



# 2022

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

**UNITED ENERGY GROUP LIMITED**

(Incorporated in Cayman Islands  
and continued in Bermuda with limited liability)

Stock Code: 0467

# Contents



About the Report	01
Statement of the Board of Directors	02
About Us	02
A Message from Our Chairman	07

## 02

### Environment Protection

Addressing Climate Change	21
Clean Energy Development	29
Emissions Management	32
Energy Management	36
Ecological Protection	37

## 04

### Care for Employees

Employment Policies	53
Training and Growth	56
Employee Care	59

## 01

### Corporate Governance

ESG Management Philosophy and Structure	11
Business Ethics	13
Stakeholder Engagement	14
Materiality Analysis	16
Response to 2030 Sustainable Development Goals of the United Nations	18

## 03

### Occupational Health and Safety

Occupational Safety	43
Occupational Health	49

## 05

### Fulfil Social Responsibility

Supply Chain Management	63
Product Responsibility	66
Social Welfare	67

<b>Abbreviations</b>	<b>77</b>
<b>Appendices</b>	<b>79</b>
<b>HKEx ESG Reporting Guide Content Index</b>	<b>81</b>

## About the Report

### Reporting Period

From 1 January 2022 to 31 December 2022. The report may include information beyond the reporting period in order to keep the information consistent.

### Scope of the Report

The scope of the report covers United Energy Group Limited (“the Company”) and its subsidiaries (collectively “UEG”, “the Group”, “we” or “us”). Please refer to the UEG 2022 Annual Report disclosed in conjunction with this report for details of the reporting entities.

### Reporting Standard

This environmental, social and governance report (“ESG report”) is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) issued by the Hong Kong Stock Exchange (“HKEx”). The Addressing Climate Change section is also prepared with reference to the recommendations of the Task Force on Climate related Financial Disclosures (“TCFD”) and the Guidance on Climate Disclosures issued by the HKEx.

### Data

The data in this ESG report is derived from UEG’s internal statistical reports, documents and reports, as well as stakeholder surveys and interviews. The Group’s emissions and energy use indicators are counted and calculated in accordance with national regulations or international standards.

### Reporting Languages

Chinese and English (should there be any discrepancies, please refer to the English version).

### Contact Information for Feedback

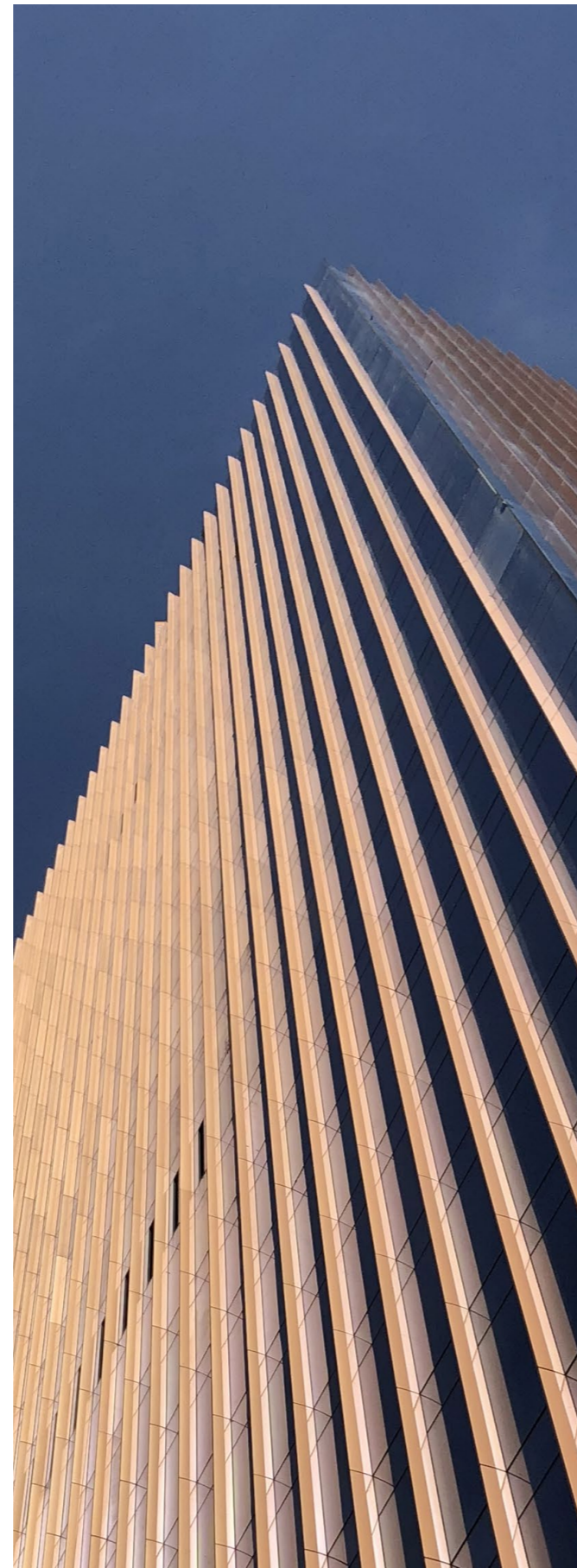
Any feedback on this ESG report is welcomed to enable us to make future improvements. Please feel free to send your comments or suggestions related to this ESG report by contacting us at the address below:

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## Statement of the Board of Directors

The Board of Directors of UEG makes the following statements pursuant to the requirements set forth in the ESG Reporting Guide issued by HKEx. The Board of the Company is committed to improving the governance policies, management processes and information disclosure in relation to ESG, to ensure that the Company has established an appropriate and effective ESG management system and working mechanism. The Board regularly reviews the Company’s ESG management policies, strategies and risks, reviews the disclosures in the ESG report, and confirms that the Company has complied with the disclosure requirements of the ESG Reporting Guide. This ESG report is released after being reviewed and approved by the Board.

## About Us

### UEG Profile

United Energy Group Limited is an independent oil and gas exploration and development company listed on the main Board of the HKEx (stock code: 0467).

UEG is mainly engaged in upstream oil and gas exploration and development as well as renewable energy. Aiming to become a fast-growing medium-sized international energy group, UEG has its headquarters in Hong Kong, operation & management headquarters in Beijing and subsidiaries or branches in China, UAE, Pakistan, Iraq and Egypt, with more than 2,000 highly internationalized and professionalized employees.

The Group’s assets are scattered in South Asia and Middle East & North Africa (“MENA”), including Pakistan, Iraq and Egypt. Based on traditional oil and gas operation to add reserves and production, UEG puts great efforts into the development of renewable energy business bringing synergy to its core activities.



History of UEG

1992

IPO on HKEx, as Topstyle International Holdings (stock code: 0467) with textile operations

2007

October 2007

Acquired entire issued capital of United Petroleum, which owned 60% participating interest in Liaohe EOR Project. The project was commissioned in 2011 and abandoned in 2016

2007

October 2007

Renamed as United Energy Group Limited, with focus on oil and gas upstream business

2011

September 2011

Completed acquisition of BP's Pakistan upstream assets for US\$ 775 mm

2015

August 2015

Commissioned Naimat Phase V gas plant, with a processing capacity of 160 MMscfd

2023

December 2023

Iraq B9 CPF First Oil with a processing capacity of 100 mboe

2019

March 2019

Completed acquisition of KEC's assets in MENA region with a transaction value close to US\$ 1 billion

2018

June 2018

Completed acquisition of OMV's Pakistan upstream assets for € 158 mm

2017

June 2017

Commissioned Pakistan JHIMPIR Wind Power Project which is one of the priority and early harvest projects under China Pakistan Economic Corridor ("CPEC")



## ► Development Strategy

UEG is engaged in the upstream oil and gas sector focusing on the investment and operation of oil, natural gas and renewable energy related businesses. The approach of the Group is to implement a “Reliable Operation plus a Rapid Expansion” strategy:



## Recognitions and Awards

On the way to becoming a top independent operator in Chinese Oil & Gas sector, UEG has made many achievements and won several prestigious awards. Amongst the many honours for the Group:

- In June 2019**

awarded the **“Listed Company of Greatest Potential”** at the **“2019 China Financial Market Awards Ceremony”**.
- In May 2019**

awarded the **“No. 21 of Top 100 Comprehensive Ability”, “No. 4 of High Potential”** and **“No.1 of Top 10 ROI”** at the 7<sup>th</sup> Top 100 Companies listed in HK Stock.
- In February 2019**

joined the **“Hang Seng Composite Large Cap & Mid Cap Index”**.
- In January 2019**

recognized for doubling its market value within a short span of one year, despite a bearish trend in most equity markets - **“Top Market Value among 500 Listed Companies in China”**, based on the market value data of 15 renowned stock exchanges including the Shanghai Exchange, Shenzhen Exchange, Hong Kong Exchange, New York Exchange etc.
- In November 2018**

honoured with **“The Listed Enterprise Excellence Awards 2018 - Excellent Performance”** by **“Capital Weekly”**, a renowned financial magazine in Hong Kong.
- In January 2018**

recognized at the **“2017 China Financial Market Awards”** organized by **“China Financial Market”**, a well-regarded financial magazine in Hong Kong – at these awards, UEG received the **“Best Investment Value Award”** and the **“Best Investment Value Award in Shenzhen – Hong Kong Stock Connect”**.
- In November 2013**

recognized as **“2013 Top 100 Hong Kong Listed Company”** and ranked in third place in the list of **“Top 10 Companies for Revenue Growth”**.

## A Message from Our Chairman



Zhang Hongwei  
Chairman

UEG has established itself as a reputed international energy company majoring in the exploration, development, production and operation of Oil & Gas with attention to renewable energy industry. UEG has a history of making strategic investments that result in rapid growth. In 2018, UEG completed the acquisition of the upstream assets of Asia Resources Oil Limited (“AROL”) and OMV Group, further enriching its asset allocation in Pakistan. In December 2018, we acquired 48% of a JHIMPIR 99MW Wind Power Project in Pakistan which was officially put into commercial operation in June 2017. This project is one of the priority and early harvest projects under CPEC and also a milestone in the layout of the renewable energy field of UEG. In March 2019, UEG acquired Kuwait Energy plc (“KEC”) which had significant operations in the MENA region, for a transaction value of approximately US\$1 billion. It marks UEG’s entry into the Middle East market, where oil and gas resources are most abundant, creating a diversified asset structure and laying the foundation for future growth.

Over the past year, despite the multiple challenges of COVID-19 and floods, UEG has maintained stable production operations and improved performance through professional operational capabilities, proactive management practices and prudent financial planning. By the end of 2022, the total assets of UEG were about HKD 27.42 billion, the total turnover was about HKD 10.75 billion, and the net profit was about HKD 2.60 billion. The annual cumulative gross operating output was about 8.21 million tons. While maintaining a sound business operation, UEG has been actively practicing sustainable development, gradually establishing and improving the ESG management structure, actively expanding the clean energy portfolio, continuing to explore ways to develop more clean energy projects, and integrating environmental solutions into the Group’s existing business.

**Ensure energy supply:** UEG utilises its advantages in operation and management, maximizes the exploration and development potential of each asset, and turns the long-term strategy into reality. In January 2022, the foundation stone of UEG Iraq Block-9 Faihaa Field Oil & Gas Central Processing Facility (“CPF”) Phase-1 was laid successfully. It will contribute to the accomplishment of the annual production targets of Yamama and the development process of UEG in Iraq. In December 2022, the Iraq Siba-10 well was commissioned. The main oil and gas producing layer of Siba-10 well is Yamama reservoir. The smooth production of this well not only improves the production of the gas field, but also lays a solid foundation for Siba to achieve a peak production of 50 MMscf per day going forward.

**Green and low-carbon development:** UEG actively participates in natural resource conservation and environmental governance, vigorously promotes the reduction of greenhouse gas (“GHG”) emissions, strives to improve energy efficiency, and is committed to contributing to the promotion of ecological protection. Environmental requirements are integrated into our day to day operations, and we actively promote renewable energy projects, committed to contribute to the response to global climate change. Abu Sennan oil field, one of UEG Egypt concessions, has been recognized by Egypt Ministry of Petroleum and Mineral Resources as the best asset in Egypt regarding carbon emission control and produced water handling. UEG Egypt company was invited to present the oil field as a role model in the 27<sup>th</sup> UN Climate Change Conference (“COP 27”). The JHIMPIR 99MW Wind Power Project in Pakistan has generated more than 1.1 gigawatts of clean energy, thereby offsetting more than 700,000 tons of CO<sub>2</sub> emissions. The 2.5MW off-grid photovoltaic project in Block-9 in Iraq has effectively promoted fuel substitution in the field, achieving more than 50% of local electricity supply through clean energy sources.

**Health and safety:** Health and safety is very important to us. It is the foundation of our business development. We have developed first class health practices and safety policies to ensure a healthy and safe working environment for our employees. In 2022, we developed our Health, Safety, Security & Environmental (“HSSE”) and Operational Management Systems, rolled out Personal and Process Safety Management Systems, and enhanced Risk Management Process across the Group. We achieved excellent HSSE results in this reporting year, and all HSSE indicators were positive. There have been no fatal accidents reported.

**Fulfil social responsibility:** Adhering to the concept of building an open, win-win and mutually beneficial community, UEG continues to share resource value and development opportunities with the government, partners and communities, so that the outcomes of international energy cooperation can benefit the local society more fairly and promote the prosperity and development of local communities. In 2022, UEG launched a series of funding projects in all countries where it operates, targeting education, health and public facilities. Since the floods in Pakistan in June 2022, UEG has provided financial support to the Pakistani company, and the local employees have also actively participated in the flood relief effort, assisting the Pakistani company in providing local medical care, relief supplies and post-disaster reconstruction.

In 2023 and beyond, taking full advantages of outstanding operation and management, UEG will continue to cultivate the potential of its assets worldwide to achieve more oil & gas discoveries and vigorously develop its business in the field of renewable energy. Meanwhile, UEG will adhere to stakeholders’ feedback, continuously improve ESG management and disclosure level to promote sustainable development, and forge ahead towards the strategic goal of becoming a high-growth international medium-sized energy company.



# 01

## Corporate Governance

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- ESG Management Philosophy and Structure
- Business Ethics
- Stakeholder Engagement
- Materiality Analysis
- Response to 2030 Sustainable Development Goals of the United Nations

# ESG Management Philosophy and Structure

An effective management structure is the key to integrating ESG into our daily operations. We have established an ESG management structure with clear responsibilities to ensure the effective implementation of our ESG strategy. We delegate responsibilities to each level, department, and individual employee to improve ESG performance on all fronts. Our ESG governance is based on a top-down three-tier structure consisting of three levels of “governance, management and implementation”. The Board of Directors at the “governance level” is responsible for developing ESG strategy and conducting reviews on material ESG issues. The ESG Working Group at the “management level” reports to Board of Directors, while daily ESG work is assigned to the “implementation level”.



