSEQ plan which outlines our specific health and safety related concentration areas and the steps we plan to take to build on our performance in these outlined areas.

2021 HSEQ Pillars

Process Safety and MAH

Health and Wellbeing

Safety Culture and Learning

Environment

Emergency Response

Quality

Bruce Elected Safety Representatives

We are proud to have 16 Elected Safety Representatives onboard our Bruce platform. They are trained in the Step Change in Safety Model and meet twice a month to discuss any raised safety matters and have direct communications with our offshore management team.

Despite the impacts associated with COVID our Elected Safety Representatives made some significant achievements in 2021, such as:

- Improved access routes to areas of the platform, aiding potential evacuation
- Liaised between contractors and management to align contractor companies to follow the same offshore rota as Serica staff. As a result, in 2021, one of our major service providers switched to the same two week on/three week off rota as Serica
- Produced and rolled out educational material to offshore staff about past incidents and what can be done to ensure they are avoided in the future

The Bruce Elected Safety Representatives are a valued asset to Serica and are a prime example of our offshore team identifying, communicating and remedying potential health and safety related risks.

COVID

In 2021, the COVID pandemic and associated restrictions continued to challenge how we work both on and offshore. In 2021, we developed and implemented our comprehensive COVID Management and Strategy that highlights the various steps that we have taken and will take to limit the risk of COVID infections within the company. In line with that strategy, Serica has continued to ensure that our employees and contractors are kept safe and well, both physically and mentally. Onshore staff primarily worked remotely, although, any members of staff who experienced difficulties working from home were allowed back into the office on a strictly managed basis.

COVID continued to be managed offshore by reducing the number of people on the platform allowing single occupancy cabins and safer transportation as well as strict testing, isolation and evacuation procedures. Social distancing measures and face covering wearing were also implemented offshore to reduce the risk of transmission. We have begun to fully implement our flexible working policy for our onshore team and to continue to fully manage the situation offshore in line with the most-up-to-date restrictions and regulations.



Serica HSE team meeting

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## Crisis Management and Emergency Response

Serica recognises its duty and responsibility to have in place a robust and sustainable crisis management and emergency response capability to support our offshore operations. We work with Restrata, an experienced and well-resourced emergency response services provider, to ensure that, in conjunction to having well-trained Serica members of staff in key roles, we provide a comprehensive emergency response package. In 2021 we carried out eleven emergency response exercises that covered production operations, diving, drilling and included two oil spill response exercises.

Central to this response capability is the application of the PEARS model. This model provides a decision-making framework for the onshore emergency response organisation that always prioritises People over the Environment, Assets, Reputation and Sustainability.

The onset of the pandemic in 2020 required that this existing capability be further expanded to include an ability to manage incidents remotely, across all elements of the onshore command and control structure including key third party contractor organisations.

Working in close collaboration with Restrata, a programme of familiarisation and training exercises was developed and introduced. This enabled Serica Duty Managers and Incident Management Team to practice the tactical elements of our response capability but to also stress test critical interfaces with the London-based Crisis Management Team, Incident Support Teams and external partner organisations.

This approach, adopted in 2020, was re-applied to the programme of exercises developed for 2021 against the backdrop of continuing COVID controls and comprised a combination of both tabletop and simulated exercises.

The scenarios used for the exercises conducted in 2021 embraced the full range of activities relevant to Serica operations. In addition to major accident hazards and major environmental incidents the scope of the exercises conducted also reflected planned work campaigns for the year with particular emphasis on our drilling, well intervention and diving activities. As part of a continuing theme through 2021 and into 2022 the opportunity was also taken to engage with other Operators in our extended supply chain to test the effectiveness of inter-organisational interfaces and the protocols for agreeing and acting upon Primacy for emergency response.



"Throughout the pandemic we satisfied ourselves and our contractors that we could manage emergency response under the COVID constraints by holding frequent remote exercises, reflecting both major accident hazards and campaign specific operations."

**Jason Reynolds**  
HSEQ Advisor

## Well integrity

We believe that the best practice for effectively managing the integrity of our wells is through proactive well monitoring and preventative maintenance. To this end, we have created and continue to develop our own Well Integrity Management System (WIMS), which is based around the OEUK Well Life Cycle Guidelines, and ISO 16530-1 Well Life Cycle principles. In combination with SafeWells, an application which provides a central repository of all well integrity data, implemented in 2020, our aim is to ensure that our wells are managed safely and responsibly through their lifecycle.

## Remembering Piper Alpha

In July 1988, onboard the North Sea Piper Alpha a series of explosions and fires killed 165 of the 266 personnel on board and two rescue workers. Many of those who survived the incident were left with long term physical and mental health problems.

To reinforce our responsibility and commitment to safety throughout the organisation and in addition to our donation to the upkeep of the Piper Alpha rose garden in Aberdeen in 2021, we invited Joe Meanen, one of the survivors, to talk to our onshore and offshore team about how he survived that fateful night and how his experience of the disaster effected his life afterwards. Joe's accounts of that evening and the life after it provided our team with an eye-opening reminder of how crucial maintaining high health and safety standards across our operations is.

## Company health and wellbeing initiatives

The challenges of remote working and the stresses of continued social distancing during 2021 meant that maintaining the good health and wellbeing of our team was more important than ever. Here are some of the activities we carried out to help us look after each other.



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## Monthly health awareness campaigns

Our HSEQ team raise awareness of common health issues by issuing monthly health promotions across the organisation. These not only raise awareness of common health issues but also provide advice on how you can reduce the risk of contracting certain illnesses or ailments. Health promotions in 2021 included, obesity, cancer awareness, winter health and tiredness and fatigue.

## Keeping moving during the pandemic

In February we got our team moving to shake off the winter blues in our first step challenge of 2021. In total, thirty-two members of staff signed up and they were then split into five teams. Over the 28-day period our "Steppers" managed to clock in over 11,850,000 steps, that works out to over 5,600 miles! Keeping our teaming moving in the winter months is important for not just their physical health but also their mental health.

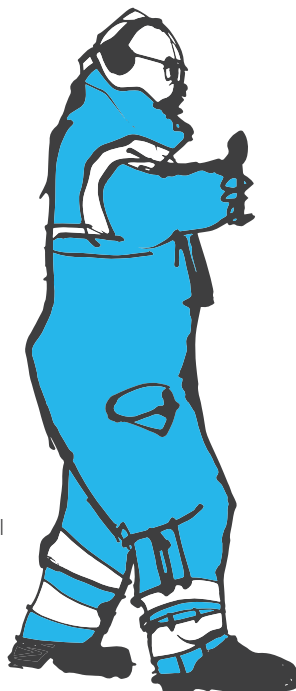
In addition, our Serica Cycle Challenge, saw our team cycle over 5,000 miles over the month of June.

## Mental health

Mental health issues can affect anyone at any time. We are mindful of this, which is why Serica provides staff with access to mental health services such as mental health courses, face to face and over the phone counselling services and additional information and resources. We also have a number of trained offshore and onshore volunteer mental health first aiders to provide support for employees and contractors who need someone to talk to.

We share useful information resources on a variety of different health aspects, including mental health through our online Wellbeing Hub.

Throughout 2021, we made a continued effort to organise multiple social events such as virtual coffee mornings, quizzes and games to make sure our staff didn't become isolated and give everyone the chance to interact in an informal setting.



## Wellbeing webinars

Serica launched a series of helpful and insightful webinars, centred around health and wellbeing. These were delivered by Serica's health advisors, International SOS and were made available for all staff and key contractors.

## Sleep and fatigue

Lack of sleep and increased fatigue can cause multiple health issues and can affect anyone for several reasons. We recognise that this is a serious issue that could potentially affect our team's health and productivity and that's why that in 2021, in addition to our compulsory Fatigue Awareness E-module, we ran a webinar sleep and fatigue awareness session that highlighted the importance of having a healthy sleeping routine, sleep hygiene, insomnia and where our team could find help if they needed it.

## Our forward view

In 2022, we will continue to strive for excellent health and safety performance, by raising company-wide awareness of the benefit of participating in relevant events, encouraging conversations and holding ourselves to account. We have rolled out our 2022 HSEQ plan which outlines our specific health and safety related concentration areas and the steps we plan to take to build on our performance in these outlined areas.



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# Giving where we can make a real difference



Co-Chair of Serica's Charity Committee: Karen Clarkin

"One of the key principals of our giving is to provide help that is both relevant and effective at the point of delivery. We prefer to combine financial donations with hands-on involvement, which is fulfilling for our staff, allowing us to connect with our local communities. Having monthly Committee meetings enables us to react quickly when situations demand and to promote staff initiatives and fundraisers."

Karen Clarkin



Charities &  
Fundraising

## Our Charity Committee's mission

To be aware of the challenges facing those in our local and broader communities and to contribute in an appropriate and effective way. Serica will provide staff with the opportunity to give back to the communities in which we work through fundraising, donations or volunteering.

## 2021 Highlights

- Official Sponsor of CLAN's Power to Help Campaign
- Donated laptops and winter essentials to AberNecessities
- Promoted and contributed to multiple staff fundraisers
- Organised multiple fundraising activities throughout the year
- Worked with our team to support causes that matter to them





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Maintaining our commitment to CLAN Cancer Support



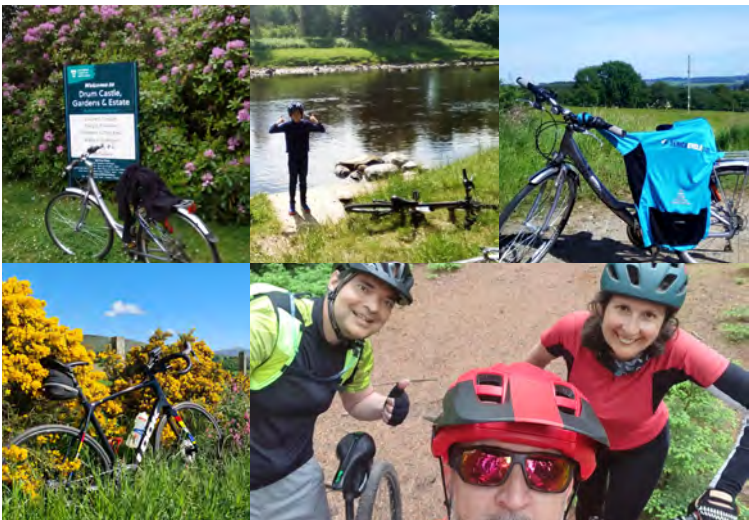
CLAN is a local charity, reaching out to those affected by cancer in Aberdeen and further afield. Friends, families, carers depend on CLAN for counselling and support both online and at their drop-in centre in Aberdeen. For those travelling to visit or undergo day treatments, CLAN's provision of free accommodation in a caring environment is a huge boost. With their own fundraising efforts severely hampered by COVID restrictions, we asked how we could help and became involved in two very different projects:

Serica donated £10,000 to support CLAN's important media outreach campaign which used social media to raise awareness and provide a platform for CLAN clients to tell their stories in short films. The campaign reached an impressive number of people and its effectiveness was recognised when it won a Marketing Magic award.



Serica VP Operations visits one of CLAN's successful retail outlets

Our 2nd phase of support could not be more different. In support of CLAN's 'Light the North Trail' Serica 'purchased' a 2.5m lighthouse, one of 45 dotted around the North East, to create a trail which encouraged people to get outdoors. Our design 'All Welcome' reflected our commitment to Diversity & Inclusion. We gifted a miniature lighthouse to local primary school, Fernielea, where the children had fun decorating it. The trail raised over £320,000 for CLAN. Later in 2021 our team got on their bikes, clocking over 5,000 miles to raise £4,000 for CLAN.



Our 2021 Cycle challenge raised £4,000 for CLAN

Giving where it is needed most : AberNecessities



We have built a strong relationship with this highly-respected Aberdeen-based charity who works through social services and schools to provide essentials directly to those in greatest need. A call for winter clothing items was met with immediate action by our Charity Committee and high quality coats, jackets, scarves and hot water bottles were delivered to their warehouse for distribution. We also gave AberNecessities repurposed laptops to help people struggling with the isolation imposed by COVID regulations.



"We are very grateful for the donation of these laptops. We will find some very good homes for these, and I am sure the children who receive them will be absolutely delighted. AberNecessities thanks you for your continued support for which we are very grateful."

Michelle Herd  
COO of AberNecessities



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Supporting refugee children settling into new schools

When Westminster Council put out an appeal for school equipment for some of London's many Afghan refugees two of our London staff joined forces to acquire more than 200 school bags and stationery sets, then visited the delivery centre to hand them out.

Pursuing Independent Paths (PIPs)



Our Senior Geologist, Somar Abdullatif, a newcomer to running, raised £400 for this fantastic charity which aims to empower adults with learning difficulties and autism by helping them to develop skills. We also got into the Christmas spirit by supporting PIP's Christmas party, including a festive Makaton singalong.



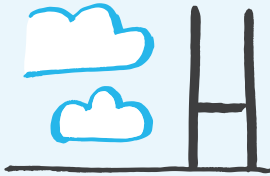
Fundraising by doing

Our team loves a challenge and we raised money for the Mental Health Foundation with a step challenge, our winner covering 134,000 steps in one week!

We also took to the beaches for a litter pick – not only a worthy initiative, but a great way to get our staff back together after so many months of home working.



Supporting sporting activity for a healthier lifestyle



Many of our staff volunteer their spare time helping to coach youth sports teams. Our Charity Committee launched a programme to support this and in 2021 provided young rugby teams and football teams with training equipment and kit bags.

Helping to reduce hunger

Throughout the year we supported a variety of initiatives battling hunger in the UK. In the run up to Christmas we donated £1000 to the Trussell Trust and took part in a food tour of London in support of the North Paddington Food Bank and the proceeds from our London office Christmas raffle were donated to the FoodCycle Foodbank.

Outlook for 2022

Our Charity and Fundraising Committee will continue to make a positive difference in our communities. We will utilise our relationships with our current charity partners and will also explore new opportunities to support and fundraise, to ensure we continue to support the needs of our diverse communities and maximise our impact. In 2022, we have a lot of initiatives in the pipeline, such as an in-person cycle challenge, a sandbag walk across Aberdeenshire, and more environmental projects such as beach cleans. We aim to continue to empower staff to make a positive impact and support the causes that matter the most to them.



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# Promoting education to unlock potential



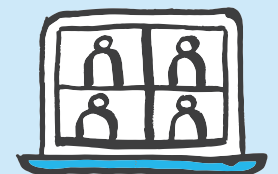
## Our Education Committee's mission



To promote energy education and knowledge-sharing with schools, universities, peer companies and industry institutions, promoting company-wide participation in school visits, work experience, academic research and support of industry institutions such as SPE or Subsea UK. Internally, the Committee also champions training, helping colleagues aspiring to Chartership and other professional qualifications.

## 2021 Highlights

- 1,250 E-Learning Modules undertaken
- Over 4,600 hours of training completed
- Over £650,000 spent on training, OPITO and Further Education
- 2 Internal offshore promotions
- Hosted 3 paid Summer placements for students
- Positive staff engagement on a range of education initiatives



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## Supporting in-post further education

We provide a generous training budget for each member of staff and can react quickly as our Training Committee reviews requests each month. We also offer financial support for staff committing to longer term courses such as University degrees. In 2021 we spent a total of over £650,000.



"Serica was supportive throughout my Open University Studies, which culminated in my graduation this year with a BSc Honours."

**Jack Everett**  
Production Supervisor

We used a mix of online and in-person delivery, taking the time to create bespoke digital training modules in areas such as Diversity & Inclusion, the re-design of operationally important software such as our Operating Management System (OMS) and maintenance software Maximo. A full list of 2021 training topics and courses can be found in [Appendix 3](#).

## Our Training Management System (TMS)

TMS monitors the staff training matrix and ensures that everyone is on track. Our policies on Training & Development, Competency Architecture and Further Education policies sit alongside our Staff Competence Assurance procedure policies within our OMS, which is the heart of Serica's business administration system. These policies are regularly reviewed and updated to ensure full legal compliance.

## Appraisal and succession planning

We hold annual appraisals to focus on individual employee performance and development. Serica's annual appraisal process focuses on our employees' individual performance and development. Development opportunities and skill gaps are identified throughout and development plans are then created to ensure we continue to support and develop our people. Serica encourages our staff to get involved in mentoring at all levels of the company, whether that is finding a mentor for themselves or becoming a mentor to someone else on the team. Mentoring is key for experience and knowledge sharing about a particular role

and helps the mentee grow in confidence, learn tips and tricks, and even pass their new-found knowledge on to someone else in the future. In 2021 we put together a mentoring pack to help our team to understand what being a mentor is all about and how they could get involved in our mentoring programme enhancing that with the addition of a guidance pack to develop mentoring skills in our key personnel.

## Investing in the next generation OPITO Apprenticeships



We continue to be an active member of the OPITO Modern Apprenticeship Programme and in 2021 Serica supported ten OPITO apprentices at a cost of circa £250,000 per annum. On our Bruce offshore platform five young apprentices are currently working hard to earn their spurs with another five studying in college. We have committed to hiring four apprentices who will join our offshore team as trainees in 2022.

As part of our commitment to diversity and inclusion we actively support OPITO's drive to improve the gender balance in our industry. Serica provided female interviewers to participate in OPITO's student selection to provide more balanced interview panels, which we hope will contribute to an increase in the number of women choosing to follow careers in process and mechanical roles.



"Interviews can be nerve-wracking and intimidating so interview panels of different levels of experience, gender, backgrounds and ethnicities are helpful. These interviews were also a great opportunity to share what I love about my career, and it is humbling and motivating to hear such enthusiasm from candidates aspiring to pursue similar careers."

**Shannon Murray**  
Process Engineer



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## SUPPORTING UNIVERSITIES

### Summer placements in spite of COVID

Work experience enables young people to gain invaluable knowledge and experience. COVID created barriers, but the Serica team built a meaningful programme to provide real experience of our dynamic industry for three students.

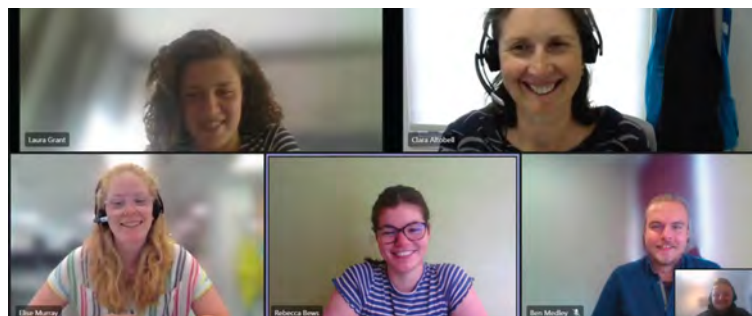
We provided three paid 8-week summer placements and two internships in 2021 giving students from a variety of backgrounds and study subjects exposure to many different facets of the Company; attending meetings, making presentations and contributing to projects.



"Learning is a two way street. The curiosity and enthusiasm of our students brought a fresh new angle to discussions, generating some interesting ideas that gave us pause for thought."

**Gary Cooper**  
Subsurface Manager

### Serica students gather in a Teams meeting during 2021



"Everyone made my time at Serica engaging and interesting. I have gained a lot of insight and experience in the oil and gas industry over the past 8 weeks and have worked with a lot of amazing people who have been patient and kind whilst I have been learning the ropes. Thank you!"

**Ben Medley**  
Geology student

## Assisting in academic research

Throughout the year Serica assisted in a range of research projects, including nature-based solutions for carbon sequestration. Our technical team shared their experiences and knowledge with researchers and provided data that can otherwise be very difficult for academics to source.

## SUPPORTING SCHOOLS

### Helping with home learning in our local community

Serica aims to provide practical help where it is needed and when COVID meant schools had to close and access to laptops for home-learning was a challenge for some communities we asked one of our local schools to tell us how we might help. With a swift decision from our Education Committee and re-purposing of some IT budget we were able to donate Chromebooks to help pupils connect with teachers and one another during challenging times.



"A huge thank you to Serica for their donation. This will make such a difference to our families as children will be able to access their learning more easily without having to share devices or use devices which aren't compatible. It will also provide opportunities for children to see and interact with their teachers and friends online which is very important for their health and wellbeing."

**Lisa Walker**  
Fernielea Primary School's Head Teacher

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## Adding our expertise to competition judging

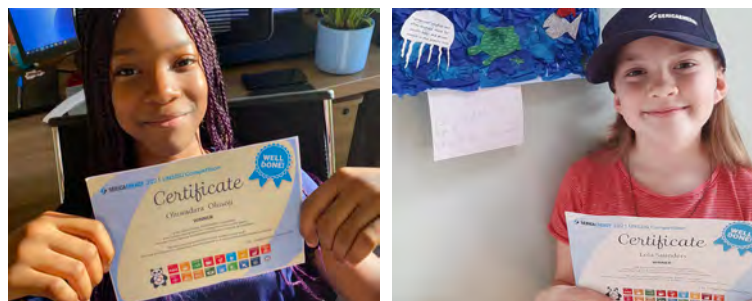
The international student MATE (Marine Advanced Technology Education) competition inspires a community of young learners from across the world in a competition to follow a complex set brief to create a remotely operated vehicle (ROV). The theme for 2021's competition focussed on plastic pollution, coral health and maintaining health waterways. Serica volunteered to judge a number of technical papers submitted by the teams and in addition judged an in-person demonstration of an ROV created by the team from Keith Grammar School, in Aberdeenshire, Scotland.

## Getting involved at local schools

In 2021, Serica's Education Committee formed a relationship with the organisation, Developing Young Workforce (DYW) who facilitated the opportunity for Serica to support local secondary schools in the area. Our relationship with DYW lead to the opportunity to support local school, Alford Academy, running mock interviews for their sixth year students, most of whom had no interview experience at all. All of those interviewed by the Serica team and received valuable feedback. We hope that there will be more opportunities in 2022 to support local schools both in person and virtually.

## School children's summer competition

For the 2nd year we ran our UNSDG Kids Competition, challenging the next generation to pick the UNSDG that mattered most to them and create a piece of media to teach adults how we should be addressing these issues. In 2021 we expanded our competition to include children of any school age, from any school, UK-wide. Our goal was to build young people's awareness of the UNSDGs and it was truly inspiring to learn about their passion for the environment and fellow human beings. You can view a selection of the entries on our [Competition Gallery](#).



Education: our winners Dara Olusoji and Lola Saunders

## PROMOTING A DIVERSE COMMUNITY

### AFBE UK

We were delighted to be able to take part in AFBE UK's Real Projects and NextGen events, aiming to inspire young people of 8-16 years, university students and industry professionals by highlighting projects that companies such as Serica are undertaking to make a positive impact. Our team delivered two great presentations, the first describing our Digital Twin tool and the great benefits of its 24/7 access to our Bruce platform.



"Thank you so much for an excellent presentation!"

It was a very successful event and the turnout was impressive. The young ones were engaged throughout and were inspired by your work, which was reflected in the questions they asked. The work you do at Serica Energy – producing vital energy for our homes and industries – is relevant to everyone."

