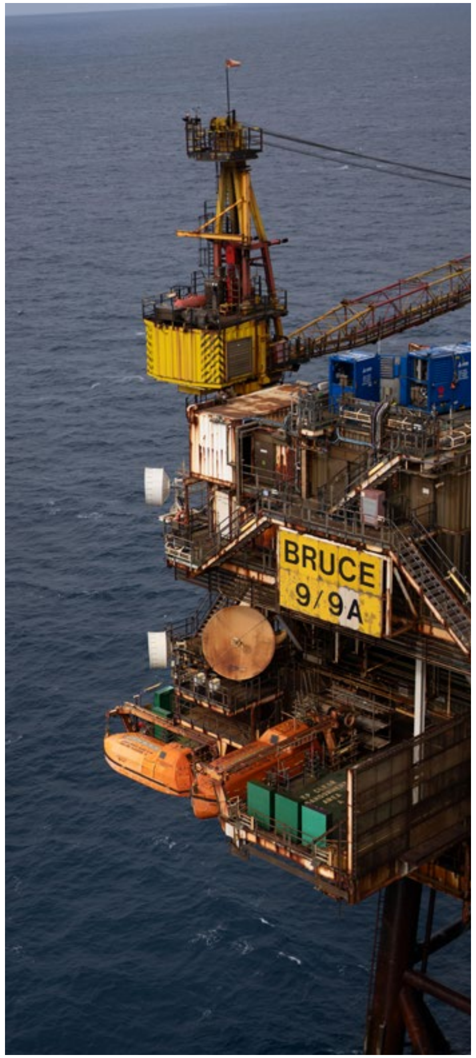
Serica Energy **TCFD summary report**



Introduction

Serica Energy plc (Serica) is a British independent upstream oil and gas company with operations centred on the UK North Sea with production, development and exploration assets. More information can be found here: [About Serica Energy (serica-energy.com)](serica-energy.com).

'Working Responsibly' is a core value of Serica's business, which is reflected in all aspects of its strategic and operational activity. Climate-related risk identification and management is not new to Serica, and this report reflects how climate change is increasingly being integrated into decision-making in its existing working practices as well as its ambitions to progress and evolve its climate-related goals in the future.

This TCFD Report builds on the work undertaken over the previous three years and specifically focuses on further enhancing its disclosure against the four pillars of TCFD: Governance, Strategy, Climate Risk Management and Climate Metrics and Targets. It is reflective of the increased scrutiny and ownership of climate-related risks and opportunities across the organisation.

Specifically, for 2023, Serica have developed disclosures that align to the TCFD recommendations that highlight:

– The continued use of quantitative scenario analysis on its corporate business models, using the IEA Net Zero, Announced Pledges and Stated Policies scenarios.

– Highlighting of perceived risk impact timescales and updated mitigations and actions taken by Serica to minimise risks.

– Closer alignment with the TCFD recommendations.

This summary report is not in full alignment with the TCFD requirements at this stage. During 2024, Serica will look at further enhancing its climate-related risk reporting in line with the IFRS standards.

Governance

The Board's oversight of climate-related risks and opportunities
Serica's Board reviews and monitors climate-related business risks and opportunities in detail on a quarterly basis as part of Serica's Risk Management Policy, with associated standards and procedures, which supports both operational and strategic planning.

The Board recognises climate change as a material risk to Serica with potential financial implications. It understands that responding to the risks associated with climate change and building resilience is integral to the long-term success of the organisation. Climate change is considered in the Board's review and evaluation of the wider Serica business strategy, planning and corporate targets. The Serica Corporate Risk Register, which includes climate-related risk, is used to document all major business-related risks, and is reviewed at each board meeting.

At the end of 2023, there were five Board committees with accountabilities relating to climate change:

1. **Sustainability Committee**: reviews and updates the Board on climate-related risks and opportunities, reviews Serica's environmental performance and provides input into Serica's long-term emissions reduction strategy.
2. **HSE Committee**: reports to the Board on the effectiveness of the Company's HSE programmes and ensures that risks, including environmental or carbon-related hazards, are fully assessed and appropriately mitigated.
3. **Audit Committee**: reviews and monitors the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment and reporting of risk. The latter two areas are integral to the Group's core management processes.
4. **The Remuneration Committee**: determines employee compensation packages and bonus structures which incorporate incentives to deliver climate-related objectives.
5. **The Nominations Committee**: Responsible for Executive and Board recruitment, succession planning and Board evaluations, ensuring that the Board has the needed competencies to effectively lead the business These committees all meet regularly as required.

Management's role in assessing and managing climate-related risks and opportunities

The Serica Senior Management Team (SMT) is structured and empowered to ensure that the Board has the necessary climate-related information to assess the associated risks and opportunities. The SMT is responsible for compliance with and reporting against the organisational climate-related metrics and targets in their individual business areas. It is also accountable for risk management policies as well as ESG-related strategies and programmes which cover climate-related risk. Specifically, the Vice President of Environment, Social and Governance (VP ESG and Business Innovation) is responsible for the development and implementation of the Serica ESG Policy and Strategy of which climate action is an integral part.

