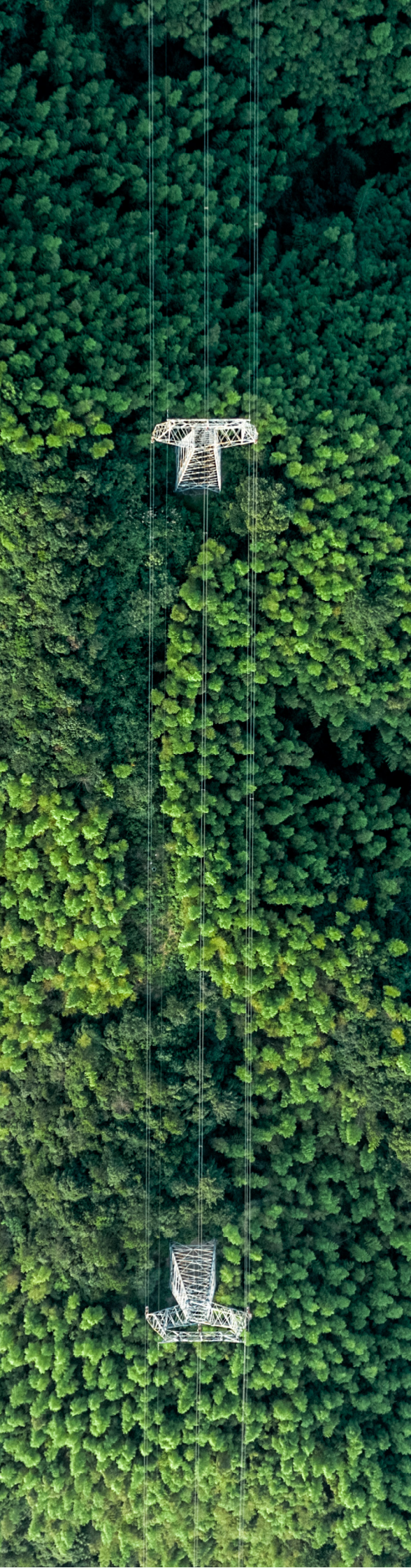




Bluewater

ESG Report  
2021

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# ≡ Bluewater

## Responsible Investing

Bluewater is a specialist private equity firm with a track record of creating sustainable growth and profitable companies. We apply extensive knowledge and experience in the middle-market energy sector as we continue to build on a global track record of investing and creating value for our investors. Based in London, we have \$2.5bn under management in over 20 portfolio companies across two funds.

We have developed a focused ESG strategy that reaches into all areas of our operations: both within our business and across our portfolio companies. The strategy is underpinned by a long-term roadmap that tracks how – through a variety of projects and initiatives – we can meet our ESG objectives.

Beyond oversight of sustainability issues, our strategy targets specific areas: Safety & Security, Environmental Impacts, Governance and Workplace & Community.

In 2020 Bluewater became a signatory to the UN Principles for Responsible Investment.

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# ESG: A New Future, Leading By Example



**Graeme Sword,**  
Founding Partner

## Foreword

I am pleased to be welcoming you to Bluewater's first annual ESG report. It reaches you at a time when momentous global events are prompting organisations to review and refresh their strategic approach to the principles of environmental stewardship, fairness and equality.

The COVID-19 pandemic and associated restrictions have of course had a seismic impact upon the energy industry, but the roll-out of vaccination programmes in 2021 is expected to help fuel recovery in energy demand. It underlines our belief that the COVID-19 crisis will not impact on market fundamentals and that long-term value will be protected.

technology and the energy transition agenda. Those principles are now central to our strategic thinking and everyday engagement with our portfolio companies; they are applied in everything from initial opportunity screening exercises through to final investment decisions and monthly board meetings.

They also shape and inform the policies, practices and processes of those businesses in which we invest, and we now have a formal framework in place for them to report routinely on 122 ESG metrics. It means, for Bluewater, ESG is not just a set of abstract goals and ambitions. The ESG performance of Bluewater and our portfolio companies is tracked and reported, positioning us to understand where we can do even better and where new opportunities lie.

Significantly, 2020 was a landmark year for our firm as we formally became a signatory to the UN Principles for Responsible Investment. We join 3,000 other business signatories worldwide in affirming our commitment to Responsible Investment as a strategy. It is a status that will reinforce our activities across our four identified ESG activity areas – Safety & Security, Environmental Impacts, Governance and Workplace & Community – as we fully embrace the core drivers of Responsible Investment in pursuit of sustainable, long-term returns.

From the outset, Bluewater has adopted a knowledge-based approach to the development and implementation of our ESG strategy. We have tapped into our specialist experience, international reach and diverse industry partnerships to understand the ESG landscape in the energy sector – to assess the evidence, to shape our approach accordingly and to lead by example.

“the principles of ESG are now central to our strategic thinking and everyday engagement with our portfolio companies”

As businesses ‘build back better’ following the most challenging of years, many will be doing so in the context of an energy transition that will only gather pace in the coming years.

At Bluewater we have been on the energy transition journey since we first raised Fund I, and we will continue to follow that route as the markets adapt to the twin imperatives of increased demand and emission reductions.

Our recognition of this changing landscape – and of the critical importance of embracing the principles of ESG – will become apparent in our ongoing investment activities, where we anticipate there will be an even greater focus on



# New Momentum, New Responsibilities

**Energy transition** is broadly defined as the shift from the traditional use of fossil fuels to an industry in which the focus is upon applying new technologies to enhance the sustainability and efficient use of all energy types.



