



2020

Environmental, Social and Governance (ESG) Report

Serica Energy plc

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# HIGHLIGHTS FROM 2020: A YEAR OF SIGNIFICANT ACHIEVEMENT

“I am proud to report that Serica has delivered on its ESG commitments in 2020 and has grown its culture to target even greater progress in 2021.”

Clara Altobelli, VP ESG and Business Innovation



## ENVIRONMENTAL

- Gas makes up over 80% of production
- 45% reduction in flaring
- 15% lower carbon emissions
- First company to sign up to Zero Waste to Landfill initiative
- Supply chain initiatives to reduce emissions
- Instigating emissions benchmarking collaboration with rig contractors



## SOCIAL

- High safety performance - Zero Recordable Incidents (TRIF)
- Consulted with staff and changed offshore shift pattern
- Publication of our D&I roadmap and calendar
- Donations to Abernecessities, CFine & CLAN
- Fatigue & Mental Health First Aider programmes extended



## GOVERNANCE

- Increasing transparency with GRI, SASB and preparing to align to TCFD reporting
- Adding ESG targets to staff bonus KPIs for 2021
- Signed UN Global Compact
- Formalised ESG communications in board meetings

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# WELCOME

## To Serica's 2020 Environmental, Social and Governance (ESG) Report

**Welcome to Serica's ESG report for 2020 where we share our achievements to date and plans for the future. Over the last year we have faced unprecedented challenges both from COVID-19 and commodity price volatility and we have had to use our skill and ingenuity to keep our operations on track and maintain our profitability. Throughout all this, I'm proud to say that our business remains robust and our focus on ESG has grown and developed.**



**Mitch Flegg**  
CEO

Good governance, a spotlight on the environment and making a positive impact on society are not just peripheral issues to us, they are core to our business and I believe are critical to the future success of Serica. The UK has entered the energy transition and responsibly produced, indigenous natural gas is a key ingredient of this. Serica's role in this process is to contribute to the UK's energy demands, whilst providing skilled jobs, supporting local businesses and contributing to society, as well as reducing the greenhouse gas emissions associated with producing and exporting our oil and gas. Serica is a sustainable, responsible company that attracts investment, is a collaborative partner and a safe pair of hands for future acquisitions.

I have been impressed with the way our workforce has driven our commitment to ESG. Our logistics team has found new ways of working to reduce the emissions caused by the transportation of equipment to our offshore installations, our engineering team and offshore workers have collaborated to dramatically reduce our flared gases and our newly formed committees in charity, education and diversity and inclusion have really pushed forward our commitment to the UNSDGs and ensured we have continuous onward momentum. The energy behind this movement has created opportunities that not only improve our business, but also motivate and fulfil our skilled team.

**“Good governance, a spotlight on the environment and making a positive impact on society are core to our business.”**

Serica is now playing an active role in shaping the future of the UK oil and gas industry and its place in the energy transition. I am on the board of Oil and Gas UK where Serica participates in the methane working group and D&I committees and we support them in working with government to steer the way forward to net zero. My aim is for Serica to do more than simply comply with legislation. I want Serica to always look for ways to think and act differently to achieve year on year improvements. The Serica board is fully behind this strategy and their support and encouragement is demonstrated by setting out clear, remuneration linked targets related to flaring, carbon intensity, waste and D&I.

Finally, we are increasing our transparency by aligning to more reporting frameworks and principles. I am pleased to confirm that Serica reaffirms its commitment to the UN Global Compact and its ten principles concerning human rights, labour, the environment and anti-corruption. In this year's ESG report we highlight the actions that Serica has taken to integrate the ten principles into our operations, business strategy and culture. In addition, we are aligned with GRI and SASB and include tables and references on our progress. We are also laying the groundwork to align with TCFD.



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# SERICA'S COMMITMENT TO TRANSPARENT REPORTING



**Serica is increasing its transparency in ESG by aligning to more internationally-recognised reporting frameworks and principles. They guide the company as we progress on our ESG journey.**

### UN Sustainable Development Goals (UNSDGs)

In 2015 world leaders identified and committed to the UN Sustainable Development Goals (UNSDGs), creating a guiding framework for sustainable, ethical and responsible development throughout the world. Serica has adopted these goals to help shape the way we do business to primarily manage our environmental and social activities to ensure a positive contribution to each materially relevant goal. The UNSDGs encompass a wide range of ambitions, including climate action, gender equality and eliminating poverty.

### UN Global Compact:

The UN Global Compact (UNGC) is the world's largest corporate sustainability initiative which aims to support companies to do business responsibly by aligning their strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption. Alongside this, the Compact actively encourages further action regarding the UNSDGs, emphasising collaboration and innovation to advance broader societal goals. Serica joined as a signatory to the Global Compact in 2020 and will fulfil the three requirements within the annual Communications on Progress (CoP); stating our continued support for the UNGC; describing the actions taken by the company and measuring the outcomes using reporting metrics such as the Global Reporting Initiative (GRI).

### Global Reporting Initiative (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. As Serica continues to grow and improve our environmental performance, we are able to include more disclosures that were previously deemed "Not material" in 2019. We feel that this has allowed for more of a transparent account of the company's activities and is

a great metric for Serica to highlight further change and encourage even greater improvement in our environmental and social performance. This report was completed using the GRI Core Option.

### Sustainability Accounting Standards Board (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 use these metrics similarly to GRI to improve our performance, with the most notable this year being our reduction in emissions, and a significant reduction in flaring. A metric that is individual to SASB is the reserves valuation and capital expenditures which are essential for outlining the future of the company's assets. Serica use this metric to determine areas for continual development and opportunities for innovation.

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

The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 in order to increase and improve reporting of climate-related financial issues. As the effects and implications of climate change become more apparent, businesses must carefully identify and plan for any potential risks and opportunities that may present themselves in the near or distant future. The TCFD disclosures provide all stakeholders with a clear picture how an organisation, such as Serica, identifies and plans for climate-related risks and opportunities. In 2020, Serica has proactively started the process to align with the TCFD recommended disclosures ahead of their mandatory introduction in the UK. A summary of our TCFD review is included in [Appendix 8](#) and Serica currently aims to release its first detailed TCFD report in 2022.

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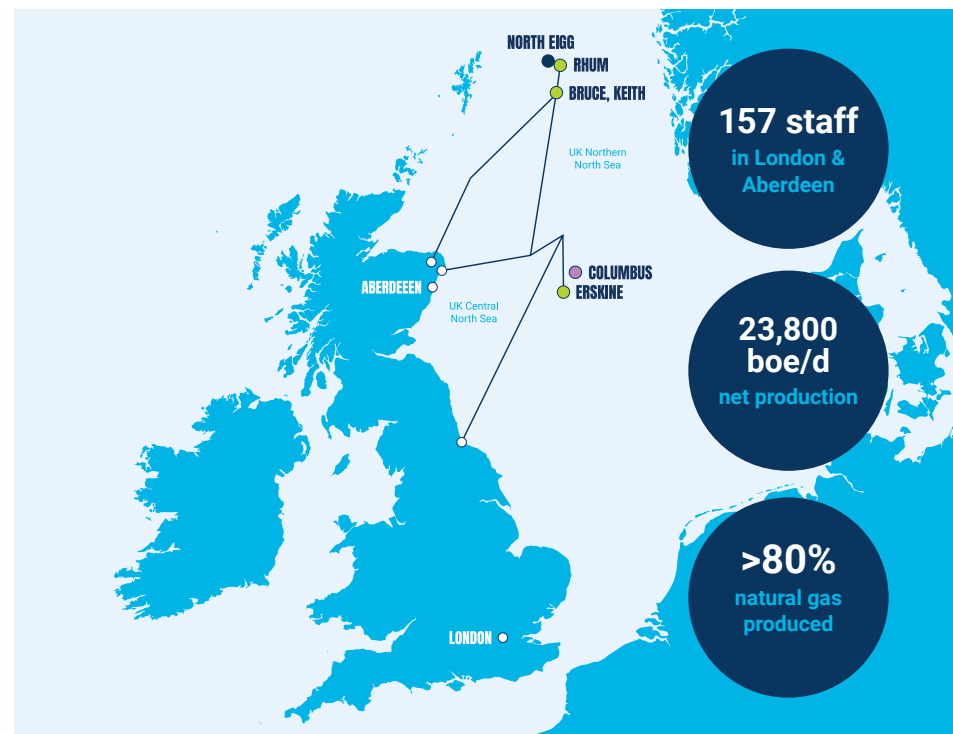
# SERICA: AN OVERVIEW OF OUR BUSINESS

**Serica is a modern, dynamic energy producer focused on the UK's North Sea with a full range of exploration, development and production assets.**

When we took over operatorship of some of the UK's most important gas producing fields, Bruce, Keith and Rhum, two years ago, we seized the opportunity to review working processes through an ESG lens. To date, that focus has delivered significant improvements and we continue our drive to engage our 150+ staff and key contractors to take ownership of tasks and bring us their ideas for improvements.

## Serica's Producing Assets:

**Serica has 98% working interest in the Bruce asset, 100% in Keith and 50% in Rhum and we operate them all.** We hold an 18% working interest in the Erskine field and together our total net production for 2020 was 23,800 boe/d and this was over 80% natural gas.



## PRODUCTION

We operate the Bruce, Keith and Rhum fields in the UK North Sea, our platform providing 160 beds for highly skilled staff who are responsible for producing over 4% of the UK's domestic gas supply. Serica also holds an interest in the Erskine field in the Central North Sea.

## DEVELOPMENT

In our portfolio we operate the Columbus development project, due to come onstream in 2021.

This is an environmentally low impact subsea tie-back that optimises the use of existing pipelines and facilities and primarily produces gas.

## EXPLORATION

In 2022, we plan to drill our 100% owned/operated North Eigg exploration prospect which is an analogue and close neighbour to the Rhum gas field. If successful, this could be developed with minimal environmental impact.

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# OPERATING IN THE UK NORTH SEA



**Clara Altobell**  
VP ESG and Business Innovation

Without a UK domestic supply the country would be dependent on imported oil and gas that would have higher associated carbon emissions. The UK government has consistently led the way in health, safety and environmental regulations and fiscal stability. This past year has demonstrated that this continues to be the case with the government setting targets to reduce emissions and reach net zero by 2050.

Our involvement with Oil and Gas UK and their commitment to Vision 35, published in 2019, has helped keep us fully aware of our place in the transition. We have been proactive in setting up formal processes and committees to formulate and manage our ESG targets. We have greatly increased awareness within our organisation and improved how we monitor emissions and are engaging with technology to plan for the future.

We are actively involved in the OGUUK/OGA methane working group and are making plans to improve our monitoring techniques and design projects to lower emissions. The subsequent OGA strategy, Stewardship Expectation 11 and North Sea Transition Deal reinforced the message that the oil and gas industry has the skills, infrastructure and supply chains to provide energy during the transition period and beyond.

Serica's assets are well placed to optimise the use of our infrastructure and engage with opportunities in the future to reduce our impact on the climate. We contribute to the UK economy through jobs, training and providing lower carbon energy.

The UK Energy White Paper was published in December 2020 which added detail to the government's Ten-Point Plan published earlier in the year. The paper showed a shift from fossil fuels to renewable energy happening over the next two decades. This would be a managed transition incorporating carbon capture and storage and hydrogen technology which would enable domestic UK oil and gas production to continue to supply the UK energy needs, whilst reducing its greenhouse gas emissions.



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# ENVIRONMENTAL

**We play a vital part in the UK energy transition and lowering our impact on the environment is a key step in that journey. Throughout the year we have engaged all our staff, encouraging them to find ways to reduce greenhouse gas emissions in our operations and to challenge our impact on the environment.**

**We believe that this proactive mindset will maintain momentum and deliver continuous improvement. We have formalised the process by linking ESG-related targets to the remuneration of all our staff.**



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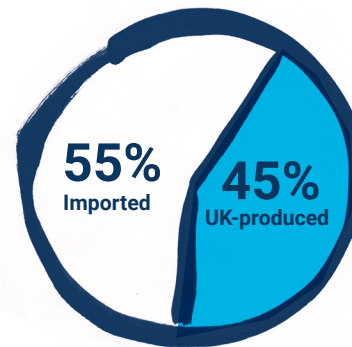
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# CLIMATE ACTION



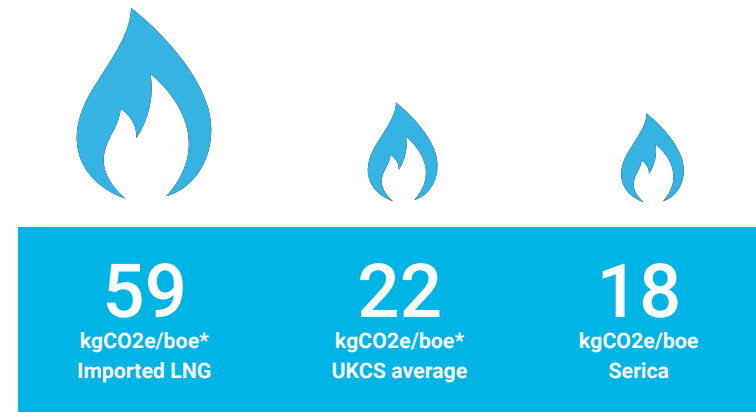
**Climate action is now a global priority, with the UK targeting net zero and Serica is resolved to be part of that transition, delivering domestic gas in a responsible way, constantly looking to reduce its impact on the environment.**

70% of UK domestic heating relies on gas and UK-produced gas generates significantly lower carbon emissions than imported gas.

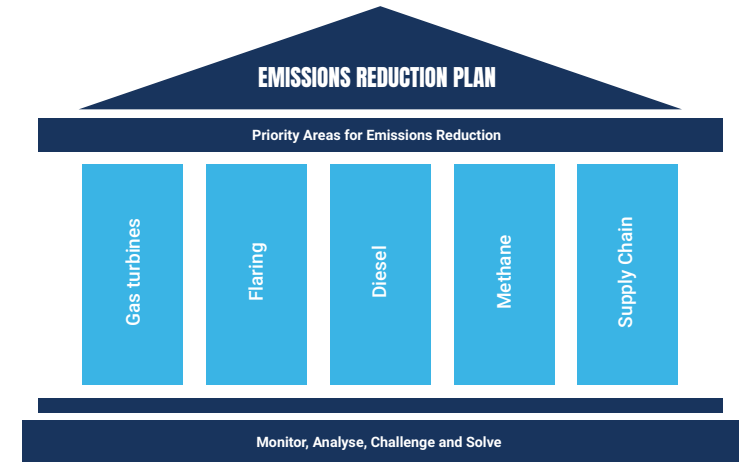


**Keeping the UK's gas supply secure**

**Over 80% of Serica's production is natural gas, generating significantly lower greenhouse gas emissions than imported LNG.**



\*Source: OGA May 2020



## Formation of our Emissions Reduction Group

During 2020 we have energised and focused our engineering and specialist staff with the formation of our Emissions Reduction Group (ERG) to develop ever-more detailed profiling of our emissions, helping us to instigate highly effective measures that are already reducing our impact on the environment.

To maintain focus and momentum, the Group meets regularly to monitor progress across our production process, supply chain and office-based operations. Across the broader workforce volunteer offshore 'ESG Champions' contribute observations and our achievements are regularly reported to staff and in Board meetings.



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# Linking climate action to staff bonus

To motivate and energise our team the Board has built climate-related KPIs into the staff bonus scheme for 2021:

- ✓ **Reduce flaring**
- ✓ **Lower carbon intensity**
- ✓ **Advance ESG initiatives**
- ✓ **Reduce waste**

## Activities and achievements during 2020

- ✓ **45% reduction in gas flaring**
- ✓ **Formation of staff led groups to reduce emissions**
- ✓ **Research into ways to improve energy use offshore**
- ✓ **A reduction in greenhouse gas emissions**
- ✓ **Expansion of emissions monitoring to include Scope 3 logistics and drilling**
- ✓ **Changes in logistics to reduce fuel usage**
- ✓ **The inclusion of key environmental targets in staff bonus KPIs**



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We are extremely proud to report that, for the second consecutive year, Serica has made significant reductions to the volume of gas it flares offshore. These gains were achieved with the following actions:


- Implementation of our Flaring Strategy - designed to clearly define when to challenge and minimise flaring
- Improving guidance to the offshore operations team on how to reduce flaring whilst maintaining plant stability during steady state operations, plant instability and restarts
- Strong leadership from Senior Management who challenged traditional practices to improve emissions management, even when it was at the expense of small production gains
- Setting a target for Category 1 flaring which is lower than our regulatory permit. This fundamentally shifted the organisation's mindset, leading to a move to targeting lowest achievable flaring volumes



**Category 1: Base load flare**  
This includes all the gas used for safe and efficient operation of the process facility and flare system under normal operating conditions.



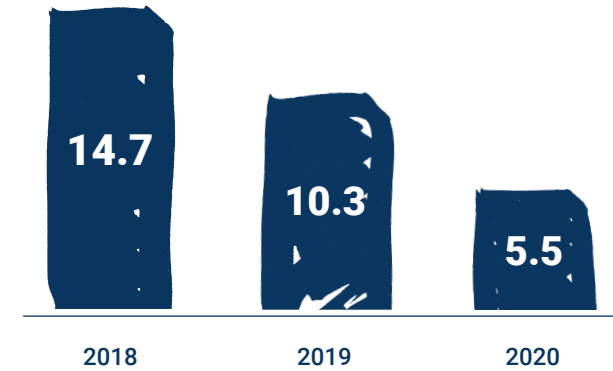
**Category 2: Flaring from operational or mode changes**  
This includes gas flaring resulting from the start up and planned shut down of equipment during production.



**Category 3: Emergency shutdown/process trip**  
This includes any gas flared during an emergency.

## Focus on flaring delivered success

Flared Gas  
(thousand tonnes per annum)



## Developing a better emissions baseline

Within the EU Emissions Trading Scheme (EU ETS, soon to be UK ETS), all operating companies are obliged to report their CO<sub>2</sub> emissions. During 2020 we made a detailed study into how we measure and calculate our emissions and identified further opportunities for improvement, now being worked into our Emissions Strategy.

An exercise to review the level of nitrous oxides (NO<sub>x</sub>) in our power generation was carried out to ensure that we were operating within governmental guidelines, which stipulates a limit of 350mg/m<sup>3</sup>. We demonstrated compliance by conducting 'stack emissions monitoring' on a representative gas turbine on the Bruce platform. The measured concentration was 266mg/m<sup>3</sup> which is in line with the manufacturer expectations and well below the regulatory limit. The output of this monitoring campaign was used to both demonstrate compliance with the updated NO<sub>x</sub> limits and update Serica's Pollution Prevention Controls Permit.

During 2020 Serica undertook a major well intervention on our Rhum Field. We took this opportunity to gather data that will help us better understand our Scope 3 emissions, working with rig operator Awilco Drilling to collect emissions data on:

- Rig activities
- Project support vessels
- Standby vessel

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Emissions are reviewed fortnightly to identify areas for improvement and longer term the data gathered will be used by Serica and Awilco to form a benchmark for future well operations and integrated into our project planning process to minimise Scope 3 emissions.

Throughout 2021 Serica will develop and refine the accuracy of its emission reporting in line with industry best practise and with a focus on all reportable pollutants, but with specific focus on methane and CO<sub>2</sub>.

## Identifying energy efficiencies offshore

Our 2020 Bruce Platform Energy Study presented 14 potential opportunities to increase energy efficiency offshore and the following have already been implemented:

	<b>Produced Water Handling Strategy</b>	We assessed the benefit of cleaning and discharging water overboard versus reinjecting produced water with uplifted seawater
	<b>Replace compressor air filters</b>	This increases gas turbine efficiency & reduces fuel combustion emissions
	<b>Power Generation Emission review</b>	Reviewed alternative sources of power generation

## Greenhouse gas emissions (GHG)

Power generation and gas compression on our Bruce platform are fuelled by burning some of the gas we produce and make up the majority of our GHG emissions, followed by gas flaring and diesel.

A 15% reduction of our total CO<sub>2</sub> emissions in 2020 is partly attributable to a 45% reduction in gas flaring. In 2020 the Serica Team committed to reporting both its CO<sub>2</sub> emissions and the carbon intensity of its produced hydrocarbons to staff, Senior Management, Board members and Partners on a monthly basis. Carbon Intensity gives a representation of emissions performance against production as it discloses emissions associated with produced hydrocarbons. In 2020 there was a slight increase in carbon intensity, 17.5kg CO<sub>2</sub>/boe which is primarily due to lower production volumes. There was a 6-week period where production ceased for essential maintenance, but diesel was still used to provide the power needs on the platform.



**"It is important that we lead by example and inspire our employees to do what they can for the environment."**

**Oliver Lever,**  
Environmental and Compliance Advisor

Serica has set a target of achieving a Carbon Intensity of less than 17 kg of CO<sub>2</sub> per boe in 2021 and this target has been included in the Serica Energy ESG key performance indicators which are linked to our employee remuneration.

## Operating Management System (OMS)

Serica's OMS lays out procedures for complying with the requirements of our Pollution Prevention Control (PPC) permit and the EU Emissions Trading Scheme (EU-ETS), soon to become the UK ETS. Periodic reviews of the corresponding OMS documents as well as internal and external audit and assurance activities allow Serica to effectively evaluate our management approach on a regular basis.

Management of compliance is tracked daily by Serica's dedicated Environmental and Compliance Advisor. This allows any emissions related anomalies to be quickly identified and addressed. Emissions data is recorded on a cloud-based environmental data tracking application called EmTrax which is intrinsically linked to the Regulator's online portal to facilitate the timely and accurate reporting of emissions data to ensure ongoing regulatory compliance.

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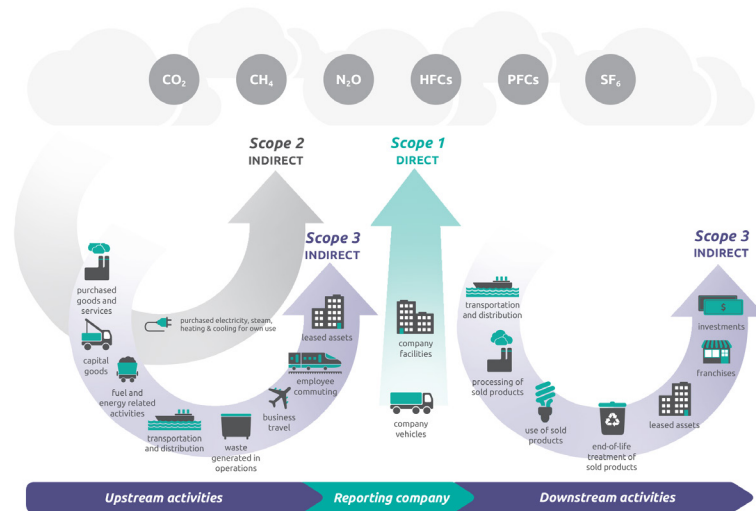
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## Expanding scopes

Serica is legally obliged to report Scope 1 emissions and does so in its EU ETS submissions. As a responsible operator, Serica has extended its emissions monitoring in 2020 to include some aspects of our Scope 2 and 3 emissions and reduce these emissions where we have influence and opportunities to do so. The diagram below simply outlines the definitions of Scope 1, 2 and 3 emissions.