The Serica SMT evaluates climate-related risks and opportunities as part of the overall review of business risk through well-established management systems, standards, and procedures. The SMT is responsible for the development and implementation of mitigation and management programmes to further Serica's resilience to climate-related risks.

Serica's Board and SMT have specific roles in the organisation's overall risk management process. Serica's Chief Executive Officer (CEO) is ultimately responsible for the management of all business risks. The VP ESG and Business Innovation reports directly to the CEO, as does the Corporate HSEQ Manager.

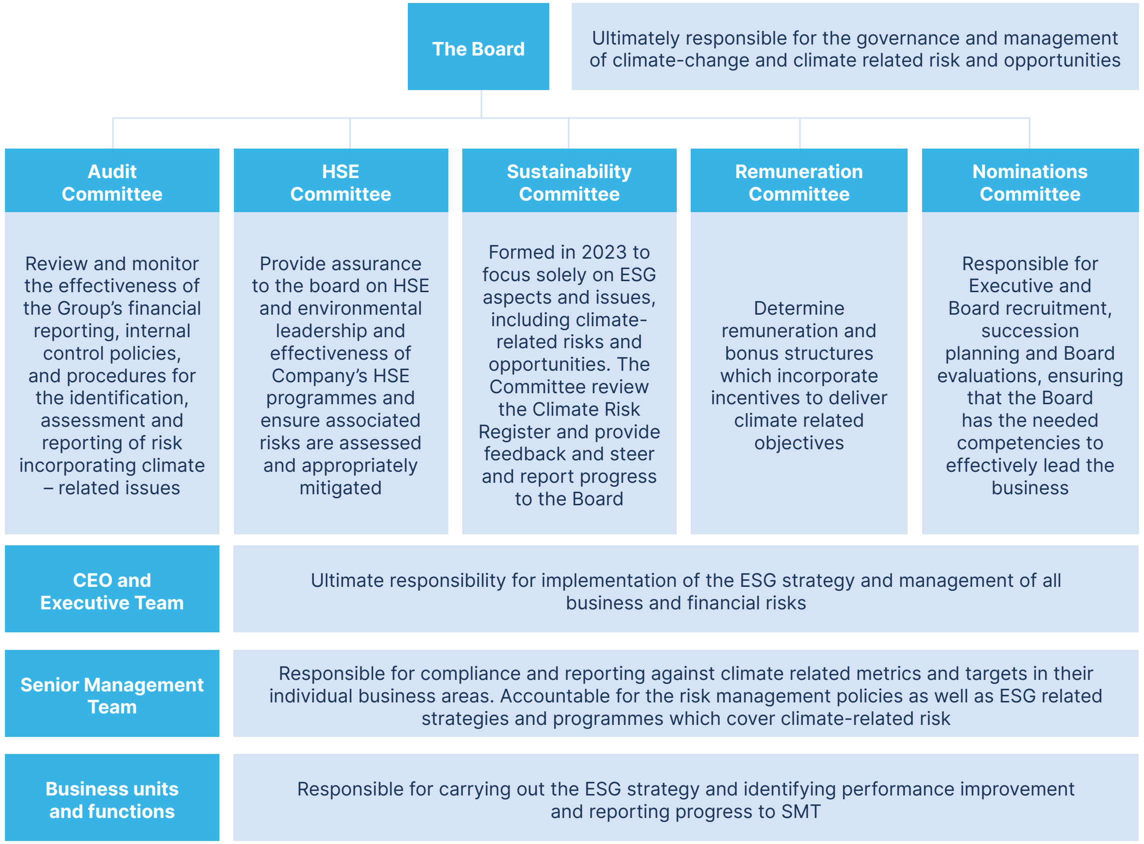
Responsibility for financial risk management resides with Chief Financial Officer (CFO). The CFO has the responsibility of ensuring that potential climate-related financial impacts on Serica's operations, supply chains, assets, and overall financial performance are well understood and adequately assessed. This includes oversight of climate-related risks and opportunities, climate scenario analysis, and integrating carbon costs and any other climate-related costs into the financial planning and budgeting.