More than 50% of revenues in Fund II stem from energy transition initiatives and projects

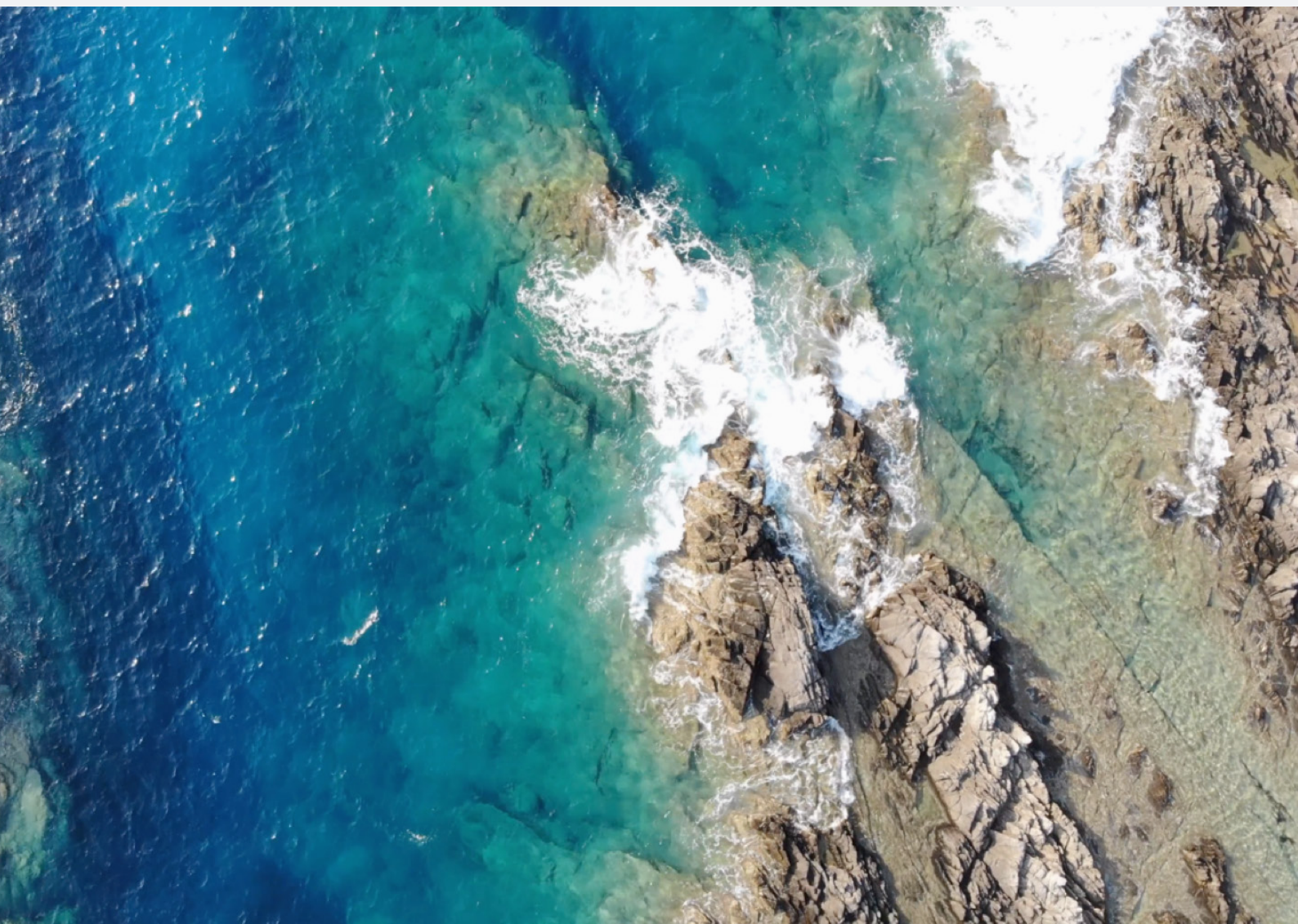
As a concept, it maps out the route to a low carbon world while still ensuring that demand for power is met efficiently and cost effectively.

The impetus behind the transition is growing all the time. In early 2021, to cite just one example, the International Energy Agency announced plans to produce the world's first comprehensive roadmap for the energy sector to reach net-zero emissions by 2050. The report will set out what is needed from governments, companies and other stakeholders to decarbonise the sector totally. This fundamental change in energy provision presents new opportunities, not least for companies which maintain a strong focus on ESG as an investment principle.

The knowledge and technology base of Bluewater and our portfolio companies is highly applicable in meeting the challenges – and seizing the opportunities – of the new-look energy market.

The transition is evident within the Bluewater portfolio, where revenues from non-oil & gas operations have grown as a proportion of overall revenues over recent years; in Fund II, they represent more than 50% of revenues as we focus increasingly on technology in building regional companies into world-class leaders in their specialist fields.

We will also look to deliver best-in-class returns in a low carbon world by, for example, focusing on oil & gas capabilities and technologies that are easily transferable across energy types.



# Putting Insight to Work

**Our ESG strategy at Bluewater will continue to evolve, but it will consistently reflect our focus on investment in the energy transition as the market increasingly moves to sustainable solutions.**

Bluewater's migration to new energy is characterised by the growing prominence of key metrics – lower carbon, higher efficiency, sustainability and electrification, for example – in our investment portfolio.