## GHG Protocol scopes and emissions across the value chain

Source: WRI/WBCSD, 2011



**“We have highlighted the importance of emissions reduction in all our vessel tenders.”**

**Allan Doak**  
Materials & Logistics Manager



Peterhead harbour

In 2020 the following Scope 2 and Scope 3 emission reduction opportunities were identified and acted upon:

- Our logistical forward operating base was moved from the Port of Aberdeen to the Port of Peterhead reducing sailing times and fuel consumption for our supply vessels.
- We identified an opportunity to utilise the Port of Lerwick for numerous vessel operations to negate the need for vessels to return to Aberdeen or Peterhead reducing sailing times and diesel consumption.
- We joined a supply vessel share scheme with other North Sea operators to reduce inefficiencies in platform supply and reduce the overall number of supply vessel trips.
- We reduced waste volumes produced offshore by over 60 tonnes reducing the weight of waste transported and the associated transportation emissions.
- We implemented a Zero Waste to Landfill policy so that all general waste from the Bruce platform is recycled or converted to power. Serica now sends all unrecyclable general waste to a waste to energy plant, mitigating the harmful methane emissions from landfill. We fully understand the best course of action is to reduce, re-use and recycle and have a programme to reduce plastic waste offshore and encourage staff initiatives to further identify where waste can be avoided. We also incentivise staff by making total waste volume reduction a target related to their bonus scheme.

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## Industry engagement on emissions

In addition to improving our own emissions performance, we believe in being a part of industry-wide change. Activity during 2020:

- Participated in a significant number of Oil and Gas UK (OGUK) workshops and working groups,
- Contributed to the OGUK Atmospheric workshops, set up to address ways of monitoring reducing GHG emissions,
- Our Environmental and Compliance Advisor has become a member of the OGUK Methane working group, which combines the expertise of oil and gas operators across the UKCS to determine how better to track, quantify and report on methane emissions at a basin level.

Serica has shared its emissions data with a number of different third parties, from companies looking to track and compare emissions data using satellite technology, to consultancies working on data management methodologies to more accurately define our own emissions. Serica has also had close communication with the Regulatory authorities throughout 2020 to ensure we are working together to achieve better results.

Throughout 2020 Serica shared the Company's vision and achievements through engagement and collaboration with other industry bodies, for example;

- Our VP ESG and Business Innovation gave online presentations on ESG to Petroleum Economist conference, the World Energy Council (WECA), Epoch 2020: sustainability, Frontier Energy Summit and the SPE London Upstream Finance and Investment conference. She also chaired a session on Carbon Capture and Storage for a joint SPE/PESGB CCUS conference,
- Our CEO presented our Company strategy at WECA and participated in media interviews,
- Our VP Operations was part of a panel session for Oil and Gas UK sharing our experience of COVID-19 response,
- Our Environmental and Compliance Advisor presented at an Oil and Gas UK forum on leadership in ESG.

## Maintaining momentum with fresh ideas

Building on our ESG successes of 2020 there are more in the pipeline:

- Vessel sharing; sharing supply vessels to move goods, reducing fuel usage
- Logistics; operating deliveries out of Lerwick, reducing nautical miles
- Power sources; researching safe alternatives to reduce reliance on diesel
- Sharing power; investigating the potential of nearby existing infrastructure
- Future projects; integrating climate and emissions impacts into the planning of all future projects

See [Appendix 2](#) for key performance statistics  
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# RESPONSIBLE CONSUMPTION AND PRODUCTION



The Bruce Platform, its manpower and supporting assets are significant consumers of natural and manufactured resources. From food and drink to diesel for vessels, aviation fuel for helicopters, chemicals for the production process and gas for our power generators and compressors, our business consumes a significant amount of material to keep gas production online. We have identified that it is no longer good enough to just reduce consumption on the platform and in the office, but we are also working with our contractors to drive down consumption within our supply chain. We have carried out several initiatives in 2020 which we feel demonstrate our credentials as a responsible consumer.

### Collaborating to deliver results

2020 saw the launch of an Offshore Execution Efficiency Project, tasked with seeking out workable efficiency innovations. Collaboration with our ESG Champions on board the Bruce platform delivered a saving of over 30,000 litres of diesel per annum by challenging longstanding procedures of running time for weekly diesel engine function tests, trying an alternative and activating change. **This will deliver an annual saving of over 67 tonnes of CO<sub>2</sub>.**



### Fuel gas consumption

85% of our CO<sub>2</sub> emissions come from the combustion of fuel gas, which powers our generators and compressors. This is an area where small changes can potentially make big savings. In 2020 alone the plant consumed just under 70,000 tonnes of fuel gas in its two power generators and two compressors. Our efforts to reduce fuel gas usage are described in the Climate Action section of this Report

Our Produced Water Management Strategy is considering the potential savings from permanently removing the necessity for seawater lift and produced water reinjection, relieving our power generators of an energy intensive process.

### Waste re-use, reduction and management

We have made it our goal to reduce the volume of single use or non-recyclable plastics brought onto our platform, increase re-use and recycling where we can and reduce the volume of general waste being sent to landfill.

In 2020 Serica reduced both the volume of waste created on the Bruce Platform and the volume of waste sent to landfill.

In addition to our 'Pointless Plastics' campaign offshore we had a notable success when we replaced packaging with pods. The pods are used to package materials in to be sent offshore rather than send metal cages or wooden crates offshore. The pods are unloaded and sent back to shore for re-use. The use of the pods minimises the transportation of plastic, cardboard and wood offshore, reduces the requirement for wooden pallets whilst reducing the quantity of potential waste being transported offshore and actual waste being transferred back onshore. It is estimated by our waste contractor that based on 15 kg per pallet and with four pallets per week being sent offshore, this change - alone could reduce the volume of waste from the platform by around three tonnes.

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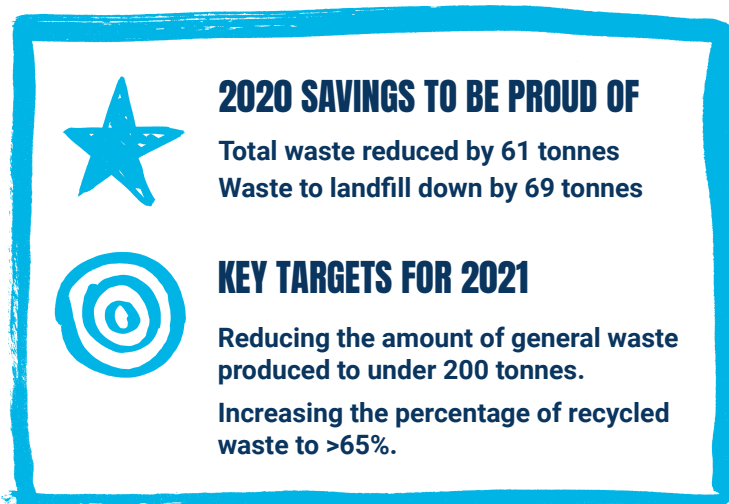


## Creative thinking resulted in the reduction of circa three tonnes of waste

Serica has launched the following waste initiatives in 2020:

- Replacing hard copy signatures with digital ones on all paperwork.
- Replacing single-use reusable shoe covers with reusable fabric ones.
- Relocation of waste skips on the platform to aid segregation.
- Introduction of skip audits.

The introduction of skip audits in 2020 allowed Serica to keep a closer eye on waste segregation offshore. The audits involve a general waste skip being tipped out onshore and sorted to establish the percentage of recyclable waste within the skip. The nature of the recyclable waste in the general waste skips has given us a better understanding of the specific segregation issues offshore and has enabled us to take targeted action. An example of an issue identified from a skip audit was that crew had safety concerns over walking down steps with cardboard on open decks due to buffeting by the wind. This issue was resolved by ensuring recycling skips were on each level.



## Bruce sources of waste in 2020

Serica teamed up with its contractor ASCO to be the first North Sea signatory to a Zero Waste to Landfill initiative that aims to eliminate all general waste going to landfill.



## Chemical consumption

The Impacts of chemicals to Life Below Water are covered in the [corresponding chapter](#). However, as an operator we are committed to the following with regards to chemical management:

- Reducing the number of substitution chemicals used on our operations or during production.
- Reducing the volume of chemicals utilised offshore.
- Accurately calculating the volume of chemicals required offshore and monitoring their use to avoid noncompliance with the permit.
- Identifying and implementing technologies that will assist us in reducing the use of chemicals offshore.

## Water resource management

Most of the water consumed for life support on the platform is desalinated water, occasionally potable water will be shipped to the platform, but this is rare and did not occur in 2020. The desalination process consumes energy and subsequently fuel gas or diesel and therefore reducing our consumption of potable water offshore can also reduce our energy consumption. The potable water needs to be desalinated, treated with chemicals, pumped around the platform and then in some cases heated for use in cabin bathrooms and in the galley. By reducing potable water use we can reduce both our emissions and the volume of chemicals we transport offshore and utilise in the water treatment process.

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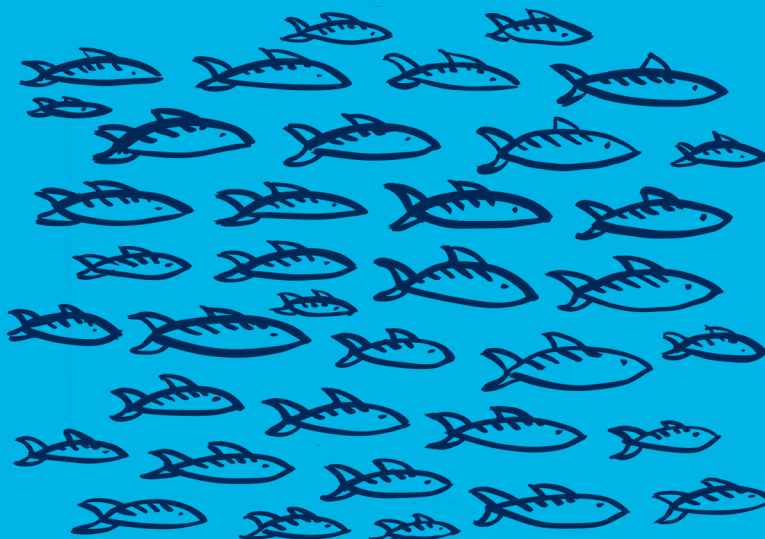
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# LIFE BELOW WATER



Our Bruce platform is located in the middle of the UK Northern North Sea, close to protected marine habitats, teeming with fish and birdlife. As one of its residents, we recognise that it is our duty to appreciate and protect our neighbourhood by ensuring our operational activities do not impact the fragile ecosystem. We are fortunate that we operate in a highly regulated environment and there are strict rules in place to help us monitor and minimise our impact on the marine environment. We work with OPRED, the UK government's Offshore Regulator for Environment and Decommissioning, to set limits and provide details of all discharges of waste, water and chemical usage. Our submissions are audited and regulated by licences, consents and permits. We strive to minimise our discharges rather than target the permitted levels.

If we do discharge any hydrocarbons to sea, we ensure that we report them, remedy the cause and take steps to learn and avoid repeating. We achieve this by following our, operating management system (OMS) which complies to our strict environmental standards, helps us learn from experience and continuously improve. In 2020 we reported seven fewer PON1 notifications of events that lead to a hydrocarbon or chemical release to sea.



**We are fortunate that we operate in a highly regulated environment and there are strict rules in place to help us monitor and minimise our impact on the marine environment.**



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Looking forward we would like to do more to understand our marine environment and help with biodiversity through monitoring or reporting. We will work with academic partners on this. We also understand the harmful impact of plastic and are educating our workforce and taking steps to reduce or eliminate single use plastics in our operations.

## Management of produced water

We produce a relatively small quantity of water associated with our oil and gas production, around 2% of liquid production, through the Bruce facilities. There are two means of water disposal, injecting it underground via a dedicated well or cleaning the water to very low oil in water concentrations and discharging into the sea. We apply and operate under an oil discharge permit and report and manage these volumes.

In 2020 there was a 60% reduction in oil discharged with produced water; 0.2 tonnes compared to 0.5 tonnes in 2019. We are working on our Produced Water Discharge Strategy in order to weigh up the advantages of injecting produced water to prevent small oil volumes to the sea, compared to the fuel emissions and chemicals required to operate the produced water injection system. We have invested in a de-oiler system that reduces oil in water concentration to extremely low levels, removes the need for chemicals and reduces power requirements. This is currently only used when the injection process is out of service, but we may seek to change this once the environmental impact of both processes is understood. We are also running a trial on a new chemical that could further reduce oil in water concentrations and looking at changing water injection equipment. The final decision will be made in consultation with the Regulator.

## Marine plastics

We recognise the harmful effect that plastics and microplastics have on the marine environment and have looked for ways to reduce the amount of plastic we use in our operations. One simple measure was by reducing the usage of single use plastic overshoes on the platform. We have extended the area where work boots can be worn without overshoes and introduced re-usable fabric alternatives. We launched a Pointless Plastics campaign to highlight the issue.

We were the first North Sea operator to sign up to the **Zero Waste to Landfill** scheme which has highlighted our focus on waste reduction and this is now an annual bonus target. Greater scrutiny on waste segregation has led to packaging reduction initiatives like re-usable packaging pods that remove the need for pallets, wrapping and ties.

## Chemicals

We use chemicals as part of our production and export processes, but we track them closely and try to reduce or remove them wherever possible. In 2020, we carried out a review of all the chemicals used on the Bruce Platform and have started changing out as many chemicals as possible to ones that minimise our environmental impact. In 2020, our chemical use was reduced by 17% compared to 2019.

## Our Pointless Plastics campaign highlighted the use of single use plastics offshore



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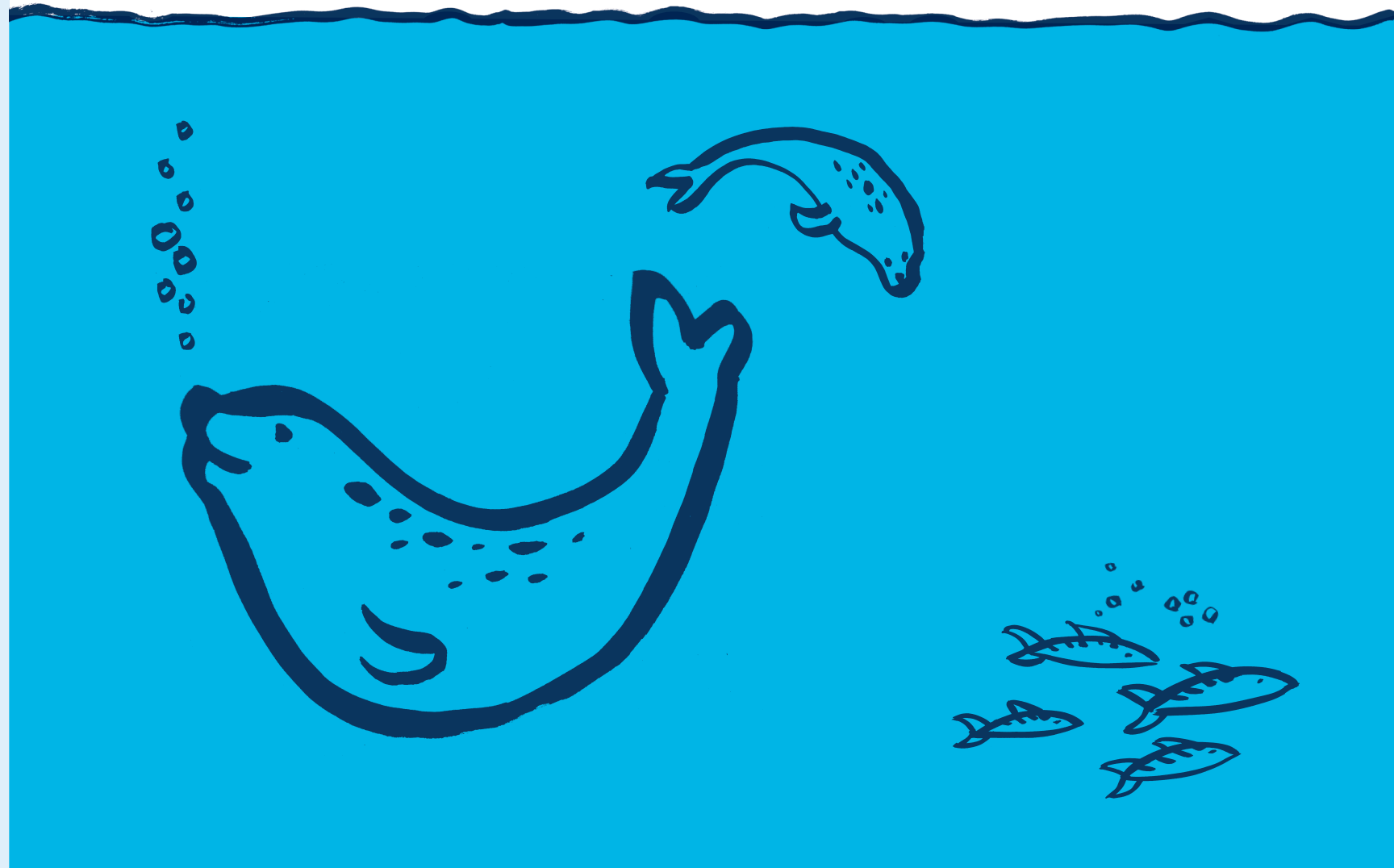
## Seawater usage

The use of seawater for cooling purposes is a common practice in the oil and gas industry. Serica used 34 million tonnes of seawater during 2020 with most of this being pumped back into the North Sea. There is only a micro-dose of chemicals added to the seawater to prevent bacteria, which has no detrimental effect to sea life. The discharge of warmed seawater could create a thermal plume which could potentially have a detrimental effect on the marine environment. Some marine creatures rely on stable temperatures to survive, so ensuring that the seawater is not heated drastically is extremely important. Our seawater is lukewarm, below 25°C, when it is returned to the sea and so will cause no harmful effect.

## Looking ahead

We have made considerable progress in reducing our chemical usage, reducing the number of discharge notifications and engaging our staff in reducing waste, chemicals and plastic. We continue to include these targets as part of our annual KPIs and have systems in place to act on good ideas to improve further. Our offshore ESG Champion programme gives us greater insight into how practical measures can taken to make a material difference.

See [Appendix 2](#) for key performance statistics  
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# SOCIAL

**Our offshore staff are keyworkers and kept production flowing throughout the COVID-19 pandemic. This was achieved through mutual understanding and respect, underpinned by an absolute commitment to keep our staff safe as we asked them to adapt to new ways of working.**

**We are hugely appreciative and supportive of our amazing teams.**



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# NO POVERTY AND ZERO HUNGER



**“Serica’s philosophy is to give to those who most need it when they need it and sadly 2020 has provided plenty of opportunities to do this. During these extraordinary times our Charity Committee was able to make decisions and act quickly, with charitable donations up by over 130%.”**



**Debbie Byres**  
Serica Charities Committee

The charity committee’s members span our offshore and onshore teams with shared goals to coordinate fundraising events and activities that benefit local and national organisations and communities. The Charity Committee uses the UNSDGs as its guide to shape its giving strategy, and in 2020 No Poverty, Zero Hunger and Good Health and Well Being were at the forefront of this. Serica plans to continue to build our relationship with the charities we currently support and aims to expand the number of causes and organisations throughout 2021.

The COVID-19 pandemic has caused considerable economic uncertainty and suffering across the globe. With production on the Bruce platform continuing throughout lockdown and work ongoing with several projects, Serica has been

in the fortunate position to retain its staff team in secure employment, a position appreciated by our staff. This appreciation has spurred us to help where we can by donating and raising money.

In 2020 Serica donated £37,102 to various charities by means of Company contributions and individual fundraising for Serica designated charities.

The charities supported included:

Continuing our support for **CLAN Cancer Support** in 2020 was very important to Serica. CLAN Cancer Support is a well-established local charity providing emotional and practical support to people affected by cancer across north-east Scotland, Moray, Orkney and Shetland. As lockdown isolated those in most need of support CLAN’s ‘Here for you’ initiative delivered crucial telephone support sessions. Serica responded to the appeal immediately with a £10,000 donation.



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Food deliveries ready to go at CFine



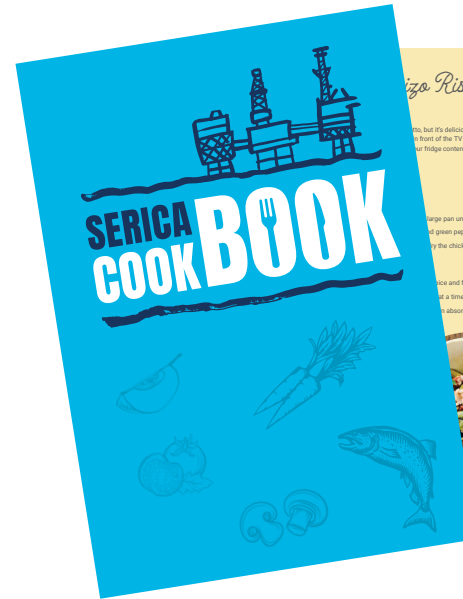
PPE arriving at Aberdeen Royal Infirmary

**“ Thank you so very much for donating the laptops we will definitely find some very good homes for these. I am sure the children who receive them will be absolutely delighted so I also thank you on their behalf.**

**Thanks for your continued support, we are very grateful.”**

**Michelle Herd**

Co-founder and COO Abernecessities



Staff pitched in for another fundraiser – **The Serica Lockdown Cookbook**, an e-book sold using social media to raise money for the Community Food Initiative, North East Scotland (CIFNE). At time of writing the cookbook has raised £1,800 for CFINE and has hopefully provided the inspiration for many memorable meals across the UK in the process. Serica staff had been collecting foodbank donations in the office, but during 2020 lockdown, we got creative and combined staff wellbeing with fundraising, our lockdown step challenge resulting in a small donation.