ESG Management Structure

## Responsibilities of each level:



- Reviews, monitors and defines the Group's ESG strategy, goals, etc.
- Reviews material ESG issues and identified risks
- Reviews updates to the Group's ESG management structure and responsibilities
- Reviews the Group's annual ESG work plan
- Reviews the Group's annual ESG report
- Reviews and approves other significant ESG-related issues of the Group



- Identifies material ESG issues and risks, develops ESG targets, formulates and updates ESG-related management systems, and reports to the Board
- Allocates ESG targets into annual action for relevant departments; coordinates and facilitates the implementation of the annual ESG work plan, tracks and reviews the progress towards achieving the ESG targets
- Develops ESG-focused project plans and authorizes the lead department
- Coordinates and manages the annual ESG report and share meaningful milestones and challenges with the Board
- Follows and studies ESG compliance requirements, summarizes ESG capital market performance, and reports to the Board



- Implements and promotes ESG-related activities in accordance with the requirements from local laws / regulations and UEG guidelines, and regularly reports ESG information to management level

Currently, the Internal Audit (“IA”) department leads the ESG Working Group with the supporting from other relevant departments at headquarters, such as HSSE, HR, Procurement and Supply Chain Management (“PSCM”), Strategy, etc. IA is responsible for the overall coordination of ESG work across UEG. Other relevant departments at headquarters are responsible for the promotion of specific ESG initiatives at all assets. The Implementation level, composed of relevant departments at the asset level, is responsible for the implementation and promotion of ESG work in accordance with the requirements from headquarters, and regularly report ESG information to form a complete system of overall linkage and coordination.



## Business Ethics

Compliance management is the cornerstone of stable corporate operations. UEG strictly abides by the relevant policies and regulations of all countries where it operates.

UEG attaches great importance to integrity and self-discipline and has zero tolerance for any form of bribery or corruption. We have a robust Compliance and Ethics committee consisting of management members drawn from headquarters and assets. The Group provides the Code of Conduct and Whistleblowing Policy to all employees around the world to continuously improve the construction of a clean business culture and management system.

To implement anti-fraud work, UEG continuously standardizes its compliance and reporting mechanism, announces reporting channels and maintains them regularly in accordance with the UEG Whistleblowing Policy. The reported cases are handled according to the procedures. In terms of whistleblowing protection, UEG is responsible for the reporting process and results, protects the privacy of any whistle-blowers to ensure there is no retaliation.

In 2022, UEG conducted Code of Conduct training both face to face and online. These included more than 200 training sessions involving 50 people from senior management (including directors) and 1,298 employees, with a total duration of training of 616 and 2,581 hours respectively. The training covered the purpose of the UEG Code of Conduct, its scope of application, as well as questions and answers illustrating the application of the Code. In addition, for senior management, we focused on training of management skills, cross-cultural communication and performance management; while for employees, we focused on training of laws, technical skills, finance, personal effectiveness and competence. Our anti-corruption training was largely covered by business ethics-related training.

No legal cases regarding corruptions were brought against the Group or its employees during the reporting period.



These include more than

**200**

training sessions

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people from senior management (including directors)

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with a total duration of training of

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hours respectively

## Stakeholder Engagement


Effective stakeholder engagement provides a means to incorporate stakeholder interests, needs and risk controls into decisions that UEG takes. UEG believes in proactive stakeholder engagement and has made significant effort in this direction.

Figure below outlines key stakeholders that UEG manages on a regular basis and the table below further outlines type of engagements.



UEG Key Stakeholders



Stakeholder Groups	Engagements in 2022
 <p>Communities</p>	<p>Communities are most important stakeholders considering nature of UEG operations, potential impacts on them as well as value of interaction with them. UEG undertakes significant corporate social responsibility ("CSR") programs during normal period and when natural calamities hit our operational areas. Following regular engagement activities are undertaken:</p> <ul style="list-style-type: none"> <li>• Need Assessment of communities (to design social welfare / CSR projects)</li> <li>• Coordination with local, regional and federal government</li> <li>• Project implementation on ground</li> <li>• Awareness sessions to share risks of living around oil and gas installations and road safety</li> </ul>
 <p>Primary Regulators (licensing, permitting)</p>	<p>UEG has continuous interaction with key regulatory stakeholders. Apart from regular meetings, these interactions extend to the engagement workshops, symposiums and evaluation sessions. As UEG operates in Pakistan, Iraq and Egypt and has offices in Beijing, Hong Kong and Dubai, throughout the year active regulatory engagement takes place with key departments such as:</p> <ul style="list-style-type: none"> <li>• Ministry of Petroleum and related departments</li> <li>• Ministry of Natural Resources</li> <li>• Ministry of Power</li> </ul>
 <p>HSSE Related Regulators</p>	<p>A significant engagement is regular feature with key departments / ministries in all host countries. The interactions include but not limited to activities such as:</p> <ul style="list-style-type: none"> <li>• Submission of Environmental and Social Impact Assessment ("ESIA") for approvals</li> <li>• Obtaining No Objection Certificate ("NOC")</li> <li>• Audits from regulators and their feedback</li> <li>• Conducting ESIA / environmental disclosure workshops with key stakeholders</li> </ul>
 <p>International Stakeholders</p>	<p>Oil &amp; Gas / Energy industry is part of efforts made by various players for climate related solution. UEG has started participating in international efforts to play its role. UEG participates very effectively in several international events related to climate change theme.</p>

## Materiality Analysis

Material issues are those that in the view of both management and external stakeholders have the potential to significantly affect a company's sustainability performance and stakeholder awareness, assessments or decisions.

UEG conducted a materiality assessment in 2022 to formally define the company's most material ESG-related priorities. As one of the most critical steps of the materiality assessment, UEG engaged internal and external stakeholders through a survey to understand their concerns regarding company's ESG performance.

The issues shown below are those that were explicitly mentioned by our stakeholders during our engagement process for the materiality. These were later reviewed and endorsed internally. Issues not shown can still have importance to UEG.

It is noted that the conducted materiality assessment was in the context of ESG requirements and did not extend to other aspects of business which were not related to ESG.

## Process

UEG adopted 5-stage process to undertake materiality assessment.



As a result of the above materiality assessment process, the ESG report this year have identified material ESG issues and disclosures have been accordingly improved compared to previous report. It is important to note that as UEG is in continuous growth stage, the process will continue to be applied and refreshed.

## Material ESG Issues for UEG

### ➤ Health and safety of workforce and operational safety

UEG operations have increased significantly in last 5 years and with over 26 million-man hours work exposure, health and safety of our workforce and our operational safety is our highest priority.

### ➤ Addressing climate change

UEG is aligned with world and industry efforts to mitigate climate change risks and address key challenges.

### ➤ Governance and ethics

As UEG is growing, it is important that company adopts highest level of governance and ethics standards.

Following are key ESG priorities which were identified as part of materiality assessment exercise.



## Response to 2030 Sustainable Development Goals of the United Nations

UEG follows Sustainable Development Goals (“SDGs”) framework set out in the United Nations 2030 Agenda for Sustainable Development, and is actively involved in improving social welfare, education, gender equality, energy conservation, resource conservation and climate action.

The table below summarizes UEG’s response to the United Nations SDGs in 2022. More information can be found in the following sections of this ESG report.

Our Contributions to the SDGs	Chapters and Sections	Our Contributions to the SDGs	Chapters and Sections
	<ul style="list-style-type: none"> <li>• Employee Care</li> <li>• Social Welfare</li> <li>• Occupational Health</li> </ul>		<ul style="list-style-type: none"> <li>• Training and Growth</li> <li>• Employee Care</li> <li>• Social Welfare</li> </ul>
	<ul style="list-style-type: none"> <li>• Training and Growth</li> <li>• Social Welfare</li> </ul>		<ul style="list-style-type: none"> <li>• Addressing Climate Change</li> <li>• Clean Energy Development</li> <li>• Emissions Management</li> <li>• Social Welfare</li> </ul>
	<ul style="list-style-type: none"> <li>• ESG Management Philosophy and Structure</li> <li>• Employment Policies</li> </ul>		<ul style="list-style-type: none"> <li>• Supply Chain Management</li> <li>• Product Responsibility</li> </ul>
	<ul style="list-style-type: none"> <li>• Emissions Management</li> </ul>		<ul style="list-style-type: none"> <li>• Addressing Climate Change</li> <li>• Clean Energy Development</li> </ul>
	<ul style="list-style-type: none"> <li>• Addressing Climate Change</li> <li>• Clean Energy Development</li> </ul>		<ul style="list-style-type: none"> <li>• Ecological Protection</li> </ul>
	<ul style="list-style-type: none"> <li>• Employment Policies</li> </ul>		<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• Employment Policies</li> </ul>
	<ul style="list-style-type: none"> <li>• Social Welfare</li> </ul>		<ul style="list-style-type: none"> <li>• Stakeholder Engagement</li> <li>• Supply Chain Management</li> <li>• Employee Care</li> <li>• Social Welfare</li> </ul>

# 02 Environment Protection

- Addressing Climate Change
- Clean Energy Development
- Emissions Management
- Energy Management
- Ecological Protection



# Addressing Climate Change

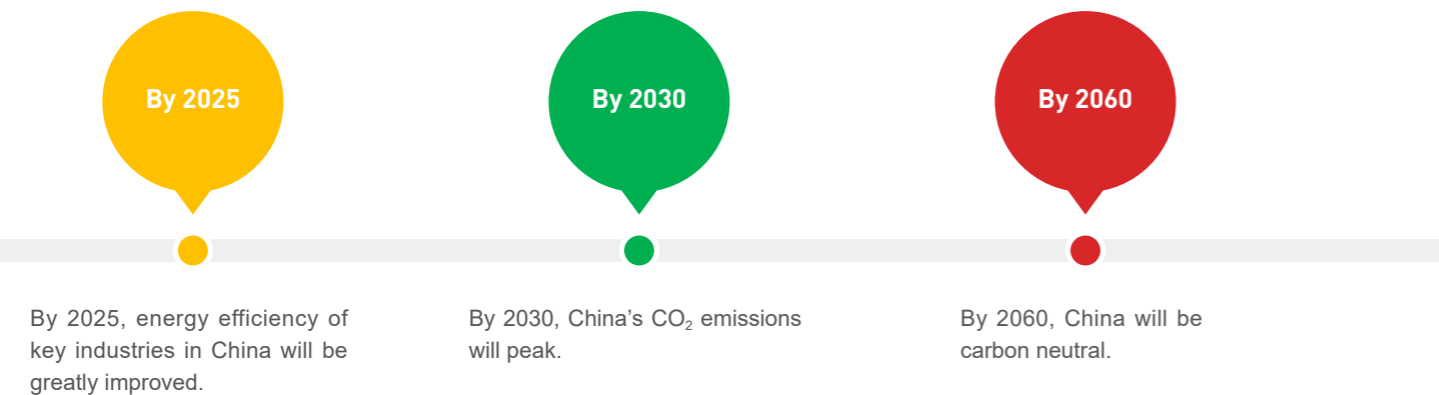
As one of the largest listed upstream oil and gas corporations in Hong Kong, UEG is fully committed to enhancing our decarbonization efforts to mitigate our impact on the climate whilst also implementing effective climate change adaption measures.

UEG strictly follows climate change policies wherever we operate and regularly optimise our management systems to meet local standards.


## Climate Strategies and Actions


UEG has implemented the Chinese Government's *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* and systematically taken action to protect the climate as required. UEG is firmly committed to a green, low carbon and high-quality development path in line with China's objectives for peaking carbon dioxide emission and achieving carbon neutrality.


UEG endeavours to support the achievement of China's key climate protection objectives:




UEG has taken various emission reduction measures at our assets in Pakistan, Iraq and Egypt, with the aim of promoting green transformation in our operations, including:

- 

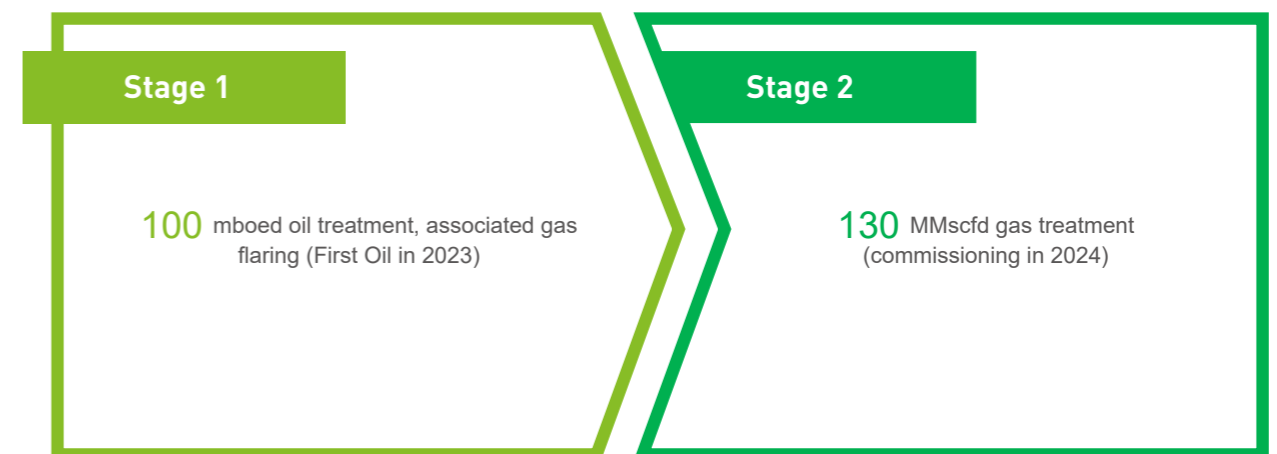
Recover flared gas to reduce GHG emissions.
- 

Use of clean energy to reduce air emissions from diesel consumption. For example, a solar power plant with 2,500 kW capacity was commissioned at KEBL.
- 

Use of more purchased electricity from regional power grids instead of diesel generators to reduce GHG emissions and other pollutants.
- 

Initiatives have been undertaken to increase tree plantation at all our sites.

Over 40% of UEG's GHG emissions in 2022 resulted from gas flaring at KEBL. As KEBL works towards full field development and gas transport network installation, flaring will be reduced. KEBL works with relevant stakeholders and developed the following plans to mitigate gas flaring:



Most flaring will be eliminated once the Gas Processing Facility is installed and commissioned in 2024.

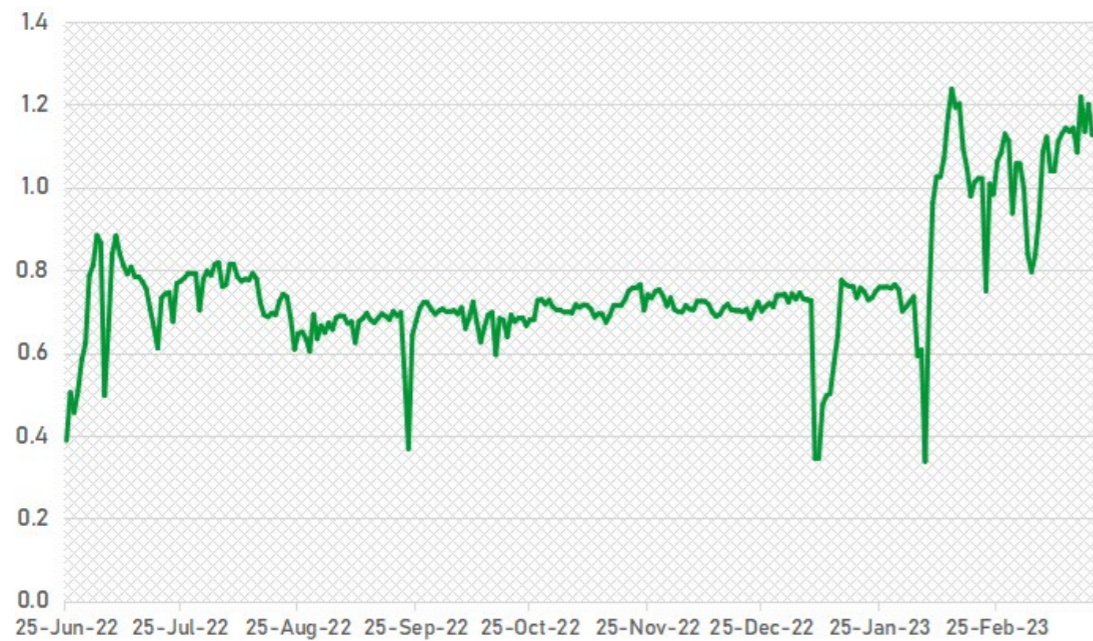


**Flare gas recovery project in UEP**

UEP is operating Khaskheli Oil field in Badin concession, located in southern part of Pakistan. A small volume of associated gas was being continuously flared. Due to the low gas volume, establishing a conventional infrastructure to process and sell it was not economically viable. UEP instead developed a flare gas recovery project.



