

# Best Practices: Environment, Social & Corporate Governance (ESG)



## Committed to the Highest Standard

ReconAfrica's Corporate Social Responsibility (CSR) policy is designed to ensure we conduct our business activities responsibly and to align with the expectations of communities, governments and other stakeholders. Our environmental, social and governance (ESG) criteria provide a basis for measuring our performance against the highest global standards.

- With respect to our **environmental** criteria, we strive to collaborate with stakeholders and to be a steward of the environment
- Our **social** criteria help us to assess the fairness, transparency and effectiveness of our interactions with communities, stakeholders and partners, including our suppliers and contractors
- Our **governance** criteria allow us to monitor progress and improve on our goal of equitable decision-making and to determine the effectiveness of our internal controls in meeting our commitments to stakeholders and shareholders and our obligations to regulators
- ReconAfrica respects the integrity of all designated protected and environmentally sensitive areas, such as the Tsodilo Hills in Botswana. We have a collaborative agreement with the Government of Botswana that excludes the Tsodilo Hills from the company's licence area and we will respect all exclusionary areas
- Our wells will be drilled with organic and biodegradable water-based drilling fluids and we will use the most effective casing and materials to ensure complete protection of all water sources and aquifers

## Our Health and Safety Commitment

We are committed to doing business in compliance with a stringent Code of Business Conduct and Ethics and associated policies. ReconAfrica also adheres to the Canadian Extractive Sector Transparency Measures Act (ESTMA).

ReconAfrica's Environmental, Health & Safety (EHS) goals include the following:

- Zero accidents/incidents
- No harm to people
- No damage to the environment

## Environmental Protection

ReconAfrica is committed to protecting the environment, avoiding environmentally sensitive areas, minimizing disturbances and implementing best practices according to international standards.

- We are focused on conventional oil and gas reservoirs which flow naturally under their own pressure

## Local Economic Development

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 also strive to maximize local and national hiring and provide training in key technical areas associated with our business. In the Kavango area, ReconAfrica is currently supporting the growth of the agriculture, tourism and service industries.

## Community Outreach

Our CSR-ESG team has been working with the Ministry of Environment, Forestry and Tourism (MEFT), Ministry of Water, Agriculture and Land Reform (MAWLR), NamWater, Ministry of Mines and Energy (MME), (NAMCOR) Regional Governments, all levels of traditional authorities and communities to implement various environmental and social projects, including: drilling of four community water wells and ongoing permitting for another six water wells in both East and West Kavango. ReconAfrica is also completing on-site technical training; initial development of health and well-being projects encompassing agriculture, animal husbandry and health practices; and a water-management plan (sampling and monitoring).

## Consultation and Engagement

Numerous consultation sessions regarding our seismic and stratigraphic programs were completed directly with communities. ReconAfrica continues to engage interested and affected stakeholders on an ongoing basis. ReconAfrica reaches out to traditional authorities, community leaders and community members both in formal consultation community meetings and also in what are locally known as "cluster village interaction" sessions, which are all translated into the local stakeholders' languages. We also work alongside regional, elected and national authorities to keep them updated. (cont.)

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ReconAfrica's CSR team was invited by the San (Kwe) leaders to participate in extensive engagement, during which we provided translated project information in their

indigenous language. Among the participants in these sessions were the Traditional Chief, Senior Headmen, Traditional Councillors and community members.

## Frequently Asked Questions

### How is ReconAfrica supporting local communities?

When ReconAfrica arrived in the Kavango Region, we wanted to do something with immediate and lasting benefit for those living in the area. Working with Namibian officials and local leaders, we learned that nearby access to quality drinking water is a critical issue.

ReconAfrica worked with local leaders to initiate a program to drill community water wells for those living at a great distance from existing wells. We have already completed several community wells that are providing potable water for those that need it most.

For more information on how we are improving water access in Kavango visit: <https://reconafrika.com/our-sustainable-approach/the-voices-of-kavango/>

### Many reports say ReconAfrica is fracking. Is this true?

ReconAfrica is conducting a conventional oil exploration program. To date, ReconAfrica has been granted licence by Namibia to explore and confirm the resource. And if this exploratory phase confirms an environmentally and economically viable reserve, the Namibian people and authorities will determine if and how they will extract that reserve.

### Are Namibians actually being employed by ReconAfrica?

Yes. We are committed to hiring locally and nationally whenever possible. This includes opportunities for skilled and unskilled labour. To date (April 2021), ReconAfrica has employed more than 200 Namibian residents in such

roles as: electricians; rig floor-hands; project managers; material technical specialists (construction, environment, wildlife surveying, water and hydrology); health, safety and environmental experts; administrative assistants; garden site workers; and general laborers. The local and national employment numbers will increase as we move forward with our conventional exploratory well program.

Additionally, ReconAfrica is working with Namibian educational institutions to enhance training programs directly related to the energy industry.

### Why is ReconAfrica drilling for oil when the world is calling for the end of fossil fuels to combat climate change?

ReconAfrica recognizes climate change is real and is taking measures to reduce its carbon footprint. ReconAfrica recognizes the acute importance of being results focused, with extensive environmental and social governance approaches in place.

The world is just beginning a multi-decade transition to greener energy sources. ReconAfrica agrees with the Namibian and Botswanan governments that oil will be needed for several decades to come, especially in the developing world. We are here at the invitation of Namibia and Botswana to explore the potential of their energy resources. A stable energy industry can be developed in an environmentally responsible manner to support the development of much-needed economic and social benefits, as well as investments in conservation and wildlife protection. Namibia and Botswana, as importers of oil, natural gas and electricity, have established policy, legislation and regulatory structures to encourage the responsible development of their natural resources.

# 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 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.

#### Contact Us:

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