

FAR is an oil and gas exploration company and explores for oil in a number of international jurisdictions. Offshore West Africa in Senegal waters, FAR with its partners made an important oil discovery in 2014. The development of this field is underway and oil production is expected to commence in 2022.

FAR considers that oil and gas will remain a large part of the global energy mix into the future. This policy co-exists with FAR's objective of achieving corporate growth that meets broad community expectations as it moves towards being an oil and gas producer.

Recognition of Climate Change Concerns

FAR recognises that the use of oil and gas to meet the world's energy needs has contributed to the rising concentration of greenhouse gases in the Earth's atmosphere, particularly in the last 50 years. FAR acknowledges that there is substantial community concern globally about the impact of these gases with respect to global climate trends. FAR seeks to mitigate its impact where possible.

Acknowledgement of Responsibility

FAR recognises its responsibility to support national greenhouse gas emissions reduction initiatives where it can. FAR supports governments in their efforts to take action on these emissions whilst maintaining a secure and affordable energy supply during a transition to a lower emissions future. FAR acknowledges its own responsibilities in this context and its commitment to be part of a combined approach of a reduction in greenhouse gas emissions.

Paris Agreement

FAR acknowledges the Paris Agreement, which pledges to limit the rise in temperature to below two degrees Celsius and supports efforts to create a co-ordinated global emissions reduction process.

Taskforce on Climate-related Financial Disclosures

FAR has considered the recommendations of the Taskforce on Climate-related Financial Disclosures. These comprise:

- governance around climate-related risks and opportunities;
- disclosing actual and potential material climate-related risks and opportunities;
- disclosing how FAR identifies, assesses and manages climate-related risks; and
- disclosing metrics and targets used to assess material climate-related risks and opportunities where relevant.

FAR's current approach to these recommendations is summarised in this policy.

Greenhouse Gas Emission Inventories

FAR is not currently an oil or gas producer. Accordingly, FAR's greenhouse gas inventories and emissions are currently negligible. This includes direct emissions, indirect emissions from purchased energy, as well as further relevant emissions in the corporate value chain. This is verifiable with a high level of assurance. As FAR looks to the future as a producer of oil and gas, FAR strives to do so in line with best industry practice and looks to do this in collaboration with host governments, joint venture partners and other stakeholders.

Emission Reduction Support and Actions

FAR supports efforts to reduce emissions in a world challenged to do the same. FAR's greenhouse gas emissions are currently negligible. Accordingly, there is limited scope to reduce these further at present. At the same time, FAR undertakes prudent, practical and cost-effective actions to:

- Use energy-efficient products
- Use alternative, low emissions technologies
- Support stakeholders in their efforts to reduce their greenhouse gas emissions
- Regularly review opportunities to improve energy efficiency
- Use technology such as video conferencing to reduce air travel
- Encourage climate change considerations in our procurement and supply chains
- Embed climate change adaption into executive KPIs and associated incentives where appropriate
- Seek alternatives to flaring and venting hydrocarbons from exploration and future production wells
- Promote transparency by publishing a sustainability report in due course as FAR comes closer to oil or gas production

Financial Disclosure related to Climate Change Concerns

FAR does not currently produce any hydrocarbons. FAR has considered the joint guidance statement issued by the Australian Accounting Standards Board and the Auditing and Assurance Standards Board in their Climate-related and other emerging risks disclosures: assessing financial statement materiality using AASB Practice Statement 2. FAR has determined that this currently has no material impact on its financial statements. Moving forward, FAR intends to review this to ensure that this remains accurate. FAR also intends to include a section relating to its approach to climate-related financial risk in the Operating Financial Review section of its Annual Report.

Climate Change Material Risks Exposure and Mitigation Strategies

Given that FAR is not currently an oil or gas producer, nor does it hold an interest in an oil or gas production project, FAR considers that it is not currently materially exposed to physical, regulatory, oil market, cost or legal risks related to climate change.

FAR is concerned about the capital markets in respect of the provision of both equity and debt to oil and gas developments. Oil and gas projects require substantial capital expenditure during development, and anything that restricts access to the necessary capital is a risk to the business. FAR actively manages this risk by seeking to broaden its potential funding options where possible. FAR expects this to be an ongoing significant business risk.

FAR recognises that climate change related matters impact on community expectations, regulatory requirements, reputational standing all of which potentially impact its "license to operate" and FAR seeks to mitigate this by being transparent and professional in its reporting.

FAR intends to monitor climate change matters as FAR moves closer to oil or gas production in order to assess whether such matters might become a material risk. This will continue as Paris Agreement climate change commitments from various organisations throughout the world evolve, technology advances and FAR comes closer to oil or gas production.

FAR considers it likely that its projects will be able to take climate change considerations into account and be robust under various alternative climate change scenarios. As FAR moves closer to oil or gas production, FAR intends to review this and seek to mitigate climate change risks exposure accordingly.

Commitment to review and update climate change policy

FAR recognises that each of ASIC, APRA and the Reserve Bank of Australia (amongst others) have recently commented on climate change matters. FAR has considered those comments in formulating this policy. FAR recognises that the climate change landscape continues to evolve and commits to regularly reviewing and updating this climate change policy in order to consider ongoing developments, including regulatory developments, community expectations and peer approaches to climate change.

For more information please contact

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