Our contribution to the energy transition is evident in LNG/gas-to power, through Galileo Technologies, EDGE and Severn; in infrastructure services, with px Group, Kentech and Optilan; in energy efficiency and electrification, with Jernbro; in digitisation & software, through Axess, Authentix and 3T Energy Group; and in offshore wind, through Unique Group, ROVOP and others.

These commonly exemplify how our Fund II strategy is underpinned by greater recognition of Energy Transition themes in all we do, and by prioritising areas such as digital, software

and LNG. There is still much to do, of course, and future focus sectors will include all five referenced above. We also look to broaden our horizons, recently exploring prospective opportunities in areas ranging from waste recycling and carbon capture to energy data.

Implementation of the strategy itself is underpinned by the inherent knowledge among Bluewater professionals of the ESG priorities and challenges within the global energy industry.

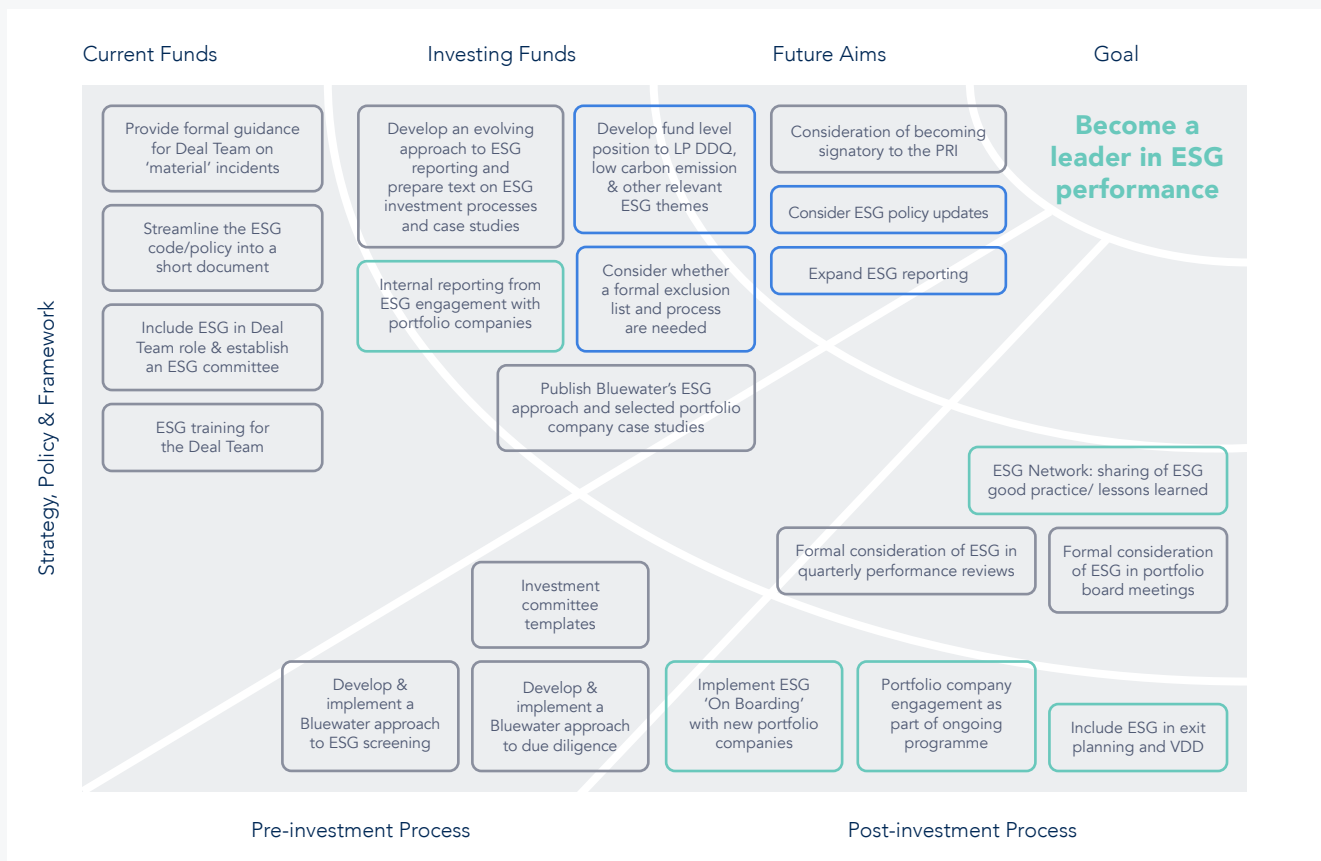
They convert these insights into impact, using their knowledge to support the development and maintenance of fit-for-purpose ESG policies and practices within portfolio companies. It reflects our belief that companies with high ESG standards of performance deliver more effectively on their overall strategic goals, lowering risk and enhancing returns.

In summary, our strategy is driven by our fundamental knowledge of the market, our established expertise in the energy transition space and our absolute commitment to the principles of ESG.

## ESG Roadmap

This roadmap was developed in 2017, we are now to the operationalisation stage.

- Competed Items
- Processes Established
- Advisory Items





# Responsible Investment: Putting Principles to Work

## Our ESG policy:

*Bluewater believes that Responsible Investment is core to our firm's ambition: to build world-class energy companies. We recognise that ESG can influence long-term company value and that it is in the best interest of our investors to incorporate ESG into our investment analysis, decision-making and portfolio company engagement processes.*

We have applied our industry knowledge to the development and implementation of multiple practical measures that are helping Bluewater and portfolio companies to position ESG at the centre of their activities.

