



**DRIVING RESPONSIBILITY  
IN OUR NEXT PHASE OF GROWTH**

**2020 SUSTAINABILITY REPORT**



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# DRIVING GROWTH RESPONSIBLY

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## A Message to Our Stakeholders



### Environmental Stewardship

Committing to minimizing our impact on the environment



### Enriching Communities

Ensuring the health and wellness of all stakeholders is our priority



### Effective Governance Practices

Providing stakeholders with precise and accurate information

We are pleased to present our inaugural Sustainability Report that will provide our stakeholders with valuable insight into our approach and vision for the organization as we enter an exciting growth period. During the past number of years, we have seen a global focus and awareness on climate change and reducing greenhouse gas emissions. We plan to be a significant crude oil and natural gas producer in the Republic of Trinidad and Tobago. As such, we continue to identify ways we can "do things better" in all aspects of our environmental, social and governance values. We view the upstream oil and gas regulations in Trinidad as the minimum requirements for how we operate, and we strive to be the best at what we do with the approach of "how can we do things better?" To be clear, we are not proposing to shift our focus away from being an oil and gas producer, rather our focus is on how we can most efficiently manage our core operations while we achieve social impact, lead in environmental stewardship, and set precedents for best practice for corporate governance in Trinidad.

This inaugural report has been prepared with involvement from all levels of the organization. We are anticipating that this approach will result matters relating to environmental, social and governance ("ESG") becoming an even larger part of Touchstone's corporate culture. We want to ensure that all employees have a clear connection to our ESG initiatives, understanding our mission is to not only ensure that we follow all environmental and employment standards, but to exceed them, making Trinidad a better place each and every year we operate.

This report is structured to provide an overview of where we are and where we plan to go based on clear key performance indicators. While this may be referred to as a baseline report, we view this report as a clear starting point for continuous improvement and as an opportunity to create value for our stakeholders through the implementation of our corporate standards.

In the past years we have had a number of accomplishments that clearly outline that ESG responsibility is not something new to Touchstone, it has always been an ingrained value. Notable accomplishments we have achieved thus far include:

- helping people within the communities we operate in with direct support through education, healthcare, wellness and essentials for living;
- eliminating surface release of effluent discharge from our facilities by developing a series of injection sights to properly dispose of the content back into produced reservoirs; and
- targeting our exploration on natural gas opportunities that can provide cleaner feedstock and energy for Trinidad.



As the Company enters the next phase of growth, we have a unique opportunity to develop minimal emission natural gas processing facilities, powered by a combination of solar and waste gas from the processing facilities. We believe we can meet our objective of being the cleanest onshore oil and gas production company in Trinidad through the design and implementation of new technology in all aspects of our organization.

We hope you find this report of interest and look forward to being accountable for the goals we set going forward.



A handwritten signature in black ink that reads "John D. Wright".

**John D. Wright**  
Chair of the Board



A handwritten signature in black ink that reads "Paul R. Baay".

**Paul R. Baay**  
Director, President and Chief Executive Officer



## 2020 ESG HIGHLIGHTS

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**Committed to having zero produced water released into the environment from 2023 onward**

**Set a greenhouse gas emissions baseline from which we can continue to minimize our environmental impact**

**Achieved zero employee incidents**

**Participated in a LGBTQ2S+ audit and signed the Canadian Council of Business Leaders Against Anti-Black Systemic Racism Pledge**

**Adapted our operations quickly during the COVID-19 pandemic while ensuring the well-being of our employees and supporting residents within the communities we operated**

**Initiated an HSSE Committee mandating specific ESG and sustainability responsibilities**

**Updated our director skills matrix to include new skill attributes of ESG and sustainability experience**



## ABOUT TOUCHSTONE EXPLORATION INC.

Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") is an upstream oil and gas company that is publicly traded on both the Toronto Stock Exchange ("TSX") and AIM market of the London Stock Exchange ("AIM") under the trading symbol TXP. The Company is headquartered in Calgary, Alberta, Canada with operations in the Republic of Trinidad and Tobago ("Trinidad"). We are one of the largest independent onshore oil producers in Trinidad, with an experienced management team that have a track record of delivering value to shareholders.

In Trinidad, the Company has approximately 40,886 core net working interest acres of exploration and development rights. Touchstone holds 5,101 working interest acres of onshore producing properties that have known crude oil reserves as well as 35,785 exploration and undeveloped working interest acres that are being evaluated. The Company's producing properties have provided stable oil production since inception. As at and for the year ended December 31, 2020, Touchstone averaged 1,392 bbls/d of crude oil that were assigned approximately 16,461 Mboe of proved plus probable reserves. All oil production is sold to the state-owned oil and gas company, Heritage Petroleum Company Limited ("Heritage").

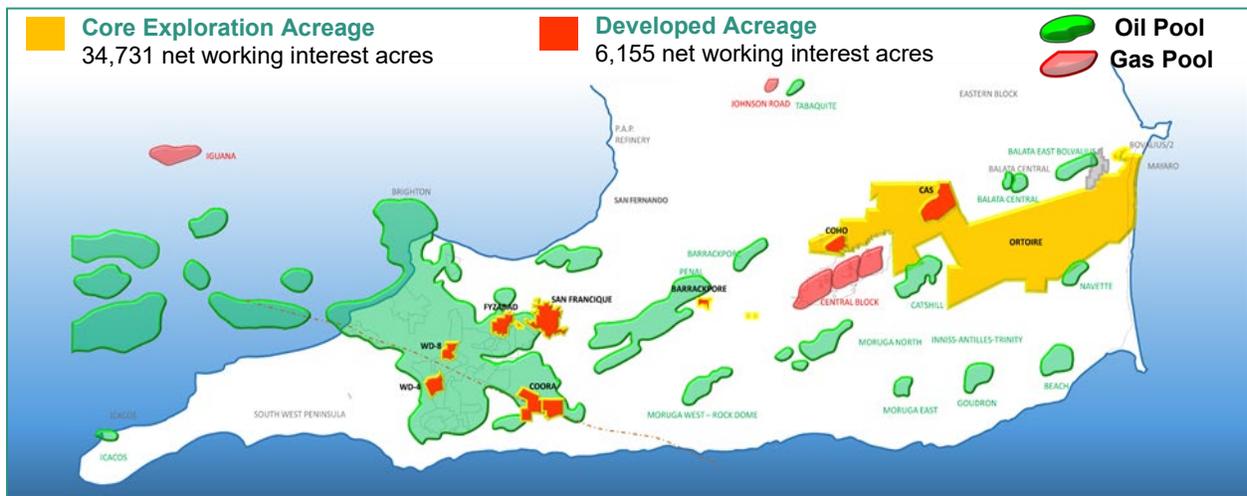
In 2019, Touchstone began phase one of its exploration program on the Ortoire block, which was a significant milestone. This program had an 80% success rate with four of the five wells having commercial grade oil and gas discoveries. The four successful wells include Coho-1, Cascadura-1ST1, Cascadura Deep-1, and Royston-1.

As of December 31, 2020, Coho-1 and Cascadura-1ST1 have been evaluated by our independent reserves evaluator and have added an additional 48,486 Mboe to our proved plus probable reserves. Based on production testing results, the estimated net initial production from phase one Ortoire exploration program is as follows:

- Coho-1 well 1,333 boe/d (100% natural gas); and
- Cascadura-1ST1 well 6,133 boe/d (87% natural gas).

In addition to the exploration wells on the Ortoire property, the Company also has internally identified development targets at Coho, Cascadura and Royston. Looking forward, we plan to commence phase two of our Ortoire exploration program, which is anticipated to include the following exploration wells:

- Kraken, targeting the Cretaceous Formation;
- Steelhead, targeting the Karamat Formation;
- Guabine, targeting the Herrera Formation; and
- Royston Deep, targeting the Herrera Formation.



# OUR VISION AND VALUES

## Vision

Our purpose is to maximize shareholder value through producing economic and sustainable energy from international onshore assets by striving to ensure that environmental, social and governance standards are embedded in our values and priorities.

## Key Values

### Honesty and Integrity

We conduct ourselves with honesty and integrity by being transparent, ethical, respectful and timely.

We are committed to all our stakeholders and work to enhance the local communities involved in our daily operations.

### Safety and Environment

We operate in a manner that ensures the safety of all our stakeholders, including employees, contractors and the public.

When a conflict arises between safety and production, we empower our employees to choose safety.

We strive to operate in an environmentally responsible manner to reduce our environmental footprint and aim for continuous improvement.

### Respect, Empowerment and Accountability

We act as shareholders and are accountable for our actions.

We provide an inclusive work environment that is enjoyable and respectful to all.

We provide learning opportunities and challenges to employees to foster growth.

We conduct our business that encourages new thoughts and ideas.



## 1.0 ABOUT THIS REPORT

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**THIS IS TOUCHSTONE'S INAUGURAL SUSTAINABILITY REPORT AND PROVIDES INSIGHT INTO OUR ENVIRONMENTAL STEWARDSHIP, COMMUNITY INVOLVEMENT AND EFFECTIVE GOVERNANCE PRACTICES.**



### SCOPE

Touchstone recognizes that our stakeholders have a growing interest in and awareness of climate change, greenhouse gas emissions, water waste management and our impact on people and the communities where we operate. For that reason, this report provides performance metrics and descriptions of our activities regarding topics most relevant to Touchstone and our stakeholders. The boundary of this report covers Touchstone's operations and assets based in the Republic of Trinidad and Tobago as well as activities conducted in our head office in Calgary, Alberta, Canada.

The information included in this report was prepared and reviewed by relevant employees and senior management and approved by the President and Chief Executive Officer ("CEO") and the Board of Directors (the "Board").

All data presented throughout this report is summarized or outlined in Appendix "A".

### REPORTING PERIOD

Data presented in this report reflects our activities from January 1, 2020 to December 31, 2020, unless otherwise stated. Historical data is given when possible and where appropriate. Going forward, Touchstone intends to update the data and publish a Sustainability Report on an annual basis.

### REPORTING STANDARDS

The Company was guided by various ESG reporting standards in creating this inaugural Sustainability Report, which included:

- **Global Reporting Initiative Sustainability Reporting Standards 2018 ("GRI")** guide companies to disclose their impact on the economy, the environment, and people and communities;
- **Sustainability Accounting Standards Board - Oil and Gas - Exploration and Production (EM-EP) Standard ("SASB")** reports on environmental, social and governance issues most relevant to the financial performance in each industry; and
- **Task Force on Climate-related Financial Disclosures ("TCFD")** are recommendations, which are climate change specific and focus on the organization's governance around climate-related risks and opportunities, the impact of climate-related risks and opportunities on the organization, and how a company identifies, assesses and manages climate-related risks.

## MATERIAL TOPICS AND PRIORITIES

Since inception, Touchstone has had ESG considerations embedded in our operations and understands its importance to our stakeholders. This led us to the creation of the Board's HSSE Committee in March 2021. Subsequently, Touchstone engaged an external consultant to complete an analysis of peers and standards as well as to conduct interviews with internal stakeholders to identify material topics and capture their perspectives. Input for this Sustainability Report was derived from stakeholder engagement, interviews with executives, workshops and an internal survey with employees from all levels within the Company in both Trinidad and Canada, as well as benchmarking against our peers. Through this process, we identified a short-list of priority topics based on desktop research and commonly used reporting standards which were presented to and validated with Management and the Board to confirm the material ESG topics covered in this report and to inform our ESG strategy.



# E

Climate Change and Greenhouse Gas ("GHG") Emissions  
Water and Waste Management



# S

Occupational Health and Safety  
Local Communities  
Empowering People



# G

Corporate Governance and ESG Accountability  
Government Relations and Political Advocacy  
Anti-corruption and Ethics

***"Our strategy while developing this sustainability report was to keep it aligned with the Company's vision and values which hold environmental stewardship, social responsibility and corporate governance at the forefront."***

**– Paul Baay, President and Chief Executive Officer**

Touchstone is committed to ongoing engagement above and beyond the scope of this report and will formally consult external stakeholders for subsequent sustainability reports as well as formally review our material topics at least every three years to ensure they are aligned with our core values and emerging ESG guidance.

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

We recognize our responsibility to all our stakeholders, which encompasses our people, operating partners, suppliers, local communities, investors, government, regulatory bodies and shareholders. Touchstone continuously reviews our identified stakeholders each year based on their proximity, dependence, influence and impact associated with our operations. Throughout the year we effectively engage our stakeholders through communication channels that allow participation and develop mutually beneficial relationships.

The following table summarizes how we communicate with our stakeholders regarding certain topics.

Stakeholders	Relevant Topics	Communication Channels
<b>Our People</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Training and development</li> <li>Diversity and inclusion</li> <li>Employee well-being</li> <li>Employee compensation</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement surveys</li> <li>Weekly management and operation meetings</li> <li>Weekly and quarterly employee newsletters</li> <li>CEO communication through breakout meetings and corporate town halls</li> <li>Annual certification executed by all employees confirming knowledge and adherence to all Company policies</li> <li>Annual employee performance reviews</li> <li>Safety cards</li> </ul>
<b>Operating Partners</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Financial sustainability</li> <li>Environmental performance</li> <li>Anti-corruption and ethics</li> <li>Community investment</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly operational committee meetings</li> <li>Quarterly technical committee meetings</li> <li>Auditing of technical and financial reporting</li> <li>General ongoing communication through emails and telephone</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Local procurement</li> <li>Occupational health and safety</li> <li>Community investment</li> <li>Financial sustainability</li> <li>Anti-corruption and ethics</li> </ul>	<ul style="list-style-type: none"> <li>Formal request for quote/proposal process</li> <li>Vendor prequalification</li> <li>Formal Master Service Agreement</li> <li>Regular HSE meetings</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Environmental performance</li> <li>Emergency response readiness</li> <li>Safety performance</li> <li>Community investment</li> <li>Local employment</li> <li>Local procurement</li> <li>Anti-corruption and ethics</li> </ul>	<ul style="list-style-type: none"> <li>Proactive communication through a Community Liaison Officer</li> <li>Project notifications via letter/email/social media</li> <li>Stakeholder meetings</li> <li>Grievance redress plan with communication through telephone, mail or fax</li> <li>Community drop boxes</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics</li> <li>Climate risks and opportunities</li> <li>Financial and operational performance</li> </ul>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Quarterly and annual reports on earnings and operations</li> <li>Conferences, interviews, virtual presentations and meetings</li> <li>News releases</li> <li>Annual general meeting</li> </ul>
<b>Government and Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>Anti-corruption and ethics</li> <li>Climate risk and opportunities</li> <li>Governance relations and political advocacy</li> <li>Community relations</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly operational committee meetings</li> <li>Quarterly technical committee meetings</li> <li>Participation in regulatory discussions</li> <li>Consultations and approval on projects</li> </ul>

# DRIVING RESPONSIBLE ENVIRONMENTAL STEWARDSHIP

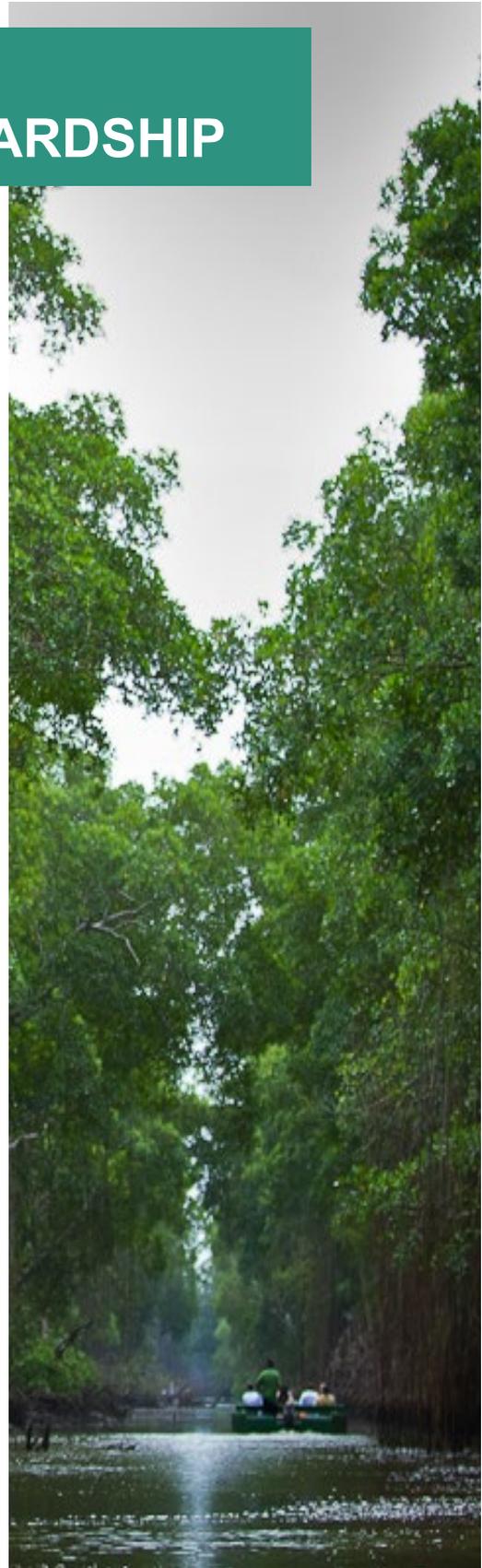
## 2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH

### APPROACH

Touchstone strives to be a leader in environmental stewardship wherever we operate, with our focus today being in the Republic of Trinidad and Tobago. The Company recognizes that climate change is a reality, and we proactively manage our operational impacts to make responsible use of natural resources in efforts to mitigate climate change and to protect biodiversity and ecosystems, thereby minimizing our environmental footprint and aligning with our stakeholders' values. We believe that supporting environmental best practices and governmental regulatory standards is fundamental to ensuring sustainable development and community well-being. It is important to us that the residents in the communities where we operate are informed about our operations and that we exceed the highest safety and environmental standards in everything we do. Based on this, it was important to the Company that in this inaugural Sustainability Report that we set the standard now to become early adaptors to adhere to TCFD guidelines. In Trinidad, we work with the various governmental stakeholders to guarantee compliance and adherence to all environmental guidelines and regulations. Environmental impacts are considered prior to initiating any project, and we monitor all operations to ensure that our environmental impact is consistent with our standards.