The project was commissioned, after meeting all regulatory requirements in June 2022. It is currently utilizing 0.7 MMscfd natural gas which was previously flared. This amount may further increase as new wells come on stream. The following table illustrates flare gas sales volume in Khaskheli Oil field (unit: MMscfd).



The recovered gas is compressed in pressurized cylinders and sold to a captive power plant. The project is estimated to reduce approximately 20,000 tons of CO<sub>2</sub> emissions annually.

This project was the first of its kind in UEP and considering its success, UEP is considering similar projects at other sites.



**Flaring elimination in KEE**

Reducing or eliminating flaring can significantly decrease CO<sub>2</sub> emissions. KEE has implemented several innovative methods in the fields to reduce flaring and decrease CO<sub>2</sub> emissions.

**• El-Salmiya Gas Compression Station**

Facing with the challenge of low amounts of associated raw wet gas, which requires high capital investment, KEE successfully relocated the idle gas compression and dehydration facilities with a capacity of 28 MMscfd to Abu Sennan field after performing the required overhauling and maintenance, and upgraded to fit the gas compression and dehydration requirements from the nearby sales point.



**• Al-Ahmadi & Al-Jahraa Gas pipeline**

The main challenge was the low amount of associated raw wet gas below 1 MMscfd, along with the short lifetime of the fields. KEE innovatively utilized spoolable high-pressure fiberglass reinforced epoxy pipeline in gas shipping for cost optimization.



**• ASH Gas pipeline**

The challenge of high construction cost of 20 KM flowline for transferring the low gas volumes produced in the field (3 MMscfd) was tackled by utilizing fiberglass pipeline. KEE managed to re-use the pipes after Al-Ahmadi field depletion.



By carrying out above projects, KEE has minimized the environmental impact by eliminating 1,451 MMscf of gas flaring and saving 109,738 tons of CO<sub>2</sub> emissions in 2022.

## Climate-related Risk Management

With a business presence in South Asia, the Middle East and North Africa, we understand that climate change may have significant impacts on our operations. We have identified climate-related risks that are material to our business in a way that is consistent with the TCFD recommendations and are committed to contributing to the management of these risks. For physical risks, for example, we are assessing how flooding and heavy rainfall will impact our operations and have taken flood control measures to mitigate this risk. In terms of transitional risks, we are closely monitoring the laws and regulations in each operating area and monitoring the emerging carbon market in China. We also are considering the risks associated with market changes and the impact these could have on our reputation.

The following table illustrates these risks and our corresponding countermeasures.

Climate-related Risks	Risk Descriptions	Countermeasures
<b>Physical risks</b>		
<b>Acute risk</b>	<ul style="list-style-type: none"> <li>Extreme weather events, such as floods, may halt operations and disrupt our operations due to damage to property or equipment. This may result in an increase in the cost of operations and depreciation of equipment. Moreover, the increased severity of extreme weather events may also threaten the safety of employees.</li> </ul>	<ul style="list-style-type: none"> <li>Assess acute physical risks at each asset, build and strengthen early warning systems, formulate disaster preparedness and emergency response plans, and conduct emergency drills regularly.</li> <li>Regularly inspect facilities at each asset to enhance disaster preparedness.</li> </ul>
<b>Chronic risk</b>	<ul style="list-style-type: none"> <li>Changes in precipitation patterns and extreme variability in weather patterns may increase our construction and equipment maintenance costs and reduce our profitability.</li> <li>Rising sea levels in the long-term may force our operations located in coastal areas to be relocated to inland areas, causing major economic losses to the company.</li> </ul>	<ul style="list-style-type: none"> <li>Identify climate vulnerabilities in each operating area, and consider the chronic risks associated with climate change when making decisions regarding the design, operation, and construction of infrastructure.</li> </ul>

Climate-related Risks	Risk Descriptions	Countermeasures
<b>Transitional risks</b>		
<b>Policy and legal risk</b>	<ul style="list-style-type: none"> <li>Enhanced emissions reporting obligations may increase our cost for compliance.</li> <li>More stringent measures to limit carbon emissions in operating areas may increase our exposure to litigation.</li> </ul>	<ul style="list-style-type: none"> <li>Work closely with legal advisors in each country where we operate to assess current regulations and the resulting risks.</li> <li>Track and review the emerging carbon emission pricing instruments in different countries.</li> <li>Continue supporting efforts to scale up energy efficiency and clean energy and reduce the degree of dependency on natural resources.</li> </ul>
<b>Technology risk</b>	<ul style="list-style-type: none"> <li>UEG may have to upgrade equipment and technologies to meet higher efficiency and emission standards, which may increase costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increase investment in research and development of low-carbon, zero-carbon and negative-carbon technologies.</li> </ul>
<b>Market preference risk</b>	<ul style="list-style-type: none"> <li>Shifts in market preference may lead to higher demands for clean energy, which may lead to more investment in clean energy projects. Lagging behind peers in capturing this market shift may lead to a loss of revenue and market share.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the transition to renewable power generation.</li> <li>Constantly track and assess market trends. The increasing demand for clean energy is taken as a strategic opportunity to drive business growth.</li> </ul>
<b>Reputational damage risk</b>	<ul style="list-style-type: none"> <li>The climate stigmatization of the global oil and gas industry may damage our reputation.</li> <li>Increased stakeholder concern about our climate strategies and energy transition may lead to reputational damage if we fail to meet stakeholder expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Take an active role in tackling climate issues by taking solid emission reduction and energy transition actions, joining international climate change conferences (e.g., COP 27), and engaging diverse stakeholders in the process of climate change mitigation and adaptation.</li> </ul>

## Indicators and Targets

UEG has set targets to improve our climate-related performance.

Our targets are:



GHG emissions will gradually decrease from 2025



Continue to monitor GHG emissions at our assets



Take initiatives to enhance company-wide understanding of GHG emissions



Continue to explore opportunities in clean energy industry

UEG's GHG emissions during the reporting period are shown below:

Indicators	Unit	2022	2021
GHG emissions from direct sources (Scope 1)	million tons CO <sub>2</sub> e	3.54	3.25
GHG emissions from indirect sources (Scope 2)	million tons CO <sub>2</sub> e	0.12	0.13
<b>Total GHG emissions</b>	million tons CO <sub>2</sub> e	3.66	3.39
<b>Total GHG intensity</b>	tons CO <sub>2</sub> e/mboe	63	60

**Notes:**

- 1.The disclosed 2021 GHG emissions have been revised because UEG updated and optimized GHG accounting methodology and data collection process;
- 2.The global warming potential ("GWP") is updated according to the 100-year time horizon GWP relative to CO<sub>2</sub> from the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report. The emission factor for electricity of each asset is updated according to the European Investment Bank Project Carbon Footprint Methodologies Version 11.3, released in January 2023.





# Clean Energy Development

UEG is committed to increasing investment in the energy transition. UEG has invested in a wind power project in Pakistan and a solar power project in Iraq. Looking ahead, UEG will leverage our experience in the development, construction, and operation of clean energy projects to transition into an integrated energy company.

## Onshore Wind

UEG invested in the largest wind farm in Thatta-Jamshoro District, Sindh, Pakistan with an installed capacity of 99MW in December 2018. This project is one of the top 14 priority projects under the *China-Pakistan Economic Corridor* agreement and entered commercial operation in 2017.

The wind farm has 66 wind turbines and supplied about 217 million kWh in 2022 for the regional grid – enough for over 400,000 local households. Aside from a stable contribution to the country’s power supply, the project has created 45 local jobs in the community and avoided 143,000 tons of CO<sub>2</sub>e in 2022 compared to the equivalent fossil fuel power generation.



supplied about

**217**

million kWh in 2022 for the regional grid

enough for over

**400,000**

local households



The Wind Farm in Pakistan

## Solar

UEG invested in and constructed a 2.5 MW off-grid solar power plant in Al-Faihaa Oil field, Block-9, Basra, Iraq. The project achieved commercial operation in 2022. The project is the first and most advanced off-grid solar power plant in Iraq to date with a 2.5 MWh battery energy storage system, bifacial modules, single-axis trackers and string-type inverters.

As a pilot project, it applies several advanced technologies:

- A sun-tracking system
- Automated panel cleaning robots
- Remote monitoring system for daily operations

The generated electricity is directly used at base camp facilities and has been estimated to reduce electricity consumption from diesel generators by 50%. As of 31 December 2022, power generation was 1,440 MWh – equivalent to about 950 tons CO<sub>2</sub>e of avoided emissions compared to conventional power generation from fossil sources.



The Solar Power Plant at KEBL



UEG invested in and constructed a

**2.5**

MW off-grid solar power plant in Al-Faihaa Oil field, Block-9, Basra, Iraq



As of 31 December 2022, power generation was

**1,440**

MWh

## Looking Forward

We will continue to invest in clean power projects worldwide. On one hand, in the countries where the oil and gas assets are located, we take the advantage of synergy to increase the investment in clean energy. Meanwhile, we actively develop solar power, wind power, green hydrogen and green ammonia in Southeast Europe, MENA and Southeast Asia.

As a traditional clean energy market, Europe ushered in a new growth stage of clean energy power generation market after the Russia-Ukraine war. Especially in Southeast Europe, investment in clean energy projects and upgrading of power infrastructure grew rapidly. We entered into this market one year ago and have locked 1GW of wind and solar power projects in Bulgaria, 500MW of clean energy projects in Romania and Greece. These projects will be realized in the next 3-5 years.

In the MENA region, UEG is mainly focusing on solar sector and planning to develop no less than 1GW from 2023 to 2027 through Engineering Procurement Construction ("EPC"), Independent Power Producer ("IPP") and other modes based on the existing resources in the oil and gas sector. A 700MW pipeline of wind and solar power projects has been under investment evaluation.

Moreover, as green ammonia / green hydrogen will become the next generation of green energy trend in the next 10 years, UEG will also actively develop green ammonia / green hydrogen projects in Egypt, Greece, Cyprus and other wind and solar resource areas, among which the potential project opportunities are 2GW in these areas.

It is expected that the scale of the clean energy sector will reach 3-5GW in the next five years, which will become one of the main businesses of UEG and gradually achieve carbon neutrality within UEG group.



## Emissions Management

At UEG, we work to protect the natural environment as one of our core principles. We strive to comply with all relevant internal and external (i.e., government and regulatory authorities) policies<sup>1</sup> regarding emissions and discharges resulting from our business operations. UEG endeavours to utilize best available technologies to reduce emissions and minimise its overall environmental impact. We have successfully implemented an ISO 14001 based environment management system at our assets in Pakistan and Egypt.

During the reporting period, no environment-related litigation, lawsuit, or penalty was noted for UEG.

<sup>1</sup>For details of major laws, regulations and policies that UEG follows, please refer to "List of major environmental laws, regulations, and internal policies" in Appendices of this report.

The following two tables illustrates our air emissions and waste disposal during the reporting period:

Indicators	Unit	2022	2021 <sup>2</sup>
<b>SOx emissions<sup>1</sup></b>	tons	46.158	22.918
<b>NOx emissions</b>	tons	3,116.716	2,035.233
<b>PM emissions</b>	tons	70.160	37.173
<b>Hazardous waste disposal<sup>3</sup></b>	tons	716.178	520.044
<b>Non-hazardous waste disposal</b>	tons	4,759.632	4,505.922

**Notes:**

- SOx, NOx and PM emissions increased significantly in 2022 in comparison to the previous year, mainly due to enhanced drilling/workover activities and new wells with generator coming on-stream causing more flaring (e.g., diesel consumption) at KEBL and KEE.
- The disclosed 2021 SOx, NOx, and PM emissions have been revised because UEG updated and optimized the accounting methodology and data collection process.
- Hazardous waste disposal and its intensity in 2022 increased by 38% and 35%, respectively, in comparison to the previous year, mainly due to increased work activities in each asset.

Indicators	Unit	2022	2021
<b>SOx intensity</b>	tons/mboe	0.001	0.000
<b>NOx intensity</b>	tons/mboe	0.054	0.036
<b>PM intensity</b>	tons/mboe	0.001	0.001
<b>Hazardous waste intensity</b>	tons/mboe	0.012	0.009
<b>Non-hazardous waste intensity</b>	tons/mboe	0.082	0.080

## Atmospheric Pollutants

We comply with regulatory policies enacted by local agencies and have formulated an Air Quality Management Procedure to manage emissions to air. The procedure covers flaring, internal combustion engines, heaters, venting and other fugitive sources. Various measures have been taken to reduce emissions:



Periodical air emissions monitoring is conducted by third-party laboratories to verify legal compliance.



We perform air dispersion modelling at processing plants for Environment Impact Assessment ("EIA") studies before the production phase to forecast and assess air emissions.



The operating system is designed and optimized to minimize air emissions during operations. For example, during drilling and completion operations, separation and flaring equipment is installed at KEIL to reduce air emissions.

With regard to air emissions, we have set a target to keep emissions of SOx and PM stable in 2023 compared to 2022 levels.



## Hazardous and Non-hazardous Waste Management

UEG aims to ensure that 100% hazardous and non-hazardous wastes are collected, transported and disposed of by approved contractors with valid licenses and competent workforce conforming to local requirements. We formulated our Waste Management Procedure to govern waste management activities, which covers the proper handling, categorization, recording, minimization, recycling and disposal of all types of waste generated at our assets. We also formulated procedures to increase awareness of the importance of waste minimization and provide guidelines for achieving this goal, which are applicable to all facilities, contractors, subcontractors, and subsidiary companies.



### Waste management at KEBL

At KEBL, all hazardous and non-hazardous wastes are handled through approved local contractors, who dispose of them at the approved local municipality facilities. Measures have been taken to manage and reduce waste generated from the site:

- Segregation of recyclable waste (scrap metal, batteries, etc.), which is then collected, tracked, and transferred by Basra Oil Company ("BOC") to the appropriate waste refuge for recycling.
- A Waste Storage Area ("WSA") has been identified and designed. The WSA is under construction and will be ready for use in 2023. It will be used as a temporary area for hazardous waste and recyclable non-hazardous waste storage, such as wood, scrap metal, empty barrels, consumed material and electronic waste.
- Two oil recovery units were installed and in operation to recover the residual oil from water and reduce the pit levels in the process facilities. Another oil recovery unit will be commissioned in the first quarter of 2023.