“portfolio-wide information gathering on ESG, KPIs and other key compliance-related issues”

**122** portfolio companies now formally reporting on **122 KPIs and metrics**

In doing so, we engaged with an ESG expert from a private equity background to help define a best-in-class approach. It involves:

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Fully integrating ESG due diligence into our investment committee process

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Portfolio-wide information gathering on ESG, KPIs and other key compliance-related issues

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Defining a set of 122 meaningful KPIs and metrics for companies to report on, across all key areas. The data is systematically collected through a cloudbased reporting system. We trialled this with a sampling of portfolio companies in 2020 and will expand this to include all portfolio companies by the end of 2021

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Setting benchmarks for continual improvement

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Follow-up process in which metrics are discussed with portfolio companies at the highest levels and a report produced for the Board, detailing quick wins and long-term recommendations

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An ESG committee at Bluewater monitoring progress and working with our ESG consultant to capitalise on expertise and best practice

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Resourcing tailored support to strengthen any areas identified as part of exit preparation

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# Signing up for Sustainability

During 2020 Bluewater became an official signatory to the UN Principles for Responsible Investment (PRI).



It confirms our commitment to Responsible Investment as a strategy and practice, and to incorporate ESG factors into our investment decisions and active ownership.

In doing so, we join over 3,000 other international signatories representing \$103.4 trillion assets under management.

It represents a formal and public commitment not only to Responsible Investment but to full transparency, and also gives Bluewater welcome access to UN PRI resources as we pursue our ESG objectives.

Signing the UN PRI reflects our belief in the overriding principle of trust. We earn the trust of all stakeholders – shareholders, investors, employees – by living by our ESG values, and doing so in an open and accountable way.

## As a signatory, Bluewater will:

Incorporate ESG issues into investment analysis and decision-making processes

Be active owners and incorporate ESG issues into our ownership policies and practices

Seek appropriate disclosure on ESG issues by the entities in which we invest

Promote acceptance and implementation of the principles within the investment industry

Work together to enhance our effectiveness in implementing the principles

Each report on our activities and progress towards implementing the principles



“signing the UN PRI reflects our belief in the overriding principle of trust”



Bluewater is committed to full transparency on all ESG matters associated with the Funds it advises.





## Case Study

# ESG in action: The transformative approach of Galileo and Edge LNG

### A global problem

Around the world, natural gas is routinely flared as a by-product of oil extraction. The gas itself is a valuable fuel, but the economic equation is such that it is not viable to invest in gathering capacity to take it to market, leaving only the options of burning it off or shutting down operations entirely.

Taken at a global scale, this is an economic and environmental tragedy. The World Bank's Global Gas Flaring Reduction Partnership (GGFR) estimated that, in 2019, the world flared as much as 150 billion cubic meters (bcm) of natural gas – as much as the total combined annual gas consumption of Sub-Saharan Africa.

That means enough gas to power half a continent is being burned for no useful purpose – not for power generation, as transportation fuel or as a chemical feedstock.

The GGFR estimates that the practice produces 400 million tons of CO<sub>2</sub> equivalent emissions each year – all for nothing. That flared gas could be displacing higher-carbon diesel, or at least avoiding the need for extracting further gas to do the work it could be doing. Instead, it is simply burned, with operators left no economic alternative.



150  
BILLION

150 billion cubic  
meters of natural  
gas flared in 2019

400  
MILLION

400 million  
tons of CO<sub>2</sub>  
equivalent  
emissions each  
year

The twin imperatives of increased demand for fossil fuels and emissions reduction may appear irreconcilable at first glance, but the reality is very different. In fact, those companies which can bridge the apparent gap will be some of the most valuable leaders as we navigate the energy transition.

**A perfect example is that of Edge LNG and Galileo Technologies.**



### A technology-led solution

In 2016, Bluewater invested in Argentinian engineering and technology company, Galileo Technologies (Galileo). Galileo had pioneered a fully mobile LNG solution to make the most of its country's remote and stranded gas assets. The Cryobox could be delivered by truck anywhere roads could reach, deployed on-site with a minimal footprint, and capture and convert gas at the well-head directly to LNG. This, in turn, was distributed to market by road – eliminating the need for expensive gathering infrastructure – in a process Galileo called the 'virtual pipeline'.

At Bluewater, we realised that there was a far bigger addressable market for this technology, and that it could be applied not just to stranded gas wells, but to onshore oil wells forced to flare gas through lack of access to gathering pipelines.

In other words, the Cryobox technology and virtual pipeline model had the potential to support the industry in meeting growing fuel demand while simultaneously addressing the pressing environmental concern of routine flaring. But the approach needed to be scaled up and geographically expanded.

Edge LNG was founded in 2019 to fulfil the technology's potential, starting in the United States, where basins such as the Permian represent global hotspots for flaring activity. Edge LNG was co-founded by Bluewater, Galileo (which also serves as exclusive technology partner), and leading US utility NextEra as distribution partner. The new company quickly established operations in the Marcellus basin, and has recently established a base (alongside Galileo) in Midland, Texas to meet growing demand for its services.

