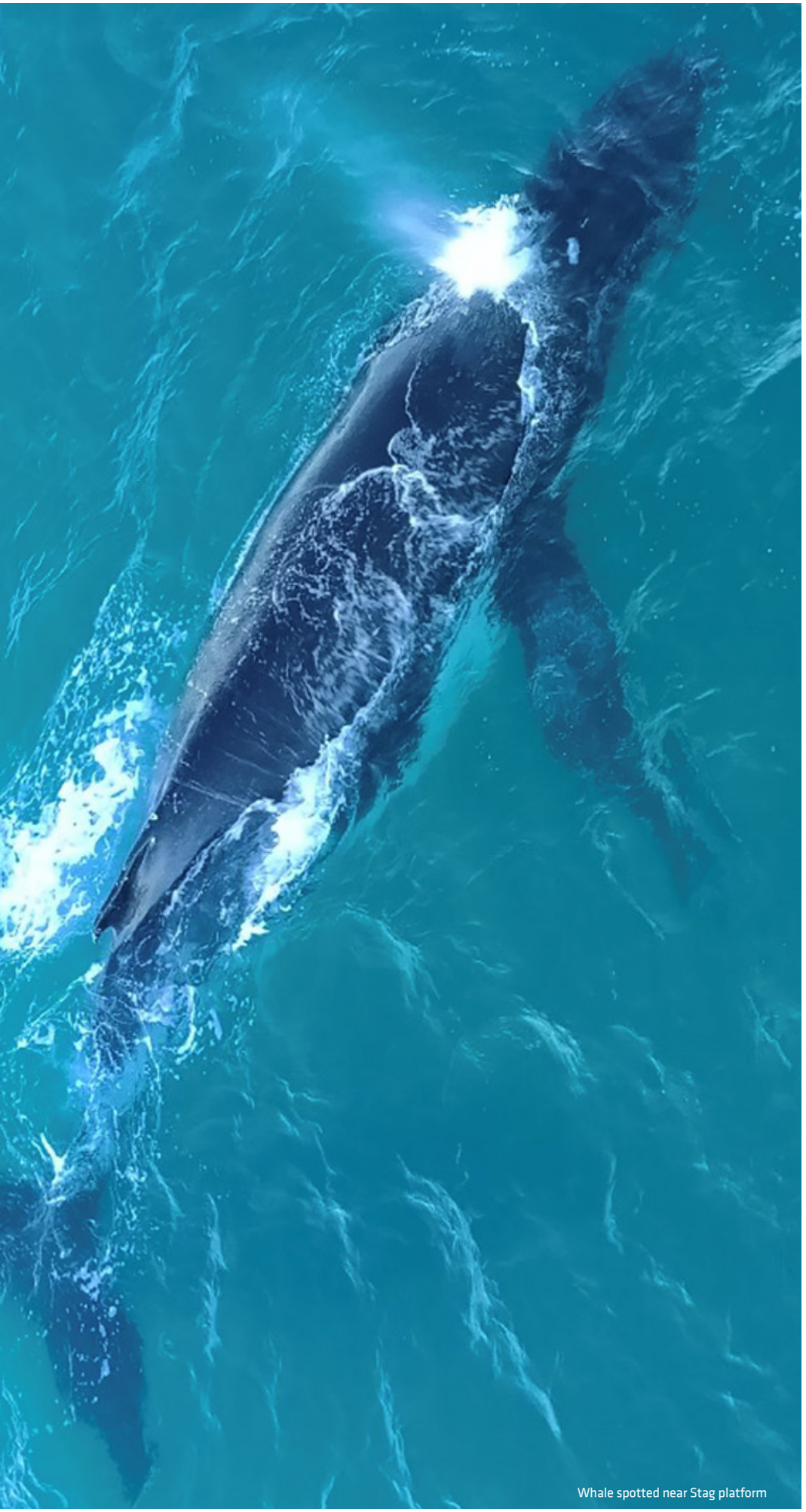
Sustainability Report



Whale spotted near Stag platform

Jadestone - providing energy in the most efficient and sustainable way.

Paul Blakeley – on Montara

A message from the CEO

Welcome to the Jadestone Sustainability Report 2019

Ensuring the sustainability of our business is not just about what we do, but how we do it.

I am pleased to present Jadestone Energy's Sustainability Report for 2019.

At Jadestone Energy we have continued to expand our presence as a leading independent upstream oil and gas company in Asia Pacific, whilst being respected as an operator and employer of choice.

We understand that our operations affect people and nearby communities, and we will always strive to find ways to provide benefit for our stakeholders and everyone associated with our activities. We also know there are impacts on both the local and global environment, and we are working to minimise these through reductions in emissions, waste and discharges, and recycling wherever possible. To achieve such an outcome, we are committed to assessing all the associated impacts of our operations to eliminate potentially harmful outcomes and to contribute to a more sustainable future.

We have mapped our activities against our Environmental, Social and Governance ("ESG") framework, and I am excited to be publishing our first Sustainability Report, which sets out our approach, and establishes some key objectives to drive continuous improvement in our business.

Our strategy is to work only within existing hydrocarbon provinces where infrastructure is already present, and to maximise the recovery from existing producing fields, as well as to develop discovered hydrocarbons that may otherwise be left stranded or uneconomic in the hands of other operators.

Our contribution towards a sustainable world is to ensure the most efficient use of existing facilities and infrastructure, and that reservoirs are more fully depleted than the original owners and stakeholders had envisaged. The greatest possible benefits for everyone can only be achieved when we deliver results that exceed previous expectations. Such an approach requires the highest standards in safety, integrity and environmental performance and we constantly strive to deliver this.

We believe that maximising the value of our assets is a key factor towards a more sustainable world and why sustainability is identified as one of Jadestone Energy's core values. This report provides us with the opportunity to be transparent with all our stakeholders and to describe the work being undertaken at Jadestone to improve how we manage our ESG responsibilities. The report also includes strategic goals to further improve our ESG performance. These goals form the basis of our ESG Key Performance Indicators ("KPI's") that will be measured and managed alongside our operational and financial KPIs and, in the spirit of continuous improvement, will be expanded and improved upon in the future.

Paul Blakeley
Executive Director, President and Chief Executive Officer

Những Ước Mơ Xanh ('Green Dreams') Organisation

Who We Are

Creating Value

Jadestone Energy Inc. (AIM:JSE) ("Jadestone" or the "Company") is an independent oil and gas company listed on the London Alternative Investment Market ("AIM"). Jadestone's business model focuses on acquiring mid-life producing assets and stranded discoveries in the Asia Pacific region and through significant additional capital investment, maximise reserves recovery and improve operating performance, thereby extending field life beyond any previous expectations and creating significant shareholder value.

Where Do We Operate?

Jadestone is focused solely on the Asia Pacific region, headquartered in Singapore, its principal technical team in Kuala Lumpur and country operations based in Perth, Jakarta, Ho Chi Minh City and most recently in New Plymouth. The Company's asset portfolio includes the 100%-owned producing Montara project, offshore Australia / Timor Sea; the 100%-owned producing Stag oilfield, offshore Australia / North-West Shelf; and a 100% interest in the pre-development Nam Du and U Minh gas fields offshore southern Vietnam. Jadestone is also expanding its footprint into New Zealand following the signing of the Sale and Purchase Agreement with OMV in November 2019 to acquire an operated 69% interest in the Maari and Manaia producing fields, offshore New Zealand.