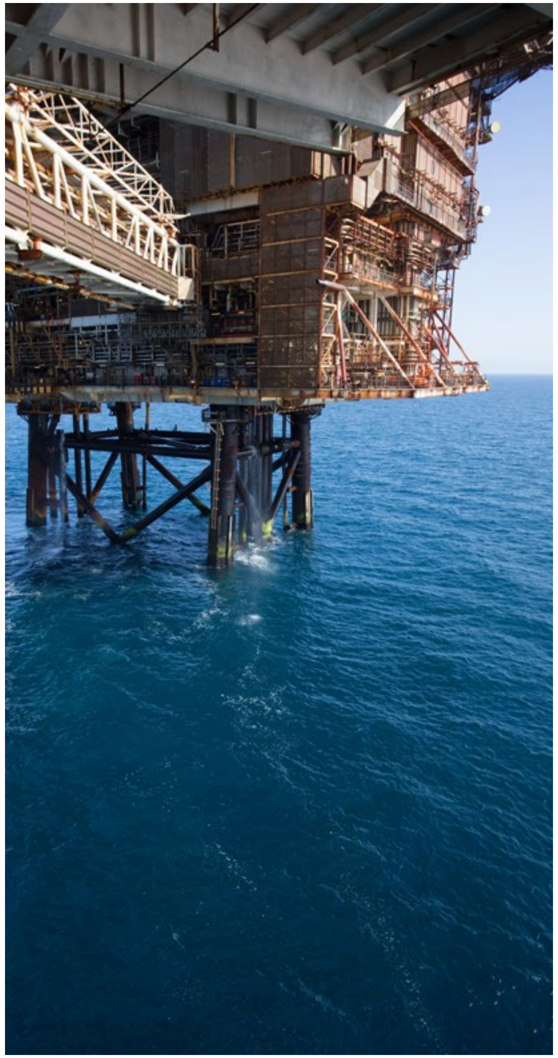
Responsibility for operational risks resides with the Chief Operating Officer (COO), as well as the Health, Safety and Environmental (HSE) team, which coordinates the risk registers within the operational element of Serica's business. Responsibility for project and technical risks resides with the VP Technical.

Serica's Board and SMT work together to instil a culture across the Company that delivers strong values and behaviours.

Progress against goals and targets relating to climate-related issues such as emissions, are monitored regularly by the SMT for their specific business area, using information provided by their supporting teams. For example, the VP ESG and Business Innovation and HSEQ Manager track progress against set targets on a monthly basis and report progress back to the Board and wider organisation. Serica has a suite of monitoring software available such as Emissions.AI and EMTRAX that track progress on emissions, flaring, waste and discharges to sea. Progress against longer-term targets, such as those set out by the UK North Sea Transition Deal are monitored on an annual basis.

A visual representation of Climate Risk Management at Serica Energy





Processes by which Management is Informed About Climate-Related Issues

Serica's VP ESG and Business Innovation and ESG team provide the Board of Directors with training and awareness on climate-related issues and sustainable development. They provide regular updates on changing legislation and insights from across the industry in monthly board papers and in more detail during quarterly Sustainability Committee meetings.

ESG is an agenda item on the weekly management meeting where the SMT are updated on climate-related issues. Serica subscribes to the Weston Compliance Services weekly and monthly summary information service which summarises the latest relevant information and changes relating to legislation, guidance documents, etc. This is part of maintaining Serica's Management System in compliance with current legislation and best practice and a summary is distributed monthly to the relevant subject matter experts and managers within Serica for review.

Members of Serica's Senior Management Team are also a part of industry forums and taskforces. These groups are run by industry bodies and regulators, providing members with updates on current and upcoming legislation and expectations, as well as providing the opportunity to hear from peers and other external organisations about their activities. Serica is part of the OEUK and NSTA ESG Forums and relevant information is shared with other members of the Management Team and Board where appropriate.

Strategy

Climate-related risks and opportunities identified over the short, medium and long term

Serica's Risk Management Policy underlines the identification, assessment, and mitigation of all risks including carbon and climate-related risks. Climate-related risks and opportunities are identified under the company's Risk Management Policy documents (OMS-2A-01, OMS-2A-02 and OMS-2A-03). It is recognised that currently these are focused on the short to medium term and encompass:

- Initial Risks associated with each hazard, aspect or other circumstance are assessed based on severity and likelihood
- Existing risk management measures are assessed and, where required, additional measures or barriers that would further reduce the risk identified
- Residual Risk takes into account the additional measures and barriers to confirm that the risk levels are both tolerable and as low as reasonably practical (ALARP)
- Where the risks are not ALARP, additional risk reduction measure shall be identified and implemented until it can be demonstrated that the risks are ALARP
- Risks are re-assessed following any changes to the causes, effects or impacts considered in the original assessment

As Serica's existing assets are all currently projected to cease production within the next ten to fifteen years, the Company has primarily targeted its considerations of climate-related risks and opportunities over the short and medium terms. Serica have defined the time period for risks as short-term (1-3 years), medium-term (4-9 years) and long-term (10+ years).

Serica aligns with the UK government's commitment to achieving a Net Zero basin by 2050, as set out in the North Sea Transition Deal, and takes into account the incremental emissions reduction targets during the transition period when making strategic decisions.