**Dr Urenna Adegbotolu**  
AFBE UK's NextGen Programme Co-Ordinator.



Neil Stagg, Subsea Project Manager (centre) at the MATE ROV Competition in 2021

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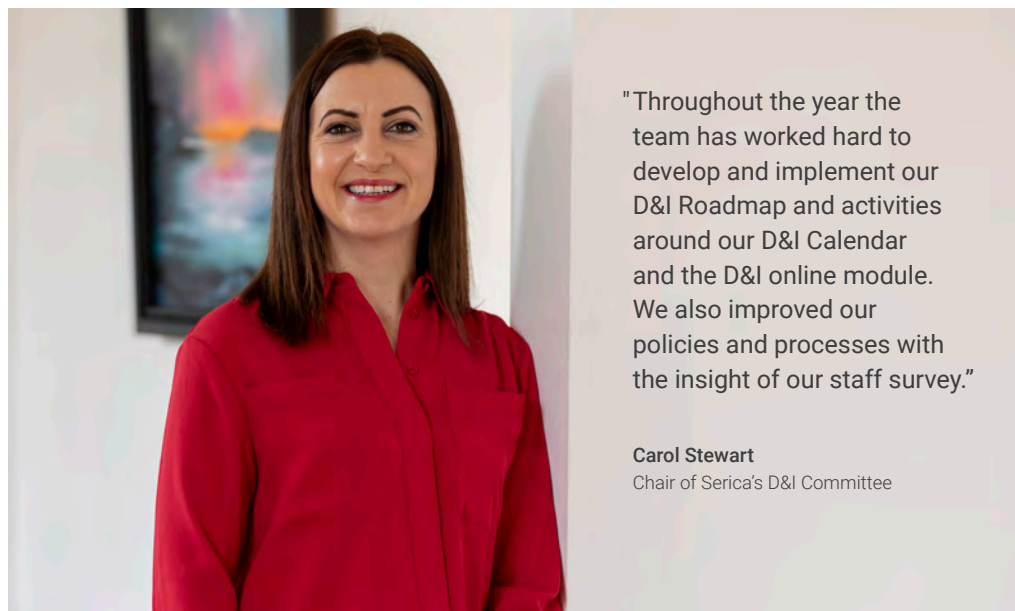
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# Committing to diversity & inclusion



"Throughout the year the team has worked hard to develop and implement our D&I Roadmap and activities around our D&I Calendar and the D&I online module. We also improved our policies and processes with the insight of our staff survey."

**Carol Stewart**  
Chair of Serica's D&I Committee

**At Serica, we believe that a diverse and inclusive workforce helps unlock new ideas, greater productivity, and higher employee well-being. We acknowledge that we operate in an industry that has historically struggled with diversity and inclusion. In 2021, OEUK reported that the UKCS workforce is only 24% female and Serica's female representation is even lower so we recognise that we need to improve.**

In 2020, we set up our Diversity and Inclusion Committee, with the mission of creating an inclusive working environment that encourages and attracts diversity. 2021 has been a landmark year in Serica's D&I Journey.

## Understanding our organisation

In February, we launched our D&I survey. This survey was sent to all employees and contractors and was designed to help us understand our workforce and highlight areas of improvement within our organisation and culture. The survey uptake was good and highlighted that although Serica had created an inclusive culture, it was not a particularly diverse organisation and that there are areas for improvement. This is something the D&I Committee have been working with the Senior Leadership Team to address. We plan to release another D&I survey to track progress by the end of 2022.

## 2021 Highlights

- Exceeded company target to increase proportion of female staff
- Launched a company-wide D&I Survey and mandatory training
- Strengthened our recruitment process to be more inclusive
- Became members of AFBE UK and The Armed Forces Covenant





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Diversity and Inclusion training

In June, we launched our bespoke digital D&I training module, which was rolled out to all staff and core-contractors. The training module is mandatory and was designed to raise awareness of D&I issues and policies.

Unconscious bias training aims to help people in the workplace understand harmful biases that they may not be aware of and reduce the impact of those biases on their interactions with others. As well as the Unconscious bias training provided to the Leadership Team in 2020, we have continued to roll out more sessions of unconscious bias training to multiple groups of staff at all levels from across the company during 2021. In 2022, we plan to continue to roll out unconscious bias training across the organisation.

Recruitment

We commit to providing equal opportunities to all employees and potential employees in line with our Equal Opportunities and Dignity at Work policy. All employees and candidates will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin and sex or sexual orientation.

Serica undertook a review of its recruitment process in 2021 to help us widen our potential applicant pool and ensure that our recruitment processes are inclusive and contain no bias. The review highlighted various areas that could be further improved. Following the findings of the review, great work has been done to implement the recommendations.

- Blind CV reviewing was trialled on a job vacancy, whereby all identifiers from CVs and Cover Letters were removed
- We redesigned our vacancy adverts and career's page by removing non-essential requirements, making our commitments to D&I clearer and highlighting the benefits of working at Serica
- Our job descriptions and vacancy adverts are now run through a gender de-coder to ensure gender neutral language is being used
- We are utilising our relationships with groups such as AFBE UK and the Armed Forces Covenant and posting vacancy adverts through their associated websites

The above list is just some of actions that have been implemented in 2021 and in 2022 we will continue to build on the progress that has been made. In 2021 we had a target to increase the proportion of women in the Serica workforce. At the end of 2021 female participation in our workforce increased by 23%.



Keira Peat, GSD Team Lead and Bruce Taylor, Mechanical Engineer

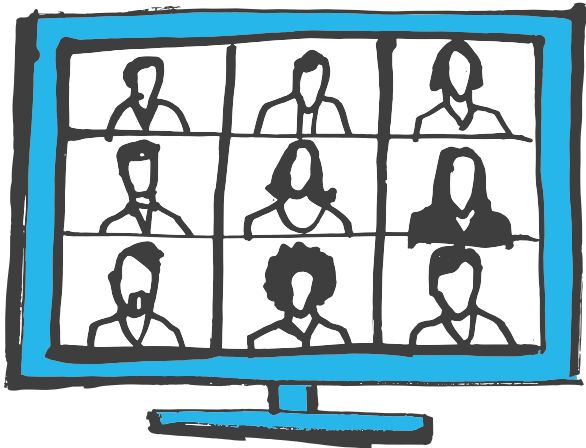
Affiliations:

AXIS NETWORK



Serica continues to be a proud signatory of the AXIS Pledge and has reaffirmed its commitment to attracting, retaining and a developing a diverse workforce by:

- Analysing the underlying reasons for any gender imbalance and/or gender pay gap
- Following a strategic plan, including clear targets to deliver positive change; and
- Being transparent with our staff and communicating our progress.





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AFBE UK



In 2021, we became a member of the Association for Black and Minority Ethnic Engineers (AFBE) UK. Currently only 9% of UK engineers are from black or minority ethnic backgrounds. AFBE UK work to increase the number of ethnic minority people who choose to pursue a career in the engineering industry.

As well as using their recruitment platform to advertise job vacancies we have also worked with AFBE UK on their NextGen and Real Projects programmes, more information on that can be found in the Quality Education Chapter of the report.

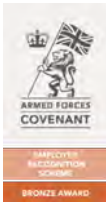
We have renewed our membership to AFBE UK for 2022 and hope to continue to work with them on their education and D&I initiatives.



Dr Ollie Folayan, Chair of AFBE-UK Scotland:  
"We are delighted to assist Serica Energy in developing their diversity and inclusion strategy. Serica Energy shares our values, in terms of providing a respectful and inclusive workforce, and so we look forward to working with them to continue this."

ARMED FORCES COVENANT

We confirmed our commitment as an Armed Forces Friendly Employer by signing up to the Armed Forces Covenant. Reservists and veterans bring a variety of transferable skills and qualities to the civilian workplace, developed throughout their military careers and at Serica we are fortunate to have such people already in our teams. By signing the pledge, we have confirmed our support to our workforce and their families and will aim to help those looking for employment to get the help, advice, and opportunity to have a career with us. We are proud to say that we were also declared a Bronze Award Holder in 2021!



In 2021 we set up our Veterans Support Network, the with aim to support anyone in our team with current or previous links to the armed forces. The Veterans Support Network is now investigating ways that we can further support our own staff and those leaving the armed forces to enter civilian life. We fully support the UK Reserve and Auxiliary Forces and ensure that any employees who are members are not disadvantaged by a request to serve with the Armed Services.

Gender Pay Gap

The gender pay gap refers to the difference between the average (mean and median) earnings of men and women across an organisation's workforce.

In the United Kingdom, an employer who has a headcount of 250 or more staff must comply with regulations on gender pay gap reporting. Although reporting for Serica is not mandatory, we have chosen to share some key findings here.

By the end of 2021, Serica had 149 male employees and 20 female employees. In total, female employees made up 11.8% of our workforce, which is higher than our target of 10% by the end of 2021. From our female workforce, 60% have roles in our technical team and 40% in our business support unit.

In 2021, Serica conducted its first full internal gender pay gap review, which included completing the statutory gender pay reporting exercise. Despite Serica not being legally required to do this due to our size, we felt it important to carry out this exercise to understand any pay gaps that may be present, compare to peers and implement changes to minimise any gender pay gaps from occurring. The review as of the 5th of April 2021 found;

	2021
Mean gender pay gap	22%
Median gender pay gap	18%
Mean bonus gap	-18%
Median bonus gap	-10%

The mean and median gender pay gaps for pay within Serica showed them to be around 20% higher for men than for women. We believe one of the reasons for this is that within Serica our highest proportion of employees work offshore, who are all male, work in roles that are paid traditionally higher rates.

The mean bonus gap, as of April 5th 2021, was negative, which indicates that bonus levels paid to women within Serica are higher than those paid male employees. This is due to the proportion of women we have in senior positions, who receive proportionally higher bonuses.



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As an organisation, we are taking action to further develop our culture and practices to ensure that they are inclusive and attract diversity, many of which are highlighted throughout this chapter. We believe that the non-mandatory publication of these results further highlights Serica's commitment to transparency and action in building an equal and fair organisation.

The Equal Pay Gap

Serica's reward philosophy applies a pay and grading model to the various different roles within our business to ensure that our pay is internally fair and externally competitive. Our pay and grading model allow an accurate comparison of roles and reward against others in the market and guides our decisions in relation to reward.

Our HR model sorts roles into discipline areas. Within those, a grade structure pinpoints the complexity of roles, know how, problem solving, level of autonomy and accountability required to fulfil each role. This structure guards against a lack of parity within particular roles that could arise from bias such as gender. Our salaries associated with each of the families, disciplines and grades fall within a broad band structure.

On an annual basis, Serica chooses to input its data to the annual Korn Ferry Reward survey which compares Serica's data with over 100 other oil and gas companies to generate a report detailing our external competitiveness and our internal equity. Any anomalies in relation to internal equity are investigated and, where appropriate, corrections are made.

The continued completion of this non-mandatory survey, for a company of Serica's size, shows our commitment to ensure gender equality and eliminating gender bias across the organisation. The survey completed in 2021, found that there were no disparities between men and women undertaking the same roles.

Our Diversity & Inclusion calendar

In 2021, our D&I Committee launched the first D&I Inclusion calendar. This calendar highlighted a diverse range of 11 celebration/awareness days, such as International Women's Day, Autism Awareness Day, Pride Month, Black History Month and Armed Forces Day.

The calendar's aim was to allow our team to not only celebrate diversity and inclusion in the workplace but also in their wider lives and communities. We have been delighted to have such great engagement from our team on celebrating these days. In 2022 we want to build on our progress to date by growing relationships, raising awareness, developing our people and implementing change.



Showing our support for International Women's Day #BreakTheBias

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# Valuing our staff and contractors



“We recognise the proportion of their lives that our people dedicate to work, and we strive to reward this, not just by providing competitive salaries and attractive employment benefits, but also by making their working life more fulfilling”

**Christine Forbes,**  
HR Lead

The additional challenges brought by the pandemic in 2021 put a strain on the way we work and so we listened to our team and developed and implemented our flexible working policy, making sure people had the tools to work comfortably at home and were able to work in the office if working from home was proving too difficult.

## Rewards and benefits

We annually benchmark our salaries against other oil and gas companies, to ensure that our offering continues to be attractive and competitive. Our 2021, Korn Ferry study benchmarked Serica as 12.7% ahead of the 50th percentile of salaries for oil and gas companies, an increase from 2020. In addition to that, are staff also receive other employment benefits, such as:

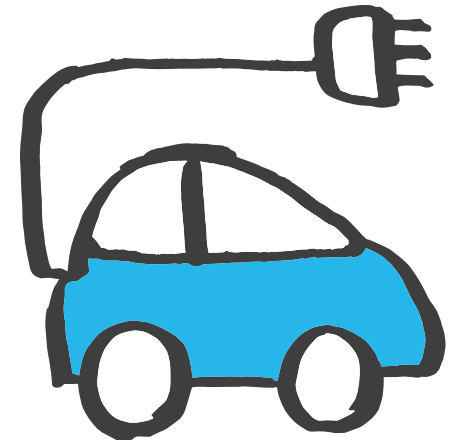
- A generous non-contributory pension scheme
- Private medical insurance
- Free health assessments
- Health cash plans
- Employee assistance programmes
- Personal accident and business travel insurance
- Cycle to work scheme
- Electric car salary sacrifice
- Group income projection
- Death in Service and insurance
- Share Save Scheme
- Share Incentive Plan

## Annual bonus

We reward our employees with generous bonuses of up to 30% of their base salaries. To help maintain a culture of shared responsibility and teamwork, we not only link our team's bonuses to individual performance, but also organisational, HSE and ESG performance. More details on our ESG KPIs that are linked to our team's remuneration can be found on [page 8](#).

## Electric car salary sacrifice scheme

Our offshore ESG champions suggested that Serica introduce an electric car salary sacrifice scheme to encourage staff to reduce their environmental footprint. We carried out an internal review and the scheme was introduced starting in the 2022 tax year.





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## Flexible working

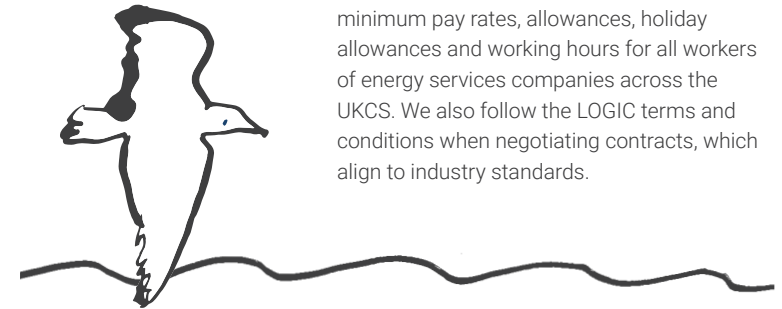
We carried out a staff survey on preferred working conditions and the overwhelming feedback was that there was a strong desire for greater flexibility in working hours and locations. As a result, we developed our Flexible Working policy, where staff can choose which days of the week they wish to come into the office, with no maximum or minimum number required. This is at their manager's discretion and staff must be available to attend meetings or workshops when they can't be done remotely. We also introduced "anchor days", which are defined days of the week that staff are encouraged to come into the office in order to better collaborate and share ideas with their team.

In order to maintain our high wellbeing standards at home as well as in the office, we have made it mandatory for all staff to complete an annual Display Screen Equipment (DSE) Assessment of their home working space. This assessment allows us to make sure that our team have the proper facilities to work from home. Serica purchases all IT equipment for staff and can provide specialised office equipment if required.

## Working with our contractors and suppliers



Serica could not run its assets without the continued support of our suppliers and contractors. In 2021, 90% of Serica's total supplier spending went to UK based suppliers, of which 56% was spent on companies registered in the Northeast of Scotland. We endeavour to be a fair and reasonable partner and we believe our suppliers generally find us a good company to do business with. We went further in 2021 and took exceptional steps to adapt to the ongoing situation brought on by the pandemic. Under normal circumstances, we adhere to the standard 30-day payment periods of invoices, but we recognised that we could offer extra support to some of our suppliers through this difficult time was through faster payments. As a result, we managed to accelerate a number of invoice payments to within 15 days to assist in supplier cashflow.



We also like to give credit where credit is due and do this in a number of ways. In 2021 we issued several spot recognition awards to individual contractors that we felt provided an exceptional service. We also sent letters of appreciation signed by our VP Operations to companies we work with that performed beyond our expectations or provided an outstanding service.

Another way we demonstrate our commitment to fairness and transparency with our contractors is by being a supporter of the Energy Services Agreement, developed and published in 2021. This is a collective bargaining agreement that aims to deliver a fair, equitable, and transparent basis for minimum pay rates, allowances, holiday allowances and working hours for all workers of energy services companies across the UKCS. We also follow the LOGIC terms and conditions when negotiating contracts, which align to industry standards.

"During this difficult time we recognised that we could offer extra support to some of our suppliers and accelerated a number of invoice payments to within 15 days to assist them with their supplier cashflow."

**Peter Stephen**  
Contracts Manager





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# Investing in technology for the energy transition



**At Serica we fully acknowledge and support the role that new and innovative technologies will have in our industry and the energy transition. We continue to actively seek opportunities to help develop and implement technologies that can improve our performance and reduce our environmental impacts.**

## Net Zero Technology Centre

Serica is a proud and active member of the Net Zero Technology Centre (NZTC), formerly the Oil and Gas Technology Centre. Its aim is to aid the acceleration of the energy transition by supporting the development and deployment of innovative technology to increase the affordability of reaching net zero emissions. In 2021, we committed an estimated £200,000 to a variety of NZTC projects.

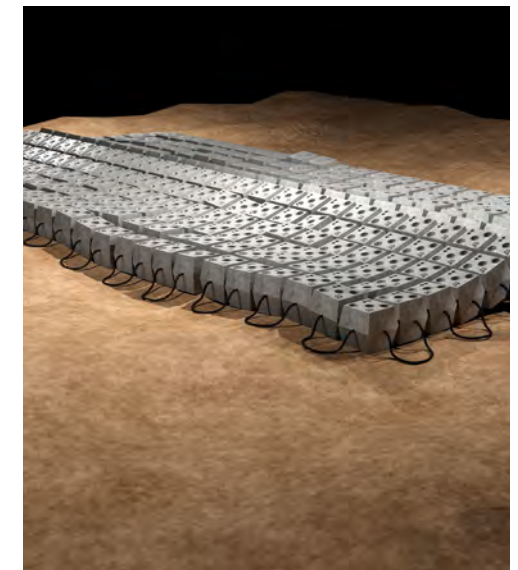
## Arc Marine

For decades concrete mattresses have been used by offshore operators, such as Serica, as a means of protecting subsea cables and pipelines from potential damage. However, these concrete mattresses are often made with high carbon Portland cement and plastic in the form of ropes and reinforcement fibres. These mattresses are required to be lifted from the seabed at the end of an asset's life cycle, although these recovery campaigns can often cause additional HSE risk and high associated carbon emissions due to the resources needed to recover, clean, and dispose of the materials.

Through our relationship at the Net Zero Technology Centre, Serica has partnered

with Arc Marine, a UK-based eco-engineering company, to collaborate and undertake research and development activities to understand the effectiveness of their Marine Matts. Marine Matts are designed to provide a low-carbon protection to subsea cabling and pipes. The Marine Matts have been designed to provide reliable protection to infrastructure whilst minimising impacts to the seabed and surrounding habitats by utilising their Nature Inclusive design principles.

As part of our agreement with Arc Marine, Serica will contribute engineering support and resources and vessel time and will lay a number of Arc Marine's Marine Matts on the seabed to test their effectiveness.



Marine Matts by Arc Marine

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## Energy Transition Zone (ETZ)

Serica is an active supporter and member of the Energy Transition Zone. The ETZ are a not-for-profit organisation with a vision of transforming the Northeast of Scotland into an international leader of energy transition activities and a key exporter of energy transitions services and skills.

In 2021, Serica was proud to champion the ETZ's Flaring and Venting Solutions programme. The programme aimed to aid operators in reducing their greenhouse gas emissions by connecting operators with a variety of innovative service providers and providing a platform for the service providers to pitch their innovative existing tools and services to operators. After each pitch, operators were able to give feedback on the presentations, which was fed back to the service providers.

## DIGITAL INNOVATION

### Innovations in emissions monitoring

During 2021, Serica worked with two companies, OPEX and Xodus, to help develop emissions monitoring tools to help us gain a clearer picture of where our emissions are coming from, establish how we can further reduce our emissions and automate our emissions reporting. More information on this can be found in the Environmental section, [page 11](#).

### Digital Business Intelligence (BI) dashboards

We have implemented more than 30 digital dashboards, that help our different teams to understand performance data in real time and identify improvement opportunities. Reports accessible through dashboards are updated automatically, with data pulled directly from our core systems. This eliminates the need for our people to spend time collating data and creating



David Kemp, Senior C&I Engineer and Ewen Saunders, Facilities Team Lead

reports manually and reduces the risk of human errors occurring. Additionally, Power BI provides powerful analysis capabilities, allowing our users to drill down, analyse and gain clear insight from their data.

### Data governance

Having good quality, trustworthy data is essential for working effectively and efficiently. Over the past 12 months, we have invested effort to make sure our engineering data is accurate and complete, formalising a 'class library' to improve quality and completeness of information in our data warehouse. As part of this, we have eliminated various uncontrolled data sources and introduced processes to ensure data stays well managed. We have also started connecting key systems together to allow data to be shared, allowing master data to be maintained in one place and ensure it stays up to date across the landscape.

### Connected Worker

SafeEx was first introduced in 2021, allowing inspection engineers to complete guided inspections and capture data in the field using mobile devices. Results of inspections are automatically uploaded to the SafeEx system, with any changes to master engineering data automatically passed into our engineering data warehouse. This tool allows us to complete high-quality inspections efficiently, providing assurance that a high standard of safety is being maintained and regulatory requirements are being met. We have also introduced a flexible workflow and data collection tool called Parsable, initially for well head inspections, allowing data to be captured, uploaded and shared with other applications. This tool may be beneficial for any field activity where structured guidance and data collection is required, and we are now looking for other use cases offshore.

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# GOVERNANCE

**Strong governance is the foundation of our business. We have developed and implemented strict codes of conduct, policies and management systems to ensure that we continue to operate with integrity and build a sustainable business.**

Our company is led by experienced industry experts in our Board of Directors and Senior Management Team.

In 2021, we began updating our Code of Business Conduct to ensure that it best represents Serica in 2022. We comply with all UK laws applicable to us and closely follow the UK Corporate Governance Code.





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# The principles that govern our business



"Good governance to me means doing the right things in the right way."

Stephen Lambert  
VP Commercial

We have designed and implemented strict codes of conduct, policies and detailed management systems that are strictly adhered to across the Company, and we follow the Quoted Companies Alliance Corporate Governance Code 2018. Our Board of Directors has the right level and range of expertise needed to ensure that the systems are in place to actively manage our governance. We actively engage with regulators and industry bodies to ensure that we are up to date with latest regulatory decisions. Serica's annual report describes in detail our [governance framework](#) and board responsibilities.

## Our Board

Our Board is comprised of highly experienced oil and gas industry professionals, who are ultimately responsible for Serica's ESG performance. In 2021,

We appointed three new Board members, taking the total number to nine (eight males and one female). The Board consists of three Executive Directors and five Non-Executive Directors. All Non-Executive Directors are independent from the company and have a variety of skills and experience that are relevant to our business.

We value the impact that independent members can bring and always aims to have a good level of independence within its Board. We believe that there is a good balance of Executive and Non-Executive Directors on Board. More information on our Board Members, their experience and skills can be found on our Annual Report and Accounts [page 28](#).

In 2021, our Board meeting attendance was 98%.

## 2021 Highlights

- Improved our alignment with TCFD recommend disclosures
- ESG KPIs linked to Senior Management and Directors' Remuneration
- Implemented new whistleblowing policy
- No monetary fines or sanctions due to regulatory non-compliance
- No contracts terminated due to non-compliances with our Code of Business Conduct
- No cases of corruption within the company
- £0 donated to political parties in the UK or abroad
- No issues raised through our Whistleblowing service

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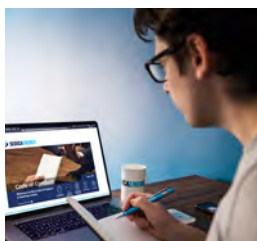
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## Code of Business Conduct

Our Code of Business Conduct highlights the behaviours we expect from our employees, contractors and third parties who act on behalf of Serica. We expect the highest ethical standards, and our Code of Business Conduct acts as a comprehensive guide to the principles of working with each other, the company's customers, suppliers, vendors, competitors, government bodies and the public, including shareholders. It covers areas such as Conflicts of Interest, anti-bribery and corruption, competition law, Modern Slavery and Whistleblowing. It also provides practical up-to-date advice to help workers complete their day-to-day duties. Our E-learning module on our Code of Conduct is mandatory for all staff and contractors and must be completed within three months of employment.