Jadestone ESG at a Glance

We aim to do it right first time, look for innovative ways to deliver exceptional value, while protecting the people and environments in which we operate. Jadestone strives for excellence, with a target of zero incidents, accidents and impact where possible.

0
No harm to environment and zero 'reportable' incidents
ENVIRONMENTAL MANAGEMENT

0
No uncontrolled hydrocarbon releases to the environment
EMISSIONS AND DISCHARGES

10% reduction target set
Reducing our energy and GHG emissions
GHG

0
A zero lost time injury frequency rate
OH&S

25%
Females in leadership positions
WORKFORCE

10% increased investment target set
Engaged and consulted stakeholders
STAKEHOLDER MANAGEMENT

Almost US$ **177** million in operating cashflow before working capital changes
ECONOMIC PERFORMANCE

Top Quartile Governance Standards
Performance based leadership
LEADERSHIP AND GOVERNANCE

0
Zero regulatory enforcements
REGULATORY MANANAGMENT

0
Zero critical risk incidents
CRITICAL INCIDENT RISK MANAGEMENT

0
Zero tier 1 asset integrity or process safety incidents
ASSET INTEGRITY AND PROCESS SAFETY

0
Zero incidents of non-compliance
BUSINESS ETHICS AND TRANSPARENCY

Gordon Lattimer a production technician on Montara asset

Sustainability at Jadestone

Jadestone manages its business in line with it's core values, which helps to ensure the business operates in a safe, secure, environmental and socially responsible way. The foundations of people, partnership, operational excellence and efficiency, underpin Jadestone Energy's operations and align closely with the ESG Framework.

Jadestone's system of Company-wide standards, procedures and guidelines, ensures that the risks associated with environmental and social aspects of its operations are managed comprehensively. Through integrated planning and decision-making, Jadestone identifies and prioritises sustainability risks, develops mitigation plans, tracks performance against goals, and adjusts plans as conditions evolve. Depending on the nature of the risks, these are either managed by local business units or at the corporate level.

The business has clear and effective governance structures in place that are supported by policies, standards, procedures and guidelines.

These include:

- HSE Policy;
- Code of Conduct Policy;
- Anti-Bribery and Anti-Corruption Policy;
- Insider Trading Policy;
- Gender and Workplace Diversity Policy; and
- Sustainability Policy.

Ensuring the sustainability of our business is not just about what we do, but how we do it.

Environmental

- ✓ Excellence in environmental management
- ✓ Reducing our energy and greenhouse gas ("GHG") emissions
- ✓ Providing energy to meet global demand in the most efficient & sustainable way
- ✓ Maximising use of existing infrastructure to reduce industry footprint
- ✓ Continuous improvement in ESG performance

Social and Human Capital

- ✓ Exceptional occupational health and safety culture
- ✓ Promoting workplace diversity
- ✓ Engaged, supported and diverse workforce
- ✓ Improving our understanding of our impact on communities
- ✓ Growing engagement and investment in our communities
- ✓ Local recruitment, including graduates and intern programmes

Governance and Leadership

- ✓ Demonstrating strong leadership and strengthened governance
- ✓ Prioritising asset integrity and process safety
- ✓ Critical incident risk management in place and tested
- ✓ Exceptional regulatory management
- ✓ Excellence in business ethics and transparency
- ✓ Economic contribution to country economies

Teo Chun Tat and Yeoh Xiao Qi, subsurface team in Kuala Lumpur

Frameworks and Standards

This Sustainability Report presents Jadestone's sustainability performance for the year ending December 31, 2019. It describes how the business performed, the value it created and plans for the future. The Sustainability Report focuses on what matters most to Jadestone Energy stakeholders and the business (see Material Matters).

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option. Guidance prepared by IPIECA (the global oil and gas industry association for environmental and social issues) was also consulted, and the report is aligned to recommendations made by the Task Force on Climate-related Financial Disclosures ("TCFD"), and the Equator Principles ("EP").

The UN Sustainable Development Goals (SDGs)

Jadestone believes it can play a meaningful role in helping to address the UN SDG. Its activities were scored against the SDG's as part of the material mapping process, to measure its contribution to them.

Task Force on Climate-Related Financial Disclosures

Over the past year, Jadestone has taken significant steps to develop its disclosures on climate-related business risk to align with the TCFD.

Equator Principles

The EPs provide a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence and monitoring to support responsible risk decision-making. This report aligns with the principles.

Memberships and Ratings

- Platinum Sponsor Member of the Energy Club NT;
- Australian Petroleum Production & Exploration Association; and
- Indonesian Petroleum Association.

Reporting Boundaries

Defining boundaries for sustainability reporting can be challenging due to complex and sometimes changing ownership structures and operational arrangements. Jadestone is committed to being transparent about sustainability reporting boundaries and the effect of any changes in future reporting years.

Reporting boundaries for this report included all Company assets and offices. Where there was not appropriate data available for both the 2018 and 2019 calender year for an asset or office location, this was omitted from the disclosure. As a result, the Stag asset and office in Australia was a focus for many of the environmental disclosures. However, corporate governance and social capital disclosures are reported for the other offices in Asia Pacific. The available data against each disclosure and those omitted are summarised in the table on page 42. Jadestone is committed to collecting more data against the disclosures from across the Jadestone portfolio for future Sustainability Reports.

United Nations Sustainable Development Goals

Những Ước Mơ Xanh ('Green Dreams') Organisation

Material Matters

Jadestone conducted a mapping exercise to identify topics that were of most significance to Jadestone's business and stakeholders, referred to as material matters. The outputs (material matters) from the mapping exercise were used to inform this report and were selected as GRI disclosures and are illustrated below. Jadestone recognises the topics 'of most importance' to stakeholders also demand respect and attention and are referenced and disclosed in this report where data is available.

