



Euphrates Energy

CODE OF ETHICS AND BUSINESS CONDUCT

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Revision History

Rev	Date	Reason for Issue	Prepared	Accountable	Approved
1	04/11/2022	Issued for use	A Cutler	EEL Main Board	M.Sajjad
0		Draft			

1. Introduction

Welcome to the Euphrates Energy Code of Ethics and Business Conduct.

Euphrates Energy refers to Euphrates Energy Ltd and its Associated Companies and is hereafter also referred to as “the Company”.

This document is focused on our Guiding Principles and describes the positive behaviour we expect from everyone involved in our business. The Code also provides guidance on managing ethical and compliance related issues that may be encountered during our day to day work.

Euphrates Energy’s Guiding Principles are the core values, beliefs and philosophies that guide our behaviours and drive our business. Our Guiding Principles aim to capture four key areas:

- **Values** – These define the core beliefs that connect and resonate strongly with the personal values of those who work for us and with us. The Company Values are: Be Respectful, Be Transparent, Be Inclusive and Be Authentic.
- **Behaviours** – These build on our Values and define how we all behave at work. They describe qualities we always strive for and consider as the right way to do things. Our core behaviours are: Inspire, Collaborate, Enquire and Innovate.
- **Approach** – This defines our business approach and core operating philosophy. For the Company this means: Think Long-term, Create Solutions, Leverage Learning and be Focused and Nimble.
- **Impact** – Through our values, behaviours and approach, we expect the Company to make a positive impact by acting as One Team and creating enduring value for all of our stakeholders.

2. Application of the Code

The Euphrates Energy Ltd Board of Directors (the “Board of Directors”) is ultimately responsible for the content and application of this Code of Ethics and Business Conduct and has formally adopted this document. It defines the expectations of all those who work for, or with, the Company. The Board of Directors has overall responsibility for ensuring the Company’s policies comply with the relevant legal and ethical obligations and will review and update this Code at regular intervals. The content of the Code applies to all directors and employees of the Company as well as consultants, contractors or agency staff (our ‘Staff’). Compliance with this Code is mandatory.

We expect our joint venture partners, customers, suppliers, agents and advisors (our ‘business partners’) to act in a manner consistent with this code when engaging in activities linked to the Company. While we do not require our business partners to implement the specific processes within the Euphrates Energy Code (unless required under contract), we will require them to work with the same principles and encourage them, where appropriate, to develop and adopt similar standards and controls within their own business systems.

In joint ventures where the Company is the operator, this Code applies to all activities of the joint venture.

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3. Personal Responsibility

As a staff member, you have personal responsibility to comply with the requirements set out in this Code. Please read it carefully, apply it at your work and, if you are in any doubt or unsure of the action to take, always seek advice. Managers or anyone with direct reports have an additional responsibility to support and promote compliance with the Code and related documents.

It is also everyone's responsibility to speak up if they believe there has been a breach of the Code.

4. Breaches of the Code

The Code provides clear guidance on how we expect our staff to behave during their work. Where there is suspicion of, or an actual breach of the Code, an internal investigation will be initiated.

Failure to comply with any aspect of the Code or related documents may lead to disciplinary action up to and including dismissal and, in the case of contract staff or business partners, termination of contract.

5. Personal and Business Integrity

The Company will comply with all applicable laws and regulations of the countries in which we operate. Where differences exist between the law and the requirements of the Code, the higher standard will be applied. Where laws conflict or you are unsure of the correct action to take, you must consult a Euphrates Energy Ltd Director.

We are committed to fostering a supportive working environment where each individual is respected and where concerns can be raised openly without fear of retaliation. We do not tolerate abuse, violence, bullying or harassment whether directed at staff, business partners or anyone else.

6. Anti-bribery and Corruption

Bribery is illegal and damaging to the social and economic development of society. It can also cause significant damage to the reputation of a business.

The Company takes a zero-tolerance approach to bribery and corruption and we conduct our business honestly, fairly and transparently. We are subject to many anti bribery laws in the jurisdictions within which we work and, as a UK registered company, are required to comply with the UK Bribery Act. Our anti-bribery and corruption approach is structured around the principles contained in the UK Ministry of Justice's guidance on 'adequate procedures to prevent bribery'.

