

Climate Change Policy

AS A RESPONSIBLE COMPANY, KOSMOS ENERGY IS WORKING HARD TO:

1. SUPPLY THE ENERGY NEEDED TODAY TO MEET GROWING DEMAND AROUND THE WORLD
2. FIND AND DEVELOP CLEANER ENERGY TO ADVANCE THE ENERGY TRANSITION
3. BE A FORCE FOR GOOD IN OUR HOST COUNTRIES BY CREATING ECONOMIC OPPORTUNITY AND DRIVING SOCIAL PROGRESS

In working to achieve these objectives, we follow our long-established Business Principles which define the ESG (Environmental, Social and Governance) criteria for how we do business and use the UN Sustainable Development Goals as a framework to guide how our activities contribute to the greater good.

Kosmos recognizes that the world faces a serious challenge from climate change and the role played by humanity.

We welcome the Paris Agreement reached within the United Nations Framework Convention on Climate Change in 2015 and see it as a crucial step in global efforts to address climate change. We understand that achieving the internationally accepted target of limiting mean global temperature rises to well below 2°C above pre-industrial levels will require significant and sustained reductions in greenhouse gas emissions.

In addition, around 1 billion people still lack access to electricity, and global energy needs are expected to increase by 25% by 2040¹. This will be driven, in particular, by emerging economies such as those in which Kosmos focuses much of its investment. The International Energy Agency (IEA) estimates that \$2.7 trillion of investment in new energy supply per year will be required to meet these needs¹.

This presents a dual challenge: reducing greenhouse gas emissions while promoting prosperity which brings a growing energy demand. It will require action from all parts of society: governments, civil society and the private sector.

It will also have significant implications for the industry in which Kosmos operates. We must integrate the challenges and opportunities that climate change and the global energy transition present to our business into our core strategy, if we are to remain relevant, and continue to demonstrate our role and contribution to global sustainable development in the long term.

WE BELIEVE THAT COMPANIES SUCH AS KOSMOS MUST:

- Consider the risks and opportunities that climate change and the global energy transition may present to our business in the short, medium and long term, and integrate them into our business strategy
- Measure and reduce greenhouse gas emissions from our own operations as far as reasonably practicable, and mitigate emissions that we cannot avoid
- Establish appropriate governance structures to guide strategy and monitor and manage climate change-related risks and opportunities
- Transparently communicate our understanding and management of these challenges to external stakeholders, and engage those stakeholders in the continuing development of our climate change policy

¹International Energy Agency, World Energy Outlook, 2019

WE THEREFORE COMMIT TO:

Integrate climate change into our business strategy

- Undertake scenario planning to assess the resilience of our business against different paths that the global energy transition may take, including those that achieve the internationally recognised goal of limiting warming to well below 2°C
- Integrate conclusions into our business strategy, and ensure they help drive all short, medium and long-term capital allocation decisions
- Repeat this scenario planning periodically to ensure our strategy remains relevant as the global energy transition unfolds

Measure, reduce and mitigate our own emissions

- Aim to become carbon neutral across Kosmos' operations for Scope 1 and Scope 2 emissions by 2030 or sooner
- Measure our direct and indirect greenhouse gas emissions according to recognised international GHG accounting standards
- Set clear, time-bound targets to reduce emissions from our operations
- Mitigate remaining emissions through innovative nature-based solutions that deliver verified carbon credits as well as community and biodiversity co-benefits, in line with the UN Sustainable Development Goals
- Engage and influence our business partners and suppliers on efforts to reduce emissions in their operations too
- Establish a measurement methodology for Scope 3 emissions and develop a mitigation plan for these emissions

Establish strong internal governance

- Establish an internal Climate Change Task Force to drive strategy on this topic, chaired by the CEO, reporting to the Board, and informing and engaging the rest of Kosmos
- Establish an internal Energy Forum to identify and develop opportunities for emissions reductions and efficiencies at the working level
- Report at least annually to the full Board of Directors and at least quarterly to the HSE Board Committee on progress against this policy

- Link executive compensation to the delivery of clear targets for Scope 1 and Scope 2 operated emissions, and to the publication of a comprehensive report in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations

Report on our progress in mitigating climate change and engage with stakeholders

- Regularly monitor scientific, regulatory and other external developments related to climate change and our industry to aid understanding of risks and opportunities
- Engage external stakeholders in the continuing development of our climate change policy – including investors, suppliers, business partners, host governments, local communities, industry organisations, and international scientific and environmental organisations
- Report quantitative and qualitative information on all the above by publishing a sustainability report and adhering to TCFD disclosure recommendations in 2020

We will put in place arrangements for monitoring implementation of this policy, report periodically on progress and review the terms of the policy from time to time.



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