Early in the pandemic we responded to calls for PPE with a donation of £10,000 to **NHS Grampian** and later in the year we made another two donations to the NHS; firstly safety goggles for Grampian Ambulance Crews. Secondly, and perhaps the most notable donation came as a result of the brilliant initiative of an offshore crew member, Scott Spence, who created his own 'Everest

Challenge'. Undaunted by COVID-19 forcing Bruce platform's gym closure, Scott substituted Bruce's internal stair well for a step machine to clock up the equivalent of an Everest ascent, a truly awesome achievement providing further support to our NHS Heroes. To round off our support to the NHS the Serica Bruce conducted a "Clap for Key Worker Heroes" on the Bruce Platform which garnered national media attention.

**The Trussell Trust** (Stop UK Hunger) provides a nationwide network of 1,200 foodbanks to support people locked in poverty. A significant increase on previous years:

We recognised the immediacy of this unanticipated and urgent need for help and acted swiftly to donate £10,000, ensuring that the money was with the Trust within days.



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Piper Alpha memorial garden



Scott Spence's virtual Everest walk raised over £7000 for the NHS (see [previous page](#))



Donating laptops to Abernecessities

**Abernecessities** provides support to alleviate the pressure on families with extremely limited resources in Aberdeenshire. Serica covers the cost of their annual dry-cleaning bill.

In addition, an intrepid Serica employee raised £1,176 for Abernecessities with a sponsored walk across the summits of Lochnagar in November and early in 2021 we donated surplus laptops to the charity for distribution.

In recognition of our offshore safety performance, achieving 'Zero TRIF' in 2020, we made a £2,000 donation to the **Piper Alpha** Memorial Gardens in Aberdeen, which provides a quiet space where people can reflect and commemorate those who perished in the 1998 tragedy.

Close to Serica's London office, the Baker Street **Quarter Partnership** supports businesses and the community in that area. Staff from our London office regularly join their fundraising pub quizzes and during 2020, the virtual quizzes generated funds for the North Paddington foodbank.

## Looking to the future

We will build on relationships with existing charity partners and ensure we respond quickly to community needs and diversify the range of activities to help our chosen charities. Planned initiatives include hands-on help, a virtual bike ride around the UK and some biodiversity and conservation related activities. We feel it is important to become the change we wish to see in others and inspire our employees and their families to do what they can when they can to help others and the environment.

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# GENDER EQUALITY AND REDUCED INEQUALITIES



Serica embraces diversity & inclusion. Our D&I Committee was set up during 2020 and involves staff members in the development of a wide-ranging roadmap to support our Diversity and Inclusion journey. To make this meaningful to all, we have reached out to our staff for their suggestions. We have set a company wide bonus target to increase the percentage of women in our organisation as we recognise that it is currently too low.

We have an active staff engagement culture, drawing attention to national or international days of celebration, for example during 2020 we supported Pride by providing staff with information about virtual events in Aberdeen and London and International Women in Engineering Day's #ShapeTheWorld campaign. Our Committee has now formulated a calendar of events to share with colleagues throughout 2021.

We believe that a more diverse balance in our workforce strengthens our Company by bringing different intellects, backgrounds and experience into the mix. We will work with Industry bodies, partners and charitable organisations to make Serica a more diverse and equal company.

## Mapping out D&I

Serica worked to create a D&I roadmap to provide guidelines to efficiently promote inclusivity. Developed in 2020 and launched to the entire organisation by our CEO, the road map started with a commitment to develop a better understanding of the issues we may face, distributing our first Staff D&I survey.

We also asked employees to share their thoughts on D&I best practice via a dedicated e-mail address.

**"We are passionate about building an inclusive working environment that attracts and encourages diversity. We want our employees to feel they can be their true self, we recognise the potential that this unlocks and the value it brings."**



**Carol Stewart,**  
Serica Diversity & Inclusion  
Committee



*"I love being an engineer. In an ever-changing environment engineering offers a fulfilling adventure and one that I am grateful to be part of."*

**Katrina Sellar,** *Subsea Controls and Operations Engineer, Serica Energy*

International Women's Day #ShapeTheWorld campaign

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Within our business we have been working to identify any organisational behaviours, practices or processes that could result in discrimination of any kind. At an industry level, we regularly participate in government consultation exercises related to;

- Sexual harassment in the workplace
- Establishing a new single enforcement body for employment rights
- Addressing unfair flexible working practices
- Neonatal
- Leave and pay
- Transparency of flexible working and family related leave and pay policies
- Parental leave and pay

### Participation in inclusivity workshop

We were proud to see our OIM, Ian McKay become one of eight industry representatives on the Step Change in Safety workgroup on inclusive offshore working practices. The group issued an industry-wide survey, the results of which have formed the new UKCS D&I Index, reflecting our industry's performance in key D&I issues such as belonging, openness, respect, career opportunities, culture, and flexibility, one of the main barriers to gender equality offshore. In an ongoing campaign the group's campaign aims to:

- Create a safe and open environment to seek community feedback on experiences of offshore and onsite to drive change
- Share good practice from individuals and companies through case studies to drive improvement across the energy sector
- Produce guidelines for organisations to efficiently promote inclusivity offshore and on-site
- Work with the supply chain to ensure there is adequate consideration for all personnel working offshore and onsite

**Ian McKay**

Bruce Offshore Installation Manager



## Unconscious bias training

Unconscious bias training in the workplace aims to make people aware of potentially harmful biases and to reduce the impact of those biases on their interaction with others.

In August 2020 Serica conducted UCB training which focused members of its Senior Leadership Team on:

- Common biases and impacts
- Techniques to eliminate bias
- Committing to individual and team actions to prevent unconscious bias occurring

## A transparent and inclusive recruiting strategy

Having acknowledged the need for a more diverse work force Serica is working hard to ensure that the company is attractive to all ethnicities, gender groups and economic backgrounds as well as those with physical and mental disabilities. Serica commits 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.



## Signing up to the Axis Pledge

An example of our commitment in action is our signature of the Axis Pledge which commits Serica to attracting, retaining and 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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## Connecting women in energy

Clara Altobell, VP ESG and Business Innovation, organised and moderated a Society of Petroleum Engineers (SPE) webinar 'Women in Energy: Leadership – Learning from Namibia's Leaders in Energy' where three female leaders, representing a major oil company, the national oil company and the Ministry of Mines and Energy, to share their experience and advice on:

- How they got where they were today
- Qualification vs experience vs attitude
- Their unique leadership style
- How to get results
- Lessons learnt

## The gender pay gap:

At the end of 2020, Serica's workforce consisted of 142 male employees and 15 female employees, a slight increase from 2019. In total female employees make up over 9.5% of our workforce. Out of the female workforce, 53% have roles in the technical team and 47% in business support.

Serica's reward philosophy applies a pay and grading model to the 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.

In 2020, Serica elected 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 made.

The completion of this non-mandatory survey, for a company of our size, shows Serica's commitment to ensure gender equality and eliminating any gender bias throughout the organisation. Serica plans to continue to undertake this survey again in 2021 in order to ensure all employees are paid fairly, regardless of their gender. The survey concluded that there were no issues regarding gender pay differentials.

Our **Equal Opportunity and Diversity Policy** sets out the Company's approach to providing equal opportunities and avoiding discrimination at work. It applies to all aspects of working with Serica, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures and termination of employment.

Our **Business Code of Conduct** requires us all to work to the highest ethical standards and to treat one another with respect.

## Room for improvement



Serica Energy is proud of its inclusive culture and diverse workforce and understands the importance of embedding inclusion and diversity into who we are and everything we do. However, there is always room to improve.

In 2021, Serica will concentrate on:

- Continuing to encourage the Company and its workforce to promote an inclusive and comfortable working environment for all.
- Follow our pledge to the AXIS network by continuing to identify any internal barriers to diversity and inclusion and then finding innovative ways to break these down.
- Work closely with AFBE-UK to encourage the next generation of engineers to recognise their potential and opportunities, regardless of their ethnic background. This will be in the form of providing informative talks to schools as well as members of staff participating in mentorship programs.
- The implementation of the mandatory Diversity and Inclusion training E-module for all Serica staff and core contractors in early 2021.
- Continuing to fight external inequality through our charity work.
- Serica has set a goal of reaching at least 10% female participation in the workforce by the end of 2021.

See [Appendix 2](#) for key performance statistics  
See which [UNSDG targets we contribute to](#)



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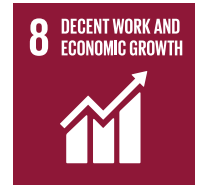
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# GOOD HEALTH AND WELLBEING, DECENT WORK AND ECONOMIC GROWTH



Our people are our greatest asset and it is Serica's priority to provide all employees and contractors with a safe and responsible working environment. We continue to invest in our staff, with competitive salaries and benefits, plus the provision of training and experience to enhance their skills and confidence. Although lockdown restrictions imposed by the COVID-19 pandemic disrupted our usual ways of working, the flexibility and commitment of our staff on and offshore meant that we were able to continue operations efficiently and effectively and no operational days were lost due to COVID-19.

## Listening to staff

Serica is always willing to engage and listen to employee suggestions to improve working conditions, maximise job satisfaction and enhance employee wellbeing. Our upfront approach, actively seeking out staff feedback, was demonstrated during 2020 when we consulted our offshore staff on their preferred working pattern. When the vast majority indicated a preference for a shorter shift-pattern we cut the number of consecutive days worked offshore from 21 to 14, reducing fatigue during three-week shifts away from home and improving wellbeing.

Staff consultation lead to a reduction in consecutive days offshore



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## Prioritising safety

Bruce Safety Representatives, trained in the Step Change in Safety model, meet fortnightly to discuss any ongoing safety matters and have a direct line to the HSE Lead offshore. We encourage the whole workforce to raise concerns in order to improve safety offshore and avoid unnecessary accidents or injury.

## During 2020 our safety record was exceptional with Zero Recordable Injuries.



Category	2020	2019
TRIF: Total recordable injury rate*	0	2.066
Lost day work cases	0	3
Medical treatment cases	0	1
Restricted work day cases	0	3
Security incidents	0	0.9
Total lost day rate*	0	2
Near Miss Frequency Rate (NMFR)*	28	31

\* per 200,000 hours

## Rewarding excellence

Serica's culture of engagement and investment to help staff reach their full potential creates a positive culture where staff are motivated to reciprocate by taking ownership of tasks and giving their best. Our annual Korn Ferry study benchmarked Serica as 12% ahead of the 50th percentile of salaries for oil and gas companies. The team is further rewarded with excellent employee benefits including:

- 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

## Group income protection

In case of long-term sickness absence Serica employees may be able to claim up to 50% of their annual wage for up to five years.

## Annual bonus

To encourage a sense of shared responsibility and teamwork we communicate our business goals and incentivise our workforce with the opportunity, to earn generous bonuses of up to 30% of annual base salary, based on both individual and organisational performance.



Serica's offshore team on the Bruce Platform, has an autonomous Welfare Committee where colleagues discuss and agree initiatives to support charitable interests and to care for colleague mental and physical wellbeing.

Members of the staff organised a clap for key workers (above) which featured on national TV.

## Death in service and insurance

We want to ensure peace of mind in all our workforce and with that in mind Serica updated its Death in Service policy during 2020 to extend the age range upwards. Employees also receive 24-hour worldwide insurance cover.

## Our approach to collective bargaining

Serica is a non-unionised workforce. This does not preclude employees from becoming Union Members or partaking in collective bargaining with Serica Energy where appropriate.



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## Our contribution to the economy

Serica is an integral part of an industry that supports over 270,000 jobs and is a major contributor both to local and national economies. 94% of Serica's expenditure is with UK suppliers, 37% is with suppliers in the north east of Scotland. Contractors make up a significant proportion of our workforce and they are treated with the same respect as our staff. During the recent industry downturn, instead of manipulating our position to achieve blanket rate reductions, Serica opted to work with contractors to find ways to add value and maintain strong relationships and at the end of contract, negotiate longer term extensions to provide greater financial security for those within our supply chain. Our 'value' based negotiations aim to achieve greater value through working efficiencies and scope adjustments.

**94% of Serica's expenditure is with UK suppliers, 37% is with suppliers in the north east of Scotland.**

### ACHIEVEMENTS



Updated our bonus criteria to include ESG performance alongside the existing organisational performance criteria



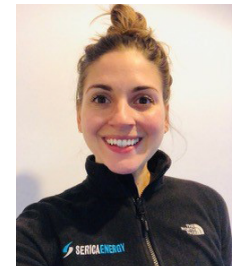
Consulted with staff members on post lockdown work plans, aiming to be as flexible and understanding as possible



Ensured that all staff have adequate home office equipment by undertaking annual DSE Assessments of home offices



**"The atmosphere at Serica today is very positive and there is real team spirit. I feel part of a forward-thinking, inclusive organisation that cares about its employees and their wellbeing. We have a team and a structure that is lean and dynamic enough to respond effectively to everything that has been thrown at us!"**



**Katrina Howard**  
Commercial Advisor

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**The success and sustainability of Serica's business is dependent on the health, wellbeing and motivation of our employees. To that end our staff have always been hugely important stakeholders in our business.**

**For that reason, we strive to offer meaningful support to every individual.**

## The COVID-19 Pandemic

The 2020 COVID-19 pandemic has undoubtedly brought the health and wellbeing of employees into sharp focus for most companies in the UK and none more so than for the offshore industry.

As the pandemic loomed Serica's Senior Leadership acted decisively and with speed to increase support to all employees as we were forced to change our way of working.

By its very nature running an asset in the North Sea can be a stressful business with onshore and offshore employees working long hours to support the safe running of the asset. The COVID-19 pandemic brought radical changes, both at home and in the workplace with varying shift patterns of the offshore crew, the rigours of home schooling, caring for friends and family and the burden of self-isolation and shielding, restrictions on hobbies, sporting endeavours and travel.

In the early days of the pandemic we reduced numbers in our Aberdeen and London offices meaning that, prior to official guidance being issued, the majority of our onshore staff were working from home. Throughout the pandemic, and only when permitted, Serica allowed a small number of staff who reported issues related to home working, to work from the office and appropriate measures were taken to ensure their safety within that environment.

Our Serica HSE Team rolled out regular training and awareness briefs to all staff including a film where staff shared their experiences of COVID-19.

## Supporting our offshore personnel

Offshore, we reduced our personnel on board and at the height of the pandemic, only 80 personnel were present offshore, compared to 115 normally, safely operating the asset. This allowed more space on helicopter flights, single cabin occupancy and more cabin cleaning and vacated space for the creation of a COVID-19 isolation space.

To reach this optimum number all non-essential personnel were demobilised, and we modified our work plans so that non-essential works were put on hold. Work scopes carrying heightened health and safety risks were postponed preventing the unlikely event of injuries that may require NHS treatment. We worked with the Regulator and other industry partners to introduce pre-mobilisation COVID-19 testing at the earliest possible opportunity and this was achieved at the turn of the year.

Changes were made to catering arrangements to reduce the likelihood of contamination in the galley and canteen and loitering in public areas was reduced as much as possible and of course social distancing measures were observed both in the heliport, on the helicopter and once onboard the platform.

Link to film:

<https://bit.ly/3tXKtnk>



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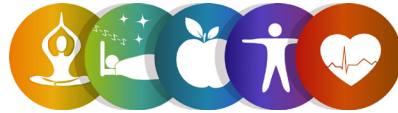
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## Mental health

2020 was a year that put significant demands on mental health. Throughout the year we have worked hard to engage our employees formally on matters of the mind and also created opportunities to maintain the sense of community and levels of social contact that were commonplace pre pandemic. Serica was able to use its online Employee Wellbeing hub to share useful materials and encourage staff to seek help, including reaching out to one of our trained mental health first aiders, members of the team who volunteered to undertake training.



Early in the pandemic Serica arranged multiple informal online social events including scavenger hunts and bingo nights. These were well attended and helped bring people together out of a working context. Staff were given access to extensive support resources, whilst engaging with ISOS subject matters experts to develop and deliver employee Wellbeing Webinars to the team onshore and offshore.

In the midst of all the demands placed upon us by COVID-19 it is testament to Serica's commitment to staff wellbeing that our VP Operations made a point of individually contacting all onshore team members personally to check on their welfare.

**“Knowing virtually everyone within the organisation gives a feeling of being connected to the entire business. For example, I can pick up the phone to our VP Ops as easily as to one of our engineering team or a technician offshore.”**



**James McTavish**  
Construction & FM Lead

## Flexible working

To help employees manage home working Serica adopted flexible working from an early stage to ensure staff had time where necessary to deal with important personal responsibilities during traditional working hours without the fear of judgement, reprimand or repercussions.

This philosophy was led by the Senior Leadership Team and has allowed Serica employees to break during the day to collect children from school, care for friends and family, exercise or just take some time away from the screen. Such has been the success and effectiveness of these flexible working arrangements that Serica is consulting with its employees to determine what the new post-COVID-19 working arrangements will look like. Flexible working has the ability to increase business efficiency, improve the work life balance

of employees, reduce employee anxiety and stress, improve retention, and reduce our organisational carbon emissions through reducing commuting and office space and energy use.

## Other health and wellbeing initiatives

### Hearing conservation

Hearing loss can impact 1 in 6 of the population and with our staff working in potentially noisy environments, the prevention of damage to our workers hearing is of primary concern to us. We rolled out the Noise & Hearing Awareness in the Offshore Environment campaign, aiming to share the facts around noise and hearing damage.

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## Fatigue management

Workplace fatigue can lead to death, injury, the onset of chronic illness and loss of productivity. Serica worked with our health care provider to deliver our Fatigue Management Campaign. The COVID-19 pandemic had increased pressures on staff, so Serica felt it essential to ensure employees were aware of the symptoms of fatigue, the occupational health risks that could be increased by fatigue and what to do if your self-management strategies fail, or if you notice others suffering from the symptoms of fatigue.

## Health and wellbeing events 2020

In 2020 Serica ran numerous campaigns to engage staff in health and wellbeing. These campaigns ranged in topic from alcohol awareness to steps challenges to get people outside and walking.

## Step challenge

In July 2020 we organised our 2nd annual Step Challenge to motivate employees onshore and offshore to get out and exercise during the lockdown. The challenge attracted over 30 members of staff, all of whom had the target of walking, running or climbing a minimum of 10,000 steps per day. The intent of the challenge was to highlight the importance of physical activity on both mental and physical health, to bring the team together and to engender a sense of fun and healthy competition.

In total, the six teams covered over 10.3 million steps over the four-week period. The challenge was won with a team of 5 achieving an impressive 2,016,019 steps.



## Run up to Christmas 2020

To inspire more activity and fun Serica launched its Run up to Christmas campaign where teams had to rack up as many miles as possible doing any form of exercise such as running, walking and cycling for the first 12 days of December.

In total, the five teams covered over 2,087 miles!

## RigRun team spirit

RigRun is a hotly contested, pan-industry fitness competition involving most of the platforms in the North Sea. The 2020 RigRun event was postponed and remodelled and took place between January 27th and March 10th 2021. Participants score points for their installations by undertaking any of our high or low intensity workouts. High intensity includes aerobics, boxing, circuit training, cross trainer, cycling, rowing, running, stair climbing, and weight training.

For the first time in the competition's history, our Bruce asset entered a team of 86 personnel. All staff were kept informed and sent support as the team went through the gruelling phases of the competition. Their immense efforts, covering 215,000 miles, exercising for over 33,000 hours with over 45,000 workouts paid dividends and the whole company celebrated when Team Bruce brought home the winners' cup.

## Looking to the future

2020 has sharpened the Company's focus on the wellbeing of its staff and the importance of raising awareness of the mental and physical risks associated with working in a fast paced often pressurised location or environment.

We will build on the success of our strategy in 2020 and seek to refine and improve it moving forward. Already in the pipeline for 2021 is a Serica Cycle Ride, a repeat of the RigRun Challenge and further Step Challenge initiatives, more mental health and wellbeing training and a consultation on flexible working arrangements.

See [Appendix 2](#) for key performance statistics  
See [which UNSDG targets we contribute to](#)

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# QUALITY EDUCATION



## Education is the key to progression and fulfilment and Serica is passionate about helping people to achieve their potential.



Eva Hymers featured on OPITO's Meet the Apprentice campaign

We value education and, in addition to the vocational training provided to ensure competence, we encourage our staff to continue learning throughout their careers. To facilitate this we offer financial support for longer term training programmes. In 2020 we demonstrated our commitment to professional development when we hosted a 'Get Chartered' session where our chartered engineers shared their own stories of their routes to achieving chartership. We are also a major supporter of the OPITO apprenticeship scheme providing the means of a rewarding career for young people who do not go down the university route.

## Supporting the OPITO Modern Apprenticeship Scheme

We are a significant supporter of the OPITO Modern Apprenticeship programme and for a company of our size (157 employees) we are particularly proud to be supporting ten OPITO apprentices at a cost of circa £240,000 per annum. We have five apprentices assigned to our Bruce asset offshore, training to be mechanical and instrument technicians and another five in college who will move to the offshore phase of their training in 2021 and 2022. Serica has pledged to offer placements for a further two apprentices who will be recruited this year to commence in training in 2022.

In addition to guiding OPITO on their respected Modern Apprenticeship scheme, we have supported their targets to attract more young women into the industry. OPITO have set challenging targets to increase the number of young women choosing to undertake process and maintenance apprenticeships and Serica are an active participant in these efforts.

## Serica supports 10 OPITO apprentices both in colleges and on our Bruce platform

OPITO apprentice Rhys Hamilton with mentor Rikki Ramsay





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## Further education

We recognise the value to both the employee and the Company for employees to continue developing their skills. The total further education budget for 2020 was £220,500 and is allocated based on direct requests from staff. These requests are reviewed by a training committee which meets monthly and includes the VP operations and HR. Approved 2020 courses included engineering and management degrees, supply chain qualifications, health and safety certifications and computer programming. We have increased the budget for 2021 to £237,000.

## Our Training Management System (TMS)

All Serica employees have a training matrix assigned to their role and our TMS monitors their compliance with that training matrix. We have a Training and Development policy and Further Education policy as well as a Competency Architecture policy and Staff Competence Assurance procedure, located in our business and operating management systems. The policies and procedures are reviewed and updated on a regular basis. This ensures full, ongoing compliance with UK and European employment law.

## Training topics and statistics

Many courses normally held in a classroom were conducted by e-learning in 2020, although we did manage some face-to-face courses for emergency response training. A full list of our training modules is available in [Appendix 3](#). We identified areas for training to support wellbeing, such as mental health awareness and fatigue as well as preparing our staff for retirement. Other training focussed on our software systems for maintenance and invoice management, control of work and reducing risk with cyber security. In 2020, we also introduced training about unconscious bias.

We have updated our risk assessment process and gave staff training on 'task-based risk assessments' to ensure that all staff used the same techniques and had the same understanding of how to assess risk.