In addition, UK oil and gas sector initiatives such as the OGA Strategy and associated Stewardship Expectations provide Serica and its peer companies on the UKCS with a structured and economically viable approach to supporting Net Zero and the energy transition. This represents a structured and responsible long-term sector level plan. In line with Stewardship Expectations #11, Serica produced an Emissions Reduction Action Plan (ERAP) to highlight how the Company has identified its major emissions sources and strategy to reduce emissions in line with targets set out in the North Sea Transition Deal. This plan was originally submitted to the North Sea Transition Authority (NSTA) in 2022 and was reviewed and resubmitted in 2023. Progress in implementing the ERAP is overseen by the Company's Sustainability Committee.

Serica uses the risk categories recommended by the TCFD to identify and assess climate-related risk and opportunities: namely transition risks and physical risks.

Transition Risks

Transition risks include the policy, legal, technology, and market changes required to deliver the energy transition and adaptation to the impacts of climate change.

Serica has identified transition risks as of growing importance for its business model.

Transition Risk	Perceived impact timescale	Potential Consequences	Mitigations/Actions
Sources of finance including equity markets and debt providers may be harder to access or become more expensive	Short Term	All lenders reduce funding available to exploration and production companies and this may impact debt terms and/or debt capacity. Demonstration of the impacts of climate change and associated company action are likely for the basis of access to finance. Organisations with poor ESG commitments, disclosures and performance can expect to see materially reduced lending appetite over time. Cost of debt and debt capacity significantly impacted by anti-fossil fuel pressures in the lending community. Less debt capacity and increased cost of debt may lead to reduced asset and company valuation.	– Serica has put in place a new six-year financing facility with a group of international banks. This facility includes provisions for the incorporation of ESG performance indicators – The Company also seeks to retain a range of alternative financing options – Potential funding cost increases and loan structures (i.e. sustainability led loans) are considered when planning investments
The transition away from fossil fuel-based power generation may restrict the future demand for, or production of, the company's oil and gas reserves	Medium to Long term	Reduced demand for goods and services due to shift in consumer preferences Increased production costs due to changing input prices (e.g. energy, water) and output requirements (e.g. waste treatment) Abrupt and unexpected shifts in energy costs Change in revenue mix and sources, resulting in decreased revenues Re-pricing of assets (e.g. fossil fuel reserves, land valuations, securities valuations) R&D expenditures in new and alternative technologies Capital investments in technology development Costs to adopt/deploy new practices and processes	– The impact of the value of future reserves is lower for later periods of production due to discounting – Since the acquisition of Tailwind Energy, the Company's reserves are more evenly split between oil and gas mitigating the risk of demand for one commodity over another – The Company closely follows industry related forecasts and trends from numerous sources – The Company reviews opportunities for investment in clean technology and is currently involved in projects with the Net Zero Technology Centre
Energy transition objectives may bring additional costs, levies, or taxes	Short term	Increases the risk associated with longer term capital investments Increased operating costs (e.g., higher compliance costs, increased insurance premiums) Write-offs, asset impairment, and early retirement of existing assets due to policy changes Increased costs and/or reduced demand for products and services resulting from fines and judgments	– Estimates of climate-related charges are included in cost estimates where reasonably identifiable – Management prioritises the delivery of ESG objectives aimed at mitigating any additional carbon levies, i.e., by reducing its asset emissions – The impact of the Energy Profits Levy and potential changes are taken into account when running corporate economic models, resilience testing and assessing new acquisitions

Transition Risk	Perceived impact timescale	Potential Consequences	Mitigations/Actions
The range of potential acquisitions may be restricted by ESG considerations	Short to Medium Term	Reduced revenues from lower sales/output Reduced capital availability	– Management considers the emissions profiles of potential acquisition targets and the mitigating actions that it can implement – It prioritises opportunities to deliver low carbon intensity production into the UK market compared to imports – The company reviews investments in countries outside the UK and their climate-related policies and outlook
The industry or Company's reputation could be damaged as the oil and gas industry is perceived negatively by external stakeholders	Short to Medium Term	Reduced revenue from decreased demand for goods/services Reduced revenue from decreased production capacity (e.g. delayed planning approvals, supply chain interruptions) Reduced revenue from negative impacts on workforce management/planning (e.g., employee attraction/ retention)	– Ensure the Company reports transparently and follows internationally recognised ESG reporting guidelines – Regularly engage with stakeholders on its ESG activities and performance

Physical Risks

Physical risks resulting from climate change can result from event driven (acute) or longer-term (chronic) shifts in climate patterns:

- **Acute** – More extreme weather may threaten or disrupt operations, in particular major storms or exceptional wave conditions
- **Chronic** – Increased severity of weather patterns may cause ongoing or regular disruption, including supply chain logistics efficiency, asset structural integrity, operational uptime, and offshore development schedules. These risks may need to be highlighted in Serica's future transactions