Our philosophy is to follow all current in-place environmental standards, policies, and procedures and to grow to be a green leader by implementing additional climate change and emissions initiatives within the Company. By acting now, Touchstone strives to improve our environmental footprint by reducing emissions with a reduction roadmap that reflects both actionability and accountability.

Touchstone is currently aiming to be a leading Trinidad onshore producer of natural gas, transitioning our focus to a lower carbon product in our product mix as we develop our recent natural gas discoveries in our Ortoire licence area to production.



We have identified several exploration prospects on our Ortoire property based on 2D and 3D seismic data, historical well logs, and geological similarities to offsetting gas deposits in the area. First gas production has a targeted onstream date in the first quarter of 2022 from the Coho-1 discovery well.

The Company believes that by recording and reporting both our direct and indirect Scope 1 and Scope 2 emissions, we can fully understand the magnitude and source of our GHG emissions and, most importantly, identify where we can reduce our emissions in all aspects of our operations.

## 2020 Baseline calculations

GHG emissions are reported in tonnes of gas emitted in carbon dioxide equivalent (CO<sub>2</sub>e) using Global Warming Potentials ("GWP") from the Intergovernmental Panel on Climate Change ("IPCC"). The GWP used for all emissions calculations for a particular GHG used a consistent GWP value of IPCC AR4. For this report, Touchstone included CO<sub>2</sub> and methane (CH<sub>4</sub>) emissions and excluded the other five GHG components (nitrous oxide, hydrofluorocarbon, perfluorocarbon, sulfur hexafluoride, and nitrogen trifluoride) as these are considered minimal and non-relevant for our material operations.

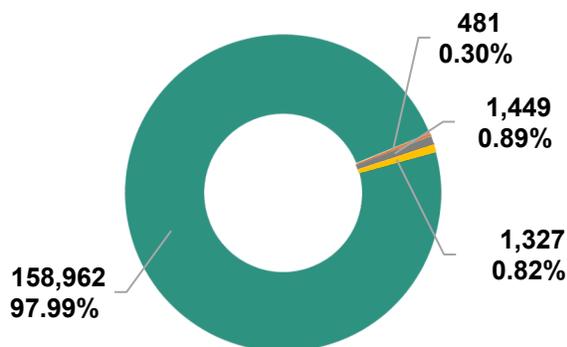
The 2020 calculation of emissions intensity was a result of the review and evaluation of our aggregate annual Scope 1 and Scope 2 emissions of 162,593 tonnes CO<sub>2</sub>e, divided by the Company's 2020 production of 578,001 boe. This resulted in a 2020 GHG emissions intensity of 0.28 tonnes CO<sub>2</sub>e/boe. As we shift the focus of our developmental program to identified natural gas reservoirs, this GHG emission intensity is expected to be reduced in the future.



# 0.28 tonnes CO<sub>2</sub>e/boe

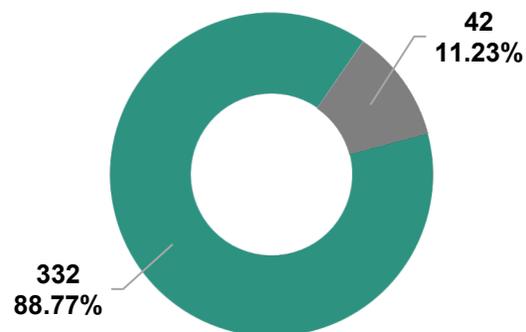
## Scope 1 and 2 GHG emissions intensity

Scope 1 Emissions (tonnes of CO<sub>2</sub>e)



- Vent Gas
- Vehicles
- Drilling operations
- Flare gas

Scope 2 Emissions (tonnes of CO<sub>2</sub>e)



- Power Trinidad office
- Power Calgary office

## SCOPE 1 AND 2 EMISSIONS BREAKDOWN

In 2020, the Company calculated a detailed baseline of Scope 1 and 2 emissions data, as Scope 1 and Scope 2 emissions were fully under the Company's operational control. Scope 3 emissions were excluded due to the uncertainty of third-party data gathering.

As 2020 is the first year that Scope 1 and Scope 2 emission data was collected, this data represents the baseline for future data gathering, reporting and ultimate improvement. For Scope 1 data, we collected vent gas emissions, flare gas emissions, vehicle emissions, and emissions derived from drilling operations. For Scope 2 data, we recorded power consumption data used in our operations, separating usage of power from our producing oil wells as well as power consumed in our Fyzabad (Trinidad) and Calgary (Canada) offices. The discussion below highlights the findings of our 2020 baseline evaluation.

### Associated gas

Representing 97.99% of our aggregate Scope 1 emissions, the major contributor within our operations is vent gas released from our producing oil wells. Vent gas was calculated from the review and evaluation of 128 pumping oil well wells which produced in 2020. Emissions were derived based on estimated daily gas production from each well using a gas oil ratio. Additional analysis was performed to measure the fraction of methane from key wells to more accurately calculate GHG emissions intensity.

### Flare gas

Flare gas emissions were solely from the 2020 production testing performed on our Cascadura-1ST1 exploration well. Two tests were completed, spanning a total of two days each. The CH<sub>4</sub> fraction of total combined gas produced from the tests was calculated, and the GHG density was derived resulting in 1,327 tonnes CO<sub>2</sub>e of flare gas emissions.

### Vehicles

Vehicle emissions were reported from directly owned and operated vehicles working for Touchstone. For 2020, there was a total of 27 vehicles in the Scope 1 emissions data collection, resulting in 481 tonnes of CO<sub>2</sub>e.

### Drilling

Drilling emissions result from diesel power consumption while operating drilling rigs during operations. In 2020, two wells were drilled on the Ortoire block, Chinook-1 and Cascadura Deep-1. Chinook-1 was drilled over 65 days with total calculated emissions of 974 tonnes of CO<sub>2</sub>e. Cascadura Deep-1 was drilled over a total of 72 days, resulting in emissions of 1,449 tonnes of CO<sub>2</sub>e. Both present day and future environmental improvements in drilling emissions are discussed below.

### Power consumption

Power consumption was calculated for both of our offices located in Fyzabad (Trinidad) and Calgary (Canada) as well as usage from our operated oil wells. The operation of these assets and offices collectively had a power usage of 921,239 kWh resulting in 2020 estimated GHG Scope 2 emissions of 374 tonnes of CO<sub>2</sub>e.

## GHG GRI 2020 PERFORMANCE METRICS

Direct (Scope 1) GHG emissions	Disclosure	Total
Gross direct (Scope 1) GHG emissions (tonnes CO <sub>2</sub> e)	ML (305-1-a)	162,219
Percentage of methane	ML (305-1-b)	97.99
Energy indirect (Scope 2) GHG emissions	Disclosure	Total
Gross location-based energy indirect (Scope 2) GHG emissions (tonnes CO <sub>2</sub> e)	ML (305-2-a)	374
GHG emissions intensity	Disclosure	Total
GHG emissions intensity ratio for the organization (tonnes CO <sub>2</sub> e/boe)	ML (305-4-a)	0.28
Organization-specific metric (the denominator) chosen to calculate the ratio (boe)	ML (305-4-b)	578,001

## GHG SASB 2020 PERFORMANCE METRICS

EM-EP-110a.1. Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations		
	Disclosure	All areas
Disclose its gross global Scope 1 GHG emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol (tonnes CO <sub>2</sub> e)	EM-EP-110a.1:1	162,219
Scope 1 GHG emissions from methane emissions (CH <sub>4</sub> percentage)	EM-EP-110a.1:3	97.99
EM-EP-110a.2. Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions (tonnes CO <sub>2</sub> e)		
	Disclosure	All areas
(1) Flared hydrocarbons	EM-EP-110a.2	1,327
(2) Other combustion	EM-EP-110a.2	1,930
(3) Process emissions	EM-EP-110a.2	-
(4) Other vented emissions	EM-EP-110a.2	158,962
(5) fugitive emissions	EM-EP-110a.2	-

## POLICIES, INITIATIVES AND ACTION PLANS

### Environmental policy

Touchstone believes that environmental preservation and sustainability begins with our own operations. We are therefore committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy. To achieve this, we created an Environmental Policy to closely monitor, comply with, and exceed requirements of local legislation and industry best practices. Our commitment includes minimizing the consumption of natural resources and using energy efficiently, reducing waste and overall emissions from our operations, and implementing initiatives to reuse and recycle as much as reasonably practicable. This policy is reviewed every three years to ensure it remains relevant and applicable to changing industry standards regarding GHG emissions. We commit to address the environmental impacts of our emissions through transparent reporting and internal targets aimed at minimizing these emissions.

## Physical risks

Severe weather can present itself in either a physical or transitional state. Touchstone's Severe Weather Response Plan was created in response to impacts of climate change by the recurring Atlantic hurricane season that typically occurs from June 1 to November 30. The plan establishes procedures for the protection of employees and equipment, to ensure upmost safety of our employees as well as continuity of operations during severe weather systems. The plan provides personnel the ability to make accurate assessments and decisions, ensuring correct lines of communication and a proper ensuing response. It encompasses all facilities operated by Touchstone, its personnel, installations, and its neighbouring communities. In the event that the capabilities and resources of the Company are exceeded, all actions will be coordinated and undertaken according to the Trinidad and Tobago Disaster Emergency Standard Operating Procedures and the Contingency Plan formulated by the Office of Disaster Preparedness and Management under the National Framework for Disaster Management.

Physical risks of climate change that affect our operations and daily business appear in the form of the frequency and intensity of severe weather impacts. In Trinidad, these weather events typically include hurricanes, fires, and flooding, all of which can halt operations hastily and for long periods of time. Along with the Severe Weather Response Plan mentioned above, Touchstone has policies and procedures in place for extreme weather events, and we are committed to the health and safety of all our stakeholders.

## Transition risks

Present and future transition risks of climate change within Trinidad are addressed through regulations set by the Ministry of Energy and Energy Industries ("MEEI") to reduce GHG emissions. The National Climate Change Policy 2011 established the principles that mandate the direct response to climate change within Trinidad. In 2015, the MEEI published the *Strategy for Reduction of Carbon Emissions in Trinidad and Tobago, 2040*, which is an action plan for the mitigation of GHG emissions in the electrical power generation, transport and industry sectors. This long-term strategy recommends that an in-depth review is conducted approximately every five years to address ever changing impacts and include emerging technologies and climate change strategies. The document details mitigation roadmaps through knowledge, actions, awareness, and policy. The discussion of greener technologies and practices and the idea to implement economic incentives, such as pricing of pollution and natural resource use through taxes or tradeable permits would incentivize the innovation of GHG emissions reductions as well as providing economic benefits within Trinidad.

Along with the MEEI, the Energy Chamber of Trinidad and Tobago, an energy sector non-governmental organization representing the oil, gas, petrochemical, and heavy industrial sectors since 2014, has stated they will explore a transformational shift towards low-carbon development with the introduction of the Caribbean Carbon Pricing Initiative ("CCPI"). In 2016, a five-year plan was designed to develop and launch the CCPI. The CCPI would look to put a price on carbon emissions to generate capital for focusing on GHG emissions reduction investments in the country. There are currently no carbon pricing initiatives in Trinidad.

Touchstone will eagerly research emerging emission regulations in Trinidad and will work with the regulatory agencies as required.

## Operational management

Touchstone has strategized how to address climate-related risks and opportunities with an initiative roadmap outlining several ways to manage our operations while considering our impact on the environment. Such planning decisions ultimately improve the productivity of our operations and may result in lower project costs. For example, the Company high grades projects that can be performed in the Trinidad dry season (January to May) versus the wet season, which mitigate our environmental impact and subsequently reduces capital and repair expenditures.

We also attempt to avoid power shutdowns and production delays by proactively clearing trees in the vicinity of our power lines, which also mitigates the risk of forest fires. We also prefer to drill from existing drilling

pads and use existing right-of-ways for access road and pipeline construction operations. When evaluating potential acquisitions, we monitor potential environmental risks and prefer assets that have existing infrastructure.

We source our debt capacity from local institutions that understand the issues and regulations where we operate, ensuring locally sourced capital is invested domestically. Our lenders understand the Trinidad local environment and support a measured approach to development.

Environmental stewardship is incorporated in the requirements of our shareholders which allows for a lower cost of capital to fund our projects. Our shareholders also consider social responsibility and corporate governance factors for their investment criteria.

## Drilling

We strive to continually reduce the environmental impacts of our drilling operations. Over the next five years, the Company plans to transition to newer and more efficient drilling rigs that operate using diesel electric versus stand-alone diesel, which will reduce emissions for future drills. Such modern and more efficient drilling rigs should reduce the number of required drilling days, thereby reducing fuel emissions.

On our Ortoire exploration wells, we utilize synthetic oil-based drilling fluids, which are then cleaned, recycled, and re-used for drilling subsequent wells. We are planning on using smaller hole sizes in the future, allowing for faster drilling time, less fuel, drilling fluids and cement usage, and more casing per truck load which in turn reduces volumes that are transported.

In all operating areas, both development and exploration, should the drilling program accelerate that we require more than one rig or a drilling program with no downtime, future initiatives include establishing drilling fluid recycling stations in the applicable drilling areas to reduce transportation. Further, Touchstone is evaluating multiple drilling targets to be drilled off of a single surface site, allowing us to walk the drilling rig and decrease equipment mobilization. Fewer drilling sites reduces our environmental footprint, minimizes the number of vehicles used, reduces the number of access roads and minimizes the trees required to be removed in our operations.

## Facilities

Further emission optimization in the Ortoire area is anticipated to occur at the facility level. We are designing the Coho and Cascadura natural gas and associated liquids facilities as closed systems with no natural gas vented or flared in regular operations. To conserve any natural gas that may vent from the condensate and water storage tanks, a vapour recovery unit will be installed to compress any vent natural gas back into the facility process. The facilities will also contain gas detection devices to avoid any fugitive emissions. In addition, the power supplied for certain facility equipment and on-site lighting will be provided by solar lighting panels, providing a sustainable, efficient, and abundant power source while reducing CO<sub>2</sub> and CH<sub>4</sub> emissions.

## Additional initiatives

Acknowledging that the major contributor in our operations is the vent gas associated with our producing oil wells, we have commenced evaluating various options to utilize this gas in power generation, steam generation, gas injection and possible joint projects with the National Gas Company of Trinidad and Tobago ("NGC"). Specific vent gas initiatives include the potential for using and recycling produced gas to generate steam to warm tanks in our facilities and using gas emissions for power generation in motors in pumping units and boiler systems. In addition, we are continually researching processes to utilize and repurpose gas emissions to benefit residents within the communities we operate in.