## Appraisal process and succession planning

Serica's annual appraisal process focuses on our employees' individual performance and development. Development opportunities and skill gaps are identified throughout the appraisal process. Individual development plans are then created to ensure we continue to support and develop our people.

Serica has designed a company succession planning and talent review process which will be rolled out in 2021. A strength-based development programme was undertaken in 2020 for the Aberdeen leadership team. The programme will continue through 2021 for the wider team.

## UNSDG competition

In August, we launched our Serica UNSDG competition for young people, encouraging family and friends of our staff to get involved. This was a great way to teach children and young people about the UNSDGs by getting them involved and bringing the UNSDGs to life! To enter and win, participants had to choose one of the 17 SDGs and create a piece to teach adults all about that SDG. We had so many great entries and hope that the fun competition helped both children and adults learn about the importance of UNSDGs. You can find more information about the entries and winners [here](#).

See [Appendix 2](#) for our 2020 training programmes [See which UNSDG targets we contribute to](#)



**“Getting my charterhip in 2020 has fulfilled a long-held ambition. My passion for mechanical engineering has motivated my personal development since I made the move from technician to engineering in 2005.”**

**Bruce Taylor CEng,**  
Mechanical Engineer



Brian Langton, Mechanical Technician on our Bruce platform presents to colleagues about his experience in becoming chartered.

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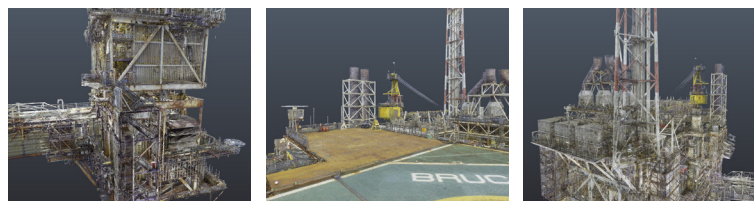
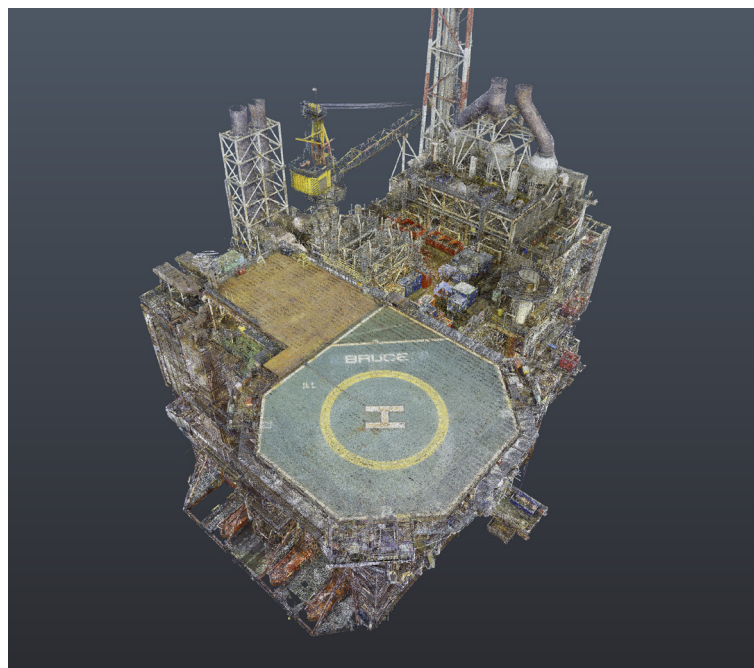
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# INNOVATION AND INFRASTRUCTURE

## A committed team, embracing new technology to improve performance and reduce emissions



The challenges of energy transition and building a sustainable business can only be met by embracing technology and innovation. In 2020 we embarked on a number of projects designed to reduce our emissions and improve our performance.



### The digital twin

We have invested in building a digital twin of the Bruce platforms. It is a virtual model of the three platforms on Bruce, built with millimetre accuracy enabling greater visualisation, reducing the need for offshore visits for inspection. This not only saves on helicopter flights, but also the support required for people on the platform, meals, laundry etc, all of which saves on resources and reduces emissions.

The twin allows rapid design and fabrication of replacement equipment, for example where it could have taken weeks to identify a problem, mobilise specialists, survey the area of concern, take detailed measurements and then design a replacement part that would then be fabricated and shipped out, plus plan the execution of the work, we can now do the identification, survey and design of replacement equipment in hours rather than days. The accuracy of the scans and accessibility to engineers and manufacturers makes this possible. Project planners working remotely can organise the work and select the required equipment much more easily by being able to see the site in 3D and measure the accessibility of the area.

It improves the safety of our asset and reduces risk of environmental releases by having greater oversight on the integrity of our equipment and reducing the time for inspection, maintenance and repairs. It was built using laser cloud technology, incorporating billions of laser scan images into a single 'point cloud' model. There were 6,000 fixed locations that captured all the intricate details from the surfaces of surrounding objects, incorporating measurement data and high-density 3D images into one 3D digital model. The survey took 40 days to capture the data and then a few weeks to build the model and upload it to our web based app, which is now accessible to anyone, staff, vendors and contractors.

The Digital twin is still being developed and linked to our other systems such as tagging equipment and our work order software. Ultimately, we are looking to investigate how Artificial Intelligence and machine learning can be incorporated to look at predictive maintenance, optimising our maintenance programme.

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The COVID-19 pandemic has taught us that interconnectivity is key to business efficiency. Good connectivity provides the work force with the ability to conduct real time collaboration across disciplines and companies with the ability to share audio, pictures, videos, and more recently augmented reality which allows all those on the call to see what the offshore operator is seeing in real time.

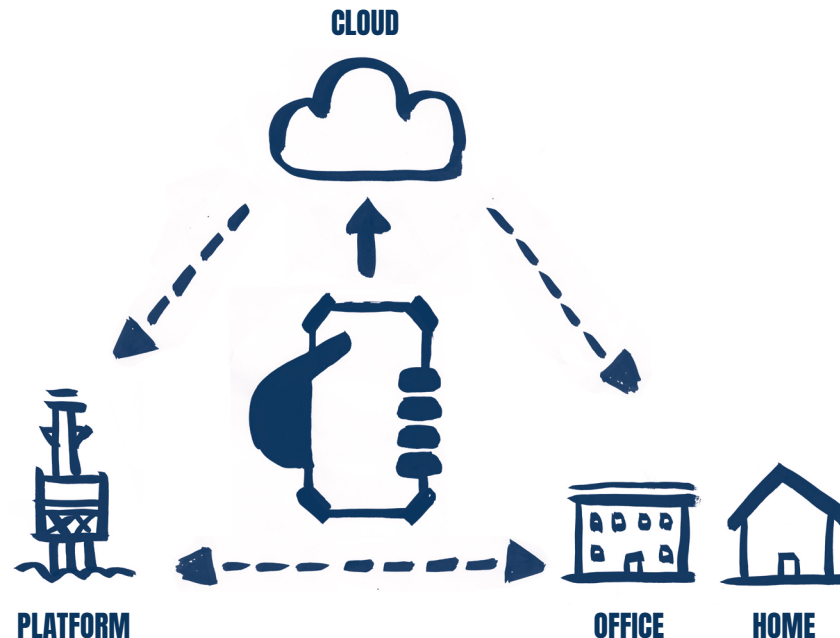
As a first step to Serica's drive for greater connectivity, the SafeEx system was developed in 2020 and rolled out offshore in the early days of 2021. The SafeEx tool runs on mobile devices, guiding engineers through the inspection process based on the type of equipment and allowing them to capture data directly in the field. This is a big improvement compared to the previous approach which required them to note details using a pen and paper.

In total there are more than 25,000 items of equipment on Bruce which need inspecting on an ongoing basis.

Key benefits of introducing this new system will be:

- A more consistent, structured approach to inspections
- Better control and visibility of the inspection programme
- In-field data capture, resulting in improved efficiency and better data quality.
- Better technical integration, leading to more consistent and reliable data across different systems.
- Better safety and integrity assurance

During 2020 Serica established over 20 further applications for this technology, applications which when developed will bring efficiencies in planning, operations, health and safety and environmental management.



## Circular Economy

Serica has been in conversation with some companies throughout 2020, collaborating on initiatives that could increase the accuracy of waste tracking from cradle to grave. Waste management on a cloud based system would allow us to move away from recording waste transfers in paper logs, the digitalisation and subsequent tracking of waste streams would also give us far greater oversight, assurance, and evidence that our waste is being delivered to the appropriate registered and permitted waste management facilities. Managing our waste digitally would mean that waste streams of value currently not being recycled could be diverted for re-use or recycling in the marketplace, meaning that what was formerly waste becomes a profitable commodity as opposed to a disposal burden. Talks and potential work scopes will continue in 2021 as we further explore the opportunities for employing such a system on the Bruce Platform. If installed the data collated within the system also has the potential to help in further reductions to waste volumes exported from the platform.



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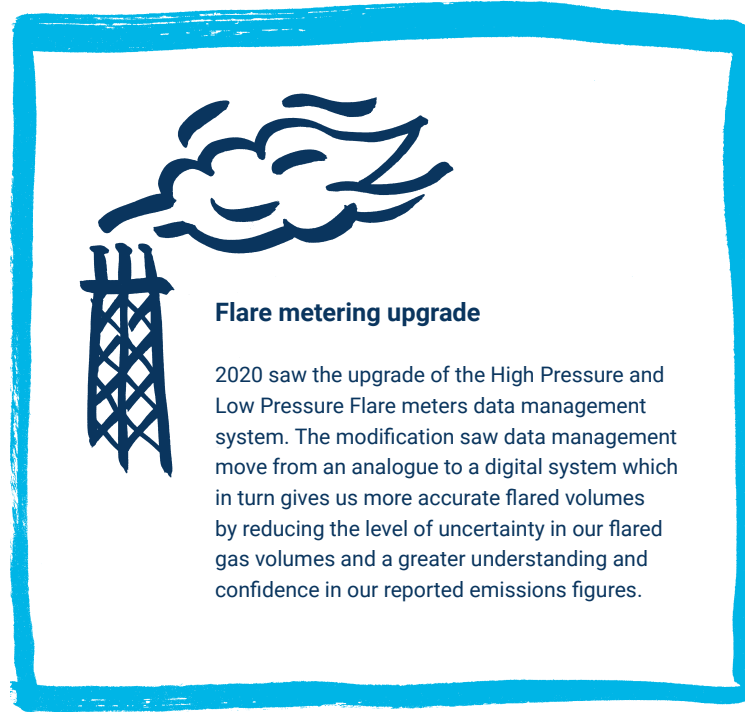
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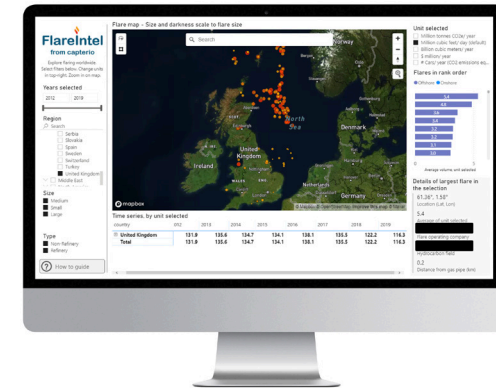
Serica is a member of the Oil and Gas Technology Centre (OGTC). The OGTC's purpose is to support the oil and gas industry to develop and deploy technology to accelerate the transition to an affordable net zero North Sea.

## Start-ups, tech providers & technology Centres

In 2020 Serica partnered with a number of start-up or tech providers/facilitators to provide data to assist in the development of their tools. Two of these opportunities came through the Oil and Gas Technology Centre (OGTC). We provided data to collaborate in the development of a digital twin of the Bruce Platform and provided data to a waste management company, Serica also provided emissions data to Capterio to assist in the development of their flare monitoring tool.

## Capterio

Capterio works with energy companies to capture flared gas, create value, reduce pollution, and improve reputation. In 2020 Serica provided data and time to work with Capterio. Serica provided Capterio with emission data which they utilised to evaluate and calibrate remote flare monitoring technology by the name of FlareIntel Pro Global Flare Intelligence Tool (GFIT). Capterio sees key opportunities in reducing the flaring of gas in the oil and gas processing particularly in the Middle East and North Africa where significant environmental and economic gains can be made from reducing the practice of needless flaring.



Magda Oglodek of GDi laser-scanning the Bruce Platform for the digital twin

See [Appendix 2](#) for key performance statistics

See [which UNSDG targets we contribute to](#)



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# GOVERNANCE

**We follow strict codes of conduct and have rigorous management systems in place to ensure we perform responsibly and sustainably with an experienced board and strong leadership team. Our business is underpinned by a comprehensive framework of policies and management systems including the Quoted Companies Alliance Corporate Governance Code 2018 (The QCA Code).**

**We play an active role in industry governing bodies, ensuring we are always kept well-informed and in turn sharing our knowledge and experience.**



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# PEACE AND STRONG INSTITUTIONS

## Good governance lies at the heart of Serica's business



**In 2020 we have made positive changes to enhance our governance practices in line with ESG. We have signed the UN Global Compact, which aligns us to its ten guiding principles and started the process of TCFD alignment in advance of it becoming law. We have formalised the ESG communication process by making it a dedicated item on our main board meetings and specific board HSE committee meetings.**

### UN Global Compact

In 2020, Serica signed the UN Global Compact, which reinforces our commitment to maintaining a robust, dynamic and fair governance structure to meet and support the UN Global Compact's 10 guiding principles. In 2021 we will submit our Communication on Progress, demonstrating the steps we've taken to support the guiding principles, many of which are included in this report and the governance section of our annual report. These include introducing flexible working and improving rotation patterns for our offshore employees, our D&I activities to eliminate discrimination, the environmental initiatives our staff have implemented and our partnerships in new technology such as the Digital Twin.

### Management Key Performance Indicators (KPI)

All Serica staff, including senior management, have the same KPIs which are linked to their remuneration. The indicators relate to the Company, asset, ESG and HSE performance and are all equally weighted. The ESG KPIs relate to carbon intensity, waste, gas flaring, diversity and progression of ESG projects. The HSE targets relate to employee participation, reportable releases, injuries and plant safety. The vesting criteria for our Performance Share Awards was historically based on share price performance but now will also include an emissions related target.

### Our Board

Our dedicated, experienced **Board** have a range of experience and skills in finance, legal, banking and technical. Meeting attendance in 2020 was 100%.

The average age of the seven Board members is 67, slightly lower than in 2019, and female participation is 14%. Their tenure averages at six years, with three members under three years and two over 10 years. None of our Board members sit on another commercial company board and five out of seven are independent. Further information on our board is included in our annual report.

### Cyber security

To address cyber risks, we have a security management framework in place which aligns with common cyber security standards including ISO 27000. Our Information Security Policy is the starting point for this and explains more about specific controls.

As with all cyber security frameworks, we have technical controls and non-technical controls.

- Examples of technical controls include anti-malware software, firewalls, and our Darktrace security tools which detect and neutralise network - or email-borne threats.
- Examples of non-technical controls include the measures described in our IT Acceptable Use policy and we regularly undertake user education to improve awareness of threats such as phishing.

The Serica IT manager maintains a risk register to identify and mitigate risks and is also a member of the OGISF (Oil and Gas Information Security Forum), which includes representatives from the NCSC (National Cyber Security Centre) and most oil and gas operators. This group meets weekly 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.







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# PARTNERSHIPS TO ACHIEVE GOALS



At Serica we encourage partnerships with our stakeholders, we believe we are stronger together than we are as the sum of our individual parts. The opinions and inputs of our partners and stakeholders help us shape the way in which we do business and manage all aspects of business risk. In 2020 Serica worked with numerous partners to improve the way we do business whilst providing reciprocal resources or support in exchange.

## Employees and contractors

Serica is a family friendly business and the commitment of our staff and contractors is key to our success. In 2020 the unprecedented demands of lockdown and, in particular, home working meant Company and employee/contractor partnerships became more critical than ever to ensure our continued success. The Health and Well Being Section expands upon the many measures and activities we put in place to ensure partnerships amongst employees and contractors were maintained even when the office was empty and social distancing prevented physical social interactions.

## Regulators

Serica works closely with BEIS, OPRED and the HSE and maintains transparent and constructive relationships with all of them. We see our relationships 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, Licencing and Consents 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.

Serica was an integral part of the team working with the HSE UK regulatory body dedicated to the national Severe Weather Action Plan. This looks at the impact of extreme wave events on the deck of an offshore facility. Recent advances in both metocean statistics, and the physical understanding of extreme wave events, have demonstrated that commonly applied methods of assessment could be considered insufficient and that wave impact on the deck needs to be accounted for.

As a result of this work, Serica has taken a precautionary approach to protecting personnel on the platform and has implemented a new emergency response policy to remove personnel from the platform if a severe weather event is forecast, i.e. well in advance of the event occurring.

## Joint-venture partnerships

We value our joint-venture (JV) partnerships both as operator of our Bruce, Keith, Rhum and Columbus assets and non-operator of Erskine and the Skerryvore exploration prospect. Where we operate, we are transparent, sharing information in an open and honest way. We are rigorous in the way we follow our JV agreements and meet all our obligations to our partners. We value knowledge-sharing and invite our partners to help with problem-solving and involve them in our operational decisions. We build trust and respect with our partners enabling our projects to progress in line with all our best interests. As a non-operator we collaborate and support the operator. We provide skills and expertise to the partnerships and have seconded staff to work on a partner installation.

**“We build trust and respect with our partners and involve them in our decisions”**

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## The general public

Serica works closely with a number of charities and academic institutions to contribute where we can make a difference, or on issues close to our heart. Serica not only donates money but also encourages its staff to spend time engaging in charitable activities, be it sponsored bike rides or walks, volunteering or providing their expertise on a one off basis to help another organisation or individual. In 2020 over £35,000 was donated to good causes and members of staff engaged in a range of volunteer activities from a sponsored virtual climb of Mount Everest to producing our own cookbook, to volunteering in one of our North East Scotland Mountain Rescue teams.

We strongly believe that encouraging our staff to get involved in the community initiatives and charities strengthens our workforce by developing a more rounded, compassionate, and skilful team which drives Serica's dynamic ethos.

## Suppliers and contractors

We work in close partnership with our main contractors and suppliers supporting both projects and operations to drive improvements in environmental and safety performance. In 2020 we worked in partnership with vessel operators to reduce transit times and emissions, with waste management contractors to reduce landfill waste to near zero and reduce packaging offshore, metering experts to more accurately meter our emissions and rig operators to help us benchmark emissions from both drilling and major well intervention operations. None of the partnerships carried additional commercial burden but were wilfully executed as they were the right thing to do.

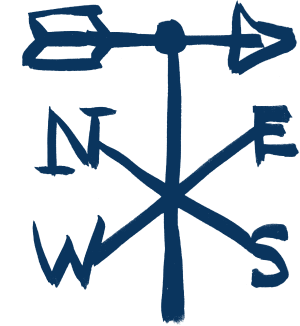
## Industry bodies and societies

We value the opportunity to share experience and knowledge from industry bodies and societies. Our CEO is a board member of Oil and Gas UK (OGUK) who work in partnership with other operators and the Regulators to help shape the future of our industry. We have representation on a number of OGUK committees, working groups and forums as well as technical institutions and in 2020 our staff participated in the following events run by the following organisations.

- Petroleum Economist
- Oil Council
- Oil and Gas UK
- Society of Petroleum Engineers
- Epoch 2020 Sustainability
- Upstream Finance and Investment Conference
- World Energy Capital Assembly 2020

Our staff spoke about topics such as major environmental response management, the future of Mergers and Acquisitions within the North Sea and our ESG Journey thus far.

See [Appendix 2](#) for key performance statistics  
See [which UNSDG targets we contribute to](#)



**“Our HSE team personnel are very active in HSE UK. As a result of our recent study of the impact of extreme wave events we have implemented a new emergency response policy to safeguard our personnel.”**



**Andrew Sekulin**

Integrity & Safety Process Assurance Manager

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Abbreviation	Definition
3D	Three Dimensional
ACAS	Advisory Conciliation and Arbitration Service
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
BKR	Bruce, Keith and Rhum
BME	Black and Minority Ethnicity
BMS	Business Management System
BOE	Barrel of Oil Equivalent
Boe/d	Barrels of Oil Equivalent per day
CCUS	Carbon Capture, Utilisation and Storage
CEO	Chief Executive Officer
CETCO	Colloid Environmental Technologies Co.
CFINE	Community Food Initiative, North East Scotland
CH <sub>4</sub>	Methane
CIPS	Chartered Institute of Procurement and Supply
CMAPP	Corporate Major Accident Prevention Policy
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
CR platform	Compression and Reception platform
D&I	Diversity and Inclusion
DAFWC	Day Away From Work Case
DSE	Display Screen Assessment
EAJ	Environmental Assessment Justification
EIA	Environmental Impact Assessment
EMPOL	Emergency Preparedness Offshore Liaison Group
ERG	Emissions Reduction Group
ES	Environmental Statements
ESG	Environmental Social Governance

Abbreviation	Definition
EU	European Union
EU ETS	European Union Emissions Trading Scheme
FPAL	First Point Assessment
FRC	Financial Reporting Council
GDPR	General Data Protection Regulation
GFIT	Global Flare Intelligence Tool
GHG	Greenhouse Gas
GRI	The Global Reporting Initiative
HEPA Filters	High-Efficiency Particulate Absorbing
HNC	Higher National Certificate
HQ	Headquarters
HR	Human Resources
HSE	Health, Safety and Environment
HSE UK	Health, Safety and Environment United Kingdom
HSEQ	Health, Safety, Environment and Quality
ICUN	International Union for Conservation of Nature
IFC	International Finance Corporation
ISO	International Organisation for Standardisation
ISOS	International SOS
ISSOW	Integrated Safe System of Work
IT	Information Technology
JNCC	Joint Nature Conservation Committee
Kg	Kilogram
KPIs	Key Performance Indicators
kWh	Kilowatt-Hour
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer Plus Community
MARPOL	The International Convention for the Prevention of Pollution from Ships
mmboe	Millions of barrels of Oil Equivalent
mmstb	Million Stock Barrels
MW	Mega-Watt
NCSC	National Cyber Security Centre
NE Scotland	North East Scotland
NEBOSH	National Examination Board In Occupational Safety and Health

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Abbreviation	Definition
NHS	National Health Service
NIS	Network and Information Systems
NMFR	Near Miss Frequency Rate
NO <sub>2</sub>	Nitrogen Dioxide
NO <sub>x</sub>	Nitrogen Oxides
OCES	Operator Co-Operative Emergency Services
OGA	Oil and Gas Authority
OGISF	Oil and Gas Information Security Forum
OGTC	Oil and Gas Technology Centre
OGUK	Oil and Gas UK
OIM	Offshore Installation Manager
OiW	Oil in Water
OMS	Operation Management System
OPITO	Offshore Petroleum Industry Training Organisation
OPPC	Oil Pollution Prevention and Control
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
OSPAR	The Convention for the Protection of the Marine Environment of the North-East Atlantic
PC	Personal Computer
PESGB	The Petroleum Exploration Society of Great Britain
PLC	Public Limited Company
PLONOR	Poses Little Or No Risk to the Environment
POB	Persons on Board
PON	Petroleum Operations Notice
PPC	Pollution Prevention Control permit
PPE	Personal Protective Equipment
PSCM	Procurement and Supply Chain Management
PSE	Process Safety Events
PUQ	Process, Utilities and Quarters

Abbreviation	Definition
PW	Produced Water
PWRI	Produced Water Re-injection
RFID	Radio Frequency Identification
ROGI	Report of Oil and Gas Incident
SASB	The Sustainability Accounting Standards Board
sm <sup>3</sup> /h	standard cubic metres per hour
SO <sub>2</sub>	Sulphur dioxide
SPE	Society of Petroleum Engineers
SQL	Domain specific language used in programming
Statutory Consultees	Professional bodies or persons required by law to consult prior to a decision being made on a planning application and have the power to affect the result of the application
SUB	Substitution Chemicals
TCFD	The Task Force for Climate-Related Financial Disclosures
TJ	Terajoule
TMS	Training Management System
TRIF	Total Recordable Injury Frequency
UCB	Unconscious Bias
UK	United Kingdom
UK ETS	United Kingdom Emissions Trading Scheme
UKCS	United Kingdom Continental Shelf
UN	United Nations
UNGC	United Nations Global Compact
UNSDGs	United Nations Sustainable Development Goals
VOC	Volatile organic compound
VP	Vice President
WECA	World Energy Council
WRI	World Resource Institute

# APPENDIX 1 - HOW WE MANAGE OUR OPERATIONS

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## Serica's Commitment

Serica commits to conducting its operations in such a way as not to harm people and minimise the 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.

