

Best Practices: Environmental, Social and Governance



ReconAfrica's environmental, social and governance (ESG) approach to business is designed to align business activities responsibly, in collaboration with communities, governments – local, regional, and national – Traditional Authorities and other key stakeholders.



ESG at ReconAfrica: Key Areas of Focus

Our key ESG areas provide a basis for reviewing our performance against global standards. These key ESG areas include:

- operational performance
- community outreach projects (agriculture, health & wellness and education)
- corporate governance processes
- water and air quality
- biodiversity
- reforestation
- waste management
- regulatory consultation stakeholder and Indigenous engagement
- issues & concerns (grievance) management
- human rights standards
- gender and diversity
- labour standards & human resource processes
- climate change and carbon emissions
- data protection and privacy for management of information

ESG Goals

- Implement regulatory compliance and include regulatory bodies in a proactive manner
- Engage openly with stakeholders and work collaboratively to address and manage community issues and concerns
- Implement environmental and social monitoring measures within our environmental management plans
- Enhance the livelihoods of the people of Namibia and Botswana and create socio-economic opportunities
- Support positive environmental, economic and social outcomes for all Namibians and Botswana

ESG Projects and Activities – 2020 and Beyond

To date, ReconAfrica has committed N\$112 million – CAD\$ 10 million to ESG projects in Namibia.

- ReconAfrica continues to bring safe potable water to Kavango East and Kavango West residents
- Working closely with the Ministry of Agriculture, Water and Land Reform (MAWLR), we have drilled and donated solar-powered community water wells at 26 locations to date (late 2022) in our licence area, with 10 additional wells planned and under way
- Ongoing progress of our water management plan, including water sampling and data gathering to provide the government with pertinent information
- ReconAfrica responded to calls for assistance by the Government of Namibia with a N\$15-million contribution to the country's COVID-19 vaccine rollout campaign, along with support of regional health initiatives in hard-to-reach communities in Kavango East and Kavango West; this was followed by a second wave of support by ReconAfrica to provide oxygen and medical equipment
- ReconAfrica, in collaboration with educational specialists, is funding 10 scholarships in science, technology, engineering, art and mathematics ("STEAM") for new high-school graduates in Kavango East and Kavango West
- ReconAfrica, in collaboration with the Ministry of Gender Equality, Poverty Eradication and Social Welfare, is sponsoring seven nursing students from the San communities of Kavango East and Kavango West
- In collaboration with the Namibia University of Science and Technology, ReconAfrica is supporting an initiative to provide an oil-and-gas educational option for Namibian students
- Donations of school materials and sports equipment to more than 50 schools in Kavango East and Kavango West
- ReconAfrica sponsored a shoes-for-schools project – Never Walk Alone – to provide shoes for students in need
- Our company also participated in Namibia's We Race Together drive, an annual relay race that brings together Namibians from every region to promote nation-building and support social initiatives across the country



- ReconAfrica provided emergency funding for Namibian students who were stranded in Ukraine due to the ongoing military conflict
- We are supporting Namibia's wildlife collaring and management program, led by the Ministry of Environment, Forestry and Tourism (MEFT); our support of collaring initiatives for elephants, crocodiles and other important and valued wildlife in Namibian National Parks and surrounding areas is ongoing
- ReconAfrica is working on reforestation initiatives in collaboration with forestry and arboreal experts from MEFT, Conservancies, Community Forests and third-party consultants
- We continue to sponsor independently led and privately held stakeholder and indigenous engagement activities related to our project to promote external dialogue and awareness in our licence areas
- Our company continues to collaborate on Operational Performance research assistance, supporting agriculturally focused projects in the critical area of livelihood enhancement
- ReconAfrica rolled out Corporate Governance training programs for in-country employees and contractors and creating a structure and culture that fosters and commits to responsible and ethical behaviour throughout the company



Community, Stakeholder and Indigenous Engagement

ReconAfrica has held more than 600 community and stakeholder engagement sessions with communities and impacted stakeholders in local languages, to carefully track concerns and address them in follow-up sessions. ReconAfrica has held multiple engagements with the five recognised Royal Houses in the Kavango East and Kavango West regions.

Many of our engagement sessions are targeted at women and young adults as part of our commitment to diversity and in an effort to foster broad-based consultation and fact-finding.

ReconAfrica has recruited local community liaison officers as part of our team to provide an ongoing cycle of communication with stakeholders.



We have worked closely with Traditional Authorities and communities for more than two years to address issues of concern and earn support for our planned exploration program. We have also completed engagement sessions with the San and traditional ethnic communities around our seismic program areas.

ReconAfrica updates key parties in international organisations, such as the Permanent Okavango River Basin Water Commission (“OKACOM”) and Kavango Zambezi Transfrontier Conservation Area (“KAZA TFCA”), along with Canadian government representatives. We are also directly engaging established Conservancies, Farmers’ Unions, Community Forest representatives, SAN (Indigenous) representatives and religious organisations throughout Namibia.