Materiality Map

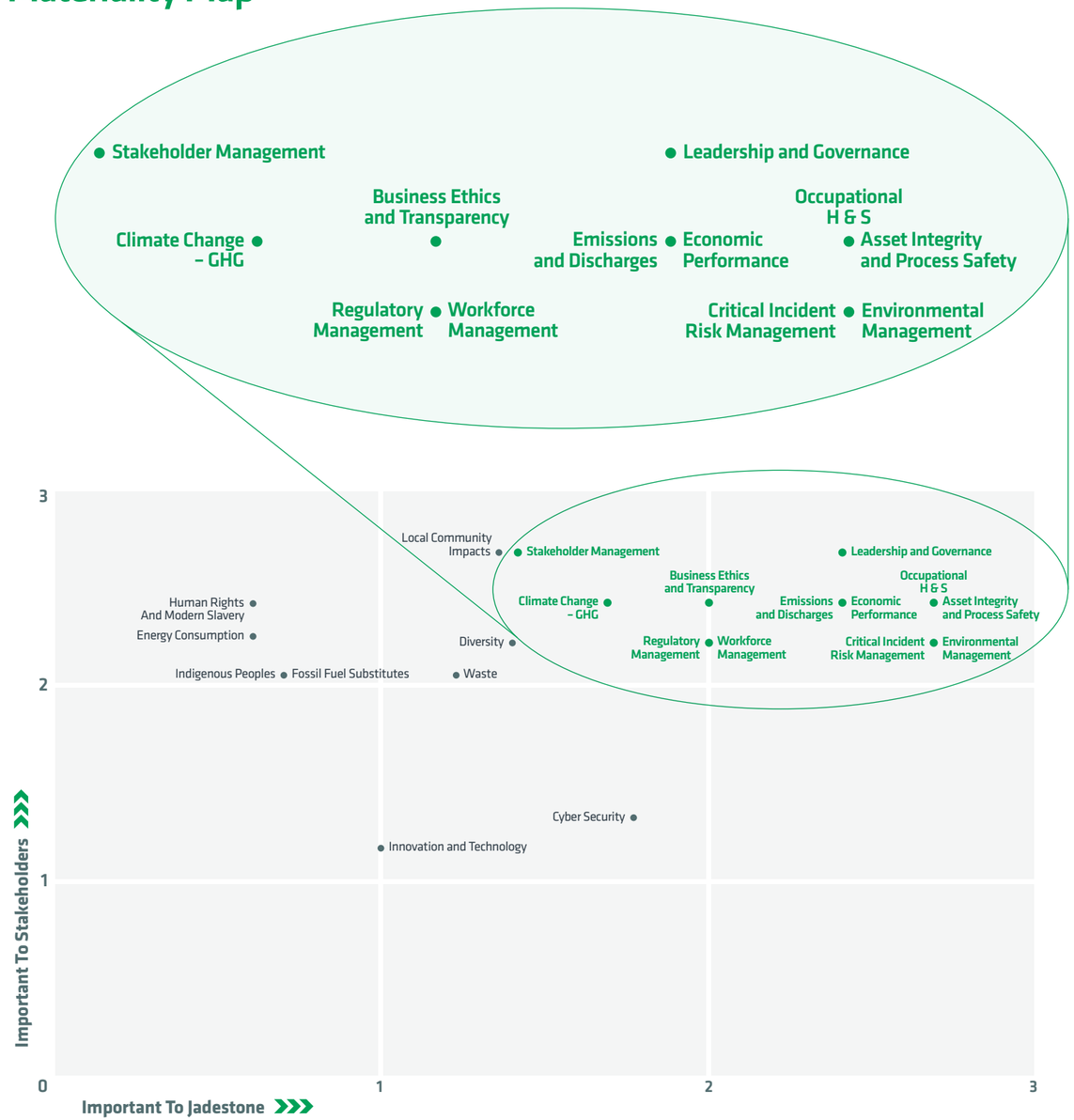


Figure 2: Jadestone's Materiality Map

E.1 | Environmental Management

Jadestone recognises that its development and production activities, including operations at all its facilities, offshore installations, offices and warehouses, have the potential to impact the environment. As a result, environmental management is central to everything within the business. As an operator of oil and gas assets, Jadestone is well aware of its environmental and safety commitments and stewardship responsibilities. This focuses on prevention of spills and discharges, but equally to having effective and reliable emergency response and preparedness systems, including hydrocarbon spill response capability, should it be required.

Jadestone HSE Policy

Jadestone's philosophy is to ensure that health, safety and environmental protection is intrinsic to, and within, our operating activities. The business focusses on those things that deliver top performance and value optimisation while eliminating waste. A focus on HSE performance provides a safe and rewarding work environment for Jadestone employees, and the achievement of sustainable business activities in the local and global communities where they work.

Within the HSE Policy, Jadestone has committed to:

- Promote a strong HSE culture through visible leadership and an engaged, competent workforce aligned with Jadestone's shared values;
- Assess all risks and manage them to as low as reasonably practicable;
- Maintain an ever-improving HSE management system through setting and monitoring performance targets to achieve our aims within a framework of continuous improvement;
- Take all necessary actions to prevent incidents, with an aspiration of targeting zero. Investigate and apply learnings;
- Encourage and promote the ownership of HSE performance by all employees and contractors;
- Ensure all contractor companies working with us have a management system that either equals or exceeds Jadestone's own management system;
- Manage and maintain plant, equipment and machinery to achieve required performance, safety and integrity;
- Openly monitor, evaluate and report HSE performance, and communicate to all relevant stakeholders; and
- Comply with all regulatory requirements as an absolute minimum.

In addition to the overarching Group HSE Policy, the Company has strong local HSE management processes in place wherever the Company operates, in order to understand and manage potential impacts to the environment and local biodiversity, as well as potential cumulative effects through the life cycle of all its assets. The business aims to make the most efficient use of existing facilities, and is also committed to the removal of equipment when production ceases. Robust impact assessment and risk management (which considers the application of the precautionary principle in the event of uncertainty), is a key element to Jadestone's approach, regardless of region or the regulatory regime. Jadestone uses its operational experience to continually improve health, safety and environmental performance.

As a responsible oil and gas operator, Jadestone's environmental management approach includes effective and reliable emergency response and preparedness systems, including hydrocarbon spill response capability (See G.3).

Whale shark spotted by the Nam Du survey vessel

Environmental / HSE Regulatory Management

All regulatory approvals within the jurisdictions where the Company operates have been prepared, obtained, and upheld within the scope of the relevant country legislation (currently Australia and Vietnam). This includes Environmental Impact Statements, Environment Plans, Oil Pollution Emergency Plans and Safety Cases.

In Australia: Annual environmental performance reporting to the regulator is also completed to demonstrate compliance with commitments made in the Company's regulatory approvals documents.

Jadestone has had zero 'reportable*' environmental incidents (hydrocarbon and non-hydrocarbon spills) for the Stag Facility for 2019.

* 'Reportable' meaning no breach of the Environmental Performance Outcomes (or greater than 80 Litres).

In Vietnam: An offshore environmental baseline survey and Environmental Impact Assessment was completed for the Nam Du / U Minh field development, and was approved by the Vietnamese Ministry of Natural Resources and the Environment on December 2, 2019.

This included:

- A social and economic survey;
- Communication with local authority and sensitive areas management teams;
- A forward plan for Environmental and Social Impact Assessment activities to meet regulatory and stakeholder requirements; and
- Compliance with the Equator Principles.

2020 ESG Strategic Corporate Goal

- **Exceptional regulatory management**
  - Target Zero regulatory enforcement notices and zero fines for regulatory breaches

E.2 | Climate Change, Energy and Emissions

Jadestone understands that climate change may affect its stakeholders, its operations and the broader economy, environment and communities in which it operates. As society responds and transitions to a low-carbon economy, the leadership team maintains that Jadestone's contribution towards a more sustainable future is to ensure the most efficient use of existing facilities, while also meeting the ongoing need for energy.

Jadestone's Vietnam Nam Du and U Minh gas field development will also provide natural gas into the growing Vietnamese economy. Natural gas, as a replacement for coal in electricity generation, is a critical part of a credible low-carbon strategy. These two fields have the lowest concentrations of CO_2 of all the discovered resource in the immediate area.

There are many uncertainties in energy transition, including the pace of the transition. New technologies, stricter climate change policies and new entrants and technologies may disrupt the energy industry.

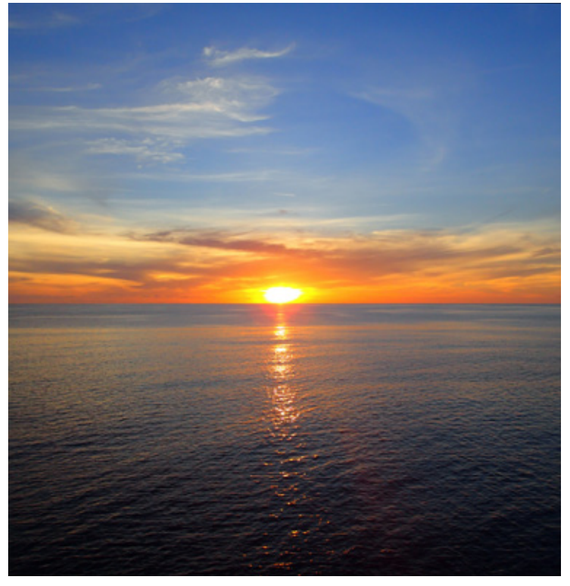
Jadestone believes that nothing prepares the business better for uncertainty than agility and innovation, allowing Jadestone to adapt to a changing energy world.

