



Viaro Sustainability Update

Sustainability Reporting Intentions:

Viaro recognises the need to build an ESG management capability to underpin its responsible stewardship ambitions and to provide transparency to key stakeholders and regulators. As part of this journey, in 2022 we formed an ESG working group. This progress update has been prepared for the 2023 calendar year reporting period with support from an independent consultancy. The information disclosed in this update has not been subject to third party assurance under engagement with Viaro.

Company Structure:

RockRose is fully owned by the Viaro Group and is the legal entity owning the oil and gas assets of the group. For further information, please refer to the Viaro Group website.

www.viaro.co.uk

Disclaimer:

This Sustainability update should not be considered a Sustainability Report, but rather a high-level summary of the ESG work carried out to date. Viaro is developing a roadmap to a fully disclosed, externally audited Sustainability Report in line with future growth and becoming an operator.





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Message from our CEO



Francesco Mazzagatti
Chief Executive Officer

“I am proud to announce Viaro Energy's very first sustainability disclosure, a transparent and truthful reflection of where our company is positioned on its ESG journey. In 2023 and 2024, we managed a non-operated joint venture portfolio, yet we have fully embraced the ESG challenges and responsibilities required of more mature organisations and duty holders in the UK and NL basins.

Whilst currently delivering almost 10% of the UK's domestic gas needs, via our gross portfolio interests, Viaro Energy is committed to continuing to develop and improve our sustainability disclosures in line with industry standards and stakeholder expectations.”



Message from our CEO

At Viaro we are committed to responsible stewardship and strive to achieve our goals sustainably. We've set our sustainability foundations by undertaking a materiality assessment to identify the issues most material to our business and stakeholders. Following this first step, we structured our ESG management governance processes around the key material topics, which included the establishment of an ESG workgroup under our ESG lead. We have also defined the SDGs most material to us at this stage of our sustainability journey.

We recognise that our assets are part of technically complex and hazardous operations which can pose a high risk to the workforce and environment. As identified within our materiality assessment, health and safety is deeply rooted in our culture both through our non-operated assets and within our day-to-day operations. For this reason, safety is our top priority and a major focus of our engagement with operating partners.

We can report that our production in 2023 and 2024 has been without any fatalities. While there has been an increase in non-fatal incidents, we continue to work with our operating partners to address their root causes and implement mitigations. Good health and well-being is one of the primary SDGs we are focused on, and we are committed to pushing for excellence on safety.

Message from our CEO



The energy transition shapes how we deliver value to our stakeholders and maintain vitality of our portfolio. Domestic gas production in the North Sea was critical to maintaining European energy security and as a holder of a significant gas reserves, we are proud of our continued role in delivering this.

We recognise the impact that the industry is having on climate and people as well as the industry's role transitioning toward a low carbon economy. We have continued working with our partners to deliver greenhouse gas emissions abatement initiatives to progress towards achieving the NSTA's 50% reduction target by 2030. We are also pursuing other strategic opportunities to increase the resilience of our portfolio.

In the context of growing stakeholder ESG expectations, the workforce is increasingly aware of the industry impacts and reputation, and being proactive on sustainability is essential to retaining skills and maintaining the social licence to operate. At Viaro we offer our employees excellent development opportunities and flexible benefits. Externally, we are directly investing up to £130,000 annually in local communities through a combination of donations, volunteering, and sponsorship such as a university bursary for the full duration of an undergraduate STEM.



Message from our CEO

Our culture is reflected in our core values of family, integrity, sustainability, agility, and collaboration, and we are committed to continuing to managing our assets in an ethical and responsible manner. Strong governance is critical to our success in sustainability, and we have committed to establishing new policies, committees, and roles to ensure that we can deliver on our sustainability aims, while maintaining agility and value to our stakeholders.

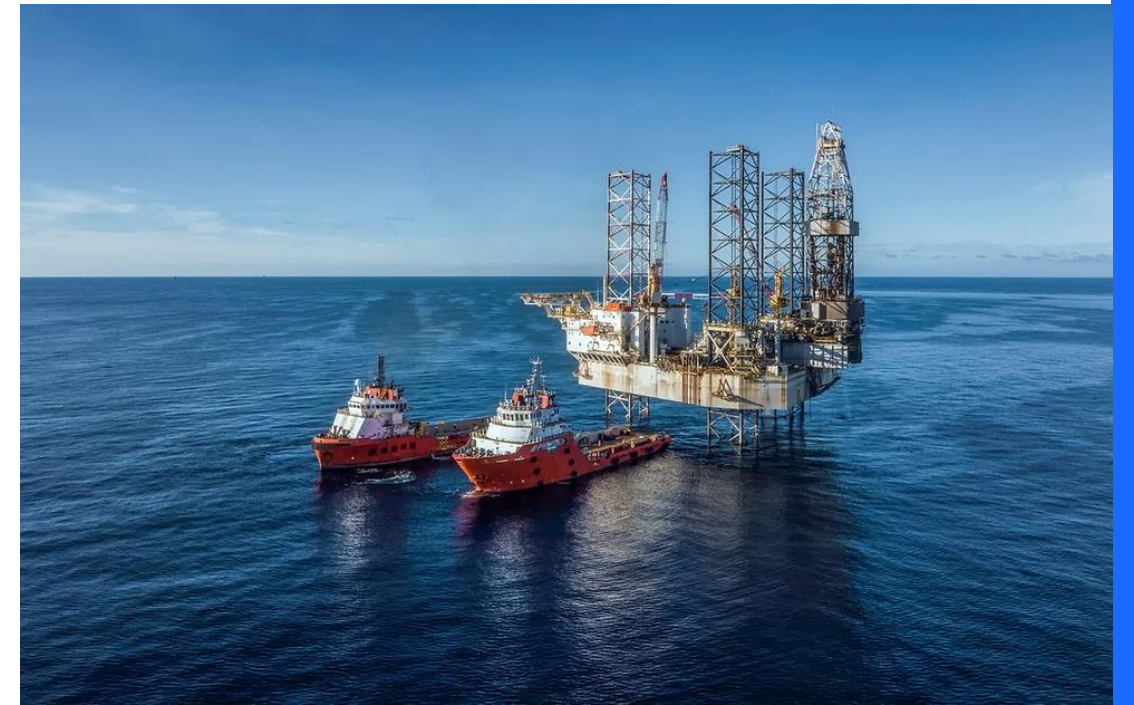
We are also progressing on the journey of better transparency with our stakeholders through sustainability disclosures. This year we have developed the framework for data collection and can disclose climate, safety, and social metrics to stakeholders. We are continuing to work with an independent sustainability consultant to develop and implement our Sustainability Roadmap.

