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Annual UKCS Environmental Statement 2021


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1. Introduction


Capricorn Energy UK Ltd. (Capricorn) had no operated production or exploration drilling activities in the UKCS in 2021.

2. Description of the Environmental Management System

Capricorn operates an integrated health, safety, environment, and corporate responsibility management system. Collectively known as the Capricorn Corporate Responsibility Management System (CRMS), this applies to all Group activities. Capricorn's activities are concentrated on oil and gas exploration, development, and production. The Capricorn CRMS is referenced against the Capricorn Business Principles which are applicable to all Group activities and all disciplines within the business. The Capricorn CRMS has been verified against the OSPAR requirement 2003/5 since 2014 and was last reverified by ERM in March 2022. Operations undertaken by Capricorn, are undertaken in full compliance with the Capricorn CRMS.

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3. Environmental Policy, Goals and Objectives



CORPORATE ENVIRONMENTAL & CLIMATE CHANGE POLICY (CECP)

Capricorn is committed to sustainable environmental management applying high standards of practice for protecting and enhancing the environment. We will develop and communicate clear positions on climate change, energy transition and biodiversity in line with, or ahead of international targets and good practice. We will implement management systems to continually improve performance in accordance with international codes and standards, including working with host governments to meet their (NDCs) under the Paris Agreement.

Environmental Management
Our documented management system will:

- Promote, enhance and sustain a strong culture of environmental management demonstrating visible leadership at all levels.
- Comply with applicable national and international environmental laws, regulations and standards.
- Identify, evaluate and manage environmental, climate and biodiversity hazards and risks applying a precautionary approach and manage such risks to as low as reasonably practicable (ALARP) using Best Available Techniques without compromising wellbeing.
- Ensure we put in place and implement site specific Environmental Management Plans.
- Ensure that we have the competent resources necessary to achieve and actively promote our environmental and biodiversity commitments including sharing of environmental knowledge, training our people and improving awareness of our stakeholders.
- Set objectives and targets for improving environmental management and performance including monitoring and reporting openly on our assessment of risk and impacts and our performance.
- Prevent pollution and ensure that an appropriate emergency response capability is in place and regularly tested, so that environmental incidents can be responded to in a timely and effective manner should they occur.
- Ensure that environmental accidents, incidents, near misses and non-compliances with procedures are reported and investigated, lessons are shared and embedded in policies, standards and procedures to enable corporate learning.
- Ensure that contractors are aware of and comply with our environmental policies and standards and where necessary, work with our contractors to raise their standards to meet our requirements, assessing and auditing their systems and performance.
- Use our leverage and influence with contractors and business partners to promote high standards of environmental management.
- Work with regulatory and industry bodies in the formulation or improvement policies, regulations and good practices aimed at protecting the environment and biodiversity, encouraging the development and sharing of knowledge and technologies.

Climate Change and Energy Transition
Capricorn is committed to achieving continuous reductions towards Net Zero carbon emissions, we will:


- Publish and report against clear emission reduction targets on defined timelines in support of the Paris Agreement as approved by our Board and we will accelerate achieving them where we can.
- Apply a preferred carbon removal hierarchy namely Avoid-Reduce-Substitute-Sequester-Offset in achieving Net Zero for our Scope 1 and Scope 2 greenhouse gas emissions.
- Assess climate change risks and opportunities for all projects, ensuring they are integrated into our business decisions.
- Report transparently on risks and opportunities over the short, medium and long-term in-line with the Task Force on Climate-related Financial Disclosure (TCFD) requirements.
- Reduce and minimise greenhouse gas emissions wherever possible in all stages of the oil and gas lifecycle including project design, commissioning, operation and decommissioning without compromising the safety of people and communities.
- Promote efficient operations including use of energy and water and reducing waste with the aim of conserving natural resources.
- Use appropriately certified carbon offsets and report as part of our Net Zero strategy.

Biodiversity
In our activities we will:


- Avoid operating in World Heritage sites or those classified as Strict Nature Reserves (IUCN Ia) and Wilderness Areas (IUCN Ib).
- Strive to achieve no net loss of biodiversity in areas and operations we control and promote this with our partners and stakeholders.
- Protect biodiversity, ecosystems, species, water sources and water quality engaging with local or affected communities to utilise their knowledge of the local environment to assist in protecting and conserving biodiversity and environmental resources.
- Consult and engage with our stakeholders including local or affected communities, business partners, employees and their representatives with regard to our environmental and biodiversity management and performance.
- Comply with all legislation for environmental protection and will perform environmental impact assessments in line with latest good practice including where necessary, specific biodiversity assessments producing Biodiversity Action Plans before commencing operations.

Accountability for this Policy lies with the CEO and Board. Responsibility for compliance with Capricorn's Corporate EC Policy and standards lies with its officers, Directors, Managers and staff.

Simon Thomson
Chief Executive



Effective: October 2021 - October 2022

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Capricorn set Group KPIs and functional objectives annually. The Corporate Responsibility Objectives cover the areas of Business Relationships, Society and Community, People, Environment and Lagging Indicators. The following targets were set through the Corporate Responsibility objectives for 2021:

KPI	Criteria	Weighting
HSSE Leading and Lagging Indicators (Target defined by function)		
Leading Indicators	Leading indicators that support company standards in relation to HSSE and Corporate Responsibility	5%
Lagging Indicators	LTIF, TRIR, spills to the environment	2.5%
Environmental, social and Governance (Target defined by function)		
Environmental	Developing our understanding of CCUS application and opportunity identification including required carbon pricing	2%
	Recording, tracking and reporting Scope 1 and 2 equity emissions and demonstration of 'activity normalised' reductions in operated projects	3%
Social	Agree, establish and track social investment across the group that helps to deliver a positive impact on the communities with which we work	2%
Governance	Communicate our climate change performance and our processes for governance, risk management, and target setting with internal and external stakeholders in a transparent and consistent manner.	3%

Table 1-1: HSSE Objectives 2021

In addition, to the Group KPIs above, Capricorn set function and project objectives and targets to help achieve Group KPIs.

Capricorn also report HSE performance data to the International Association of Oil and Gas Producers (IOGP) in accordance with IOGP requirements.

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4. Summary of Environmental Performance

This section details the Capricorn environmental performance for the UKCS in 2021. As no operated activities were undertaken it is effectively a 'nil return'.

4.1. Oil and Chemical Spills

Nil return

4.2. Permitted Discharges of Oil to Sea

Nil return

4.3. Chemical Use and Discharge

Nil return

4.4. Waste

Nil return

4.5. Atmospheric Emissions

Nil return

5. Conclusion

This report summarises Capricorn environmental performance for the UKCS in 2021. Submission of this report ensures ongoing compliance with the Environmental Management System Requirements in relation to OSPAR Recommendation 2003/5 to Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry.

Capricorn has explored, discovered, developed, and produced oil and gas in a variety of locations throughout the world with more than 20 years' experience as operator and partner in all stages of the oil and gas lifecycle. Capricorn integrated management system is verified as being aligned with ISO 14001 as per the OSPAR recommendation 2003/5.