In 2022, Touchstone plans to implement a reforestation program that will ensure every tree removed for the purpose of lease, road or pipeline construction is replaced. Touchstone has also committed to the implementation of community gardens within many of the communities where we operate. This initiative will

increase locally produced goods, reducing the need for imported food supply chains and related transportation.



## Case Study

Carbon sequestration is a direct process that will reduce atmospheric CO<sub>2</sub> in the Republic of Trinidad and Tobago. Touchstone is currently engaged in technical studies that will examine reservoirs deeper than approximately 2,625 feet for the long-term storage and removal of CO<sub>2</sub>. Reservoirs that can retain CO<sub>2</sub> have been identified, and pilot studies are currently underway to investigate economic and implementation feasibility.

## 2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH

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### APPROACH

#### Water

Water scarcity is an increasingly critical issue in many parts of the world. As economies grow and as the climate changes, water resources come under greater pressure, placing the oil and gas industry as well as the communities that depend on it at risk. Touchstone considers itself a leader in water management in onshore operations in Trinidad. Source water for our operations typically involves a combination of recycled produced water, saline and non-saline (fresh) water. Produced water associated with our oil production is typically saline water. Fresh water resources are effectively managed by the government in Trinidad to ensure there are no significant regional effects on water.

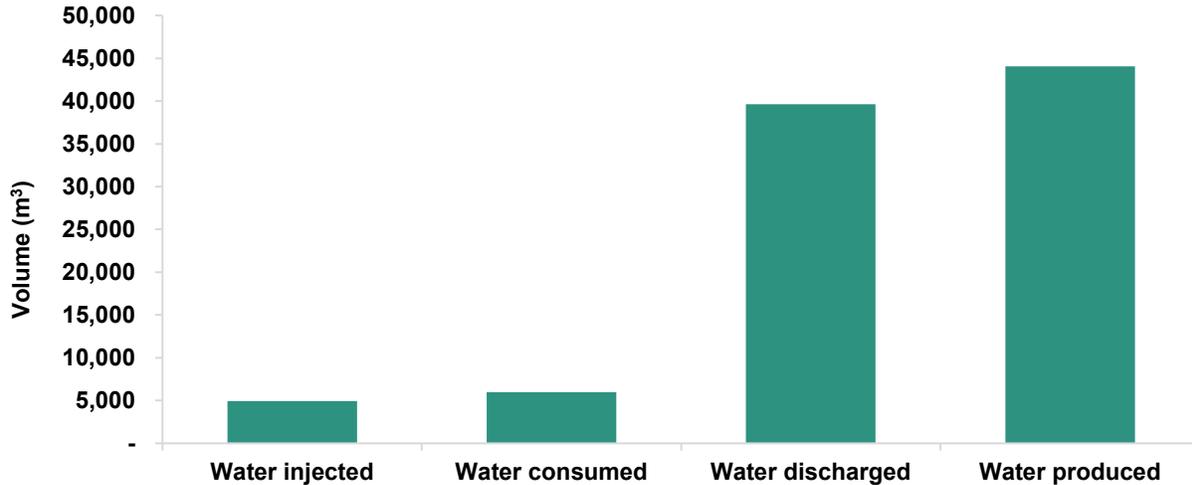
In 2020, Touchstone recorded all produced, operationally consumed, injected, and disposed water. Produced water yielded a total of 44,051 m<sup>3</sup> from our operated oil wells. 11% of the produced water was bio treated, filtered, and injected in disposal wells. There were no hydraulically fractured operations performed in 2020.

The remaining 89% of produced and used water in our operations was tested to ensure that the required water quality objectives were met prior to release. In compliance with government regulations, water volumes were treated prior to being returned to the environment.

### 2020 WATER METRICS SUMMARY

Water usage (m <sup>3</sup> )	All areas
Production	44,051
Consumption in operations	4,885
Consumption in drilling	933
Discharged in drilling	497
Injected	4,927
Discharged for operations	39,124
Consumption in Calgary office	171
Total water usage (m <sup>3</sup> )	All areas
Injected	4,927
Consumed	5,989
Discharged	39,621
Produced	44,051

## Water Summary 2020



## Waste

The production of waste places a strain on the environment and can threaten the ecosystem if not handled responsibly. Waste is defined as any material, substance, or by-product from our current oil operations, such as chemicals, materials and plastics, as well as domestic and office waste such as consumables, paper, and packaging. Touchstone has adopted an internationally agreed hierarchy of techniques for waste management and minimization which follows the "5 Rs" in the following order of preference: reduce, reuse, recycle, recover and responsible disposal.

In 2020, we could not accurately record waste data due to the unavailability of employees in response to novel coronavirus ("COVID-19") pandemic-imposed restrictions. We are currently in the process of developing a system to measure and track all waste generated in our daily operations. The data will be captured for future sustainability reports.

## POLICIES, INITIATIVES AND ACTION PLANS

### Waste minimization procedure

We created a waste minimization procedure to reduce and manage waste we produce and to ensure continual improvement in protecting and preserving the environment. Waste minimization covers a wide range of techniques. The general categories of good practice of reduction are:

- rotation of product stocks to reduce inventory;
- regular preventative maintenance to avoid leaks, overfilling and spillages;
- reduction in the volume of waste by compaction, shredding, drying, etc.;
- elimination of poor storage conditions;
- rescheduling production to reduce cleaning operations; and
- establishing a Waste Reduction Action Plan ("WRAP") for each location.

Waste minimization is one of the core elements of the Company's HSE Policy. Touchstone intends to reduce our overall waste to landfill with the establishment of WRAP. The plan will focus on a detailed review

of the Company's current packaging and waste methods and aims to introduce alternatives where practicable and applicable.

### Our water performance in 2020

- In 2020, we estimated total water withdrawal of 933 m<sup>3</sup> for utilization in drilling operations which was sourced from local surface water.
- In 2020, produced water of approximately 44,051 m<sup>3</sup> was generated from our operated oil wells.
- Our estimated total water consumption in 2020 was 5,989 m<sup>3</sup>, which was used in our daily operations, our drilling operations, and consumed in our Fyzabad and Calgary office locations.

Safe injection and disposal of water are of the utmost importance to Touchstone as we are currently the only onshore company in Trinidad disposing produced water into an injection well for the purpose of avoiding release into the environment. In 2020 4,927 m<sup>3</sup> of water was injected into one disposal well, and 39,124 m<sup>3</sup> of water was treated and released into the environment.



**4,927 CUBIC METRES OF WASTE WATER AVOIDED  
IN THE ENVIROMENT**

**First onshore water disposal well in Trinidad**

## PERFORMANCE

### Water GRI 2020 performance metrics

Water withdrawal (m <sup>3</sup> )	Disclosure	All areas
Surface water	ML (303-3-a-i)	933
Ground water	ML (303-3-a-ii)	-
Seawater	ML (303-3-a-iii)	-
Produced water	ML (303-3-a-iv)	-
Third-party water	ML (303-3-a-v)	-
<b>Total water withdrawal</b>	<b>ML (303-3-a)</b>	<b>933</b>
Water discharge (m <sup>3</sup> )	Disclosure	All areas
Surface water	ML (303-4-a-i)	497
Ground water	ML (303-4-a-ii)	-
Seawater	ML (303-4-a-iii)	-
Produced water		39,124
Third-party water	ML (303-4-a-iv)	-
Water discharge by freshwater and other water	ML (303-4-b-i)	39,621
Water discharge by level of treatment		-
No treatment	ML (clause 2.4.2)	-
Treatment level (remove hydrocarbon content)	ML (clause 2.4.2)	39,621
Water consumption (m <sup>3</sup> )	Disclosure	All areas
<b>Total water consumption</b>	<b>ML (303-5-a)</b>	<b>5,989</b>

### Water SASB 2020 performance metrics

EM-EP-140a.1: (1) total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with high or extremely high baseline water stress (thousands m <sup>3</sup> )		
	Disclosure	All areas
(1) Total fresh water withdrawn	EM-EP-140a.1: 1	0.93
(2) Total fresh water consumed, percentage of each in regions with high or extremely high baseline water stress	EM-EP-140a.1: 2	5.99
EM-EP-140a.2: Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water (thousands m <sup>3</sup> , metric tonnes (t), %)		
	Disclosure	All areas
Produced water	EM-EP-140a.2: 1	44.05
Produced water discharged	EM-EP-140a.2: 4	39.12
Produced water injected	EM-EP-140a.2: 4	4.93
Produced water recycled	EM-EP-140a.2: 4	-

## Case studies and forward thinking

As early as 2015, the Company was at the forefront of environmental responsibility. In co-operation with the MEEI, the Environmental Management Authority ("EMA") and the Water and Sewage Authority, we proposed and successfully implemented the first onshore water disposal well in Trinidad, and by 2018 we utilized water disposal on our development acreage to reduce effluent release at surface and protect ground and surface water. In 2020 this initiative prevented 4,927 m<sup>3</sup> of produced water from being directly released into the environment. Despite concerted efforts from the EMA, effluent from produced water, specifically chlorides, had been in excess of permissible limits for many years and was historically unattainable by numerous operators, including Touchstone. Chloride levels (and thus salinities) from produced water are similar and compatible with reservoir formation water. Salinities also tend to increase with depth, and thus, by injecting the treated water into the formation from which it originated, we can achieve the most environmentally sustainable solution. Aligned with our goal to eliminate all surface and ground water contamination, the treatment and injection of produced formation water in 2020 were below the EMA's allowable threshold.



Aligning with the Company's initiative to eliminate surface release of produced water, we expect to have three additional disposal wells by the end of 2022 and are targeting zero produced water released into the environment from 2023 onwards.

Touchstone is currently working on similar initiatives in all of our development and exploration properties. Both water disposal and waterflooding will be processed by injecting treated water back into the compatible formations. Benefits from this initiative are numerous such as immediate protection of the environment (surface and ground water, flora and fauna), as well as long-term pressure maintenance in the subsurface (increased oil production without increasing our environmental footprint). These ongoing initiatives are paramount in the pursuit of sustainable and environmentally responsible programs.



# BEING A RESPONSIBLE PARTNER TO OUR PEOPLE AND COMMUNITIES

## 3.1 ENSURING A ZERO INJURY WORKPLACE

### APPROACH

Touchstone's operations involve a complex and intricate web of processes, in which the Company is cognizant of its potential to have significant impacts on the health and safety of our employees, contractors and the communities where we operate.

At Touchstone, we believe that the health and safety of every person is a fundamental aspect in every business decision. We believe all operational activities shall take place only after giving due consideration to the health and safety of our employees and contractors, as well as any other persons who may be affected by our work activities. For each operation, analysis of risk (via risk assessments or job safety analyses) is conducted to ascertain the risks associated with each task. Control measures are then implemented to either eliminate (where possible) or mitigate and reduce risk to as low as reasonably practicable. In cases where additional expertise is required, we work with specialized contractors to assist with the operations.

In analyzing the impacts of our operations, personnel injuries and illnesses including fatality, as well as property damage have been identified as the significant impacts that could possibly occur. It is imperative that we maintain our safety systems and procedures in our operations, as this is integral to ensuring the well-being of our employees and contractors.

Under the Occupational Safety and Health Act of Trinidad ("OSH"), we are also guided by the legislative requirement of our duty as an employer to ensure, so far as is reasonably practicable, the safety, health and welfare at work of all our employees. This includes, but not limited to:

- the provision and maintenance of plant, machinery and systems of work that are, so far as is reasonably practicable, safe and without risks to health as well as adequate amenities and arrangements for their welfare at work;



- the provision of adequate and suitable personal protective clothing or devices of an approved standard to employees who in the course of employment are likely to be exposed to the risk of head, eye, ear, hand or foot injury, injury from air contaminant or any other bodily harm and providing adequate training for using these protective clothing or devices; and
- the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is reasonably practicable, the safety and health at work of the employees.

Our goal is to achieve zero accidents and injuries throughout our operations by preventing the occurrence of all work-related injuries, illnesses and property damages. The provision of safe work conditions, as well as safety systems and procedures, training and supervision are paramount for achieving our goal.

Additionally, we continuously strive to achieve total compliance with the relevant legislation where our operations are based. Where applicable, this would also include applying the highest international standards and best practices (in the absence of local legislation) that apply to our operations, including that of our operating partners. We constantly endeavor to identify, eliminate and reduce unsafe actions and conditions, which we believe sets us on the right path.

## POLICIES, ACTION PLANS AND INITIATIVES

Touchstone's employees are our most valuable assets, and we firmly believe that the effective implementation of an in-depth and thorough Health, Safety and Environmental Management System ("HSEMS") is crucial for attaining and maintaining a safe work environment. Our HSEMS encompasses evaluation of hazards associated with our workplace and the development and enforcement of adequate and suitable policies, procedures and plans to systematically manage health and safety at work. This system governs the day-to-day operations at all our facilities, with the intent of minimizing and preventing the risk of injury and illness from any of our operations and ensuring continuity of operations.

Our HSEMS assists not only in the promotion of a safe workplace but also in the encouragement of a positive safety culture throughout our organization. We require our contractors and suppliers to comply with our system and our policies and procedures when conducting any operations on our behalf. While the system is managed by our HSE department, roles and responsibilities are incorporated into each plan for Management, supervisory personnel and other employees to aid in identifying and maintaining a culture of safety. We send every employee for safety training appropriate to their job position and requirements, which is conducted by external consultants specialized in the field. Certification renewals are conducted every two to three years, varying based on the type of training received. We also mandate contractors on all sites to have adequately trained staff in order to be eligible for consideration for hire. In addition, our government partners and external legislative organizations conduct frequent workplace inspections. All work operations are covered by a job safety analysis and task-based risk assessment, which outline corrective measures to be implemented to ensure our operations run efficiently. We also require employees to undergo pre-employment medical screenings and random drug and alcohol screenings on a routine basis.

Employees and contractors are also empowered to report any concerns via our Safety Awareness for Everyone (SAFE) card system, which allows for anonymous (if desired) reporting of any unsafe actions and conditions observed on any of our facilities. Options for submission include both physical and virtual, and concerns are reviewed as they are submitted. We work to rectify any concerns in a timely manner. Another opportunity for voicing concerns is through our refusal to work policy, which can be enacted once there is the belief of a serious and imminent danger to a person or unusual circumstances have arisen which are hazardous or injurious to health or life. We will not penalise an employee or contractor for reporting concerns under the refusal to work policy, and we investigate and rectify the concern at the earliest opportunity. In the unfortunate occurrence of an incident, the Company's accident/incident reporting and investigation policy takes precedence. This allows for the investigation of an incident with the intention of determining the root cause and subsequent implementation of measures to prevent a recurrence.

Management approves the resources required for the maintenance of our safety procedures and processes, whether it be through the incorporation of new technology, training, provision of personal

protective equipment, or any items required to manage a safe work environment. This is evaluated every year through strategy sessions at the Management and Board level. Evaluations include review of budgets and expenditures, Company statistics, achievement of previously identified key performance indicators, any relevant applicable legislation (or changes that need to be incorporated) and examining the current approach and adjusting it where required.

It is important to note that it is a legislative requirement under Trinidad's OSH to have certain basic elements implemented, which includes:

- a health and safety policy;
- an emergency response and fire plan;
- risk assessments; and
- a refusal to work policy.

Furthermore, Touchstone has taken the initiative to include additional elements in our HSEMS which are above and beyond local jurisdictional requirements and help bring us in alignment with the Safe-to-Work ("STOW") certification specification overseen by the Energy Chamber of Trinidad and Tobago. The HSEMS also encourages and reinforces compliance with other aspects of the OSH and maintains the mandates outlined.

In addition to having this system in place to govern our operations, Touchstone has adopted initiatives to assist with achieving a safe workplace. We have historically included safety incident rates in our Management and employee short-term incentive plan, directly linking our compensation to the fulfillment of our annual safety targets. We have also hired an external consultant to audit our HSEMS, as we continually strive for policy and process improvement.

During the onset of the COVID-19 pandemic in March 2020, Management's main concern was the safety and well-being of our employees and stakeholders. We immediately introduced operating measures to protect the well-being of all stakeholders in line with local public health official guidelines while continuing to maintain safe operations and business continuity.