During the reporting period, KEBL conducted a series of environmental campaigns to encourage employees and contractors to take an active role in environmental stewardship through better management of our waste, water, land and energy resources. The campaigns targeted the following topics:

- Waste segregation
- Housekeeping campaign
- Illegal dump
- Ozone depleted substance
- Secondary containment requirements
- Dust control

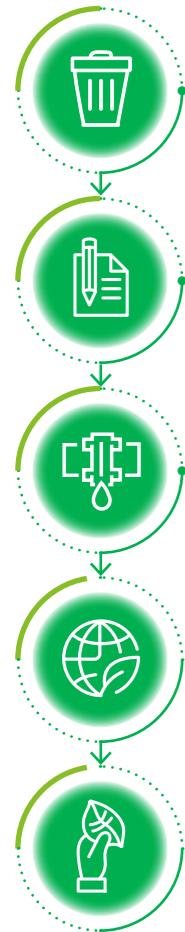


Environmental campaigns at KEBL



Waste management at KEIL

At KEIL, all hazardous and non-hazardous wastes are handled through licensed local contractors and disposed at licensed local municipality facilities. Effective measures have been taken to manage and reduce waste generated from the site:



- A Waste Management Area (“WMA”) has been selected and approved by the BOC, which will be used as a temporary area for hazardous waste and non-hazardous waste disposal, such as wood, scrap metal, empty barrels, consumed material, electronic waste, etc. The completion and commissioning of the WMA was completed in 2022.
- KEIL obtained an agreement with the Basra Refinery Company to return consumed oil to BOC.
- An oil recovery and drainage system installed at CPF to collect hydrocarbon fluids from the process equipment, piping items, closed loop sample points, etc. These drains are routed to a closed drain vessel, which is vented to a low-pressure flare header. The collected liquids are pumped back to the off-spec condensate tank.
- KEIL has a policy for the use of polystyrene food containers to reduce waste and limit the impact on the environment.
- KEIL has initiated a Black Bag Day Campaign with participation from staff and contractors to manage waste and create a sense of ownership for everyone associated with the asset.



Black Bag Day Campaign at KEIL

# Energy Management

UEG’s activities include drilling, seismic acquisition, production operation, laying of flow lines etc., which result in the consumption of energy and other resources. We are constantly striving to target energy efficiency improvement as it is both economically and environmentally beneficial.

The following data illustrates our energy consumption during the reporting period:

Indicators	Unit	2022	2021
Fuel gas and diesel consumption	tons	274,897	309,348
Fuel gas and diesel efficiency	tons/mboe	4.753	5.469
Purchased electricity	MWh	3,227	3,191
Renewable energy (Self-generated)	MWh	1,769	184
Electricity consumption in total	MWh	4,996	3,375
Electricity efficiency	MWh/mboe	0.086	0.060



Optimizing diesel consumption in KEE

Reducing the consumption of diesel fuel, which is commonly used in various processes in the oil and gas industry, can contribute to lowering emissions. KEE has succeeded in using centralized power station instead of localized diesel generators to optimize energy efficiency and minimize the use of diesel fuel.

Relying on localized diesel generators for running wells on production can pose a high risk to well productivity and result in high diesel consumption per barrel of crude oil (BBL) produced. Using backup generators for each well, in addition to generator sizing to accommodate start-up loads, can also increase maintenance costs and create logistical challenges.

Connecting all wells to a centralized station, on the other hand, can significantly reduce diesel consumption and maintenance costs while also improving productivity. By centralizing power generation, KEE used larger and more efficient generators to serve multiple wells, resulting in economies of scale and lower fuel consumption per BBL produced. In addition, centralizing power generation improved wells uptime and reduced the risk of downtime associated with localized generators.

Overall, centralizing power generation can be a smart and cost-effective approach to reduce environmental impact, improve productivity, and reduce maintenance costs associated with localized diesel generators. By centralizing power generation and using electricity from national power grid, KEE saved 2 million liters of diesel and 5,100 tons of CO<sub>2</sub> emissions in 2022.



# Ecological Protection

UEG consistently seeks ways to promote environmental sustainability ensuring that strategic plans are put in place to prevent environmental degradation. We are committed to minimizing the negative impact of our operations on the environment (e.g., land subsidence) and conserving natural resources.

## Environmental Impacts

UEG operations may risk land subsidence and damage the environment of concession areas. Pursuant to the relevant regulations and laws<sup>1</sup>, UEG is required to restore concession areas back to acceptable conditions. We conduct independent monitoring through third-party contractors during project activities in environmentally sensitive areas to ensure compliance with regulatory approvals and safeguard the environment from any negative impacts. Implementation of our environment management plans and procedures are verified through periodic internal audits and inspected by third-party experts.

1.For details of major laws, regulations and policies that UEG strictly follows, please refer to "List of major environmental laws, regulations, and internal policies" in Appendices of this report.

## Water Consumption and Discharge

Water is a vital resource for our operations and for society. We aim to increase water-use efficiency in our operations and safeguard water resources where we operate. Regular monitoring and testing are conducted to ensure no unprocessed wastewater leaves our sites. To reduce reliance on fresh water, treated domestic wastewater is used for gardening purposes within residential camps.



Treated sewage water for green area at KEE

The following data illustrates our water consumption during the reporting period:

Indicators	Unit	2022	2021 <sup>2</sup>
Water consumption <sup>1</sup>	m <sup>3</sup>	1,604,877	1,182,492
Water efficiency	m <sup>3</sup> /mboe	27.749	20.913

**Notes:**

1. Water consumption and its efficiency in 2022 increased by 36% and 33%, respectively, in comparison to the previous year, mainly due to increasing drilling operations at UEG, which involved a greater number of wells drilled and use of more rigs.
2. The disclosed 2021 water consumption has been revised because UEG updated and optimized the accounting methodology and data collection process.



### Water management

• **KEBL, Block-9**

Water is abstracted from the Shatt Al-Arab River to meet the freshwater demand for desalting and utilities at CPF, which is approximately over 10,000 m<sup>3</sup> of water per day. At present, water for operations is trucked to the site by an approved contractor. A source water plant will be built close to the Shatt Al-Arab River. Commissioning of the plant will increase water supply resilience at the site. KEBL has obtained permits from the Ministry of Water Resources through BOC for the abstraction of fresh water from Shat Al-Arab river.

• **KEIL, Siba**

In CPF at KEIL, a water treatment package unit is used to treat the water withdrawn from the Shat Al-Arab River for operations. In the camp, a reverse osmosis water unit is used to treat the water. Water from the CPF storm water basin is reused for irrigation. Recycled wastewater is also used in irrigation after treatment.

KEIL intends to install an additional potable water system in 2023 to eliminate third-party potable water consumption.



Water treatment plant at KEIL

## Packaging Material

Our products and services do not use packaging materials. UEG is involved in the production of crude oil, condensate, natural gas and liquefied petroleum gas ("LPG") and none of these products are packaged. Natural gas is sold to customers via gas flowlines or pipelines. Crude oil and condensate are transported via bowsers or pipelines to refineries and export terminals. LPG is sold to LPG marketing companies via bowsers.

# 03

## Occupational Health and Safety

- Occupational Safety
- Occupational Health



# Occupational Health and Safety

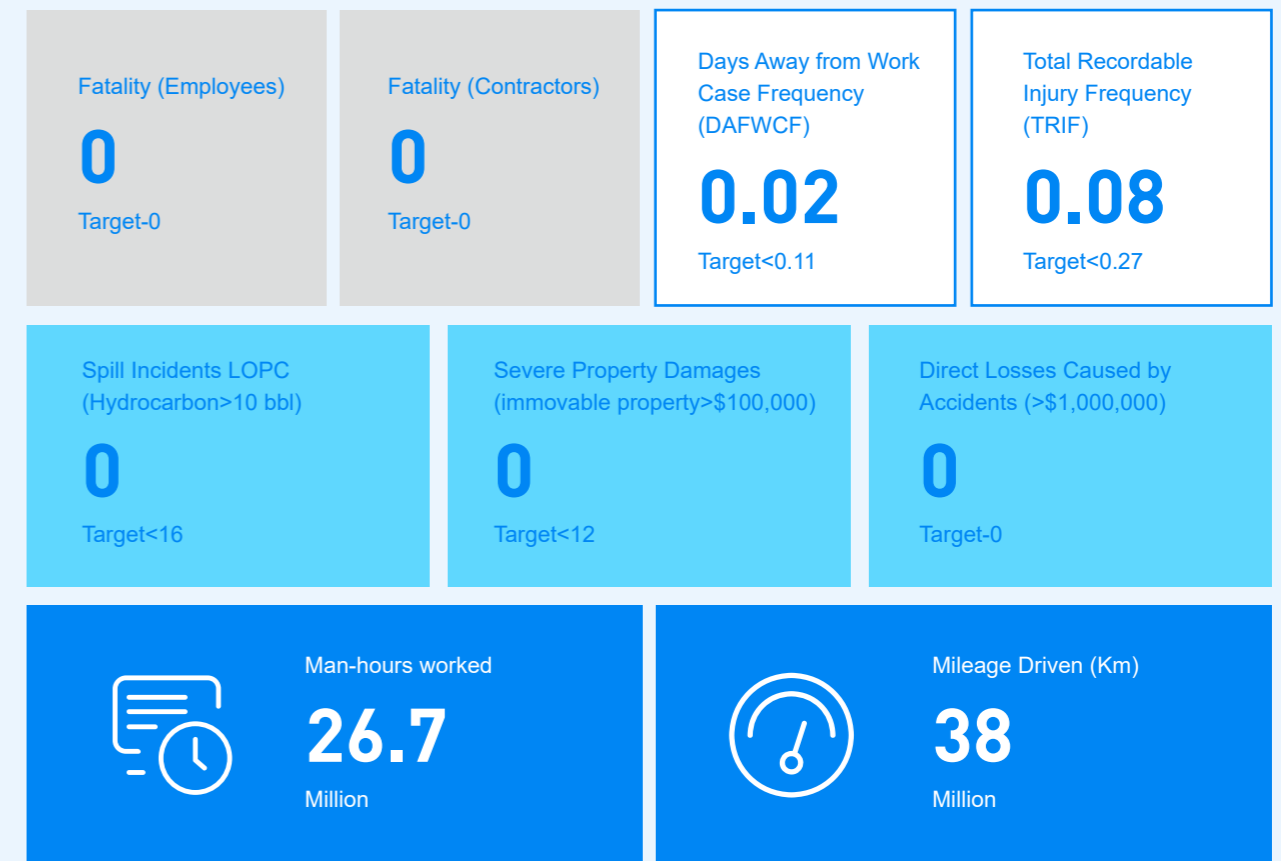
UEG prioritizes employee health and safety within our workplace and has established HSSE Management System to meet the evolving needs of the field development and the associated hazards and risks. We strictly comply with the local laws and regulations related to occupational health and safety in all host countries.

In 2022, UEG performed positively against all 7 Safety KPIs resulting in impressive safety performance under high work exposure, approximately 27 million man-hours and 38 million kilometres' driving, throughout the year.



Below is a glimpse of UEG's HSSE performance highlights:

- A zero-fatality year
- Achieved all HSSE targets by a good margin and well in line with industry average
- Developed HSSE and Operational Management System
- Rolled out Personal and Process Safety Management Systems
- Enhanced Risk Management Process across the organization



Safety Performance on the 7 Safety KPIs

## UEG Leadership Role

In 2022, UEG HSSE Committee, the highest forum in the organization on HSSE policy matters, remained proactive in providing directions and leadership oversight to set HSSE agenda a top priority in UEG. The Committee chaired by its Executive President and participated by all Asset Presidents, as well as some key UEG Leadership members remained instrumental in setting HSSE as a highest priority for business across the Group.

# Occupational Safety

## UEG Operational and HSSE Management System

All operations are conducted in accordance with the management system, considering and focusing on standards.

A long aspiration came true and UEG is proud to have its Operational and HSSE Management System developed and approved in 2022. The Management system follows OMS model and aligned with IOGP guidelines and is comprised of 11 elements. This will ensure UEG and its subsidiaries to follow and implement a consistent management system.

Safety management system is built up on HSSE Management System that integrates activities, services, and operations and subject to upgrading based on Plan-Do-Act-Check principle. The inherent risk associated with our operations are mitigated through a robust risk assessment program followed by stringent control of work protocols. All employees are provided with required safety gear to protect them from any eventuality.

There's a performance management in the system with leading and lagging KPIs includes personal safety & process safety/ integrity management KPIs to enhance safety management work. Progress on KPIs is monitored at top and functional level.



### First-ever safe turnaround at Siba

First-ever turnaround of Siba CPF was undertaken in 2022 to complete routine maintenance tasks and enhance the plant's efficiency. The turnaround took place four years after the plant's commissioning. Our team in Siba overcame challenges, including severe rainfall, to complete the planned shutdown safely ahead of schedule.

A total of 185 staff members completed complex maintenance and upgrade jobs with zero incidents and restored production at the facility within eight days.

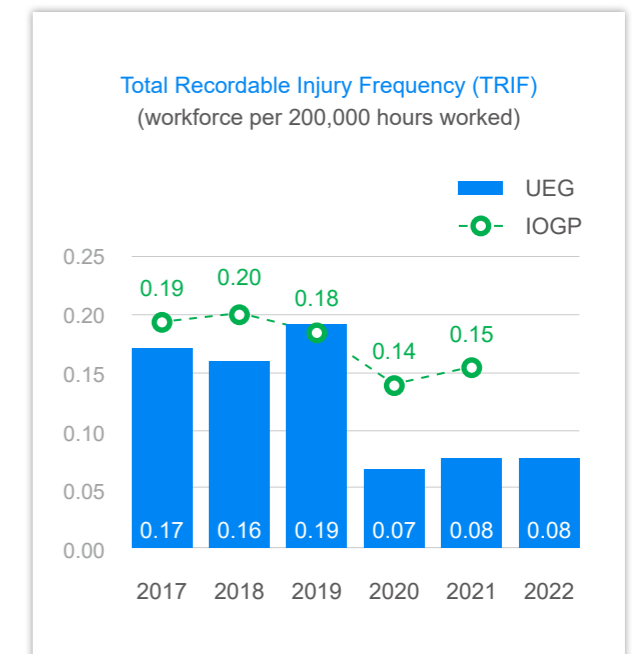
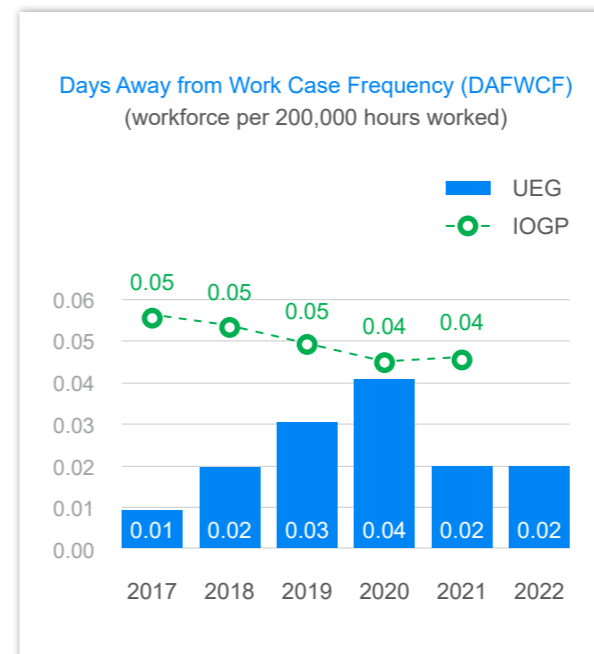


## Personal safety

The HSSE training is an essential element of UEG. Trainings on subjects such as firefighting, first aid and defensive driving are mandatory at all assets. During the reporting year, the process safety management training has been added to the HSSE and operation teams.