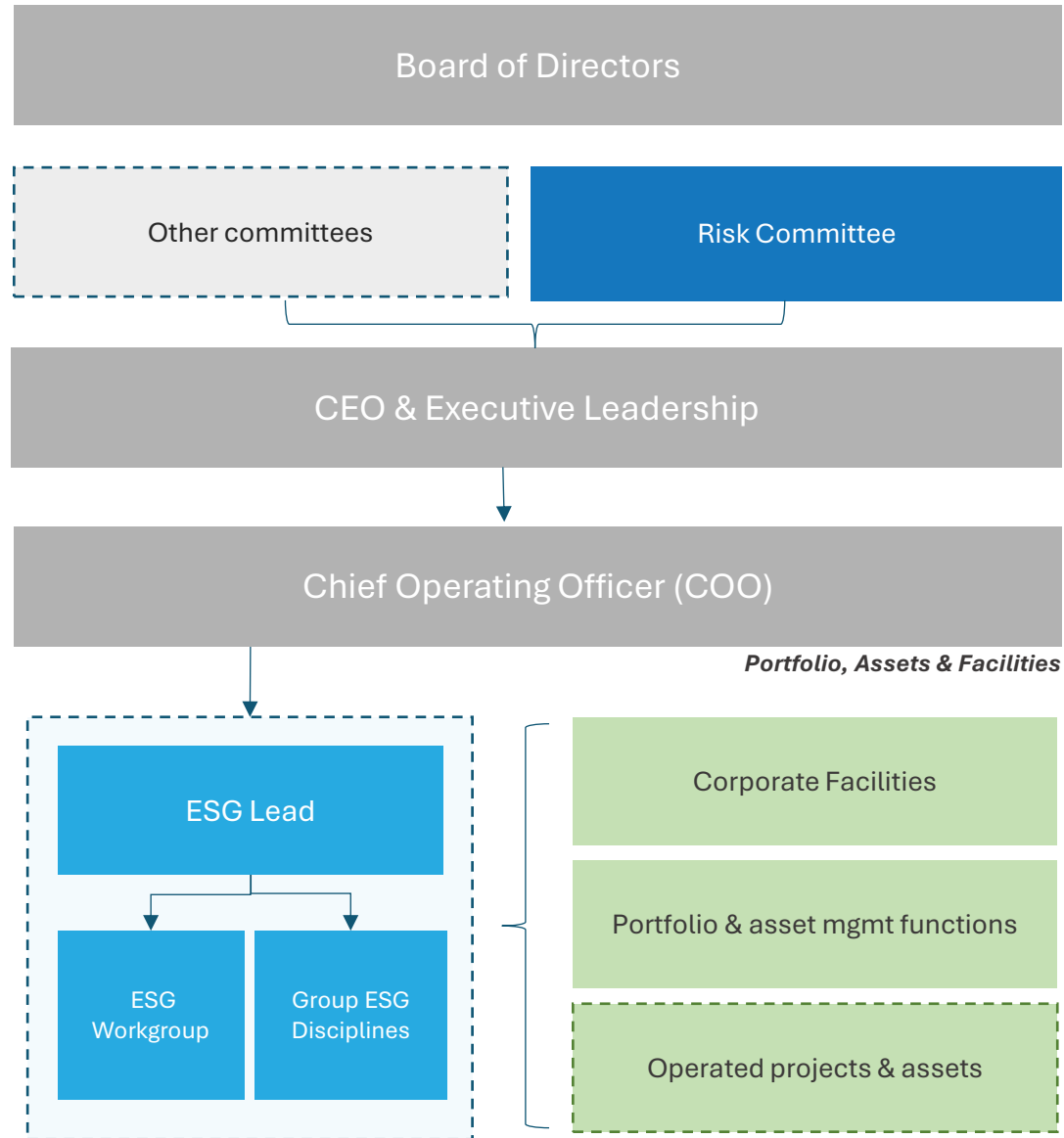
Francesco Mazzagatti
Chief Executive Officer



