



Modern Slavery and Human Trafficking Statement 2020

This statement is made in compliance with s.54(7)(a) of the Modern Slavery Act 2015 (the “Act”).

Pharos Energy plc is an international oil and gas, exploration and production company. Pharos is registered and domiciled in England and its head office is in London. The shares of Pharos are publicly listed and traded on the London Stock Exchange. Pharos has oil and gas exploration, field development and production interests in Vietnam, Egypt and Israel.

Organisation

Pharos is a relatively small organisation with a workforce of 66 employees, based at the Pharos offices in the UK, Egypt and Vietnam.

In Vietnam, the Joint Operating Companies, Hoang Long and Hoan Vu are the designated operators of Pharos’ interests in the Cuu Long Basin, offshore Vietnam and they directly employ their own workforce.

In 2019, Pharos acquired Merlon Petroleum El Fayum Company, an oil and gas, exploration and production company in Egypt operating through a 50/50 joint stock venture with the Egyptian state-owned oil and gas company, EGPC, this joint venture is called Petrosilah. The company was subsequently renamed Pharos El Fayum, to bring it within the Pharos Group. A workforce of 30 staff and contractors joined the group, and this team has been extended during 2019 to 66 employees. Several of the Pharos El Fayum employees are seconded into Petrosilah.

In Israel, Pharos was awarded 8 offshore exploration licences with its partners Cairn Energy plc and Ratio Oil Exploration. There are no employees or offices in Israel at the time of this statement being issued.

Pharos engages only reputable firms, vendors and consultants (collectively “service providers”). Every service provider must undergo stringent due diligence before any contract is awarded. This due diligence comprises an initial questionnaire, which addresses all aspects of the service provider’s business including their position on modern slavery and human trafficking. Where the service provider does not have their own policy on the matter we will share ours and require compliance to the terms of the Pharos policy.

Activities 2019

In Vietnam, an assessment of modern slavery and human trafficking was undertaken. This report did not give rise to any concerns in our business or supply chain with regard to modern slavery or human trafficking.

Prior to the acquisition of Pharos El Fayum, extensive due diligence was conducted into the company and the joint venture, based in Cairo and the Western Desert. The due diligence

comprised an assessment of compliance and the preparedness and readiness of the target to comply with both the Act and Pharos policies as set out below. Following the completion of the acquisition, Pharos El Fayum has adopted a Code of Business Conduct and Ethics similar in terms to the Pharos code, including provisions relating to modern slavery and human trafficking.

Activities 2020

For 2020, in Egypt, Pharos has developed a strategy with Petrosilah to incorporate such provisions into contracts awarded by the joint venture and to ensure that tender documentation includes queries on modern slavery and human trafficking.

In early 2020, Pharos, through the Ministry of Foreign Affairs of Vietnam, contributed towards the repatriation costs of those Vietnamese nationals who were the victims of the recent tragic event in Essex.

In Vietnam we will continue to monitor our contracts and tenders and ensure that where possible in the Joint Operating Companies we promote and implement our policy.

It is anticipated that further work may be commissioned into the position in Israel once the Joint Operating Agreement with the partners is completed and the evaluation of the field data continues.

Statement

Pharos fully supports and demonstrates compliance with the Modern Slavery Act 2015. This support is supported by the Pharos Code of Business Conduct and Ethics, which was revised and approved by the Board in September 2019.

Pharos opposes the crime of slavery in all of its forms, including child labour, servitude, forced or compulsory labour and human trafficking.

The Pharos Health, Safety and Environmental Management System (HSESMS) sets out the company's internal control mechanisms for implementing policy and how breaches or potential breaches are addressed and investigated.

All employees have access to a confidential, anonymous Whistleblowing Helpline, which is underpinned by our policy on Whistleblowing. This line may be used to report any incidents or perceived instances of concern which may include slavery or human trafficking.

Pharos's primary policies for preventing slavery from occurring in any part of its own business or in any of our supply chains are the Pharos Code of Business Conduct and Ethics and the Human Rights Policy.

The principal procedures and mechanisms for implementing the policies are as follows:

- Business Conduct Procedure
- Onboarding Policy for New Business Partners
- Supply Chain Management Procedure
- Contractor Pre-qualification Due Diligence
- Whistleblowing Policy and Independent Hotline
- Corporate and Project Level Grievance procedures

Efforts to prevent modern slavery and human trafficking were focused on the development and implementation of Contractor Pre-qualification Due Diligence. This is supplemented by independent verification and the generation of 'red flag' reports. If a 'red flag' is identified, the Group Risk and Compliance Manager meets with the Group Head of Finance and General Counsel to discuss the service provider, assess the risk and determine whether additional due

diligence reporting should be commissioned. Existing service providers are monitored for compliance.

Considerable engagement is undertaken to raise awareness of the issue and to ensure that any queries or concerns may be raised with any member of the Management Team.

Pharos currently assesses the risk of slavery and human trafficking in any part of its business is low. It is acknowledged that the principal requirements of technical and professional qualifications, experience and expertise for corporate and operational roles do make an impact on the risk level. The risk in the supply chain is also currently assessed as a low risk, stringent service provider due diligence with a consistent approach is considered to be appropriate mitigation.

Approval

This Statement is made in accordance with s. 54 of the Modern Slavery Act 2015. This Statement was approved by the Board of Directors on 5 March 2020.

A handwritten signature in black ink, appearing to read 'Ed Story', written in a cursive style.

Ed Story

President and Chief Executive Officer

March 2020