## Our Operations Management System (OMS)

Our HSEQ policy is implemented through Serica Energy plc ('Serica') 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).

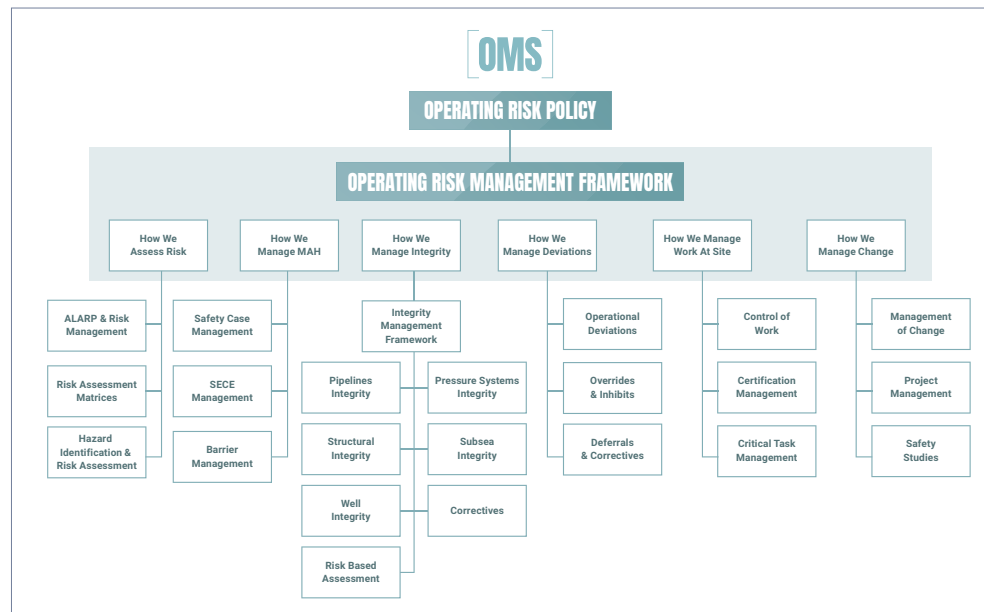
During 2020, we started a project to simplify our OMS to be more fit for purpose for a North Sea operator of our size, reducing it from eight operating elements

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. This will be rolled out to the workforce in 2021 along with detailed training. During 2021 we will continue to further simplify and enhance the system.

In 2020, we reviewed the content of our processes, procedures, standards and policies and systematically added environmental risk factors to each relevant document in the OMS so that they are now consistent and consider GHG emissions and ESG implications.

## Our Environmental Management System (EMS)

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 domestic and operational waste. The EMS details how we permit our operations and comply with all our regulatory reporting commitments. The EMS also outlines how we report and comply with the requirements of the EU Emissions Trading Scheme (ETS), which will be updated to reflect the changes of transferring to a UK Emissions Trading Scheme in 2021.



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## 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.

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UNSDG	UNSDG Title	GRI index	SASB	Data Requirement	Units	2020	2019	% Changes from 2019
<b>ENVIRONMENTAL PERFORMANCE</b>								
<b>EMISSIONS</b>								
13	Climate Action		EM-EP-110a.1	Total CH4 emissions flaring and fuel consumption	Tonnes	128	191	-33%
13	Climate Action	305-5	EM-EP-110a.1	Total CO2 emissions (EU-ETS) - Scope 1 emissions	Tonnes	204,648	241,503	-15%
13	Climate Action			Scope 1 CO2 emissions/revenue	Tonnes of CO2 emitted per million £ generated in sales revenue	1,629	984	66%
13	Climate Action			Total Tonnes diesel utilised on the platform	Tonnes	3,062	1,857	65%
13	Climate Action		EM-EP-110a.2	Tonnes of flared gas	Tonnes	5,696	10,309	-45%
13	Climate Action		EM-EP-110a.1	Average Base Load Flare per 24hrs	Tonnes	10.5	11.6	-9%
13	Climate Action			Total Fuel Gas consumption	Tonnes	69,630	81,365	-14%
13	Climate Action			Total CH4 emissions from combustion activities	Tonnes	64	75	-14%
13	Climate Action			Total N2O emissions from combustion activities	Tonnes	15.99	18.30	-13%
13	Climate Action	305-7	EM-EP-120a.1	Total NOX emissions from combustion activities	Tonnes	491.4	570.2	-14%
13	Climate Action	305-7	EM-EP-120a.1	Total VOC emissions from combustion activities	Tonnes	4.35	4.72	-8%
13	Climate Action			Total CO emissions from combustion activities	Tonnes	428.8	527.9	-19%
13	Climate Action	305-7	EM-EP-120a.1	Total SO2 emissions from combustion activities	Tonnes	6.4	58.0	-89%
13	Climate Action	305-4		Carbon Intensity	kgCO2/boe	17.5	16.7	4.5%
13	Climate Action	305-3		Material Scope 3 emissions - Bruce Supply Vessels and ERRVs dedicated to Serica	Tonnes CO2	1,929.14	N/A	N/A
13	Climate Action	305-3		Material Scope 3 emissions - Rigs, helicopters and associated vessels dedicated to Serica for R3 project	Tonnes CO2	6,179.50	N/A	N/A
13	Climate Action	305-3		Material Scope 3 emissions - Subsea diving support and ROV vessels dedicated to Serica	Tonnes CO2	1,049.94	N/A	N/A
13	Climate Action	305-3		Material Scope 3 emissions - Bruce Helicopters	Tonnes CO2	1,866	221	744%
13	Climate Action	305-2		Material Scope 2 emissions- Electricity	kg CO2e	16,054	24,887	-35%
<b>WASTE</b>								
12	Responsible Consumption and Production	306-2		Total waste volume produced offshore	Tonnes	254	315	-19%
12	Responsible Consumption and Production	306-2		Total general waste	Tonnes	174.59	228.47	-24%
12	Responsible Consumption and Production	306-2		Total waste to landfill	Tonnes	36.3	105.6	-66%
12	Responsible Consumption and Production	306-3		Scrap metal	Tonnes	33.4	44.4	-25%

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UNSDG	UNSDG Title	GRI index	SASB	Data Requirement	Units	2020	2019	% Changes from 2019
<b>ENVIRONMENTAL PERFORMANCE</b>								
12	Responsible Consumption and Production	306-2		To waste to landfill as a percentage of total waste	%	14.3	33.5	-57%
12	Responsible Consumption and Production	306-2		Waste recycled	Tonnes	148.6	173.8	-15%
12	Responsible Consumption and Production	306-2		Waste recycled as a percentage of total waste	%	59	55	6%
12	Responsible Consumption and Production	306-2		Waste energy	Tonnes	45.952	16.705	175%
12	Responsible Consumption and Production	306-2		Waste energy as a percentage of total waste	%	18.1	5.3	242%
12	Responsible Consumption and Production	306-2		Waste reused	Tonnes	1.86	0.08	2225%
12	Responsible Consumption and Production	306-2		Waste reused as a percentage of total waste	%	0.7	0.03	2700%
12	Responsible Consumption and Production	306-2		Incinerated waste	Tonnes	2.32	0.55	322%
12	Responsible Consumption and Production	306-2		Incinerated waste as a percentage to total waste	%	0.9	0.2	350%
<b>PRODUCTION</b>								
12	Responsible Consumption and Production			Annual oil and gas production (gross BKR)	boe	11,729,964	14,981,862	-22%
12	Responsible Consumption and Production			Percentage of oil in total production	%	10.5	11.8	-11%
<b>ENERGY</b>								
12	Responsible Consumption and Production	302-1		Energy Usage (Bruce Facilities)	GWh	950	1,120	-15%
12	Responsible Consumption and Production	302-1		Energy Usage (Aberdeen office)	kWhr	57,801	88,647	-35%
12	Responsible Consumption and Production	302-1		Energy Usage (London office)	kWhr	11,056	18,058	-39%
12	Responsible Consumption and Production	302-3		Energy Intensity	KWhr/boe	79.163	75.167	5%
<b>WATER AND EFFLUENTS</b>								
12	Responsible Consumption and Production			Volume of potable water transported to Bruce	Tonnes	0	N/A	N/A
12	Responsible Consumption and Production			Volume of seawater withdrawn	Tonnes	34,000,000	34,000,000	0%
14	Life Below Water			Volume of oil discharge overboard in produced water	Tonnes	0.21	0.59	-64%
14	Life Below Water		EM-EP-140a.2	Volume of oil in water reinjected	Tonnes	4.41	2.92	51%



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<b>ENVIRONMENTAL PERFORMANCE</b>								
14	Life Below Water		EM-EP-140a.2	Average concentration of oil produced reinjected	mg/l	61.1	68.9	-11%
14	Life Below Water	307-1	EM-EP-160a.2	Number of PON 1s	Number	5	12	-58%
14	Life Below Water	307-1	EM-EP-160a.2	PON 1: Total hydrocarbons released to sea	Tonnes	0.796	0.411	94%
14	Life Below Water	307-1		PON 1: Total chemicals discharged to sea	Tonnes	0.00004	0.399	-100%
14	Life Below Water	307-1		Non compliances (Petroleum Operation 2 (PON2))	Number	2	0	No change
14	Life Below Water	307-1		Non compliances (Offshore Chemical Regulations)	Number	3	3	0%
14				ROGI hydrocarbon releases	Number	2	4	-50%
14	Life Below Water	301-1		Total chemical usage in operations	kg	466,884	563,215	-17%
<b>SOCIAL PERFORMANCE</b>								
<b>CHARITY</b>								
1 & 2	No Poverty and Zero Hunger			Charitable giving in the UK by Sector (Or UNSDG): Zero Hunger	£	11,090	0	£11,090
1 & 2	No Poverty and Zero Hunger			Charitable giving in the UK by Sector (Or UNSDG): Good Health and Wellbeing	£	10,000	14,200	-29.58%
1 & 2	No Poverty and Zero Hunger			Charitable giving in the UK by Sector (Or UNSDG): No Poverty	£	15,188	1,385	997%
1 & 2	No Poverty and Zero Hunger			Charitable giving in the UK by Sector (Or UNSDG) - Total	£	36,278	15,585	133%
<b>HEALTH AND SAFETY</b>								
3	Good Health and Wellbeing			Lost day work cases	Number	0	3	-100.00%
3	Good Health and Wellbeing	403-9		Medical treatment cases	Number	0	1	-100.00%
3	Good Health and Wellbeing	403-9		Restricted work day cases	Number	0	3	-100.00%
3	Good Health and Wellbeing			Security incidents	Number	0	0	No change
3	Good Health and Wellbeing			Average safety observation participation	%	90	85	6%
3	Good Health and Wellbeing			Total lost day rate	DAFWC per 200,000	0	0.89	-100%
3	Good Health and Wellbeing			Total recordable injury rate	TRIF per 200,000	0	2.07	-100%
3	Good Health and Wellbeing		EM-EP-320a.1	Near Miss Frequency Rate (NMFR)	NMFR per 200,000 manhours	28.1	30.6	-8%
3	Good Health and Wellbeing		EM-EP-320a.2	Near Miss Frequency Rate (NMFR)	NMFR per 1,000,000 manhours	140.4	153.4	-8%
3	Good Health and Wellbeing		EM-EP-320a.3	Fatality rate	Number	0	0	No change

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<b>SOCIAL PERFORMANCE</b>								
<b>DIVERSITY AND INCLUSION</b>								
5 & 10	Gender Equality and Reduced Inequalities	405-1		Employees under the age of 30	%	10.5	11	-5%
5 & 10	Gender Equality and Reduced Inequalities	405-1		Employees aged between 30-50 years old	%	60.8	67.0	-9%
5 & 10	Gender Equality and Reduced Inequalities	405-1		Employees over 50 years old	%	28.75	22	31%
5 & 10	Gender Equality and Reduced Inequalities			Total female employee participation by discipline: business support: finance, commercial and PSCM	%	47	36	31%
5 & 10	Gender Equality and Reduced Inequalities			Total female employee participation by discipline: technical: Engineering, Operations and Subsurface	%	53	64	-17%
5 & 10	Gender Equality and Reduced Inequalities			Employees from minority groups	N/A	N/A	N/A	No change
5 & 10	Gender Equality and Reduced Inequalities	102-8		Number of female employees	People	15	14	7.10%
5 & 10	Gender Equality and Reduced Inequalities	102-8		Number of male employees	People	142	134	6.00%
5 & 10	Gender Equality and Reduced Inequalities	102-8		Proportion of female employees	%	9.6	9.5	1.00%
5 & 10	Gender Equality and Reduced Inequalities			Number of labour relations grievances	Number	0	0	No change
5 & 10	Gender Equality and Reduced Inequalities	401-1		Total new hires	People	13	21	-38.10%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Female new hires	People	2	6	-66.70%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Male new hires	People	11	15	-26.70%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Total new hires from the local area (United Kingdom)	%	100	100	No change
5 & 10	Gender Equality and Reduced Inequalities	102-8		Total number of direct contractors (London and Aberdeen)	People	28	25	12%
5 & 10	Gender Equality and Reduced Inequalities	102-8		Total number of employees	People	157	148	6%
5 & 10	Gender Equality and Reduced Inequalities			Total number of incidents of discrimination	Number	1	0	100%
5 & 10	Gender Equality and Reduced Inequalities	404-3		Total number of performance and career development reviews	Number	155	148	No change (100%)

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UNSDG	UNSDG Title	GRI index	SASB	Data Requirement	Units	2020	2019	% Changes from 2019
<b>SOCIAL PERFORMANCE</b>								
<b>EMPLOYEE TURNOVER</b>								
5 & 10	Gender Equality and Reduced Inequalities	401-1		Turnover - total number of employees who left the company (only those who resigned)	People	4	10	-60.00%
5 & 10	Gender Equality and Reduced Inequalities	401-2		Turnover - total number of employees who left the company as a percentage	%	2.5	6.8	-62.30%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Employees leaving under age of 30	People	1	3	-66.70%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Employees leaving between age 30-50	People	3	5	-40.00%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Employees leaving over age of 50	People	0	1	-100.00%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Turnover - total number of employees who left the company (only those who resigned)	People	4	10	-60.00%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Turnover - total number of female employees who left the company	People	1	2	-50.00%
5 & 10	Gender Equality and Reduced Inequalities	401-1		Turnover - total number of male employees who left the company	People	3	8	-62.50%
5 & 10	Gender Equality and Reduced Inequalities			Total number of grievances	Number	0	0	No change
<b>FREEDOM OF ASSOCIATION</b>								
8	Decent Work and Economic Growth			Employees unionised	%	0	0	No change
<b>SUPPLY CHAIN PERFORMANCE</b>								
8	Decent Work and Economic Growth	204-1		% spend on UK suppliers	%	94	98	-4.10%
8	Decent Work and Economic Growth	204-1		% spend on rest of world of the world suppliers	%	6	2	200%
8	Decent Work and Economic Growth	204-1		% spend on local suppliers (North East Scotland)	%	37	36	2.80%
8	Decent Work and Economic Growth	204-1		% spend on non-local suppliers (outside of North East Scotland)	%	64	63	1.60%
<b>GOVERNANCE PERFORMANCE</b>								
<b>BOARD COMPOSITION</b>								
16	Peace, Justice and Strong Institutions			Board size	People	7	6	17%
16	Peace, Justice and Strong Institutions			Board members with tenure of: 1-5 years	Number	4	4	0%
16	Peace, Justice and Strong Institutions			Board members with tenure of: 6-10 years	Number	1	0	100%

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UNSDG	UNSDG Title	GRI index	SASB	Data Requirement	Units	2020	2019	% Changes from 2019
<b>GOVERNANCE PERFORMANCE</b>								
16	Peace, Justice and Strong Institutions			Board members with tenure of: 11+ years	Number	2	2	0%
16	Peace, Justice and Strong Institutions			Board members' average age	Number	67	66	2%
16	Peace, Justice and Strong Institutions	405-1		Board members aged under 30 years	%	0	0	No change
16	Peace, Justice and Strong Institutions	405-1		Board members aged between 30-50 years	%	0	0	No change
16	Peace, Justice and Strong Institutions	405-1		Board members aged 50+	%	100	100	No change
16	Peace, Justice and Strong Institutions	405-1		Male Board members	%	86	100	-14%
16	Peace, Justice and Strong Institutions	405-1		Female Board members	%	14	0	
16	Peace, Justice and Strong Institutions			Board member independence	%	71.0	66.7	7%
16	Peace, Justice and Strong Institutions			Board member-overboarding: Currently sitting on only one Board	Number	6	5	20%
16	Peace, Justice and Strong Institutions			Board member-overboarding: Currently sitting on more than one Board	Number	1	1	No change
16	Peace, Justice and Strong Institutions			Board member board meeting attendance	%	100	98.8	1%
<b>REPORTING INITIATIVES</b>								
16	Peace, Justice and Strong Institutions			External initiatives	N/A	GRI, SASB, UN Global Compact, TCFD	GRI, SASB	N/A
<b>ETHICS AND REGULATIONS</b>								
16	Peace, Justice and Strong Institutions			Non-compliance with code of ethics	Number	0	0	No change
16	Peace, Justice and Strong Institutions			Contracts cancelled due to unethical behaviour	Number	0	0	No change
16	Peace, Justice and Strong Institutions	206-1		Anti-competitive behaviour	Number	0	0	No change
16	Peace, Justice and Strong Institutions			% of company with training on anti-bribery and corruption	%	94	94	No change
16	Peace, Justice and Strong Institutions			Payments to governments	Number	0	0	No change
16	Peace, Justice and Strong Institutions			Incidents of regulatory non compliance	Number	0	0	No change

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In Person Training	
Abrasive Wheels	OPITO Further Offshore Emergency Response Team Member (FOERTM)
Asbestos Awareness and Non-Licensed Work	OPITO Further Offshore Emergency Training (FOET) with CA-EBS
Assessor Refresher Training (Serica Internal)	OPITO Further Offshore Lifeboat Coxswain Twinfall
CAA Radio Restricted Operator (ROC)	OPITO Offshore Emergency Response Team Leader (OERTL)
CompEx Electrical	OPITO Offshore Emergency Response Team Member (OERTM)
CompEx Electrical EX01 - EX04	OPITO Offshore Emergency Response Team Member (OERTM) Further
CompEx Electrical Refresher EX01R - EX04R	OPITO Offshore Lifeboat Coxswain Further Training - Twinfall Simulator
COSHH Assessor	OPITO Offshore Lifeboat Coxswain Twinfall
Draeger Full Face Mask Airline Fed Breathing Apparatus	OPITO Rigger Training (Stage 1)
ECITB Approved Hand Torque Bolted Connection (MJ110) - Stage 1	OPITO Rigger Training Stage 1
ECITB Mechanical Joint Integrity (MJ110 & MJ119)	Planning for your Future (Serica Internal)
ECITB MJ110: Hand Torque Bolted Connection Techniques	R&B Switchgear Support
ECITB SBT 01 Assemble and Install Small Bore Tubing Assemblies – Twin Ferrule	Radiation Awareness
ECITB SBT 02 Assemble and Install Small Bore Tubing with Cone & Threaded Medium and High-Pressure	Radiation Protection Supervisor RPS
ECITB SBT01 - Assemble and Install Small Bore Tubing with Twin Ferrule Mechanical Grip Fittings	Rope Access Appreciation
ECITB Technical Mechanical Joint Integrity (TMJI)	Safe Isolation and Reinstatement of Plant (SIRP) Awareness - City and Guilds
Emergency First Aid for Electrical Personnel (Serica Internal)	SafeEx Pre Test Training Day
LOLER Appointed Persons	SafeEx Superuser Training
Manual Handling Assessor	Task Based Risk Assessment
Manual Handling Awareness	UKCS Corporate Manager (OPEP 2)
OFAC Awareness Session (Serica)	UKCS Offshore Installation Manager (OPEP Level 1) E-learning
Offshore Control Room Operator Emergency Response	Unconscious Bias Training (Serica)
offshore Installation Manager (OIM) Controlling Emergencies (Assessment)	VHF Radio
OIM Legislation/Regulations	Working at Height - Unit 2 PPE User
Opito Assessor	Working at Height - Unit 2 PPE User
OPITO Combined FOET	Working at Height - Unit 3 Use of Rescue Equipment
OPITO Further Offshore Emergency Response Team Leader (FOERTL)	

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### E-Learning

Asbestos Awareness - E-Learning

Asbestos Awareness T008 (E-Learning)

Atmospheric Emissions E-Learning

Authorised Gas Tester (E-Learning)

Authorised Gas Tester T045 (E-Learning)

Benzene Awareness E-learning

Benzene Awareness T009 (E-Learning)

Chemical Use and Discharge E-Learning

Chemical Use and Discharge T027 (E-Learning)

CIWM Waste Smart E-Learning

Compressed Gas Cylinder Awareness E-Learning

Confined Space Entry (E-Learning)

Corrosion Management Awareness E-Learning

Electrical Safety Rules (E-Learning)

Electrical Safety Rules T042 (E-Learning)

Environmental Awareness Atmospheric Emissions

Environmental Awareness E-Learning

Environmental Awareness T021 (E-Learning)

Gas Compression E-Learning

Gas Hydrates Awareness-UK & USA E-Learning

Gas Monitor T047 (E-Learning)

Gas Treatment E-Learning

HAVS Awareness E-Learning

HAVS Awareness T014 (E-Learning)

Helix E-Learning

Introduction to Potable Water- E-Learning

Introduction to Well Integrity E Learning (Serica)

ISSOW Level 1 (Performing Authority) E-Learning

ISSOW Level 2 Issuing Authority E-Learning

Legionella Awareness E-Learning

LOLER Awareness T006 (E-Learning)

Major Accident Hazard Awareness E-Learning

Major Accident Hazards T018 (E-Learning)

Manual Handling Awareness T003 (E-Learning)

Mechanical Isolations T044 (E-Learning)

Nitrogen Awareness E-Learning

Nitrogen Awareness T015 (E-Learning)

NORM Awareness T013 (E-Learning)

NORM/LSA Scale Awareness (E-Learning)

Oil & Gas Metering, Sampling and pigging - E-Learning

Oil and Gas Extraction - E-Learning

Oil in Water E-Learning

Oily Discharge to Sea (E-Learning)

Oily Discharges E-Learning

Oily Discharges to Sea T030 (E-Learning)

OPITO Authorised Gas Tester E-Learning

OPITO MIST E-Learning

Piping Vibration E-Learning

Power Generation Systems - E-Learning

Process and Instrumentation Diagrams (P&ID's) E-Learning

Provision of Use of Work Equipment (PUWER) T004 (E-Learning)

Relief Systems E-Learning

Respiratory Protection E-Learning

Risk Assessment Awareness (E-Learning)

Seawater and Firewater - E-Learning

Separation - E-Learning

Serica Code of Conduct E-Learning

Serica Cyber Security and Phishing Awareness Training

Serica Fatigue Awareness (E-Learning)

Serica Fatigue Awareness for Supervisor (E-Learning)

Serica Maximo E-Learning Module 1 - Introduction

Serica Maximo E-Learning Module 2 – Searching in Maximo

Waste Management Awareness T025 (E-Learning)

Water Injection - E-Learning

Well Integrity Mangement Systems E-Learning

Working in Confined Spaces Awareness T002 (E-Learning)

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As a leading mid-tier North Sea operator, 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 entire footprint 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. Never has this been more important to us than in 2020 where unprecedented social and economic conditions have placed all aspects of society under considerable strain. Serica recognises the need to be a good corporate citizen in these challenging times.