Best safety performance in the reporting year is reflective of many positive inputs such as imparting safety training to its staff and ensuring contractors also follow safety-related requirements. Life-Saving Rules ("LSR") as published by the International Association of Oil & Gas Producers ("IOGP") were also rolled out and implemented across all of its sites.

We continue to benchmark UEG's HSSE performance with major international companies, other peer organizations and industry average. Our benchmarking study highlights that UEG's HSSE performance based on standard KPIs is comparative and even outperformed the industry average.



Benchmark UEG's HSSE performance





Training and awareness session in KEE

We pay close attention to safety management and provide a comprehensive training program to improve employees' awareness:

- National Examination Board in Occupational Safety and Health ("NEBOSH") Process Safety Management training
- Quantitative Risk Assessment ("QRA") training
- First Aid and Firefighting training
- Onsite training for field staff



Safety training courses and meetings at KEE



Periodical emergency drills at UEG's Cairo office and operational assets

The following table illustrates our health and safety performance in the past three years:

Indicators	2022	2021	2020
<b>Number of work-related fatalities</b>			
- employee	-	-	-
- contractor	-	-	-
<b>Rate of work-related fatalities<sup>1</sup></b>			
- employee (per 200,000 hours worked)	-	-	-
- contractor (per 200,000 hours worked)	-	-	-
<b>Lost days due to work injury</b>	13	75	98

Notes:

<sup>1</sup>A rate based on 200,000 hours worked indicates the number of work-related fatalities per 100 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year.

### Process safety

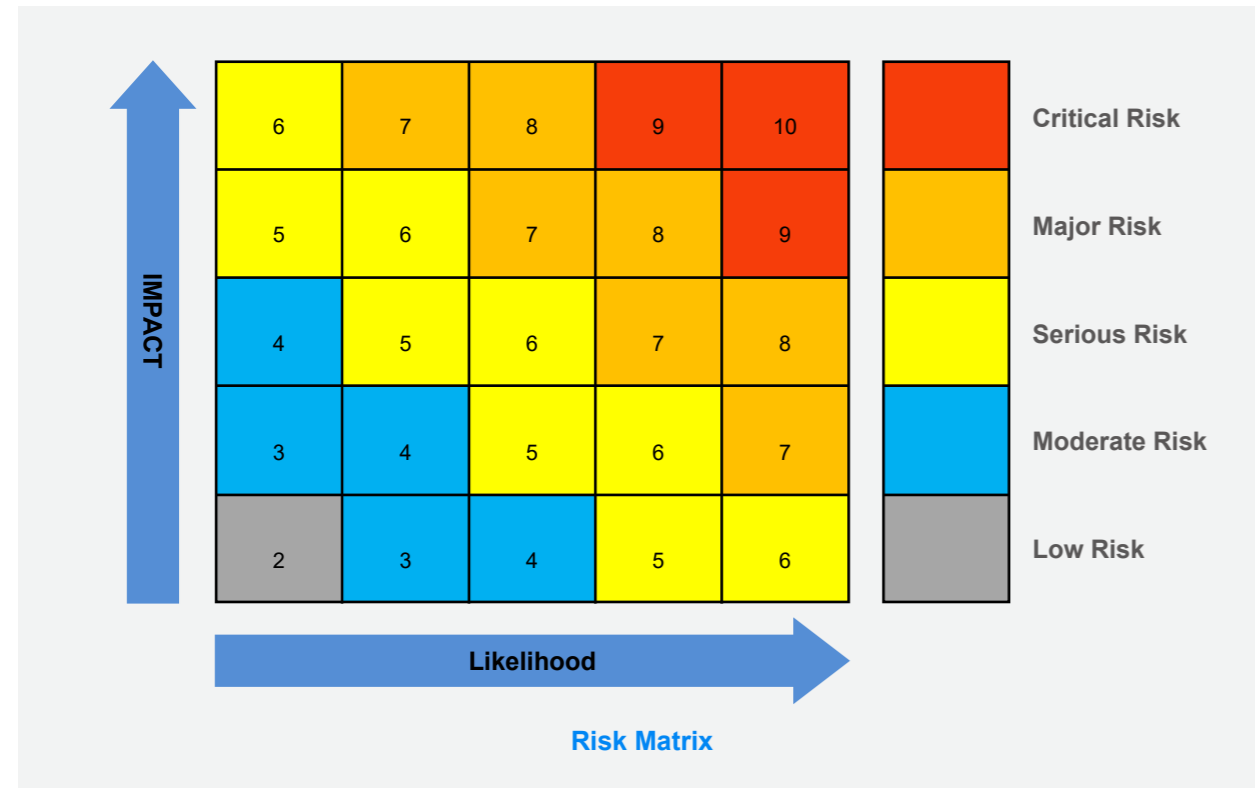
In 2022, UEG rolled out Process Safety Management in the entire organization. In 2023, UEG plans to further enhance implementation and monitoring of Process Safety more aggressively.

### Contractor safety

Contractors Safety is one core risk area in the Oil and Gas industry. To manage this significant risk, UEG continued to implement Contractors Safety Management Systems ("CSMS") across its sites. This includes ensuring contractors implement HSSE training, providing competent workforce, and implementing all safety requirements as outlined in the contractual documents. Rigorous monitoring and implementation of CSMS from UEG assets have remained as one of our top priorities.

## Risk Management

In 2022, HSSE and Business Risk Management implementation was further enhanced and applied consistently across the Group. In particular, significant progress taken place in Block-9 where a major projects mobilization and initial civil works remained in progress.



## Just Culture

UEG aspires open and honest culture where people trust each other and there is no fear of consequence when it comes to incident reporting or highlighting risky behaviours or conditions. In this context, UEG has developed Group Standard which follows international guidelines aiming to guide leaders throughout the organization on how to manage issues of serious violations and delineate these with errors and mistakes.

- Rewarding**  
 Positive behaviors, initiatives are recognized and rewarded
- Learning**  
 Incidents where mistakes or errors are established, shall not be punished but used for learning
- Non- Tolerating**  
 Reckless acts and violations are not tolerated

## Crisis Management and Emergency Response

In order to prepare for any major accident and its aftermath, UEG has developed a Three-tiered Crisis Management Framework. As a result of this process, Emergency Response teams at site and asset level and Crisis Management team at the Group level are established.

The Framework was rolled out and a tabletop exercise was held for UEG Crisis Management Team. A major exercise is planned in 2023 engaging UEG Crisis Management Team and one of the assets' emergency infrastructures to test effectiveness of processes at all levels.



# Occupational Health

For ensuring occupational health, we formulate policies and protocols to guide employees to perform work safely. We carry out mandatory pre-employment medical examinations in order to determine if the physical ability of a worker is fit for the job position, and regular check-ups will be provided to ensure all employees' health. Furthermore, assessment programs are implemented to detect any possible hazard factors and monitor employees' fitness for work. A series emergency protocols and actions are developed for better managing emergency cases.



## COVID-19

During pandemic, we prepared COVID-19 procedures to protect the health of workforce and minimize exposure risk to virus. Significant measures such as mandatory vaccination, quarantine of new arrivals, regular PCR and antibody checks, etc. were undertaken. All UEG Assets continued to implement COVID-19 requirements to the highest possible standard.



# 04

## Care for Employees

- Employment Policies
- Training and Growth
- Employee Care



# Employment Policies

## Salary and Benefits

We offer employees a basic salary that is not lower than statutory minimum standards and equal to the industry average, as well as commensurate with their capabilities, duration of service and education. UEG also provides variable bonus pay which is linked to performance.

UEG pays legally required social security payments for employees, but also provides competitive medical insurance for all employees and their eligible dependents.

We make sure employees work appropriate hours and has an Overtime Policy to compensate workers who work beyond regular hours and ensure overtime is legally permissible.

Our employees enjoy paid vacation, sick leave, annual wellness or medical exams and other benefits to support their work-life balance. To perform religious events, employees are eligible for Pilgrimage & Ashura leave. During the pandemic, we adopted a flexible work policy, which allowed our employees to work from home.

## Employment Standards

Our people are key to our business success and drive us towards our goals enabling us to be resilient in a changing world. Their rights and benefits are respected in UEG and we strictly comply with applicable laws and regulations wherever we operate, such as *Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong, Iraq's Labor Law No. 37 of 2015, Pakistan's Sindh Terms of Employment (Standing Orders) Act 2015*, etc. To protect our employees' rights and benefits, our policies and guidance are based on these laws and regulations.

We have put in place a robust HR Management system that comprises of several policies, processes and workflows covering all aspects of the Human Resource Management. All HR policies have been formulated in compliance with the applicable local labor and Social Security laws. HR Delegation of Authority provides further clarity and guidance on the decision-making process regarding all HR activities. The Human Resources Committee ("HRC") is composed of senior management.

**Under the Human Resources Management, we have made a series of policies including but not limited to:**

- Recruitment Procedure and Guideline
- Resignation & Termination Procedure
- Performance Management Procedure
- Compensation and Award Procedures
- Code of Conduct and Disciplinary Action Procedures

We have zero tolerance of any forms of human rights violations. We do not use forced and compulsory labor and forbid the use of children in our workforce, which is clearly outlined in our Code of Conduct and also applies to our subcontractors.

# Diversity and Equality

At UEG, we cultivate an inclusive and diverse environment to make our employees feel respected in all aspects by welcoming candidates with different background and from different races, ethnicities and religions etc. and providing equal opportunities as well as benefits. This commitment is embedded throughout our activities and is underpinned by the policies.

We strive to provide equal opportunities to all employees regardless of gender, race, religion and disability. Employee compensation, promotion, appraisals, and rewards are based on qualifications, abilities, and merit. It is also our responsibility to provide a workplace that is free from harassment, violence, and discrimination of any kind.

UEG is dedicated to protecting female employee rights. Women receive equal rights, opportunities, and training in UEG. With this philosophy, we pay attention to women's development in the communities. In 2022, KEE successfully launched SHE CAN Scholarship with American University in Cairo to enable women entrepreneurs to acquire skills and knowledge for their businesses. Same year, KEE also has proudly sponsored Energy4Her event as a main sponsor, organized by SPE SU SC and Suez University aiming to highlight the impact of women's inclusion in the oil and gas sector.



Women's Day Celebration

The following table illustrates our employment status during the reporting period:

Indicator	2022	2021
Total number of employees	2,183	1,910
Number of full-time employees	2,183	1,910
Number of part-time employees	-	-
Number of employees aged 20 and under	-	1
Number of employees aged 20-24	80	39
Number of employees aged 25-34	618	576
Number of employees aged 35-44	808	683
Number of employees aged 45-54	507	462
Number of employees aged 55 and over	170	149
Number of employees in PRC (include Hong Kong)	153	140
Number of employees in Pakistan	1,043	999
Number of employees in Iraq	808	584
Number of employees in UAE	11	21
Number of employees in Egypt	168	166
Number of female employees	180	166
Number of male employees	2,003	1,744
Number of employees with a master's degree and higher	464	410
Number of employees with a bachelor's degree	1,049	879
Number of employees with associate degree or below	670	621
Employee turnover rate	5.31%	8%
Turnover rate of employees aged 20 and under	-	-
Turnover rate of employees aged 20-24	-	21%
Turnover rate of employees aged 25-34	5.34%	12%
Turnover rate of employees aged 35-44	4.21%	6%
Turnover rate of employees aged 45-54	4.34%	4%
Turnover rate of employees aged 55 and over	15.88%	11%
Turnover rate of employees in PRC (include Hong Kong)	6.54%	11%
Turnover rate of employees in Pakistan	5.18%	10%
Turnover rate of employees in Iraq	6.06%	6%
Turnover rate of employees in UAE (United Arab Emirates)	-	11%
Turnover rate of employees in Egypt	1.79%	2%
Female employee turnover rate	10%	8%
Male employee turnover rate	5%	8%

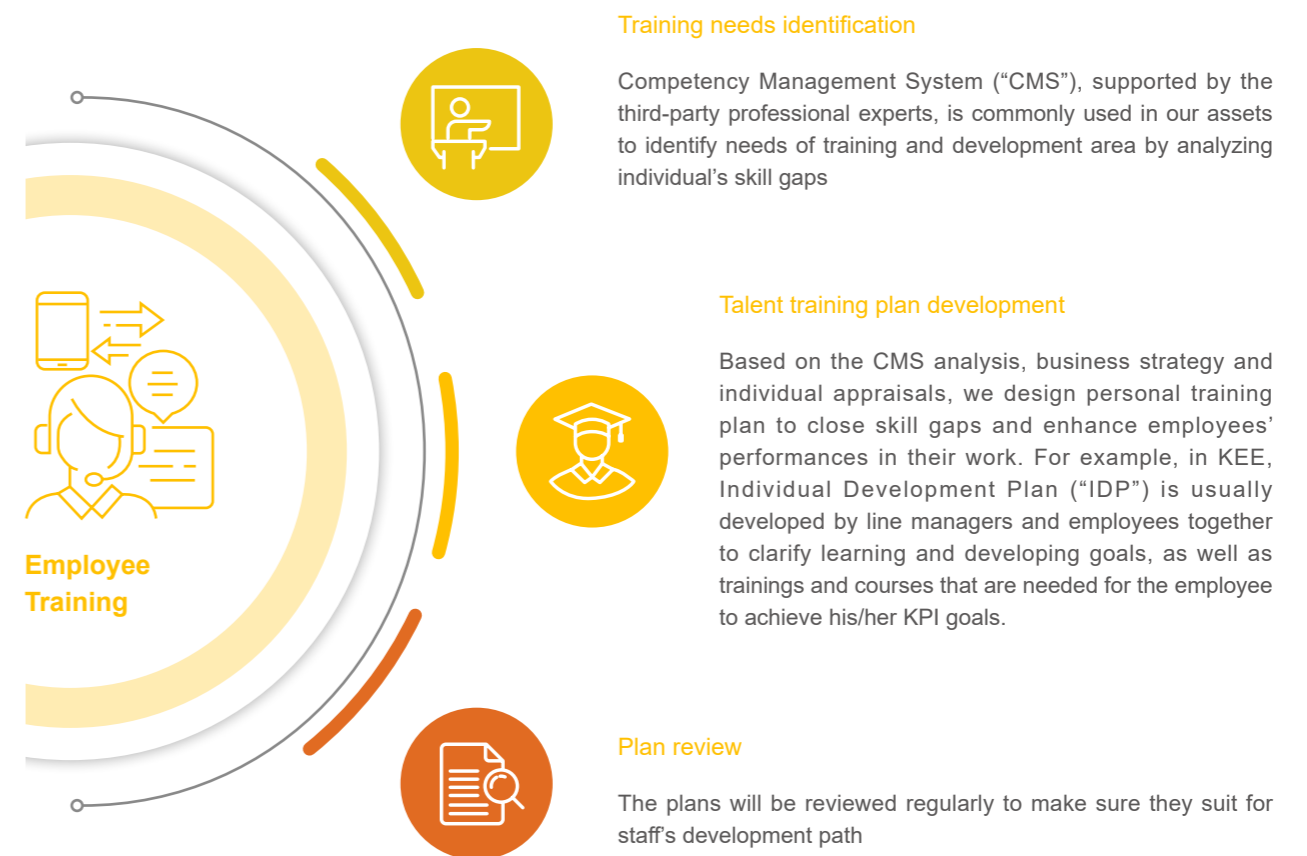
## Training and Growth

As one of the critical parts of corporate strategy, UEG attaches great importance to employee training and development.

Development programs are in place to assist our employees to plan their development paths. Managers and HR departments are highly involved in these programs to assist in setting individual development goals and ensuring each tailored individual development plan is in track and in line with business strategy and department goals.