At Serica, we encourage a speak up culture, where should anyone believe a breach of our policies have occurred, they feel empowered to report via our grievance mechanisms. Any non-compliances with our Code of Business Conduct are investigated and dealt with in line with our discipline procedures. In 2021, there were no reported non-compliances with our Code of Business Conduct and no contracts were terminated as a result.



Our Code of Business Conduct is a live document that is regularly reviewed and amended based on changes to legal requirements and changes/additions to our existing policies. Throughout 2021, work was done to update our Code of Business Conduct to ensure that it continues to accurately represent the principles of Serica as our operations continue to grow. Our updated Code of Business Conduct is due to be released in 2022, along with a bespoke E-learning module for our staff and contractors.

## Anti-Bribery and Corruption

Serica upholds all laws relevant to countering bribery across all our operations. As a UK based operator, we are bound by laws including the Bribery Act 2010, in respect of our conduct both in the UK and abroad.

We have a clear Anti-Bribery and Corruption policy that is publicly available to all of our stakeholders. We ensure that our staff and contractors are clear on our zero-tolerance approach to bribery and corruption by providing mandatory training to all staff and contractors. This training covers how to spot various types of bribery within the workplace as well as Serica's procedures for accepting or offering gifts and hospitality. Serica has an internally monitored register for logging gifts and hospitality received or declined. Contractors who do not have access to our internal systems but do entertain on behalf of the company are asked to email our compliance team at [compliance@serica-energy.com](mailto:compliance@serica-energy.com)

Serica's Board have approved and endorsed Serica's Anti-Bribery and Corruption policy. In addition to this, all Board members have had this policy communicated to them and are required to undergo Anti-Bribery and Corruption training.

Serica Energy did not have any reports of any breaches to any of its policies, including instances of corruption during 2021.

## PLC Requirements

As a UK based Public Limited Company, Serica complies with all the disclosure and reporting requirements this entails. Serica follows the UK Corporate Governance Code which sets out standards of good practice for listed companies in areas such as board composition and development, remuneration, shareholder relations, accountability and audit. The code is published by the Financial Reporting Council (FRC). Details of the corporate governance processes and compliance requirements can be found in our Annual Report and Accounts, [page 33](#).

## Modern Slavery

Under the Modern Slavery Act 2015, Serica is required to publish an annual statement which sets out our processes for ensuring modern slavery and human trafficking is not taking place in our business or supply chains. Additionally, Serica have started the transition to contractor procurement screening service, SEQual, which highlights clauses in all operational contracts that state our expectations of compliance for our supply chain. To maintain awareness and compliance, Serica provides all staff with training on Modern Slavery.

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Serica does not tolerate any form of modern slavery in its business or supply chain and expects that its service providers, suppliers, vendors, and business partners will maintain the same expectations and standards within their respective business and supply chains. Our contractual terms require the highest standards of business ethics, compliance with applicable laws and commitment to health, safety, and the protection of the environment. Serica maintains the right to audit contractors / suppliers' policies, procedures, and records at any time to verify compliance.

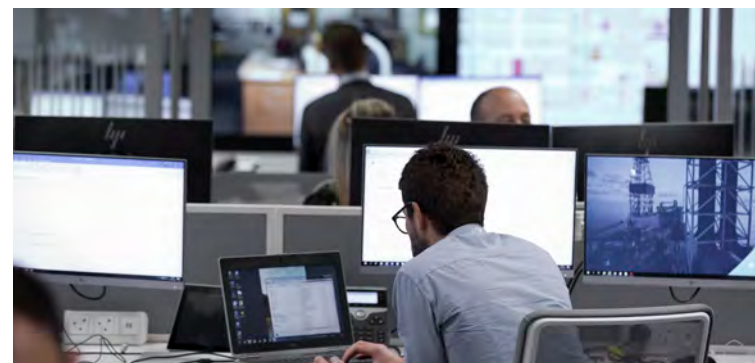
## Human Rights

Serica is a supporter of the Universal Declaration of Human Rights. We strive to ensure that our operations have no negative impacts on the human rights of anyone. As an organisation, we respect human rights in the workplace by having a zero-tolerance approach to discrimination or harassment of any kind, including gender, ethnic origin, sexual orientation, and religion. Serica is committed to providing equal opportunities to all our staff and applicants, as highlighted in our Equal Opportunities and Dignity at Work Policy. Throughout 2021, we carried out a review of our recruitment processes to ensure that they were inclusive for applicants from all backgrounds. We reviewed and updated the way we advertised positions to better reflect our commitment to diversity, inclusivity, and equality.

We provide all employees and contractors with safe working conditions and a fair and competitive salary. Although Serica does not currently have a unionised workforce, we recognise, support, and guarantee the right to collective bargaining and freedom of association. We are strong supporters of the Energy Services Agreement and actively engage with our contractor companies on employment related topics, such as shift patterns.

We support human rights by protecting and supporting the economic livelihoods of the people in our local communities and throughout our supply chain. Serica conducts adverse media screening on all vendors prior to any engagement. If human rights criteria are not met by any suppliers, Serica is willing to terminate our contract with that supplier. In 2022, we are seeking to align our procurement governance to the ISO 20400:2017 Sustainable Procurement principles.

Serica produces natural gas, a vital energy source that powers homes, industry and manufacturing. We actively engage with our local communities to establish how we can maximise our positive impacts through our social investments and donations. In 2021, we supported a number of different causes, helping to alleviate poverty and hunger and increase access to educational resources. More information can be found on [page 23](#).



## Cyber Security



In order to minimise cyber related risks, Serica utilises a security management framework which aligns with common cyber security standards including ISO 27000. Our Information Security Policy is integral to this and explains specific controls in greater detail. As is common with cyber security frameworks, we have technical controls and non-technical controls.

- Technical controls include anti-malware software, firewalls, and our Darktrace security tools which detect and neutralise network – or email-borne threats.
- Non-technical controls include the measures highlighted in our IT Acceptable Use policy. Serica aim to continuously raise greater awareness of threats such as phishing through regular and up-to-date user education and training.

Serica's operates a risk register which is used to identify and mitigate cyber risks. Serica are members of the OGISF (Oil and Gas Information Security Forum), which includes representatives from the NCSC (National Cyber Security Centre) and oil and gas operators. This group meets every week to exchange cyber intelligence such as latest threats and incidents. We backup all data regularly to ensure it is protected against physical risks such as fire and flood as well as cyber risks such as malware and ransomware attacks.

Serica performs annual assurance reviews of our security management framework. Due to its size, Serica doesn't currently fall into scope of NIS which is a regulatory standard for "Operators of Essential Services", however we make sure that our controls align with the NCSC's Control Assurance Framework.

In 2021, we obtained Cyber Essentials Certification, further highlighting our commitment to cyber security.



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## Privacy Notices and Personal Data Protection

Serica provides all relevant stakeholders with privacy notices that clearly explain how the company holds and processes personal data. We have implemented a specific "Personal Data Protection Policy" and "Subject Access Request Policy" that goes further into the rights of all employees to highlight our compliance to the Data Protection Act 2018 (GDPR). Our Data Retention Schedule is available to all staff and lists all legal timelines for how long we are entitled to hold all specific data for. We comply with annual registration to the UK regulator, the Information Commissioner's Office (ICO).

## Tax strategy

As a company we are committed to complying with all tax laws and regulations, paying all due taxes, and clearly reporting, in all jurisdictions that we operate in. Serica operates in the UK and as such adheres to strict laws relating to tax. We aim to always highlight our management of tax in a clear and transparent manner. We have good working relationships with the appropriate tax authorities in the UK, such as HMRC. More information on Serica's tax strategy can be found on the [Serica Energy website](#).

## Climate Related Risks and Opportunities

As the effects and implications of climate change become more apparent across the world, companies must have effective oversight and robust management procedures to in place to minimize any potential climate-related risks and seize any climate-related opportunities.

Our Board is responsible for the management and oversight of climate-related risks and opportunities. The Board is committed to reviewing and monitoring climate-related business risks and opportunities on a monthly basis as part of Serica's Risk Management Policy, with associated standards and procedures, which supports both operational and strategic planning.

Throughout 2021, Serica has been strengthening its alignment with the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework. Despite this being currently non-mandatory for a company of our size, Serica realises the importance of transparently highlighting our processes for identifying, managing, and mitigating climate-related risks to our stakeholders.

## Political contributions

Serica does not make contributions to any political party in the UK or abroad. In line with this, Serica donated £0 to political parties or candidates in 2021.

## Whistle blowing and grievance reporting

We encourage all employees, consultants, contractors, or other interested parties who suspect any non-compliances with our policies or the way in which we conduct business to report those to allow us to consider appropriate investigation and response.

Serica has appointed an independent, confidential reporting service, SeeHearSpeakUp, who operate a confidential phone line, online and email reporting tool available 24/7, 365 days a year. Serica guarantees that there will be no detrimental treatment of an individual as a result of that person raising a concern. Serica also provides a detailed information sheet of how the SeeHearSpeakUp service works and how to raise any concerns through the service.

By the end of 2021, no reports were made via the SeeHearSpeakUp service.

Serica's Grievance Procedure (SEPLC-BMS-HR-PRO-0004) sets out how our employees and contractors can raise any employment related grievances and highlights the steps that will be taken by Serica to investigate and deal with the grievance.

## Executive and senior management Key Performance Indicators (KPIs)

In 2021, we launched a new set of ESG KPIs designed to challenge all staff and management to make further progress in 2022. Our targets this year relate to Scope 1 emissions, daily and total CAT A flaring, total waste recycled, total general waste produced and developing a methane baseline. These targets are also linked to the remuneration of our Senior Management Team and Executive Directors (Chairman, CEO and CFO).



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# Task Force on Climate-related Financial Disclosures (TCFD)

Prior to mandatory reporting requirements, we have chosen to align with the TCFD recommendations. Building on our initial 2020 TCFD Report, we have created a 2021 TCFD Report that aligns more closely to the recommended disclosures and have carried out scenario analysis.

## GOVERNANCE

### The Board's oversight of climate-related risks and opportunities

Climate change is considered to be a material risk and is considered in the Board's review and evaluation of the wider Serica business strategy, planning and corporate targets.

Our Board is committed to reviewing and monitoring climate-related business risks and opportunities on a monthly basis as part of Serica's Risk Management Policy, with associated standards and procedures, which supports both operational and strategic planning. The HSE Committee, Audit Committee and Remuneration Committee have specific accountabilities relating to climate change risks and opportunities.

### Management's role in assessing and managing climate-related risks and opportunities

Our Senior Management Team is structured and empowered to ensure that the Board has the necessary climate related information to assess the associated risks and opportunities. They are responsible for compliance with and reporting against the organisational climate related metrics and targets in their individual business areas. The Senior Management Team are accountable for the risk management policies as well as ESG related strategies and programs which cover climate-related risk. Specifically, our Vice President of Environment, Social and Governance (VP ESG and Business Innovation) is responsible for the development and implementation of the Serica ESG strategy of which climate action is an integral part.

## STRATEGY

### Climate-related risks and opportunities identified over the short, medium and long term

Serica's Risk Management Policy underlines the identification, assessment, and mitigation of climate-related risks and is supported by management level procedures to ensure that a consistent approach to climate related risk identification is applied and, wherever possible, risks are reduced to As Low as Reasonably Practicable (ALARP). As our existing assets are all currently projected to cease production within the next ten years, as such, this is the key period of focus for the Company. We have primarily targeted our considerations of climate-related risks and opportunities over the short and medium terms. We use the risk categories recommended by the TCFD to further our reflection of climate-related risk and opportunities:

### Impact of climate-related risks and opportunities on business, strategy, and financial planning

We consider climate-related strategic and financial risks in both our existing asset portfolio and future business growth including potential acquisitions. We have developed operational objectives which are aligned with climate-related risk reduction and climate change resilience planning, both in response to its own climate impact and as part of the development of its wider ESG strategy.

### Quantitative financial modelling against chosen scenarios

In 2021, we used the North Eigg exploration prospect and conceptual development plans as a case study, running economics by varying parameters depending on either a 'stated policies' scenario (legislation stays the same as now) or a net zero scenario where renewables are accelerated to reduce climate change. The analysis ran economics focusing on specific parameters pertinent to the scenarios.

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CLIMATE RISK MANAGEMENT

Processes for identifying and assessing climate-related risks

Our corporate risk process is led by the Board which maintains a register of significant corporate risks for review at each of its regular meetings. This includes climate-related risks. The expected lives of our business assets are concentrated within the next ten years though the objective is to extend lifespans into the next decade where possible. We also seek growth opportunities which may extend our business programme. Consequently, the identification and assessment of climate risks in relation to our existing business is concentrated upon climate-related objectives and potential developments within this timeframe.

CLIMATE CHANGE METRICS AND TARGETS

Metrics used to assess climate-related risks and opportunities

Carbon emissions data is collected from our assets, including operated and partnered facilities. We assure this data for consistency and comparability throughout our portfolio over time. This data is used to ensure compliance with UKCS emissions regulation and to comply with all operating permits and consents associated with our assets and forms part of the licence to operate.

Carbon emissions and climate risk levels, including Scope 1, 2 and 3 GHG emissions

We report to all mandatory carbon-related regulations, including our Pollution Prevention Control (PPC) permit and the requirements of the UK Emissions Trading Scheme (UK-ETS). Our emissions targets for 2022 are described in the 'Our commitment to the environment' section of the ESG report. We have set emissions related targets which relate directly to employee remuneration, flare reductions on the Bruce asset and emissions reductions across operations.



Transition Risk	Mitigation
The transition away from carbon-based power generation may restrict the future demand for, or production of, the company's oil and gas reserves	<ul style="list-style-type: none"><li>• The estimated value of future reserves is discounted more heavily for later periods of production</li><li>• The Group's reserves are weighted towards gas which is playing a key role in the global energy transition</li></ul>
Energy transition objectives may bring additional costs, levies, or taxes	<ul style="list-style-type: none"><li>• Estimates of climate-related charges are included in cost estimates where reasonably identifiable</li><li>• Management prioritises the delivery of ESG objectives aimed at mitigating any additional levies</li></ul>
Sources of finance including equity markets and debt providers may be harder to access or become more expensive	<ul style="list-style-type: none"><li>• Management engages with potential sources to anticipate their ESG compliance requirements</li><li>• The Company also seeks to retain a range of alternative financing options</li><li>• Potential funding cost increases are considered when planning investments</li></ul>
The range of potential acquisitions may be restricted by ESG considerations	<ul style="list-style-type: none"><li>• Management considers the emissions profiles of potential acquisition targets and the mitigating actions that it can implement</li><li>• Serica prioritises opportunities to deliver low carbon intensity production into the UK market</li></ul>

Physical Risk	Mitigation
More extreme weather patterns may threaten or disrupt operations	<ul style="list-style-type: none"><li>• The Company seeks to maintain robust transport and supply chains</li><li>• The impact of extreme climatic conditions such as exceptional waves are incorporated in risk management scenarios</li></ul>
Energy transition objectives may bring additional costs, levies, or taxes	<ul style="list-style-type: none"><li>• Estimates of climate-related charges are included in cost estimates where reasonably identifiable</li><li>• Management prioritises the delivery of ESG objectives aimed at mitigating any additional levies</li></ul>



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# APPENDIX 1 – MANAGING OUR OPERATIONS

## Our commitment

We commit to conducting our operations in a way that is not harmful to people and our local communities and minimises our impact on the environment. With the support of our partners, Serica's goal is to uphold and continuously improve the health, safety, environmental and quality (HSEQ) performance exemplified at Bruce, Keith & Rhum and to extend this approach to any assets we may acquire in the future.

## HSEQ POLICY

### Principles

Serica's Operations Management System (OMS) provides an integrated and systematic approach to Health, Safety, Environmental and Quality management and demonstrates how we:

- comply with all applicable legislation, industry standards and good practice;
- promote a positive HSEQ culture through visible leadership commitment, personal accountability, communication and engagement with key stakeholders;
- understand our risk profiles and apply a risk management process that reduces this risk to As Low As Reasonably Practicable (ALARP)
- ensure that HSEQ remains integral to the planning, design, construction, operation, maintenance and disposal of our assets;
- promote environmental sustainability and the reduction of our Carbon footprint;
- provide staff with suitable information, instruction and training relevant to their duties and responsibilities;
- maintain emergency response plans and the organisational capability to respond effectively to incidents and emergencies;
- continually improve our HSEQ performance by defining performance objectives, monitoring and measuring results, and completing a programme of audit and assurance activities.

Serica expects everyone involved in our activities to take responsibility and be accountable for compliance with this policy, our OMS, current legislation and all applicable regulatory requirements. The Chief Executive Officer, supported by the Board of Directors, is accountable for the HSEQ performance of the company and shall ensure that sufficient resources are in place to implement this policy.

## Our OMS

Our HSEQ policy is implemented through our Operations Management System (OMS), which provides the framework for systematic management of HSEQ across the organisation. The OMS is designed to deliver safe, environmentally, and socially responsible and reliable operations in accordance with defined policies, practices, processes and standards.

The structure and content of the OMS recognises the principles of HSG65 (Managing for health and safety), ISO 45001 (Occupational Health and Safety Management Systems) and ISO 14001 (Environmental Management Systems) and ensures that risks to the health and safety of personnel and to the environment are reduced to As Low as Reasonably Practicable (ALARP).

Throughout 2021, we continued our project to simplify our OMS to ensure that continues to be fit for purpose for an operator of our size, reducing it from eight operating elements to four. We have overhauled our system to make it faster, clearer and easier to navigate. We have developed our risk management framework to ensure clear and consistent methodology throughout and defined roles and responsibilities. In 2021, we began to roll out new elements of our OMS, starting with Understanding and Managing Hazards and Risks. Along with this, five bespoke E-learning modules were developed and released to our staff and core contractors and covered areas such as, how we assess risk, how we manage major accident hazards, management of change and managing integrity. In 2022, we will continue to develop and roll out Serica's updated OMS.

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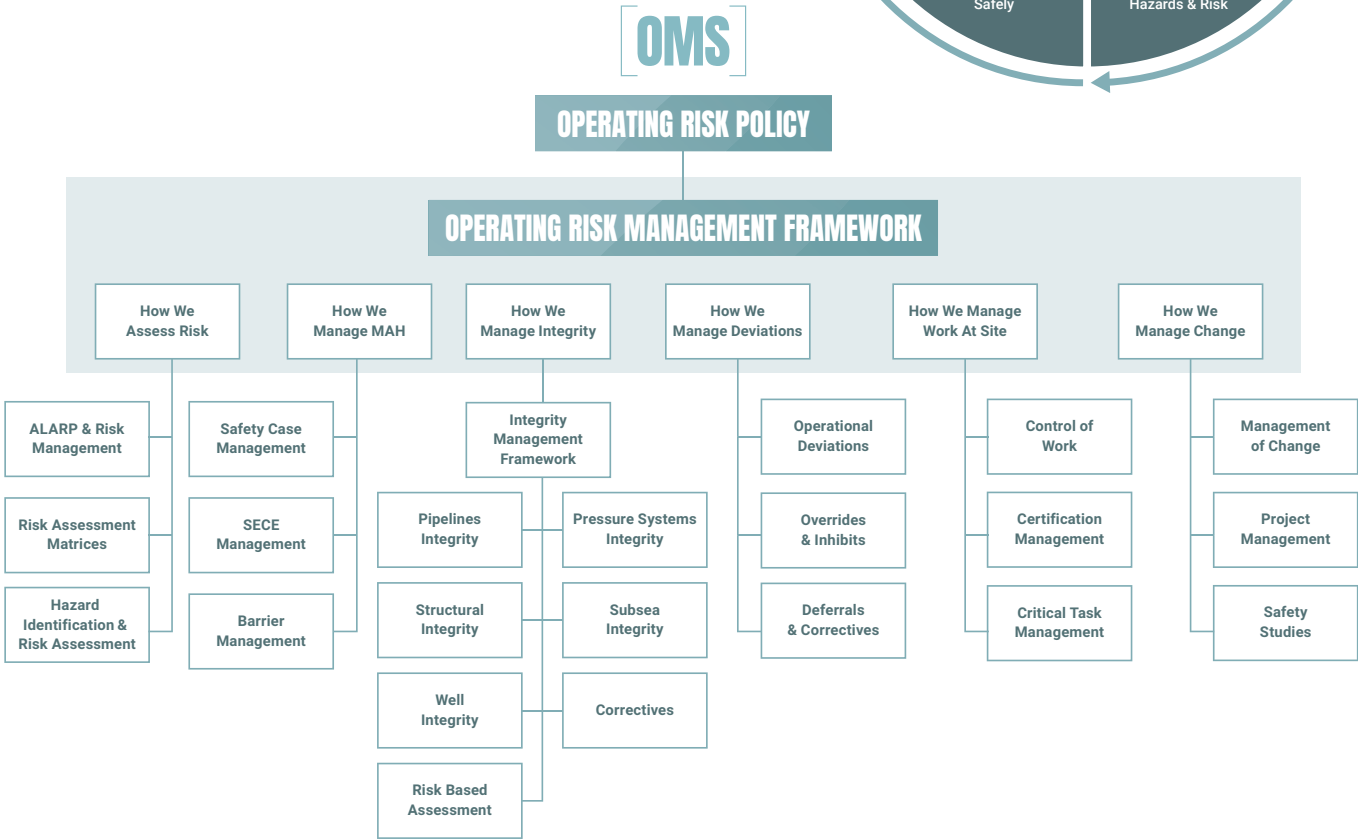
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Our Environmental Management System

The Environmental Management System (EMS) is also contained within the OMS and is attested against the requirements of OSPAR 2003/5. The EMS covers key aspects of environmental performance management including the management and tracking of chemicals, atmospheric emissions, discharges of produced water and the management of waste. The EMS details how we permit our operations and comply with all our regulatory reporting commitments. Our EMS also outlines how we report and comply with the requirements of emissions trading and in 2021 was updated to reflect the transition to the UK Emissions Trading Scheme (UK ETS). In 2021 our EMS underwent a third-party audit and was re-attested in May 2021



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# APPENDIX 2 – KEY STATISTICS: DATABOOK

Our databook presents material ESG data from across our organisation. The data is reported on an operational control basis, unless stated otherwise.

The data presented here is believed to be correct at the time of publishing this ESG report.