In 2021 Serica recognises more than ever the necessity for organisations such as ours to report clearly and transparently on a range of environmental, social and governance metrics to both communicate the challenges we face and the continual performance improvements we are making.

In recognition of this, Serica has expanded its ESG benchmark alignment to include the GRI standards, SASB and UN Global Compact as well as starting to align with TCFD.

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.

Serica identified the need to develop a process in order 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, with subject matter experts from across the business, critically reviewing and inputting into the process to ensure the output was relevant and accurate.

Direct stakeholder consultation was not undertaken for this report, however stakeholder opinion on the topics deemed to be material was gleaned 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. 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 better known as the 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.

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.

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 on the facing page. 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. The Index where we make our disclosures is included in the following document:

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		Importance to Serica		
		Low	Medium	High
Importance to Stakeholders	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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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 <a href="#">2020 Annual report and Accounts (Page 22)</a>
Decent Work and Economic Growth	GRI 202 Market Presence	High	High	Yes	Similarly, in order to perform well as an organisation, it is important for Serica to have a <a href="#">strong market presence relative to our peer group of companies.</a>
Decent Work and Economic Growth	GRI 203 Indirect Economic Impacts	High	Medium	Yes	Serica works with a wide range of UK sub-contractors on both its production asset and projects. 94 pence of every pound that Serica spends on suppliers is spent with the UK supply chain. In addition, Serica works with numerous third sector organisations across the UK. See Section, Decent Work and Economic Growth ( <a href="#">Page 25</a> )
Decent Work and Economic Growth	GRI 204 Procurement Practices	Medium	High	Yes	It is important to Serica and to wider society that we conduct our business in full compliance with the appropriate rules, regulations and guidelines relating to fair and transparent procurement. See Section, Decent Work and Economic Growth ( <a href="#">Page 25</a> )
Peace and Strong Institutions	GRI 205 Anti-Corruption	High	High	Yes	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. See Section, Peace and Strong institutions ( <a href="#">Page 37</a> )
Peace and Strong Institutions	GRI 206 Anti-Competitive Behaviour	High	High	Yes	As above and 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. See Section, Peace and Strong Institutions ( <a href="#">Page 37</a> )
Responsible Consumption and Production	GRI 301 Materials	Low	Medium	Yes	Serica is consumer of raw and manufactured materials. These materials are utilised to provide both life support for our offshore personnel and to facilitate the production of hydrocarbons on the Bruce platform.
Responsible Consumption and Production/ Climate Action	GRI 302 Energy	High	High	Yes	Increased focus on energy efficiency and the reduction of GHG emissions continues to be both a business and stakeholder focus. See section Responsible Consumption and Production ( <a href="#">Page 13</a> ) and Climate Action ( <a href="#">Page 7</a> ).
	GRI 303 Water	Medium	Medium	No	As a North Sea operator Serica does not operate in a region where there is a scarcity of fresh water. Water used in the production process is seawater and water consumed on the platform is predominantly desalinated. Discharges of waste-water overboard are exercised in accordance with MARPOL 73/78 Regulations for the Prevention of Pollution by Sewage from Ships.
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. This aspect will be addressed in The Life Below Water section ( <a href="#">Page 15</a> ).
Climate Action	GRI 305 Emissions	High	High	Yes	A by-product of Serica's operations are GHG gases. As a responsible operator Serica monitors and reports its emissions whilst seeking opportunities to reduce them. Serica aligns its ambitions with that of the North Sea basin outlined in Oil and Gas UK'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. This aspect of performance will be addressed in the Climate Action section ( <a href="#">Page 7</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 Effluents and Waste	High	Medium	Yes	Serica stores, handles, transports and legally discharges both hazardous and non-hazardous liquid and 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. This aspect of performance will be addressed in Section Responsible Consumption and Production (Page 13)
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 in Life Below Water (Page 15), Climate Action (Page 7) and Responsible Consumption and Production (Page 13)
	GRI 308 Supplier Environmental Assessment	Medium	Medium	No	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 European and UK legislative requirements. Serica aligns with Oil and Gas UK and FPAL industry contractor assessment and selection initiatives.
Decent Work and Economic Growth	GRI 401 Employment	High	Medium	Yes	As a mid-sized independent oil and gas company, Serica is dependent upon the competence and stability of its workforce to deliver business results. It is important to ensure that we are fully compliant with all appropriate employment regulations for our onshore and offshore workforce.  This Aspect is aligned with the Decent Work and Economic Growth UNSDG and is discussed in the Decent work and Economic Growth section (Page 25) of the ESG report.
Decent Work and Economic Growth	GRI 402 Labour and Management Relations	Medium	Medium	No	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. This aspect of performance will be addressed in the Decent Work and Economic Growth section (Page 25).
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.  This Aspect is aligned with both the Decent Work and Economic Growth UNSDGs and Good Health and Well Being is discussed in the Decent Work and Economic Growth (Page 25) and Good Health and Wellbeing (Page 25) section of the ESG report.
Quality Education	GRI 404 Training and Education	High	Medium	Yes	It is imperative that as our industry evolves 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.  This Aspect is aligned with the Quality Education UNSDG and is discussed in Quality Education Section (Page 31) and the full list of training courses offered (Appendix 3, Page 52) of the ESG report.
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.  This Aspect is aligned with both the Gender Equality and Reduced Inequalities UNSDGs and is discussed in the Gender Equality and Reduced Inequalities section (Page 22) of the ESG report.

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UNSDG	GRI Aspect/Serial Number	Aspect Importance to Serica	Aspect Importance to Stakeholders	Is Aspect Considered Material	Materiality
Gender Equality and Reduced Inequalities	GRI 406 Non-Discrimination	High	High	Yes	As above. This aspect is aligned with both the Gender Equality and Reduced Inequalities UNSDGs and is discussed in the Gender Equality and Reduced Inequalities section (Page 22) of the ESG report.
	GRI 407 Freedom of Association and Collective Bargaining	Medium	Medium	No	Serica is a Non-Unionised Workforce however this 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.
	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 to this ESG report.
	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 to this ESG report.
	GRI 410 Security Practices	Medium	Medium	No	The geographic isolation of the Bruce Platform west 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 truly indigenous. Therefore, the potential opportunities to infringe or promote the rights of indigenous peoples if not materially relevant to this ESG report. During 2020 Serica did conduct aspects of its business in Namibia, however the company withdrew from the country in September 2020 and the scale of the interests ruled it out from being materially relevant from the perspective of any possible indigenous peoples.
	GRI 412 Human Rights Assessments	Medium	Medium	No	The majority of Serica Energy operations and interests are currently UK based. Overseas interests are not 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. This Aspect is aligned with both the Peace and Strong Institutions UNSDGs and is discussed in the Peace and Strong Institutions (Page 37) and No Poverty and Zero Hunger (Page 19) sections of the ESG report.
	GRI 414 Supplier Social Assessment	Medium	Medium	No	The majority of Serica Energy operations are currently UK based. Suppliers are subject to stringent EU and UK as well as industry specific pre-approval initiatives such as FPAL 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	No	As a UK based public limited company, Serica Energy is governed by strict rules relating to public disclosure and policy. Additional consideration or assessment is not deemed to be material.

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UNSDG	GRI Aspect/Serial Number	Aspect Importance to Serica	Aspect Importance to Stakeholders	Is Aspect Considered Material	Materiality
	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	No	Being a UK based operator with all offshore operations based in the UK, Serica Energy complies through country and EU level regulations associated with its business sector. This sector is stringently regulated, and the regulators are transparent. Socioeconomic compliance is therefore not deemed to be material.

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission	
<b>GRI 101: FOUNDATION 2016</b>				
<b>General Disclosures</b>				
GRI 102: General Disclosures 2016	<b>Organisational profile</b>			
	102-1 Name of the organisation	Serica Energy PLC		
	102-2 Activities, brands, products, and services	2020 Annual Report and Accounts <a href="#">Page 6</a>		
	102-3 Location of headquarters	Aberdeen United Kingdom		
	102-4 Location of operations	<a href="https://www.serica-energy.com/asset-portfolio">https://www.serica-energy.com/asset-portfolio</a>		
	102-5 Ownership and legal form	Serica Energy PLC		
	102-6 Markets served	UK Energy Market - See Operations above		
	102-7 Scale of the organisation	Serica Energy currently has 157 employees 2020 Annual Report and Accounts <a href="#">Page 47</a> onwards		
	102-8 Information on employees and other workers	Serica currently has 157 employees comprising 142 male and 15 female workers and 28 contractors working solely in the UK and comprising of 24 male and 4 female workers. Of our employees, 154 are full time and 3 and part time. 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. If applicable, a description of the nature and scale of work performed by workers who are not employees. Data is collected from the Human Resources record of employees and direct contractors.		
	102-9 Supply chain	This is described in the Serica Energy 2020 ESG Report under the Partnerships to Achieve Goals Section and Decent Work and Economic Growth Section ( <a href="#">Page 25</a> )		
	102-10 Significant changes to the organisation and its supply chain	There have been no significant changes to Serica or its supply chain in the last 12 months. The Namibia interests held by the business were relinquished during 2020, however these did not represent significant contributions to the business financially. The relinquishment of these assets did not result in any significant change to the organisational structure or supply chain arrangements.		
	102-11 Precautionary Principle or approach	A description of our approach to managing risk is provided in the Corporate Governance section of the 2020 Serica Energy Annual Report and Accounts. ( <a href="#">Pages 36-60</a> )  In addition, compliance with UKCS Environmental Legislation which is underpinned by the precautionary approach is described in the following sections of the 2020 ESG Report: Responsible Consumption and Production ( <a href="#">Page 13</a> ) Life Below Water ( <a href="#">Page 15</a> )  Serica also sets corporate Key Performance Indicators (KPIs) for ESG performance. These KPIs exceed UK Regulatory requirements in all instances. These KPIs are inseparably linked to the precautionary principle and Serica's approach to undertaking our business. In 2020 Serica updated its risk management processes to ensure ESG risks were assessed with even greater diligence throughout operational planning and project development. Serica's open relationship, transparency, and continual dialogue with both the Environmental and Health and Safety Regulator in the UK also ensures we maintain a precautionary approach in the risks we manage.		
102-12 External initiatives	Serica aligns and recognises the following external initiatives in relation to our operations:  The UN Sustainable Development Goals The OSPAR Convention OSPAR Recommendation 2003/5 The Global Reporting Initiative (GRI) Sustainability Accounting Standards Board (SASB) The Task Force on Climate-related Financial Disclosures (TCFD) The Oil and Gas Technology Centre (OCGT) (Project Partner for the Digital Twin project) The United Nations Global Compact (UNGC) Oil and Gas UK (OGUK - the UK industry body)			

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 102: General Disclosures 2016	102-13 Membership of associations	This is described in the Serica Energy 2020 ESG Report under the Partnerships to Achieve Goals Section ( <a href="#">Page 40</a> )	
	<b>Strategy</b>		
	102-14 Statement from senior decision-maker	This is provided in the CEO's Introduction to the 2020 ESG Report ( <a href="#">Page 2</a> )	
	<b>Ethics and integrity</b>		
	102-16 Values, principles, standards, and norms of behaviour	This is described in the Corporate Governance section (Pages <a href="#">32-34</a> and <a href="#">44</a> ) of Serica Energy's Annual Report and Accounts 2020. Detail is provided in the Serica Energy <a href="#">Code of Business Conduct</a>	
	<b>Governance</b>		
	102-18 Governance structure	The Board retains ultimate accountability for good governance and maintains full and effective control over the Company. The Company holds regular Board meetings at which financial, operational and other reports are considered and, where appropriate, voted on. The Board is responsible for the Group's strategy, performance, key financial and compliance issues, approval of any major capital expenditure and the framework of internal controls.  There is a clearly defined organisational structure with lines of responsibility and delegation of authority to executive management. The Board is responsible for monitoring the activities of the executive management. The Board has five independent Non-Executive Directors to bring an independent view to the Board one of whom (Neil Pike) acts as Senior Independent Director. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. In the event of an equality of votes at a meeting of the Board, the Chairman has a second or casting vote.	
	<b>Stakeholder engagement</b>		
	102-40 List of stakeholder groups	<ul style="list-style-type: none"> <li>• Employees and contractors</li> <li>• Regulators</li> <li>• The general public</li> <li>• Investors</li> <li>• Suppliers and contractors</li> <li>• Industry bodies and societies</li> <li>• Joint venture partners</li> </ul>	
	102-41 Collective bargaining agreements	Serica is a Non-Unionised Workforce however this 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.	
102-42 Identifying and selecting stakeholders	Serica's stakeholders are driven by the nature of the business. Stakeholders are identified through formal channels such as contractual obligations, access to finance, regulatory and statutory bodies and common interest groups.		
102-43 Approach to stakeholder engagement	Direct stakeholder consultation was not undertaken for this report, however stakeholder opinion on the topics deemed to be material was gleaned 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. 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.		
102-44 Key topics and concerns raised	Any key topics and concerns are raised through formalised procedures of engagement.		
<b>Reporting practice</b>			
102-45 Entities included in the consolidated financial statements	The entities included are described in the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .		
102-46 Defining report content and topic Boundaries	Serica has detailed its approach to determining which topics are material in the ESG Report <a href="#">Materiality Assessment</a> . For each material topic, the management approach is detailed and linked in either this document or to our published, public reports.		

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 102: General Disclosures 2016	102-47 List of material topics	<ul style="list-style-type: none"> <li>• GRI 201 Economic Performance</li> <li>• GRI 202 Market Presence</li> <li>• GRI 203 Indirect Economic Impacts</li> <li>• GRI 204 Procurement Practices</li> <li>• GRI 205 Anti-Corruption</li> <li>• GRI 206 Anti-Competitive Behaviour</li> <li>• GRI 302 Energy</li> <li>• GRI 304 Biodiversity</li> <li>• GRI 305 Emissions</li> <li>• GRI 306 Effluents and Waste</li> <li>• GRI 307 Environmental Compliance</li> <li>• GRI 401 Employment</li> <li>• GRI 403 Occupational Health and Safety</li> <li>• GRI 404 Training and Education</li> <li>• GRI 405 Diversity and Equal Opportunities</li> <li>• GRI 406 Non-Discriminatory</li> <li>• GRI 413 Local Communities</li> </ul>	
	102-48 Restatements of information	<p>There are no restatements of information and the scope of the reporting for 2020 remains the same as for 2019.</p> <p>Data is presented in the Serica Energy 2020 ESG Report - <a href="#">Appendix 2</a> - Serica's Data Book.</p>	
	102-49 Changes in reporting	<p>The following topics were not deemed to be material for Serica's operations in 2019 but have been deemed material in 2020. The topic boundaries are identified in the management approach for each topic:</p> <ul style="list-style-type: none"> <li>202-1 Ratios of standard entry level wage by gender compared to local minimum wage</li> <li>203-1 Infrastructure investments and services supported</li> <li>301-1 Materials used by weight or volume</li> <li>302-2 Energy consumption outside of the organisation</li> <li>302-3 Energy intensity</li> <li>302-4 Reduction of energy consumption</li> <li>305-2 Energy indirect (Scope 2) GHG emissions</li> <li>305-3 Other indirect (Scope 3) GHG emissions</li> <li>305-4 GHG emissions intensity</li> <li>305-5 Reduction of GHG emissions</li> <li>305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions</li> <li>404-1 Average hours of training per year per employee</li> </ul>	
	102-50 Reporting period	The reporting period is January to December	
	102-51 Date of most recent report	04/05/2021	
	102-52 Reporting cycle	The reporting cycle is annual	
	102-53 Contact point for questions regarding the report	The contact point for questions regarding this report will be <a href="mailto:esg.coordinator@serica-energy.com">esg.coordinator@serica-energy.com</a>	
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
	102-55 GRI content index	This document which is published on the Serica Energy PLC website	
	102-56 External assurance	<p>External assurance of the Serica Energy <a href="#">Annual Report and Accounts</a> is provided by EY on an annual basis</p> <p>There is currently no external assurance of the ESG Report</p>	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
<b>200 SERIES (ECONOMIC TOPICS)</b>			
<b>Economic Performance</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Serica is a public company and is required to disclose its economic performance. Economic performance is material for the company, its employees, its shareholders and stakeholders. As a UK based business, economic performance is focused on operations in the UK which make up all of Serica's current business activities.	
	103-2 The management approach and its components	This is described in the Corporate Governance and Financial Statements section of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .	No omission
	103-3 Evaluation of the management approach	This is described in the Corporate Governance and Independent Auditors sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .	No omission
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 <a href="#">Annual Report and Accounts 2020</a> 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.	
	201-2 Financial implications and other risks and opportunities due to climate change	The Serica Board are responsible for and owners of strategic risks and opportunities. Management considers climate-related strategic and financial risks in both its existing asset portfolio and future business growth including potential acquisitions. This includes consideration of the potential impact of both transition and physical risks. Serica is currently in the process of developing its capabilities to report under TCFD guidance.  Material risks and opportunities including climate related risks are included in the <a href="#">Annual Report</a> . While Serica's business is focused predominantly on gas rather than oil, there are still inherent risks to a hydrocarbon producer working in the landscape of a global energy transition. A list of these identified risks and mitigation strategies can be found in Appendix 8: TCFD Review ( <a href="#">Page 88</a> ) in the 2020 ESG report.	No omission
	201-3 Defined benefit plan obligations and other retirement plans	Do not report - Not material	
	201-4 Financial assistance received from government	Do not report - Not material	
<b>Market Presence</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Serica is a UK based upstream oil and gas company operating exclusively on the United Kingdom Continental Shelf (UKCS). Serica's market for its produced oil and gas is described in the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .	
	103-2 The management approach and its components	This is described in the Corporate Governance and Financial Statements section of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .	No omission
	103-3 Evaluation of the management approach	This is described in the Corporate Governance and Independent Auditors sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .	No omission
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum 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.  In 2020, the national minimum wage in the United Kingdom was £8.72 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.  2020's ratios can be seen below:  Male employees: 2.29  Female employees: 1.61  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."	
	202-2 Proportion of senior management hired from the local community	All of Serica's senior management team (as defined on our website, <a href="http://www.serica-energy.com">www.serica-energy.com</a> ) are hired from within the United Kingdom.	