Sustainability Governance

Responsible stewardship aligned
governance & management





Governance Model

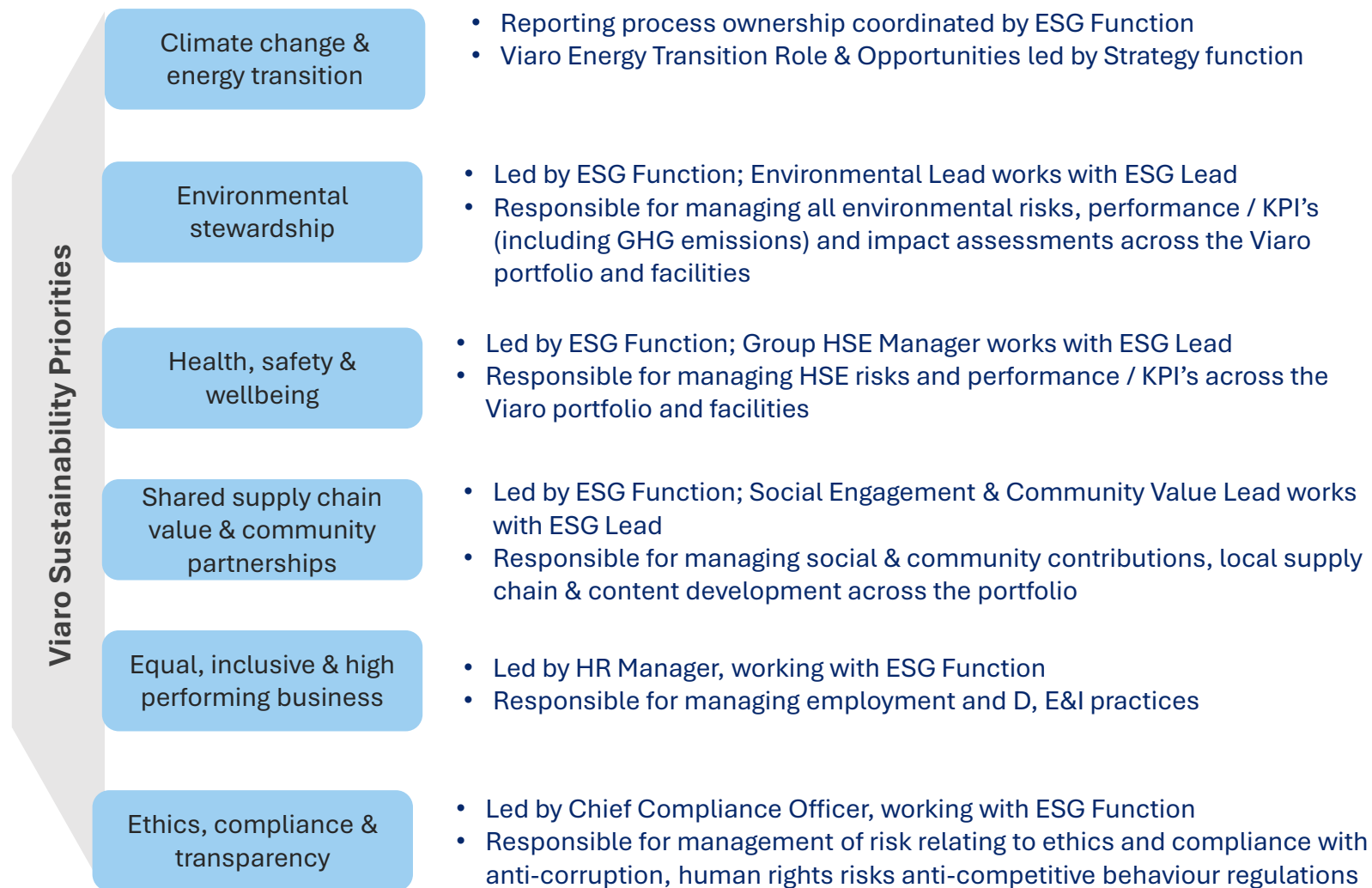
The Sustainability Governance model has been established for the management of a non-operated portfolio. Sustainability is acknowledged as an important focus area for Viaro, with the ESG Workgroup an essential function under the ESG lead in the development and progression of the Viaro Sustainability Priorities.

With the ongoing journey towards operatorship, the Governance model will continue to change and develop.

Governance Model



The Viaro Sustainability Priorities are the core ESG Functions addressed through the ESG workgroup. Each function has an allocated management lead who is responsible for the identification of risks, opportunities and the monitoring of progress against targets.





Approach to Materiality Assessment

Approach

Our first materiality assessment was completed in 2023 on a qualitative basis. Interviews were conducted across leadership and general function management.

The initial set of topic issues used for the materiality assessment were based on the GRI O&G Upstream sector standard. Average scores between 1 (low) to 5 (high) for each topic were calculated based on the stakeholder responses to provide a preliminary ranking.

To validate the initial ranking, the materiality assessment also included undertaking an industry benchmarking, incorporating corporate strategic plans, and corporate risk management. A final set of recommended material topics was identified from the process and provided to Viaro leadership for approval.