International travel was immediately restricted, and remote working and physical distancing measures were implemented where possible. In Trinidad we implemented a Coronavirus Guidance and Response Procedure, which provided guidelines for the handling and management of the pandemic at all our facilities. We enforced preventative measures, such as thermal screening, staff rotations, separation of office spaces and social distancing guidelines, for both our staff and contractors. Sanitization measures were also increased and implemented across all our office and field locations. Measures were also established for testing and quarantining staff in the circumstance that there was a contraction of the disease.

## PERFORMANCE

Year	Total Recordable Incident Rate		Fatality Rate		Near Miss Frequency Rate		Cumulative Hours of HSE Training
	E	C	E	C	E	C	Employees only
2018	Nil	9	Nil	Nil	Nil	2	2,486
2019	1	Nil	Nil	Nil	1	2	1,609
2020	Nil	3	Nil	Nil	Nil	Nil	1,361

E – Employee C – Contractor

We saw a reduction in training hours in 2020 from 2019 due to reduced staff numbers and limitations on training sessions. In response to the COVID-19 pandemic, regulatory restrictions (e.g., lockdowns of facilities, limitations on number of people gathering) were implemented by the Trinidad and Tobago government, which impacted Touchstone's ability to facilitate training sessions for staff members in the

customary format. As such, Touchstone worked closely with our service providers to deliver sessions virtually where possible. The Company has also committed to hosting more sessions where in-person training is needed for a particular skillset, so that all required renewals are completed.

## 3.2 SUPPORTING LOCAL COMMUNITIES

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### APPROACH

We depend on the communities we live and work in, both in Canada and Trinidad. Each community is unique and faces a set of distinct challenges. One of our key values at Touchstone is to enhance the local communities involved in our daily operations, which is why the management of our engagement, employment, procurement, and investment practices in the communities we operate is always at the forefront. When hiring or procuring equipment or services, the first question must be, "Can it be sourced within Trinidad?" Looking forward, when investing in the community, we intend to hire a Community Relations Officer ("CRO") to identify initiatives within local communities that will have a lasting positive impact for the residents.

We know that the communities where we operate are our communities too, and it is also home for many of our employees, which is why we are enthusiastic about providing support and having a positive impact.

Our community engagement is important to us and is adopted through our corporate Community Relations Policy. The purpose of this policy is to ensure that we work with the communities within Trinidad to assist those in need, help worthy causes, create partnerships and build lasting relationships.



We are currently focused on:

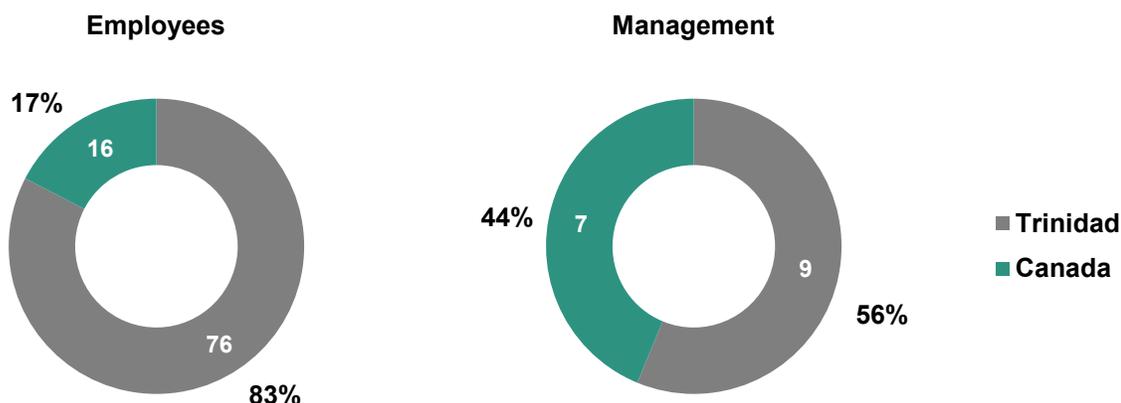
- creating local employment opportunities, both within the oil and gas industry and within existing local industries;
- supporting local businesses by creating mutually beneficial relationships; and
- working with local communities to assist in creating a positive impact based on the needs and concerns expressed by relevant stakeholders.

### POLICIES, INITIATIVES AND ACTION PLANS

#### Local employment

When it comes to local employment, we believe it is vitally important to ensure that we hire employees within the communities we operate. Who knows the culture and best business practices better than local candidates? When hiring for a position within the Company the number one objective is to recruit a resident within Trinidad.

The graphs below summarize the percentage of employees and Management located in Trinidad and Canada.



### Supporting local business



Touchstone believes that building relationships with local authorities, goods and service providers, social and environmental organizations, health and education leaders, youth leaders, and role models is essential to the Company's core values and beliefs. When we establish healthy, positive business relationships with other entities that directly or indirectly contribute to the success of our organization and fosters friendships, camaraderie, and valuable professional networks.

We will always attempt to genuinely understand those we work with and the underlying meaning of their actions. In our exchanges with other organizations within the community, we seek mutual understanding and support when we communicate with our partners. Touchstone will prioritize their needs and work toward helping them reach their goals.

In these relationships, we respect the boundaries of others while setting our own that we expect to be acknowledged.

Currently the Company has service contracts with 193 providers that are locally operated in Trinidad. In 2020, the Company incurred approximately US\$18.7 million in Trinidad and US\$0.8 million in Canada on local procurement.

### Supporting local programs

Our corporate charitable strategy focuses on health and safety, education and having a positive impact on the communities where we operate. Our commitment to these projects ensures that our communities are well supported. In addition, we also assist local organizations aligned with our employees' interests through a matching gift program and paid volunteer time.

### Health and safety

2020 was an unprecedented year with the COVID-19 pandemic, affecting many communities in need of assistance. Touchstone worked closely with local members of parliament and counsel to assist when possible. In addition, we had taken on many initiatives to ensure the well-being of the people within the communities we operated.

## Supporting Communities During the COVID-19 Pandemic



**500+**  
Food Hampers

Made by local community grocery stores



**21**  
Back-to-School Kits

Donated back-to-school packages, including tablets, to ensure students could attend school virtually



**TT\$25,000**  
Vaccine Administration

Donated to ensure safe transport and handling of COVID-19 vaccination



**8**  
Computers

Donated to local schools and families to assist with the transition to online learning

### Education

At Touchstone we believe that education is key to the future success on the islands of Trinidad and Tobago. We are committed to find opportunities within the local communities to enhance education and learning through donations, volunteering and training.

## Case Study

### Rio Claro Learning and Development Centre

In 2020, we partnered with the Rio Claro Learning and Development Centre to assist in the refurbishment of a vacant building and the surrounding grounds to provide a new learning facility, which currently works with 41 students from the community with special needs. Touchstone will continue to make strides to ensure that every child enrolled in the centre has the opportunity to grow and flourish.





Solar panels donated to local families

*"On behalf of the Constituency of Mayaro, I would like to express by appreciation to Touchstone Exploration (Trinidad) Ltd. for your continued community outreach throughout the Constituency of Mayaro. Over the years Touchstone has made and continues to make several notable contributions to Mayaro."*

**Rushton Paray, MP**



## Local communities

We are committed to actively engage within the communities where we operate and creating mutually beneficial relationships. Many of our day-to-day community relations initiatives are done without the need for recognition, as the Company participates in making a meaningful contribution to local residents.

We intend to have a local liaison between Touchstone and the communities to ensure that we have the maximum positive impact on the communities with the resources that we provide. The CRO will help manage risks and opportunities associated with the rights and interests of the people and the communities in areas where we conduct business.

The CRO will listen and respond to the concerns of the local residents and provide us with recommendations on what programs we should implement based on the needs of the communities.

## 3.3 EMPOWERING OUR PEOPLE

Our employees drive our business and are the greatest asset to our success. We encourage employee growth by supporting their continuous professional development and success with the Company. We believe in a culture of inclusion and empowerment, where differences in ideas, perspectives and thoughts are appreciated, which is the foundation of a positive work environment. Touchstone aims to create a workplace that is diverse, free from harassment and people are treated with dignity and respect.

### APPROACH

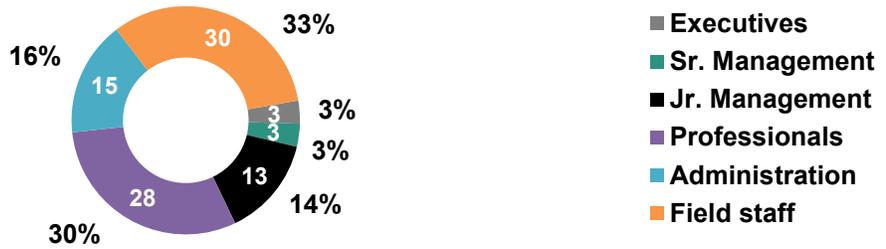
Touchstone believes that a diverse workplace has a positive impact on decision-making and overall corporate performance.

When hiring new employees, we consider the candidates' experience and the value that they will bring to the organization with consideration of the benefits of diversity. The Company measures diversity based on the following criteria.

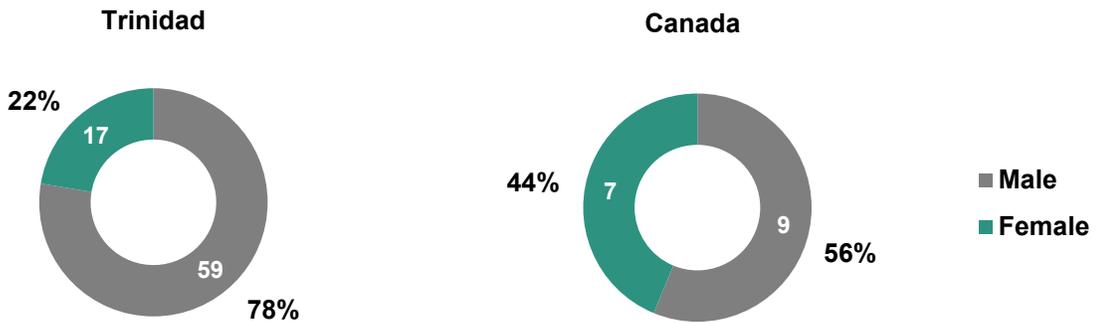
- Skills
- Knowledge
- Regional and industry experience
- Education
- Gender
- Age
- Ethnicity



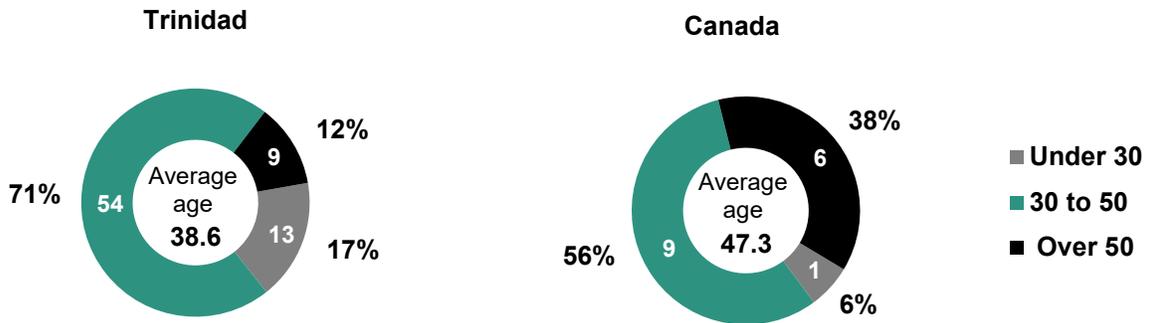
### Skills and Knowledge



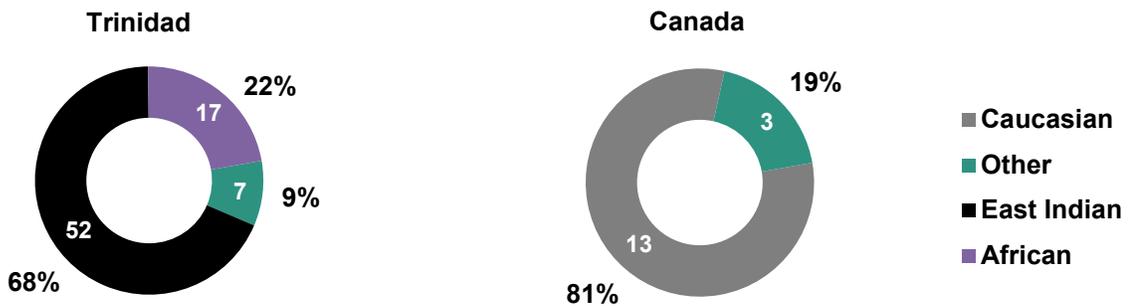
### Gender



### Age



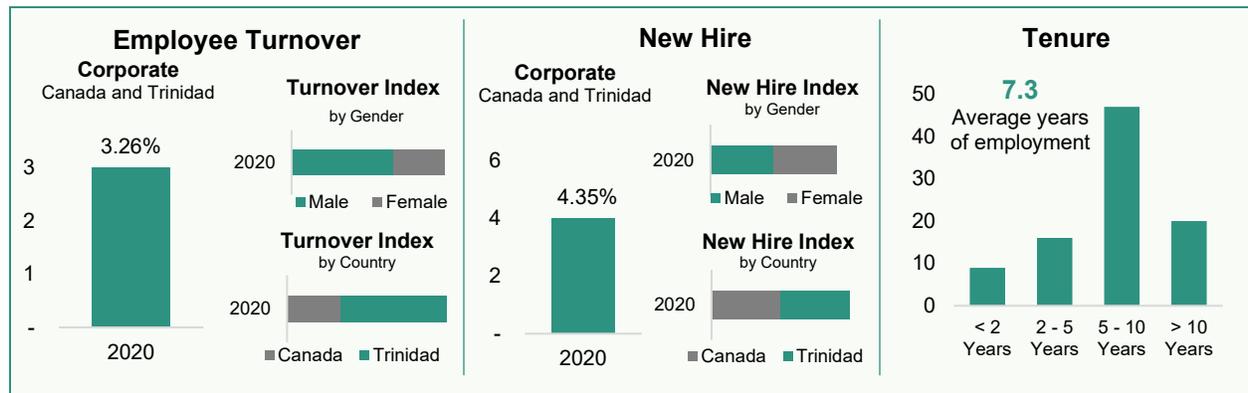
### Ethnicity



# POLICIES, INITIATIVES AND ACTION PLANS

## Employee development and engagement

Our goal is to ensure that all employees feel engaged, valued, respected and in control of their own career development and success. We believe that through our corporate culture, training and development, effective succession planning, and caring about our employee's health and wellness that we can attract and retain the best talent.



## Training and development

Touchstone understands the benefits and value added when we invest in our employees, which is why we encourage them to create and maintain a career development plan and pursue relevant industry development and professional designations related to their field of work. Our goal is for all employees to make the maximum contribution to the Company, while having opportunities to develop their talents, to acquire and use new skills, and to achieve greater career effectiveness, satisfaction and growth. We also believe that the success of our employees will strengthen the communities and the country as a whole. Career development opportunities include mentoring as well as informal and formal education and training.

To assist our employees in planning their career development, all staff participate in informal performance discussions throughout the year and a formal annual review where corporate and personal goals and objectives are discussed with Management. We reimburse all applicable expenses for employees to participate in short-term development courses, such as seminars and week-long courses, supported by our training and development policies. Furthermore, staff are eligible for reimbursement on a long-term development program, such as a graduate program.

**25.6**  
Training and development hours per employee in 2020

**100%**  
Employees participated in annual performance reviews



## Case Study

### Developing talent: Christopher George

In 2011 I completed the Master of Engineering in Petroleum Engineering at the University of Trinidad and Tobago. Shortly after in August 2011, I joined Touchstone as its Junior Petroleum Engineer.

My first role at Touchstone was identifying recompletion prospects and preparing programs for approval. This coincided with the drive to increase production at the time through both drilling and recompletions.



As Touchstone grew, I was given the opportunity to move into a Petroleum Engineer II position and transitioned my career to focus on workover programming and production optimization. This provided me with additional experience through several exciting projects and technologies employed at Touchstone, which included the use of stand-alone screens for sand control, gravel packing, hydraulic fracturing and improved pump technologies. Touchstone also brought new equipment into Trinidad, such as an echo meter well, providing me with a great platform for learning and improvement.