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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
<b>Indirect Economic Impacts</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Serica's business is conducted in the UK. Serica has offices in both Aberdeen and London and operates the Bruce Platform in the Northern North Sea. Serica ascertains its boundaries by determining the physical and temporal extent of its positive and negative impacts as well as the significance of the impact e.g. our impact on biodiversity.	
	103-2 The management approach and its components	This is described in the Corporate Governance and Financial Statements sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> . Detail is provided in the Serica Energy Code of Business Conduct	No omission
	103-3 Evaluation of the management approach	This is described in the Corporate Governance and Independent Auditors sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .	No omission
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Serica produces over 4% of the UK's natural gas requirement 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. Serica is looking to develop further gas prospects in the Columbus, Rhum and North Eigg offshore fields which will support this 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.	
	203-2 Significant indirect economic impacts	This is described in the Serica Energy 2020 ESG Report under the Decent Work and Economic Growth Section ( <a href="#">Page 25</a> )	
<b>Procurement Practices</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 54</a> )	
	103-2 The management approach and its components	This is described in the Corporate Governance and Financial Statements sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> Detail is provided in the Serica Energy <a href="#">Code of Business Conduct</a>	No omission
	103-3 Evaluation of the management approach	Throughout 2020, Serica has sought to integrate a greater level of ESG requirements into its procurement process to ensure those companies contracted to Serica manage their material ESG impacts in a manner that aligns with Serica's own approach to ESG management.	No omission
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	In 2020, 94% of total supplier expenditure was spent on UK suppliers and 6% on the international suppliers. In terms of local spending, the percentage spent on local suppliers (North-east Scotland) was 37% a 1% increase from 2019 (36%). 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. "Local" in this context is defined as UK based suppliers.	
<b>Anti-corruption</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Anti-corruption is a core principle of Serica's business. As a public company we are held accountable to UK law and firmly believe in transparent operations. It is imperative that our operations and transitions are undertaken in a manner which ensures this transparency is consistently disclosed and upheld which is why this topic is of material importance to Serica and their stakeholders.	
	103-2 The management approach and its components	This is described in the Corporate Governance and Financial Statements sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> Detail is provided in the Serica Energy <a href="#">Code of Business Conduct</a> and Serica Energy's <a href="#">Anti-Bribery and Corruption Policy</a>	No omission
	103-3 Evaluation of the management approach	The Anti-Bribery and Corruption Policy is owned by the Board of Directors and is regularly reviewed and updated as required.	No omission

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
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 2020 <a href="#">Annual Report and Accounts</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.	
	205-2 Communication and training about anti-corruption policies and procedures	All 7 members representing 100% of Serica Energy's Board of Directors have had the Anti-Bribery and Corruption policy communicated to them. Similarly, 139, representing 94% of Serica Energy's employee had conducted the Company's Business Code of Conduct e-learning training which includes modules on Anti-Bribery and Corruption policy by the close of 2019. 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.  All business partners, contractors and vendors are required as part of their contractual Terms and Conditions are required 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.	
<b>Anti-competitive Behaviour</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 54</a> )	
	103-2 The management approach and its components	This is described in the Corporate Governance and Financial Statements sections of the 2020 Serica Energy <a href="#">Annual Report and Accounts</a> .  Serica's contractor assessment and management process complies with all European and UK legislative requirements relating to non-competitive behaviour and worker rights. Serica aligns with Oil and Gas UK and FPAL industry contractor assessment and selection initiatives.	No omission
	103-3 Evaluation of the management approach	The Code of Business Conduct is covered by the Serica document management process and is review and updated on a routine basis or in line with organisational changes and developments.	No omission
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 2020 relating to anti-competitive behaviour or violations of anti-trust and monopoly legislation.	
<b>300 SERIES (ENVIRONMENTAL TOPICS)</b>			
<b>Materials</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Serica utilises a large number of materials in the form of chemicals and additives which are used to support the exploration and production of oil and gas. These materials can and do get discharged into the marine environment when this practice is approved and permitted under UK legislation. It is important for Serica that the environmental impact of our operations is minimised and as such materials management and use optimisation and minimisation is a material topic.	
	103-2 The management approach and its components	The management of material (chemical) use and discharge is covered by the UK Offshore Chemical Regulations as well as by procedures under the Serica Operational Management System (OMS).	
	103-3 Evaluation of the management approach	Compliance with the Offshore Chemical Regulations is monitored by both Serica and the UK environmental regulator (BEIS) to ensure full compliance with all permits and consents associated with material use offshore.	
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 is provided below: 1. Chemical - 466,884 utilised of a permitted 797,340 kg (58%) of chemicals utilised in 2020. In comparison, in 2019 Serica's operations consumed 563,215 kg of a permitted 697, 837 kg (81%) of chemicals. 2. Chemical usage on the on-going R3 project total 359,157.16Kg in 2020. All of the materials reported are non-renewable."	
	301-2 Recycled input materials used	Do not report - Not material	
	301-3 Reclaimed products and their packaging materials	Do not report - Not material	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
<b>Energy</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 54</a> )	
	103-2 The management approach and its components	This is described in the Serica Energy 2020 ESG Report under the Responsible Consumption and Production ( <a href="#">Page 13</a> )	No omission
	103-3 Evaluation of the management approach	This is described in the Serica Energy 2020 ESG Report under the Climate Action Section ( <a href="#">Page 7</a> )	No omission
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	<p>Energy is consumed by the organisation in its offices onshore and on its offshore installations. Onshore energy is provided to the buildings and associated facilities by the local municipal supplier. In 2020 an estimated £10,362.84 was spent on electricity supply for Serica's main office in Aberdeen. In 2020, Serica's main Aberdeen office used 57,801 kWh. This is a reduction on 2019's figure of 88,647 kWh. This significant reduction is a result of Serica down manning the office in March 2020, as a result of the Covid-19 pandemic.</p> <p>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. For 2020 the energy use from fuel gas offshore was 3,432 TJ.</p> <p>Energy use from fuel gas is tracked in accordance with the statutory requirements of the EU ETS.</p>	
	302-2 Energy consumption outside of the organisation	Do not report - Not material	
	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 79.163kw/h per boe.	
	302-4 Reduction of energy consumption	<p>In 2020, Serica had an energy intensity increase from of 75.167 kWh per boe in 2019 to 79.163 Kwh per boe in 2020. The cause of this increase is due to lower production numbers in 2020, caused by the plant shutdown in 1Q.</p> <p>More information on energy reduction, conservation and efficiency initiatives can be found in the Climate Action (<a href="#">Page 7</a>) and Responsible Consumption and Production (<a href="#">Pages 13</a>) chapters of the 2020 ESG report.</p>	
	302-5 Reductions in energy requirements of products and services	Do not report - Not material	
<b>Water and Effluents</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Do not report - Not material	
	303-2 Management of water discharge-related impacts	Do not report - Not material	
	303-3 Water withdrawal	Do not report - Not material	
	303-4 Water discharge	Do not report - Not material	
	303-5 Water consumption	Do not report - Not material	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
<b>Biodiversity</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 55</a> )	
	103-2 The management approach and its components	This is described in the Serica Energy 2020 ESG Report under the Responsible Consumption and Production Section ( <a href="#">Page 13</a> )	No omission
	103-3 Evaluation of the management approach	All activities likely to result in an environmental impact require regulatory approval. Serica is bound by UKCS legislation and its licencing, permitting and consenting requirements. Serica's environmental performance is audited annually by OPRED to ensure compliance with these regulations. This process includes the survey of the physical and ecological environment in which we operate and the mitigation of impacts at a individual and species level to ensure impacts to local and regional biodiversity are reduced to ALARP.	No omission
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	Do not report - Not material	
	304-2 Significant impacts of activities, products, and services on biodiversity	Do not report - Not material	
	304-3 Habitats protected or restored	Do not report - Not material	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	A key component of the UKCS licencing, consenting and permitting process is the EIA process. Impacts are examined in both Environmental Statements and in EIA Justification accompanying permit applications. Serica operates in full compliance with these requirements and all information on IUCN Red List species is available within these reports.	
<b>Emissions</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 55</a> )	
	103-2 The management approach and its components	Serica has procedures and processes for managing the approach to emissions in the OMS. This includes both PPC reporting and EU ETS reporting as well as a Flaring Management System. In 2020 Serica also began to track emissions from third party rigs and vessels working on Serica work scopes	Serica has omitted Scope 3 emissions associated with its products in this disclosure. At present it is only possible to calculate emissions associated with material supply chain activities.
	103-3 Evaluation of the management approach	Evaluation of this approach is established through periodic review of the OMS as well as internal and external audit and assurance activities. Management of compliance is tracked through returns and reports to EEMS and EU ETS and is verified through regulator inspection. This is described in the ESG Report - Climate Action chapter ( <a href="#">Page 7</a> ). Third party emissions are tracked for both benchmarking and performance improvement purposes but as yet are not required to be reported to the Regulator.	No omission
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Data is presented in the Serica Energy 2020 ESG Report in <a href="#">Appendix 2</a> - Serica's Data Book.	
	305-2 Energy indirect (Scope 2) GHG emissions	Serica's scope 2 emissions (from purchased electricity) in the London and Aberdeen offices decreased from 24,887 kilograms of CO <sub>2</sub> e in 2019 to 16,054 kilograms of CO <sub>2</sub> e in 2020. The main reason for this decrease is due to Serica employees not being present in the offices from March 2020, due to Covid-19 pandemic regulations.	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	<p>In 2020, Serica's Scope 3 three emissions total came to ~11,024,577 tonnes of CO<sub>2</sub>. This is the first year that Serica has reported its Scope 3. This calculation includes fuel combusted in Project Supply Vessels, Emergency Response Vessels, Rigs used for well intervention operations, vessels used for dive campaigns and helicopters used to transport personnel and goods to and from Serica work sites. This figure was calculated based on invoiced fuel quantities.</p> <p>It is worth noting that this calculation was made using supply chain data only. Emissions associated with products are not currently included in our Scope 3 emissions calculations as they are not currently tracked or reported by Serica.</p>	Serica has omitted Scope 3 emissions associated with its products in this disclosure. At present it is only possible to calculate emissions associated with material supply chain activities.
	305-4 GHG emissions intensity	In 2020, Serica achieved a carbon intensity of 17.5kg CO <sub>2</sub> /boe compared to Serica's 2019 carbon intensity of 16.7kg CO <sub>2</sub> /boe. This increase was caused by lower production numbers in 2020 and a 6 week plant shutdown for maintenance, where diesel was used to power the platform. In 2020, Serica has set a target of achieving a carbon intensity of <17kg CO <sub>2</sub> /boe, which is included in Serica's key ESG KPI's which are linked to our employee remuneration. More information about Carbon intensity can be found in the Climate Action chapter (Page 7). In 2020, Serica had a Methane intensity: 0.076 CH <sub>4</sub> sm <sup>3</sup> /sm <sup>3</sup> exported gas. This follows OGCI definition of Methane intensity, which is a volume of Methane emitted/volume of gas exported.	
	305-5 Reduction of GHG emissions	<p>In 2020, the Serica Emissions Reduction Group was founded, with the aim of mitigating and preventing climate change through actively trying to reduce Serica's GHG emissions every year. Serica was able to reduce its CO<sub>2</sub> emissions by over 15% in 2020 (204,648 tonnes of CO<sub>2</sub>) compared to our 2019 baseline (241,503.41 tonnes of CO<sub>2</sub>). The rationale for selecting 2019 as our baseline is because 2019 was the first year that Serica controlled the Bruce asset and therefore a good benchmark to compare our 2020 performance to.</p> <p>Serica successfully implemented a number of emission reduction initiatives that were key in our emissions reduction in 2020, such as:</p> <ul style="list-style-type: none"> <li>• The implementation of the Serica's Flaring Strategy, which resulted in a 45% reduction in flaring in 2020. Thus, reducing our scope 1 emissions.</li> <li>• Improving flare monitoring systems to provide more accurate readings of low range flaring.</li> <li>• A proportion of vessels contracted to Serica now operate out of Lerwick</li> <li>• Serica has engaged in a program of supply vessel sharing with other operators in order to reduce scope 3 fuel usage and emissions.</li> <li>• Serica amended their maintenance strategy to reduce gas compression and power generation change overs, which reduces scope 1 fuel usage and GHG emissions.</li> </ul>	
	305-6 Emissions of ozone-depleting substances (ODS)	Do not report - Not material	
GRI 103: Management Approach 2016	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	<p>In 2020, Serica emitted the following:</p> <p>NOx: 498.329 tonnes SO<sub>2</sub>: 6.424 tonnes VOC: 42.687 tonnes</p> <p>These emissions are representative of gas and diesel consumption associated with all plant operations and flared gas.</p> <p>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.</p>	
	Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, Page 55)	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 103: Management Approach 2016	103-2 The management approach and its components	<p>Waste management is controlled by processes described in the OMS by competent personnel, in line with regulations.</p> <p>Control of Pollution by Sewage and Garbage at Sea Regulations 2008 (as amended) Special Waste Regulations (Scotland) 2005 (as amended) Waste Scotland Regulations.</p> <p>In 2020, Serica became the first operator in the North Sea to sign up to Asco's Zero Waste to Landfill initiative, this means Serica's general waste undergoes additional segregation onshore.</p> <p>Additionally, in 2020 Serica set ambitious waste reduction targets:</p> <ul style="list-style-type: none"> <li>• Reduce overall waste volumes.</li> <li>• To increase the percentage of recycled waste to &gt;65% in 2021. This target are included in the Serica Energy ESG key performance indicators which are linked to our employee remuneration.</li> </ul>	No omission
	103-3 Evaluation of the management approach	In 2020, Serica discharged 3,731m3 of produced water from its production process overboard into the sea at the Bruce asset.	No omission
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Data is presented in the Serica Energy 2020 ESG Report in <a href="#">Appendix 2 - Serica's Data Book</a> .	
	306-2 Waste by type and disposal method	<p>In 2020, Serica generated and disposed of waste as per the breakdown presented below.</p> <p>Total weight of hazardous waste:</p> <ol style="list-style-type: none"> <li>i. Reuse - 0.0 tonnes</li> <li>ii. Recycling - 9.287 tonnes</li> <li>iii. Composting - 0.0 tonnes</li> <li>iv. Recovery, including energy recovery - 15.140 tonnes</li> <li>v. Incineration (mass burn) - 0.398 tonnes</li> <li>vi. Deep well injection - 0.0 tonnes</li> <li>vii. Landfill - 2.580 tonnes</li> <li>viii. On-site storage 0.0 tonnes</li> <li>ix. Other (to be specified by the organisation) - 18.102 tonnes.</li> </ol> <p>Total weight of non-hazardous waste:</p> <ol style="list-style-type: none"> <li>i. Reuse - 1.860 tonnes</li> <li>ii. Recycling - 139.324 tonnes</li> <li>iii. Composting - 0.0 tonnes</li> <li>iv. Recovery, including energy recovery - 30.812 tonnes</li> <li>v. Incineration (mass burn) - 1.830 tonnes</li> <li>vi. Deep well injection - 0.0 tonnes</li> <li>vii. Landfill - 33.751 tonnes</li> <li>viii. On-site storage - 0.0 tonnes</li> <li>ix. Other (to be specified by the organisation) - 0.405 tonnes</li> </ol> <p>All waste generated through Serica's operations is managed by a third party contractor. The contractor utilises UK registered disposal routes and the determined and identified waste disposal method is reported to BIES, the environmental regulator.</p>	
	306-3 Significant spills	While there were a number of non-conformances and minor spills in 2020, there were no significant spills across Serica's operations.	
	306-4 Transport of hazardous waste	Do not report - Not material	
	306-5 Water bodies affected by water discharges and/or runoff	Do not report - Not material	
<b>Environmental Compliance</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 55</a> )	
	103-2 The management approach and its components	<p>This is described in the Serica Energy 2020 ESG Report under the Life Below Water Section (<a href="#">Page 15</a>)</p> <p>Environmental compliance is managed via the OMS by competent in-house specialists and advisors who ensure that all applicable environmental regulations and industry requirements are understood and that organisational knowledge is up to date. Where applicable, they are supported by specialist consultancies. Environmental compliance forms the basis of Serica's production consent and licence to operate.</p>	No omission

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	This approach is evaluated through periodic review of the OMS and verification of the environmental elements to the principles of ISO 14001 as required by UK legislation. In addition, Serica is subject to regular inspections and assurance activities by BIES, the offshore environmental regulator.	No omission
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	This is presented in the ESG Report - Climate Action (EU ETS, Vent Consent and Flare Consent non-compliances) (Page 7) and ESG Report Life Below Water (PON1s) (Page 15) chapters.	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Do not report - Not material	
	308-2 Negative environmental impacts in the supply chain and actions taken	Do not report - Not material	
<b>400 SERIES (SOCIAL TOPICS)</b>			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, Page 55)	
	103-2 The management approach and its components	This is described in the Serica Energy 2020 ESG Report under the Decent Work and Economic Growth Section (Page 25)	No omission
	103-3 Evaluation of the management approach	The employment related policies and procedures are reviewed and updated regularly. This ensures full, ongoing compliance with UK and European employment law.	No omission
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	13 new employees (2 female and 11 male) were hired in the reporting period in the UK region. This represents a rate of 8.9%. 4 (1 under the age of 30, 3 between 30-50 years of age and 1 female and 3 males) employees left the UK region during the same reporting period, representing a rate of 2.5%.	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Do not report - Not material	
GRI 401: Employment 2016	401-3 Parental leave	All male and female employees (157 total, 15 female) are entitled to parental leave. During the reporting period, 0 females and 3 males took either unpaid parental leave or paid paternity 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. 100% of the 11 employees who took either unpaid parental leave or paid paternity leave in 2019 were still employed 12 months after their leave. Therefore, current return to work retention rates based on operational data to date is therefore 100%.	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
<b>Labour/Management Relations</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Do not report - Not material	
<b>Occupational Health and Safety</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 55</a> )	
	103-2 The management approach and its components	Serica's commitment to the prioritisation of Occupational Health and Safety is provided in the 2020 <a href="#">Annual Report and Accounts Strategic Report (Pages 10-11)</a> . The approach to the management of occupational health and safety is described in Good Health and Wellbeing ( <a href="#">Page 25</a> ). In addition, the Decent Work and Economic Growth Section ( <a href="#">Page 25</a> ) also contains information relating to the management of Occupational Health and Safety.	No omission
	103-3 Evaluation of the management approach	<p>The OMS is reviewed and updated if required on an annual basis. There is a statutory requirement to ensure that occupational health and safety management is owned at the highest level of the organisation, and the CEO signs off on all occupational health and safety policies.</p> <p>The application and effectiveness of the OMS is reviewed during the annual management review. Occupational health and safety management is demonstrably owned at the highest level of the organisation by the CEO's signature and ownership of the HSEQ Policy.</p> <p>Reporting and data on occupational health and safety is reviewed by the Board and targets are set annually.</p> <p>Audit and assurance of the OMS is undertaken both internally and externally.</p>	No omission
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<p>The Serica Occupational Health Management System consists of a series of policy, procedure and practice documents some of which are listed below:</p> <ul style="list-style-type: none"> <li>Noise Risk Management - SER-UK-PRA-3.4-1001</li> <li>Health Surveillance -SER-UK-PRO-3.4-1002</li> <li>Fitness to Work Procedure - SER-UK-PRO-3.4-1001</li> <li>Fatigue Management - SER-UK-PRO-3.4-1006</li> <li>Radiation Policy - SER-UK-POL-3.4-1002</li> <li>Process for Managing Asbestos Containing Materials - SER-UK-3.4-0002</li> <li>Manual Handling Operations - SER-UK-PRO-3.4-1009</li> <li>Potable Water Quality and Legionella Risk Management - SER-UK-PRO-3.4-1003</li> </ul>	
	403-2 Hazard identification, risk assessment, and incident investigation	<p>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.</p> <p>Reporting and investigation procedures, also mentioned in our OMS section (<a href="#">Page 44</a>), are 2 separate procedures within the Serica OMS. These procedures are as follows:</p> <ul style="list-style-type: none"> <li>Incident Reporting Procedure SEUK-PRO-4.4-003</li> <li>Incident Investigation Procedure SEUK-PRO-4.4-0001</li> </ul>	



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GRI Standard	Disclosure	2020 Location/Information/URL	Omission	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	<p>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, 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.</p> <p>All staff are automatically enrolled in Private Medical Insurance scheme on joining the Company, it is at the Staff Members discretions 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</p> <p>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</p>		
	403-4 Worker participation, consultation, and communication on occupational health and safety	<p>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.</p> <p>In addition, Serica operate 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.</p> <p>Serica has an HSE Sub Committee which consists of the CEO, VP Ops, VP ESG and Business Innovation and non-executive directors. See <a href="#">Terms of reference</a>.</p> <p>The Aberdeen office holds regular HSEQ meetings to ensure onshore staff are engaged in our HSEQ efforts.</p>		
	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 has been identified and is implemented and tracked as part of our OMS. Training plans are based on legal requirements, industry best practice and risk assessment.		
	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 2020 we have signed up for RigRun, an industry based initiative which encourages personnel to participate in exercise through cross asset competition: <a href="http://www.rigrun.org/">http://www.rigrun.org/</a>		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	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.		
	403-8 Workers covered by an occupational health and safety management system	All Serica Employees onshore and offshore a covered under the Serica Occupational Health and Safety Policy		
	403-9 Work-related injuries	In 2020, 5 work related injuries were recorded and 0 were reportable. Of these injuries 5 were non-reportable and 5 required no treatment, 5 were first aid cases, 0 resulted in days away from work, 0 were work restricted work injuries, and there no reportable medical treatment injury		
	403-10 Work-related ill health	There were no instances of work-related ill health in Serica Energy in 2020		
	<b>Training and Education</b>			
	GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, <a href="#">Page 55</a> )	
103-2 The management approach and its components		The Serica TMS (Training Management System) is provided for managing training courses and certifications. All employees have a training matrix assigned to their role and TMS monitors their compliance with that training matrix. TMS sends reminders of courses that are expiring and employees are able to book their courses via the application.	No omission	
103-3 Evaluation of the management approach		Serica have a Training and Development policy and Further Education policy which are located in BMS. There is a Competency Architecture policy and Staff Competence Assurance procedure located in OMS. The policies and procedures are reviewed and updated on a regular basis. This ensures full, ongoing compliance with UK and European employment law. Information is provided in the Decent Work and Economic Growth section of the 2020 ESG Report ( <a href="#">Page 25</a> ).	No omission	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<p>In 2020, a total of 491 training days were completed by staff. For this calculation the assumption is that each training day consisted of 8 hours of training</p> <p>In total Serica employees completed 3928 hours of training in 2020.</p> <p>Serica employees averaged 25 hours of training in 2020.</p> <p>Female employees averaged 6.13 hours of training in 2020.</p> <p>Male employees averaged 27 hours of training in 2020.</p> <p>A full list of the training courses offered to employees in 2020 can be found in Appendix 3 Page 52 of the 2020 ESG Report.</p>	
	404-2 Programs for upgrading employee skills and transition assistance programs	<p>Serica offers a wide range of programmes for upgrading employee skills, a detailed list of these courses can be found in Appendix 3 of the 2020 ESG report. In 2020, Serica staff undertook a total of 819 E-learning modules and completed 491 training days. In addition to this, in 2021 Serica also built and rolled out the following training courses; Fatigue for Supervisors, Serica Well Integrity and Serica Cyber Security Awareness. Serica spent £553,400 in total on AIS, OPITO Apprenticeships and other training-related costs (This figure excludes further education).</p> <p>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. Further education training courses completed in 2020, include: Level 5- Advanced Diploma in Procurement &amp; Supply- Module 2 (LSM2 Managing Supply Chain Risk), Bachelor of Engineering degree via the Open University, HNC Measurement &amp; Control, Offshore Pipeline Legislation Awareness Course, Bachelor of Arts (BA Hons) Management, Project Risk, Uncertainty and Decision Analysis within the organisation, Learn SQL for Data Analysis, CIPS Level 4 Diploma in Procurement &amp; Supply, NEBOSH Certificate.</p> <p>In terms of transition assistance programmes, Serica organised two 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.</p> <p>Serica AIS, OPITO and Further Education budgets for 2020 have been listed here:</p> <ul style="list-style-type: none"> <li>- AIS: £219,400</li> <li>- OPITO: £226,811</li> <li>- Further Education: £220,500</li> </ul> <p>Serica's AIS, OPITO and Further Education budgets for 2021 are listed below:</p> <ul style="list-style-type: none"> <li>- AIS: £267,608</li> <li>- OPITO: £258, 872</li> <li>- Further Education: £237,000</li> </ul>	
	404-3 Percentage of employees receiving regular performance and career development reviews	<p>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. 100% of employees receive an annual appraisal.</p>	
<b>Diversity and Equal Opportunity</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	This is described in the Serica Energy 2020 ESG Report under the Materiality Assessment Section (GRI Materiality Table, Page 55)	
	103-2 The management approach and its components	<p>Serica's approach to the management of Diversity and Equal Opportunity is described in the 2020 Serica Energy Annual Report and Accounts (Page 34).</p> <p>The Equal Opportunities and Dignity at Work Policy describes how Serica is committed to Diversity and Equal Opportunity across its operations.</p>	No omission
	103-3 Evaluation of the management approach	The Board has oversight of the Equal Opportunities and Dignity at Work Policy and ensures it is applied consistently and fairly.	No omission