Objectives



Understand baseline knowledge of sustainability across managerial team



Identify key risks / opportunities



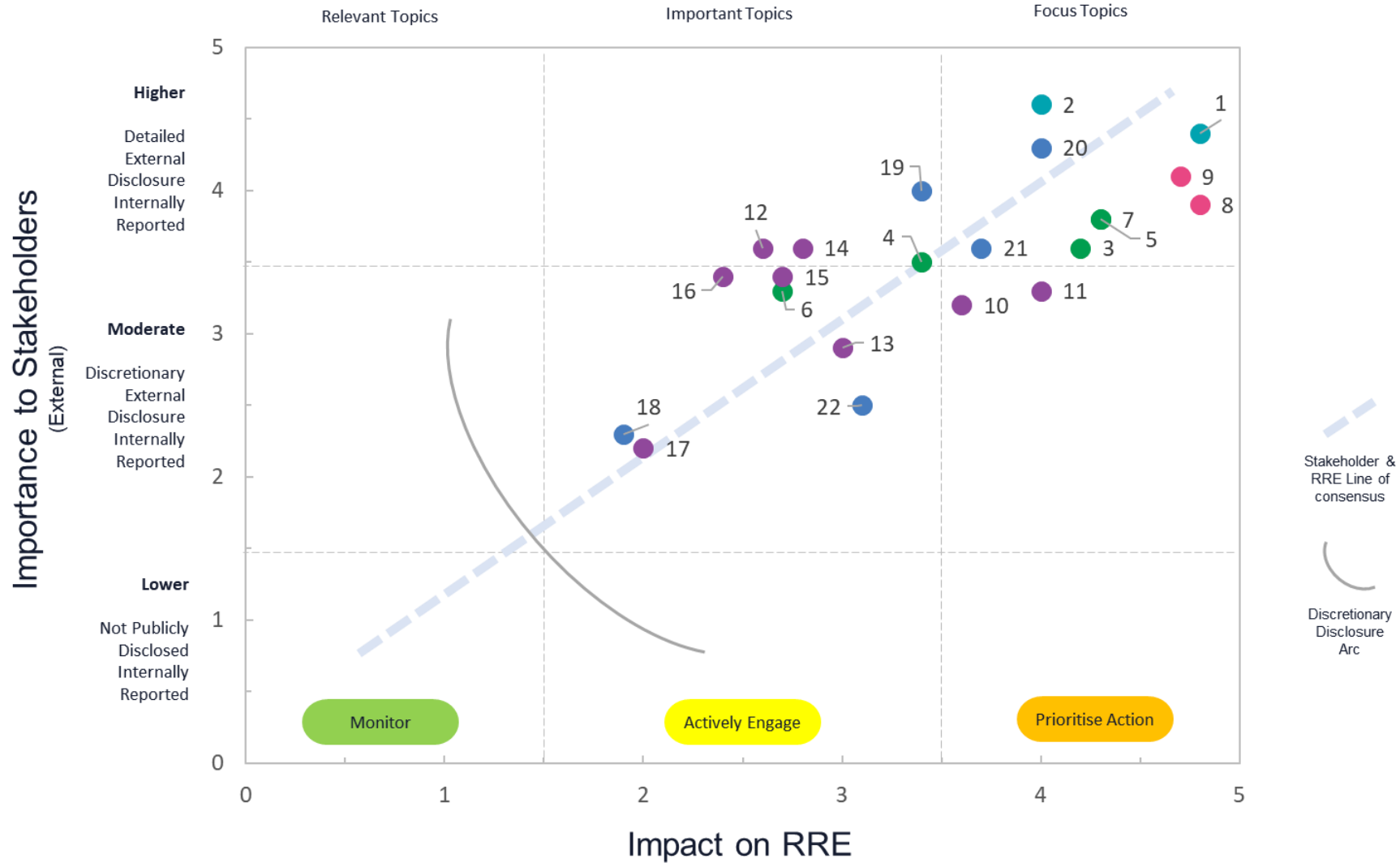
Evaluate and rank sustainability topics



Identify barriers / solutions to improving sustainability performance and achieving responsible stewardship aims



Approach to Materiality Assessment





Approach to Materiality Assessment

Climate		Environmental					Safety		Social							Governance					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	27	18	19	20	21	22
GHG Emissions	Climate adaption, resilience, and transition	Air Emissions	Biodiversity	Waste, Effluents & Spills	Water Management	Closure and rehabilitation	Asset integrity and critical incident management	Occupational Health and Safety	Non-discrimination and equal opportunity	Employment Practices	Forced Labour and modern slavery	Freedom of association and collective bargaining	Economic impacts	Local communities	Land and resource rights	Rights of indigenous peoples	Conflict and security	Anti-competitive behaviour	Anti-corruption	Payments to governments	Public policy