Subsequently, through the support of my peers and my desire to acquire knowledge, I was able, supported by Touchstone, to direct my focus to learn about artificial lift design, completion design and workover rig scheduling, providing engineering support for major projects and managing our first progressing cavity pump test station. During this time, I also started to take courses on how to transition to a supervisory role. Following the completion of the program, I was promoted to Operations Manager, and most recently I was promoted to the position of General Manager of Operations. It has been an awesome 10+ years journey with Touchstone, and I look forward to what lies ahead.

## Employee well-being

Our staff are considered our biggest asset, and we must ensure their health and wellness is a priority. Prior to the COVID-19 pandemic, the Company hosted annual health and wellness fairs and biannual health webinars. The health and wellness fair provided staff health checks and assessments as well as onsite health talks, workshops and meal preparation ideas.

In 2020, employee wellness and mental health were more important than ever as we faced unprecedented times managing families, home stresses and work. As a result of the pandemic, we had to pivot our wellness and mental health approach to support a remote setting by partnering with third-party consultants to provide webinars on topics such as mental health, communicating with diplomacy, work from home and work-life balance, stress management, emotional intelligence, and conflict management and resolution.

## Compensation and benefits

Touchstone offers all full-time employees a comprehensive employment package, which includes competitive compensation, vacation, benefits and an annual incentive bonus, which is determined based on individual and corporate performances. The employment package is competitive within our industry and ensures our people have peace of mind and the means to build a secure and healthy future.

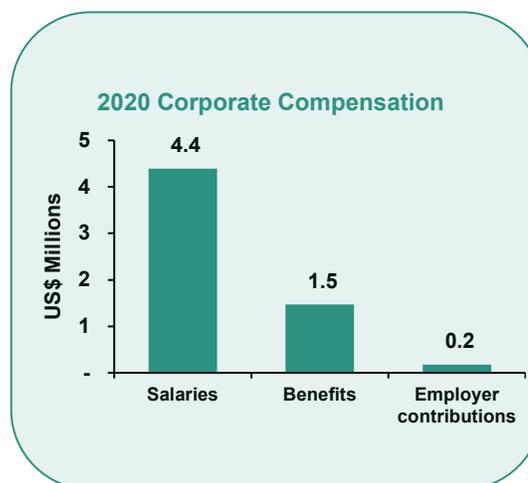
In Canada, our employee benefits consist of:

- employee share purchase plan, a savings plan that matches employee contributions of up to 5% of an employee's salary;
- comprehensive benefits plan, providing medical and dental coverage, prescriptions drug coverage, life insurance and travel insurance;
- disability insurance, protecting an employee's income when sick; and
- flexible spending account; which allows employees to direct a portion of their benefits to support personal fitness or well-being goals.



In Trinidad our employee benefits consist of:

- comprehensive benefits plan, providing medical and dental coverage, prescriptions drug coverage, vision, life insurance and travel insurance;
- disability insurance;
- gym membership program, reimbursing staff for 50% of fitness expenses for themselves and their partner; and
- employee assistance program, providing confidential services to help employees and their family members with any personal well-being and/or work performance matters.



## Human rights

Human rights are fundamental rights and freedoms to which every individual is equally entitled to. While governments have the duty to protect the rights of citizens, we recognize human rights as an obligation to stand by, and we are committed to respect human rights as set out in the United Nations' Guiding Principles on Business and Human Rights and in its Universal Declaration of Human Rights. Our internal policies are aligned to the Voluntary Principles on Security and Human Rights, and they uphold the International Labour Organization's conventions on freedom of association, collective bargaining, forced labour, child labour, fair wages, and discrimination.

Additionally, under our Code of Conduct and Ethics we require all directors, employees and consultants to uphold the highest standards of business and personal ethics and practice honesty and integrity in fulfilling their responsibilities with all human rights laws and regulations. Furthermore, we do not support corruption, bribery, human trafficking, child labour, slavery, forced labour, and we recognize an individual's rights to fair wages and collective bargaining. To date, we have had zero reports of a violation of human rights. Under our Code of Conduct and Ethics all directors, employees and consultants have the responsibility to

report, if preferred anonymously and confidentially, any violation or suspected violation. All reports will be managed in a timely manner to remediate in a fair and equitable means.

On an annual basis, Touchstone's employees and contractors are required to sign an Annual Certification acknowledging their compliance with the Company's business conduct standards, policies and practices relating to confidentiality, anti-corruption, bribes, kickbacks, insider trading, business dealings, conflicts of interest, ethics and whistleblowing as described in the "Business Conduct Standard and Policies" and to disclose, if applicable, any or potential affiliations or conflicts of interest.

We will implement a Grievance Redress Plan ("GRP") by which a stakeholder can bring any concerns, anonymously and confidentially, to the Company's attention. Our GRP will be an important part of mitigating environmental and social risk for when there is a risk of potential adverse impacts, actions and results related to project activities or programs. Affected stakeholders, whether individuals or groups, will have access to a transparent, fair and equitable mechanism that can act with a degree of independence from any project. The grievance reporting system will be widely publicised during all stakeholder engagement exercises during the project's life cycle.

**Zero cases  
of discrimination in 2020**

In 2020, Touchstone developed strategies to promote inclusion for all types of diversity. We participated in a LGBTQ2S+ audit, and the Company's President and CEO signed the Canadian Council of Business Leaders Against Anti-Black Systemic Racism pledge.



# EMBEDDING RESPONSIBLE BEHAVIOUR THROUGHOUT THE COMPANY

As an international upstream oil and gas company, Touchstone is focused on being a sustainable business, which includes ensuring that the communities in which we operate benefit from our operations, and the environment, health and safety of the communities and all stakeholders are not compromised. Touchstone actively engages local stakeholders to ensure our actions and initiatives yield positive socio-economical benefits, including local employment and community investments.

Touchstone works diligently to ensure that all employees, contractors, agents and directors act with honesty, integrity, respect and reliability in all activities. Given the international nature of our business, we ensure that our practices reflect the highest standards arising under the laws of Trinidad, Alberta, Canada and the United Kingdom. Where there are differing standards between these jurisdictions, we have adopted the most stringent measures. Governance at Touchstone is overseen by the Board's Compensation and Governance Committee, working closely with Management and our external advisors. Each year the Compensation and Governance Committee reviews Touchstone's policies and consults with external advisors to ensure that our policies reflect any changes in the laws of any of the jurisdictions in which we operate. Good governance is central to everything we do at Touchstone, and Management has committed to ensuring that our governance policies shape the way in which we carry out our business.

A foundation of solid corporate governance guides Touchstone's corporate culture. All business activities and operations are to be conducted in an ethical and transparent manner as outlined in the Company's Code of Conduct and Ethics and the applicable laws and regulations where we operate and with due consideration for local customs.



## 4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE

Touchstone is committed to operating in a safe, efficient and environmentally responsible manner by identifying and disclosing our environmental and social impacts and setting targets to improve on them. Our corporate governance policies, business strategies and risk management processes are structured and implemented to enhance our sustainability efforts and to ensure long-term stakeholder value and investor confidence. Our approach to governance supports corporate adaptability to changing economic, environmental and social conditions, treating them as both risks and opportunities with the purpose of long-term value creation.

### VISION AND VALUES STATEMENT

Touchstone believes that maintaining high standards of business conduct is essential to the long-term success of the Company. The Company maintains a Vision and Values Statement that sets out our commitment on health, safety, shareholder value, our employees, environmental sustainability and public engagement in the areas where we operate, all within the context of business integrity. The Board and Management view that the Vision and Values Statement encourages and promotes a culture of ethical business conduct with a focus on ESG initiatives. Please see the "Our Vision and Values" section for our Vision and Values Statement.



### BOARD OF DIRECTORS

The Board of Directors, Touchstone's highest governing body, in conjunction with Management, is responsible for the Company's day-to-day business activities and has established a governance structure, tools and procedures to meet our strategic business objectives, with a clear focus on risk management and ESG impacts.

Touchstone's culture is built upon our core values of integrity, fair dealing, creative thinking and collaboration. Our success depends upon having the right individuals on our Board and on our Management team and building the framework required to implement our vision. The Board of Touchstone is responsible for the stewardship of the Company on behalf of our shareholders and stakeholders to ensure our long-term success. The Board exercises this stewardship with care, diligence and the skills necessary to advocate transparency and responsiveness to the markets and stakeholders and performs its responsibilities honestly and in good faith with the best interests of Touchstone.

Our Board monitors the development and execution of a long-term strategic plan and short-term business and operating plans which are designed to achieve the Company's objectives, while identifying the principle

strategic and operational opportunities and risks of Touchstone's business. The Board's responsibilities include overseeing the management of the Company, overseeing Touchstone's risk management process, overseeing ESG issues, integrating ESG factors into business planning, overseeing ethics-related practices and policies, approving key business decisions, and evaluating and setting the compensation plan for our directors, officers and employees to align with the Company's overall long-term performance targets.

Our Board is comprised of the following individuals:

Director	Committee Positions
<b>John D. Wright</b> Board Chair	Member, Reserves Committee
<b>Paul R. Baay</b> President and CEO	
<b>Kenneth R. McKinnon</b>	Chair, Compensation and Governance Committee Member, Audit Committee
<b>Peter Nicol</b>	Chair, Reserves Committee Member, Audit Committee
<b>Beverley Smith</b>	Chair, HSSE Committee Member, Compensation and Governance Committee Member, Reserves Committee
<b>Stanley T. Smith</b>	Chair, Audit Committee Member, Compensation and Governance Committee
<b>Thomas Valentine</b>	Corporate Secretary Member, HSSE Committee
<b>Dr. Harrie Vredenburg</b>	Member, Compensation and Governance Committee Member, HSSE Committee Member, Reserves Committee

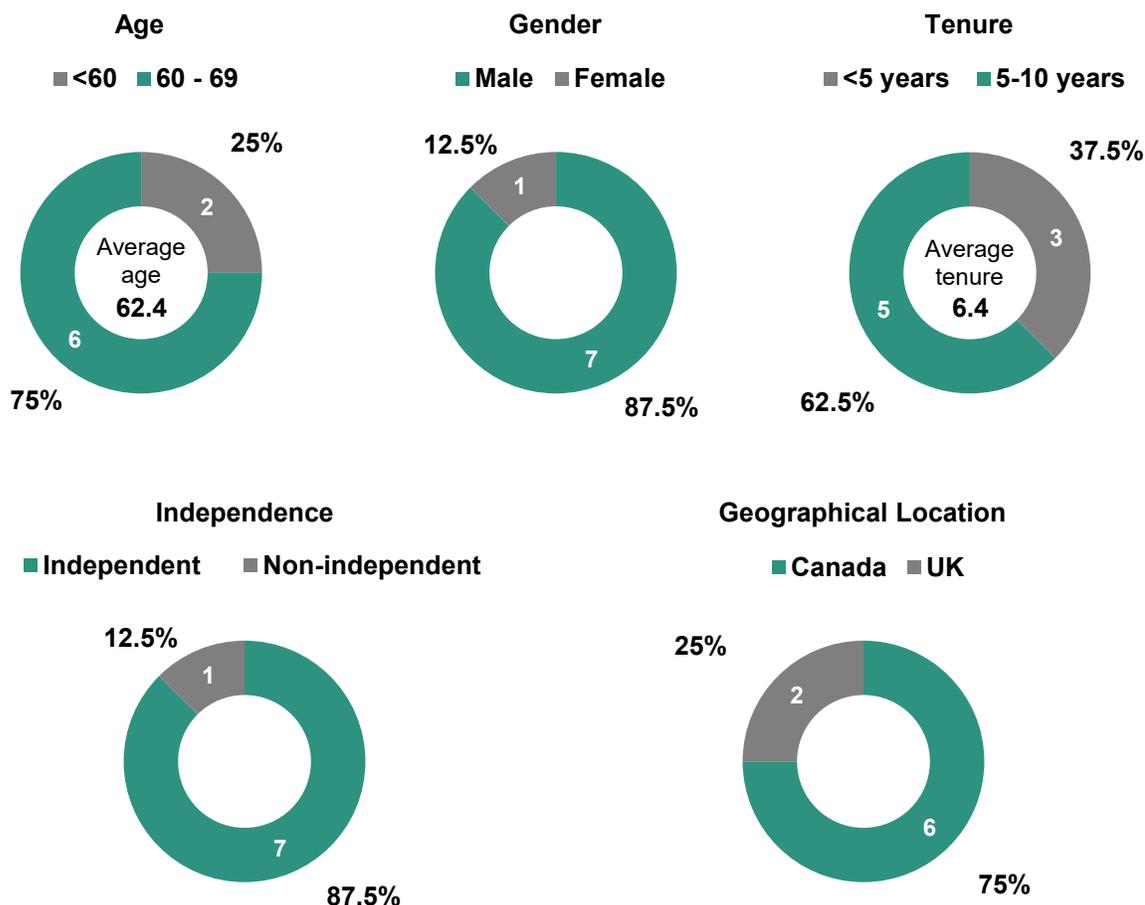
The governance policies that Touchstone has developed are based upon best practices followed in Trinidad, as augmented by the requirements of the exchanges where we trade. The Guidelines of the TSX, the Alberta and Canadian Securities Commissions and the directives provided by London's AIM have been incorporated into our governance policies. Touchstone recognizes that diversity and inclusion are broad concepts which continue to evolve and that the Company is committed to viewing diversity and inclusion issues on that basis. Matters such as Board independence, environmental matters and climate change, and majority voting are all important elements of our governance policies. Touchstone's Board and Management work with our external advisors to ensure that our corporate and social responsibility practices are current, meaningful, understandable and properly consider the interests of all of our stakeholders.

## Board composition

Members of the Board of Directors are elected for a one-year term during the Company's Annual General Meeting, which is normally held in June. All directors are elected individually under a majority vote standard where shareholders participate in the process. The Board currently has eight members, including seven independent, non-executive directors and the President and CEO. The Board is chaired by an independent non-executive director. The directors have a range of leadership in the international oil and gas industry, as well as expertise in other disciplines that we feel are beneficial to the Company and its stakeholders.

The Board facilitates its exercise of independent supervision over Management by ensuring that the Board includes independent directors. On at least an annual basis, the Board conducts an analysis and makes a determination as to the independence of each member of the Board.

Below is an overview of our directors by age, gender, tenure, independence and geographical locations.



## Board skills and experience

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of the review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review identifies any areas where the directors of the Company or Management believe that the Board could make a better collective contribution to overseeing the affairs of the Company.

In 2020, the Board developed a skills matrix pursuant to best practices and identified priorities for current and future director skills. The Board completed and reviewed the skill matrix, outlining the experience and background of the directors in a variety of key subject areas. The matrix is maintained so that members of the Board can identify areas for strengthening the Board as a whole, can identify potential areas of director education, and address any issues through the Board renewal process. The skills and experience of current Board members are summarized in the following table.

Experience and/or Expertise	P. Baay	K. McKinnon	P. Nicol	B. Smith	S. Smith	T. Valentine	H. Vredenburg	J. Wright
<b>Corporate Governance</b> – experience with and understanding of the requirements of good corporate governance.	●	●	●	●	●	●	●	●
<b>Strategic planning</b> – experience in developing, implementing and monitoring short and long-term strategic planning.	●	●	●	●	●	●	●	●
<b>Risk management</b> – experience in evaluating, managing and mitigating overall business risks.	●	●	●	●	●	○	●	●
<b>General oil and gas industry</b> – experience with various aspects of oil and gas business and operations.	●	●	●	●	●	●	●	●
<b>Oil and gas exploration</b> – experience with oil and gas exploration activities, including geological, drilling operations and technology.	●	●	●	●	○	●	●	●
<b>Reserves evaluation</b> – experience with oil and gas reserves evaluation and reporting requirements.	●	●	●	●	●	●	○	●
<b>Geopolitical</b> – experience with analysis of how a country's geography, history, culture, and economy influence its politics and the resulting impact on business.	●	●	●	●	●	●	●	●
<b>International operations</b> – experience with international oil and gas operations.	●	●	●	●	●	●	●	●
<b>Health, safety and environment</b> – experience with industry regulations and best practices regarding workplace health, safety and environmental issues.	●	●	●	●	●	●	●	●
<b>ESG and sustainability</b> – experience with or knowledge of managing risks related to evolving environmental, climate related and social issues, including reporting and shareholder engagement.	●	●	●	●	●	●	●	●
<b>Financial literacy</b> – ability to critically review and analyze financial reporting documents.	●	●	●	●	●	●	●	●
<b>Financial experience</b> – corporate finance and financial management experience, including internal controls and financial reporting.	●	●	●	○	●	○	●	●
<b>Capital markets</b> – ability to access and assess capital market opportunities in Canada and internationally.	●	●	●	●	●	○	●	●
<b>Mergers and acquisitions</b> – experience in identifying, evaluating and executing on strategic, value-added opportunities and leading a business through potential mergers and acquisitions.	●	●	●	●	●	●	●	●
<b>Human resources</b> – experience with responsibility for human resources, including knowledge of creating effective compensation plans.	●	●	●	●	●	●	●	●
<b>Legal</b> – experience with international oil and gas laws, capital markets, merger and acquisitions disclosure and related reporting requirements.	●	●	●	●	●	●	●	●
<p>● – Expertise in this area   ● – General expertise in this area   ○ – Limited experience in this area</p>								

## Director continuing education

Touchstone requires its directors to be informed about issues affecting Touchstone's business and the industry in which we operate, including current and emerging ESG issues, and as such, all directors are encouraged to attend applicable educational programs at the expense of Touchstone. Educational programs are also provided for directors on an "as requested" basis, and directors are polled on a regular basis regarding potential education opportunities. All directors have unrestricted direct access to any member of Management and their staff at any time. Each director has the responsibility for ensuring that they maintain the skill and knowledge necessary to meet their obligations as a director.