We have a talent training system that includes needs identification, plan development and review. Under this system, our operational assets have launched various programs and involved external experts to identify employee training needs and to ensure our employee receive necessary training to realize self-development and UEG's growth. In 2022, we invested total US\$1,267,960 on employee training, and 38,278 training hours were conducted.

We provide in person and online classes and encourage employees to take any necessary external training or education to improve themselves. In UEP, two employees are currently completing their higher studies abroad under the UEP educational assistance programs, and we have other employees currently pursuing degrees from local institutes.



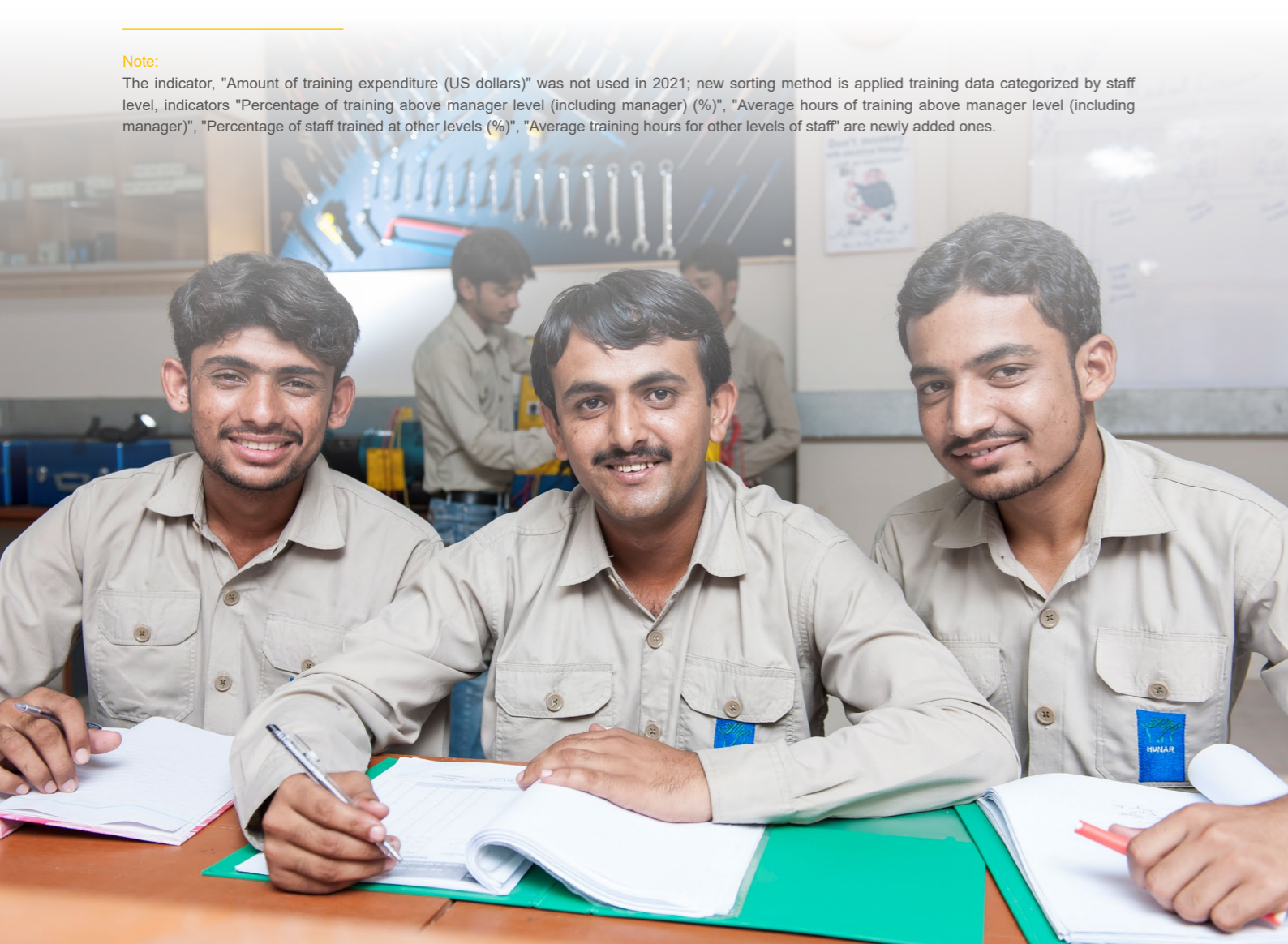
### Training System at UEG

The following table illustrates the training data during the reporting period:

Indicators	2022	2021
Number of staff trained	1,085	1,354
Percentage of trained staff	50%	68%
Training expenditure (US dollars)	1,267,960	N/A
Percentage of manager above trained (including manager)	6.79%	N/A
Average training hours per manager above (including manager)	24.40	N/A
Percentage of staff trained at other levels	93.21%	N/A
Average training hours for other levels of staff	36.42	N/A
Percentage of male employees trained	87.19%	93%
Average training hours for male employees	36.99	12
Percentage of female employees trained	12.81%	7%
Average training hours for female employees	26.99	16

**Note:**

The indicator, "Amount of training expenditure (US dollars)" was not used in 2021; new sorting method is applied training data categorized by staff level, indicators "Percentage of training above manager level (including manager) (%)", "Average hours of training above manager level (including manager)", "Percentage of staff trained at other levels (%)", "Average training hours for other levels of staff" are newly added ones.



**KEBL organized 17 certified training programs during 2022**

Training & development is an essential part of the corporate strategy of the Company. KEBL believes that organizational performance and growth can be achieved through proper and systematic implementation of employees' training and development initiatives.

During the year 2022, KEBL organized 17 certification programs to enhance the skills of our employees relating to the Oil and Gas sector. The following are the main certification programs conducted:

- Authorized Gas Tester Certification
- Control of Substances Hazardous to Health Certification
- Control of Work Certification
- NEBOSH IGC level 1 & 2 Certification
- NEBOSH Oil and Gas Certification
- Rigger & Banksman Certification

KEBL also organized 24 awareness sessions during the year 2022 to enhance the knowledge of the employees relating to different areas of HSSE in the Oil & Gas sector. The following are the main awareness sessions organized:

- Diesel Generator, Power Capacity, Conditions for Synchronization Awareness
- Hazard Identification Awareness
- KEBL 9 Life Saving Rules Awareness
- Oil & Gas Well Operations and Processing
- Snakebite Management Awareness



# Employee Care

Guided by UEG's spirit "Unite", all employees are viewed as members of the UEG family. We work as a whole towards our goals with the UEG spirit. We hope all employees work happily in a warm and caring environment. In order to engage our employees, we organize various activities, such as teambuilding, sports, festival celebrations, etc., and encourage employees to participate in.

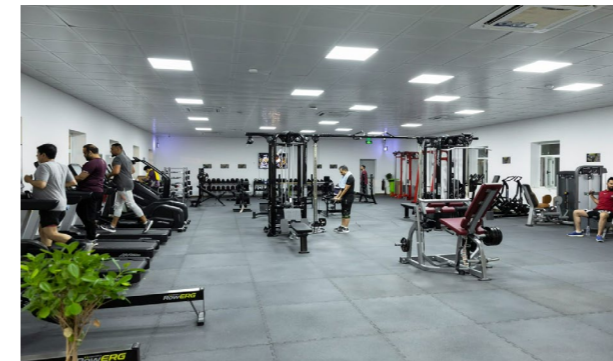
## Case Annual outward bound

To help create an open working atmosphere, enhance communication, support cross-team cooperation and team cohesion, the outward-bound activity is organized annually.



## Case Recreational facilities

KEBL provides recreational facilities, including football field, basketball court, tennis court, table tennis court, badminton, gym, entertainment room, etc.



## Case New year activity

End of year celebration is a great time to get together as a team and celebrate accomplishments, achievements, and milestones. We celebrated the beginning of 2023 with New Year giveaways, competitions and festive spirit to bring teams together.





# 05

## Fulfil Social Responsibility

- Supply Chain Management
- Product Responsibility
- Social Welfare

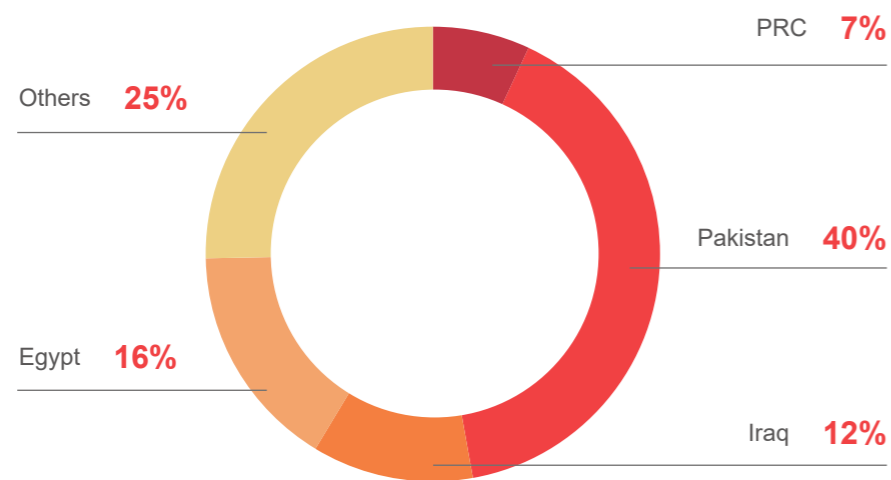
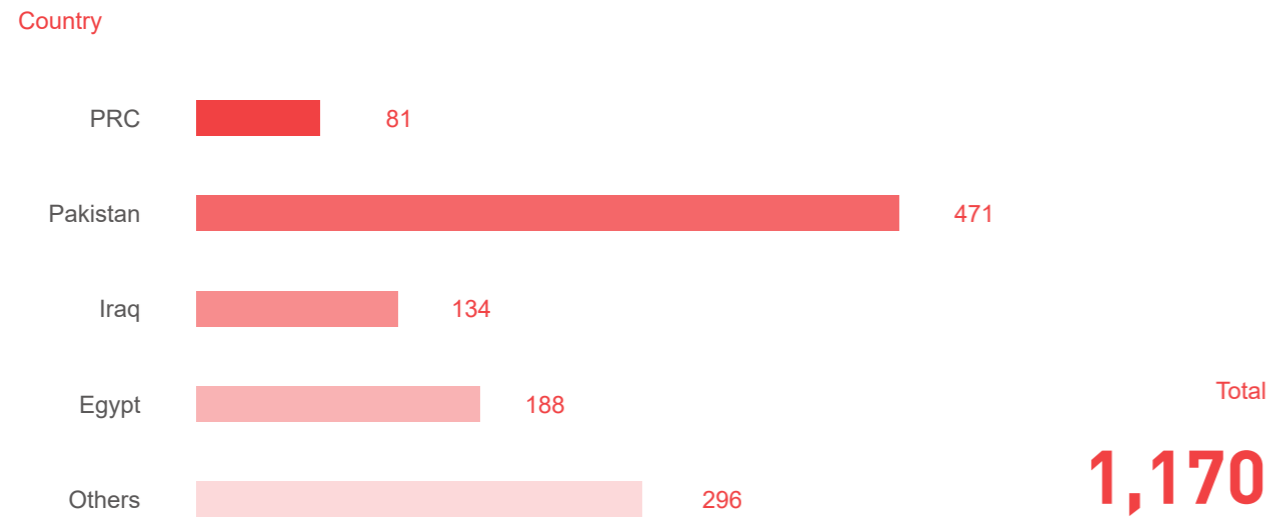


# Supply Chain Management

## Management System

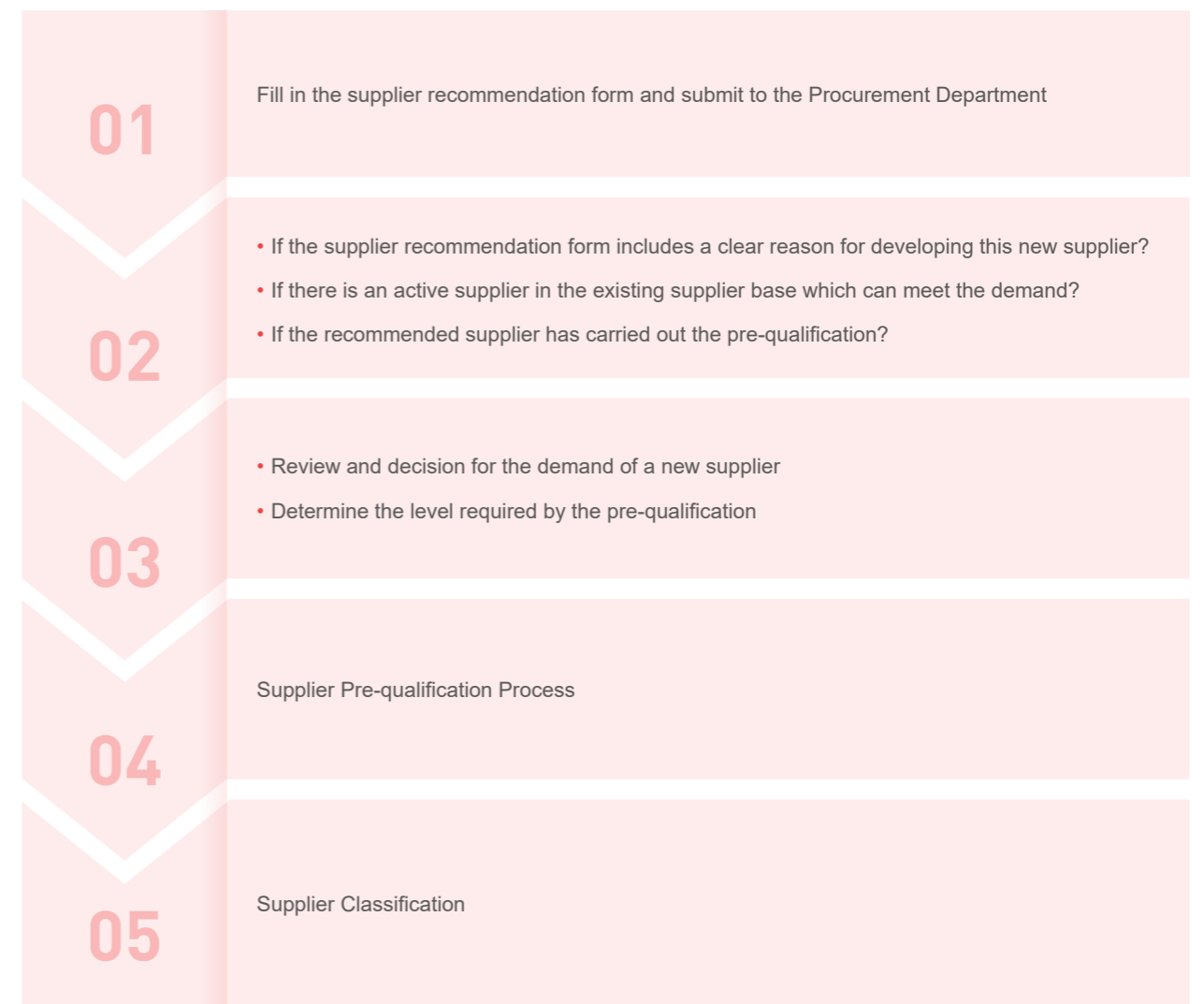
UEG clearly recognizes the importance of fair and impartial procurement and supply chain management. The PSCM function is guided by the Group values, policies, and procedures. In 2019, UEG developed the Supplier Management Procedure. This document provides the guiding principles of supplier management for each project company. Centralized management of the supplier base supports improving the management efficiency of subsidiaries, avoiding suppliers' ESG risks and unifying the method of supplier identification. Suppliers of all UEG subsidiaries shall, at a minimum, follow the common procedures and rules established by the Group.