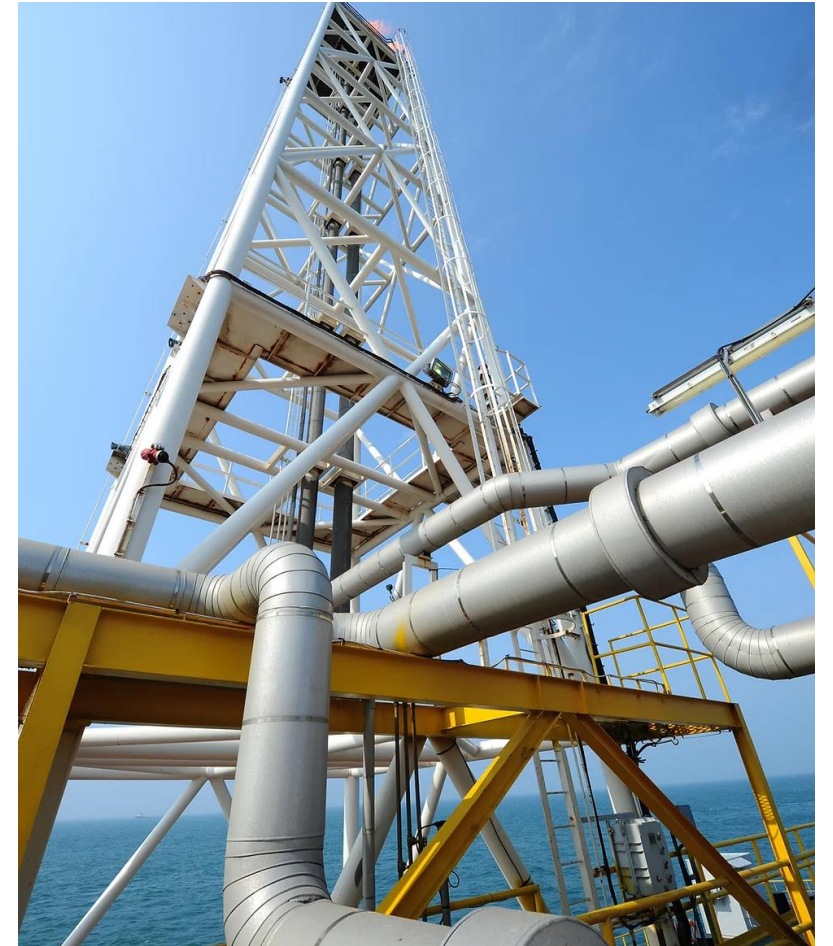


Sustainability Development Goals (SDGs)



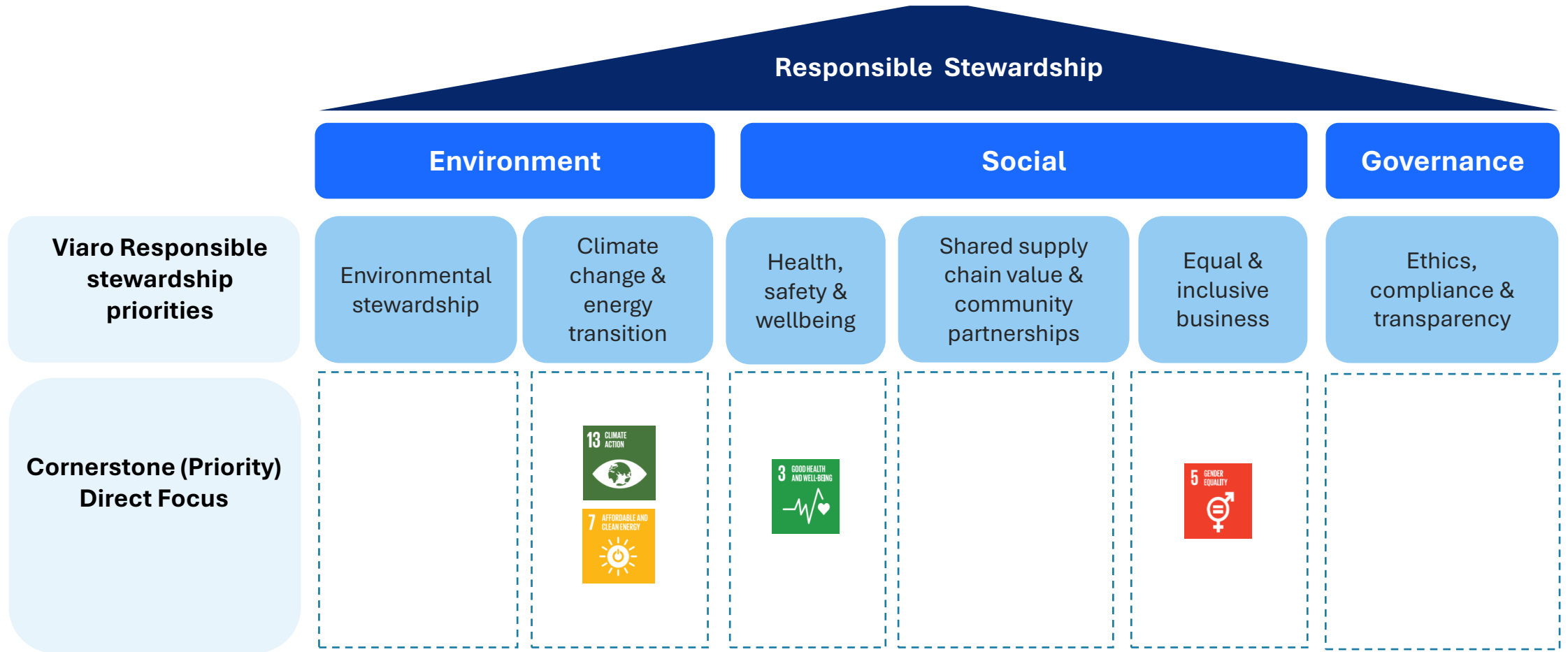
Sustainability Development Goals (SDGs)