Physical Risk	Perceived impact timescale	Potential Consequences	Mitigations/Actions
More extreme weather patterns may threaten or disrupt operations or supply chain	Short to Long Term	Reduced revenue in the short term decreased production capacity (e.g. transport difficulties, supply chain interruptions) Reduced revenue and higher costs in the short term due to negative impacts on workforce (e.g. health, safety, absenteeism) Write-offs and early retirement in the long term of existing assets (e.g. damage to property and assets in "high-risk" locations) Increased operating costs in the long term (e.g. inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants) Increased capital costs in the long term (e.g. damage to facilities) Reduced revenues from lower sales/output Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations in the long term	– The Company seeks to maintain robust transport and supply chains – The impact of extreme climatic conditions such as exceptional waves are incorporated into risk management scenarios – The Company operates under a Severe Weather Action Plan – Plan contingency into operations such as drilling/diving/seismic to reflect poor weather

Impact of Climate-Related Risks and Opportunities on Business, Strategy and Financial Planning

Serica management considers climate-related strategic and financial risks in both its existing asset portfolio and future business growth, including potential acquisitions. In terms of financial planning, Serica has now allocated future capital expenditure to projects outlined in its Emissions Reduction Action Plan, to support its progress in meeting its long-term emissions reduction targets. The Company will also continue to evaluate scenario analyses to support future strategic planning and capital allocation.

The below table highlights how the identified climate-related risks and opportunities have impacted areas such as products and services and Supply chains.

Area	Description of impact/change
Products and Services	Increased production costs due to changing input prices and output requirements have affected the cost structure of oil and gas products.
Supply Chain and/or Value Chain	Abrupt shifts in energy costs have affected the cost and efficiency of the supply chain. Increasing regulatory requirements and investor demands for the disclosure of ESG and climate-related data and information have led to increased internal and external resourcing and expertise costs.
Adaptation and mitigation activities	Investment and technical support for efficiency and decarbonisation projects, as well as new technologies that will support the energy transition. Management prioritises the delivery of ESG objectives aimed at mitigating any additional carbon levies, i.e., by reducing its asset emissions.
Investment in research and development (R&D)	Investment in research and development (R&D) has been undertaken to explore opportunities for investment in clean technology and is currently involved in projects with the Net Zero Technology Centre.
Operations	Resource allocation to produce an Emissions Reduction Action Plan (ERAP) to highlight how the Company has identified its major emissions sources and strategy to reduce emissions in line with targets set out in the North Sea Transition Deal. Increased monitoring costs to track progress on emissions, flaring, waste, and discharges to sea.
Acquisitions or Divestments	Management has evaluated the emissions profiles of the current portfolio and potential acquisition targets under various climate scenarios to assess the impact these may have on Serica's emissions targets.
Access to capital	Management has engaged with potential finance sources to anticipate ESG compliance requirements and sought alternative financing options. Serica has considered potential funding cost increases and loan structures when planning investments, with a focus on sustainability-led loans.

Serica has developed operational objectives which are aligned with climate-related risk reduction and climate change resilience planning. As part of this, Serica has implemented the following activities:

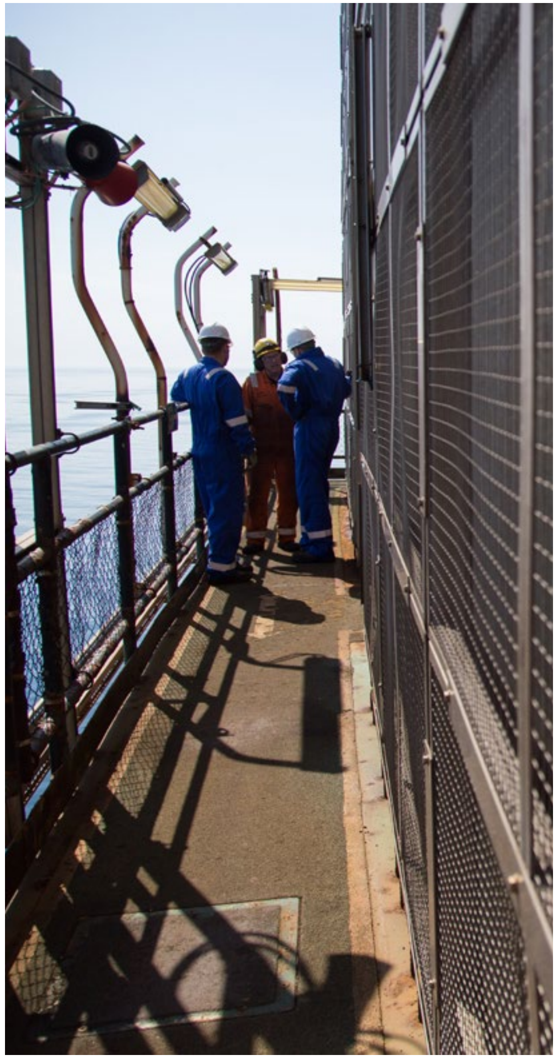
- Creation of emissions related key performance indicators (KPIs) and targets that directly affect employee bonus payments, including those of the Senior Management and Executive Teams;
- Formation of a Sustainability Board Committee, to focus on specific ESG topics and issues, including climate-related risk and opportunities
- Continued development and enhancement of a robust ESG policy and strategy with a corresponding communication structure to internal and external stakeholders
- A dedicated VP ESG and Business Innovation position to lead strategy development, drive change and support continuous improvement in emissions performance and wider ESG commitments
- Creation of an Emissions Reduction Group that looks at opportunities to reduce Serica's carbon emissions in line with Industry targets, led by Serica's Energy Transition Engineering Advisor;
- Active membership of the Net Zero Technology Centre, whose aim is to help accelerate the development and implementation of technology to lower emissions
- Alignment to recognised international ESG benchmarks and transparency initiatives such as the Global Reporting Initiative ("GRI") and Sustainability Accounting standards Board ("SASB") in addition to developing a response to the TCFD recommendations
- Continued development of an ESG strategy ensuring associated commitments and disclosures are aligned with investor and lender requirements
- Empowering employees to identify and own ESG initiatives within the Serica organisation and the wider community
- Integration of internal stakeholder communications to ensure that the requirements of finance and ESG are aligned