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors (Governance body) - 84% male, 16% female, 0% under the age of 30, 0% between the ages of 30-50, 100% over the age of 50.  Employees - 90.44% male, 9.55% female. 10.5% under the age of 30, 60.78% between the ages of 30-50, 28.75% over the age of 50.	
	405-2 Ratio of basic salary and remuneration of women to men	Do not report - Not material	
<b>Non-discrimination</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Do not report - Not material	
<b>Freedom of Association and Collective Bargaining</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
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	Do not report - Not material	
<b>Child Labour</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	Disclosure	2020 Location/Information/URL	Omission
<b>Forced or Compulsory Labour</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	
<b>Security Practices</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	
<b>Rights of Indigenous Peoples</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	
<b>Human Rights Assessment</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Do not report - Not material	
	412-2 Employee training on human rights policies or procedures	Do not report - Not material	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Do not report - Not material	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Do not report - Not material	
	413-2 Operations with significant actual and potential negative impacts on local communities	Do not report - Not material	
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	
	414-2 Negative social impacts in the supply chain and actions taken	Do not report - Not material	

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GRI Standard	Disclosure	2020 Location/Information/URL	Omission
<b>Public Policy</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 415: Public Policy 2016	415-1 Political contributions	Do not report - Not material	
<b>Customer Health and Safety</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	
	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 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	Disclosure	2020 Location/Information/URL	Omission
<b>Customer Privacy</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	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	
<b>Socioeconomic Compliance</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Do not report - Not material	
	103-2 The management approach and its components	Do not report - Not material	
	103-3 Evaluation of the management approach	Do not report - Not material	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Do not report - Not material	

## 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 2020 calendar year.

As we indicate in our 2020 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>		
EM-EP-110a.1	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 2020 ESG Report in <a href="#">Appendix 2 - Serica's Data Book</a>. This includes carbon dioxide, 204,648 metric tonnes and methane, 132 metric tonnes (or 3,301.125 metric tonnes carbon dioxide equivalent). The percentage of methane emissions is 1.61%. The decrease in Serica's carbon dioxide can be attributed to a 45% decrease in our overall flaring volumes, which reduced our flaring by 4,000 tonnes compared to 2019 and lowered our yearly flaring total to &lt; 6000 tonnes per annum. In addition a plant outage of approximately 40 days and the general constraints associated with operating in a COVID environment resulted in a 10% reduction in annual production. In 2020, Serica has also set ambitious targets for 2021, such as reducing our base load flaring to 10.5 tonnes per day and reducing our carbon intensity to &lt;17kg of CO<sub>2</sub> per boe. More information on emissions reductions in 2020 can be found in the Climate Action chapter <a href="#">page 7</a>.</p> <p>In 2020 Serica was part of the EU Emissions Trading Scheme (EU-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 2020, Serica utilised 82% of its CO<sub>2</sub> allocation, leaving a surplus of approximately 45,091 tonnes of CO<sub>2</sub> allocation. In line with EU-ETS Phase III, our CO<sub>2</sub> allocation for 2020 has reduced by a further 2.1%. EU-ETS Phase IV, which begins in 2021, applies more stringent CO<sub>2</sub> allowances on <a href="#">NACE Code 0620*</a> operators such as Serica, allowing only 30% of our benchmarked free allocation from 2021, reducing to 0% by 2030.</p>
EM-EP-110a.2	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, GHG emissions from flared hydrocarbons accounted for 16,699 metric tonnes of CO<sub>2</sub>, as provided in the Serica Energy 2020 ESG Report in <a href="#">Appendix 2 - Serica's Data Book</a>. As detailed in the Climate Action section (<a href="#">Page 7</a>) in the 2020 ESG Report, excessive flaring during normal operations or platform mode changes neither makes environmental nor economic sense and can cost the Company hundreds of thousands of pounds per annum. More details on our flaring figures and actions in 2020 can be found in the Climate Action section of our 2020 ESG report. Flaring reductions were achieved by increasing onshore and offshore focus on the baseload flaring volumes and working across disciplines to identify engineering solutions to reduce flared volumes. A trial flaring target was also introduced in the later half of 2020, this target was a result of a mindset shift away from permitted allowances to viewing flaring volumes from the perspective of what was achievable under best case operating conditions. Reduction in flaring has been one of the Company's biggest emissions successes since it took operatorship of the Bruce Platform.</p> <p>The Bruce platform has a Vent Consent from the UK Oil and Gas Authority for 2.064 metric tonnes per day. Fugitive emissions are calculated annually. In 2020, reported fugitive emissions totalled 1.294 metric tonnes of carbon dioxide (CO<sub>2</sub>), 7.598 metric tonnes of methane (CH<sub>4</sub>) and 1.562 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. In 2020 the Serica Environmental Advisor became a member of the OGUK Methane Working Group, it is Serica's ambition to write a methane monitoring plan in 2020 detailing how such emissions are measured and what Serica plans to do to reduce them.</p>

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EM-EP-110a.3	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 European Emissions Trading Scheme. 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 UK Oil and Gas Authority (OGA). 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 2020, Serica's focus areas included reducing the emissions from our open cycle gas turbines, reducing flaring volumes, establishing a baseline from 2019 that our 2020 performance could be compared to, increasing offshore energy efficiency.</p> <p>After configuring a baseline in 2019, 2020 marks the first year of emissions based performance targets at Serica. These targets for 2021 and further discussion and analysis of Serica Energy's long term and short term strategy to manage Scope 1 emissions is available in the Climate Action chapter on <a href="#">Page 7</a> of the Serica Energy 2020 ESG Report, as well as <a href="#">Pages 12</a> and <a href="#">27</a> of the Serica Energy 2020 <a href="#">Annual Report</a>.</p>
EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	<p>NOx, SOx and VOCs data are presented in the Serica Energy 2020 ESG Report in <a href="#">Appendix 2</a> - Serica's Data Book and includes: Total NOx 498.329 metric tonnes; Total VOCs 42.687 metric tonnes; and Total SO<sub>2</sub> 6.424 metric tonnes.</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 used at the Bruce Facility 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. 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. Currently approximately 2500m<sup>3</sup> of seawater is lifted each day to aid PWRI. Serica is currently evaluating the permanent use of a de-oiler package and the decommissioning of the PWRI system. Doing this would reduce the concentration of oil in water discharges to sea and reduce CO<sub>2</sub> emissions as a result of a reduce energy demand.</p> <p>During 2020, 75,731.3 m<sup>3</sup> of produced water was generated during production operations on the Bruce platform. 3,731 m<sup>3</sup> of this produced water was discharged overboard with an average concentration of 56.52 mg/l, this resulted in 0.211 tonnes of oil being discharged overboard to the marine environment. More details about the causes of this can be found in the Life below water chapter of our 2020 ESG report <a href="#">Page 15</a>. 72,200 m<sup>3</sup> of produced water was reinjected into the reservoir at an average concentration of 61.11 mg/l resulting in 4.41 tonnes of oil being reinjected. Serica does not generate flowback fluid as part of its operations.</p> <p>Data relating to produced water are also presented in the Serica Energy 2020 ESG Report in <a href="#">Appendix 2</a> - Serica's Data Book, as well as in the Life Below water chapter, <a href="#">Page 15</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.

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Code	Accounting Metric	Location/Information
<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 it's 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 it's Permitting, Licencing 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 EU 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 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 2020, Serica reported five PON1s, two of which were later amalgamated as the source of the release was found to be the same. In total, these PON1s resulted in the discharge of tonnes in 0.000039 chemicals and 0.795852 tonnes of hydrocarbons being released into the sea. This was a considerable improvement on 2019 performance were 12 PON1s were reported.</p> <p>None of Serica's facilities are located in the Arctic, or north of the Arctic Circle.</p>
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 it's 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	<p>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.</p>
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	<p>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.</p>
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, Peace, Justice &amp; Strong Institutions, page 37 of Serica's 2020 ESG Report. In addition, Serica's 2020 <a href="#">Annual Report and Accounts</a> also emphasises the promotion of a corporate culture that is based on ethical values and behaviours (Page 33-34). 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 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>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>

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Code	Accounting Metric	Location/Information
<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>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 2020 <a href="#">Annual Report and Accounts</a> as well as the 2020 ESG Report. In the <a href="#">Annual Report</a>, information is presented in the Corporate Governance section, including Page 44. In the 2020 ESG Report, details are provided in Good Health and Wellbeing and Decent Work and Economic Growth (<a href="#">Page 25</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, however there are plans to develop international operations in the future.</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.
<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 2020 ESG Report in <a href="#">Appendix 2 - Serica's Data Book</a>.</p> <p>Total recordable incident rate is 0 per 200,000 manhours.</p> <p>The near miss frequency rate (NMFR) is: 28.1 per 200,000 manhours 140.4 per million manhours</p> <p>Serica's fatality rate is zero or none (0).</p> <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. Serica Energy 2020 ESG Report also highlights the Training Courses and E-Learning Modules available on <a href="#">page 52</a>.</p>

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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 Serica Corporate and Social Responsibility Section of the 2020 Annual Report and Accounts (Pages 10-11).</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 Decent Work &amp; Economic Growth Section, Page 25, of the 2020 ESG Report.</p>
RESERVES VALUATION & CAPITAL EXPENDITURES		
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 61 mmbbl adjusted for 2020 production. As of 31 December 2020, Oil 2P Reserves were 12.8 mmbbl and 289.2 bscf 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 EU 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 2020 Annual Report and Accounts (Page 20).</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 out of 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 Oil and Gas UK'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, Oil and Gas UK explores the potential for renewable energy technologies to support efficient production and lower emissions.</p> <p>Serica is currently a member of the Oil &amp; Gas Technology Centre, which explores the development of technologies to decarbonise offshore operations and the advancement of net zero initiatives, supporting the industry's Roadmap 2035.</p>
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 continue to invest in future production, most notably mobilising a rig to the Rhum Field to conduct a major well intervention campaign and continuing to planning for the mobilisation of drilling rig to the Columbus Field to a drill well to produce back to the Shell Shearwater Platform.</p> <p>Serica recognises that the recommendations of the TCFD will most likely become mandatory for the organisation in 2022. Serica values the approach and benefits of aligning with the TCFD and therefore have completed an initial report that provides a pathway to developing and adapting strategies to proactively respond to climate-related risks and opportunities.</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 prioritises the delivery of ESG objectives.</p>

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Code	Accounting Metric	Location/Information
<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 has recently discontinued work in Namibia 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 decommission.</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 2020 Serica Energy Annual Report and Accounts (Pages 33-34 and 44).</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 Oil and Gas UK'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 Oil and Gas 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 EU Emissions Trading Scheme (EU-ETS). As regulations change, the OMS is updated to ensure continuous compliance. See <a href="#">Appendix 1</a>.</p>
<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 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 2020, five PON1s were raised as a result of the unintentional releases of hydrocarbons and chemicals to the sea. More information is available in EM-EP-106a.2.</p>

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SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS		
Code	Accounting Metric	Location/Information
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. How we manage our operations and our HSEQ policy are described in <a href="#">Appendix 1</a>.</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 O&amp;G 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 2020 ESG Report, including: Responsible Consumption &amp; Production, <a href="#">Page 13</a>; and Good Health and Wellbeing and Decent Work and Economic Growth (<a href="#">Page 25</a>).</p>
ACTIVITY METRICS		
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Production in 2020 averaged 23,800 boe/d ( <a href="#">Page 8</a> of Serica's 2020 Annual Report). Oil production in 2020 was 0.9mmbbl and gas production was 40.8bcf. Further production information is detailed in Serica's 2020 Annual Report and Accounts, <a href="#">Pages 14 and 20</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 and a 50% interest in Rhum</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 2020 Annual Report (<a href="#">Pages 14-19</a>).</p>
EM-EP-000.C	Number of terrestrial sites	Serica does not currently have any terrestrial sites.

## APPENDIX 7 - UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

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Principle	Which Chapter to find polices, updates and goals	Associated Page Number
<b>HUMAN RIGHTS</b>		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Peace and Strong Institutions	Page 37
Principle 2: Make sure that they are not complicit in human rights abuses	Peace and Strong Institutions	Page 37
<b>LABOUR</b>		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Decent Work and Economic Growth	Page 25
Principle 4: The elimination of all forms of forced and compulsory labour	Peace and Strong Institutions	Page 37
Principle 5: The effective abolition of child labour	Peace and Strong Institutions	Page 37
Principle 6: The elimination of discrimination in respect of employment and occupation	Gender Equality and Reduced Inequalities	Page 22
<b>ENVIRONMENT</b>		
Principle 7: Businesses should support a precautionary approach to environmental challenges	Climate Action, Life Below Water, Responsible Consumption and Production	Page 7
Principle 8: Undertake initiatives to promote greater environmental responsibility	Climate Action, Life Below Water, Responsible Consumption and Production	Page 7
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Climate Action, Life Below Water, Responsible Consumption and Production	Page 7
<b>ANTI-CORRUPTION</b>		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Peace and Strong Institutions	Page 37

The [10 Principles](#) of the UN Global Compact strive to encourage corporate sustainability through challenging a company's value system and the way they operate. This section shall present various actions taken by Serica relating to each principle in 2020.

### Human Rights

Serica supports the Universal Declaration of Human rights.

Serica's comprehensive Business Management System (BMS) 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 behaviors 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 [Peace and Strong Institutions](#).

### Labour

Serica is not currently unionised and therefore there is no collective bargaining at present. However, Serica do recognise the right to collective bargaining.

Serica does work with employees to discuss and improve working conditions. For example, in 2020, after employee consultation the decision was made to reduce the number of consecutive days working offshore from 21 to 14, in order to reduce fatigue. See [Decent Work and Economic Growth](#) for more details.

The Bruce Safety Representatives hold a fortnightly meeting to discuss any ongoing safety matters that have been brought up by the workforce. In 2020, extensive communications were opened regarding COVID-19, Serica greatly appreciates the input of all our workforce. See [Decent Work and Economic Growth](#) and [Gender Equality and Reduced Inequalities](#) for more details.

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. See [Peace and Strong Institutions](#) for more detail.

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Serica has an Equal Opportunities and Dignity at work policy which outlines that employees will receive equal treatment regardless of age, race, religion, gender, nationality etc. See Gender Equalities and Reduced Inequalities for more details.

In 2020, Serica pledged to the AXIS network. The AXIS network is an initiative that commits energy companies in Aberdeen to work towards equal pay, opportunities and leadership for both men and women in the sector. See *Gender Equalities and Reduced Inequalities* for more details.

**Environment**

Formation of the ESG offshore Champions and the Emissions Reduction Group (ERG) in 2020 resulted from groups of employees within Serica who are passionate about the environment and actively want to implement positive change. See *Climate Action and Responsible Consumption and Production* for more details.

In 2020, Serica reduced its flaring by 4,000t compared to 2019, through the implementation of Serica's flaring strategy and rolling out guidance on how to main to reduce flaring during steady operations, restarts and plant instability. See *Climate Action* for more details.

In 2020, Serica joined the Zero Waste to Landfill initiative, in which any produced waste undergoes additional sorting and then our waste is used to produce electricity at a waste-to-energy plant. In addition, we implemented many supply chain initiatives in order to reduce our environmental impact and adopt more environmentally friendly technologies. For example, Serica began operating out of Lerwick and shared transport vessels with other companies in order to reduce fuel usage and emissions. See *Climate Action* for more details.

Serica are members of the Oil and Gas Technology Centre (OGTC) and OGUK, both of which have missions associated with net zero goals. We have also been present at many industry events, including our own VP Clara Altobell speaking at EPOCH 2020 sustainability conference, the Frontier energy 2050 summit and WECA 2020. See *Climate Action* for more details.

Serica is actively investigating how it can play a bigger role in the energy transition, through attending key industry events and meetings surrounding Hydrogen and CCUS.

**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. See *Peace and Strong Institutions* for more details.



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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 5450950



## APPENDIX 8 - SERICA ENERGY TCFD SUMMARY

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The following appendix provides an overview of Serica's approach to the interpretation and implementation of the recommendations of the Task Force for Climate-related Financial Disclosures ("TCFD").

Serica understands that reporting progress against the TCFD recommendations will become mandatory for designated companies in the UK from 2022.

### TCFD Overview

The Financial Stability Board (FSB) was established by the G20 in September 2009 to promote global financial stability and the reform of international financial standards and supervision. In May 2015 the G20 Finance Ministers and Central Bank Governors instructed the FSB to review how the financial sector could take account of climate-related issues. The Task Force on Climate-related Financial Disclosures was instituted to recommend and then review implementation of financial disclosures related to climate change. Initial recommendations were published in June 2017. It was recognised that full implementation would take time and be led by larger organisations to be followed subsequently by mid-size and smaller organisations.

The key features of the recommendations are:

- Adoptable by all organisations
- Included in financial filings
- Designed to elicit decision-useful, forward-looking information on financial impacts
- Strong focus on risks and opportunities related to transition to lower-carbon economy

The recommendations are not industry specific though certain industries such as oil and gas have a lead role to play. The TCFD Oil and Gas Preparer Forum was formed by a number of major oil and gas companies, with input from the TCFD Secretariat, to review the prevailing status of industry disclosures and to make proposals on their evolution.

The TCFD has since been tracking adoption of its recommendations, issuing its most recent status report in October 2020. This covered actual progress made to-date by listed companies and identified growing support from regulators and government entities. In addition, it was noted that central banks and supervisors across the globe were recommending disclosures in line with TCFD recommendations and some governments were embedding these in policy, guidance, and legislation.

Serica has reviewed guidance to-date and is developing its capabilities to report under such guidance. The Company values the approach and benefits of the TCFD and it anticipates that its own methodology will evolve through enhanced data collection and measurement, further team collaboration, and developing strategies for effectively navigating climate-related risks and opportunities.

Serica places a strong emphasis on the importance of working responsibly which is reflected in all aspects of its strategic and operational activity. Climate-related risk identification and management is increasingly integrated into decision-making and our existing working practices and our ambition is to further develop our climate-related goals in the future.

The TCFD sets four thematic areas for disclosure; Governance, Strategy, Risk Management, and Metrics and Targets. These should be used to describe the approach undertaken for risk identification practices and to further the development of processes and systems applied to best manage the organisation's response to climate change.

### Governance

Serica's Board and management work together to formulate and deliver climate-related policies.

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

The Serica Board of Directors is comprised of highly experienced oil and gas industry professionals and is ultimately responsible for the governance and management of climate change and climate-related risks and opportunities.

The Board recognises that responding to climate change is integral to the long-term success of the organisation. Climate change forms part of the Board's evaluation of the wider Serica business strategy, planning and corporate targets. Review of climate-related business risks and opportunities is conducted on a regular basis. The HSE and Audit Committees have leading roles in monitoring climate risks and disclosures.

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

Serica's senior management team are responsible for the implementation of risk management programmes as well as ESG-related strategies. Specifically, the Vice President of Environment, Social and Governance (VP ESG) is responsible for the development and implementation of the Serica ESG strategy, of which climate action is an integral part, and reports directly to the CEO as does the Corporate HSEQ Manager. ESG-related responsibilities for operational, technical and financial matters lie with the VP Operations, VP Technical and VP Finance respectively.

Serica's Board and senior management team work together to instil a culture across the Company which delivers strong values and behaviours.

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**Strategy**

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

Serica has implemented a Risk Management Policy for the identification, assessment, and mitigation of climate-related risks related to its existing assets.

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

Serica has developed operational objectives which are aligned with climate-related risk reduction and climate change resilience planning. These include:

- Creation of carbon emissions key performance indicators (KPIs) and targets
- Roll-out of a robust ESG strategy with a corresponding communication structure to internal and external stakeholders;
- Appointment of a VP ESG to lead strategy development;
- Alignment to recognised international ESG benchmarks and transparency initiatives such as the Global Reporting Initiative ("GRI") and Sustainability Accounting standards Board ("SASB");
- Formation of an ESG strategy and associated commitments and disclosures are aligned with investor and lender requirements; and
- Integration of internal stakeholder communications to ensure that the requirements of finance and ESG are aligned.

**Climate Risk Management**

**Processes for identifying and assessing climate-related risks**

Serica follows the TCFD guidance in assessing climate-related risks and opportunities resulting from Transition risks and Physical risks.

Serica's corporate risk process is led by the Board which maintains a register of significant corporate risks for regular review. This includes climate-related risks. Where investigating new investment opportunities and acquisitions, reviews are conducted of all climate-related risks and potential mitigations.

**Process for managing climate-related risks**

Having identified climate-related risks the company either identifies specific mitigating actions and programmes or, where such specific responses are not considered feasible, builds likely financial impacts into valuations and planning.

**Integration of processes for identifying, assessing, and managing climate-related risks into overall risk management**

As Serica's climate-related risk identification and management programme progresses, regular updates are provided to the Board and where appropriate added into the Group's risk register which is then reviewed monthly.

**Risk summary**

**Climate change and environmental protection:** The UK government, along with many other world governments, has set ambitious emissions reduction objectives

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 which may reduce such impacts</li> </ul>
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>
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>• Low carbon intensity objectives will be determined prior to acquisition where applicable</li> </ul>

**Climate Change Metrics and Targets**

Carbon emissions data is collected from Serica's assets, including operated and partnered facilities. Serica assures this data for consistency and comparability throughout its 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 Serica's assets and forms part of the licence to operate. It also provides a basis for setting future targets including those for carbon intensity reductions, flaring reductions and associated personnel incentive schemes.