Environmental

ReconAfrica is committed to protecting the environment, minimizing disturbances and implementing best practices and international standards. We have conducted comprehensive Environmental Impact Assessments (EIAs) including Environmental Management Plans (EMPs) for both our stratigraphic wells and our 2D seismic programs and we have our Environmental Compliance Certificate (ECC) in place. ReconAfrica complies with national legal, regulatory standards, policies and practices, working with all levels of government to take the right steps.

ReconAfrica conducts continuous water and soil sampling as part of our ongoing monitoring, working closely with government agencies, who enforce compliance with regulations.

ReconAfrica has not applied for, does not have the intention to, nor has it been granted permits to allow ‘fracing’ – a point which ReconAfrica, and the governments of Namibia and Botswana have gone to great lengths to publicly confirm.

Out of Bounds

ReconAfrica is not operating in the Okavango Delta, Tsodilo Hills and National Parks and our licence excludes these areas. In addition, our licence excludes these areas. In addition, our company has self-imposed no-go and buffer zones to protect the environment and wildlife, including a 10-km setback from the Okavango River and a 20-km setback from the Okavango Delta. Our operating plans, which are reviewed, monitored and approved by governments and Traditional Authorities, have been developed with the goal of minimal negative impact and maximum positive benefit to Namibia.

Exploratory Drilling with Integrity

We have implemented advanced drilling practices to protect each well with steel casing (pipes) encased in cement to provide the structural integrity necessary to prevent fluids from entering or escaping while in the various steps of the drilling process. ReconAfrica has also chosen to put in place additional measures to protect the environment by using drilling fluids that are water-based, organic, biodegradable and chloride-free – a sustainable approach that allows for the reclamation and reuse of materials.

Our chloride-free polyamines system is more expensive to implement than older methods – such as plastic pit liners, which can present challenges during the reclamation phase because they often shred and leak. This system uses a 100% freshwater fluid phase as a base, making it useful for measures such as topsoil management.

Seismic Data Gathering with Environmental Controls

ReconAfrica is implementing a technically advanced and environmentally responsible 2D low-impact seismic survey system, reflective of the importance we place on environmental, social and governance practices. The system, called Explorer 860 uses light-weight equipment

with flexible lines to avoid critical habitat, and mulchers to manage small undergrowth and prevent root disturbance.

ReconAfrica’s seismic operations are conducted over public access routes, with low-frequency equipment to protect wildlife communication. We do not operate at night, when elephants and other wildlife species typically communicate.

Thinking, Training and Hiring Locally

ReconAfrica places strong emphasis on hiring locally and nationally whenever possible. In our 2022 Phase 2 seismic program, alone, we hired more than 600 Namibian residents. This is in addition to the more than 500 Namibian residents that have worked as part of our exploratory drilling programs, in a wide range of roles, with a wide range of skills required.

Additionally, ReconAfrica is working with educational institutions to enhance on-site training programs directly related to the environment and to drilling and seismic activities.

ReconAfrica works with local, regional, and national business suppliers and service providers in a broad range of sectors, including water well drilling; construction; logistics and transport; telecom; camp management; training; medical services and supplies; human resources and contracting; engineering and project management; and environmental services.

We implement compliance requirements for all hiring and have a strong commitment to gender diversity, with a focus on increasing the number of women hired locally.

In the Kavango area, ReconAfrica is currently supporting the growth of the agriculture, tourism and service industries through improved water and power access and the use of dual-purpose infrastructure.





Governance

“At ReconAfrica, we are committed to doing business in compliance with our Code of Business Conduct and Ethics and our relevant policies, ensuring responsible, sustainable growth and ongoing shareholder value.”

—Scot Evans, CEO

In 2022, ReconAfrica rolled out a Corporate Governance training program for employees and contractors.



Please see our website and the following links to the policies that guide our company:

- Code of Business Conduct and Ethics
- Corporate Governance Committee Charter
- Audit Committee Charter
- Anti-Bribery Policy
- Disclosure Policy
- Whistle Blower Policy
- Blackout Policy
- Workplace Bullying, Harassment, Discrimination and Sexual Harassment Policy
- Terms of Reference for the Human Resources Human Resources and Compensation Committee
- Terms of Reference for the Governance and Nominating Committee
- Terms of Reference for the SEHS Committee

About ReconAfrica

ReconAfrica is a Canadian-based oil and gas company working collaboratively with national governments to explore oil and gas potential in Northeast Namibia and Northwest Botswana – the Kavango Sedimentary Basin.

To date, ReconAfrica has been granted licences by Namibia and Botswana to explore and confirm the presence of their resources; we have no licence to produce oil or to engage in hydraulic fracturing ('fracing').

This project aims to prove a potential reserve that could lead to economic stimulus, funding local and regional jobs and other socio-economic benefits such as increased infrastructure, potable water access and investments in environmental and wildlife conservation. Should oil and gas be discovered, the traditional authorities and elected governments of Namibia and Botswana will determine how they will manage those resources.

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