With Edge LNG, operators finally have an economic solution to flaring. In fact, natural gas can become an additional revenue stream: Edge LNG can capture the gas at source, buy it from the operator and distribute it to market. Alternatively, Edge LNG can capture and liquefy the gas before directly feeding it back into on-site gen-sets, displacing high-carbon diesel with lower-carbon natural gas – helping operators to save money and reduce emissions at the same time.

Edge LNG and Galileo represent investments which support the industry as it navigates the energy transition and offer a clear, demonstrable positive environmental impact, with plenty of headroom for growth: a crystallisation of the Bluewater ESG strategy.



“With Edge LNG, operators finally have an economic solution to flaring. In fact, natural gas can become an additional revenue stream.”



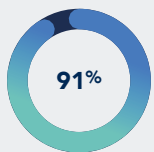
# Focus Areas

There are four strategic Focus Areas: an initial sample survey has provided a baseline for assessing portfolio company performance in these specific areas, and ongoing development of this survey work will enable us to gauge improvements and prioritise support.

## Safety & Security



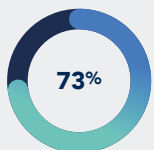
- Promoting zero harm for workers and community
- Prepared for critical incident response
- Safety in the workspace and cyberspace



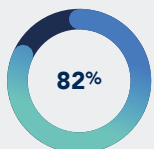
91% of the participating businesses said they had initiatives in place to improve and promote employee safety



No reported fatalities and, similarly, no recorded enforcement actions by regulators for breaches of relevant H&S legislation in the previous 12 months



73% said their board had reviewed the company's resilience to cyberattack in the previous 12 months

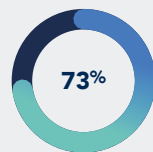


82% said they conduct external cybersecurity testing

## Environmental Impacts



- Minimising the use of finite resources
- Managing ecological impacts (emissions, air quality, waste, biodiversity)
- Increasing resilience to physical climate risk
- Supporting transition to low carbon economy



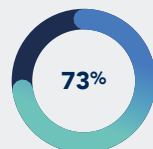
73% said they had a system in place for tracking and reporting environmental performance/impacts associated with the company's operations



55% said they had developed environmental improvement/efficiency initiatives



None had recorded complaints relating to non-compliance with environmental laws/regulations in the previous 12 months



73% said they had considered physical risk arising from climate change



Our Focus Areas provide a strategic framework against which we can measure tangible progress.

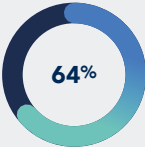
## Business Governance



- Business ethics and integrity
- Risk management
- Transparency



None had recorded any actions/ complaints for breach of legislation relating to corporate governance in the previous 12 months



64% said ABC policies and processes had been reviewed by their Board in the previous 12 months

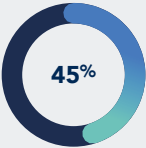


73% said they had a process in place for employees to make internal complaints, report incidents against other employees or provide feedback

## Workplace & Community



- Healthy, diverse and inclusive workplaces
- Decent and fair employment
- Respect for communities and strong community relations



45% said they had been involved in community projects



36% said they had a mechanism in place for members of the community to make formal complaints or provide feedback to the company on its operations and impact

Our 2020 snapshot survey provided valuable insights and identified priority areas for attention.

We are already working to realise our priorities for 2021: building on the portfolio company reporting structure and beginning to set company-specific metrics, as well as cross-portfolio metrics, to help deliver further performance improvements.



# Case Studies



## px Group: charter for safety

px Group operates a charter which articulates its expectations and commitment to ZERO Harm to people, the environment, its assets and reputation.

Its outstanding safety performance is a consequence of this commitment as well as the positive attitudes and contributions of its people, backed up by effective safety systems built over 25 years of operating high hazard infrastructure.

The ZERO Harm policy, alongside px Group's use of ISO standards and internal tools and a culture of improvement and learning, has seen the company report a total incident rate (lost time and recordable incidents over 200,000 hours worked) of 0.14 – significantly below the industry norm – and zero lost time incidents for 2020 to early October.



**WELLESLEY**  
PETROLEUM

## Wellesley Petroleum: delivering environmental gains

Wellesley has identified and pursued several areas where operational improvements can lead to better environmental outcomes.

The business uses fourth generation drilling rigs, which use less diesel and realise reduced levels of CO<sub>2</sub> and NO<sub>x</sub> emissions to air.

It applies a best-in-class centrifugal solution to treat dirty water on rigs; the Soiltech treatment removes oil without the addition of chemicals. Since the technology was adopted, over 25 rig-to-shore trips for the transport and disposal of dirty water have been averted – realising a significant reduction in emissions.

Wellesley has also taken the step of coaching rig crews on best environmental behaviour, including recycling practices and using a behavioural coach to encourage the adoption of best practice designed to reduce waste. These measures align with target-focused waste management and reduction plans.



## Jernbro: prolonging machinery life

Jernbro has developed a capability that serves to enhance the efficiency of customer operations.

Specifically, its technology team possesses the resources and expertise to extend the operating lifespan of machinery by refurbishing or replacing the electrical component elements of heavy plant and other equipment.

By keeping existing plant and machinery operating for longer, it is delivering environmental gains while also realising economic benefits for customers.





### **px Group: promoting industry careers**

px Group's Children in Industry initiative reflects the wider strategic objective of attracting young people into the energy industry.

Company employees regularly engage with local primary schools to introduce children to the STEM subjects (science, technology, engineering and maths) and the potential career opportunities they could pursue.