Number of Suppliers by Geographical Region 2022



## Supplier Access Process

UEG continues to strengthen the management of supplier access and optimize the structure of supplier resources. The Group actively guides suppliers to strengthen their operations in accordance with the law, abide by business ethics, fulfil social responsibilities, and require suppliers to comply with anti-commercial bribery and anti-corruption policies and regulations to ensure fair bidding.



Approval Process of Suppliers

## Supplier ESG Risk Assessment

Environmental and social risks are identified and considered whenever a business requirement is raised. A bidders' proposal is evaluated by the designated evaluation team based on pre-approved strategy and criteria to ensure bidders' proposals follow our requirements on all aspects including technical, commercial, environmental, etc. before qualified bidders are finally selected for the work. Suppliers' compliance must protect the environment and comply with appropriate environment protection frameworks. We ensure they take a preventive approach to avoid harming natural resources and biodiversity, as well as fostering initiatives that promote greater environmental responsibility. We implement this as part of our compulsory vendor prequalification process by assessing the suppliers' legal compliance and standards, health, safety, environment policies, and other ethics related policies.

## Supplier Supervision

We manage suppliers' continuous commitment through regular surveys and monitoring. The suppliers that have business transactions with UEG are evaluated regularly with their historical performance being reviewed. The purpose of supplier evaluation is to evaluate the previous performance of existing suppliers, identify advantages and disadvantages of the supplier, and proactively adopt necessary measures to encourage the supplier to perform better in the future. According to the evaluation results, suppliers will be divided into four grades: A, B, C and D.



**Supplier Hierarchical Management System**

## Product Responsibility

### Product Quality Assurance

UEG continues to improve its product supply capacity and service quality. UEG's products are mainly oil and gas. The Group abides by the *Law of the People's Republic of China on Product Quality Management* and other laws and regulations and executes in accordance with domestic and foreign quality management standards and quality standards agreed in contracts. The whole plant of each asset, including its production process, has been designed, constructed, operated and maintained in a manner so that the Company's product meets the corresponding product quality requirements. UEG fully ensures that the oil and gas quality meet the appropriate standards prior to delivery of the product.

In 2022, we received no customer complaints regarding the quality of crude oil and natural gas products. In case of any quality complaints, the company will actively communicate with customers in strict accordance with the provisions of international general standards and national standards on product quality of crude oil, natural gas and by-products, and properly solve customer complaints.

### Technological Innovation

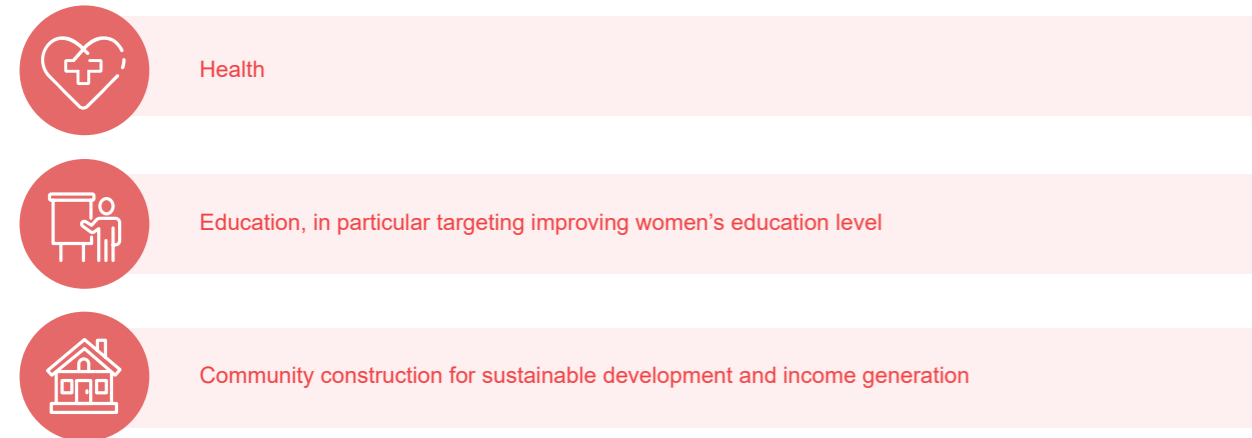
UEG actively invests in technology research and development, strives to build strategic scientific and technological knowledge, strengthens scientific and technological independent innovation, strives to achieve high-level scientific and technological development, and has established a Technical Support Center ("TSC").

TSC is a strategic and advisory institution of UEG. It conducts scientific research for oil and gas exploration, development and production, as well as providing technical support and service for the company. TSC has gathered many senior experts, experienced technicians, and energetic young scholars from the geology, geophysical prospecting, oil reservoir and well logging professions. Out of a total 54 professional staff, 93% are researchers in the young to mid age range, 30% are senior engineers or above, and 75% are individuals with PhD and MSc degrees.



## Social Welfare

UEG implements its CSR programs in the following three main areas, which has benefited more than 4 million people.



Each asset carries out its own community public welfare actions as follows.

### In Pakistan

UEP continues its commitment to contribute to the development and progress of local communities. UEP invests in CSR projects focusing on four key areas: healthcare, education, potable water and flood relief for local communities. All Exploration & Production companies in Pakistan are obligated to deposit Social Investment funds with the relevant District Governments. UEP not only fulfils this legal obligation but also earmarks a sizeable budget for discretionary CSR projects.

#### Healthcare

- Contributed essential equipment to the province's one of the kind Mother & Child Healthcare Research Center
- Sponsored 50 cancer patients taking cutting-edge cancer treatment-CyberKnife at Jinnah Post Medical Centre
- Sponsored 740 dialysis sessions from the concession districts through the Sindh Institute of Urology and Transplantation ("SIUT"). SIUT is regarded as one of the premier institutes in the region
- Renovated 8 Government dispensaries, 3 basic health units, a Dialysis Center and repaired a maternity home to make it functional in our concession districts

#### Education and Awareness Raise

- Constructed a secondary school in the district through our discretionary fund and partnered with The Citizens Foundation ("TCF")
- Repaired and renovated over 35 buildings of local Government Schools
- Constructed a public library in the Tando district Mohammad Khan's Government Law Collage
- Provided furniture and Solar Power setup at the Library at Government college Qazi Arif, in Taluka Mehrar of the Dadu district
- Building road safety awareness among communities where road safety is considered as one major risk through holding road safety awareness program and campaign for taxi drivers, school children, truck drivers, etc

#### Potable Water

- Successfully installed 15 solar powered Reverse Osmosis ("RO") plants to provide access to clean drinking water for the local communities

#### Flood Relief

- Three phases of UEP's flood relief drive were carried out from August to December 2022
- Distributed quilts, mosquito nets, tents, and food ration bags to the people affected by the floods



Provided access to clean drinking water to local communities

In 2022, we successfully installed 15 solar powered RO plants to provide access to clean drinking water for the local communities of the Badin, Sanghar, Tando Allayar, Jamshoro and Khairpur districts. Out of these, 5 RO plants were from the discretionary budget and 10 from the obligatory program.

In 2022, we successfully installed



15

solar powered Reverse Osmosis (RO) plants to provide access to clean drinking water



Solar Powered Reverse Osmosis Water Treatment Plants Installed for Local Communities



Flood risk control and update on flood relief drive

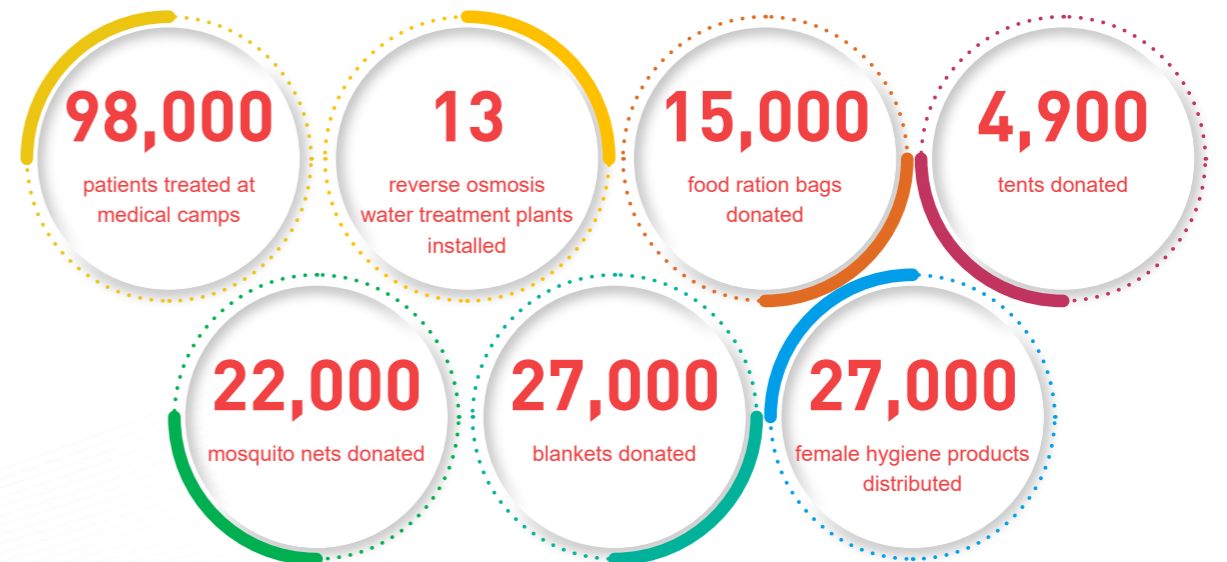
In 2022, Pakistan was hit by one of its worst flooding disasters, with one-third of the country underwater and over 1,700 people dead. After several weeks of flood, flood waters receded but stagnant water caused wide-spread water-borne diseases like dengue and malaria. The flood impacts were unprecedented in the history of Pakistan. The areas where UEP operates were one of the worst hit and so were UEP operations as well. Torrential rains and flash floods threatened our ability to supply much-needed energy to Pakistan at a time when the country was already facing an energy crisis. Several well locations were submerged, and roads leading to our sites were blocked in the unprecedented downpour.

Through continued support from the Group, the three phases of UEP's flood relief drive were carried out from August to December 2022, across our concession areas. While medical camps were established in areas around our facilities, our teams also distributed quilts, mosquito nets, tents, and food ration bags to the people affected by the floods. Approximately 190,000 people benefitted from these flood relief efforts.

During the reporting period, 523 trees were planted across UEP camps and facilities, with the aim of reducing flood risk and absorbing carbon. A tree planting drive is being planned for 2023 to increase tree coverage.



• UEP flood relief effort in numbers:



## In Block-9, Iraq

KEBL Block-9 Oil Field management considers CSR and social welfare (“SW”) activities as high priorities and aims to contribute to the development of the local communities and the Basra Governate. CSR (cost recoverable) projects aim for the development and construction of major projects in the local community and Basra City. SW (non-cost recoverable) activities focus on the communities’ immediate needs.

CSR projects and SW activities undertaken by Block-9 management cover a wide range of categories such as education, health, justice office, infrastructure and etc. The specific project information is shown in the following table.

### CSR projects:

Project Description	Location	Sector
Construction of Medical Centre & Equipment in Al Hartha	Al Hartha	Health
Construction of Medical Breathing Centre	Al Hartha	Health
Demolition and Construction of Al Zwain Health Center	Al Dier	Health
Restoration of Schools and Al Nashwa Water Network Implementation	Al Hartha, Al Dier and Al Nashwa	Education, Infrastructure
Restoration and Building of School Classrooms	Al Hartha	Education
Construction of Al Zuraiji Health Center	Al Zuraiji Area -Shat Al Arab District	Health
Construction of 18 Classrooms (3) Story School Building	Al Nashwa Area – Al Dier District	Education
Construction of General Roads in Al Nashwa	Al Nashwa Area – Al Dier District	Infrastructure
Construction of 18 Classrooms (3) Story School Building	Al Zuraiji Area -Shat Al Arab District	Education
Supply School Desks	Basra Governate	Education

### SW projects:

Project Description	Location	Sector
1,000 Ramadan Food Baskets	Al Hartha, Quamat Ali, Shat Alarab, Al Nashwa	Social Welfare
4 Caravans to Alahrar Primary Boys School	Basra City	Education
24 Batteries and 2 Chargers	Basra City	Justice office
Material Supply to Al aqmar Al muhamidiyah Kindergarten	Al Qurma	Education
Goods Supply to Al Mutanabi School	Basra City	Education
Supply of items/ goods to Al Deir and Shat Al Arab	Al Nashwa and Shat Al Arab	Infrastructure and Education

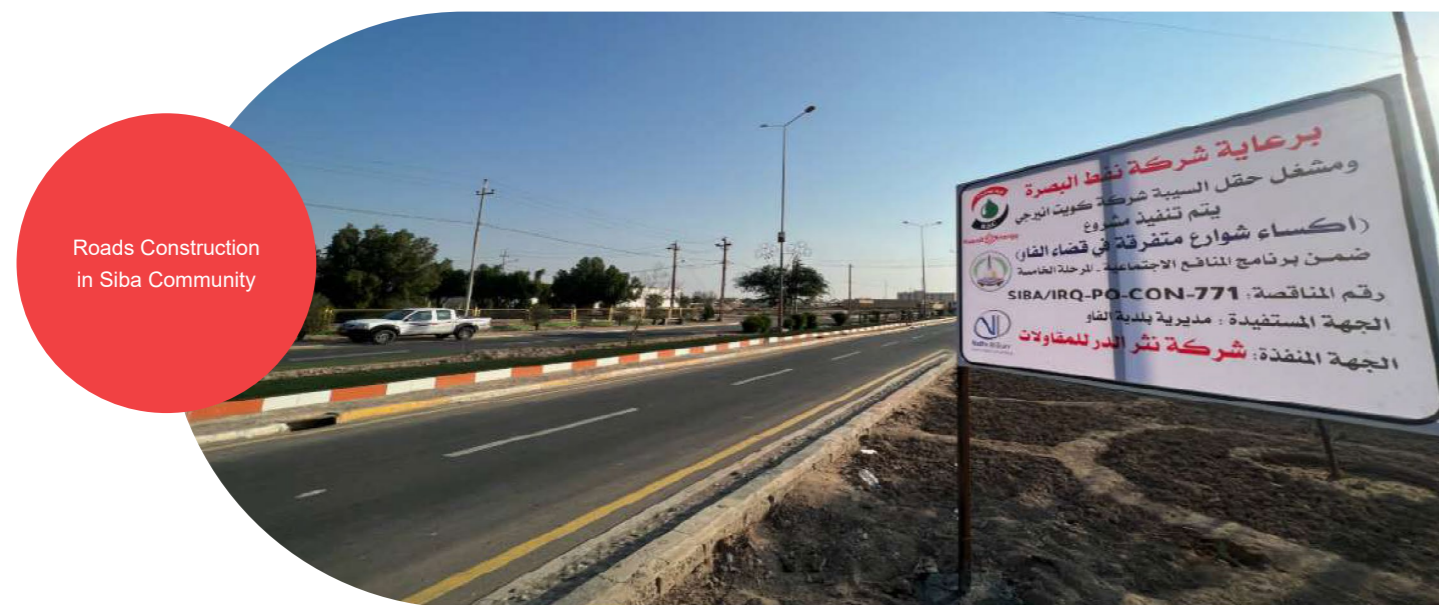


## In Siba, Iraq

CSR activity, as a cost recoverable infrastructure building and community welfare activity; SW activity, as a non-cost recoverable activity for the benefit of the local communities are one of the top of KEIL's Siba asset priorities. CSR is related to the obligatory funds of US\$ 5 million per year that KEIL and its paying partners utilizes to execute infrastructure projects as per the requirements of the three districts, Siba, Al Fao & Abu Khaseeb districts, around the Siba Gas Field. Community welfare activities are carried out to provide assistance to the poor and needy families of the communities in the three districts around the Siba Gas Field. The specific project information is shown in the following table.