- Viaro recognises its role as a responsible corporate and is committed to supporting through its core business activities the 2030 Agenda for Sustainable Development. This is part of its efforts to mitigate ESG risks, avoid harm, support communities and deliver positive societal benefit
- In Q1 2024 the Board approved the selection of four priority UN Sustainable Development Goals (SDGs) that are aligned with the Viaro Responsible Stewardship Framework. Viaro aims to deliver energy in an affordable, safe and increasingly sustainable way.
- An external impact investment roadmap is currently being prepared that will define specific metrics and targets for each of the priority direct focus goals, and enabling resources that will be committed to delivering these within its corporate activities, JV & asset portfolio, impacted communities and broader societal contribution





Sustainability Development Goals (SDGs)





Supporting communities through nature-based solutions





Supporting communities through nature-based solutions

Building a strategic partnership – Aberdeenshire Ranger Service

Addressing nature-related risk

Viaro recognises that human prosperity, societies and economies are heavily reliant on healthy and stable biodiversity and ecosystems. We are also aware that the accelerating nature loss, deterioration of biodiversity and collapse of critical ecosystems is a source of financial and business risk. Given this importance, expectations are increasing on the private sector to play a more protective role and is now becoming central to maintaining a social license to operate.

In response to these emerging sources of nature related risk, and to best position Viaro to mitigate risks, protect value and capture new opportunities, several initiatives have been launched. This includes a partnership with the Aberdeenshire Ranger Service (ARS) and the completion of an initial pilot project to help restore the Portlethen peat bog.



Viaro Portlethen peat bog restoration project

The 'Portlethen Moss' is an acidic bog nature reserve located on the western edge of Porthlethen town, Aberdeenshire, Scotland. The reserve is designated as a Local Conservation Site (LCS) and is protected by the UK Biodiversity Action Plan. Damage from grazing and agriculture to the moss is considered widespread and extensive by the Scottish Wildlife Trust. Lowland raised bog habitats have been significantly degraded with a 94% reduction from 95k ha to 6k ha today.

The bog is a carbon sink, however if it dries out, it will release carbon and become a source. Highly vulnerable to climate change, The Scottish Government's Climate Change Plan has set a target to have restored 250,000 hectares of degraded peatlands by 2030. Scottish peatlands store 1.7 billion tonnes of carbon; this is equivalent to 140 years' worth of Scotland's total annual GHG emissions.



Portlethen peat bog map

Viaro Restoration Work:

- Viaro purchased and installed plastic piling to help restore a section of the Portlethen Peat Bog
- This saw the team create plastic piling dams which involved hammering in the piling vertically into the ditch to hold back water and allow it to percolate into the bog and so help it to keep wet and preserve this precious carbon storing and biodiversity important habitat.



100+ Total Viaro corporate volunteering hours	2 New dams installed	20+ Piles installed	~£3,000 Spend on materials and equipment
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Climate Change & Energy Transition



Viaro recognises the critical importance of balancing energy security with the urgent need to transition to a low carbon future. We are committed to supporting the industry-wide decarbonisation efforts in line with the North Sea Transition Deal, alongside other commitments adopted by the industry such as the World Bank Zero Routine Flaring by 2030 target. Our role in addressing climate change as an independent oil and gas producer includes (i) decarbonising operational facilities across our portfolio, (ii) safely decommissioning assets as they reach cessation of production and the end of their commercial life (iii) maintaining a gas weighted portfolio and (iv) proactive management of climate related issues.

The North Sea upstream producing assets are pivotal to both energy security and energy transition. They currently provide 75% of the UK's day to day primary energy needs and act as a bridge towards a low carbon economy. With approximately 4% of the UK's net emissions being generated in the upstream segment of the North Sea, we are encouraged by the industry's focused approach to emissions reduction.



Francesco Dixit Dominus
Chief Finance Officer

Viaro Sustainability Management Area :

Climate change & energy transition

**Delivering SDG aligned
sustainable development**



Climate Change & Energy Transition



As a non-operator our portfolio emissions are controlled by our Joint Venture operating partners, and we continue to work closely with our partners to review environmental performance and greenhouse gas abatement plans. With the majority of our portfolio comprising of mid-life assets, we are actively involved in delivering decommissioning.

In 2023, this included approving decommissioning plans for the Sean field. We continue to maintain a 70% gas weighted portfolio and expect demand to remain strong as a transition fuel. The importance of reliable, secure supplies has been in the spotlight due to recent rising in geopolitical tensions.

The Group Board has the primary responsibility and direct oversight of climate related risks and opportunities, with our CEO having direct executive responsibility. Reflecting growing importance of climate change and decarbonisation on our business, we are in the process of establishing a dedicated cross functional ESG team and further embedding our ESG management framework within our business.



Francesco Dixit Dominus
Chief Finance Officer

Viaro Sustainability Management Area :

Climate change & energy transition

**Delivering SDG aligned
sustainable development**



Climate Change & Energy Transition



We aim to improve how we assess climate related risks and opportunities as part of testing our business resiliency. Assessing risks through the lens of financial materiality allows the identification of impacts on our strategy, portfolio, performance and cash flows and financial planning over short, medium and long term horizons.

To enhance transparency with our stakeholders and align with industry best practices, we have engaged an independent consultancy to develop a comprehensive roadmap for managing and disclosing climate-related issues. This includes addressing our most material Scope 3 emissions across our portfolio.