## ENVIRONMENTAL PERFORMANCE

Fuel usage	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total diesel utilised on the platform	Tonnes	2,185	3,062	1,857	-29%	18%
Total fuel gas utilised on the platform	Tonnes	73,382	69,630	81,365	5%	-10%
Total coal utilised in operations	Tonnes	0	0	0	No change	No change

Atmospherics	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total BKR CO <sub>2</sub> Scope 1 emissions – UK ETS	Tonnes CO <sub>2</sub>	208,868	204,648	241,503	2%	-14%
Total CO <sub>2</sub> Scope 1 emissions – Columbus Extended Well Test	Tonnes CO <sub>2</sub>	8,454	0	0	No change	No change
Total CO <sub>2</sub> Scope 1 emissions	Tonnes CO <sub>2</sub>	217,322	204,648	241,503	6%	-10%
Scope 2 emissions- Electricity	kg CO <sub>2</sub> e	15,339*	16,054	24,887	-4%	-38%
* The 2021 Scope 2 emissions figure may change as we are currently awaiting clarification on a missing piece of data.						
Scope 3 emissions - Bruce Supply Vessels, ERRVs, helicopters, diving support and ROV Vessels dedicated to Serica	Tonnes CO <sub>2</sub>	8,867	9,016	N/A	-2%	N/A
Scope 3 emissions - Rigs, helicopters and associated vessels dedicated to Serica for Columbus project	Tonnes CO <sub>2</sub>	10,821	N/A	N/A	N/A	N/A
Scope 3 emissions - Rigs, helicopters and associated vessels dedicated to Serica for R3 project	Tonnes CO <sub>2</sub>	15,103	6,180	N/A	144%	N/A
Scope 3 emissions - Columbus operations	Tonnes CO <sub>2</sub>	4,200	N/A	N/A	N/A	N/A
Scope 3 emissions - Erskine operations	Tonnes CO <sub>2</sub>	538	548	630	-2%	-15%
Total Scope 3 emissions	Tonnes CO <sub>2</sub>	39,529	15,744	630	151%	6,174%
Total CH <sub>4</sub> emissions flaring and fuel consumption	Tonnes	132	132	191	0%	-31%
Total CH <sub>4</sub> emissions from combustion activities	Tonnes	68	64	75	5%	-10%
Total N <sub>2</sub> O emissions from combustion activities	Tonnes	16.63	15.99	18.30	4%	-9%
Total NO <sub>x</sub> emissions from combustion activities	Tonnes	502.1	491.4	565.2	2%	-11%
Total VOC emissions from combustion activities	Tonnes	4.22	4.35	4.72	-3%	-11%
Total CO emissions from combustion activities	Tonnes	450.3	428.8	527.9	5%	-15%
Total SO <sub>2</sub> emissions from combustion activities	Tonnes	4.7	6.4	4.1	-27%	15%

Flaring	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total flared gas	Tonnes	4,804	5,696	10,309	-16%	53%
Average Base Load Flare per 24 hrs	Tonnes	9.7	10.5	11.6	-8%	-16%

Carbon Intensity	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Carbon Intensity	kgCO <sub>2</sub> /BOE	17.8	17.5	16.7	1%	6%



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## ENVIRONMENTAL PERFORMANCE

Carbon Offsets	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Carbon Offsets	Tonnes CO <sub>2</sub> e	0	0	0	No change	No change

Waste	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total waste produced offshore	Tonnes	199	254	315	-22%	-37%
Total general waste	Tonnes	132.20	174.59	228.47	-24%	-42%
Total waste to landfill	Tonnes	12.4	36.3	105.6	-66%	-88%
Total waste recycled	Tonnes	108.1	148.6	173.8	-27%	-38%
Waste to energy	Tonnes	70.32	45.95	16.71	53%	321%
Waste reused	Tonnes	0.4	1.86	0.08	-78%	400%
Incinerated waste	Tonnes	0.1	2.32	0.55	-94%	-75%

Disposal method as a Percentage of Total waste	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Landfill	%	6.2	14.3	33.5	-57%	-82%
Recycling	%	54.3	58.6	55.2	-7%	-2%
Waste to Energy	%	35.4	18.1	5.3	96%	568%
Waste reused	%	0.2	0.7	0.0	-71%	704%
Incinerated waste	%	0.1	0.9	0.2	-93%	-65%
Other waste	Tonnes	7.6	18.5	18.2	-59%	-58%
Scrap metal	Tonnes	32.5	33.4	44.4	-3%	-27%
Hazardous Waste	Tonnes	33.3	45.5	42	-27%	-21%
Other	%	3.8	7.3	5.8	-48%	-34%

Production	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Annual oil and gas production (gross BKR)	boe	11,764,642	11,729,964	14,981,862	0.3%	-21%
Percentage of oil in total production	%	9.1	10.5	11.8	-13%	-23%

Energy	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Energy Usage – Bruce Facilities	GWh	975	950	1,120	3%	-13%
Energy Usage – Aberdeen Office	KWhr	56,021	57,801	88,647	-3%	-37%
Energy Usage – London Office	KWhr	16,222	11,056	18,058	47%	-10%
Energy Intensity	KWhr/boe	83	79.163	75.167	5%	10%
Energy Intensity	MWhr/boe	0.083	0.081	0.075	2%	11%
Renewable Energy Used in Operations	Mwhr	0	0	0	No change	No change

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### ENVIRONMENTAL PERFORMANCE

Water	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Volume of potable water transported to Bruce	m³	577	0	0	N/A	No change
Volume of seawater withdrawn	Tonnes	34,000,000	34,000,000	34,000,000	No change	No change
Note: Currently approximate numbers estimated from seawater lift pump capacity – not directly metered						
Volume of freshwater withdrawn	Tonnes	0	0	0	No change	No change
Volume of oil discharged overboard in produced water	Tonnes	1.21	0.21	0.59	477%	105%
Volume of oil in water reinjected	Tonnes	0	4.41	2.92	-100%	-100%
Average concentration of oil in water reinjected	Tonnes	0	61.1	68.9	-100%	-100%
Average concentration of oil in produced water discharged overboard	mg/l	17.4	62.5	10.3	-72%	69%
Number of unplanned releases	Number	8	7	16	14%	-50%
Note: this includes PON 1s, PON 2s and ROGI releases						
Number of PON 1s	Number	7	5	12	40%	-42%
Number of PON 2s	Number	0	2	0	-100%	No change
Number of ROGI Hydrocarbon releases	Number	0	2	4	-100%	-100%
Non compliances (offshore Chemical Regulations)	Number	3	3	3	No change	No change
PON 1: Total hydrocarbons released to sea	Tonnes	0.03	0.796	0.411	-96%	-93%
PON 1: Total chemicals released to sea	Tonnes	4.87	0.00004	0.399	12184900%	1122%
Total chemical usage in operations	Tonnes	303,910	466,884	563,215	-35%	-46%

Expenditures	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Environmental fines	£	0	0	0	No change	No change

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Charity	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Charitable giving in the UK by Sector (Or UNSDG)- Total	£	30,299	36,278	15,585	-16%	94%
Charitable giving in the UK by Sector (Or UNSDG): No Poverty	£	5,850	15,188	1,385	-61%	322%
Charitable giving in the UK by Sector (Or UNSDG): Good Health and Wellbeing	£	19,824	10,000	14,200	98%	40%
Charitable giving in the UK by Sector (Or UNSDG): Zero Hunger	£	1,125	11,090	0	-90%	No change
Charitable giving in the UK by Sector (Or UNSDG): Quality Education	£	3,500	0	0	No change	No change

Health and Safety -BKR operations	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total hours worked – Employees	Number	278,503	286,105	345,928	-3%	-19%
Total hours worked – Contractors	Number	345,928	325,968	366,201	6%	-6%
Note: Includes office working and offshore working hours						
Accidents – total	Number	1	0	7	No change	-86%
Accidents – Employees	Number	0	0	1	No change	-100%
Accidents – Contractors	Number	1	0	6	No change	-83%
Lost Day Work Cases – Total	Number	0	0	3	No change	-100%
Lost Day Work Cases – Employees	Number	0	0	0	No change	No change
Lost Day Work Cases – Contractors	Number	0	0	3	No change	-100%
Medical Treatment Cases – Total	Number	1	0	1	No change	No change
Medical Treatment Cases – Employees	Number	0	0	0	No change	No change
Medical Treatment Cases – Contractors	Number	1	0	1	No change	No change
Restricted Work Day cases	Number	0	0	3	No change	-100%
Security incidents	Number	0	0	0	No change	No change
Average safety observation participation	%	92	90	85	2%	8%
Total Lost Day Rate	DAFWC per 200,000	0	0	0.89	No change	-100%
Total Recordable Injury Rate	TRIF per 200,000	0.4	0	2.07	No change	-81%
Total Recordable Injury Rate – Employees	TRIF per 200,000	0	0	0.64	No change	-100%
Total Recordable Injury Rate – Contractors	TRIF per 200,000	0.6	0	3.27	No change	-82%
Near Miss Frequency Rate	NMFR per 200,000	34	28.1	30.6	21%	11%
Near Miss Frequency Rate	NMFR per 1,000,000	170	140.4	153.4	21%	11%
Total Lost Time Injury Rate	LTIR per 1,000,000	0	0	4.45	No change	-100%
Lost Time Injury Rate – Employees	LTIR per 1,000,000	0	0	0	No change	No change
Lost Time Injury Rate – Contractors	LTIR per 1,000,000	0	0	8.19	No change	-100%
Occupational Diseases	OD per 1,000,000	0	0	0	No Change	No Change
Fatality Rate	Number	0	0	0	No Change	No Change
Fatality Rate – Employees	Number	0	0	0	No Change	No Change
Fatality Rate – Contractors	Number	0	0	0	No Change	No Change



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Our people	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total Number of Employees	Number	169	157	148	8%	14%
Total Number of Male Employees	Number	149	142	134	5%	11%
Total Number of Female Employees	Number	20	15	14	33%	43%
Proportion of Female Employees	%	11.8	9.6	9.5	23%	25%
Total number of Direct Contractors (London and Aberdeen)	Number	17	28	25	-39%	-32%
Total New Hires	Number	18	13	21	38%	-14%
Female New Hires	Number	6	2	6	200%	No change
Male New Hires	Number	12	11	15	9%	-20%
Total new hires from the local area (United Kingdom)	%	100	100	100	0%	No change
Incidents of discrimination	Number	0	1	0	-100%	No change
Female participation by discipline: Technical (Engineering, Operations, Subsea)	%	40	53	64	-25%	-38%
Female participation by discipline: Business Support (Finance, Commercial, PSCM)	%	60	47	36	28%	67%
Employees under the age of 30	%	9.5	10.5	11	-10%	-14%
Employees aged between 30-50 years old	%	65.5	60.8	67	8%	-2%
Employees over 50 years old	%	25	28.8	22	-13%	14%
Total Number of performance and career development reviews	Number	168	155	148	8%	14%
Turnover – total number of employees who left the company (only those who resigned)	Number	1	4	10	-75%	-90%
Turnover – total number of employees who left the company	%	0.5	2.5	6.8	-80%	-93%
Employees leaving under the age of 30	Number	0	1	3	-100%	-100%
Employees leaving between age 30-45	Number	1	3	5	-67%	-80%
Employees leaving over the age of 50	Number	0	0	1	No change	-100%
Total number of females who left the company	Number	0	1	2	-100%	-100%
Total number of males who left the company	Number	1	3	8	-67%	-88%
Total number of grievances	Number	0	0	0	No change	No change
Training	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total training hours	Number	4,624	3,928	No change	18%	No change
Total training spend	£	656,894	558,034	505,381	18%	30%
Wages and Salaries	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Total wages and salaries paid to employees	£	30,396,000	26,995,000	23,444,000	13%	30%
Freedom of association	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Employees unionised	%	0	0	0	No change	No change

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# APPENDIX 2 – KEY STATISTICS: DATABOOK continued

## SOCIAL PERFORMANCE

Supply chains	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Spend on UK suppliers	%	90	94	98	-4%	-8%
Spend on International suppliers	%	10	6	2	67%	400%
Spend on local suppliers (North East Suppliers)	%	56	37	36	51%	56%

Note: Data uses the registered company address

## GOVERNANCE PERFORMANCE

Our Board	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Board size	Number	9	7	6	29%	50%
Board members with tenure of: 1-5 years	Number	7	4	4	75%	75%
Board members with tenure of: 6-10 years	Number	0	1	0	-100%	No change
Board members with tenure of: 11+ years	Number	2	2	2	0%	0%
Board member average age	Number	64	67	66	-4%	-3%
Board members aged under the age 30	%	0	0	0	No change	No change
Board members aged between 30 and 50 years old	%	11	0	0	No change	No change
Board members aged over 50 years old	%	89	100	100	-11%	-11%
Age of the youngest Board member	Number	49	50	59	-2%	-17%
Age of the oldest Board member	Number	79	78	77	1%	3%
Male Board members	%	89	86	100	3%	-11%
Female Board members	%	11	14	0	-21%	No change
Minority Board Members – Asian	%	0	0	0	No change	No change
Minority Board Members – Black	%	0	0	0	No change	No change
Minority Board Members – Hispanic or Latino	%	0	0	0	No change	No change
Minority Board Members – White	%	100	100	100	No change	No change
Minority Board Members- Other	%	0	0	0	No change	No change
Board member independence	%	66.7	71	66.7	-6%	No change
Board member-overboarding: Currently sitting on more than one Board	Number	4	1	1	300%	300%
Board member-overboarding: Currently sitting on only one Board	Number	5	6	5	-17%	No change
Number of Board meetings	Number	11	12	14	-8%	-21%
Board member attendance at Board meetings	%	98	100	99	-2%	-1%
Board members attending less than 75% of Board meetings	%	0	0	0	No change	No change

Reporting initiatives	Units	2021	2020	2019
External reporting initiatives		GRI 2021, SASB, TCFD, UNSDG, UNGC	GRI, SASB, UNSDG, UNGC	GRI, SASB, UNSDG

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### GOVERNANCE PERFORMANCE

Ethics and Regulations	Units	2021	2020	2019	% Change from 2020	% Change from 2019
Non-compliances with code of ethics	Number	0	0	0	No change	No change
Contracts cancelled due to unethical behaviour	Number	0	0	0	No change	No change
Cases of unethical behaviour	Number	0	0	0	No change	No change
% of company with training on anti-bribery and corruption	%	94	94	94	No change	No change
Payments to Governments	£	0	0	0	No change	No change
Political Contributions	£	0	0	0	No change	No change
Incidents of regulatory non-compliance	Number	0	0	0	No change	No change



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# APPENDIX 3 – OUR TRAINING PROGRAMMES AND E-LEARNING

Classroom/Virtual	E-Learning
Alpha Solway Face Fit Test	Asbestos Awareness T008
Asbestos Awareness and Non-Licensed Work	Atmospheric Emissions
Assessor Refresher Training (Serica Internal)	Authorised Gas Tester
CompEx Electrical EX01 – EX04	Authorised Gas Tester Level 1 & 2
CompEx Electrical Refresher EX01R – EX04R	Authorised Gas Tester T045
COSHH Assessor	Benzene Awareness T009
Coxswain Competency Checklist (Serica Internal)	Chemical Use and Discharge T027
ECITB Approved Hand Torque Bolted Connection (MJ110)	Compressed Gas Cylinder Awareness
ECITB Mechanical Joint Integrity (MJ110 & MJ119)	Confined Space Entry
ECITB MJ110: Hand Torque Bolted Connection Techniques	Control of Work Awareness T038
ECITB MJ119: Hydraulic Torque Bolted Connection Techniques	Corrosion Management Awareness
ECITB SBT 01 Assemble and Install Small Bore Tubing Assemblies – Twin Ferrule	COSHH Awareness T011
ECITB SBT 02 Assemble and Install Small Bore Tubing with Cone & Threaded Medium and High-Pressure	Electrical Safety Rules
ECITB SBT01 – Assemble and Install Small Bore Tubing with Twin Ferrule Mechanical Grip Fittings	Electrical Safety Rules T042
ECITB Supervisory Management Training Module 1: Taking the Lead	Environmental Awareness
ECITB Supervisory Management Training Module 1: Taking the Lead	Environmental Awareness T021
ECITB Supervisory Management Training Module 2: Achieving Performance	Gas Compression
ECITB Supervisory Management Training Module 3: Sustaining Success	Gas Hydrates Awareness-UK & USA
ECITB Technical Mechanical Joint Integrity (TMJI)	Gas Treatment
ECITB TMJI10 Dismantle, Assemble and Hand Torque Flanged Joints	HAVS Awareness T014
ECITB TMJI19 Dismantle, Assemble and Hydraulically Torque Flanged Joints	Introduction to Potable Water
ECITB TSBT 01 Assemble and Install Small Bore Tubing Assemblies (Twin Ferrule)	ISSOW Level 1 (Performing Authority)
ECITB Working at Height	ISSOW Level 2 Issuing Authority
Electricity at Work Regulations	Legionella Awareness T007
Emergency First Aid for Electrical Personnel (Serica Internal)	Major Accident Hazard Awareness
Emergency Response Annual Medical (Serica Internal)	Major Accident Hazards T018
Face Fit Test FPS7000	Minimum Industry Safety Training (MIST) Further (OPITO)
Family Liaison Training	Nitrogen Awareness T015

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# APPENDIX 3 – OUR TRAINING PROGRAMMES AND E-LEARNING continued

Classroom/Virtual	E-Learning
Firearms Licence (Flare Ignition)	NORM Awareness T013
Internal Verifier	Oil & Gas Metering, Sampling and Pigging
IWCF Well Control Level 4	Oil and Gas Extraction
IWCF Well Intervention Pressure Control Level 4	Oil in Water
LOLER Appointed Persons	Oily Discharges
Manual Handling Assessor	Oily Discharges to Sea T030
Media Training – Benjamin Ball Associates	OPITO Authorised Gas Tester
Medical Aspects of Fitness to Work Offshore	OPITO MIST
OFAC Awareness Session (Serica)	OPITO MIST
Offshore Installation Manager (OIM) Controlling Emergencies (Assessment)	Piping and Instrumentation Diagrams (P&IDs) T081
OIM Legislation/Regulations	Piping Vibration
Opito Assessor	Power Generation Systems
OPITO Basic Offshore Safety Induction & Emergency Training (BOSIET) with CA-EBS	Process and Instrumentation Diagrams (P&IDs)
OPITO Combined FOET	Process Isolation
OPITO Combined FOET inc Norwegian Escape Chute	Provision of Use of Work Equipment (PUWER)
OPITO FOET with CA-EBS	Provision of Use of Work Equipment (PUWER) T004
OPITO Further Offshore Emergency Response Team Leader (FOERTL)	Relief Systems
OPITO Further Offshore Emergency Response Team Member (FOERTM)	Respiratory Protection
OPITO Further Offshore Emergency Training (FOET) with CA-EBS	Seawater and Firewater
OPITO Further Offshore Lifeboat Coxswain Twinfall	Separation
OPITO Major Emergency Management Initial Response (MEMIR)	Serica Code of Conduct
OPITO Offshore Emergency Response Team Leader (OERTL)	Serica Cyber Security and Phishing Awareness Training
OPITO Offshore Emergency Response Team Member (OERTM)	Serica Fatigue Awareness
OPITO Offshore Emergency Response Team Member (OERTM) Further	Serica Fatigue Awareness for Supervisor
OPITO Offshore Lifeboat Coxswain Further Training – Twinfall Simulator	Serica Introduction to Well Integrity
OPITO Offshore Lifeboat Coxswain Twinfall	Serica Maximo E Learning Module 1 – Introduction
OPITO Offshore Safety Representative Training	Serica Maximo E Learning Module 2 – Searching in Maximo
OPITO Rigger Training Stage 1	Serica Maximo E Learning Module 3 – Raising a Work Order

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Classroom/Virtual	E-Learning
Protection of Electrical Power Systems	Serica Maximo E Learning Module 4 – Adding Materials and Services to a Work Order
Provision & Use of Work Equipment Regulations (PUWER)	Serica Maximo E Learning Module 5 – Completing a Work Order
PUWER Assessor	Serica Maximo E Learning Module 6 – Raising a Requisition
Radiation Protection Supervisor	Serica Maximo E Learning Module 7 – Finance Awareness
Radiation Protection Supervisor RPS	Serica OMS: Certification Management
SafeEx Superuser Training	Serica OMS: How We Assess Risk
Shoulder Measurement	Serica OMS: How We Manage Major Accident Hazards
UKCS Offshore Installation Manager (OPEP Level 1)	Serica OMS: Management of Change
Unconscious Bias Training by Age Scotland (Serica Internal)	Serica OMS: Managing Integrity
VHF Radio	Serica: Arc Flash Awareness (SER001)
Well Examination	Serica: Diversity and Inclusion
Working at Height – Unit 2 PPE User	SIS Advanced
Working at Height – Unit 2 PPE User	Waste Management Awareness T025
Working at Height – Unit 3 Use of Rescue Equipment	Water Injection –
Working at Height – Unit 3 Use of Rescue Equipment	Well Integrity Management Systems
	Working in Confined Spaces Awareness T002



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# APPENDIX 4 – OUR MATERIALITY ASSESSMENT

Serica is dedicated to the high operational standards demanded of us by our industry and stakeholders. We understand it is critical to our business as well as our stakeholders that these standards are met across the entirety of our operations as well as within the communities in which we operate, where we have the ability to benefit the communities our business interacts with. The social and economic conditions brought on by the Global Pandemic and other external challenges have continued to challenge every aspect of our societies. Serica continues to strive to be a good corporate citizen in these challenging times.

Serica as an organisation is responsible for a wide variety of impacts, both positive and negative, short term and long term, as a result of our operations. In line with this, Serica recognises more than ever the necessity for organisations such as ours to report clearly and transparently on a wide range of environmental, social and governance metrics to both communicate our positive and negative impacts, the challenges we face and the continual performance improvements we are making.

In recognition of this, Serica has aligned its ESG reporting to a number of internationally recognised reporting standards, such as, the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), UN Global Compact and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

As part of our goal to deliver transparency in this Report, Serica recognises the importance of explaining the process by which we assessed which elements of each chosen standard are material to the organisation and which are not. A full list of the topics and their materiality can be found in the 'Materiality Tables' in this report.

We follow a set process to identify ESG topics that are material to the business, as well as to define the scope and boundary of the impacts and effects the organisation has on these. Serica's Materiality Assessment was conducted internally referencing stakeholder engagement activities undertaken across the reporting year with subject matter experts from across the business, critically reviewing and inputting into the process to ensure the output was relevant and accurate. All benefits and impacts of identified material topics are considered, including but not limited to the economy, environment, people and potential impacts on human rights.

Stakeholder engagement on the topics deemed to be material was gained through industry level consultation, membership of industry associations and direct feedback from employees, collaboration with service and material suppliers, partners, shareholders and media reporting throughout the reporting period. In addition, direct stakeholder engagement for Serica's operated activities is undertaken through the UK regulatory approvals process for offshore oil and gas activities. Statutory stakeholders have the opportunity to engage with Serica through this process and the general public are informed prior to approval of changes to operational activities regulated by these processes. As an organisation whose main focus is currently on the United Kingdom Continental Shelf (UKCS), Serica is subject to stringent statutory requirements for reporting and engagement and as such, most stakeholders and associated engagements are identified by the Regulator or good industry practice. Serica receives routine feedback from an array of statutory consultees on all environmental licence and permit and consent applications. This feedback comes from organisations including, but not limited to, the Scottish Fisherman's Federation, Marine Scotland and the Joint Nature Conservation Committee (JNCC).

When determining whether specific ESG topics are material, Serica considers both its importance to us as an organisation as well as its importance to our stakeholders. Where a topic is deemed to be material it is linked to the relevant UN Sustainable Development Goal (UNSDG), helping us to contextualise how and where Serica's ESG performance contributes to UNSDGs. For this report, in line with the GRI recommendations, Serica utilised the GRI Sector Standards for the Oil and Gas Industry that were released in 2021, as another indicator of topics that could be material to Serica and its stakeholders.

A topic may be deemed to be of material relevance to the Company as a result of; stakeholder interest in the topic, relevance of the topic to the Company's operations, context which is external to the organisation, such as public opinion, or as a result of a specific ongoing or historical relationship the Company has with the topic.

In 2021, the materiality to Serica of each topic was assessed in turn and firstly ranked in terms of importance to these stakeholder types. We then undertook the same assessment of the importance of each topic in relation to our business, resulting in the Materiality Matrix. The topics deemed most material to Serica, highlighted in the Materiality Matrix opposite, form the focus of this ESG Report. The full details of this process can be found in the GRI Materiality Table that follows. We discuss these subjects in other publications, including the Company's Financial Results, on our website, in our Annual Report and in our Annual Environmental Statement.