Case Study – Australia

Each year Jadestone Australia is required to report GHG emissions for its Australian assets under the National Greenhouse and Energy Reporting. Figure E.1 shows the Scope 1 and 2 emissions for the Stag Facility for 2018 and 2019 [1,2]. The emissions at Stag are significantly below the 100,000 tonnes of CO_2 level set by the Clean Energy Regulator. Additional assets (e.g. Montara) will be reported in subsequent reports when the Company has two years of data under its operatorship.

[1] Data collected for Stag facility NGERS reporting 1 July to 30 June
[2] No Scope 2 emissions

Sunrise – Montara



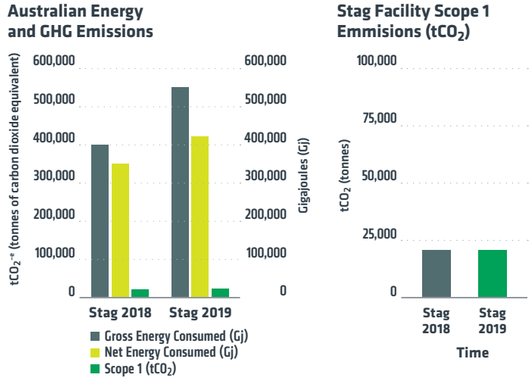


Figure E.1 Australian Stag facility energy consumption and GHG emissions

The identification and development of programmes and projects to reduce flaring and /or other emissions, such as those caused by burning fuel gas, remains a priority for Jadestone. These are all being investigated through the formation of a Climate Change Working Group and an Emissions Reduction Road Map.

Figure E.2 illustrates Scope 1 emissions as well as energy consumption from the Jadestone Energy Australia office between 2018 and 2019[2]. The Perth office was relocated during the reporting time and represents the time period of June 2018 to December 2019. Jadestone continues to introduce energy efficiency initiatives, aimed to reduce energy consumption within the office.

Jadestone Perth Office Energy and GHG Emissions

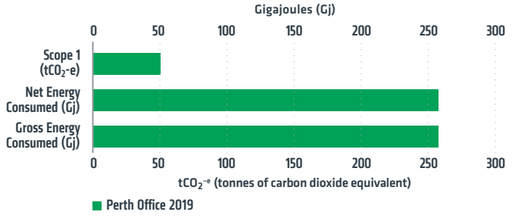


Figure E.2: Australian Perth office energy consumption and GHG emissions

Task Force Climate Disclosure

In 2019, Jadestone took significant further steps to develop disclosures on climate-related business risk to align with the TCFD. The implementation of the Climate Change Working Group will also ensure climate considerations are embedded in Company strategy, decision-making, incentives and reporting.

2020 ESG Strategic Corporate Goal

- **Reducing our energy and GHG emissions**
  - Reduce gas flaring at Montara (GHG emissions) by 10% and reduce diesel usage at Montara by 10%

E.3 | Emissions and Discharges

Every environment has a unique combination of habitats, plant and animal species. A key challenge for Jadestone in managing the potential impact on the marine environment from its offshore facilities, concerns the treatment and discharge of operational waste streams, for example, produced water. Jadestone recognises the importance of appropriate utilisation or disposal of discharges.

Jadestone's main objective for responsible management of produced water is to reduce the oil in water content to as low as reasonably practicable. This is achieved through best practice topside management, which contributes to an overarching adaptive management framework. Changes to the chemical injection regime and full usage of the in-situ slops tanks on the Stag facility have achieved improvements in oil in water concentrations in produced water from near 15mg/L at the beginning of 2019, reducing to around 5mg/L on average. Jadestone ensures that any area of impact from produced water discharge does not compromise management objectives within the relevant Environment Plan for the facility.

The environmental performance outcome for Stag produced water discharges is to achieve the national marine water quality guidelines for protection of 99% of species and the sediment quality ISQG-low values, as defined by ANZECC/ ARMCANZ (2000) at the boundary of the area of impact.

Other routine operational discharges may also cause a localised reduction in water quality, such as a temporary increase in nutrient concentrations, temperature and salinity. Jadestone minimises potential impact due to operational discharges through the efficient use of more environmentally friendly chemicals wherever practicable.

Air Emissions

Jadestone implements management measures including scheduled maintenance of equipment and availability of critical equipment spares, to keep air pollutant emissions from Jadestone operations as low and clean as possible. Programmes and projects to reduce air emissions, such as those caused by burning fuel gas, are regularly assessed for effectiveness and to look for improvements. Jadestone reports to the National Pollution Inventory, the levels of nitrogen oxides ("NOx"), sulphur oxides ("SOx") and Volatile Organic Compounds ("VOC") are all relatively low for the Stag facility (Figure E.3).

Air Emissions for Stag Facility 2018-2019

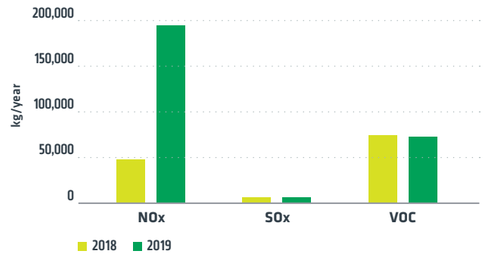


Figure E.3[1] Air emissions for Stag Facility

[1] Data collected for National Pollution Inventory data July 1 to June 30

In 2019 a new well was drilled at Stag for the first time in six years. Recorded NOx levels grew in 2019, relative to 2018, due to the associated gas from the 49H infill well first produced in May 2019, and which targeted a different part of the reservoir. All associated gas is flared at the Stag facility. The associated gas from the new well has returned to previous levels.

2020 ESG Strategic Corporate Goal

- **Excellence in environmental management**
  - Ensure zero Loss of Primary Containment (Tier 1)
  - Improve overall oil-in-water discharge performance at both facilities by 10% < 30mg/l

Health, Safety & Environment Policy

Respect | **Integrity** | **Safety** | **Results-Orientated** | **Sustainability** | **Passion**

Vision

At Jadestone, HSE performance is central to everything we do. Our vision is to ensure that health, safety and environmental performance is intrinsic to our business activities. We focus on those things that deliver top performance while eliminating waste. Together with our Shared Values, a focus on HSE performance provides a safe and rewarding work environment for our people, and achievement of sustainable business activities in our local and global communities.

Responsibility

Everyone who is engaged to work for Jadestone shall be familiar with this policy and its contents.

Everyone must take responsibility for ensuring their own safety, the safety of those around them, and the protection of the environment, by following Jadestone's policies and procedures. That includes taking all necessary precautions and immediately acting upon and reporting any HSE concerns they may have.

Everyone has the right to stop the job and a responsibility to intervene in work or colleague's activities if they feel there is a risk to themselves, their workmates and to the environment.