The sessions have proved highly popular and have also had a positive impact in terms of team building and employee engagement. px Group is looking to extend the programme to more local sites in due course.

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### **Authentix**

#### **Authentix: supporting communities in need**

Authentix worked with civic leaders, subcontractors and the local community to fund and execute the drilling of boreholes in the Petauke district within the Eastern Province of Zambia.

A total of 30 boreholes were rehabilitated and six were drilled – giving over 30,000 people new access to clean and safe drinking water.

The business engaged with community leaders in the town of Obuasi West in the Ashanti region of Ghana to alleviate and improve the living conditions of residents. The project involved the installation of new borehole water wells and lighting.

**Our portfolio companies are demonstrating their commitment to ESG values, across all Focus Areas.**



## Supporting Good Causes

### Bluewater enjoys successful relationships with charitable organisations and has supported numerous good causes over the years.

Bluewater supports and encourages portfolio company partnerships with charities, serving to create long-term relationships that realise lasting change.

These include Greenhouse Sports, a London-based charity which uses sport to engage young people and improve their life chances, and Moorfield Eye Charity, which supports the pioneering work of Moorfields Eye Hospital NHS Foundation Trust.

At the outset of the COVID-19 outbreak Bluewater made some additional charitable donations where our support could have an immediate impact.

Bluewater has an established Green Office policy that is converted into practical application across many of our activities. The policy is focused on minimising environmental impact, recycling products wherever practical and using electricity, water and manufactured products efficiently. More broadly we are actively looking to minimise our carbon footprint by, for example, reducing business travel. This process was already under way, but the COVID-19 restrictions have of course brought such practices to the fore and we will use our experiences of recent months to shape a new long-term approach that reflects our environmental commitments.



GREAT ORMOND STREET HOSPITAL CHARITY



moorfields eye charity

SERPENTINE GALLERIES



Angus Carers Centre supporting carers



UCLH charity



Friends of ANCHOR friendsofanchor.org



Switchboard LGBT+ helpline



Greenhouse Sports

Image courtesy of Greenhouse Sports.



# Latest News

Since undertaking the ESG reporting and analytics, we have gone back to individual portfolio companies with an ESG plan including action points against each section. We are initially focusing on quick wins and will continue to broaden these action plans.

Since February 2021, Bluewater has further integrated Environmental, Social and Governance (ESG) targets into its borrowing facilities, which has the dual benefit of focusing on key ESG targets across Bluewater and its' portfolio companies and reducing the cost of the facility.

Challenging targets have been set to focus on ensuring the implementation of sustainability policies and strategies at each portfolio company, the use of renewable energy sources, ESG governance and achieving best-in-class health and safety workplace environments.

Further, Bluewater and the lender have agreed that such benefit derived due to good ESG is ringfenced and spent to further environmental and social causes for the long term health and well-being of the planet and its inhabitants. Some specific examples include causes dedicated to tree preservation and forest regeneration, provision of educational activities for inner city schoolchildren and activities focused on the mental health and wellbeing for under 18s.



px Group, a partner in the Zero Carbon Humber (ZCH) project partner, is looking to kick-start initial development at the Equinor-led blue hydrogen and carbon capture and storage scheme at their Saltend Chemicals Park.

The first phase, and so-called “anchor” project at Saltend will be to build a new plant to produce blue hydrogen that will be used to fuel the chemical park’s on-site power station, run by Triton.

As well as front-end engineering and design, the group’s bid for matched funding will cover obtaining land rights and development consents for H2H Saltend and the onshore pipeline infrastructure for carbon dioxide and hydrogen. CO2 captured from the hydrogen production will then be piped offshore for permanent storage in aquifers under the southern North Sea.

The initial phase could reduce emissions by about 900,000 tonnes per annum — about 30% of the power station’s emissions — as the Triton plant blends hydrogen into the station’s fuel supply.

Source: <https://www.upstreamonline.com/energy-transition/px-group-confident-in-bid-to-kick-start-humber-blue-hydrogen-scheme/2-1-958419>

To offset our CO2 emission contributions, the ESG committee embarked on a joint ESG/Charity Committee project to identify a UK based charity that had tree preservation and forest regeneration as its core purpose.

We are currently having conversations with several organisations to discuss providing funding that will 1) impact direct tree planting in the UK and 2) provide an educational element for schoolchildren, with a focus on inner city residents, allowing them to get involved in planting and understand the benefits of trees and the production of O2. We are intending to donate £25–50k for this initiative.





# Appendix:

## ESG metrics collected from portfolio companies

### Overall Management of Sustainability Issues

1. Do you have a sustainability policy and / or strategy in place? How do you monitor its effectiveness?
2. Is there a management system in place for enforcing, communicating and monitoring ESG performance?
3. Who is ultimately accountable for ESG practices associated with operations of the company? What is their role?
4. Who is responsible for sustainable development across the company's operations?
5. How are issues of non-compliance with relevant legislation reported/monitored (i.e. environmental regulations, labour standards, H&S, etc.)? This includes breaches of financial regulations.
6. Has the company been awarded any certifications in the last 5 years (i.e. ISO 14001 for environmental management systems)? How is the continued compliance with these certificates monitored? Are any further certificates being targeted by the company?
7. Has the company signed up to any external commitments relating to sustainability (such as the UN Global Compact, the World Bank Zero Flaring by 2030 commitment etc)?
8. Do you report on sustainability matters regularly to the Board, to employees, and/or externally (specify frequency)? Does your quarterly Board Pack include a section on ESG?
9. Is any training provided to staff regarding sustainability / environmental issues? How is this training communicated to employees? How many employees have undergone training and how many hours have they undertaken (in total)?
10. In the event of an incident, either business or employee related, and one that the press / media pick up a story from – do you have a crisis communication plan or procedure in place to protect business reputation?