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## APPENDIX 4 – OUR MATERIALITY ASSESSMENT continued

UNSDG	GRI Aspect/Serial Number	Aspect Importance to Serica	Aspect Importance to Stakeholders	Is Aspect Considered Material	Materiality
Decent Work and Economic Growth	GRI 201 Economic Performance	High	High	Yes	As a public limited company, it is important that our business has strong economic performance, both for the internal organisation and for our investors and shareholders. This is applicable across the whole Serica group. More information can be found in the: 2021 Annual Report and Accounts ( <a href="#">page 15</a> )
Decent Work and Economic Growth	GRI 202 Market Presence	High	High	Yes	As noted above, to perform well, it is vital for Serica to have a strong market presence relative to our peer groups of companies.
Decent Work and Economic Growth	GRI 203 Indirect Economic Impacts	Medium	Medium	Yes	Serica works with a wide variety of UK sub-contractors on both our production asset and projects. In 2021, 90% of Serica's total expenditure on suppliers was spent on UK based suppliers. As a company, Serica works with a variety of third sector organisations across the UK. See <a href="#">page 35</a> .
Decent Work and Economic Growth	GRI 204 Procurement Practices	Medium	High	Yes	It is vital to Serica and to wider society that we conduct our business in compliance with all relevant rules, regulations and guidance in relation to fair and transparent procurement.
Peace and Strong Institutions	GRI 205 Anti-Corruption	High	High	Yes	A core aspect of being a good corporate citizen is ensuring that our business is fully compliant and transparent with regards to all forms of anti-competitive behaviour, especially corruption and competition. See <a href="#">page 34</a> of the 2021 Annual Report and Accounts.
Peace and Strong Institutions	GRI 206 Anti-Competitive Behaviour	High	High	Yes	As above.
Peace and Strong Institutions	GRI 207 Tax	Medium	High	Yes	We comply with tax law and practice in all of the territories in which we operate, including the UK which is our main place of business. Compliance means paying the right amount of tax and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.
Responsible Consumption and Production	GRI 301 Materials	Low	Medium	Yes	Serica consumes a variety of raw and manufactured materials, which are utilised to provide both life support for our offshore personnel and to facilitate the production of hydrocarbons on our Bruce platform. See <a href="#">page 14</a>
Responsible Consumption and Production/ Climate Action	GRI 302 Energy	High	High	Yes	The growing focus on energy efficiency and the reduction of GHG emissions continues to be both a business and stakeholder focus. See <a href="#">page 9</a>
Life Below Water	GRI 303 Water and Effluents	High	Medium	Yes	As a North Sea operator Serica does not operate in a region where there is a scarcity of fresh water. However, seawater is used in the production process and water consumed on the platform is predominantly desalinated. Discharges of wastewater overboard are exercised in accordance with MARPOL 73/78 Regulations for the Prevention of Pollution by Sewage from Ships. See <a href="#">page 16</a>
Life Below Water	GRI 304 Biodiversity	High	High	Yes	The careful management of operations to reduce our direct and cumulative impacts to biodiversity, and the stakeholders who rely on it for their livelihoods is key to Serica, its investors and stakeholders. Environmental impact is assessed in accordance with the Department for Business Energy and Industrial Strategy's (BEIS) The Offshore Petroleum Production and Pipelines Assessment of Environmental Effects Regulations 2020.
Climate Action	GRI 305 Emissions	High	High	Yes	As a responsible operator Serica monitors and reports its emissions whilst actively seeking and identifying opportunities to reduce them.  Serica aligns its ambitions with that of the North Sea basin outlined in the <a href="#">North Sea Transition Deal</a> and DEUK's Road Map 2035. Road Map 2035 aims for the decarbonisation of the North Sea Basin by 2050 through the development and adoption of low carbon solutions. See <a href="#">page 9</a>

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UNSDG	GRI Aspect/Serial Number	Aspect Importance to Serica	Aspect Importance to Stakeholders	Is Aspect Considered Material	Materiality
Responsible Production and Consumption	GRI 306 Waste	High	Medium	Yes	Serica generates, stores, handles, transports solid wastes in accordance with the Environmental Protection Act 1990 and the Waste Management Licensing (Scotland) Regulations 2011 (WMLR) and MARPOL 73/78 Regulations for the Prevention of Pollution by Sewage from Ships. See <a href="#">page 14</a>
Life Below Water	GRI 307 Environmental Compliance	High	High	Yes	Serica Energy's operations are bound by the UK Environmental Legislation. UK offshore oil and gas operations are subject to one of the worlds tightest regulatory system. Key aspects of Serica Energy's environmental compliance are covered on pages **, ** and **.
	GRI 308 Supplier Environmental Assessment	Medium	Medium	Yes	Serica uses established and assured suppliers whose risks and impacts are managed under their own Management Systems. Serica's contractor assessment and management process complies with all UK legislative requirements. Serica aligns with Offshore Energies UK, FPAL and SEQual industry contractor assessment and selection initiatives.
Decent Work and Economic Growth	GRI 401 Employment	High	Medium	Yes	Serica is dependent upon the competence and stability of its workforce to deliver business results. It is important to ensure that we are fully complaint with all appropriate employment regulations for our onshore and offshore workforce and provide our team with a working environment that is responsible and safe. See <a href="#">page 34</a>
Decent Work and Economic Growth	GRI 402 Labour and Management Relations	Medium	Medium	Yes	Serica Energy manages its work force in alignment with stringent UK employment legislation to ensure all its recruitment, employee management and employee release policies are fair transparent and consistent with legal requirements and industry best practice.
Good Health and Wellbeing	GRI 403 Occupational Health and Safety	High	High	Yes	Occupational Health and Safety is a core requirement of the offshore oil and gas industry. Our offshore facilities and the onshore support network are of critical importance to Serica and our stakeholders. See <a href="#">page 18</a>
Quality Education	GRI 404 Training and Education	High	Medium	Yes	It is vital that our industry and its workforce evolve to meet the challenges of today's market, we have personnel who are and remain competent. The implementation of training and education for our staff is crucial in achieving this. See <a href="#">page 26</a>
Gender Equality and Reduced Inequalities	GRI 405 Diversity and Equal Opportunities	High	High	Yes	Maintaining a diverse and non-discriminatory workforce wherever we operate is imperative to Serica. It represents not only the right thing to do but ensures our business fully represents society and is resilient.
Gender Equality and Reduced Inequalities	GRI 406 Non-Discrimination	High	High	Yes	Please see above.
	GRI 407 Freedom of Association and Collective Bargaining	Medium	Medium	Yes	Serica is a Non-Unionised Workforce however this a does not preclude employees from becoming Union Members or partaking in collective bargaining with Serica Energy where appropriate. Serica senior management regularly engages in employee consultations to gain employee perspectives on current employment terms and conditions and adapts and updates where appropriate. See <a href="#">page 41</a>  Serica recognises, supports and guarantees the right to collective bargaining and freedom of association. Serica are strong supporters of the Energy Services Agreement.
	GRI 408 Child Labour	Medium	Medium	No	Employment law within the UK has all but abolished child labour practices. When these regulatory controls are combined with Serica Energy's stringent recruitment process and the requirements for offshore workers the risk of unknowingly employing child labour is significantly low that it is not deemed materially relevant.

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## APPENDIX 4 – OUR MATERIALITY ASSESSMENT continued

UNSDG	GRI Aspect/Serial Number	Aspect Importance to Serica	Aspect Importance to Stakeholders	Is Aspect Considered Material	Materiality
	GRI 409 Forced and Compulsory Labour	Medium	Medium	No	Employment law within the UK has all but abolished forced labour practices. When these regulatory controls are combined with Serica Energy's stringent recruitment and internal management processes the risk of unknowingly harbouring such employment practices is significantly low that it is not deemed materially relevant.
	GRI 410 Security Practices	Medium	Medium	No	The geographic isolation of the Bruce Platform east of Shetland and the lack of previous security incidents it has been deemed that Security Practices are not materially relevant and they have therefore been excluded from this ESG report. Within the Serica OMS Security is covered under the following OMS Documents: The Offshore Security Plan SER-UK-GUID-3.5-1000 and The Offshore Security Plan SER-UK-PLN-3.5-1001.
	GRI 411 Rights of Indigenous Peoples	Low	Medium	No	Serica Energy's UK areas of operations are not home to any communities or peoples who would be classed as indigenous. Therefore, the potential opportunities to infringe or promote the rights of indigenous peoples if not materially relevant to this ESG report.
	GRI 412 Human Rights Assessments	Medium	Medium	No	All of Serica Energy's operations and interests are currently UK based. No operations are currently occurring at a scale that warrants human rights assessments or where business activities are likely to infringe upon the human rights of employees or stakeholders.
Peace and Strong Institutions	GRI 413 Local Communities	High	Medium	Yes	Serica values the importance of supporting and working in collaboration with the communities in which we operate. The vast majority of this work is currently undertaken in the UK.
	GRI 414 Supplier Social Assessment	Medium	Medium	No	The majority of Serica Energy operations are currently UK based. Suppliers are subject to stringent UK as well as industry specific pre-approval initiatives such as FPAL and SEQual prior to working with oil and gas operators. Social impact assessment for suppliers in this context is not deemed material.
	GRI 415 Public Policy	Medium	Medium	Yes	As a UK based public limited company, Serica Energy is governed by strict rules relating to public disclosure and policy. Serica are a non-political organisation and do not donate to any political parties in the UK or abroad.
	GRI 416 Customer Health and Safety	Medium	Medium	No	Serica Energy produces oil and natural gas which is distributed through existing UK infrastructure. Customers in the traditional sense are not identified specifically as the oil and gas products are comingled with other producing fields in the North Sea. This topic is not deemed to be material.
	GRI 417 Marketing and Labelling	Low	Low	No	Serica Energy produces oil and natural gas which is distributed through existing UK infrastructure. No marketing or labelling is involved in this process and this topic is not deemed to be material.
	GRI 418 Customer Privacy	Low	Low	No	Serica Energy produces oil and natural gas which is distributed through existing UK infrastructure. Customers in the traditional sense are not identified specifically as the oil and gas products are comingled with other producing fields in the North Sea. This topic is not deemed to be material.
	GRI 419 Socioeconomic Compliance	Medium	Medium	Yes	Being a UK based operator with all offshore operations based in the UK, Serica Energy complies with all UK regulations associated with its business sector. This sector is stringently regulated, and the regulators are transparent.



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IMPORTANCE TO STAKEHOLDERS	IMPORTANCE TO SERICA			
	Materiality	Low	Medium	High
	High		GRI 204 Procurement Practices	GRI 201 Economic Performance GRI 202 Market Presence GRI 203 Indirect Economic Impacts GRI 205 Anti-Corruption GRI 206 Anti-Competitive Behaviour GRI 302 Energy GRI 304 Biodiversity GRI 305 Emissions GRI 307 Environmental Compliance GRI 403 Occupational Health and Safety GRI 405 Diversity and Equal Opportunity GRI 406 Non-Discrimination
	Medium	GRI 301 Materials GRI 411 Rights of Indigenous People	GRI 303 Water GRI 308 Supplier Environmental Compliance GRI 402 Labour and Management Relations GRI 407 Freedom of Association and Collective Bargaining GRI 408 Child Labour GRI 409 Forced and Compulsory Labour GRI 410 Security Practices GRI 412 Human Rights Assessments GRI 414 Supplier Social Assessment GRI 415 Public Policy GRI 416 Customer Health and Safety GRI 419 Socioeconomic Compliance	GRI 203 Indirect Economic Impacts GRI 306 Effluents and Waste GRI 401 Employment GRI 404 Training and Education GRI 415 Local Communities
	Low	GRI 417 Marketing and Labelling GRI 418 Customer Privacy		

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# APPENDIX 5 – 2021 GRI DISCLOSURES

**Statement of use** Serica Energy has reported in accordance with the GRI Standards for the period 01/01/21 to 31/12/21  
**GRI 1 used** GRI 1: Foundation 2021  
**Applicable GRI Sector Standard(s)** GRI 11: Oil and Gas Sector

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organisational details	Serica Energy PLC is a Public Limited Company.	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
		Serica Energy's headquarters are located in Aberdeen, Scotland.				
		Serica Energy operates within the boundaries of the United Kingdom.				
	2-2 Entities included in the organisation's sustainability reporting	<a href="https://www.serica-energy.com/asset-portfolio">https://www.serica-energy.com/asset-portfolio</a>				
	2-3 Reporting period, frequency and contact point	The reporting period started on the 1st of January 2021 and ended on the 31st of December 2021.				
		The reporting cycle is annual and aligns with the financial reporting period.				
		The date of the most recently published report is 05/05/2022.				
	For any questions regarding this ESG report, please contact Johnny Pike at <a href="mailto:johnny.pike@serica-energy.com">johnny.pike@serica-energy.com</a> .					
2-4 Restatements of information	There are no restatements of information and the scope for reporting in 2021 remains the same as 2020 across Serica's assets.					
2-5 External assurance	External assurance of Serica's Annual Report and Accounts is provided by EY on an annual basis. External assurance is a key element of UK PLC Compliance and this is owned by Serica's Chief Financial Officer (CFO).					
	There is currently no external assurance on Serica's ESG report.					
2-6 Activities, value chain and other business relationships	Serica Energy is active in the UK Energy Sector.					
	Information on Serica's Value chain can be found in the 2021 Annual Report and Accounts, <a href="#">page 4</a> .					
	More information on Serica's business relationships can be found on <a href="#">page 34</a> of the 2021 ESG report.					
	The successful development of the Columbus field has been considered as a significant change from the last reporting period, due to its capability to increase Serica's production. However, there have been no significant changes to Serica's supply chain activity.					

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GRI 2: General Disclosures 2021	2-7 Employees	<p>In 2021, Serica had a total of 169 employees, comprising of 149 male and 20 female. Serica also had 17 core contractors comprising of 13 male and 4 female, all staff and core contractors are based in the UK.</p> <p>In 2021, Serica had a total of: 169 permanent employees, comprising of 149 males and 20 females 166 full-time employees, comprising of 148 males and 18 females 3 part-time employees, comprising of 1 male and 2 females 0 temporary employees, comprising of 0 male and 0 female 0 non-guaranteed employees, comprising of 0 male and 0 female</p> <p>Data is collected from the Human Resources record of employees and direct contractors and is calculated on a head count basis of the number at the end of the reporting period.</p> <p>There were no significant fluctuations in the number of employees during and between reporting periods.</p>				
	2-8 Workers who are not employees	<p>In 2021, Serica had a total of 17 core contractors, 4 female and 13 male.</p> <p>Like many independent oil and gas companies, Serica utilises fixed term contractors to provide support to our operational activities. The mix of employees and contractors in operational roles is balanced to ensure that it is in the best interests of the business and has the resilience to respond to all operational challenges. This number remains relatively constant and will depend on operational activity.</p>				
	2-9 Governance structure and composition	Information on Governance structure and composition can be found in the 2021 Annual Report and Accounts, <a href="#">page 34</a> .				
	2-10 Nomination and selection of the highest governance body	<p>The Nomination and Corporate Governance Committee is responsible for monitoring the overall effectiveness of the Board and the appointment of new directors, together with succession planning for the Board. The Nomination &amp; Corporate Governance Committee regularly monitors the requirements for succession planning and Board appointments to ensure that the Board is fit for purpose and keeps pace with the evolution of the Company. If assistance with recruitment is required by the Committee, this will be made available. Director and senior management appointments and the Company's succession planning are also evaluated on a regular basis with good corporate governance practice on diversity, experience and skills and the evolving needs of the Company.</p> <p>The Nomination &amp; Corporate Governance Committee is mindful of the Board's performance and composition together with the performance of individual Directors and senior management.</p> <p>As the Company continues to grow its asset base and to refresh the Board the Nomination and Corporate Governance Committee maintains oversight of the Company's requirements to ensure that the make-up of the Board is kept in line with the Company's needs and provides a mix of experience, skills, personal qualities and capabilities appropriate to the task. These include full consideration to maintain a healthy diversity where this is possible, including gender diversity. Serica's Equal Opportunities and Dignity at Work Policy (SEPLC-BMS-HR-POL-0002) also applies to this process.</p>				

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				REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	At Serica Energy, the Chair of the highest governance body, the Board of Directors, is an Executive Chairman, meaning that they are not considered independent from the company. The reasons for this are highlighted in the 2021 Annual Report and Accounts, <a href="#">page 28</a> .  All of Serica's employees, including the Executive Chairman and Chief Executive Officer are expected to comply with Serica's Code of Conduct and our policy on conflicts of interest. More details of our policies regarding conflicts of interests can be found on the Serica Energy website.  In addition to compliance with our Code of Conduct, conflicts of interest are further prevented from occurring as conflicts of interests are a standing order item at the beginning of every Board meeting, in order to remind the Board of Directors, including the Executive Chairman to consider any conflicts of interest and declare any that have arisen.				
	2-12 Role of the highest governance body in overseeing the management of impacts	The Serica Board is directly accountable for the development, delivery and approval of all ESG and sustainable development related activities. The development of ESG initiatives and activities is the accountability of the VP ESG and Business Innovation who reports directly to the Chief Executive Officer.  Serica's corporate risk process is led by the Board which maintains a register of significant corporate risks for review at each of its monthly meetings. Sustainability, ESG and climate related risks and mitigation of any associated impacts are considered in this process. As a public limited company, Serica engages with its shareholders through regular reporting and meetings. Statutory stakeholder engagement is undertaken through UK oil and gas legislative permitting and consenting processes.  Serica's annual ESG report, in conjunction with its Annual Report and Financial Accounts communicates publicly and in detail the activities undertaken by the organisation to identify, manage and mitigate sustainability, ESG and climate related risk. A key focus of these reports is to communicate the effectiveness of applied mitigation measures and the demonstration of continuous improvement in identifying and managing impacts.				
	2-13 Delegation of responsibility for managing impacts	The Board delegates responsibility for the management of Serica's impact on the economy, environment and people through the senior management team and the departments of the organisation they are responsible for managing. All those with delegated responsibility are employees of Serica. The detail of this delegation through the appointment of Board committees and overview of the company structure can be found in the <a href="#">Corporate Governance Framework</a> section of the Annual Report and Accounts.				



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GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Serica's sustainability reports are produced by Serica's ESG Team and presented to our CEO and Board before issuing, they are given ample time to review and amend contents of the report accordingly. The sustainability report cannot be published without the consent of the CEO and Board, therefore the Board have ultimate responsibility for sustainability reporting and the process of defining and reporting material topics.				
		The process of identifying and day to day management of material topics are delegated to the Senior Leadership Team, more specifically, the VP ESG and Business Innovation. The Board are notified when changes are made to material topics and are empowered to review and change these at anytime.				
	2-15 Conflicts of interest	Serica's personnel, including the Board of Directors, are required to disclose any direct or indirect interest in any of the Company's suppliers, customers or competitors which could conflict with the Company's best interests and to avoid any actual or potential conflicts of interest. Personnel are expected to act solely for the Company's benefit. It is also a standing order item at the beginning of every board meeting to remind the Board of Directors to consider any conflicts and declare any that may have arisen.  In 2020, Serica began reporting Board Member over-boarding, and Board Independence to Stakeholders via Serica's ESG report, and updated information on these areas can be found on <a href="#">page 52</a> of Serica's 2021 ESG report.  If the company was entering a transaction that was being disclosed to the market and one of the Board of Directors was conflicted in any way, this would be disclosed to stakeholders.				
	2-16 Communication of critical concerns	As per Serica Energy's Whistleblowing policy SEPLC-BMS-HR-POL-0035, Serica Energy utilise the externally operated grievance mechanism, SeeHearSpeakUp, which is a confidential and independent service, that provides people with 24/7 support via email, online or phone. Any concerns raised from this service are investigated internally and reported to the Board of Directors. There is currently no criteria of what constitutes a critical concern for Serica, this is due to the very low numbers of reports made through the service. In 2021, 0 reports were made using this service.  Grievances can also be raised by anyone working at Serica through their Line Manger, these grievances are then assessed by Serica's Human Resources Team and reported to the Board of Directors if necessary.  In 2021, 0 reports of critical concerns were communicated to the Board.  More details on Serica Energy's Whistleblowing Policy can be found on the <a href="#">Serica Energy website</a> .				

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				REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	The Board of Directors has a wide range of experience and skills. To meet the requirements of an independent upstream oil and gas exploration, development and production company these experiences and skills must cover financial, legal, operational and technical knowledge experience of risk management and growth in the independent sector and of public markets. Each of the directors on the Board, both Executive and Non-Executive, have considerable experience and all have demonstrated skills which are complementary, independent and sufficient to cover all of the requirements of the Board. In terms of sustainable development, Serica has appointed a Vice President ESG and Business Innovation, whose role focuses on sustainable development and as a part of this, they empower and educate the Board of Directors on sustainable development topics and issues. Serica's Vice President ESG and Business Innovation reports directly to the CEO of the company.				
	2-18 Evaluation of the performance of the highest governance body	The make-up of the Company's Board of Directors has kept pace with transformational changes made by the Company within the last few years with the introduction of new experience and skill-sets complementing those already on the Board. By this means the Board is continuing to refresh and enhance its performance.  The Board considers that its effectiveness and the individual performance of its directors is vital to the success of the Company. It was recognised that, with the expansion of the Board in parallel with the growth of the Company's activities and the need to meet the requirements of the QCA, a formal Board evaluation process was required. During 2020, the Company conducted a full formal Board evaluation. As part of the evaluation, Directors were asked to evaluate the Board structure, dynamics and functioning, Corporate Governance and Internal Controls & Risk Management. Any concerns that are highlighted are addressed appropriately. Serica plan to conduct a formal Board evaluation every two years. More information can be found on <a href="#">page 35</a> of the 2021 Annual Report and Accounts.				
	2-19 Remuneration policies	Details on the Remuneration policies relating to the Board of Directors and the Senior Executives can be found in the 2021 Annual Report and Accounts, <a href="#">page 41</a> .  As noted on <a href="#">page 42</a> , Serica's ESG related KPIs, are linked to the remuneration of our Senior Executives, Executive Chairman, CEO, and CFO.				
	2-20 Process to determine remuneration	Serica's Remuneration Committee is responsible for determining remuneration and meets regularly to consider all material elements of remuneration policy, share schemes, the remuneration and incentivisation of Executive Directors and senior management and to make recommendations to the Board on the framework for executive remuneration and its cost. The Committee comprises of four Non-executive Directors.  The Committee aims to ensure that the Company has the right skills and expertise needed to enable Serica to achieve its goals and strategies and that fair and competitive compensation is awarded with appropriate performance incentives across the Company.  More information on the processes for determining remuneration can be found in the 2021 ESG Report, <a href="#">page 33</a> .				

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GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	<p>In 2021, Serica's highest paid individual was the Chief Executive Officer (CEO).</p> <p>Serica's total compensation ratio (total remuneration of highest paid individual vs. median employee remuneration) in 2021 was 10.6.</p> <p>The figures included in this calculation are the total reported compensation for the CEO and the Median remuneration for Serica employees in 2021.</p> <p>In 2021, there was an increase in 2.5 in Serica's total compensation ratio compared to 2020.</p> <p>Serica's reward philosophy applies a pay and grading model to the various different roles within our business to ensure that our pay is internally fair and externally competitive. Our pay and grading model allow an accurate comparison of roles and reward against others in the market and guides our decisions in relation to reward. Our HR model sorts roles into discipline areas. Within those, a grade structure pinpoints the complexity of roles, know how, problem solving, level of autonomy and accountability required to fulfil each role. This structure guards against a lack of parity within particular roles that could arise from bias such as gender. Our salaries associated with each of the families, disciplines and grades fall within a broad band structure.</p> <p>More information on Executive remuneration can be found in the Director's Remuneration Report, in the 2021 Annual Report and Accounts, <a href="#">page 42</a>.</p>				
	2-22 Statement on sustainable development strategy	This can be found in the Introduction section of the 2021 ESG Report, <a href="#">page 2</a> .				
	2-23 Policy commitments	<p>Serica's Policy commitments for responsible business conduct are described in the Corporate Governance section of the Annual Report and Accounts.</p> <p>As a UK company with interests solely in the UK, Serica is bound by the Human Rights Act 1998 and is fully compliant. In addition, Serica publishes a Modern Slavery Statement and has an Anti-Bribery and Corruption policy. All policy level documents are approved by the Board of Directors and apply to all business activities and business relationships where Serica is the operator of assets and installations.</p> <p>Policy documents are communicated to all employees on commencement of employment and are available on the Serica Operational Management System, with some also available on its website.</p>				
	2-24 Embedding policy commitments	<p>Serica's policy level commitments are owned by the Board of Directors and the commitments and content delivered by the accountable senior managers. Policy commitments are delivered through processes and procedures formalised in the Serica Operational Management System.</p> <p>A formal grievance mechanism exists for all UK permitted and consented activities via the oil and gas regulatory bodies in the UK. This applies to all Serica's operations.</p>				

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				REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Serica operates under a statutory grievance mechanism through the regulatory consultation process for permits and consents for operations and projects. As detailed above in disclosure 2-16, Serica also provides stakeholders with access to an independent grievance mechanism that is operated by a third-party.				
	2-26 Mechanisms for seeking advice and raising concerns	This is outlined in Serica Energy's Whistleblowing Policy SEPLC-BMS-HR-POL-0002.				
	2-27 Compliance with laws and regulations	In 2021, there were no significant instances of non-compliances with laws and regulation. As a result of this, no monetary fines were incurred.				
	2-28 Membership associations	Below is a non-exhaustive list of Serica's industry memberships: Brindex BSI standards Ltd Bureau Van Dijk electronic publishing Ltd Global Compact Network UK IMCA Holdings Ltd London Oil Scouts Group Mediterranean, Middle East & Africa Scout Group Offshore Energies UK (OEUK) OPOL Society for Underwater Technology The Net Zero Technology Centre The Quoted Companies Alliance UKOITC Oil Spill Response Energy Institute Subsea UK OGIA				
	2-29 Approach to stakeholder engagement	Serica's approach to stakeholder engagement is referenced in the Materiality Assessment in the 2021 ESG report, <a href="#">page 57</a> All statutory stakeholder engagement for Serica's activities, such as formal periods of consultation and public notices, has been undertaken.				
	2-30 Collective bargaining agreements	Serica is non unionised workforce and therefore there is no collective bargaining at present. Therefore, 0% of Serica's employees are covered by collective bargaining agreements. Although, Serica do recognise and support the right to collective bargaining and freedom of association, Serica have proved this through the strong support of the Energy Services Agreement.				