Four current directors of the Board are members of the Institute of Corporate Directors: Mr. Paul Baay, Mr. Kenneth McKinnon, Mr. Stanley Smith and Dr. Harrie Vredenburg. The Institute of Corporate Directors prescribes minimum annual continuing education requirements. Further, all of the Company's directors have significant experience in the international oil and gas industry. The majority are members of professional organizations such as the Association of Professional Engineers and Geoscientists of Alberta, the Geological Society of London, the Chartered Professional Accountants of Canada, the Law Society of Alberta and the Canadian Bar Association. Each of those organizations has continuing education requirements that apply to its members.

The Board believes that these procedures are a practical and effective approach in light of Touchstone's current circumstances, including the size of the Board, the size of Touchstone, the nature and scope of Touchstone's business and operations and the experience and expertise of the members of the Board.

## Strategic planning and regular assessments

The Board holds regularly scheduled meetings at least quarterly, and the Board and Management host strategic planning sessions at least annually and revisit the strategy plan at each quarterly Board meeting to discuss the long-term objectives for the Company in detail. From time to time, external advisors are invited to present at these meetings.

See our most recent information circular for the Company's governance practices on our corporate website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)) and under our corporate profile on SEDAR ([www.sedar.com](http://www.sedar.com)).



## MANAGING ESG RISKS AND OPPORTUNITIES

Timely and effective risk management is fundamental to Touchstone's strategic decision-making and Management's success. Consideration of ESG risks in business planning and execution positively impacts the Company and ensures its competitiveness and sustainability in the market.

The Company has identified several ESG risks, including the following highest rated risks:

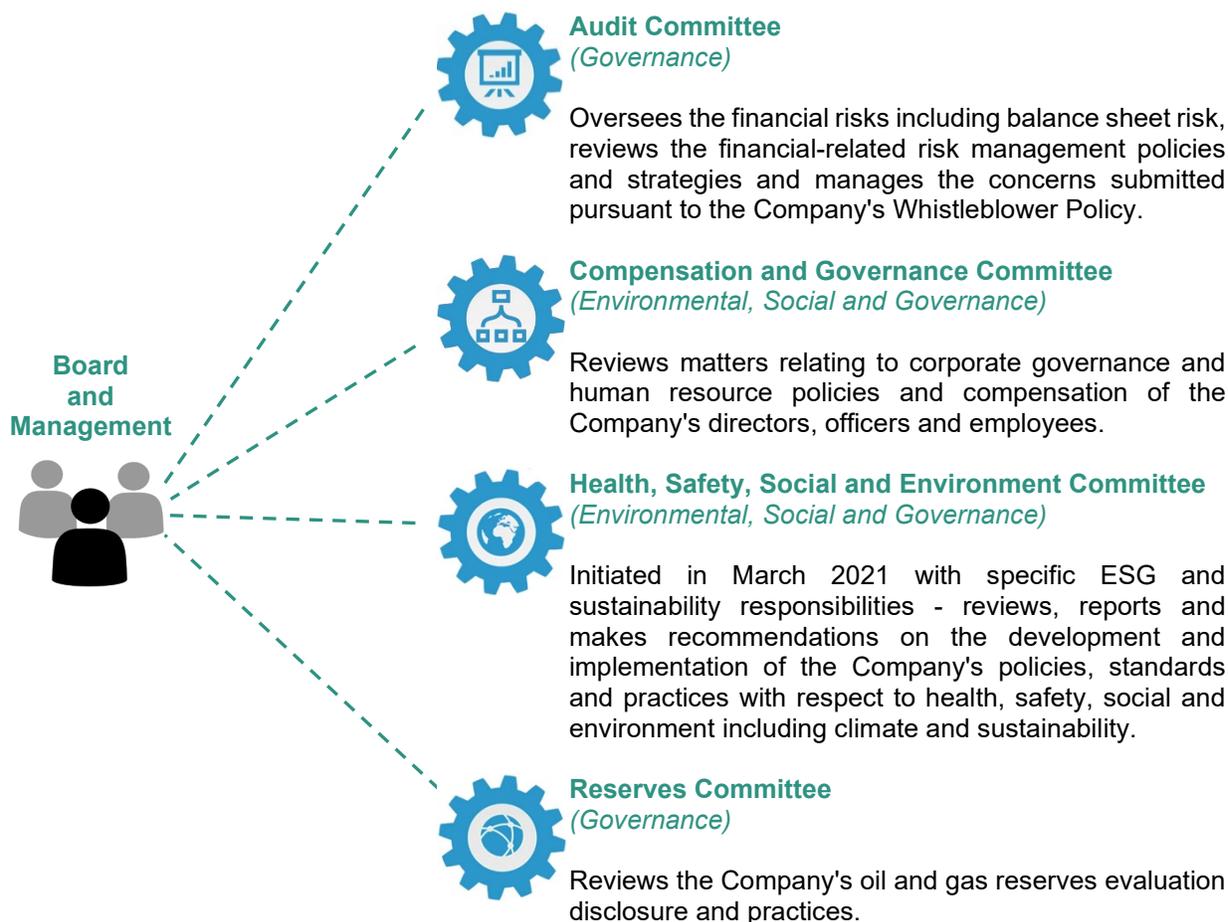
- restricted access to capital and insurance due to decarbonization policies and changing investor sentiment of investors, lenders and insurers;
- emerging climate, environmental and GHG emission regulations from increasing support for the transition to a lower carbon future; and
- new alternatives to and changing demand for petroleum products.

To address these climate-related risks, Touchstone is currently developing a long-term ESG strategy, which includes, among other initiatives, reducing natural gas venting, increasing the proportion of natural gas, which is a low carbon product in the Company's product mix, and transparent disclosure of ESG performance.



## Board oversight of ESG matters

The Board provides oversight of ESG matters and may delegate its duties to and receive reports and recommendations from any Board committees. The Board committees and Management monitor and assess Touchstone's practices and internal controls ensuring that the Company's overall approach and direction are within the Company's ESG framework. The Board has established the following committees, all of which include independent directors with a series of responsibilities including:



## HSSE Committee

The Board exercises its responsibility over sustainability goals through its HSSE Committee. The HSSE Committee provides oversight of climate-related and other sustainability-based topics, including risks, opportunities, corporate policies and strategies and reports to the Board. It makes recommendations on the development and implementation of the Company's policies, standards and practices with respect to health, safety, social and the environment. The HSSE Committee is comprised of three independent Board members, and they meet quarterly with Management to:

- oversee our policies, procedures, practices, internal control systems and strategies relating to climate-related issues, environmental protection, sustainability issues, health, safety and social matters to ensure due assessment, consideration and management of risks, opportunities and potential performance improvements;
- monitor our business to assist us in conducting our operations in a socially responsible, ethical and transparent manner that includes engagement, respect and support for the communities where we operate;

- review and report to the Board with respect to the consideration and integration of climate-related issues, environmental protection, health, safety and social matters in the development of our business strategy and financial planning;
- receive periodic reports from Management regarding our initiatives and opportunities to optimize climate-related matters, environmental protection, and health and safety performance including processes to reduce emissions and waste, reduce or substitute energy and water use, and minimize land disturbance;
- review our ongoing compliance with all current and emerging applicable laws, regulations and our policies with respect to health, safety, social matters and the environment;
- consider and review the establishment of and performance against targets, benchmarks, procedures and disclosures used to measure progress in absolute terms and relative to our peers;
- review our disclosure, reporting and external communication practices pertaining to climate-related matters, environmental protection, health and safety performance including but not limited to assessments of materiality and sustainability report development and disclosure;
- consider and review third-party reports on our sustainability performance and peer sustainability performance and ESG-related feedback from external stakeholders; and
- review shareholder proposals relating to sustainability issues and provide a report to the Compensation and Governance Committee.



## Management's responsibility over ESG matters

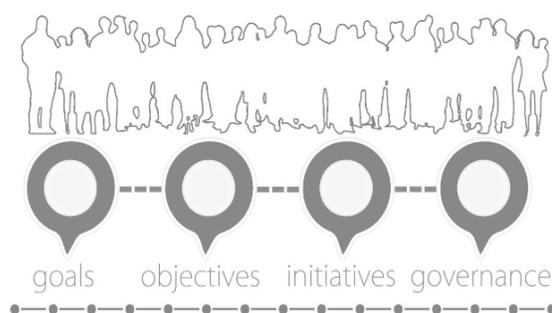
The HSSE Committee has delegated its authority and accountability of ESG matters to the Company's executive officers. Our executive officers currently have weekly meetings with our local management team that encompasses the identification, measurement and assessment of ESG risks and opportunities. In addition, our executive officers have regular meetings with our government partners (MEEI, Heritage and NGC) that include discussions regarding current and emerging ESG issues and environmental regulations. Currently, our President and CEO oversees the Company's safety and social programs; our Chief Operating Officer manages our environmental risks and opportunities; and our Chief Financial Officer stewards our governance practices.

## Shareholder alignment

Touchstone's corporate governance directs how the Company manages effectively its environmental and social impacts through aligning the executives' performance compensation and long-term incentives with the Company's objectives and shareholders' interests, including financial and operating targets and ESG factors.

## Annual incentive plan

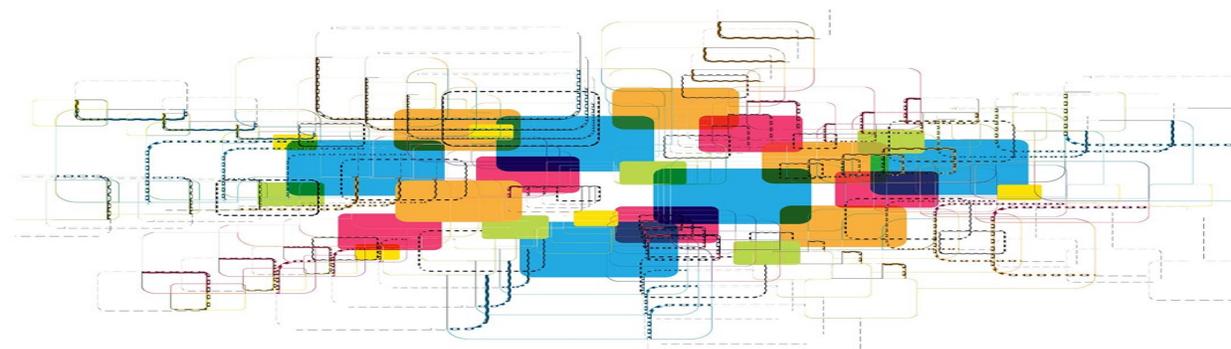
In 2020, we added environmental-related performance criteria to our Management and employee short-term incentive plan, directly linked to continued progress towards, and ultimate achievement of, measuring, documenting and planning on reducing water discharge and natural gas venting in our operations.



This was designed in accordance with our philosophy where a significant component of compensation is variable and linked to the achievement of strategic goals and objectives. Linking environmental-related performance criteria to our annual short-term incentive plan is intended to drive continuous improvement each year.

## Disclosure Committee

Touchstone has a Disclosure Committee that currently consists of the Company's executive officers to oversee all Company announcements and related public disclosures, including ESG related disclosures. They meet weekly to assess and verify that all disseminated and anticipated disclosures are accurate and transparent. The disclosure process and controls are in place to prevent any litigation and reputational risks that may arise from materially inaccurate ESG disclosures and to provide stakeholders rigorous information regarding Touchstone's business and operations.



# KEY ESG GOVERNANCE INITIATIVES

The Company has committed to the following governance-related goals for 2021 and 2022 to establish Board oversight of ESG matters and prepare the Company for long-term business sustainability through developing an adequate structure for managing ESG risks and opportunities that are relevant to our stakeholders.

## 2021 Governance-related goals

- Initiate an HSSE Committee mandating specific ESG and sustainability responsibilities.
- Publish an inaugural Sustainability Report.
- Increase our key environmental and safety targets within our corporate goals to an aggregate 40 percent of our annual incentive compensation plan containing safety and ESG objectives.

## 2022 Governance-related goals

- Form a formal ESG Committee comprised of our executive officers and employees to assist the HSSE Committee and Board with the identification, management, measurement and assessment of ESG risks and opportunities.
- Establish a minimum equity ownership policy for directors and officers.
- Implement a Company-wide diversity and inclusion policy.
- Implement an executive officer clawback policy.



## 4.2 BEING A RESPONSIBLE CORPORATE CITIZEN

The Compensation and Governance Committee works closely with Management and our external advisors to monitor current laws and evolving trends in the law, so we can minimize potential compliance gaps and ensure that we have identified and mitigated risks. In this way, Touchstone identifies issues before they become potential problems, and we develop strategies to ensure that we are properly positioned for change. We monitor legal and policy trends and drivers in ESG matters and implement a holistic approach to manage risk and create policy strategies in anticipation of and in response to government policy making.



Touchstone recognizes that ESG considerations have become as important as business growth, return on investment and other measures of financial performance, and we understand that a forward-looking assessment of government policies and direction shifts are critical. Management regularly engages with the MEEI and Heritage for candid, forward-looking planning sessions ensuring that Touchstone continues to be regarded as an industry leader in Trinidad.

### POLITICAL CONTRIBUTIONS

**Touchstone has a policy in place against making contributions on behalf of the Company to political parties and/or their representatives.**

Please see the "*Embedding an Ethical Approach to Business*" section in this report for further information.



### REGULATORY COMPLIANCE

Touchstone consistently and rigorously works to ensure compliance with current regulations and international treaties and agreements in the jurisdictions where we operate. Through our participation in energy organizations, we regularly monitor legislative initiatives related to the hydrocarbon industry, identifying risks and opportunities.

Touchstone works with the MEEI and Heritage as required on regulatory matters relating to day-to-day operations as well as all exploration and development projects. Oil and gas exploration and development activities and the petroleum industry overall are governed by the Petroleum Act (1969), the Petroleum Regulations (1970), and the Petroleum Tax Act (1974). Activities conducted on lease operatorship agreement properties are further governed by operating agreements with Heritage which give Heritage a measured oversight of all activities occurring on the properties. We strive to meet or exceed the regulatory standards outlined by all governing agreements and regulations, and we are currently compliant with all requirements outlined under the various governmental regulations. In addition, Touchstone openly communicates with Heritage on ESG regulatory matters that can be improved.

The Company operates under the jurisdiction of a number of regulatory bodies and agencies in Trinidad that regulate numerous prohibitions and requirements with respect to planning and approval processes related to land use, sustainable resource management, water management, waste management, responsibility for the release of presumed hazardous materials, protection of wildlife and the environment and the health and safety of workers. The legislation addresses various permits, including for drilling, well completion, installation of pipelines and surface equipment, air monitoring, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas. In addition, certain types of operations may require the submission and approval of environmental impact assessments.



The Company's main environmental strategies include the preparation of comprehensive environmental impact assessments and creating all encompassing environmental management plans. We are committed to meeting our responsibilities to protect the environment wherever we operate and will take such steps as required to ensure compliance with environmental legislation. Monitoring and reporting programs for HSE performance in day-to-day operations, as well as inspections and assessments, are designed to provide assurance that environmental and regulatory standards are met in Trinidad. That is why we maintain an active comprehensive integrity monitoring and management program for our wells, surface piping, facilities and storage tanks. Contingency plans are in place for a timely response to an environmental event, and abandonment, remediation and reclamation programs are in place and utilized to restore the environment.