Execution

To achieve this Jadestone shall:

- Promote a strong HSE culture through visible leadership and an engaged, competent workforce aligned with Jadestone Shared Values;
- Assess all risks and manage them to as low as reasonably practical;
- Maintain an ever-improving HSE management system through setting and monitoring performance targets to achieve our aims;
- Take all necessary actions to prevent incidents, with an aspiration of targeting zero. Investigate and apply learnings;
- Encourage and promote the ownership of HSE performance by all employees and contractors;
- Ensure all contractor companies working with Jadestone have a management system that either equals or exceeds the Company's own management system;
- Manage and maintain plant, equipment and machinery to achieve required performance, safety and integrity;
- Openly monitor, evaluate and report HSE performance, and communicate to all relevant stakeholders; and
- Comply with all regulatory requirements as a minimum.

Figure E.4 Jadestone Energy's HSE Framework

Montara Sunrise

S.1 | Occupational Health and Safety

Health and safety performance is a central focus at Jadestone. The business objective is to provide a safe and rewarding work environment for Jadestone people, and to maintain an exceptional health and safety performance wherever the Company operates.

Case Study – Australian Stag Asset

In Australia, Jadestone's Safety Management System is integrated within the Company's Business Management System, which describes the systems, standards, procedures and behaviours necessary to achieve the desired HSE performance and outcomes. An HSE Committee, which includes representatives from the onshore support office, the offshore workforce and senior management, meets quarterly to review whether standards are being met and to identify opportunities for improvement.

To manage risks and hazards associated with work on the facilities, Jadestone employs an Integrated Safe System of Work ("ISSOW"), which provides a framework through which all work can be safely and uniformly managed. ISSOW achieves this by controlling approval authorities and ensuring oversight of a Permit to Work process, supporting communication between management, team leaders, technicians and work parties, and providing the tools, processes and hardware that allow facilities to perform work safely and efficiently. In addition, ISSOW provides for isolations management, overrides, permitted operations and stand-alone risk assessment process.

All incidents and observations are recorded in an electronic incident management and hazard reporting tool. Investigations and actions that arise from reported events are assigned and tracked. HSE KPIs are set for each facility and reviewed by management on a monthly basis. Records are maintained in the Company's Computerised Maintenance Management System and performance is displayed on each facility notice board for the workforce.

Jadestone approaches safety proactively. In Australia, all personnel visiting site complete Jadestone's formal on-line HSE induction training. Employees and Contractors must also attend a site-specific induction upon arrival offshore and undergo formal helicopter and sea survival training.

Some key achievements for HSE in Australia 2019 included:

- Health, Safety and Environmental performance was managed and measured on a daily basis;
- Revision of the HSE Policy;
- "Safety Mate" - The behavioural based HSE programme;
- The introduction of the HSE Committee;
- The establishment of a comprehensive Competency and Learning Management System; and
- The establishment of an Injury Management database for management of injuries.

Through implementing these measures Jadestone was able to achieve a total recordable incident injury frequency rate of zero incidents per million manhours worked for the Stag facility, compared to the APPEA industry average Total Recordable Injury Frequency Rate of approximately 3.4 incidents per million manhours worked.

The Total Recordable Injury Frequency Rate on Jadestone Stag facility for 2018 and 2019 was zero.

2020 ESG Strategic Corporate Goal

- **Exceptional occupational health and safety culture**
  - Target Zero Recordable Incidents, with continuous improvement year on year (<2)
  - Reduce Medical Treatment Cases by 10% through leadership and culture
  - Provide full time medic to indigenous communities at Truscott during during the COVID-19 pandemic

Wayne Roff, Shay Leahy, Nathan Lee on the Fast Rescue Craft at Montara asset

Offshore crew at Stag, celebrating 7 years without Lost time Injury on Stag

S.2 | Our Stakeholders

Jadestone's overarching business strategy and contribution towards a sustainable world is to ensure the most efficient use of existing facilities to derive the greatest possible benefits for all stakeholders. Jadestone openly communicates with people and organisations which may be affected by business activities. Going beyond the legislated requirements to engage, Jadestone seeks to develop close and long-lasting relationships with its stakeholders and encourages ongoing dialogue.

The Jadestone *Stakeholder Consultation Guideline* describes how Jadestone identifies, maps and engages, depending on the nature of the activity, interest and influence of stakeholders. Jadestone re-maps key stakeholders each time an activity is initiated, or when new issues arise. Over the past year Jadestone has engaged with key stakeholders in a number of ways.

In the material mapping process (described on pg 29) Jadestone has considered the reasonable expectations and interests of stakeholders including employees, shareholders, community and other groups including non-governmental organisations. Jadestone identified its sustainability priorities, to inform the material mapping for this report, through engaging with key internal and external stakeholders. Stakeholder inclusiveness is addressed for Jadestone by collecting information from:

- Targeted consultations with key stakeholders, as part of the regulatory process;
- Annual General Meetings;
- Investor Relations feedback;
- Media; and
- Human Resources.

The Company maintains a constant and active dialogue with its investors and with AIM, a sub-market of the London Stock Exchange. Investor dialogue is facilitated via regular one-on-one investor roadshows and group events, regular published webcasts covering financial results or major corporate events, and an annual capital market review involving a deeper dive on the business and the forward 12 month outlook, as well as ongoing communications with AIM, with our Nominated Advisor (NOMAD), and other ad hoc communications.

Sapura Constructor offshore support vessel at Montara wellhead platform

Jadestone's key social achievements in Asia Pacific for 2019 included:

- Developing a 'Partnerships for Future' programme to strengthen the strategic approach to stakeholder engagement and management across Asia Pacific;
- Material Mapping completed to understand important ESG metrics to the business and stakeholders;
- A social and economic survey conducted in Vietnam to assess the impact on local communities and economies; and
- An independent third-party assessment undertaken for Vietnam to check project compliance with the Equator Principles (page 30).

2020 ESG Strategic Corporate Goal

- **Improving our understanding of our impact on communities**
- **Growing engagement and investment in our communities**
  - Build open relationships with key local stakeholders and communities
  - Develop increasing effort and investment into local social support. Target 10% increase y-on-y
  - Develop a local stakeholder consultation strategy

OUR STAKEHOLDERS	HOW WE ENGAGE
Employees	Presentations, internal news updates, monthly 'connect' meetings, townhalls
Communities	Regular meetings, website, support through community programmes and events, consultation prior to activities
Contractors and suppliers	Regular meetings
Regulators	Regular meetings, representation on industry associations, site visits, ongoing information sharing
Shareholders and investment community	Annual General Meeting, investment conferences, roadshows, webcasts and conference calls, website and social media, direct correspondence and investor presentations
Non-government organisations	Website, representations through industry associations
Media	Website, media releases, contact through dedicated media liaison function
Industry peers	Industry conferences and presentations, representation on industry associations

Community Projects

Partnering With Local NGO In Vietnam To Support Communities

Jadestone Vietnam supported the Những Ước Mơ Xanh ('Green Dreams') Organisation (NUMX) during their mid-Autumn festival celebration programme in 2019. With Jadestone's support, NUMX were able to increase participation from 150 to 400 children from Vinh Hai 1 elementary school in Vinh Chau township, Soc Trang province. Vinh Chau is in one of the poorest areas of the country, where the majority of the local population belong to the minority Khmer ethnic group and is a centre of shallot production. Local farmers suffer from high rates of blindness and other eye diseases caused by shallot farming practices. Jadestone employees supported NUMX to deliver milk and food to the school as well as gifts of lanterns for the children to celebrate the mid-Autumn festival.