Francesco Dixit Dominus
Chief Finance Officer

Viaro Sustainability Management Area :

Climate change & energy transition

**Delivering SDG aligned
sustainable development**



Environmental Stewardship



Viaro recognises that human prosperity, societies and economies are heavily reliant on healthy and stable biodiversity and ecosystems. Thus, we take our responsibility as a responsible steward seriously when it comes to managing environmental impact from our asset portfolio and corporate facilities. Accelerating nature loss, deterioration of biodiversity and collapse of critical ecosystems globally has wide ramifications, including financial and business risk. Given this importance, expectations are increasing on the private sector to play a more protective role and is now becoming central to maintaining a social license to operate. Through compliant environmental management systems, our operating partners and their supplier base have the right capabilities and safeguards in place to minimise impacts, protect ecosystems and proactively manage risks.

With a growing recognition of the threats and implications of environmental degradation and habitat loss, we are strengthening our approach to governance and oversight of environmental performance of our assets.



Alan Drake

Head of HSE & ESG Lead

Viaro Sustainability Management Area :

Environmental Stewardship

**Delivering SDG aligned
sustainable development**



Environmental Stewardship



We continue to review and improve our reporting processes and tools to closely monitor environmental performance and linking this with our sustainability reporting, which will enable a more transparent and informed engagement with our partners and stakeholders. This will support our efforts to boost collaboration with partners as we pursue continuous improvement.

With a portfolio of offshore assets, Viaro is strongly focused on minimising the impact on the marine environment. Discharges including produced water and wastewater are stringently managed within thresholds as determined by regulators. Our partners strive for zero incidents and proactively manage threats to permit breaches.

Managing decommissioning and rehabilitating ecosystems is a crucial role of Viaro as a specialist steward of mid-late life assets. Decommissioning programmes are developed in accordance with the relevant industry standards and expectations.



Alan Drake

Head of HSE & ESG Lead

Viaro Sustainability Management Area :

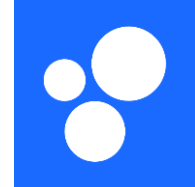
Environmental Stewardship

**Delivering SDG aligned
sustainable development**



HSE/ESG Lead Statement

Environmental Stewardship



Our team have specialist expertise to ensure that decommissioning plans are well planned, financially prudent, safe and compliant.

For our corporate offices, we are reviewing policies and practices and assessing how we can adopt a 'zero waste' mindset and reduce our resource use footprint.

This includes promoting recycling and reuse initiatives. In support of this, we host regular sessions to raise awareness of environmental impact for our employees.



Alan Drake

Head of HSE & ESG Lead

Viaro Sustainability Management Area :

Environmental Stewardship

**Delivering SDG aligned
sustainable development**



Health, Safety & Wellbeing



At Viaro, it is one of our foremost responsibilities to provide a healthy and safe working environment for our employees, contractors and communities where we operate. We are fully committed to zero harm and by putting safety first, we believe that all incidents can be prevented. As such, we are pleased to report that no fatalities were recorded across the portfolio in 2023.

As an energy company with interests in offshore working environments, safety is at the core of our culture. We engage with our operating partners to achieve safety excellence and continuous improvement and to enforce safety excellence, we have implemented a Board level commitment with a direct line of oversight of operators safety performance. As part of our governance approach, we track and monitor leading indicators. Whilst we strive towards zero incidents, when incidents do unfortunately occur, they are extensively investigated by our operating partners. Corrective recommendations are identified and implemented to minimise chances of a future reoccurrence.



Alistair Buchan
Chief Operating Officer

Viaro Sustainability Management Area :

Health, Safety & Wellbeing

**Delivering SDG aligned
sustainable development**



Health, Safety & Wellbeing



To reinforce our culture and safety leadership, we work with our partners to make sure proper, certified and compliant practices, tools and management systems are in place to manage risks across all our business activities including exploration, development, production and decommissioning.

This includes promoting proactive learning to prevent incidents. We rigorously focus on compliance with all relevant health and safety laws and regulations.

One of our key prevention strategies is training. All employee's complete foundation safety training, and where required employees undertake specialised training required for their role. To keep safety front of mind across our organisation, we hold regular awareness sessions and refresher training programmes which are aligned with industry requirements.



Alistair Buchan
Chief Operating Officer

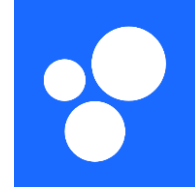
Viaro Sustainability Management Area :

Health, Safety & Wellbeing

**Delivering SDG aligned
sustainable development**



Health, Safety & Wellbeing



We are well prepared to respond to major emergencies. Robust systems and procedures are in place to minimise negative impacts, protect assets and people and maintain business continuity.

Our ambition is to become the best place to work and as part of this ambition, Viaro has implemented a wellness strategy to make available tools and support for all staff.

Through empowering employees to achieve their individual wellness goals, we are creating a more productive and positive work environment.



Alistair Buchan
Chief Operating Officer

Viaro Sustainability Management Area :

Health, Safety & Wellbeing

**Delivering SDG aligned
sustainable development**



Social & Community Engagement

At Viaro, we want to build genuine partnerships to propel prosperity. Grounded in our company values, we are dedicated to supporting impactful socially responsible initiatives and making a positive contribution to broader society. In 2023, we began to direct substantial support towards positive change, with donations distributed among 38 diverse charities. These contributions underscore our commitment to fostering a company ethos founded on the themes of sustainability and social responsibility, as we actively engage in initiatives that promote environmental conservation, social responsibility, and effective governance

Strong community relationships are a key foundation of our success. To understand the needs, concerns and goals of our local communities, we have undertaken a carefully designed stakeholder engagement programme. This has allowed us to listen carefully, build long term trust and provided the opportunity to work together.