### Safety & Security

11. Do you have an H&S policy and management system in place? If so, please provide details regarding its implementation and monitoring.
12. Is there a system in place for tracking and reporting H&S performance across all operations? How frequently is this information reported and who is responsible for monitoring this process? Is H&S performance reviewed and reported on at every board meeting?
13. Do you have a Board Member who is responsible for H&S management?
14. Has the H&S performance management system been externally certified (such as ISO 45001)?
15. Has the company been subject to enforcement action by the regulators for breaches of relevant H&S legislation in the past 12 months? Please provide details.
16. Do you have any initiatives in place to improve and promote employee safety (e.g. zero harm)?
17. Lost Time Injury Frequency Rate (LTIFR). (injuries per million hours worked) OR total incident rate (lost time and recordable incidents over 200,000 hours worked).
18. Number of fatalities (employees and contractors on site).
19. Number of accidents / hazards / potential OHS risks reported / identified and managed.

## Appendix Cont.

20. Number of hours H&S training provided per employee per year.
21. Are trends monitored to identify common themes and lessons learned (i.e. frequency of accidents, location of accidents, etc.).
22. How are H&S incidents reported and subsequently followed up?
23. Do you have a critical incident response plan in place, and has this been reviewed in the last 12 months? Has this plan been triggered or tested in the last 12 months?
24. What other H&S KPIs do you find to be helpful to monitor? How are these developed and how is progress/performance against any KPIs monitored?
25. What are the operating systems and software used? And their version numbers, patch levels, cycles etc as appropriate.
26. Has the board reviewed the company's resilience to cyber attack in the last 12 months?
27. Has your organisation experienced any complaints, enforcement actions, other actions or proceedings relating to personal data?
28. Do you conduct any external or internal technology audits and/or security testing? If yes, how often are these carried out?
29. How do you protect audit information and audit tools from unauthorised access, modification, and deletion?
30. Does your firm have formal, written cybersecurity policies, cyber insurance cover and procedures? Please provide details.
31. How do you ensure that the security policies, standards and procedures are up to date?
32. Do you have any staff IT security awareness training and what is the frequency?
33. Do you employ a dedicated information security team? If yes, please provide details of size, structure, and responsibilities?
34. How do you prevent unauthorised access, damage and/or interference to the facilities that hosts the infrastructure holding the data and any systems?
35. Is data transferred over the network between different systems? If yes then how?
36. Is SSL configured to secure data in transit?
37. Do you provide any other means of access to customer data? Is customer data distributed or utilised in any way other than directly visible in the system on desktops and mobile devices? E.g. emailed reports, FTP file drop, etc.?
38. What technical security measures has your organisation implemented to keep personal data and confidential information secure? Please describe?
39. Is data access based on user role? How many users and user roles have access to critical data?
40. Does your company hold current certifications or accreditations such as ISO 27001, SOC2, etc. If so, please provide evidence of these, and that your company is still compliant (e.g. recent audit).
41. What mechanisms are in place to ensure all significant security and system events are logged, stored and reviewed?
42. Does your organisation comply with the European General Data Protection Regulation? If you answered "yes", please provide details.

## Appendix Cont.

43. Does your organisation keep written records of all of its personal data processing activities?
44. Does your organisation contract with subcontractors to process personal data as part of providing your services to controllers? If you answered "yes", please provide details.
45. Explain vendor management process along with compliances that vendors need to abide by.
46. Does the company have procedure to ensure that third party contractors address security responsibilities?
47. Has the company experienced data loss or theft?
48. Is there a procedure for data and system backup? What is the location of these backups and are they encrypted? Please describe locations, frequency (realtime, 1 day behind, weekly, etc.), and encryption utilised?
49. Are your databases separately backed up? If so, please describe locations, frequency (realtime, 1 day behind, weekly, etc.), and encryption utilised?
50. Are the recovery of backups tested regularly?
51. How is system availability ensured in the event of system failure?

## Environmental Impacts

52. Is there a system in place for tracking and reporting environmental performance/impacts associated with the company's operations?
53. At what frequency is information reported and who is responsible for monitoring this process?
54. Is the board involved in reviewing environmental performance on a regular basis?
55. Have you developed environmental KPIs? If yes, what are they and how do you monitor performance against targets?
56. Does the company have a system in place to monitor its emissions to air from its operations?
57. Has the organisation exceeded any legal limits for any of the following air emissions: NOx, SOx, POPs, VOCs, HAPs, PM and other identified categories?
58. Has the company put in place initiatives to reduce methane flaring? What is the total quantity of hydrocarbon gas flared from your operations?  
OR has the company signed up to the World Bank Zero Flaring by 2030 initiative?
59. Does the company have a system in place to monitor its water consumption and have programmes in place to minimise freshwater use, or improve water collection & recycling?
60. What % reduction in annual water consumed across all operations was achieved in the last 12 months?
61. How many sites are in water stressed areas?
62. What percentage of the sites which are operating in water stressed areas have a (source) water protection & replenishment plan in place?
63. How many metric tonnes of hydrocarbons do you discharge annually to surface water?