Cash for Containers

The Montara facility has been involved in 'Cash for Containers' since 2015. Personnel collect all 600ml water bottles, aluminium cans and soft drink bottles used on the facility. The bottles are donated to the Down Syndrome Association of Northern Territory (Australia) ("DSA-NT"). The DSA-NT workers remove and count the lids and receive Cash for Containers donations equating to about $6,000 a year.

The DSA-NT Cash for Containers programme is a social enterprise which offers employment opportunities for young people with disabilities. The NT Government scheme of paying 10c per unit for recycling containers has created an opportunity to raise funds and awareness. The programme provides casual employment for 12 people.

Supporting Indigenous Communities

Jadestone Australia is currently supporting local indigenous and non-indigenous communities in Darwin, through donations and redundant equipment provided from the warehouse and supply chain group.

Plastic Free July

The grass roots commitment to improving sustainability within Jadestone was demonstrated by employees across Jadestone offices during a 'Plastic Free July' month. There were initiatives developed in all country offices and facilities to reduce waste (especially plastic). This included:

- Discontinued usage of plastic plates, cutlery, and single use bottles, for any catered meetings or events;
- Education and awareness events led by employees;
- Improved recycling within offices; and
- Jadestone keep-cups (travel cups) and canvas shopping bags were provided to employees to reduce personal single use plastic and coffee cups to landfill.

Perth office increased its volume of recycled waste by >30% and reduced landfill by 50%.

These changes were embraced by employees with great success and enthusiasm and have continued throughout the year.

Top photo – School children in Vinh Hai 1 Elementary school in Vinh Chau, Soc Trang province
Bottom photo – Cash for Containers – Darwin Team

Plastic Free July Initiative – Vietnam team

S.3 | Workforce Management

Jadestone offers an innovative and dynamic working environment to its employees. Jadestone looks for individuals who are motivated to challenge the status quo and collaborate to achieve outstanding results. By extending the life of the assets the business acquires, Jadestone also extends the work opportunities for those employed there.

The Jadestone business strategy recognises that developing employees is a key to its ongoing success. Employees are encouraged to actively drive their own career path and to shape their professional development. Figure S.1 provides the breakdown of training hours (average per person) provided to all employees across our regions. There was an increase in the number of training hours provided to employees in 2019 across all employment categories, which is indicative of the growth of the Company over the same period and the implementation of competency assessments. There were more training hours provided to full time employees compared to contractors/fixed term, which reflects the shift towards more full-time employees in the Company. Females received the most training (average hours) across the Asia Pacific region, which is largely due to the high proportion of female permanent employees in the Vietnam office (87%).

Australia – Training & Competency

Training hours (per person) – 2018 & 2019

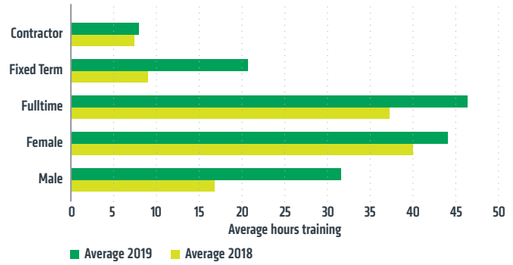


Figure S.1 Training hours (average per person), 2018-2019 for Jadestone, Asia Pacific

In Australia, Jadestone provides training and competency assessments to all our employees through the implementation of role-specific training matrices for office and offshore employees, and through our educational assistance programme and study leave. Jadestone competency training covers:

- Emergency response training;
- Technical skills training (electrical, mechanical, crane operations);
- Vendor specific (specialised equipment);
- Business skills training (auditing, system learning, technical writing);
- Leadership training (coaching, having difficult conversations, regulations); and
- Corporate training (Code of Conduct).

At the end of 2019, Jadestone had 165 permanent employees located at onshore offices and offshore facilities.

2020 ESG Strategic Corporate Goal

- **Promoting workplace diversity**
- **Engaged, supported and diverse workforce**
  - Build a Strong, Diverse and Sustainable Organisation
  - Recruit and train local nationals where possible, and to the highest standards.
  - Provide training programmes for four interns, and recruit two new graduates in 2020.
  - Ensure robust succession plan in place & high retention of 92% with positive feedback.

Những Ước Mơ Xanh ('Green Dreams') Organisation

People and Diversity

While falling outside of Jadestone's material mapping, People and Diversity is recognised as an important metric to the business and our stakeholders. Jadestone celebrates the diversity of its workforce. It has a talent acquisition process, based on merit, but which also takes into account diversity, to ensure the Company develops and maintains an inclusive workforce that is representative of the places the business operates in, and brings a range of knowledge, skills and perspectives to the business. The business strategy identifies diversity and inclusion as important ingredients to making the Company more agile and innovative.

In 2019 Jadestone hired 90 new employees, with over 17% of the new hires being women. This continues to build on Jadestone's commitment to diversity, with women representing 32% of the total onshore workforce (Figure S.2) and 25% of leadership positions at years end. Onshore gender diversity at Jadestone (32%) is above the industry average. The reason that 'all' gender diversity is lower (23%) reflects the nature of the oil and gas industry, in particular the predominance of male employees in offshore roles. This is a common challenge for most oil and gas operators (Eniday 2019). Jadestone's age diversity statistics also demonstrate that there is recognition within the business that there is value in the diversity of experience represented by different age cohorts (Figure S.3).

Jadestone embraces the diversity of its workforce with over twelve nationalities making up the workforce and six across the leadership team.

Jadestone is committed to a workplace culture that promotes the engagement of highly qualified, diverse and motivated individuals across all levels of the organisation. Jadestone does not tolerate any form of workplace harassment, including sexual harassment. This is reinforced through the Code of Conduct and other HR policies. Jadestone's management works to achieve a flat organisational structure with a short and effective chain of command. All of Jadestone's employees and managers are expected to listen, take feedback, be accessible and to work in close cooperation with their colleagues.

Collective Bargaining Agreements

Currently over 80% of Jadestone offshore employees working at the Stag and Montara facilities are under a collective bargaining agreement (or Enterprise Bargaining Agreement) (Stag 25/31 (81%) and Montara 50/60 (83%)).

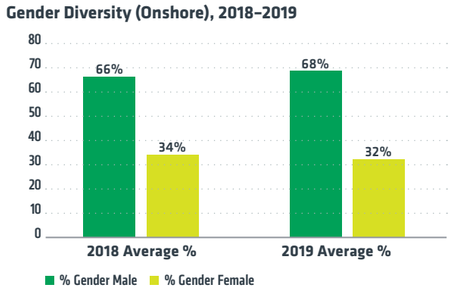


Figure S.2 Onshore gender diversity at Jadestone

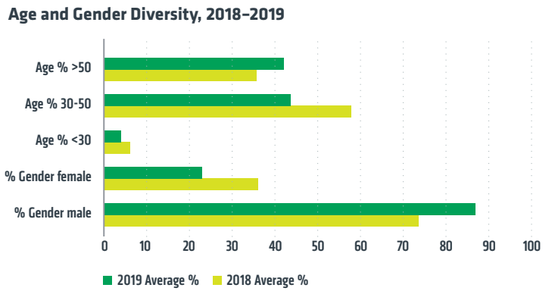


Figure S.3 Age diversity statistics for Jadestone Asia-Pacific

This continues to build on Jadestone's commitment to diversity, with women representing 32% of the total onshore workforce (Figure S.2) and 25% of leadership positions at the year's end. Onshore gender diversity at Jadestone (32%) is above the industry average.