Alistair Buchan
Chief Operating Officer

Viaro Sustainability Management Area :

Shared supply chain value & community partnerships

Equal, inclusive & high performing businesses

Delivering SDG aligned sustainable development



Social & Community Engagement

We actively make contributions to causes that resonate with our employees and affect vulnerable groups among the general public. In 2023, we established the Viaro/RockRose Energy Charity Fund for this purpose. Some of our projects in recent years have provided support for underprivileged families, healthcare workers affected by the COVID-19 pandemic, and research into Parkinson's disease.

This year, RockRose Energy employees took part in a community event run by Aberdeenshire Council Ranger Service which aimed to preserve the Portlethen Moss, a nature reserve located in Aberdeenshire. Restoring moss is not only important for preserving natural biodiversity and wildlife, but the plant can also sequester large amounts of carbon dioxide, making it a crucial carbon capture and storage opportunity.

We have refreshed our approach towards ESG management, and we are strongly committed to supporting it through core business activities and the UN 2030 Agenda for Sustainable Development. In Q1 2024 the Board approved the selection of four priority SDGs including Climate Action, Affordable and Clean Energy, Health and Wellbeing and Gender Equality.



Alistair Buchan
Chief Operating Officer

Viaro Sustainability Management Area :

Shared supply chain value & community partnerships

Equal, inclusive & high performing businesses

Delivering SDG aligned sustainable development



HR Statement

Social & Community Engagement

These are aligned with the Viaro Responsible Stewardship Framework. An external impact roadmap is currently being prepared to define the steps to deliver against these SDG's, through corporate activities, our JV & asset portfolio and wider societal contribution.

We are pleased to announce that we continue to make great strides in creating a diverse and inclusive workplace. With the industry facing challenges around an ageing workforce and negative perceptions, we aim to attract and retain top talent. 42% of our workforce is female, as is 20% of senior management roles and a third of our workforce are non traditional UK/US.



Alistair Buchan
Chief Operating Officer

Viaro Sustainability Management Area :

Shared supply chain value & community partnerships

Equal, inclusive & high performing businesses

Delivering SDG aligned sustainable development



Governance

2023 was a year where Viaro took strides in enhancing our approach towards the management of corporate governance and compliance. We are deeply committed to ethical and sustainable business practices guided by robust ESG principles. Our company's success relies on its ability to recognize and comply with the necessary regulations and corporate policies; therefore compliance is a vital element in accomplishing sustainable corporate growth.

The Board have full accountability and effective supervision over the group's corporate governance mechanisms. Engagement with the Board on ESG specific issues has been enhanced with greater oversight through the establishment of reporting measures which that provide more regular and granular visibility of ESG performance, risks and opportunities.

Ethics are deeply embedded in our culture and a distinguishing characteristic of doing business. From the top down, Viaro expects our people and those who we do business with to exhibit the highest levels of integrity and ethical behaviour.



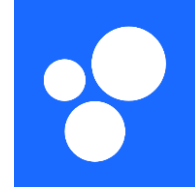
Uche Osakwe
Chief Compliance Officer

Uche Osakwe

Viaro Sustainability Management Area :

Ethics, compliance & transparency

Governance



This includes living our values, adhering to our business code of conduct, and complying with our policies and procedures regarding fraud, bribery, anti-corruption, and human rights. We have a zero-tolerance approach to non-compliance with these policies and we have processes in place to manage instances where these standards are not met. I am pleased to announce that 100% of our staff have completed all required ethics and compliance training.

This year we have again bolstered our compliance program by establishing new corporate governance measures. This includes a recalibration of our Principles of Responsibility and continued implementation of the WATES corporate governance principles. The company continues to work hard to embed and promote a 'speak up culture'. We want employees to feel confident that they can report suspected concerns about wrongdoing, breaches of our code of conduct or legal violations without fear of reprisal. There were no recorded physical or cyber security breaches in 2023 for Viaro. Our information security strategy comprises both information technology and digital security and is aligned to ISO 27001 Information Security Management Standard, and the National Institute of Standards and Technology (NIST) framework.



Uche Osakwe
Chief Compliance Officer

Uche Osakwe

Viaro Sustainability Management Area :

Ethics, compliance & transparency

Governance

We apply industry best practice, supported by ongoing intelligence & collaboration with industry peers to identify any industry risk concerns and remediation through continuous improvement.

We are resolute in our belief that we have an obligation to act transparently and in good faith when engaging with governments and public authorities in countries we operate in. We continue to report our payments to governments in accordance with the EITI with the full backing of our leadership. Viaro maintains a position of political neutrality and does not provide financial contributions towards any political parties, campaigns or candidates.

Viaro are active members of the industry lobby group OEUK and have increased engagement on the ESG agenda highlighting and raising awareness of the challenges and implications for organisations with non-operated working interests. Key themes engaged through these dialogues include ESG operationalisation, the NSTA Net Zero Strategy, Energy Profits Levy and the UK energy security strategy.



Uche Osakwe
Chief Compliance Officer

Uche Osakwe

Viaro Sustainability Management Area :

Ethics, compliance & transparency



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