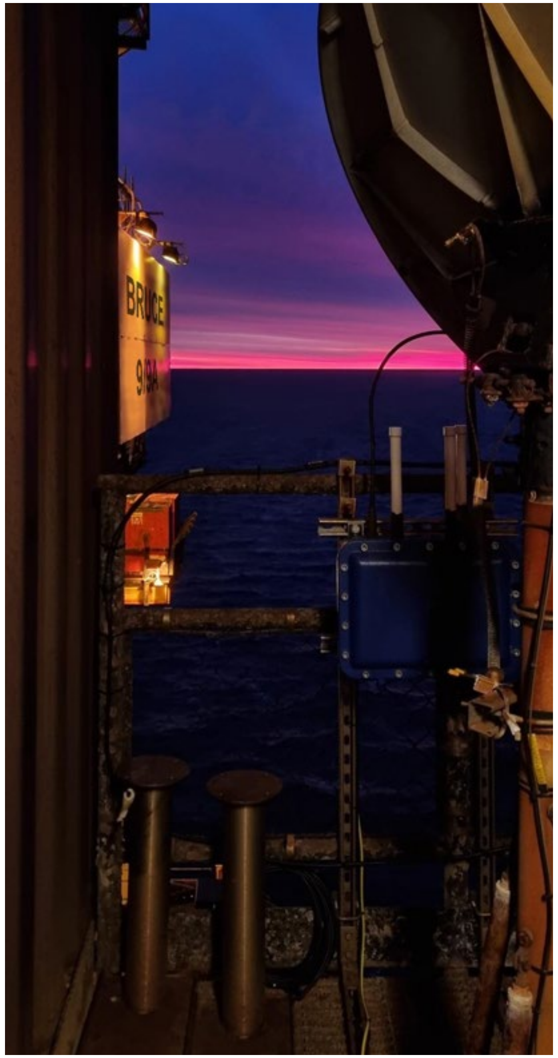
A detailed view of how Serica is planning to reduce its emissions to meet the targets set out in the North Sea Transition Deal will be available in the 2023 ESG Report.

Opportunities

Serica also recognises the opportunities presented to its organisation that are associated with climate change and the transition to a low carbon economy, and has identified the following:

- The strengthening of relationships with key stakeholders, including investors, banks, regulators, government bodies, industry associations, employees, and communities. This could enhance access to funding and sustain ongoing investor support as well as assist in the identification of new developments, and acquisition opportunities. In addition, furthering relationship and trust building with stakeholders can enhance the support for project growth and development with a heightened social licence to operate
- Major asset owners and operators who are switching their focus to renewable energy sources are targeting divestments of their legacy oil and gas assets. Smaller operators may have the opportunity to acquire these assets and may be better placed to focus upon and improve the emissions performance of such later life assets whilst the energy transition progresses;
- Incentives or funding could be offered to Serica for investing in energy efficiency technology and carbon reducing initiatives like carbon capture and storage
- Further collaboration with other asset and infrastructure owners may lead to innovation solutions such as sharing or combining power sources and electrification and delivery of other operational efficiencies





- Serica could further support collaborative work between stakeholders including industry associations, peer organisations, employees, and communities to enhance efficiencies, knowledge-sharing, and technology in climate change initiatives

Quantitative Financial Modelling Against Chosen Scenarios

Serica is currently partially aligned with this recommendation.

In 2023, Serica ran quantitative scenario analysis against its business economic models, looking at the combined Serica assets. Parameters for the economic models were guided on those set out by the International Energy Agency's (IEA) 2023 Net Zero, Stated Policies and Announced Pledges scenarios, and concentrated on carbon taxes and commodity prices. The models were run from 2023 to 2041, in line with the expected cessation of production (COP) date of Serica's. The IEA scenarios were selected as they are publicly available and widely used across the global energy sector. The results of the exercise confirmed that Serica's business models are resilient under these scenarios. Serica will continue to use scenario analysis to test its resilience under different climate scenarios.