Jun Jun Tan, Aida Bakar and Simon Khor, subsurface team in Kuala Lumpur

G.1 | Business Ethics and Integrity

The Company shares a set of core values – Respect, Integrity, Safety, Results-Orientated, Sustainability and Passion. Each employee is expected to make a commitment to these, and to contribute to protecting and enhancing the Company's reputation. Jadestone's core values underpin the work the business does, and form the foundation of the Code of Conduct.

The composition of the Board of Directors is an important aspect of the business approach to corporate governance. The Board comprises eight members, including a non-executive Chairman. Five of the directors are independent non-executive Directors, who exercise objective judgement in corporate affairs.

Code of Conduct

Jadestone is committed to upholding the highest standards of responsible social and ethical behaviour. All of its employees, contractors and consultants are expected to conduct their activities for Jadestone fairly, ethically, and in a way that protects the Company's reputation. Furthermore, employees have an obligation to observe high standards of integrity and fair dealing.

Jadestone is bound by a Code of Conduct Policy ("the Code") that applies to all employees and contractors. This Code provides the framework of principles for conducting business, dealing with other employees, clients and suppliers. The Code does not replace legislation and if any part of it is in conflict, then legislation takes preference. The Code reflects the Company commitment to a culture of honesty, integrity and accountability.

All Jadestone onshore and offshore employees undertake an e-learning programme on the Code of Conduct on the commencement of their employment. The induction is monitored to ensure a 100% completion rate. Employees are required to complete a refresher on the Code of Conduct every 12 months including affirmation of their compliance with the Code.

Những Ước Mơ Xanh ('Green Dreams') Organisation

Corruption

Jadestone is committed to conducting business in accordance with all applicable laws and regulations and the highest ethical standards in all jurisdictions in which it operates, including with respect to the Corruption of Foreign Public Officials Act and the Criminal Code in Canada and the Bribery Act in the United Kingdom and similar statutes in other countries. To that end, employees, consultants and agents are prohibited from offering, paying, promising, authorising or acquiescing in the giving of any bribe, kick back or other illicit payment, inducement, benefit or thing of value to any individual, directly or indirectly through a third party for the purpose of (a) influencing an act or decision, (b) inducing such individual to do or omit to do any act to affect or influence any act or decision, or (c) securing any concession, contract or other improper advantage, in each case, in order to obtain or retain business or an advantage in the conduct of business in violation of applicable laws of Canada and the United Kingdom and any other anti-corruption laws of any jurisdiction in which the Company does business.

The Company will not authorise, participate in, nor tolerate, any business practice that does not comply with, or that violates, the intent of the Policy.

INCIDENTS OF NON-COMPLIANCE	NUMBER
Number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	0
Significant fines and non-monetary sanctions for non-compliance with laws and regulations	0
Confirmed incidents of corruption	0

Extractive Sector Transparency Measures Act

In accordance with Canada's Extractive Sector Transparency Measures Act, Jadestone prepares a schedule of payments by payee and a schedule of payments by project, to provide to the Minister of Natural Resources Canada and to the Directors of the Company, detailing all cash payments made to a government. The Company reports all payments made by it, on its own behalf and in its role as operator, directly to any government on a gross basis. These schedules are available on the Jadesotone website and are updated annually.

Case Study – Australia

Through Jadestone's corporate governance, cultural values and management systems, the operational performance of Montara was greatly improved in 2019. This was achieved through changes to safety leadership, operational discipline, and quality assurance. Over a nine month period, Jadestone was able to address the requirements of seven enforcement notices issued by the Australian Regulator to the previous Operator.

2020 ESG Strategic Corporate Goal

- **Excellence in business ethics and transparency**
  - Target Zero fines for any regulatory breaches for non-compliance
  - Maintain top Quartile Governance Standards

G.2 | Asset Integrity & Process Safety

In our Australian operations, Asset Integrity and Process Safety Management is described in the Jadestone Australia Business Management system and is regulated in Australia by the Australian National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

Process safety incidents, including near misses, are reported and performance is reviewed and managed on an ongoing basis. Some key achievements for the Company in 2019 included:

- Development of a Process Safety Management Framework;
- Upgrade of the Management of Change system;
- Further development of Inhouse Technical Authorities (previously heavily reliant on external third parties);
- No loss of hydrocarbon to environment events; and
- Independent Competent Person review of asset integrity management.

Process safety is assured through the delivery of asset integrity maintenance activities. The results of these activities are regularly reviewed by Jadestone's discipline engineers and Technical Authorities within the business. In addition, process safety performance is reviewed by an Independent Competent Person on a rolling five-year review cycle.

Safety cases for each of the Company's Australian assets describe how Jadestone manages the specific process safety risks for each asset. Compliance with these requirements are subject to Jadestone's assurance and audit processes.

Outside Australia, the same principles are / will be applied even where Safety Cases are not required by local legislation.

2020 ESG Strategic Corporate Goal

- **Critical incident risk management**
  - Zero Loss of Primary Containment (Tier 1)
  - Perform 1 full emergency exercise and minimum 2 desktop exercises to test preparedness

Jack Up rig Ensco 107 operating over the Stag Platform

G.3 | Critical Incident Risk Management

Risk management is a critical component of Jadestone's business process. The Jadestone risk management process is aligned with the requirements of ISO 31000 and addresses risk management at three levels: Business, Facility and Task. The three risk levels are directly related and the risk assessments cascade such that Business level risks set the context for Facility risk assessments, and Facility level risks set the context for Task risk assessments.

- Business level risks are assessed concurrently with the development of the Annual Value Plan, which details the high-level activities over a 12 month reporting period;
- Facility level risks are assessed concurrently with the requirements of key regulatory documents and standards, and are continually reviewed against the context of planned activity over the detailed plan time horizon (typically 90-120 days); and
- Task level risks are assessed ahead of execution of each task, as required by the Integrated Safe System of Work.

Although formal risk assessments are usually discrete exercises typically conducted in workshops, the risk management process is a continuous loop that requires constant dialogue with key stakeholders to ensure a proactive approach. Continuous improvement is a requirement of the Jadestone Business Management System and includes consideration of the effectiveness of the system itself.

Group Crisis Team

Jadestone's Group Crisis Team are responsible for the development of strategies and plans to manage reputation, operability, licence to operate, liabilities and potential financial loss. The Group Crisis Team ("GCT") also provide technical, operational and communication advice to country-level incident management teams or to the wider Jadestone organisation. The GCT have the overall responsibility to liaise with each Country Manager and to develop and approve crisis management strategies and plans.

The GCT also identify, monitor, prioritise and manage domestic and group issues and developments that may have an impact upon the business operations of Jadestone. The GCT follow the Jadestone Crisis Management Plan ("CMP") that sets out to define process/procedures to respond effectively to a major crisis event and provide the framework for the integrated management of a crisis or incident within Jadestone. Specifically, this plan:

- Describes the crisis management structure and organisation for Jadestone;
- Lists the roles and responsibilities for Jadestone and its members;
- Details the call-out response process linking the GCT with the country-level incident management response arrangements; and
- Describes the framework for integrated crisis and incident management.

G4-DMA – Emergency Preparedness

The Jadestone Crisis Management System has been established to address and manage key crisis risks and events with the potential for business disruption, reputation or financial loss. In the event of a Level 3 incident or crisis, the GCT is engaged to identify risk and manage crisis action plans. A key component of the action plan is timely and effective communication to key stakeholders, both internally and externally.