## Appendix Cont.

64. Do you have a waste management strategy? Is waste recycled or sent for recovery (i.e. energy from waste) where feasible, with disposal used as a final option?

65. What is the amount of annual waste diverted from landfill (tonnes & %)?

66. Does the company have a system in place to monitor energy consumption and have programmes in place to minimise it, or introduce more renewable sources?

67. Has the use of any renewable energy sources been introduced into operations (i.e. biofuel, energy from waste technology, solar, wind etc.)?

68. What was the emissions intensity (CO2 emissions per 1,000 BOE for production companies, or per employee ) in the last 12 months?

69. Does the organisation have a plan to maintain or restore/regenerate natural habitats?

70. How many sites are in close proximity to protected areas or areas of high biodiversity value?

71. What is the number and volume of hydrocarbon spills greater than 1bbl reaching the environment?

72. Have you developed any environmental improvement / efficiency initiatives (e.g. energy, water and raw material consumption)? If so, please describe.

73. What improvements have resulted from the environmental initiatives?

74. How are you ensuring compliance with environmental legislation? How are changes in legislation monitored and implemented throughout operations?

75. What is the total monetary value of fines relating to non-compliance with environmental laws / regulations imposed in the last 12 months?

76. How many complaints relating to non-compliance with environmental laws / regulations have been received in the last 12 months?

77. Has the company considered the risk to key operational assets/materials from extreme weather events including flooding and drought (for example, business disruption or damage to assets and/or production) and assessed resilience measures to be put in place?

78. What percentage of the company's sites/facilities are in areas of high risk to extreme weather events?

79. Have you introduced technologies that reduce CO2 emissions in your operations?

## Governance

80. How is Corporate Governance managed across the company and its operations?

81. How does the company monitor anti-competitive behaviour across operations?

82. Is the company compliant with all relevant legislation? How do you ensure compliance with relevant business legislation?

83. How many actions / complaints for breach of legislation relating to corporate governance (such as anti-competitive behaviour, anti-bribery and corruption, fraud or other malpractice) have been brought against the company in the past 12 months?

## Appendix Cont.

84. Are there any policies or processes in place to ensure compliance with anti-bribery and anti-corruption (ABC) legislation? How are these policies monitored? Have there been any issues/convictions of employees relating to bribery and corruption?
85. When were these policies and compliance with them last reviewed by the board?
86. How comprehensive is the policy?
87. How well is the policy communicated?
88. Is the policy applicable to all sites / subsidiaries?
89. Who approved the policy?
90. Who is accountable for its implementation?
91. Who is responsible for the implementation of the policy and its initiatives?
92. How comprehensive is the implementation of the policy?
93. Is there a whistle-blowing facility?
94. Does the company report its ABC performance?
95. Government customers (including local government and state-owned or controlled companies) account for at least 30% of revenue.
96. The business model involves large projects, tenders or long-term contracts.
97. The company uses intermediaries to win more than 30% of business annually.
98. The company operates in countries falling within the 20 lowest ranking countries in Transparency International's Corruption Perception Index.

## Governance Part 2

99. What measures are in place to prevent incidents of bribery and corruption in the context of contracting with public organisations, the government, etc.?
100. Does the company produce a Corporate Social Responsibility (CSR) or Sustainability Report? Is performance of the company communicated internally or externally?
101. Are there any internal / external audit procedures in place to monitor compliance with standards/policies across all operations and document risks (such as a risk register)?
102. Is there a process in place for employees to make internal complaints, report incidents against other employees or provide feedback (i.e. whistle-blowing line)?
103. Does the organisation have a system in place to prevent the facilitation of tax evasion in its business operations?
104. Do you participate in the Extractive Industries transparency Initiative?
105. Has the company been awarded with any awards or received any recognition of achievements?



## Workplace and Community

106. Is there a code of conduct or related policies in place (i.e. business code of conduct)? Who is this code applicable to (i.e. employees, suppliers, etc.) and is it accessible to all employees?

107. Do you actively consider talent management to ensure you attract and retain skilled employees?

108. What is the rate of employee turnover in the last 12 months (both voluntary and involuntary)?

109. Do you have any policies or procedures in place to promote workforce diversity, inclusion and non-discrimination?

110. What percentage of the senior management team / workforce are female?

111. What percentage of the senior management team / workforce are BAME?

112. What steps are taken to ensure that no slave labour is employed in the business?

113. If you use contractors, how is their workforce monitored on their recruitment, employment, working and living conditions?

114. Are any migrant workers used? What is done to ensure their fair and ethical treatment?

115. How many on-site assessments of human rights, including labour rights, have been carried out in the past 12 months?

116. How many operating sites have a mechanism in place for members of the community to make formal complaints or provide feedback to the company on its operations and impact?

117. Has the company assessed and addressed local community impacts of its operations, including archaeological, historical and cultural impacts, and impact on indigenous people?

118. Has the company been involved in any community projects? If yes, please provide details.

119. Are programmes in place for employees to volunteer hours in community projects/schemes during their contracted hours?

120. How much has the company invested in local community projects or schemes?

## Other

121. Any additional ESG practices not covered by the above questions you believe we should be aware of?

122. Do you have any examples of specific ESG activities / awards won / charitable giving / ESG related marketing / other social initiatives that we should be aware of?



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