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				REASON	EXPLANATION	
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Serica's process for identifying material topics is presented in the 2021 ESG report, <a href="#">page 57</a>	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	<p>A list of Serica Energy's material topics for 2021 is presented below:</p> <p>GRI 201 Economic Performance GRI 202 Market Presence GRI 203 Indirect Economic Impacts GRI 204 Procurement Practices GRI 205 Anti Corruption GRI 206 Anti Competitive Behaviour GRI 207 Tax GRI 301 Materials GRI 302 Energy GRI 303 Water and Effluents GRI 304 Biodiversity GRI 305 Emissions GRI 306 Waste GRI 307 Environmental Compliance GRI 308 Supplier Environment Assessment GRI 401 Employment GRI 402 Labour and Management Relations GRI 403 Occupational Health and Safety GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity GRI 406 Non-Discrimination GRI 407 Freedom of Association and Collective Bargaining GRI 413 Local Communities GRI 415 Public Policy GRI 419 Socioeconomic Compliance</p> <p>Previously the following topics were deemed not material, however in 2021 they were now deemed material:</p> <p>GRI 207 Tax GRI 303 Water and Effluents GRI 306 Waste GRI 308 Supplier Environment Assessment GRI 402 Labour and Management Relations GRI 407 Freedom of Association and Collective Bargaining GRI 415 Public Policy GRI 419 Socioeconomic Compliance</p> <p>The reason for changes in the materiality can be found in the Materiality Assessment, on <a href="#">page 58</a> of Serica's 2021 ESG Report.</p>				

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Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	This is described throughout the <a href="#">2021 Annual Report and Accounts</a> .  The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 2</a> . The material elements for each topic as defined by 3-3 are described where applicable.  The impacts of GRI 201 Economic Performance are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	As a Public Limited Company, Serica Energy is required to disclose financial information in line with the requirements of the London Stock Exchange. The Serica Energy Annual Report and Accounts 2021 provides the information required to align with the aspects of GRI 201: Economic Performance 2016 deemed material to the organisation. The requirement to report economic value generated and distributed at a country, regional or market level is not significant as all of Serica Energy's operations are currently undertaken in the UK.					11.14.2 11.21.2
	201-2 Financial implications and other risks and opportunities due to climate change	This can be found in the TCFD section in the 2021 ESG Report, <a href="#">page 43</a> .					11.2.2
	201-3 Defined benefit plan obligations and other retirement plans	Details on the amount spent by the company on pensions and other related employment benefits can be found in the 2021 Annual Report and Accounts, <a href="#">page 71</a> .					
	201-4 Financial assistance received from government	This information can be found in the 2021 Annual Report and Accounts, <a href="#">page 75</a> .					
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	This is described in the <a href="#">2021 Annual Report and Accounts</a> .  The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 58</a> . The material elements for each topic as defined by 3-3 are described where applicable.  The impacts of GRI 202 Market Presence are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.					

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GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<p>Serica annually benchmark their salaries against other oil and gas companies, to ensure that our offering continues to be attractive and competitive. Our 2021, Korn Ferry study benchmarked Serica as 12% ahead of the 50th percentile of salaries for oil and gas companies. In line with this, all of Serica's salaries in 2021 were in excess of the national living wage. As Serica do not have a standard entry level wage, the ratio was calculated using the lowest paid male and female member of staff per hour.</p> <p>In 2021, the national minimum wage in the United Kingdom was £8.91 per hour for employees aged 23 years old and over during the reporting period. This minimum is applicable to all Serica's operations across the UK.</p> <p>2021's ratios can be seen below;</p> <p>Male employees: 2.25</p> <p>Female employees: 1.67</p> <p>This highlights the ratio of the lowest paid member of staff per gender divided by the current national minimum wage. It must be noted that the ratio calculation does not take into account role, department or job type.</p>				
	202-2 Proportion of senior management hired from the local community	All of Serica's senior management team are hired from within the United Kingdom.				11.14.3 11.11.2
<b>Indirect economic impacts</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 58</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 203 Indirect Economic Impacts are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.</p>				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Serica produces approximately 5% of the UK's natural gas production and is therefore indirectly responsible for the ongoing support of national gas related energy infrastructure. This contribution enables UK gas to be used in the UK and prevents additional UK gas import being required. In 2021, Serica has developed additional gas reserves in the Columbus and Rhum offshore fields and will drill the North Eigg exploration prospect in 2022, these are examples of Serica working to secure the ongoing domestic gas supply into the future. These are commercial investments which form a core part of Serica's business and support our shareholders, stakeholders and the communities in which we work through direct and indirect employment.				11.14.4
	203-2 Significant indirect economic impacts	This is described in the Valuing our staff and contractors and The principles that govern our business chapters of Serica Energy's 2021 ESG report, <a href="#">page 34</a> .				11.14.5

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
<b>Procurement practices</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 58</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 204 Procurement Practices are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	In 2021, Serica's total supplier expenditure on UK suppliers remained high at 90%, with the remaining 10% being spent on international suppliers. In terms of local spending, the percentage spent on local suppliers (North-east Scotland) was 56%. It must be noted that the data uses the registered company address i.e. some might be registered in England however we may deal with a branch in the North East.				11.14.6
<b>Anti-corruption</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 40</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 205 Anti Corruption are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risks related to corruption are assessed by Serica Energy as described in the Corporate Governance section of the 2021 Annual Report and Accounts, <a href="#">page 33</a> . As such, Serica considers all its operational activities to have been assessed for risks related to corruption. Given the controls and oversight in place through the PLC board, Corporate Governance commitments and management systems, Serica does not consider there to be a significant risk of corruption in its current operations.				11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	All 9 members representing 100% of Serica Energy's Board of Directors have had the Anti-Bribery and Corruption policy communicated to them. 161, representing 94% of Serica Energy's employees had conducted the Company's Code of Business Conduct e-learning training which includes modules on Anti-Bribery and Corruption policy by the close of 2021. Existing Board members are required to undertake the training every 2 years. Business Code of Conduct training is a mandatory requirement for those joining the Company. In 2021, work was done to update our Code of Business Conduct to ensure it continues to reflect Serica. A new E-learning module will be launched in 2022 and will be mandatory for staff and core contractors to complete.				11.20.3
		All business partners, contractors and vendors are required as part of their contractual Terms and Conditions to comply with Serica's Anti Bribery and Corruption Programme as if it applied mutatis mutandis to the contractor.				
	205-3 Confirmed incidents of corruption and actions taken	There have been no reported or confirmed instances of corruption in Serica Energy PLC.				11.20.4



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				REASON	EXPLANATION	
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 39</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 206 Anti-competitive behaviour are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.</p>				
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There are no legal actions pending and none have been completed during 2021 relating to anti-competitive behaviour or violations of anti-trust and monopoly legislation.				11.19.2
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 59</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 207 Tax are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts. This can be found on the Serica Energy website.</p>				
GRI 207: Tax 2019	207-1 Approach to tax	This can be found on the <a href="#">Serica Energy website</a> .				11.21.4
	207-2 Tax governance, control, and risk management	This can be found on the <a href="#">Serica Energy website</a> .				11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	This can be found on the <a href="#">Serica Energy website</a> .				11.21.6
	207-4 Country-by-country reporting	This can be found on the <a href="#">Serica Energy website</a> .				11.21.7
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 14</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 301 Materials are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.</p>				

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				REASON	EXPLANATION	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Serica uses a variety of chemicals, consumables and materials in support of its offshore operations. These are assessed and quantified in line with oil and gas industry best practice and UK legislative requirements.  A summary of the regulatory reportable chemicals and consumables used by Serica in its core BKR operations is provided below:  In 2021, Serica utilised a total of 303,910 kgs of chemicals of a permitted 981,651 kgs (30.95%) of chemicals. In comparison, in 2020 Serica's operations consumed 466,884 kg of a permitted 797,340 kg (58%) of chemicals.				
	301-2 Recycled input materials used	Do not report – not material				
	301-3 Reclaimed products and their packaging materials	Do not report – not material				
<b>Energy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 10</a> . The material elements for each topic as defined by 3-3 are described where applicable.  The impacts of GRI 302 Energy are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy is consumed by Serica in our offices onshore and on our offshore installations. Onshore energy is provided to the buildings and associated facilities by the local municipal supplier. In 2021, £8,266.76 was spent on electricity supply for Serica's main office in Aberdeen. In 2021, Serica's main Aberdeen office used 56,021 kWh. This is a slight reduction on 2020's figure of 57,801 kWh. In Serica's London office, 16,222 kWh was used in 2021.  Offshore, fuel gas is utilised to produce energy to support production, compression and life support systems. This gas use is metered, reported and energy use calculated. In 2021, the energy use from fuel gas offshore was 3,505.31 TJ. Energy use from fuel gas is tracked in accordance with the statutory requirements of the UK ETS.				11.1.2
	302-2 Energy consumption outside of the organisation	Do not report – not material				11.1.3
	302-3 Energy intensity	Based on the electricity generated offshore and reported in 302-1 above, the Serica Bruce platform has an energy intensity of 83 kWh per boe in 2021.				11.1.4
	302-4 Reduction of energy consumption	More information on energy reduction, conservation and efficiency initiatives can be found in the Our commitment to the environment chapter ( <a href="#">page 11</a> ) of the 2021 ESG report.				
	302-5 Reductions in energy requirements of products and services	Do not report – not material				

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Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>This is described in the Respecting the marine environment chapter of the 2021 ESG report, <a href="#">page 16</a>.</p> <p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 16</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 303 Water and Effluents are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.</p>				
	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	This information can be found in the Respecting the marine environment chapter of the 2021, ESG Report, <a href="#">page 16</a> .			11.6.2
	303-2 Management of water discharge-related impacts	This is described in the Respecting the marine environment chapter of the 2021 ESG report, <a href="#">page 16</a> .			11.6.3	
	303-3 Water withdrawal	<p>The use of seawater for cooling purposes is common practice in the oil and gas industry. Direct seawater withdrawal is not directly metered however it has been estimated that Serica withdraws 34 million tonnes of seawater per annum. However most of this seawater is discharged back to the sea.</p> <p>Serica does not operate in any areas with water stress and therefore withdrew no water from water stressed areas over the reporting period.</p>				11.6.4
	303-4 Water discharge	<p>Water discharges from Serica operations relate solely to groundwater that has the potential to have been in contact with oil and gas reservoirs, this water is treated to a high standard to remove entrained hydrocarbons.</p> <p>In 2021, Serica discharged a total of 69,543.8m³ (69,543.8 megalitres) of produced water to the sea at an average oil in water concentration of 17.42 mg/l at an average discharge rate of 208.2m³ per day. Serica's Internal targets are aligned with our permitted discharge allowances.</p> <p>In 2021, Serica's permitted allowance for the average oil in water permitted allowance was 18.2 mg/l and the permitted allowance for the amount of produced water that Serica able to discharge to sea, was 73,813m³.</p> <p>Serica does not operate in any areas with water stress and therefore does not discharge any water to any water stressed areas.</p>				11.6.5
	303-5 Water consumption	<p>As mentioned above, water withdrawn is not directly metered, however, the majority of water withdrawn from the sea is discharged back to the sea.</p> <p>In 2021, 577m³ of potable water was delivered to the Bruce platform for consumption purposes.</p>				11.6.6

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<b>Biodiversity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 58</a> . The material elements for each topic as defined by 3-3 are described where applicable.				11.4.1
		The impacts of GRI 304 Biodiversity are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	There are no operational sites owned by Serica, leased or managed by Serica that are adjacent to, protected areas and areas of high biodiversity value outside protected areas. The nearest protected site to the Bruce Platform is approximately 83km south of the platform. Additionally, the nearest protected area to the Columbus development, is located 33km to the west of the development.				11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	All of Serica's operations are subject to strict environmental impact assessments, if an operation was deemed to have a significant impact to biodiversity Serica would not continue with that operation.				11.4.3
	304-3 Habitats protected or restored	Serica did not protect or restore any habitats during the reporting period. However, Serica is fully compliant with the Habitats Directive and has produced an Environmental Impact Assessment for all of its operations.				11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	A key component of the UKCS licensing, consenting and permitting process is the EIA process. Impacts are examined in both Environmental Statements and in EIA Justification accompanying permit applications. Serica endeavours to operate in full compliance with these requirements and all information on IUCN Red List species is available within these reports.				11.4.5
<b>Emissions</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in the Our commitment to the environment Chapter of 2021 ESG Report, <a href="#">page 10</a> .				11.1.1
		The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 9</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 305 Emissions are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	This is presented in the Databook of Serica's 2021 ESG Report, <a href="#">page 47</a> .				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	This is presented in the Databook of Serica's 2021 ESG Report, <a href="#">page 47</a> .				11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	This is presented in the Databook of Serica's 2021 ESG Report, <a href="#">page 47</a> .				11.1.7
	305-4 GHG emissions intensity	This is presented in the Databook of Serica's 2021 ESG Report, <a href="#">page 47</a> .				11.1.8
	305-5 Reduction of GHG emissions	This is described in the Our commitment to the environment chapter of Serica Energy's 2021 ESG report, <a href="#">page 9</a>				11.2.3
	305-6 Emissions of ozone-depleting substances (ODS)	Do not report – not material				



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				REASON	EXPLANATION	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	NOx, SO <sub>2</sub> and VOCs emissions are presented in the Databook of Serica's 2021 ESG Report, <a href="#">page 47</a> .  These emissions are representative of gas and diesel consumption associated with all plant operations and flared gas. Only NOx, SO <sub>2</sub> and VOC have been reported here as they are the only material non-CO <sub>2</sub> emissions. Emissions of POP, HAP and PM are not material.				11.3.2
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in the Managing our waste section of the 2021 ESG Report, <a href="#">page 14</a> .  The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 14</a> . The material elements for each topic as defined by 3-3 are described where applicable.  The impacts of GRI 306 Waste are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Information on this disclosure can be found in the Managing our waste chapter of the 2021 ESG report, <a href="#">page 14</a> .				11.5.2
	306-2 Management of significant waste-related impacts	At Serica, we receive waste data on a monthly basis from our waste management contractor. This data allows us to see the mass of waste generated, the type of waste generated and the treatment and disposal path of each waste stream. Additionally, analysing this data allows us to target areas for improvement. In addition to this, Serica also utilises skip audits, that allow us to keep a close eye on waste segregation offshore, these audits have have allowed us that verify excellent waste segregation is maintained offshore.  Waste data is presented to the Board and the wider organisation regularly through HSE Committee, Asset Performance and Onshore Safety Meetings. In 2021, Serica introduced a waste related KPIs that were linked to our employee and executive director's remuneration.  All waste generated through Serica's operations is managed by a dedicated waste handling third party contractor that protect Serica's duty of care for waste management. The contractor utilises only UK registered disposal routes that meet the UK's stringent regulatory requirements. Serica recognises that the waste it produces is its own responsibility (cradle to grave) and to that end Serica will be conducting an audit of its waste management contractor in 2022 to verify that performance requirements are still being met.				11.5.3

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GRI 306: Waste 2020	306-3 Waste generated	<p>In 2021, Serica produced a total of 198.898 tonnes of waste, a reduction of over 54 tonnes compared to 2020.</p> <p>During the reporting period, Serica generated and disposed of waste as per the breakdown presented below.</p> <p>Total Waste:</p> <ul style="list-style-type: none"> <li>i. Reuse – 0.400 tonnes</li> <li>ii. Recycling – 108.073 tonnes</li> <li>iii. Composting – 0.000 tonnes</li> <li>iv. Recovery, including energy recovery – 70.315 tonnes</li> <li>v. Incineration – 0.138 tonnes</li> <li>vi. Deep Well Injection – 0.000 tonnes</li> <li>vii. Landfill – 12.380 tonnes</li> <li>viii. Onsite Storage – 0.000 tonnes</li> <li>ix. Other – 7.592 tonnes</li> </ul> <p>As mentioned above, all waste generated through Serica's operations is managed by a dedicated waste handling third party contractor that protect Serica's duty of care for waste management. The contractor utilises only UK registered disposal routes that meet the UK's stringent regulatory requirements.</p>				11.5.4
	306-4 Waste diverted from disposal	<p>In 2021, Serica diverted a total of 108.473 tonnes of waste from disposal.</p> <p>During the reporting period Serica diverted a total of 10.569 tonnes of waste from disposal. A breakdown of this is provided below.</p> <p>Hazardous waste:</p> <ul style="list-style-type: none"> <li>i. Reuse – 0.400 tonnes</li> <li>ii. Recycling – 10.169 tonnes</li> <li>iii. Other – 0 tonnes</li> </ul> <p>During 2021, Serica also diverted 97.904 tonnes of non-hazardous waste from disposal. A breakdown of this is provided below.</p> <p>Non-Hazardous waste:</p> <ul style="list-style-type: none"> <li>i. Reuse – 0 tonnes</li> <li>ii. Recycling – 97.904 tonnes</li> <li>iii. Other – 0.000</li> </ul> <p>Serica's solid waste streams are shipped back to shore for treatment, recycling or disposal, in line with The Merchant Shipping (Prevention of Pollution by Sewage and Garbage from Ships) Regulations 2008 which prohibit the disposal of solid waste at sea.</p>				11.5.5

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GRI 306: Waste 2020	306-5 Waste directed to disposal	In 2021, Serica directed a total of 90.323 tonnes of waste to disposal.				11.5.6		
		During the reporting period, Serica directed 22.718 tonnes of hazardous waste to disposal.						
		A breakdown of hazardous waste by the disposal method is presented below.						
		Hazardous waste: i. Incineration (with energy recovery) – 13.821 tonnes ii. Incineration (without energy recovery) – 0.041 tonnes iii. Landfill – 1.270 tonnes iv. Other – 7.586 tonnes						
		During the reporting period, Serica also directed 67.605 tonnes of non-hazardous waste to disposal.						
		A breakdown of non-hazardous waste by disposal method is presented below.						
		Non-hazardous waste: i. Incineration (with energy recovery) – 56.494 tonnes ii. Incineration (without energy recovery) – 0,000 tonnes iii. Landfill – 11.110 tonnes iv. Other – 0.001 tonnes						
		Serica's solid waste streams are shipped back to shore for treatment, recycling or disposal, in line with The Merchant Shipping (Prevention of Pollution by Sewage and Garbage from Ships) Regulations 2008 which prohibit the disposal of solid waste at sea.						
		Supplier environmental assessment						
		GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 59</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
The impacts of GRI 308 Supplier Environmental Assessment are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.								
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	0% of new suppliers were screened using environmental criteria in 2021.  Contractor Environmental performance is managed under UK law and regulation that applies to offshore oil and gas operations. Serica, as licensee is accountable for environmental performance of contractors on its assets. Contractor engagement on environmental performance forms a key part of all operations. Serica is working to develop specific environmental assessment criteria for contracts that have a potential environmental impact.						
	308-2 Negative environmental impacts in the supply chain and actions taken	This can be found in the Our commitment to the environment section of the 2021 ESG Report, <a href="#">page 13</a>						

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>This can be found in the Valuing our staff and contractors and the Our commitment to diversity and inclusion sections of the 2021 ESG Report, pages * and *.</p> <p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 34</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 401 Employment are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.</p>				
		GRI 401: Employment 2016	401-1 New employee hires and employee turnover	18 new employees (6 female and 12 male) were hired in the reporting period in the UK region. This represents a rate of 10.5%. 1 employee left the company during the same reporting period, representing a turnover rate of 0.5%.		11.10.2
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All employee benefits are standard irrespective of whether an employee is employed on a full time or part time basis.		11.10.3	
	401-3 Parental leave	All male and female employees (169 total, 20 female) are entitled to parental leave. During the reporting period, 0 females and 1 males took unpaid parental leave. All employees returned to work in the reporting period after parental leave ended. This will be continually monitored to determine the total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. 33.33% of the 3 male employees who took unpaid parental leave in 2020 were still employed 12 months after their leave. Therefore, current return to work retention rates based on operational data to date is therefore 33.33%.		11.10.4 11.11.3		
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 34</a>. The material elements for each topic as defined by 3-3 are described where applicable.</p> <p>The impacts of GRI 402 Labour/Management Relations are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.</p>				



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				REASON	EXPLANATION	
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	With regards to changes of terms and conditions of employment, Serica reserves the right to make reasonable changes to any employees' terms of employment. Employees are notified about any changes as soon as possible and in any case within one month of the change.				11.7.2 11.10.5
		In terms of restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organisation, or mergers, Serica aims to give employees as much notice as is reasonably practicable, different factors, such as commercially sensitive data, for each situation can impact when this might be.				
		Serica are fully aware and supportive of the UK laws and regulations regarding redundancies and lengths of consultation periods and ensure that these laws are adhered to in the unlikely event of redundancies needing to be made.				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in the Health, Safety & Wellbeing section of the 2021 ESG Report, <a href="#">page 18</a> .				
		The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 18</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 403 Occupational health and safety management system are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	The Serica Occupational Health Management System consists of a series of policy, procedure, practice and strategy documents some of which are listed below: Noise Risk Management – SER-UK-PRA-3.4-1001 Health Surveillance -SER-UK-PRO-3.4-1002 Fitness to Work Procedure – SER-UK-PRO-3.4-1001 Fatigue Management – SER-UK-PRO-3.4-1006 Radiation Policy – SER-UK-POL-3.4-1002 Process for Managing Asbestos Containing Materials – SER-UK-3.4-0002 Manual Handling Operations – SER-UK-PRO-3.4-1009 Potable Water Quality and Legionella Risk Management – SER-UK-PRO-3.4-1003 Covid-19 Management and Strategy – SER-UK-STG-3.4-0001				11.9.2
		At Serica, safety is prioritised over production, we aim to ensure that every member of our offshore team feels empowered to stop works if an actual or potential health and safety risk occurs.				