The GCT will be actively engaged with country level Incident Management Teams ("IMT") to address specific country or regional events that directly affect business operations. For example, within Jadestone Australia, an Incident Management Team has been established and is maintained to ensure Jadestone operated assets are fully supported in emergency management. Upon the activation of the country level IMT, the GCT is engaged to determine business risks, exposure and reputational impact.

In 2019, the GCT were engaged to support a mock annual oil spill exercise for Jadestone's Stag field operations in Australia managed by the country level IMT. This allowed the country level IMT to test its incident management processes and also fulfil regulatory commitments. The GCT is engaged on a regular basis to exercise its support to country level IMTs.

2020 ESG Strategic Corporate Goal

- **Economic contribution to county economies**
- **Providing energy in the most efficient and sustainable way**
  - Deliver production at the improved unit cost as agreed in performance targets
  - Deliver capital investment programmes, adding reserves and extending facility life as agreed in performance targets

References

ANZECC/ ARMCANZ (2000) Australian and New Zealand Environment and Conservation Council (ANZECC) & Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ), Guidelines for Fresh and Marine Water Quality. Australian Government.

GSSB 2016. Global Reporting Initiative (2016) Reporting Principles and Standard Disclosures. Global Sustainability Standards Board www.globalreporting.org/standards.

IPIECA (2015) Oil and gas industry guidance on voluntary sustainability reporting. UK TCFD (2019) Task Force on Climate-related Financial Disclosures Good Practice Handbook.

Want to know more:

www.jadestone-energy.com

For further information about our sustainability performance visit our sustainability pages and follow us on social media.

Feedback

We welcome your feedback.

Please visit us at www.jadestone-energy.com/contact for all our contact details, or email us directly at contact@jadestone-energy.com

Operations team briefing in the Control Room on the Montara Asset

GRI Disclosure / Material Matters

The table below illustrates the data available for each of Jadestone's Material Matters (and GRI Disclosure).

Reporting boundaries include all operating assets and offices across Asia Pacific, as identified in the Annual Report.

Where there was not appropriate data available for the 2018 and 2019 calendar year for an asset or office location (largely due to new ownership of an asset) this was omitted from the disclosure as shown below.

Jadestone is committed to increased data collection and transparency to support future reports.

	STATUS	ENVIRONMENTAL MANAGEMENT	EMISSIONS AND DISCHARGES	CLIMATE CHANGE	OCCUPATIONAL H & S	WORKFORCE MANAGEMENT	STAKEHOLDER MANAGEMENT	BUSINESS ETHICS AND TRANSPARENCY	ASSET INTEGRITY PROCESS SAFETY	CRITICAL INCIDENT RISK MANAGEMENT
Australia Stag	Operating	✓	✓	✓	✓	✓	✓	✓	✓	✓
Australia Montara	JSE became operator in Aug 2019	✓	•	•	•	✓	✓	✓	•	✓
Australia Perth	Office	✓		✓		✓	✓	✓	✓	✓
Indonesia	No operating assets	✓		•	•	✓	✓	✓		✓
Vietnam Block 46/07 PSC		✓		•	•	✓	✓	✓	•	✓
Philippines Block SC 56 and Block SC 57	No operating assets			•	•	•	✓	✓	•	✓
Singapore	Office / Regional HQ	✓		•		✓	✓	✓	✓	✓
Malaysia Kuala Lumpur Technical & Financial Centre of Excellence	Office	✓		•		✓	✓	✓	✓	✓

HR data includes both employees and contractors

✓ Data available and reported against GRI standard for 2019

• GRI disclosure relevant and will be reported in future years as asset becomes operational and data becomes available

STANDARD DISCLOSURE	DESCRIPTION	REFERENCE
GRI 102: General Disclosures		
ORGANISATIONAL PROFILE		
102-1	Name of organisation	SR: Page 3
102-2	Activities, brands, products and services	SR: Page 3
102-3	Location of headquarters	SR: Page 3
102-4	Location of operations	SR: Page 3
102-5	Ownership and legal form	SR: Page 3
102-6	Markets served	SR: Page 3
102-7	Scale of the organisation	SR: Page 3, https://www.jadestone-energy.com/
102-8	Information on employees and other workers	SR: Page 12, 15, 16
102-9	Supply chain	SR: Page 17
102-10	Significant changes to the organisation and its supply chain	SR: Page 17
102-11	Precautionary principle or approach	SR: Page 8
102-12	External initiatives endorsed	SR: Page 6
102-13	Membership of associations	SR: Page 6
STRATEGY		
102-14	Statement from senior decision-maker	SR: Page 2
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	SR: Page 6, 17
GOVERNANCE		
102-18	Governance structure	AR: Page 44-57, https://www.jadestone-energy.com/annualreport
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	SR: Page 13
102-41	Collective bargaining agreements	SR: Page 16
102-42	Identifying and selecting stakeholders	SR: Page 13
102-43	Approach to stakeholder engagement	SR: Page 13
102-44	Key topics and concerns raised	SR: Page 7
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	AR: Page 13, https://www.jadestone-energy.com/annualreport
102-46	Defining report content and topic boundaries	SR: Page 6, 20
102-47	List of material topics	SR: Page 7
102-48	Restatement of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	SR: Page 6
102-51	Date of most recent report	N/A
102-52	Reporting cycle	SR: Page 20
102-54	Contact point for questions regarding the report	SR: Page 19
102-54	Claims of reporting in accordance with the GRI standards	SR: Page 6
102-55	GRI content index	SR: Page 21
102-56	External assurance	N/A
103-1	Explanation of the material topic and its boundary	SR: Page 20
Topic Specific Disclosures		
ECONOMIC CONTRIBUTIONS		
GRI 203:		
203-1	Infrastructure investments and services supported	AR: Page 13
BUSINESS ETHICS AND TRANSPARENCY		
GRI 205: Anti-Corruption		
205-3	Confirmed incidents of corruption and actions taken	SR: Page 17
GRI 206: Anti-Competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR: Page 17
LEADERSHIP AND GOVERNANCE		
As per general disclosures		
CRITICAL INCIDENT RISK MANAGEMENT		
G4-DMA	Emergency preparedness	SR: Page 18
CLIMATE CHANGE AND GHG EMISSIONS		
GRI305: Emissions		
305-1	Direct (Scope 1) GHG emissions	SR: Page 9
305-2	Energy indirect (Scope 2) GHG emissions	SR: Page 9
305-7	NOx, SOx and other significant air emissions	SR: Page 10
ENVIRONMENTAL MANAGEMENT		
GRI 306: Effluents and Waste		
306-1	Water discharge by quality and destination	SR: Page 10
306-3	Significant spills	SR: Page 8
REGULATORY MANAGEMENT		
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	SR: Page 8
ASSET INTEGRITY AND PROCESS SAFETY		
G4-DMA	Asset integrity and process safety	SR: Page 18
OG13	Number of process safety events, by business activity	SR: Page 18
OCCUPATIONAL HEALTH AND SAFETY		
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	SR: Page 12
403-2	Hazard identification, risk assessment, and incident investigation health and safety	SR: Page 12
403-3	Occupational health services	SR: Page 12
403-4	Worker participation, consultation, and communication on occupational health and safety	SR: Page 12
403-5	Worker training on occupational health and safety	SR: Page 15
403-9	Work-related injuries	SR: Page 12
403-10	Work-related ill health	SR: Page 12
WORKFORCE MANAGEMENT		
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	SR: Page 15
DIVERSITY		
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	SR: Page 16