We do not permit facilitation payments to be paid either directly or indirectly by those who work for us or on our behalf, regardless of the jurisdiction in which we operate. All personnel will be required to complete Anti-Bribery and Corruption training to confirm their understanding of the key points and ensure adherence to the policy.

7. Anti-money laundering

Money laundering is the act of disguising illegally derived funds as legitimate payments and receipts.

The Company complies fully with all applicable anti-money laundering laws and regulations and pro-actively takes steps to identify and mitigate money-laundering risks and to prevent any activity that directly or indirectly facilitates money laundering and/or the funding of illegal or terrorism-related activity. Applicable anti-money laundering laws and regulations include not only those of the countries in which the Company, its Staff and business partners are domiciled but also those of the countries in which each conducts business.

We do not engage in or authorize, approve, or condone any activity that violates any applicable anti-money laundering laws and regulations or that directly or indirectly facilitates money laundering and/or the funding of terrorism or criminal activity.

The following is a non-exhaustive list of examples of "red flags," which are indicative of potential money laundering activity:

- An invoice or payment that lacks a business purpose or is inconsistent with business activities or the amount of goods or services that have been provided.
 - Payments that are made in currencies other than that specified in the invoice and/or contract and/or purchase order.
 - A receipt or payment that is larger in amount than the amount that is actually due or payable.
 - A payer or payee that refuses or is unable to explain the difference in the amount that was received or paid versus the amount that was due or payable.
 - A payer or a payee that refuses to reveal information concerning its business activities.
 - Any transaction where the basic details of the parties cannot be checked or verified.
- Information provided by a payer or payee that appears false, misleading, or incomplete.

- Transactions performed through unknown or unnecessary intermediaries and/or transactions that are accompanied with a request for secrecy.
- Sizable cash payments or attempts to receive or make payments in cash or equivalents (i.e. cash cheques).
- Transactions related to, or including accounts located in, high risk countries as listed by international authorities, including but not limited to the European Commission and the Financial Action Task Force.
- Transactions that appear intended to evade tax requirements in any country and/or local jurisdiction.

The Company implements procedures to identify money laundering risk at the earliest stage of a transaction cycle, normally before the point of commitment, in order to prevent the risk manifesting.

Any member of Staff or business partner who has knowledge or reason to suspect or believe that a violation of any anti-money laundering laws, or the principles of this statement of policy, has occurred or is about to occur shall report such information immediately to a Director of Euphrates Energy Ltd.

8. Fraud

Fraud is an intentional act committed by someone in one of three ways:

- Through a dishonest false representation.
- Through failure to disclose information that one has a duty to disclose.
- Through abuse of position.

Fraud represents a fundamental breach of our ethical standards and is not tolerated by the Company in any form. We are committed to regularly assessing our fraud risk and maintaining our system of internal controls to prevent and detect fraud.

9. Gifts & Hospitality

Genuine hospitality and promotional or other business expenditure which seeks to improve the Company's image, to better present its capability and services, or established cordial relations, are recognised as an established and important part of doing business. Reasonable and proportionate hospitality intended for these purposes is not prohibited. Genuine gifts or hospitality should be approved before any commitment is made with the details recorded in the Company's gift and hospitality register.

Inappropriate, frequent or lavish gifts or hospitality can result in an actual or perceived conflict of interest or the development of an obligation on the part of the recipient and, as a result, should not be provided. In some situations, this could even be considered as bribery.

10. Expenditure on Public Officials

There are specific legal risks connected with providing, or being perceived to provide, a financial advantage, or other advantage to a Public Official. During the course of our work, the Company will interact with various public officials and there will be occasions where we will legitimately incur costs for a public official in relation to an event or activity linked to our business. This may occur, for example, where the Company is required to make the expenditure as stipulated by law or by contract where the hosting of a public official requires the provision of travel, transport, and accommodation or where the Company may be required to incur expenditure relating to the provision of training courses or for a public official to attend a conference.

The definition of a public official is broad but includes someone in a position of official authority and common examples include:

- Government employees / representatives at all levels
- Employees of state-owned companies
- Any judicial representative
- The police, military and other security agencies, such as immigration or border control
- Any political candidate for public office
- Any official or agent of a public international organisation

As part of our compliance with the UK Bribery Act and other anti-corruption laws that apply to our business, the Company is required to demonstrate a high degree of transparency and control when processing expenditure relating to a public official. This process ensures we obtain management approval prior to making the expenditure and record the transaction transparently.