Climate Risk Management

Processes for identifying and assessing climate-related risks

Serica's corporate risk process is led by its Board, which maintains a register of significant corporate risks, of which climate-related risk is included, for review at each of its meetings. The expected duration of its current business assets is concentrated within the next ten to fifteen years and so the identification and assessment of climate risks in relation to the existing business is concentrated upon climate-related objectives and potential developments within this timeframe. Serica also seeks growth opportunities which would extend its business programme and so when investigating new investment opportunities and acquisitions, reviews are conducted of longer-term climate-related risks and potential mitigations.

Serica references the TCFD climate-related risk criteria to identify specific climate-related risks which could be realised in the foreseeable lifetime of the Serica organisation. Serica operates an Operating Risk Management Framework as part of its Operating Management System (OMS). In this, the 8×8 risk assessment matrix is explained and quantified, including quantification of environmental consequences relating to the atmosphere and water pollution and the consequence of business, social and governance risks. The level of assessed risk identified by this process is used to ensure that the required control and mitigation actions are applied to each risk. In this way, climate-related risk is assessed, managed and mitigated in line with other business and operational risks.

Initially, risks are identified and quantified by Serica's ESG Team using the risk assessment matrix mentioned above. Once identified and assessed, the team then looks at what mitigation measures are currently in place, which are referenced in the climate risk register. The team are free to recommend additional mitigation measures as appropriate. These risks, their risk ranking, and mitigation measures are then presented to Serica's Sustainability Committee on a quarterly basis. Any updates made to the register are communicated to the Committee. The Committee are responsible for communicating any updates in the risk register to the wider Board.

Having identified climate-related risks, the Company either identifies specific mitigating actions and programmes or, where such specific responses are not considered feasible, builds likely financial impacts into valuations and planning. An example of this is the introduction of future emissions reduction projects in its business planning process, as outlined in its Emissions Reduction Action Plan, which will be available within our 2023 ESG Report.

Climate Change Metrics and Targets

Metrics used to assess climate-related risks and opportunities

Carbon emissions data is collected from Serica's assets, including operated and partnered facilities. Serica assures this data for consistency and comparability throughout its portfolio over time. This data is also used to ensure compliance with UKCS emissions regulation and to comply with all operating permits and consents associated with Serica's assets and forms part of the licence to operate. Since completing the acquisition of Tailwind in 2023, Serica has worked to integrate the legacy Tailwind assets into its environmental performance tracking systems. BKR and Triton environmental performance is tracked and presented to the Board of Directors, Executive and Senior Management teams on a regular basis. The HSE and Sustainability Committees both receive an environmental performance dashboard for both hubs on a quarterly basis. These dashboards provide updates on performance in relation the environmental KPIs set by Serica.

Criteria used to assess climate-related risks is aligned to the criteria used in Serica's risk assessment matrix. This matrix looks at the potential frequency of an event or risk occurring and the potential financial impact this may have on the organisation. Once its likelihood and potential financial impact has been determined it is given a risk rating, which is then used by Serica to rank

the risks in relation to their severity and importance. Naturally, there is a focus to concentrate efforts on mitigating the most significant risks identified.

Carbon emissions and climate risk levels, including Scope 1, 2 and 3 GHG emissions

Serica reports to all mandatory carbon-related regulations, including the Pollution Prevention Control (PPC) permit and the requirements of the UK Emissions Trading Scheme (UK-ETS). Serica's emissions targets for 2023 are described in the 'Greenhouse Gas Emissions' section of the ESG report. Serica has set emissions targets which relate directly to employee remuneration, including flare reductions on the Bruce asset and emissions reductions across operations.

More information on current (including legacy Tailwind assets) and historic emissions disclosures, as well as the methodologies used, will be presented in Serica's 2023 ESG Report.

Targets used to assess climate-related risks and opportunities, and performance against these targets

Serica is fully aligned to the emission reduction targets as set out in the North Sea Transition Deal, which commits the UK oil and gas industry to reduce absolute emissions by 10% by 2025, by 25% by 2027, 50% by 2030, and become Net Zero by 2050 from a 2018 baseline. Serica also supports the World Bank's target of reaching zero routine flaring by 2030.

Since 2021, Serica has set annual emissions targets as part of its annual bonus scheme. Performance against these targets is directly linked to the remuneration of its staff, senior management and executives.

