
Prevention of Slavery and Human Trafficking Policy

This statement is made in accordance with s.54(7)(a) of the UK 2015 Modern Slavery Act.

Pharos Energy plc is an international oil and gas exploration and production company. The Company is domiciled in the United Kingdom and its head office is in London. Pharos' shares are publicly listed and traded on the London Stock Exchange. Pharos has oil and gas exploration, field development and production interests in Vietnam and has recently acquired (in April 2019) Merlon Petroleum El Fayum Company "Merlon El Fayum"), an oil and gas exploration and production company in Egypt operating through Petrosilah, a 50:50 joint stock company with the Egyptian state oil and gas company EGPC.

Pharos has a small organisation with a workforce of 27 corporate employees, based at Pharos' offices in the United Kingdom, USA and Vietnam. Pharos also utilises reputable firms and individuals to provide professional management, administrative and facilities services. The Hoang Long and Hoan Vu Joint Operating Companies, as designated operators of Pharos' 25-30.5% interests in the Cuu Long Basin, offshore Vietnam, directly employ their own workforce.

Following completion of the acquisition Merlon El Fayum, a workforce of around 25 to 30 employees, mainly based in Egypt, will join the Group. Several of the Merlon El Fayum employees are currently seconded to Petrosilah, and this arrangement is expected to continue following acquisition by Pharos. As part of its due diligence process on Merlon El Fayum, its business and Petrosilah, Pharos carried out an assessment of compliance, or preparation and readiness of the target business to comply, with the UK 2015 Modern Slavery Act and the Pharos group policies relating to conduct of business described below. Merlon El Fayum has in response adopted a Code of Business Conduct and Ethics in similar terms to the Pharos Code, including provisions relating to modern slavery and human trafficking.

Pharos fully abides by the provisions of the 2015 Modern Slavery Act. In accordance with its Code of Business Conduct and Ethics, Pharos opposes the crime of slavery in all of its forms, including child labour, servitude, forced or compulsory labour and human trafficking. The Pharos HSES Management System ("HSES MS") sets out the Company's internal control mechanisms regarding health, safety, environment and social issues. Pharos' primary policies for preventing slavery from occurring in any part of its own business or in any of its supply chains are the:

- Pharos Code of Business Conduct and Ethics
- Human Rights Policy

The principal procedures and mechanisms for implementing the policies are:

- Business Conduct Procedure
- On Boarding Policy for New Business Partners
- Supply Chain Management Procedure
- Contractor pre-qualification due diligence
- Whistleblowing Policy and Pharos Ethics Hotline
- Corporate and Project Level Grievance Mechanisms

During 2018 and continuing throughout 2019, efforts to prevent modern slavery and human trafficking were and are focused on the implementation of pre-qualification due diligence for all new contractors and vendors, supplemented by independent RED flag reputational and criminal searches. Additional human resource was recruited during 2018 to administrate this process and workflow systems have been adjusted to flag non-compliance. The Prevention of Modern Slavery programme in 2019 will include process training, awareness raising within the organisation, contractor/vendor qualification due diligence, ongoing monitoring on the WorldCheck One database and full integration of the Merlon El Fayum organisation within the programme following completion of the acquisition.

The risk of slavery occurring in any part of its own business is assessed as low. This is principally due to the requirement for technical qualifications and expertise for the corporate and operational roles. The risk of slavery occurring in its supply chains is mitigated through appropriate due diligence mechanisms applied prior to engaging a new vendor or new partner.

Approval for this statement

This statement was approved by the Board of Directors on 16th October 2019.



Ed Story

President and Chief Executive Officer

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