11. Preventing the Facilitation of Tax Evasion

Tax evasion is the deliberate, fraudulent evasion or cheating of the public revenue of tax that is lawfully due and is a criminal offence. The Company has a zero tolerance for tax evasion and the facilitation of tax evasion and we are committed to maintaining effective systems and controls to ensure this cannot take place in our business.

12. Conflicts of Interest

The Company respects the privacy of staff in their personal affairs and activities. However, when personal, social, financial or political activities or relationships could influence, or appear to influence their ability to make objective business decisions for the Company, a conflict of interest can occur. Conflicts of interest, or even the perception of a conflict of interest, can result in reputational harm to either, or both, of the individual and the Company and potentially cause financial harm to the Company.

There are many ways in which a conflict of interest can arise within the business of the Company and this includes situations such as:

- conducting the Company business with a family member or an organisation with which a family member is connected;
- having a close personal relationship or business relationship with a Public Official who is in a position of authority or influence in connection with the Company business; or
- serving as a director of another organisation which is a competitor or supplier to the Company.

It is important to remember that a conflict of interest is not wrong but it is a risk that must be disclosed and managed appropriately. If you have a potential or actual conflict of interest, then you must declare it to your line manager so that it can be recorded transparently and avoid affecting our business.

13. Modern Slavery

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

We recognise that the nature and context of our business and supply chain exposes the Company to the potential risk of instances of modern slavery and human trafficking. We work to regularly assess the extent of this risk to our business and have taken steps to ensure that underage, forced or bonded labour have no place in the Company's business or supply chain. Our systems and controls ensure that the risk of modern slavery is minimised in our business or supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains and we expect the same high standards from all third parties with whom we do business, including our contractors, suppliers and other business partners.

14. Human Rights

The Company respects and promotes internationally-recognised human rights as set out in the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at work. We endeavour to lead by example, always demonstrating our values of being respectful, transparent and inclusive. When considering new investments, we review associated potential human rights issues and their relationship to our operations. The Company is committed to protecting the human rights of people in countries where we are doing business.

The Company prohibits the use of underage, forced or bonded labour. We respect fundamental labour rights and international legal standards, including those guaranteeing decent wages, regulated working hours, and freedom from harassment.

15. Health and Safety

The Company believes that ensuring the health, safety and security of employees, contractors and local communities is at the heart of our business and a cornerstone of the Company's values. We demonstrate the correct behaviours to inspire everyone associated with our activities to achieve a safe workplace and operations.

Our priority is to ensure that all our people return home safe and well at the end of every working day. The Euphrates Energy Health and Safety policy sets out our expectations and standards and these are supported by a suite of appropriate procedures.

We are committed to achieving high standards of health and safety and encourage any member of our team to stop work and challenge anything that appears to be unsafe.

16. Environment

We are committed to responsible environmental stewardship and reducing the environmental impact of our activities for the benefit of future generations.

We recognise that oil and gas activities are often associated with significant environmental impacts and intensive resource use. Our aim is to operate in a sustainable manner that seeks to minimise and, where possible, eliminate any adverse impacts through effective mitigation strategies, whilst maximising the potential of positive environmental initiatives.

Our position on the environment is clearly defined in our Environmental Policy with our commitment to climate change explained in the associated Climate Change Policy and we maintain an appropriate suite of documents to manage these risks. We actively engage with external stakeholders and work with respect for the environment in which we operate. We identify, assess and manage our environmental impacts and always assess the potential for activities to impact sensitive areas prior to undertaking any activity.

17. Relationships with Communities

As a responsible operator, The Company seeks to operate responsibly, with regard to local communities and to recognise human rights wherever we operate. We know we will be successful when countries and our host communities mutually benefit from our presence. Our aim is to align these commitments with the United Nations Sustainable Development Goals.

18. Business Information & Public communications

Our information is key to enabling us to make informed business decisions and is a valuable asset which must be adequately protected. All Company information must be kept secure and may only be used in the course of the Company's business, for the purpose for which it is intended or normally used and never for personal gain.