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GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Risk is managed in accordance with the Serica Risk Management Policy – SEUK-POL-3.1-001. The policy is supported by a number of procedures which describe specific risk management processes such as HAZOP, HAZID, LOPA, Control of Work etc.  Reporting and investigation procedures also mentioned in under the Our OMS section ( <a href="#">page 45</a> ) are 2 separate procedures within the Serica OMS, these procedures are as follows:  Incident Reporting Procedure SEUK-OMS-4A-02 Incident Investigation Procedure SEUK-OMS-4A-01.				11.9.3
	403-3 Occupational health services	Serica energy provides 24 hour medical cover on its offshore installations via the provision of medics who are RGN qualified. Personnel requiring medical attention can be assessed and provided with immediate medical care offshore and, if required, a dedicated helicopter transfer can be arranged to transport them to a suitable onshore facility. Serica provides this support to all personnel working on our offshore assets regardless of whether they are staff or contractors.  All staff are automatically enrolled in a Private Medical Insurance scheme on joining the Company, it is at the Staff Member's discretion as to whether they choose to continue the cover. Serica cover the cost for the employee. The employee can then choose to add family members to the policy via salary exchange at a competitive rate.  All staff joining Serica are entitled to a free BUPA Health Check Up, this is on top of a pre-placement assessment for employees based onshore. Those working offshore all undergo a mandatory Offshore Medical as outlined in our Serica Fitness to Work Procedure – SER-UK-PRO-3.4-1001.  Serica also provides staff with access to mental health services such as access to mental health courses and information and face to face and over the phone counselling services. In addition to this, Serica also has a number of trained offshore and onshore mental health first aiders to provide support for employees and contractors who need someone to speak to. All of this information is conveniently stored in our Wellbeing Hub, that all employees and contractors have access to.				11.9.4

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				REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Serica supports and encourages the work of Safety Representatives on our offshore assets and complies with the Offshore Installations (Safety Representatives and Safety Committees) Regulations 1989.				11.9.5
		In addition, Serica operates a behavioural based safety system on all offshore installations which enables any personnel to raise concerns or observations, both positive and negative, relating to health, safety and environmental performance. In 2021, Serica achieved an average of 92% participation in Serica's Safety Observation Programme.				
		Serica has an HSE Sub Committee which consists of the CEO, VP Operations, VP ESG and Business Innovation and Non-Executive Directors.				
		Serica also holds regular HSEQ meetings to ensure onshore staff are engaged in our HSEQ efforts.				
		More information on how Serica engages with its staff and contractors on occupational health and safety can be found in the Health, safety and wellbeing chapter of the 2021 ESG report, <a href="#">page 22</a> .				
	403-5 Worker training on occupational health and safety	Serica Energy places the management of health and safety and the protection of our people at the forefront of everything we do. Safety training has been identified for key offshore and onshore positions and is implemented and tracked as part of our OMS. Training plans are based on legal requirements, industry best practice and risk assessment. In 2021, our employees averaged just under 57 hours of health, safety and emergency response training.				11.9.6
	403-6 Promotion of worker health	Serica provides private medical insurance for all employees. In addition, we have mental health first aiders and promote monthly health campaigns. In 2021, our offshore team took part in RigRun, an industry based initiative which encourages personnel to participate in exercise through cross asset competition and won the competition.				11.9.7
		Serica's onshore team also organised multiple events centred on helping employees stay fit during lockdowns and other Covid-19 restrictions. In 2021, Serica organised multiple step challenges to keep staff moving and also organised a cycle challenge that saw staff cycle over 5000 miles and raised £4,000 for charity. Serica plans to organise multiple exercise challenges in 2022.				
		As a company, Serica encourage all staff to take their full annual leave and parental leave allowed to them.				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	More information can be found on <a href="#">page 22</a> of Serica's 2021 ESG Report.				11.9.8
		Serica is a non-operating partner in a number of UKCS production operations. Through our Joint Venture relationships we ensure that occupational health and safety remains a formal agenda item and that performance is monitored and reported regularly. Serica has influence within all our joint ventures and can raise concerns relating to health and safety both within these relationships and externally with the appropriate regulator if required.				
		All Serica Employees onshore and offshore are covered under the Serica Occupational Health and Safety Policy.				
	403-8 Workers covered by an occupational health and safety management system					11.9.9

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	In 2021, 6 work related injuries were recorded and 0 were reportable. Of these injuries 6 were non-reportable and 1 required no treatment, 4 were first aid cases, 0 resulted in days away from work, 0 were work restricted work injuries, and there was 1 reportable medical treatment injuries.				11.9.10
	403-10 Work-related ill health	There were no instances of work-related ill health in Serica Energy in 2021				11.9.11
<b>Training and education</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in the Quality Education section of the 2021 ESG Report, <a href="#">page 26</a> .				
		The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 26</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	The impacts of GRI 404 Training and Education are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
		In 2021, Serica's staff completed a total of 578 classroom and e-learning training days. For this calculation the assumption is that each training day consisted of 8 hours of training. This is an increase on last year's figure of 491 classroom and e-learning training days completed.  In total Serica employees completed 4,624 hours of training in 2021. Serica employees averaged 27.36 hours of training in 2021. Female employees averaged 5.6 hours of training in 2021. Male employees averaged 30.28 hours of training in 2021.  A full list of the training courses offered to employees in 2021 can be found in Appendix 3, <a href="#">page 54</a> of the 2021 ESG Report.				11.10.6 11.11.7



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON	EXPLANATION	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Serica offers a wide range of programmes for upgrading employee skills, a detailed list of these courses can be found in Appendix * of the 2021 ESG report. In 2021, Serica staff undertook a total of 1250 E-learning modules and completed 578 training days. In addition to this, in 2021 Serica also built and rolled out the following training courses; Diversity and Inclusion, Operating Management System (OMS) training and a variety of Maximo training courses. Serica spent £441,278.93 in total on AIS, OPITO Apprenticeships and other training-related costs (This figure excludes further education).				11.7.3 11.10.7
		The Company fully supports employees wishing to undertake further studies and as such developed a Further Education policy in 2018. The level of assistance required may vary depending on the relevance of the programme, budgetary and operational constraints. The training committee meets on a monthly basis to review the further education requests submitted by employees.				
		In terms of transition assistance programmes, Serica has also organised workshops enabling our employees to plan for their future. The aim of the workshops was to help employees better prepare in a positive way for their retirement, be that in the next month or in the next 10 years. The workshops covered a variety of different topics such as; Money Matters and Tax, Legal Issues, Health and Wellbeing and Time and Activities in Retirement.				
		Serica AIS, OPITO and Further Education budgets for 2021 have been listed here: - AIS: £267,608 - OPITO: £258, 872 - Further Education: £237,000				
		Serica's AIS, OPITO and Further Education budgets for 2022 are listed below: - AIS: £279,458 - OPITO: £ 239,203 - Further Education: £259,500				
	404-3 Percentage of employees receiving regular performance and career development reviews	Serica has a formal employee appraisal system which encompasses the setting of career development objectives. These objectives are agreed with the employee by their line manager at the start of the year, reviewed mid-year and assessed at the end of the year to determine the progress made. This process is independently verified out with the reporting line to ensure it is applied consistently across the organisation. 99% of employees received an annual appraisal in 2021, this was due to some employees being on maternity leave and long term absence.				
<b>Diversity and equal opportunity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 30</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 405 Diversity and Equal Opportunity are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON	EXPLANATION	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors (Governance body) – 89% male, 11 % female,. 0% under the age of 30, 11% between the ages of 30-50, 89% over the age of 50.				11.11.4
		Employees – 88.1% male, 11.9 female. 9.5% under the age of 30, 65.5% between the ages of 30-50, 25% over the age of 50.				
	405-2 Ratio of basic salary and remuneration of women to men	This is described in the Committing to diversity and Inclusion section of the 2021 ESG Report, <a href="#">page 32</a> .				11.11.5
<b>Non-discrimination</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 30</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 406 Non-discrimination are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
<b>Freedom of Association and Collective Bargaining</b>						
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2021, there were no reported incidents of discrimination in Serica.				11.11.6
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in The principles that govern our business section of the 2021 ESG Report, <a href="#">page 41</a> .				
		The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 59</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 407 Freedom of Association and Collective Bargaining are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Serica are not associated with any operations where the right to freedom of association and collective bargaining is at risk.				11.13.2
<b>Child labour</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Do not report – not material				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
<b>Forced or compulsory labour</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Do not report – not material				11.12.2
<b>Security practices</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Do not report – not material				11.18.2
<b>Rights of indigenous peoples</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Do not report – not material				11.17.2
<b>Local communities</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in the Giving where we can make a real difference section of the 2021 ESG Report, <a href="#">page 23</a> .				
		The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 60</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 413 Local Communities are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	A key component of the UKCS licensing, consenting and permitting process is the Environmental Impact Assessment process. Environmental Impact Assessments have been conducted for all of Serica's current operations and projects.				
		Development programmes are a requirement of offshore licensing conditions and, again, all operations meet these requirements.				
	413-2 Operations with significant actual and potential negative impacts on local communities	None of Serica's operations have a higher than average chance to cause potential or actual negative impacts on the social, economic or environmental wellbeing of our local communities.				11.15.3

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
<b>Supplier social assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Do not report – not material				11.10.8 11.12.3
	414-2 Negative social impacts in the supply chain and actions taken	Do not report – not material				11.10.9
<b>Public policy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	This can be found in The principles that govern our business section of the 2021 ESG Report, <a href="#">page 42</a> .				
		The requirements of GRI 3-3 are considered for each material topic through the application of Serica's materiality process. This is described in our ESG Report Section <a href="#">page 60</a> . The material elements for each topic as defined by 3-3 are described where applicable.				
		The impacts of GRI 415 Public Policy are managed by Serica and the effectiveness of this is communicated to stakeholders annually through Serica's Annual ESG Report and/or Annual Report and Accounts.				
GRI 415: Public Policy 2016	415-1 Political contributions	Serica Energy does not make any political contributions to any politics parties or individuals. Therefore, in 2021 Serica donated a total of £0 to any political parties or individuals.				11.22.2
<b>Customer health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Do not report – not material				11.3.3
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Do not report – not material				
<b>Marketing and labelling</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Do not report – not material				
	417-2 Incidents of non-compliance concerning product and service information and labelling	Do not report – not material				
	417-3 Incidents of non-compliance concerning marketing communications	Do not report – not material				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON	EXPLANATION	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Do not report – not material				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Do not report – not material				

### Topics in the applicable GRI Sector Standards determined as not material

TOPIC	EXPLANATION
<b>GRI 411 Rights of Indigenous People</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 417 Marketing and Labelling</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 418 Customer Privacy</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 408 Child Labour</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 409 Forced and Compulsory Labour</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 410 Security Practices</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 412 Human Rights Assessments</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 414 Supplier Social Assessments</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>
<b>GRI 416 Customer Health and Safety</b>	See Serica Energy's 2021 ESG Report <a href="#">page 60</a>



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# APPENDIX 6 – SASB: OIL AND GAS EXPLORATION AND PRODUCTION STANDARD

This document provides information as to the alignment of Serica Energy's disclosures with the Sustainability Accounting Standards Board (SASB) Oil & Gas Exploration and Production Standard (Version 2018-10). The information herein is associated with the 2021 calendar year.

As we indicate in our 2021 ESG Report, as a North Sea production operator, Serica recognises the need to comply with the high operational standards demanded of our industry. It is important to us to ensure that those standards are also attained in managing the footprint of our business with the communities in which we operate, where possible, generating benefit for our stakeholders and the communities close to us, which our business has the potential to positively and negatively impact upon. We have chosen to align our disclosure with SASB as SASB's due process has been developed to produce standards for information that are material and decision-useful for our investors, and our stakeholders.

## SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Code	Accounting Metric	Location/Information
<b>GREENHOUSE GAS EMISSIONS</b>		
<b>EM-EP-110a.1</b>	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	<p>Serica's gross global Scope 1 greenhouse gas (GHG) emissions (including the relevant GHGs covered under the Kyoto Protocol) data in metric tonnes are presented in the Serica Energy 2021 ESG Report in <a href="#">Appendix 2</a> – Serica's Data Book, <a href="#">page 47</a>. This includes carbon dioxide, 208,868 metric tonnes and methane, 132.5 metric tonnes (or 3,112 metric tonnes carbon dioxide equivalent). The percentage of methane emissions is 1.6%. In 2020, Serica set ambitious targets for 2021, such as reducing our Category A flaring to 10.5 tonnes per day and reducing our carbon intensity to &lt;17kg of CO<sub>2</sub> per boe. Information on our performance against these targets can be found in the Our commitment to the environment chapter, <a href="#">page 9</a>.</p> <p>In 2022, Serica has continued to set emissions based targets that are linked to our staff's remuneration. Our targets for 2022 include, reducing category A flaring to 9.5 tonnes per day, limiting total flare volumes to less than 5,000 tonnes, limiting Scope 1 CO<sub>2</sub> emissions to 210,000 tonnes for the year and developing a methane baseline. More information on emissions reductions and KPIs in 2021 can be found in the 2021 ESG Report <a href="#">pages 8</a> and <a href="#">10</a>.</p> <p>In 2021, Serica transitioned to the UK Emissions Trading Scheme (UK ETS), an emissions-limiting regulation which relies on the methodology of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. As a member of the scheme, Serica calculates its CO<sub>2</sub> emissions from the metering of fuel gas, diesel, propane and its flaring activities. In 2021, Serica's CO<sub>2</sub> allocation dropped dramatically to 46,000 tonnes of CO<sub>2</sub> in total. Serica utilised 100% of its CO<sub>2</sub> allocation and was required to trade for additional allocations. As a result of this, there was no surplus of CO<sub>2</sub> allocation. The UK ETS adopts a "cap and trade" approach, which sets caps on how much can be emitted by certain sectors, this cap decreases over time, which will reduce how much a sector is permitted to emit.</p>
<b>EM-EP-110a.2</b>	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	<p>The amount of direct, Scope 1, CO<sub>2</sub> emissions from flared hydrocarbons in 2021 was 14,290.143 metric tonnes. In 2021, Serica was able to further reduce flaring volumes by over 15%. These reductions were achieved by a continued focus on routine flaring by ensuring flaring volumes were visible to the whole company, which led to a greater focus on daily flaring volume targets. Actions such as creating a "Flaring Culprits" register have helped us identify common causes of higher than usual flaring and identify and implement measures of limiting these occurrences. More details on our flaring figures and actions in 2021 can be found in the Our commitment to the environment chapter of our 2021 ESG report <a href="#">page 9</a>.</p> <p>The Bruce platform had a Vent Consent from the UK North Sea Transition Authority for 2.064 metric tonnes per day in 2021. Fugitive emissions are calculated annually. In 2021, reported fugitive emissions totalled 1.63 metric tonnes of carbon dioxide (CO<sub>2</sub>), 9.47 metric tonnes of methane (CH<sub>4</sub>) and 1.74 metric tonnes of volatile organic compounds (VOCs). Serica is aware of the growing interest in the growth in importance of methane emissions from cold flare, vent and fugitives.</p> <p>In 2021, work was done to lower our daily Vent Consent from 2.064 metric tonnes to 0.50419 metric tonnes per day. More information on this can be found on <a href="#">page 12</a> of the 2021 ESG Report.</p>
<b>EM-EP-110a.3</b>	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	<p>As indicated in topic EM-EP-110a.1, all of Serica's currently operated assets are part of the permitting and regulatory requirements of the United Kingdom Emissions Trading Scheme (UK ETS). This scheme is aligned with the Greenhouse Gas Protocol in terms of calculation and reporting of emissions.</p> <p>In addition, emissions associated with offshore operations in the United Kingdom Continental Shelf or UKCS are regulated by the UK Regulator, the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) which forms part of the Department for Business, Energy &amp; Industrial Strategy (BEIS) and the North Sea Transition Authority (NSTA). The permit conditions issued by these regulatory bodies set the emission thresholds to which Serica operates. Permits directly address emissions sources from combustion equipment and not vented or fugitive emissions. Non-compliance with permit conditions can result in fines, improvement and prohibition action and, in the worst case, suspension of production from the platform.</p> <p>In 2021, Serica's focus areas included reducing flaring volumes, reducing our carbon intensity, and working with our team to identify and improve or replace inefficient equipment on the platform.</p> <p>In 2022, are priorities are to continue to lower routine flaring volumes, maintain total flaring volumes to under 5,000 tonnes, limit Scope 1 CO<sub>2</sub> emission to 210,000 tonnes and develop a methane baseline and action plan.</p>

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# APPENDIX 6 – SASB: OIL AND GAS EXPLORATION AND PRODUCTION STANDARD continued

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS		
Code	Accounting Metric	Location/Information
<b>AIR QUALITY</b>		
EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	<p>NOx, SOx and VOCs data are presented in the Serica Energy 2021 ESG Report, <a href="#">page 47</a>.</p> <p>These emissions are representative of gas and diesel consumption associated with all plant operations and flared gas.</p>
<b>WATER MANAGEMENT</b>		
EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	<p>Seawater is typically used at the Bruce Facility for cooling purposes and to aid the reinjection of oil in produced water. Fresh water consumed on the platform is predominantly desalinated. Fresh water on the Bruce Platform is generated onboard and is used for washing, cooking and other domestic purposes. Due to this, 0m³ of fresh water was withdrawn in 2021. The amount of imported potable water used is minimal, and therefore it is not deemed material.</p> <p>Utilising the World Resource Institute's (WRI) Water Risk Atlas tool, Aqueduct, Serica Energy does not operate in a region of High or Extremely High Baseline Water Stress.</p>
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	<p>In 2020 Serica wrote a Produced Water Strategy. This strategy looked holistically at the environmental impacts of the current Produced water arrangements. Serica is currently evaluating the permanent use of a de-oiler package and the decommissioning of the Produced Water Reinjection (PWRI) system. Doing this would reduce the concentration of oil in water discharges to sea and reduce CO₂ emissions as a result of a reduce energy demand.</p> <p>During 2021, 69,544 m³ of produced water was generated during production operations on the Bruce platform. All of this produced water was discharged overboard with an average concentration of 17.41 mg/l, this resulted in 1.21 tonnes of oil being discharged overboard to the marine environment. In 2021, no produced water was reinjected as the PWRI was non-operational. Serica does not generate flowback fluid as part of its operations. More details about the causes of this can be found in the Respecting the marine environment chapter of our 2021 ESG report <a href="#">page 16</a>.</p> <p>Data relating to produced water is also presented in the Serica Energy 2021 ESG Report in <a href="#">Appendix 2</a> – Serica's Data Book, <a href="#">page 49</a> as well as in the Respecting the marine environment chapter, <a href="#">page 16</a>.</p>
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Serica does not use hydraulic fracturing in its operations.
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	As detailed in EM-EP-140a.3, Serica does not use hydraulic fracturing in its operations.
<b>BIODIVERSITY IMPACTS</b>		
EM-EP-160a.1	Description of environmental management policies and practices for active sites	<p>Serica Energy has developed policies and practices which are aligned with UK legislation as well as the environmental elements of ISO 14001 principles and its Environmental Management system is attested against the OSAR 2003/5 recommendations.</p> <p>Serica also works within the UKCS Regulatory system and is subject to the requirements of its Permitting, Licensing and Consent regimes. Serica also records processes and reports emissions data in alignment with both the UK Regulators Environmental and Emissions Monitoring System (EEMS) and the UK Emissions Trading Scheme.</p> <p>Serica's EMS system enforces risk based controls above and beyond that required by regulatory compliance. Serica's EMS system is designed to empower and encompass employees and contractors alike. Accountability for the implementation of EMS lies with every individual onshore and offshore. The contents of the EMS provide critical guidance in the risk assessment of operations and projects.</p>
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	<p>In 2021, Serica reported 7 PON1s. In total, these PON1s resulted in the discharge of 86.8 bbls (4.87 tonnes) in chemicals and 0.5 bbls (0.030501162 tonnes) of hydrocarbons being released into the sea.</p> <p>None of Serica's facilities are located in the Arctic, or north of the Arctic Circle.</p>

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# APPENDIX 6 – SASB: OIL AND GAS EXPLORATION AND PRODUCTION STANDARD continued

## SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Code	Accounting Metric	Location/Information
EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	<p>None of Serica's proved or probable reserves are in or near (&lt;5km) areas of protected conservation status.</p> <p>As a required part of site planning, Serica completes an environmental assessment process which includes an evaluation of IUCN Red List species. There are no endangered species identified in Serica's Environmental Justification for production operations that are within 5km of any of its proven reserves. Probably reserves will be subject to extensive surveys and impact assessments prior to works commencing and potential impacts to endangered species will be mitigated.</p>
<b>SECURITY, HUMAN RIGHTS &amp; RIGHTS OF INDIGENOUS PEOPLES</b>		
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Serica currently only has reserves in the UK. None of Serica's net proved or probable reserves are in or near areas of active conflict.
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Serica currently only has reserves in the UK. All of Serica's proved or probable reserves are offshore and not in areas considered to be indigenous land.
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	<p>A discussion and analysis of engagement processes and due diligence practices with respect to human rights is presented in the section, Principles that govern our business, <a href="#">page 42</a> of Serica's 2021 ESG Report. In addition, Serica's 2021 Annual Report and Accounts also emphasises the promotion of a corporate culture that is based on ethical values and behaviours (<a href="#">page 33</a>). This is part of Serica's alignment with the Quoted Companies Alliance Corporate Governance Code 2018.</p> <p>As indicated in topics EM-EP-210a.2 and EM-EP-210a.1, Serica does not have operations or reserves in indigenous or conflict areas.</p> <p>Serica has developed a comprehensive Business Management System (BMS) which includes codes, policies and procedures to work fairly and transparently as well as meet all laws and regulations.</p> <p>As part of this, Serica's Code of Business Conduct sets out behaviours expected from employees, contractors and third parties who act on Serica's behalf to meet all legal requirements and work to the highest ethical standards. This Code of Business Conduct is applicable across the lifecycle of Serica's projects, including planning, operation and decommissioning. In 2021, work has been done to update Serica's Code of Business Conduct to ensure it continues to reflect Serica accurately. Serica's new Code of Business Conduct is planned to be released, along with a mandatory e-training module in early 2022.</p> <p>Serica complies with the Modern Slavery Act (2015) including implementation of contract clauses, staff training and the right to audit contractors and suppliers to verify compliance. An anti-bribery and corruption policy (please also see topic EM-EP-510a.2) that outlines its zero-tolerance approach to bribery and corruption as well as a whistleblowing procedure for all employees, consultants, contractors or other interested parties are also part of how Serica does business.</p>
<b>COMMUNITY RELATIONS</b>		
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	<p>Serica values the importance of supporting and working in collaboration with the communities in which we operate.</p> <p>In 2021, Serica deployed many initiatives to further support the local communities in which we operate. For example, Serica donated not just money, but clothing, food, household items and time to local charities in both London and Aberdeen. On top of this, Serica also organised other events to benefit the local community, such as beach cleans.</p> <p>A discussion and analysis of the processes, procedures, and practices to manage risks and opportunities associated with the rights and interests of communities is described in both Serica's 2021 Annual Report as well as the 2021 ESG Report. In the Annual Report, information is presented in the Directors' Statement section, including <a href="#">page 45</a>. In the 2021 ESG Report, details are provided on <a href="#">page 39</a>.</p> <p>As a North Sea production operator, Serica recognises the need to comply with the high operational and governance standards demanded of our industry. It is important to Serica to ensure that those standards are also upheld when managing the footprint of the business within the communities in which we operate. Serica strives, where possible, to generate benefit for our stakeholders and the communities which our business has the potential to positively and negatively impact upon.</p> <p>As per topic EM-EP-210a.3, Serica has a number of engagement processes and due diligence practices for working with stakeholders, including communities. Serica has developed a comprehensive Business Management System (BMS) which includes codes, policies and procedures to work fairly and transparently as well as meet all laws and regulations. All Serica's actively operated assets are currently in the UK.</p>
EM-EP-210b.2	Number and duration of non-technical delays	Serica has had no site shutdowns or project delays due to non-technical factors whether through regulatory non-conformance, regulator prohibition or stakeholder challenge or protest.