**In 2020, there were no penalties or sanctions imposed against the Company for non-compliance to environmental laws and regulations.**

More information regarding regulatory regime and compliance can be found in our 2020 annual information form available on our corporate website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)) and under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

## 4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS

Touchstone demands the highest standard of professional and ethical conduct from our Directors, Management, employees, contractors, consultants and agents. Our reputation for honesty and integrity is critical to the success of our business and is vitally important to us. We believe that a practice of ethical conduct mitigates reputational risk and may transfer to the members of the communities where we operate, leading to higher political stability.

Our Code of Conduct and Ethics is based upon the laws of Trinidad and Tobago, Canada and the United Kingdom and specifically addresses: conflicts of interest; corporate opportunities; confidentiality; protection and proper use of corporation assets; insider trading; fair dealing; compliance with laws, rules and regulations; compliance with environmental laws; discrimination and harassment; safety and health; accuracy of corporation records and reporting; use of electronic mail, corporate cell phones and internet

services; use of social media; political activities and contributions; illicit payments; payments to officials; reporting of any illegal or unethical behaviour; directors' role in the code of conduct and ethics; and compliance procedures.

Touchstone's business ethics and anti-corruption policies together with our annual certification program and in-house training programs help ensure that all our dealings with government officials are fully transparent and reflect best international practices. We have worked diligently with our external advisors to create policies and design programs that draw upon the standards provided by the laws of Trinidad, Canada and the United Kingdom, expanded upon as appropriate and having the best-in-class policies and practices.

We prohibit the offer or acceptance of a bribe or kickback in any form, on any portion of a contract payment, or the use of other routes or channels to provide improper benefits to clients, agents, contractors, suppliers or employees of any such party, government officials or politically exposed persons or engaging in any illegal activity for their benefit or that of their families, friends, associates or acquaintances. Touchstone employees shall not offer or accept gifts from an individual or organization of any kind doing business with Touchstone that may influence or appear to influence their business decisions.



Business entertainment of any activity with business contacts or government officials at Touchstone's expense shall only be with the purpose to further business relations, be of generally accepted business practice, be in accordance with applicable law and be of a kind or sort that would not be controversial in nature.

Training on our business ethics is provided for all new employees and contractors. On an annual basis, Touchstone's employees and consultants are required to sign an Annual Certification acknowledging their compliance with the Company's business conduct standards, policies and practices relating to confidentiality, anti-corruption, bribes, kickbacks, insider trading, business dealings, conflict of interest, ethics and whistleblowing and to disclose, if applicable, any or potential affiliations or conflict of interest.

Within the Company, our President and CEO holds ultimate responsibility for these policies, while our Compensation and Governance Committee operates with an open-door policy for anyone with concerns about any issues. This is augmented by a confidential email option that allows staff and the public to anonymously report concerns or seek advice from our Corporate Secretary, who is a senior partner of our external legal counsel and not a Touchstone employee. Our Corporate Secretary takes those concerns

directly to the Management or Board, depending on the reported issue. Concerns are investigated with results raised to Management and the Board as appropriate given the risk severity identified.

In addition, Touchstone's employees and consultants must ensure that third-party vendors, such as suppliers and service providers, who enter an agreement with Touchstone meet our policies, standards, procedures and practices as stated in the Company's Code of Conduct and Ethics and adhere to our obligations in providing a workplace free of harassment and violence.

Analysis of corruption risks is specifically included in all new business development. When we consider entering a new commercial arrangement, we conduct an initial assessment based on our business ethics policies. Subsequent to proceeding with a new business arrangement, additional research and due diligence are performed based on the results of the initial assessment, including the degree of risk presented by the partner and the nature and sensitivity of the opportunity.

When hiring consultants, we provide our anti-corruption policies to them and require them to execute a compliance certificate agreeing to abide by our policies and the anti-bribery laws in the jurisdiction where the statement of work is being fulfilled.

Our partners are also required to acknowledge both local and Canadian and United Kingdom laws and guarantee that they will not violate anti-corruption laws or authorize or provide any kind of payment that would be in contravention of those laws or our policies. Further information is contained in our Code of Conduct and Ethics and our anti-corruption policies.

In 2020, there were no cases and penalties related to unfair competition and anti-corruption practices. One hundred percent of Touchstone's employees and consultants have received training in compliance and anti-corruption and executed the Annual Certification. There were no cases of violation of the Code of Conduct and Ethics policies and zero confirmed cases of corruption. In addition, Trinidad and Tobago was ranked 86<sup>th</sup> in the Transparency International's Corruption Perceptions Index and therefore was not amongst the 20 lowest ranking countries, thereby not representing a significant risk to Touchstone's operations. Further information regarding our Code of Conduct and Ethics is available on our corporate website (<https://www.touchstoneexploration.com/governance/code-of-conduct-and-ethics>).

## In 2020

**Nil**  
cases and penalties related to unfair competition and anti-corruption practices

**100%**  
employees and consultants received training in compliance and anti-corruption

**Nil**  
cases of violation of our Code of Conduct and Ethics policies

## DISCLOSURE CONFIDENTIALITY AND TRADING POLICY

Additionally, the Board has adopted an extensive disclosure, confidentiality and trading policy to which all Directors, Management and employees are subject to. This policy encourages ethical conduct and confidentiality in respect of Touchstone's activities and restricts trading in the securities of Touchstone at times when individuals may be in possession of material non-public information.



## WHISTLEBLOWER POLICY

As part of our efforts to ensure the integrity of Touchstone and our financial, health and safety, and other information, we encourage Touchstone employees and consultants who have concerns regarding any possible violations of our business standards and code of conduct and ethics, our disclosure policy or financial reporting to raise them with the appropriate people as per our Whistleblower Policy.

We encourage people to initially report any possible violations or concerns to their immediate supervisor. If it is preferred, the matter may be raised to an executive officer of the Company. Concerns may be reported in person or via phone, mail or electronic mail. If the person is uncomfortable informing a supervisor or executive officer, they have the option to directly contact the Chair of our Audit Committee or our Corporate Secretary.

We follow best international practices, and all concerns are promptly and thoroughly investigated by the appropriate officers or independent Directors. Information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and administer any remedial action, in accordance with applicable laws. Corrective action will be taken where warranted by the investigation. Any concerns reported are expected to be in good faith and will not be subject to retaliatory action. Our Whistleblower Policy ensures that individuals may safely and confidentially report complaints and concerns regarding, but not limited to, accounting practices, internal auditing controls or auditing matters, ESG matters, or infringement of the Company's Code of Conduct and Ethics policies, without the fear of victimization, discrimination or disadvantage. In addition, annually our external auditors will conduct tests to confirm that our Whistleblower Policy is operative.

In 2020, there was one reported case of grievance through the whistleblower program. The case was investigated and resolved between all parties, and the matter was closed in October 2020.

More information about our Whistleblower Policy is available on our corporate website (<https://www.touchstoneexploration.com/governance/whistleblower-policy>).



## ESTMA

The Extractive Sector Transparency Measures Act ("ESTMA") was enacted by the Government of Canada. ESTMA delivers on Canada's international commitments to contribute to global efforts to increase transparency and deter corruption in the extractive sector. ESTMA requires Canadian extractive entities to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad.

Payments reported in our 2020 ESTMA report reflect payments made by Touchstone and its subsidiaries and are in Canadian dollars by converting Trinidad and Tobago dollars. In 2020, C\$8,831,000 were paid for royalties, C\$2,200,000 in taxes and C\$2,158,000 in other fees using the average 2020 exchange rate of 1 TTD = C\$0.1983.

Our annual ESTMA filings are available on our corporate website (<https://www.touchstoneexploration.com/investors/estmareports>).



## TTEITI

The Company is proud to participate in the Trinidad and Tobago Extractive Industries Transparency Initiative ("TTEITI"). The TTEITI encompasses a voluntary coalition of stakeholders (governments, extractive companies and civil society) working together to improve disclosure and accountable management of the revenues earned from the extractive sector. Its practices are recognized as the global gold standard for transparency and accountability in the management of extractive industries. The Extractive Industries Transparency Initiative is headquartered in Oslo, Norway, and the initiative is currently being implemented in over 50 countries worldwide.

To date, the TTEITI has published seven reports, with the latest covering the October 1, 2017 to September 30, 2018 period. During this period, the Company's Trinidad-based subsidiaries reported an aggregate TT\$8,964,266 in government payments.

**As of December 31, 2020, Touchstone has historically paid the following amounts in royalties and in petroleum taxes:**

**US\$101,333,000**  
in royalty payments

**US\$49,130,000**  
in petroleum taxes

Additional information on the Company's income taxes and royalty payments can be found in its 2020 annual information form available on our corporate website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)) and under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

## APPENDIX "A" – DATA AND INDEX TABLES

### GRI TABLE

Environment: Climate change and GHG emissions	Response, link or additional information
Disclosure 305-1: Direct (Scope 1) GHG emissions	<a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG GRI 2020 PERFORMANCE METRICS</u></a>
Disclosure 305-2: Energy indirect (Scope 2) GHG emissions	<a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG GRI 2020 PERFORMANCE METRICS</u></a>
Disclosure 305-3: Other indirect (Scope 3) GHG emissions	Scope 3 emissions were not included due to the uncertainty of third-party data gathering.
Disclosure 305-4: GHG emissions intensity	<a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH &gt; 2020 Baseline calculations</u></a>  <a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG GRI 2020 PERFORMANCE METRICS</u></a>
Disclosure 305-5: Reduction of GHG emissions	<a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Drilling</u></a>  <a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Facilities</u></a>  <a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Additional initiatives</u></a>
Disclosure 305-6: Emissions of ozone-depleting substances (ODS)	ODS were not included in this report as they were considered minimal and non-relevant for our material operations.
Disclosure 305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	These GHG components were not included in this report as they were considered minimal and non-relevant for our material operations.
Disclosure 302-4: Reduction of energy consumption	<a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Drilling</u></a>  <a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Facilities</u></a>  <a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Additional initiatives</u></a>
Disclosure 302-5: Reduction in energy requirements of products and services	<a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Drilling</u></a>  <a href="#"><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Facilities</u></a>

Environment: Water and waste management	Response, link or additional information
Disclosure 303-1: Interactions with water as a shared resource	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH</a> <a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; Our water performance in 2020</a>
Disclosure 303-2: Management of water discharge-related impacts	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH</a> <a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; Our water performance in 2020</a>
Disclosure 303-3: Water withdrawal	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; PERFORMANCE &gt; Water GRI 2020 performance metrics</a>
Disclosure 303-4: Water discharge	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; PERFORMANCE &gt; Water GRI 2020 performance metrics</a>
Disclosure 303-5: Water consumption	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; 2020 WATER METRICS SUMMARY</a>
Disclosure 306-1: Waste generation and significant waste-related impacts	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH</a>
Disclosure 306-2: Management of significant waste-related impacts	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Waste minimization procedure</a>
Disclosure 306-3: Waste generated	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH</a>
Social: Occupational health and safety	Response, link or additional information
Disclosure 403-1: Occupational health and safety management system	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; APPROACH</a> <a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; POLICIES, ACTION PLANS AND INITIATIVES</a>
Disclosure 403-2: Hazard identification, risk assessment, and incident investigation	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; POLICIES, ACTION PLANS AND INITIATIVES</a>
Disclosure 403-5: Worker training on occupational health and safety	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; APPROACH</a> <a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; POLICIES, ACTION PLANS AND INITIATIVES</a>
Disclosure 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; APPROACH</a> <a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; POLICIES, ACTION PLANS AND INITIATIVES</a>
Disclosure 403-9: Work-related injuries	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; PERFORMANCE</a>
Disclosure 403-10: Work-related ill health	No current classification
Social: Local communities	Response, link or additional information
Disclosure 413-1: Operations with local community engagement, impact assessments, and development programs	<a href="#">3.2 SUPPORTING LOCAL COMMUNITIES</a>
Disclosure 413-2: Operations with significant actual and potential negative impacts on local communities	<a href="#">3.2 SUPPORTING LOCAL COMMUNITIES</a>

Social: Empowering people	Response, link or additional information
Disclosure 401-1: New employee hires and employee turnover	
Total number of new employees in Trinidad in 2020	2
Total number of new employees in Canada in 2020	2
Total number of new female employees in 2020	2
Total number of new male employees in 2020	2
Total number of new employees under 30 in 2020	1
Total number of new employees 30-50 in 2020	2
Total number of new employees over 50 in 2020	1
Total number of employee turnover in Trinidad in 2020	2
Total number of employee turnover in Canada in 2020	1
Total number of female employee turnover in 2020	1
Total number of male employee turnover in 2020	2
Total number of employee turnover under 30 in 2020	1
Total number of employee turnover 30-50 in 2020	0
Total number of employee turnover over 50 in 2020	2
Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Compensation and benefits</a>
Disclosure 401-3: Parental leave	
Total number of female employees that were entitled to parental leave in 2020	25
Total number of male employees that were entitled to parental leave in 2020	69
Total number of female employees that took parental leave in 2020	1
Total number of male employees that took parental leave in 2020	2
Total number of female employees that returned to work after parental leave in 2020	1
Total number of male employees that returned to work after parental leave in 2020	2
Total number of female employees that returned to work after parental leave are still employed 12 months after	1
Total number of male employees that returned to work after parental leave are still employed 12 months after	2
Percentage of female employees that returned to work after parental leave	100%
Percentage of male employees that returned to work after parental leave	100%
Disclosure 404-1: Average hours of training per year per employee	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Training and development</a>
Disclosure 404-2: Programs for upgrading employee skills and transition assistance programs	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Training and development</a>
Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Training and development</a>
Disclosure 406-1: Incidents of discrimination and corrective actions taken	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Human rights</a>
Disclosure 412-1: Operations that have been subject to human rights reviews or impact assessments	We did not conduct a human rights assessment in 2020.
Disclosure 412-2: Employee training on human rights policies or procedures	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Human rights</a>

<p>Disclosure 412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</p>	<p>46 master service agreements that have clauses within the agreements that hold the contractor accountable to comply with Company, governmental and statutory regulations, which include human rights</p>
<p><b>Governance: Corporate governance and ESG accountability</b></p>	<p><b>Response, link or additional information</b></p>
<p>Disclosure 102-18: Governance structure</p>	<p><a href="#"><u>4.0 EMBEDDING RESPONSIBLE BEHAVIOUR THROUGHOUT THE COMPANY</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; VISION AND VALUES STATEMENT</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Board composition</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Board skills and experience</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Director continuing education</u></a></p>
<p>Disclosure 102-19: Delegating authority</p>	<p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Board composition</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Board oversight of ESG matters</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></a></p>
<p>Disclosure 102-20: Executive-level responsibility for economic, environmental and social topics</p>	<p><a href="#"><u>4.0 EMBEDDING RESPONSIBLE BEHAVIOUR THROUGHOUT THE COMPANY</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Strategic planning and regular assessments</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Board oversight of ESG matters</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND</u></a></p>

	<p><u>OPPORTUNITIES &gt; Management's responsibility over ESG matters</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Disclosure Committee</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; KEY ESG GOVERNANCE INITIATIVES</u></p> <p><u>4.2 BEING A RESPONSIBLE CORPORATE CITIZEN</u></p>
<p>Disclosure 102-22: Composition of highest governance body and its committees</p>	<p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Board composition</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Board skills and experience</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Director continuing education</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Board oversight of ESG matters</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Disclosure Committee</u></p>
<p><b>Governance: Government relations and political advocacy</b></p>	<p><b>Response, link or additional information</b></p>
<p>Disclosure 415-1: Political contributions</p>	<p><u>4.2 BEING A RESPONSIBLE CORPORATE CITIZEN</u></p> <p><u>4.2 BEING A RESPONSIBLE CORPORATE CITIZEN &gt; POLITICAL CONTRIBUTIONS</u></p> <p><u>4.2 BEING A RESPONSIBLE CORPORATE CITIZEN &gt; REGULATORY COMPLIANCE</u></p> <p><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS</u></p>

Governance: Anti-corruption and ethics	Response, link or additional information
<p>Disclosure 205-1: Operations assessed for risks related to corruption</p>	<p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Shareholder alignment</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Annual incentive plan</u></a></p> <p><a href="#"><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Disclosure Committee</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; DISCLOSURE CONFIDENTIALITY AND TRADING POLICY</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; WHISTLEBLOWER POLICY</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; ESTMA</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; TTEITI</u></a></p>
<p>Disclosure 205-2: Communication and training about anti-corruption policies and procedures</p>	<p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; DISCLOSURE CONFIDENTIALITY AND TRADING POLICY</u></a></p> <p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; WHISTLEBLOWER POLICY</u></a></p>
<p>Disclosure 205-3: Confirmed incidents of corruption and actions taken</p>	<p><a href="#"><u>4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; WHISTLEBLOWER POLICY</u></a></p>

## SASB TABLE

As evidenced by this inaugural Sustainability Report, we are committed to be more transparent about our non-financial metrics. For those seeking to focus specifically on comparing our performance against our peers, we include the following SASB disclosure. This appendix includes all disclosures for the 2020 year as defined by the SASB framework for "oil and gas – exploration and production".