You must not make any public communication regarding the Company or its business to the press, analysts, investor community or the media unless authorised to do so. This includes the use of social media (Twitter, Facebook, LinkedIn etc) and you must not speak on behalf of the Company unless authorised. If you are approached or contacted by an external party with a request for information, then you should refer it to a Company Director.

19. Share Dealing & Insider Information

The Company works with a variety of business partners, including contractors and suppliers. If an individual, either directly or through one or more intermediaries deals in shares of a company while the possession of inside information relating to that company then this is termed as insider dealing, which is illegal.

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20. Procurement and Third Party Due Diligence

The Company works with a variety of business partners, including contractors and suppliers. We seek to operate in a fair and transparent way with our contractors and suppliers and work with business partners who share our approach to business integrity and anti-bribery and who seek to incorporate those values into their own business and contractual relationships.

We carry out a risk-based, due diligence process on contractors and suppliers before entering into any contractual relationship. This process focuses on the risks relating to bribery and corruption, money laundering, tax evasion, sanctions, modern slavery and other human rights and labour issues. Our contracts contain appropriate compliance clauses and we seek to monitor the performance and behaviour of each contractor using both internal and, where appropriate, external resources. The company reserves its right to audit at any time to verify compliance.

21. Charitable and Political Donations

Any charitable donation, sponsorship or similar contribution must not create a conflict of interest and such financial support requires Company Director approval prior to commitment. We will ensure the appropriate transparency in relation to such donations including sufficient due diligence prior to the commitment. We will publish all donations or sponsorship made by the Company on our website to ensure full transparency.

The Company does not make political contributions, whether related to money, assets, materials, or services, to political candidates, parties, committees or their representatives. We do not participate in any way in the political processes of host countries.

22. Lobbying and Political Engagement

Lobbying is the process by which businesses or individuals engage with government to influence the outcomes of decision making in relation to applicable laws and regulations or to obtain support for particular policies. The Company complies with all applicable laws relating to political engagement and lobbying including registration and reporting requirements and the Company's staff are prohibited from engaging in lobbying activities relating to the Company without the prior approval of a Euphrates Energy Ltd Director.

23. Accurate Accounts and Records

Accurate and complete information, whether financial or non-financial in nature, is essential to support sound business decisions, to comply with the legal and regulatory obligations to meet their responsibilities to all our stakeholders.

There are strict rules and regulations governing financial transactions in all of the jurisdictions in which we operate. The accurate reporting of oil reserves, production, local content, statistics and other business information is equally important.

We maintain effective accounting policies, standards and procedures, and we design and execute controls to ensure that all financial transactions are properly authorised, recorded and reported in order to identify and respond to any error, fraud or misstatement. All books, records, and accounts must reflect our business transactions accurately, transparently, and in sufficient detail.

24. Monitoring Compliance and Reporting

Every manager in the Company is responsible for ensuring overall compliance with the Code and to provide assurance to the Board of Directors that the required controls are embedded and the expected behaviour is in place. The Board of Directors will carry out the appropriate monitoring to ensure the effectiveness of the Code and the underlying policies and procedures. In addition to frequently testing key parts of the Code, the Board of Directors will facilitate an annual management review of the Code and the outcome of this review will be reported.

25. Speaking Up

Our aim is to provide a supportive and listening culture where anyone who works for us feels empowered and comfortable in raising concerns. If you have any concerns relating to our business practices or believe that the requirements of our code have been breached then we require you to speak up. This applies whether concern relates to a member of the Company's staff or anyone performing services for the Company.

We are committed to maintaining the highest standards of integrity, transparency and business conduct and raising concerns enables us to determine the facts and take any appropriate action. Speaking out helps to put things right whilst protecting individuals and the company and thus safeguarding our good reputation.

The Company does not tolerate retaliation in any form against any individual who speaks up in good faith, even if the concern is later determined to be factually incorrect or unfounded. We treat all speaking up cases seriously and, when required, we initiate an investigation with trained personnel to determine the facts. When we consider it necessary, we will inform the relevant authorities or law enforcement agencies.

The first method of raising a concern is to discuss it with the direct line manager. If that is not appropriate then a concern should be discussed with a senior member of the Euphrates Energy team and/or ultimately a member of the Board of Directors. Management have a responsibility to listen to your concerns and must either work with you, or other relevant staff, to ensure that your concern is properly addressed. Managers must also ensure that they follow appropriate reporting, escalation and resolution procedures.