The environmental targets put in place in 2023 included:

– Limiting total Scope 1 emissions to below 200,000 tonnes of CO_2

– Limiting total volumes of flared gas to under 5,000 tonnes

In 2023, Serica achieved both targets, with total Scope 1 emissions reaching 179,447 tonnes of CO_2 by the end of the year and total flaring volumes limited to 4,708 tonnes. The main contributors to this were the successful implementation of the temporary power generators installed for the summer maintenance shutdown, which saved approximately 5,500 tonnes of CO_2 from being emitted.

In 2024, Serica will continue to tie emissions reduction initiatives to its remuneration and corporate bonus scheme and has implemented the following emissions related targets:

– Limiting total Scope 1 carbon intensity to 15.5 $kgCO_2$/boe

The above target is intensity based and is for the full year (January 1st to December 31st) of 2024. Performance against this targets is monitored on a regular basis and performance is reported across the organisation from the Board to staff and contractors via Serica's Environmental Performance Dashboard.

These targets are set by Serica using performance data from the previous year and looking ahead to the following year and its work scopes to identify a suitable but challenging target that drives performance improvement in line with Serica's longer term emissions reduction targets. These targets are approved by Serica's Remuneration Committee and Board.

Serica also has a suite of other environmental targets and KPIs used to monitor its performance, these include the average daily flaring volumes, the percentage of waste diverted from disposal, the volume of general waste generated and quantity of oil in produced water that is discharged to sea. Performance against these targets are monitored on a regular basis and performance is reported across the organisation.

This Alignment Table provides information as to the alignment of Serica Energy's reporting with the Task Force on Climate-related Financial Disclosures (TCFD), implementing the recommendations of the Task Force on Climate-related Financial Disclosures (2021 report). The information herein is associated with the 2023 calendar year. This Alignment Table was produced by ITPEnergised.

Serica understands that climate change resilience is integral to the long-term success of our organisation. We have used the TCFD recommendations to further develop our climate-related strategies, programmes, and reporting. While our reporting is not in full alignment with the TCFD requirements at this stage, Serica will focus on maturing its reporting process to enable further disclosure. During 2024, Serica will look at further enhancing its climate-related risk reporting in line with the IFRS standards and will continue to evaluate scenario analyses to support strategic planning and capital allocation.

Governance		**Disclosure Alignment**	**Reporting Location**
a	Describe the board's oversight of climate-related risks and opportunities	Full	Page 1
b	Describe management's role in assessing and managing climate-related risks and opportunities	Full	Page 2

Serica fully aligns with the TCFD Governance reporting recommendations. Both our board and management teams recognise climate change as a material risk to Serica with potential financial implications. As such, climate-related risks and opportunities are integrated into board and management accountabilities and decision making. Regular reviews, evaluations and discussions are part of Serica's proactive approach to manage climate change and further organisational resilience.

Strategy		**Disclosure Alignment**	**Reporting Location**
a	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Full	Page 4
b	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Full	Page 7
c	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Partial	Page 9

Serica partially aligns with the TCFD Strategy reporting recommendations. Our disclosure of a and b are generally aligned with the guidance. We will continue to progress and improve our reporting of the financial impact of the identified risks. As part of this, we will also review reporting of how these risks influence our financial planning. Serica is in partial alignment with c. While we have completed analysis guided by the International Energy Agency's (IEA) 2023 Net Zero, Stated Policies and Announced Pledges scenarios, we are still maturing how this information can best be integrated into our decision making and reporting. We have made important progress in developing our scenario analysis in 2023, and we will look to continue to expand our scenario models in 2024.

Risk Management		**Disclosure Alignment**	**Reporting Location**
a	Describe the organisation's processes for identifying and assessing climate-related risks	Full	Page 9
b	Describe the organisation's processes for managing climate-related risks	Partial	Page 2
c	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Full	Page 9

Serica partially aligns with the TCFD Risk Management reporting recommendations. Serica aligns with the Risk Management guidelines regarding the reporting of our procedures for identifying, evaluating, and mitigating climate-related risks and how they are integrated into our comprehensive risk management strategy (a and c). We provide an account of our methodology for determining materiality, including climate-related risks, within our company, which outlines the relative importance of climate-related risks in relation to other risks in our materiality matrix. We include reference to transition and physical risks and opportunities; however, we do not include comprehensive evaluation of all the risks included in Tables A1.1 and A1.2 (pp. 75–76) (or b). In future reports, we hope to include a more detailed evaluation of risks and opportunities.

Metrics and Targets		Disclosure Alignment	Reporting Location
a	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Partial	Page 10
b	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	Full	Page 11
c	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Full	Page 11

Serica partially aligns with a of the Metrics and Targets recommendations, and fully aligns with the scope disclosures of component b as well as the target setting of part c of the guidance. While our disclosure of climate-related metrics includes GHG emissions, air emissions and others, our reporting does not include the complete range of metrics outlined in Tables A1.1 and A2.2. We also do not disclose our internal carbon prices for confidentiality reasons. In future reports, we hope to develop and disclose a wider range of metrics to assess climate related risks and opportunities in line with the IFRS S1 and S2 standards.