This is our first SASB disclosure, and we expect it to evolve over time. Where noted, in accordance with SASB Standards Application Guidance section 2.2, certain information is excluded. Where possible, we include the rationale for this as the information is either not considered material, is privileged or confidential, or is not currently collected in a manner wholly correlative with the relevant SASB metric.

SASB topic	SASB metric	Accounting metric	Response, link or additional information
Greenhouse Gas Emissions	EM-MD-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG SASB 2020 PERFORMANCE METRICS</a>
	EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Drilling</a> <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Facilities</a> <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Additional initiatives</a> <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a>
Air Quality	EM-EP-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	These GHG components were not included in this report as they were considered minimal and non-relevant for our material operations.
Water Management	EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with high or extremely high baseline water stress	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; PERFORMANCE &gt; Water SASB 2020 performance metrics</a>
	EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	<a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; PERFORMANCE &gt; Water SASB 2020 performance metrics</a>
	EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Not applicable. Touchstone did not hydraulically fracture any wells in 2020.
	EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality	Not applicable. Touchstone did not hydraulically fracture any wells in 2020.

SASB topic	SASB metric	Accounting metric	Response, link or additional information
		deteriorated compared to a baseline	
Biodiversity Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	Unable to disclose. We do not currently have the measurement and reporting systems in place to track this metric.
	EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Unable to disclose. We do not currently have the measurement and reporting systems in place to track this metric.
	EM-MD-160a.3	Terrestrial acreage disturbed; percentage of impacted area restored	Unable to disclose. We do not currently have the measurement and reporting systems in place to track this metric.
	EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Unable to disclose. We do not currently have the measurement and reporting systems in place to track this metric.
Security, Human Rights and Rights of Indigenous Peoples	EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	0% of our operations are in or near areas of conflict.
	EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	0% of our operations are in or near indigenous land.
	EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	<a href="#">3.3 EMPOWERING OUR PEOPLE &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Human rights</a>
Community Relations	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	<a href="#">3.2 SUPPORTING LOCAL COMMUNITIES &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Supporting local programs &gt; Local communities</a>
	EM-EP-210b.2	Number and duration of non-technical delays	2, 3.1 days
Workforce Health and Safety	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; PERFORMANCE</a>
	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	<a href="#">3.1 ENSURING A ZERO INJURY WORKPLACE &gt; POLICIES, ACTION PLANS AND INITIATIVES</a>
Reserves Valuation and Capital Expenditures	EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Unable to disclose. This data is not currently measured and reported internally.
	EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Unable to disclose. This data is not currently measured and reported internally.

SASB topic	SASB metric	Accounting metric	Response, link or additional information
	EM-EP-420a.3	Amount invested in renewable energy; revenue generated by renewable energy sales	Unable to disclose. This data is not currently measured and reported internally.
	EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Unable to disclose. This data is not currently measured and reported internally.
Business Ethics and Transparency	EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index	<a href="#">4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS</a>
	EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	<a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; VISION AND VALUES STATEMENT</a> <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Disclosure Committee</a> <a href="#">4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS</a> <a href="#">4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; DISCLOSURE CONFIDENTIALITY AND TRADING POLICY</a> <a href="#">4.3 EMBEDDING AN ETHICAL APPROACH TO BUSINESS &gt; WHISTLEBLOWER POLICY</a>
Legal and Regulatory Management	EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	<a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS</a> <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a> <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</a> <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Management's responsibility over ESG matters</a> <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Disclosure Committee</a>

SASB topic	SASB metric	Accounting metric	Response, link or additional information
			<a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; KEY ESG GOVERNANCE INITIATIVES</a>  <a href="#">4.2 BEING A RESPONSIBLE CORPORATE CITIZEN</a>  <a href="#">4.2 BEING A RESPONSIBLE CORPORATE CITIZEN &gt; REGULATORY COMPLIANCE</a>
Critical Incident Management	EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Unable to disclose. This data is not currently measured and reported internally.
	EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Unable to disclose. This data is not currently measured and reported internally.
Activity Metrics	EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH &gt; 2020 Baseline calculations</a>
	EM-EP-000.B	Number of offshore sites	Not applicable. All onshore.
	EM-EP-000.C	Number of onshore sites	Not applicable. All onshore.

**TCFD TABLE**

Topic	Recommendation	Description	Response
Governance	Describe the Board's oversight of climate-related risks and opportunities	Discuss the processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues.	<a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Director continuing education</a>  <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Strategic planning and regular assessments</a>  <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</a>
		Discuss whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring	<a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Strategic planning and regular assessments</a>  <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; KEY</a>

Topic	Recommendation	Description	Response
		implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures?	<p><u>ESG GOVERNANCE INITIATIVES</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Board oversight of ESG matters</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></p>
		How the board monitors and oversees progress against goals and targets for addressing climate-related issues?	<p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; KEY ESG GOVERNANCE INITIATIVES</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Board oversight of ESG matters</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Shareholder alignment</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Annual incentive plan</u></p>
	Describe management's role in assessing and managing climate-related risks and opportunities	Discuss whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include	<p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u></p> <p><u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; MANAGING ESG RISKS AND OPPORTUNITIES</u></p>

Topic	Recommendation	Description	Response
		assessing and/or managing climate-related issues?	<u>OPPORTUNITIES &gt; Management's responsibility over ESG matters</u>
		Provide a description of the associated organizational structure(s) and	<u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; BOARD OF DIRECTORS &gt; Board oversight of ESG matters</u>
		processes by which management is informed about climate-related issues.	<u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u>  <u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; Management's responsibility over ESG matters</u>  <u>4.2 BEING A RESPONSIBLE CORPORATE CITIZEN &gt; REGULATORY COMPLIANCE</u>
		How management (through specific positions and/or management committees) monitors climate-related issues?	<u>4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES &gt; HSSE Committee</u>  <u>4.2 BEING A RESPONSIBLE CORPORATE CITIZEN &gt; REGULATORY COMPLIANCE</u>
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term	Provide a description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms.	<u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Physical risks</u>
		A description of the specific climate-related issues for each time horizon (short-, medium*, and long-term) that could have a material financial impact on the organization	<u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Physical risks</u>  <u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Transition risks</u>

Topic	Recommendation	Description	Response
			<p><a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a></p> <p><a href="#">DRIVING GROWTH RESPONSIBLY &gt; A Message to Our Stakeholders</a></p> <p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Physical risks</a></p> <p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Operational management</a></p>
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	<p>A description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization</p> <p>Discuss how identified climate-related issues have affected their businesses, strategy, and financial planning (e.g., products and services, supply chain and/or value chain, adaptation and mitigation activities, investment in research and development, operations i.e., types of operations and location of facilities).</p> <p>Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time. Organizations should also consider including in their disclosures the impact on financial planning in the following areas: operating costs and revenues, capital</p>	<p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Physical risks</a></p> <p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Operational management</a></p> <p><a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a></p> <p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Operational management</a></p> <p><a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a></p>

Topic	Recommendation	Description	Response
		<p>expenditures and capital allocation, acquisitions or divestments, access to capital. If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.</p>	
	<p>Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, include a 2°C or lower scenario</p>	<p>Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a lower-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks. Organizations should consider discussing where they believe their strategies may be affected by climate-related risks and opportunities; how their strategies might change to address such potential risks and opportunities; and the climate-related scenarios and associated time horizon(s) considered.</p>	<p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Operational management</a></p>
<p>Risk Management</p>	<p>Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>How relative significance of climate-related risks in relation to other risks is determined? Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.</p>	<p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Transition risks</a></p> <p><a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a></p>
		<p>Discuss the processes for assessing the potential size and scope of identified climate-related risks and definitions of risk terminology used or references to existing risk classification frameworks used.</p>	<p><a href="#">1.0 ABOUT THIS REPORT &gt; REPORTING STANDARDS</a></p> <p><a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Environmental policy</a></p> <p><a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a></p>
	<p>Describe the organization's processes</p>	<p>Organizations should describe their processes for managing climate-related risks, including</p>	<p><a href="#">1.0 ABOUT THIS REPORT &gt; MATERIAL TOPICS AND PRIORITIES</a></p>

Topic	Recommendation	Description	Response
	for managing climate-related risks	how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations.	<a href="#">1.0 ABOUT THIS REPORT &gt; OUR APPROACH TO STAKEHOLDER ENGAGEMENT</a>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	How their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management?	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH &gt; 2020 Baseline calculations</a>  <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Environmental policy</a>  <a href="#">4.1 DRIVING ACCOUNTABILITY AND GOOD GOVERNANCE &gt; MANAGING ESG RISKS AND OPPORTUNITIES</a>
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>Organizations should provide the key metrics used to measure and manage climate-related risks and opportunities.</p> <p>Organizations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.</p> <p>Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies.</p>	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH &gt; 2020 Baseline calculations</a>  <a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; 2020 WATER METRICS SUMMARY</a>  <a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Our water performance in 2020</a>  <a href="#">2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; 2020 WATER METRICS SUMMARY &gt; Waste</a>  Not Applicable

Topic	Recommendation	Description	Response
		Where relevant, organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a lower-carbon economy.	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Transition risks</a>
		Metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate climate-related metrics.	Not Applicable. Company's inaugural report.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	Organizations should provide their Scope 1 and Scope 2 GHG emissions and, if appropriate, Scope 3 GHG emissions and the related risks. GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions.	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; SCOPE 1 AND 2 EMISSIONS BREAKDOWN</a> <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG GRI 2020 PERFORMANCE METRICS</a> <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG SASB 2020 PERFORMANCE METRICS</a>
		As appropriate, organizations should consider providing related, generally accepted industry specific GHG efficiency ratios. GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	<a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH &gt; 2020 Baseline calculations</a> <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG GRI 2020 PERFORMANCE METRICS</a> <a href="#">2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; GHG SASB 2020 PERFORMANCE METRICS</a>

Topic	Recommendation	Description	Response
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy. In describing their targets, organizations should consider including the following: whether the target is absolute or intensity based, time frames over which the target applies, base year from which progress is measured, and key performance indicators used to assess progress against targets. Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.	<p><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; APPROACH &gt; 2020 Baseline calculations</u></p> <p><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Drilling</u></p> <p><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Facilities</u></p> <p><u>2.1 TACKLING CLIMATE CHANGE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Additional initiatives</u></p> <p><u>2.2 MINIMIZING WATER AND WASTE IN OUR NEXT PHASE OF GROWTH &gt; POLICIES, INITIATIVES AND ACTION PLANS &gt; Our water performance in 2020</u></p>

## ABBREVIATIONS

The following is a list of abbreviations that may be used in this Sustainability Report:

### Oil and gas measurement

bbl(s)	barrel(s)
bbls/d	barrels per day
Mbbls	thousand barrels
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
MMBtu	million British Thermal Units
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousand barrels of oil equivalent

### Other

AIM	AIM market of the London Stock Exchange plc
Board	Board of Directors
Brent	Dated Brent
C\$	Canadian dollar
ESG	Environmental, social and governance
GHG	Greenhouse gas
Heritage	Heritage Petroleum Company Limited
HSSE	Health, safety, social and environmental
MEEI	Trinidad and Tobago Minister of Energy and Energy Industries
NGC	The National Gas Company of Trinidad and Tobago
NGL(s)	Natural gas liquid(s)
Trinidad	The Republic of Trinidad and Tobago
TSX	Toronto Stock Exchange
TT\$	Trinidad and Tobago dollar
UK	United Kingdom
WTI	Western Texas Intermediate
\$ or US\$	United States dollar

## ADVISORIES

### FORWARD-LOOKING STATEMENTS

Certain information provided in this Sustainability Report may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. All statements and information, other than statements of historical fact, made by Touchstone that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations and initiatives that are subject to assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance or results.

Such statements represent the Company's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production rates, production decline rates, the magnitude of and ability to recover oil and gas reserves, plans for and results of exploration, drilling and recompletion activities, well abandonment costs, the ability to secure necessary personnel, equipment and services, environmental matters, social matters, governance matters, health and safety matters, future commodity prices, changes to prevailing regulatory, human rights, employment, royalty, tax and environmental laws and regulations, the impact of competition, future capital and other expenditures (including the amount, nature and sources of funding thereof), future financing sources, business prospects and opportunities, risk that the Company will not be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its properties and risks related to lawsuits.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Touchstone.

Statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. The recovery and reserve estimates of Touchstone's reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in the Company's 2020 Annual Information Form dated March 25, 2021 which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).

Forward-looking statements and other information contained herein concerning the oil and natural gas industry in the countries in which the Company operates and the Company's general expectations concerning this industry are based on estimates prepared by Management using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market

shares and performance characteristics. While the Company is not aware of any material misstatements regarding any industry data presented herein, the oil and natural gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

Management has included the above summary of assumptions and risks related to forward-looking statements and other information provided in this Sustainability Report in order to provide Shareholders and investors with a more complete perspective on the Company's current and future operations and ESG initiatives, and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from that expressed in or implied by any forward-looking statements or information in this Sustainability Report, and accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and Touchstone undertakes no obligation to update any forward-looking statements or information to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws. All forward-looking statements and information contained in this Sustainability Report is qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for Management to predict all of such factors and to assess in advance the impact of each such factor on Touchstone's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## OIL AND GAS MEASURES

Where applicable, natural gas has been converted to barrels of oil equivalent based on six thousand cubic feet to one barrel of oil. The barrel of oil equivalent rate is based on an energy equivalent conversion method primarily applicable at the burner tip, and given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

## OIL AND GAS MATTERS

Any references in this Sustainability Report to production test rates and initial flow rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which the well will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.



## CORPORATE INFORMATION

### Directors

**John D. Wright**  
*Chair of the Board*

**Paul R. Baay**  
**Kenneth R. McKinnon**  
**Peter Nicol**  
**Beverley Smith**  
**Stanley T. Smith**  
**Thomas E. Valentine**  
**Harrie Vredenburg**

### Officers and Senior Executives

**Paul R. Baay**  
*President and Chief Executive Officer*

**Scott Budau**  
*Chief Financial Officer*

**James Shipka**  
*Chief Operating Officer*

**Brian Hollingshead**  
*Vice President Engineering and Business Development*

**Alex Sanchez**  
*Vice President Production and Environment*

**Cayle Sorge**  
*Vice President Finance*

### Head Office

**Touchstone Exploration Inc.**  
4100, 350 7th Avenue SW  
Calgary, Alberta, Canada  
T2P 3N9

### Registered Office

3700, 400 3rd Avenue SW  
Calgary, Alberta, Canada  
T2P 4H2

### Operating Office

**Touchstone Exploration (Trinidad) Ltd.**  
#30 Forest Reserve Road  
Fyzabad, Trinidad, W.I.

### Stock Exchange Listings

Toronto Stock Exchange  
London Stock Exchange AIM  
Symbol: TXP

### Auditor

**KPMG LLP**  
Calgary, Alberta

### Reserves Evaluator

**GLJ Ltd.**  
Calgary, Alberta

### Legal Counsel

**Norton Rose Fulbright LLP**  
Calgary, Alberta  
London, United Kingdom

**Nunez and Co.**  
Port of Spain, Trinidad

### Transfer Agent and Registrar

**Odyssey Trust Company**  
Calgary, Alberta

### Link Group

London, United Kingdom

### UK Nominated Advisor and Joint Broker

**Shore Capital**  
London, United Kingdom

### UK Joint Broker

**Canaccord Genuity**  
London, United Kingdom

### UK Public Relations

**Camarco**  
London, United Kingdom