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# APPENDIX 6 – SASB: OIL AND GAS EXPLORATION AND PRODUCTION STANDARD continued

## SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Code	Accounting Metric	Location/Information
<b>WORKFORCE HEALTH &amp; SAFETY</b>		
EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	<p>TRIR/TRIF data is presented in the Serica Energy 2021 ESG Report in <a href="#">Appendix 2</a> – Serica's Data Book, <a href="#">page 50</a>.</p> <p>In 2021, Serica staff worked a total of 278,503 hours and contractors worked a total of 345,928 hours.</p> <p>The near miss frequency rate (NMFR) is:</p> <ul style="list-style-type: none"> <li>• 34 per 200,000 manhours</li> <li>• 170 per 1,000,000 manhours</li> <li>• Serica's fatality rate is zero or none (0).</li> </ul> <p>Health, safety and emergency response training for employees, contractors and short-service employees is required as a condition of working with Serica. The scope and detail of training is dependent on the role and will be determined by regulatory requirements, the risk associated with the role and the specifics of the work to be undertaken. For example, Serica's offshore workforce will have different requirements than onshore and office teams. Serica's Training Committee meets monthly and each Serica employee has a training matrix assigned to their role. In 2021, Serica's employees averaged just under 57 hours of Health, Safety and Emergency Response training.</p> <p>Serica Energy 2021 ESG Report also highlights the Training Courses and E-Learning Modules available on <a href="#">page 54</a>.</p>
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	<p>Serica's goal is to uphold and continuously improve the health, safety and environmental (HSE) performance exemplified on the Bruce platform complex and to extend this approach to any assets we may acquire in the future.</p> <p>Health and safety is a core requirement of the offshore oil and gas industry. Serica's offshore facilities and the onshore support network are of critical importance to our business and our stakeholders. Serica's commitment to the prioritisation of Occupational Health and Safety is provided in the HSEQ Section of the 2021 Annual Report and Accounts (<a href="#">page 93</a>).</p> <p>A culture of safety is encouraged throughout the organisation with responsible personnel designated at all appropriate levels. This is further detailed in the Health, Safety and Wellbeing section, <a href="#">page 18</a>, of the 2021 ESG Report.</p>
<b>RESERVES VALUATION &amp; CAPITAL EXPENDITURES</b>		
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	<p>Serica Energy's 2P total oil and gas reserves are 62.2 mmmboe adjusted for 2021 production. As of 31 December 2021, 2P Reserves were 13.2 mmbbl oil and 294.1 bcf gas.</p> <p>Serica discloses its estimated hydrocarbon resources and reserves annually based on an independently prepared Competent Persons Report. The reported reserves are supported by an economic valuation which includes all the future costs of producing the relevant hydrocarbons. These costs include buying carbon credits under the UK ETS as necessary based on estimated emissions, the availability of free credits and the purchase price for additional credits. The estimates of Serica's current hydrocarbon reserves are largely insensitive to the anticipated cost of carbon as such cost forms a relatively small proportion of the total cost of production.</p> <p>More information on Serica's reserves can be found in the 2021 Annual Report and Accounts (<a href="#">page 18</a>).</p>
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	<p>Serica does not currently calculate the estimated CO<sub>2</sub> emissions embedded in proved hydrocarbon reserves. The proposed SASB calculation method implies that all proved hydrocarbon reserves would be combusted and all CO<sub>2</sub> emissions released to atmosphere, however this may or may not be case as Serica does not have a downstream business and sells its product immediately after processing. We do not currently have the means to manage the CO<sub>2</sub> emissions in our products and as such cannot provide an estimate of emissions which are currently outwith our control to reduce or manage without coordinated industry, national and international collaboration.</p>
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	<p>Serica Energy's current operational focus is offshore oil and gas projects. Serica currently has no revenue from renewable energy sales.</p> <p>Serica aligns its ambitions with that of the North Sea basin outlined in the <a href="#">North Sea Transition Deal</a> and OEUK's Road Map 2035. Road Map 2035 aims to achieve net zero carbon emissions from the North Sea Basin by 2050 through the development and adoption of low carbon solutions. As part of this, Offshore Energies UK explores the potential for renewable energy technologies to support efficient production and lower emissions.</p> <p>Serica is a member of the Net Zero Technology Centre, which explores the development of technologies to decarbonise offshore operations and the advancement of net zero initiatives, supporting the industry's Road Map 2035.</p>

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# APPENDIX 6 – SASB: OIL AND GAS EXPLORATION AND PRODUCTION STANDARD continued

## SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Code	Accounting Metric	Location/Information
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	<p>Serica works with its peers, Industry Bodies and Regulators to ensure we are involved in discussions relating to any significant future potential regulatory changes relating to emissions management that may impact our business moving forwards. Serica takes a proactive approach to reducing emissions to levels that are as low as reasonable practicable taking all commercial and non commercial considerations into account.</p> <p>Serica operates in an efficient and streamlined manner with the intent to maximise economic recovery whilst maintaining the highest environmental and safety standards. By operating in this manner Serica was able to not only survive the low oil and gas prices of 2020 and the impact of the pandemic but it was able to complete the major well intervention campaign in the Rhum Field and the drilling and tie back of the Columbus Field to the Shearwater Platform. Preparations are underway for the North Eigg exploration well and the Bruce/Keith light well intervention campaign.</p> <p>Serica recognises that the recommendations of the TCFD will become mandatory for many organisations in the UK in 2022. Serica values the approach and benefits of aligning with the TCFD recommendations and in 2021 completed an initial report that provides a pathway to developing and adopting strategies to proactively respond to climate-related risks and opportunities. A snapshot of this report was released in the 2020 ESG report. In 2022, Serica has built on the foundations of the initial report and have produced a more detailed and transparent TCFD report. A summary of which can be found in the 2021 Annual Report and Accounts, <a href="#">page 25</a>.</p> <p>Serica has identified changes in climate regulation as a transitional risk and has taken the following steps to mitigate the effects of this; estimates of climate-related charges are included in cost estimates where reasonably identified and Serica's management team priorities the delivery of ESG objectives.</p>
<b>BUSINESS ETHICS &amp; TRANSPARENCY</b>		
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Serica currently has reserves in the UK and therefore has no (0%) reserves in countries that have the 20 lowest rankings in Transparency's International Corruption Perception Index.
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	<p>In order to be recognised as a responsible and sustainable corporate citizen, it is important that Serica's business is legally compliant and transparent with respect to all forms of anti-competitive behaviour, particularly corruption and competition.</p> <p>Serica has developed a comprehensive Business Management System (BMS) which includes codes, policies and procedures to work fairly and transparently as well as meet all laws and regulations. As part of this, Serica's Code of Conduct sets out behaviours expected from employees, contractors and third parties who act on Serica's behalf to meet all legal requirements and work to the highest ethical standards. This Code of Conduct is applicable across the lifecycle of Serica's projects, including planning, operation and decommissioning.</p> <p>An anti-bribery and corruption policy (please also see topic EM-EP-210a.3) that outlines its zero-tolerance approach to bribery and corruption as well as a whistleblowing procedure for all employees, consultants, contractors or other interested parties are also part of how Serica does business.</p> <p>Further detail is available in the Corporate Governance and Financial Report sections of the 2021 Serica Energy Annual Report and Accounts (<a href="#">page 45</a>).</p>
<b>MANAGEMENT OF THE LEGAL &amp; REGULATORY ENVIRONMENT</b>		
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	<p>Serica meets all regulatory requirements. As indicated in topics EM-EP-420a.4, Serica aligns with the <a href="#">North Sea Transition Deal</a> and OEUK's 2035 Roadmap, and is taking steps to explore net zero initiatives. All oil and gas operators have an important part to play in the drive towards a lower carbon economy and, through membership of Offshore Energies UK, Serica is committed to working towards a net zero carbon North Sea basin by 2050.</p> <p>Serica's Operating Management System (OMS) provides procedures for complying with all environmental legislation and regulation, including but not limited to the requirements of both our Pollution Prevention Control (PPC) permit and the requirements of the UK Emissions Trading Scheme (UK-ETS). As regulations change, the OMS is updated to ensure continuous compliance.</p>



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# APPENDIX 6 – SASB: OIL AND GAS EXPLORATION AND PRODUCTION STANDARD continued

## SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Code	Accounting Metric	Location/Information
<b>CRITICAL INCIDENT RISK MANAGEMENT</b>		
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	<p>At Serica, health and safety is the highest priority. Empowering our people to be safe is key to how we do business; a safe operation is a an efficient and productive operation. The Bruce facility has a Safety Case which has been accepted by the UK Health and Safety Executive. This Safety Case details the possible failure modes which could lead to a Process Safety Event and the mitigative engineering and human factors which are in place to prevent their occurrence. While all efforts are made to stop Process Safety Events (PSE), if an event does occur, our teams have the training and authority to act quickly and effectively.</p> <p>In accordance with the requirements of the OPPC Permit, Serica is required to report any event involving the unpermitted release of hydrocarbons and chemicals at sea. Such occurrences are reported to OPRED within six hours of their identification in a Petroleum Operations Notification 1 (PON1) form.</p> <p>In 2021, 7 PON1s were raised as a result of the unintentional releases of hydrocarbons and chemicals the to sea. More information is available in EM-EP-106a.2.</p>
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	<p>Serica has a number of control systems within the Business Management System (BMS) to identify and mitigate catastrophic and tail-end risks. Serica is committed to identifying and controlling risks and impacts associated with its activities, particularly where the potential exists for major accidents. Serica has a Corporate Major Accident Prevention Policy (CMAPP) which is a regulatory requirement of UK operators as well as a Safety Case for the Bruce platform which has been accepted by the UK Health and Safety Executive.</p> <p>Occupational Health and Safety Risk is managed in accordance with the Serica Risk Management Policy. The Policy is supported by a number of procedures which describe specific risk management processes such as HAZOP, HAZID, LOPA and the Control of Work.</p> <p>Serica follows all regulatory requirements across the lifecycle of assets, as part of this Serica is a member of the Operator Co-Operative Emergency Services (OCES) which is the organisational framework under which oil and gas companies operating in the North Sea co-operate and share resources in the event of an emergency situation.</p> <p>Serica is also part of the Emergency Preparedness Offshore Liaison Group (EMPOL). As a member, Serica meets to discuss best practice, share learnings and identify areas for improvement.</p> <p>Considering the importance of safety and response management, there are many references throughout Serica's 2021 ESG Report, including: Health, Safety and Wellbeing, <a href="#">page 21</a> and Valuing our staff and contractors, <a href="#">page 34</a>.</p>
<b>ACTIVITY METRICS</b>		
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Net production in 2021 averaged 22,200 boe per day ( <a href="#">page 7</a> of Serica's 2021 Annual Report). Oil and Gas production volumes can be found in Serica's 2021 Annual Report and Accounts, <a href="#">page 12</a> .
EM-EP-000.B	Number of offshore sites	<p>Serica's main focus is on production and development in the UK North Sea, complemented by a portfolio of oil and gas exploration opportunities, including interests in offshore licence blocks in the UK North Sea.</p> <p>Serica's current offshore sites include:</p> <ul style="list-style-type: none"> <li>• Serica is operator of and has a 98% interest in Bruce, a 100% interest in Keith, a 50% interest in Rhum, a 50% interest in Columbus and a 100% interest in North Eigg.</li> <li>• Serica has an 18% non-operated interest in the Erskine field.</li> </ul> <p>More information about Serica's offshore sites can be found in the 2021 Annual Report (<a href="#">page 12</a>).</p>
EM-EP-000.C	Number of terrestrial sites	Serica does not currently have any terrestrial sites.

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# APPENDIX 7 – UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

Principle	Chapter to find policies, updates and goals	Associated Page Number
<b>Human Rights</b>		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	The principles that govern our business	<a href="#">Page 41</a>
Principle 2: Make sure that they are not complicit in human rights abuses	The principles that govern our business	<a href="#">Page 41</a>
<b>Labour</b>		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	The principles that govern our business	<a href="#">Page 41</a>
Principle 4: The elimination of all forms of forced and compulsory labour	The principles that govern our business	<a href="#">Page 41</a>
Principle 5: The effective abolition of child labour	The principles that govern our business	<a href="#">Page 41</a>
Principle 6: The elimination of discrimination in respect of employment and occupation	Committing to diversity & inclusion	<a href="#">Page 30</a>
<b>Environment</b>		
Principle 7: Businesses should support a precautionary approach to environmental challenges	Our commitment to the environment	<a href="#">Page 9</a>
Principle 8: Undertake initiatives to promote greater environmental responsibility	Our commitment to the environment	<a href="#">Page 9</a>
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Investing in technology for the energy transition	<a href="#">Page 36</a>
<b>Anti-Corruption</b>		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	The principles that govern our business	<a href="#">Page 40</a>

## United Nations Global Compact: Serica Energy's 2021 Communication on Progress

Serica continues to be a proud and active signatory of the United Nations Global Compact (UNGC). Throughout 2021 Serica continued to show its support for the UNGC's Ten Principles on human rights, labour, environment, and anti-corruption. As an organisation we remain committed to further integrating the UNGC and its principles into our strategy, culture and day to day running of Serica's operations. This is Serica's second Communication on Progress (CoP) and aims to highlight the actions taken by Serica throughout the reporting period in relation to the UNGC principles.

## Human Rights

Serica Energy is a supporter of the Universal Declaration of Human rights.

Serica has a comprehensive Business Management System (BMS) which includes codes, policies and procedures to work fairly and transparently as well as meet all laws and regulations. As part of this, Serica's Code of Conduct sets out behaviours expected from employees, contractors and third parties who act on Serica's behalf to meet all legal requirements and work to the highest ethical standards. For more details see [page 40](#).

More details on how Serica supports human rights in the workplace and in our communities can be found on [page 41](#).

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## Labour

Serica is not currently unionised and therefore there is currently no collective bargaining. However, Serica does recognise and support the right to collective bargaining and freedom of association. This was highlighted in 2021 with Serica's strong support for the Energy Services Agreement (ESA). More details can be found [page 35](#).

Serica is proud to have a number of Bruce Elected Safety Representatives, who meet on a fortnightly basis to discuss any raised safety matters. Our Elected Safety Representatives hold regular meetings and have a direct line to offshore management. In 2021, the reps made a positive impact in areas such as evacuation routes, training and contractor relations, more details can be found on [page 20](#).

Serica complies with the Modern Slavery Act (2015) including implementation of contract clauses, staff training and the right to audit contractors and suppliers to verify compliance. The [Modern Slavery Statement](#) outlines our approach, risk assessment and strategies to prevent forced labour of any kind.

Serica has an Equal Opportunities and Dignity at work policy which states that employees will receive equal treatment regardless of age, race, religion, gender, nationality etc. Throughout 2021, our Diversity and Inclusion Committee took many steps to help develop an even more inclusive working environment that encourages diversity. Details of these actions can be found on [page 30](#).

Serica continued its support and membership of the AXIS Network, a group dedicated to improving gender equality in the energy sector. In 2021, Serica became members of the Association For Black and Ethnic Minority Engineers UK (AFBE-UK) and also signed up to the Armed Forces Covenant, more information on Serica's memberships can be found on [page 32](#).



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20 August 2020

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

Dear Mr. Secretary-General,

I am pleased to confirm that Serica Energy plc supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Serica Energy will make a clear statement of this commitment to our stakeholders and the general public.

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

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

Sincerely yours,

  
Mr Mitch Flegg  
CEO

Registered office: 48 George Street, London W1U 7DY  
Registered in England and Wales with  
Registered No 54292950

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### Environment

In 2021, Serica continued to reduce its total flaring volumes by 16% compared to 2020 volumes and by 53% compared to our 2019 baseline. This year-on-year reduction is attributed to many factors, such as Serica's robust Flaring Strategy, increased visibility of daily flaring volumes and the setting of challenging flaring targets that were linked to employee remuneration. To build on the progress already made, Serica has set flaring related KPIs, limiting total flared volumes to >5,000 tonnes of gas and limiting Category A daily flaring volumes to 9.5 tonnes of flared gas.

A key aim for Serica in 2021 was to better understand the measuring and monitoring of our emissions and where they were coming from. Throughout 2021, Serica worked with two separate innovative digital technology providers to assist in the development and trial of two emissions tracking and reporting tools. The first of these tools, *OPEX.AI* is a cloud based artificial intelligence system that takes data directly from turbine data tags to calculate the emissions from each open cycle gas turbine. Data is graphically represented to allow for more timely and insightful interpretation and analysis. The second digital tool to be developed and rolled out in 2021 was the collaboratively developed Xodus/ Serica Emissions Reporter tool, Emissions Insight. Emissions Reporter was designed to automate the requirements of the UK ETS monitoring plan. More information on these tools can be found on [page 11](#).

Methane has a global warming potential of 28 times that of CO<sub>2</sub> over a 100-year time horizon. Serica has committed to developing and implementing an asset specific Methane Action Plan detailing how we will monitor and reduce methane emissions. This will include using an unmanned aviation vehicle (UAV) to establish a methane emissions baseline for the Bruce Platform.

We have improved our monitoring and reporting of Scope 3 emissions associated with our R3 well intervention and Columbus drilling projects. We worked with suppliers and vessels operators to calculate the month-on-month impact of our projects. In addition to that we have increased our capability to report our Scope 3 emissions associated with our standard operations and have worked with the operators of our non-operated assets to provide an accurate picture of our share of emissions.

In terms of waste, Serica is proud to say that we were able to achieve our target of limiting generated waste to below 200 tonnes. In 2021, we produced a total of 199 tonnes of waste, a reduction of 55 tonnes compared to 2020. We attribute this success to a change in attitude and culture, which has nurtured creative initiatives that has helped us reduce our waste volumes by replacing single-use items with reusable alternatives. We have continued to implement initiatives to reduce the impact of our supply chain on the environment in which we operate. In July we began sharing a Platform Support Vessel with another operator, which has helped us significantly reduce the associated transport emissions, as the agreement reduces sailing times by 2-3 days per week. More details on supply chain initiatives can be found on [page 13](#).

Serica are members of the Net Zero Technology Centre (NZTC) and OEUK, both of which have Net Zero goals. Through our membership with the NZTC, in 2021, Serica partnered with Arc Marine and will assist in trialling their innovative Marine Matts, which are designed to reduce the environmental impacts associated with concrete mattresses, more details can be found on [page 36](#).

### Anti-Corruption

The [Anti-Bribery and Corruption](#) Policy is owned by the Board of Directors and is regularly reviewed and updated as required. More details are available in the [Code of Business Conduct](#). Serica has also provided a confidential whistleblowing service SeeHearSpeakUp for those who may have concerns. In 2021, no concerns were raised through the service.

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GLOSSARY

Abbreviation	Definition
AFBE-UK	Association for Black and Minority Ethnic Engineers- United Kingdom
AIS	Advanced Industrial Solutions
ALARP	As Low As Reasonably Practicable
bcf	Billion cubic feet
BEIS	Department of Business, Energy and Industrial Strategy
BI	Business Intelligence
BKR	Bruce, Keith and Rhum
BMS	Business Management System
BOE	Barrel of Oil Equivalent
CAT A	Category A
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CH <sub>4</sub>	Methane
CO	Carbon Monoxide
CO	Carbon Monoxide
CO <sub>2</sub>	Carbon Dioxide
CO <sub>2</sub> /boe	Carbon Dioxide per barrel of oil equivalent
CO <sub>2</sub> e	Carbon Dioxide Equivalent
COO	Chief Operating Officer
CoP	Communication on Progress
COP 26	Conference of the Parties 26
COSHH	Control of Substances Hazardous to Health
D&I	Diversity and Inclusion
DAFWC	Day Away From Work Case
DSE	Display Screen Assessment
DYW	Developing Young Workforce
ECITB	Engineering Construction Industry Training Board
EEMS	Environmental and Emissions Monitoring System
EIA	Environmental Impact Assessment
EMPOL	Emergency Preparedness Offshore Liaison Group
EMS	Environmental Management System
ERRV	Emergency Response and Rescue Vessel

Abbreviation	Definition
ETZ	Emissions Transition Zone
FPAL	First Point Assessment
FRC	Financial Reporting Council
FUKA	Frigg UK Pipeline
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GRI	The Global Reporting Initiative
GWhr	Gigawatt Hours
H <sub>2</sub> S	Hydrogen sulphide
HAP	Hazardous Air Pollutant
HAV	Hand Arm Vibration
HAZID	Hazard Identification System
HAZOP	Hazard and Operability
HMRC	Her Majesty's Revenue and Customs
HSE	Health, Safety and Environment
HSE UK	Health, Safety and Environment United Kingdom
HSEQ	Health, Safety, Environment and Quality
ICO	Information Commissioner's Office
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel of Climate Change
ISSB	International Sustainability Standards Board
ISSOW	Integrated safe system of work
IT	Information Technology
IUCN	International Union for Conservation of Nature
IWCF	International Well Control Forum
JNCC	Joint Nature Conservation Committee
Kg	Kilogram
KPIs	Key Performance Indicators
KWhr	Kilowatt-Hours
LOPA	Layers of Protection Analysis
LTIR	Lost Time Injury Rate
M&A	Merger and Acquisition



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Abbreviation	Definition
M <sub>3</sub>	Cubic Meter
MAH	Major Accident Hazard
MARPOL	The International Convention for the Prevention of Pollution from Ships
MATE	Marine Advanced Technology Education
mg/l	Milligram per litre
MIST	Minimum Industry Safety Training
mmboe	Millions of barrels of Oil Equivalent
MWhr	Megawatt Hours
NCSC	National Cyber Security Centre
NIS	Network and Information Systems
NMFR	Near Miss Frequency Rate
NMFR	Near Miss Frequency Rate
NO <sub>2</sub>	Nitrogen Dioxide
NO <sub>x</sub>	Nitrogen Oxides
NSTA	North Sea Transition Authority (formerly Oil and Gas Authority)
NZTC	Net Zero Technology Centre (formally
OCES	Operator Co-Operative Emergency Services
OD	Occupational Diseases
OEUK	Offshore Energies UK (formerly Oil and Gas UK)
OGA	Oil and Gas Authority (Now North Sea Transition Authority)
OGIA	The Oil and Gas Independents' Association
OGISF	Oil and Gas Information Security Forum
OGTC	Oil and Gas Technology Centre (Now Net Zero Technology Centre)
OGUK	Oil and Gas UK (now Offshore Energies UK)
OIM	Offshore Installation Manager
OMS	Operation Management System
OPITO	Offshore Petroleum Industry Training Organisation
OPOL	The Offshore Pollution Liability Association
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
PEARS	People, Environment, Assets, Reputation and Sustainability
PIPs	Pursuing Independent Pathways
PLC	Public Limited Company
PM	Particulate Matter

Abbreviation	Definition
POP	Persistent Organic Pollutant
PPC	Pollution Prevention Control permit
PSCM	Procurement and Supply Chain Management
PSV	Platform Support Vessel
PUWER	Provision & Use of Work Equipment Regulations
PWRI	Produced Water Re-injection
QCA	The Quoted Companies Alliance
RGN qualified	Registered General Nurse
ROGI	Report of Oil and Gas Incident
ROV	Remotely Operated Vehicle
SASB	The Sustainability Accounting Standards Board
SO <sub>2</sub>	Sulphur dioxide
SPE	Society of Petroleum Engineers
STEM	Science, Technology, Engineering and Maths
TCFD	The Task Force for Climate-related Financial Disclosures
TJ	Terajoule
TMS	Training Management System
TRIF	Total Recordable Injury Frequency
TRIR	Total Recordable Injury Rate
UAV	Unmanned Aerial Vehicle
UK	United Kingdom
UK ETS	United Kingdom Emissions Trading Scheme
UKCS	United Kingdom Continental Shelf
UKOITC	United Kingdom Oil Industry Taxation Committee
UN	United Nations
UNGC	United Nations Global Compact
UNSDGs	United Nations Sustainable Development Goals
VOC	Volatile organic compound
VOC	Volatile organic compound
VP	Vice President
WIMS	Well Integrity Management System
WRI	World Resource Institute