### CSR projects:

Project Description	Location
Construction of Fully equipped Meeting Hall with Reception	Siba Community
Construction of Four mini stadiums (Team of 5 football players)	Siba Community
Construction of a stadium with artificial grass and Admin Building	Siba Community
Roads Construction (length 5.3 KM)	Siba Community
Asphalt Pavement of Miscellaneous Roadways	Al Faw Community
School Construction - 18 Classroom	Abu Alkhaseeb Community
Al Amal School fence rehabilitation	Abu Alkhaseeb Community
Hamdan Primary School (For girls) rehabilitation	Abu Alkhaseeb Community
Dates Marketing Project for Guidance / Education	Abu Alkhaseeb Community
Rehabilitation of Matlaa Alfajer Secondary School	Abu Alkhaseeb Community
Construction of a plant for producing garbage bags	Abu Alkhaseeb Community
Supply of 10,100 Trash bins (110 liter for houses and bigger ones of 1,100 liter)	Abu Alkhaseeb Community
Supply, installation and operating of X-ray machine (C-ARM)	Abu Alkhaseeb Community



Roads Construction in Siba Community

### SW Activities:

Project Description	Location
900 School bags with stationary provided to the children in the Siba community	Siba community
1,912 Ramadhan Food packages distributed to families in Siba, Al Faw and Abu Alkhaseeb	Siba, Al Faw and Abu Alkhaseeb community
1,000 Gifts for Children in Siba during the occasion of Gergean	Siba community
Support to Agriculture Department in Abu Khaseeb: Supply of furniture, electrical devices and electronics	Abu Khaseeb
Football Supplies to Siba District: benefited 288 Young players & 20 Coaches / Referees	Siba community
Rewards for outstanding students in Siba and Abu Alkhaseeb: benefited 40 students	Siba and Abu Alkhaseeb community
Siba Community Office Generator Maintenance	Siba community
Football Supplies to Al Faw Community: benefited 240 Young Player & 35 Coaches / Referees	Al Faw community
1,000 School bags with stationary provided to the children in the Al Faw community	Al Faw community
Supply of furniture, stationary, electrical devices and electronics	Siba and Abu Alkhaseeb community



### Rewards for outstanding students in Siba and Abu Alkhaseeb - benefited 40 students

Supporting education is always KEIL's first priority in terms of corporate social responsibility as part of its annual welfare program. Due to the fact that rewarding produces a sense of achievement among students, which creates a positive learning environment, increasing student motivation and well-being, KEIL has rewarded some students as nominated by Basrah Education Directorate of Siba and Abu Alkhaseeb communities. KEIL delivered 40 sets of smart electronic tablets to honor the students of Siba and Abu Alkhaseeb communities for their outstanding scores in school. These kinds of activities motivate students to achieve more and better results for the community.



## In Egypt

KEE is committed to make our operations create value and opportunity for local communities. KEE develops progress and supports sustainable development by considering and following the UN's SDGs in addition to Egypt's Vision of 2030. KEE is incorporating several UN's SDGs into business plans and strategies. We believe making a positive contribution to society and minimizing our impact on the environment is key to long-term profitable growth. Year-on-year, KEE continues to make progress every day towards becoming more sustainable. KEE invests in social welfare projects focusing on five key areas: education, environmental issues, health, poverty & disaster relief and women empowerment.

Below Table shows some of KEE's community activities in various fields.

Sector	Project
Education	<ul style="list-style-type: none"> <li>• KEE sponsored Oil and Gas Industry Conference "OGIC 6" for the sixth year in a row organized by the American Association of Petroleum Geologists, Suez University Student Chapter</li> <li>• KEE continued youth development &amp; empowerment through the sponsorship of ECHO 14 Magazine as a Diamond Sponsor</li> </ul>
Environmental Issues	<ul style="list-style-type: none"> <li>• Sponsored a Recycling Exhibition by SPE Suez which took place in the campus of Suez University</li> </ul>
Health	<ul style="list-style-type: none"> <li>• Comprehensive School medical drop-in center has been launched by KEE at Ras Gharib in March with an aim to presenting different services for Ras Gharib Students including free medical check on patients plus making different surgeries with free medication. A total of 2,161 school students have been served</li> </ul>
Poverty & Disaster Relief	<ul style="list-style-type: none"> <li>• KEE joined a collective initiative under the Egyptian Ministry of Petroleum &amp; Mineral Resources in partnership with Orman Association to build and construct 50 new houses at Khor Awada village in Aswan for 50 families that were homeless due to the unprecedented floods. The houses were provided with needed furniture and essential electric equipment. Each family has been provided a goat by a goat breeding project that is funded within the initiative to guarantee the sustainable income</li> </ul>
Women Empowerment	<ul style="list-style-type: none"> <li>• partnered with the American University in Cairo, School of Continuing Education, "AUC SCE" to launch the inaugural SHE CAN Business Scholarship with grants for women entrepreneurs</li> </ul>

### Case Sponsored the Recycling Exhibition

As a part of the Energy program, KEE sponsored the Recycling Exhibition organized by SPE Suez which took place in the faculty of petroleum & mining engineering, Suez University and covered sessions about recycling while exhibitors showcased their recycled items to attendees. The Recycling Exhibition is an event highlighting the importance of recycling.



### Case SHE CAN Business Scholarship with grants for women entrepreneurs

KEE partnered with the American University in Cairo, School of Continuing Education, "AUC SCE" to launch the inaugural SHE CAN Business Scholarship with grants for women entrepreneurs enabling them to acquire the essential knowledge and skills to successfully start-up and develop their own businesses.

SHE CAN Business Scholarship is fully funded for 3 months with 60 hours business scholarship for 50 Egyptian women participants, based in Egypt, aged between 25 to 40 and receives applications from women entrepreneurs providing them an intensive programme of microenterprise development training, mentoring, development support and business networking alongside in-depth coaching.





## Abbreviations

<b>BOC</b>	Basra Oil Company
<b>CMS</b>	Competency Management System
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent
<b>CPF</b>	Central Processing Facilities
<b>CSMS</b>	Contractors Safety Management Systems
<b>CSR</b>	Corporate Social Responsibility
<b>EIA</b>	Environmental Impact Assessment
<b>EPC</b>	Engineering Procurement Construction
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>GHG</b>	Greenhouse gas
<b>GW</b>	Gigawatt
<b>GWP</b>	Global Warming Potential
<b>HSSE</b>	Health, Safety, Security & Environment
<b>IDP</b>	Individual Development Plan
<b>IOGP</b>	The International Association of Oil & Gas Producers
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IPP</b>	Independent Power Producer
<b>KEBL</b>	Kuwait Energy Basra Limited
<b>KEE</b>	Kuwait Energy Egypt
<b>KEIL</b>	Kuwait Energy Iraq Limited
<b>LPG</b>	Liquefied petroleum gas
<b>LSR</b>	Life- Saving Rules
<b>M&amp;A</b>	Merger and Acquisitions
<b>mboe</b>	Thousand barrels of oil equivalent
<b>MENA</b>	Middle East & North Africa

<b>mm</b>	Millions
<b>MMscfd</b>	Million standard cubic feet of gas per day
<b>MoE</b>	Ministry of Environment
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt-hour
<b>NEBOSH</b>	National Examination Board in Occupational Safety and Health
<b>NOC</b>	No Objection Certificate
<b>NOx</b>	Nitrogen oxides
<b>PM</b>	Particulate matter
<b>RO</b>	Reverse Osmosis
<b>SDGs</b>	Sustainable Development Goals
<b>SIUT</b>	Sindh Institute of Urology and Transplantation
<b>SOx</b>	Sulphur oxides
<b>SPA</b>	Share Purchase Agreement
<b>SW</b>	Social Welfare
<b>TCF</b>	The Citizens Foundation
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>TSC</b>	Technical Support Center
<b>UAE</b>	United Arab Emirates
<b>UEG</b>	United Energy Group
<b>UEP</b>	United Energy Pakistan
<b>UN</b>	United Nations
<b>WMA</b>	Waste management area
<b>WSA</b>	Waste storage area

# Appendices

## List of major environmental laws, regulations and internal policies

Location	Title
<b>Pakistani laws and regulations</b>	1. Sindh Environment Protection Act, 2014 and regulations made thereunder
	2. Petroleum Act (1934)
	3. Petroleum Rules (1937)
	4. OGRA Ordinance (2002)
	5. Mineral and Industrial Gases Safety Rules (2010)
	6. Oil and Gas (Safety in Drilling and Production) Regulations (1974)
	7. Sindh Occupational Safety & Health Act (2017)
	8. Sindh Occupational Safety & Health Rules (2019)
	9. Sindh Terms of Employment (Standing Orders) Act 2015
<b>Iraqi laws and regulations</b>	1. Ministry of Environment Law No. 37 of 2008, Law No. 27 of 2009 for protection and improvement of environment and regulatory policies
	2. Environmental Instructions for the Industrial Projects
	3. Instruction No. (4) of 1989 Safety in Storing and Handling Chemical Materials
	4. The Professional Health Instructions to Protect Workers from Vibrations
	5. Instructions No (2) of 1984 (Chemical Carcinogens)
	6. The Hydrocarbon Preservation Law (No. 84 of 1985)
	7. Iraqi regulation for the preservation of water sources (act No. B (2)-2001 amendment)
	8. Instruction No7 for the year 1993 on the lighting in the work Environment
	9. Law No. (27) Of 2009 Protection and Improvement of the Environment
	10. Maximum Allowable Emission Limits of Air Pollutants Emitted from Stationary Sources
	11. Circular on target values and intervention values for soil remediation (from Dutch Ministry)
	12. Adopted of Ambient air quality standards (from US EPA)
	13. Specification of Sanitary Landfill of Wastes
	14. Iraqi Legislation No. (417)-2001 Standard Specification for Drinking water
	15. Iraqi on the Control of the Use of Radioactive Sources 2006 Number 1
	16. Public Health Law No.89 of 1981
	17. Labor Law No. 37 of 2015

Location	Title
<b>Egyptian laws and regulation</b>	<ol style="list-style-type: none"> <li>1. Regulatory policies enacted by Egyptian Environmental Affairs Agency ("EEAA"), for example, Law No. 4/1994 for protection of environment amended by Law 9/2009</li> <li>2. Egyptian Labor law (Occupational Health and Safety section 12/2003)</li> <li>3. Mineral Resources (145/2019)</li> </ol>
<b>UEP policies and regulation</b>	Environment management system certified with ISO 14001-2015
<b>KEBL policies and regulations</b>	<ol style="list-style-type: none"> <li>1. Waste Management Plan</li> <li>2. EIA Studies for seismic, construction and operation</li> <li>3. Spill response plan</li> </ol>
<b>KEIL policies and regulations</b>	<ol style="list-style-type: none"> <li>1. Waste Management Plan</li> <li>2. Environmental Policy</li> <li>3. EIA Study Procedure</li> <li>4. Spill Prevention &amp; Control Procedure</li> <li>5. Map of Hazardous Waste Container</li> <li>6. Sludge Management</li> <li>7. Environmental Drilling Requirements</li> <li>8. Environmental Breaches</li> </ol>
<b>KEE policies and regulations</b>	Environment management system certified with ISO 14001-2015

# HKEx ESG Reporting Guide Content Index

Aspects	General Disclosures and KPIs	Locations in the Report
<b>A1 Emissions</b>	General Disclosure relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	2.3 Emissions Management
	A1.1 The types of emissions and respective emissions data.	2.3 Emissions Management
	A1.2 Direct (Scope 1) and indirect energy (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Emissions Management
	A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Emissions Management
	A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Emissions Management
	A1.5 Description of emission target(s) set and steps taken to achieve them.	2.3 Emissions Management
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.3 Emissions Management
<b>A2 Use of Resource</b>	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Energy: 2.4 Energy Management Others: 2.5 Ecological Protection
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2.4 Energy Management
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.5 Ecological Protection
	A2.3 Description of energy use efficiency initiatives and target(s) and steps are taken to achieve them.	2.4 Energy Management
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.5 Ecological Protection
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Company's nature of business indicates that there are no packaging materials involved.

Aspects	General Disclosures and KPIs	Locations in the Report
<b>A3 The Environment and Natural Resources</b>	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.5 Ecological Protection
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.5 Ecological Protection
<b>A4 Climate Change</b>	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.1 Addressing Climate Change
	A 4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.1 Addressing Climate Change 2.2 Clean Energy Development
<b>B1 Employment</b>	General Disclosure relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	4.1 Employment Policies
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4.1 Employment Policies
	B1.2 Employee turnover rate by gender, age group and geographical region.	4.1 Employment Policies
<b>B2 Health and safety</b>	General Disclosure relating to providing a safe working environment and protecting employees from occupational hazards. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	3. Occupational Health and Safety
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.1 Occupational Health
	B2.2 Lost days due to work injury.	3.1 Occupational Health
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3. Occupational Health and Safety

Aspects	General Disclosures and KPIs	Locations in the Report
<b>B3 Development and Training</b>	General Disclosure Policies on improving knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	4.2 Training and Growth
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.2 Training and Growth
	B3.2 The average training hours completed per employee by gender and employee category.	4.2 Training and Growth
<b>B4 Labour Standards</b>	General Disclosure relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	4.1 Employment Policies
	B4.1 Description of measures to review employment practices to avoid the child and forced labour.	4.1 Employment Policies
	B4.2 Description of steps taken to eliminate such practices when discovered.	The Company has a low risk of child labour employment and forced labour. Therefore, there is no need to develop remedial measures in response to violations.
<b>B5 Supply Chain Management</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	5.1 Supply Chain Management
	B5.1 Number of suppliers by geographical region.	5.1 Supply Chain Management
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.1 Supply Chain Management
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1 Supply Chain Management
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1 Supply Chain Management

Aspects	General Disclosures and KPIs	Locations in the Report
<b>B6 Product Responsibility</b>	General Disclosure relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.2 Product Responsibility
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company's nature of business indicates that there is no recall for safety and health reasons.
	B6.2 Number of products and service related complaints received and how they are dealt with.	5.2 Product Responsibility
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	The Company's nature of business indicates that there is no intellectual property related contents
	B6.4 Description of quality assurance process and recall procedures.	5.2 Product Responsibility
B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	The Company's nature of business indicates that there is no consumer data related contents	
<b>B7 Anti-corruption</b>	General Disclosure relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	1.2 Business Ethics
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.2 Business Ethics
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Business Ethics
	B7.3 Description of anti-corruption training provided to directors and staff.	1.2 Business Ethics
<b>B8 Community Investment</b>	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.3 Social Welfare
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.3 Social Welfare
	B8.2 Resources contributed (e.g. money or time) to the focus areas.	5.3 Social Welfare



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