



**ENERGIZING A BRIGHT FUTURE
FOR SURINAME**

SUSTAINABILITY REPORT 2022

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ENERGIZING A BRIGHT FUTURE
FOR **SURINAME**

ABOUT THIS REPORT

The information incorporated within this report is the result of our continued engagement with internal and external stakeholders and covers our Environmental, Social, and Governance (ESG) activities and performance during the year 2022, unless otherwise stated.

Referenced reporting frameworks

This report is based on the International Petroleum Industry Environmental Conservation Association's (IPIECA) Sustainability Reporting Guidance for the Oil and Gas Industry 4th edition 2020, revised February 2023. According to IPIECA standards, there are 42 indicators organized across key topics: Governance and business ethics; Climate change and energy; Safety, health, and security; Environment; and Social. In this report, we use the chapters guideline from IPIECA, while we select those IPIECA indicators most relevant to our company, guided primarily by the results of our materiality assessment.





CHAPTER 1

WE ARE STAATSOLIE

1

1.1 MESSAGE FROM THE CEO

Dear Stakeholders,

We are proud to present our first full year Sustainability Report. It is an important milestone that demonstrates our firm commitment to sustainably managing our business and operations. For Suriname's economy and future, the sustainable development of the oil, gas, and energy industry will play a key role.

Our primary goal is to present the company's approach to sustainability to all our stakeholders, including the Government of Suriname, the local community, our employees, contractors, local and international partners, and investors. This report focuses upon our Environmental, Social, and Governance (ESG) activities and performance in 2022 and our commitment to contributing to the achievement of the Sustainable Development Goals (SDGs) initiated by the United Nations.

1 We Are Staatsolie

- 1.1 Message from the CEO
- 1.2 Our Business
- 1.3 Our Vision, Mission, and Values
- 1.4 The Importance of Sustainability for Staatsolie
- 1.5 Our Stakeholders
- 1.6 The Materiality Process

Our company has been operating for more than 42 years and has always focused on sustainability. In this period, the company transferred more than US\$ 4 billion to the Government of Suriname in dividends and taxes. This has consistently contributed to the economy of Suriname. In 2022, the US\$ 320 million transfer to the Government was 30% of the Government budget.

Based on our history, previous accomplishments, current developments, and future perspectives, we have confidence in leading the sustainable development of the oil, gas, and energy industry in Suriname. Importantly, our company aims to strike the right balance between energy reliability, affordability, and sustainability to responsibly cater to the needs of current and upcoming generations.

Annand Jagesar
Managing Director/CEO

ESG has always been at the core of our operations and the latest challenge of climate change is diligently being included in our long-term strategy. Regarding the environment, we have always worked closely with the National Environmental Institute (NIMOS), even when there was no legal obligation, while we used World Bank standards as guidance in our operations. In social, our company has invested more than US\$ 15 million in the past 42 years. One of the key aspects of our governance is the publication of all annual reports, accounting for our activities, inflow, and use of funds within our company.

On top of our current core business, we have the outlook for multiple offshore hydrocarbon developments in the future. It is therefore of utmost importance that these are –especially from a sustainability perspective– managed well to minimize the impact on our planet and its inhabitants. In our production sharing contracts (PSCs) we have a zero routine flaring policy, while our partner international oil companies (IOCs) strive to minimize the greenhouse gas (GHG) emissions to far below industry averages per produced barrel. In addition, we plan to actively explore decarbonization strategies, positioning ourselves in traditional reduction projects, expanding our renewable energy output and compensating through carbon reduction outside our business.

“ We have confidence in leading the sustainable development of the oil, gas, and energy industry in Suriname ”





1.2 OUR BUSINESS

Established on 13 December 1980, Staatsolie Maatschappij Suriname N.V. ("Staatsolie" or "the company") is a vertically integrated state-owned company that plays a leading role in Suriname's economic and societal landscape. It has the institutional role pursuant to its bylaws and the Petroleum Law, but in addition, it has conducted commercial activities for over 42 years, primarily to develop capabilities to execute its oversight role in a professional manner with the right amount of experience and expertise.

We engage in a variety of activities, such as exploration and production, refining, transportation, and marketing and sales of refined oil products to the local and international market. We also generate electricity, including thermal- and hydro-based, to meet the growing energy needs of our society. Geographical overviews of our business are provided in the maps Suriname and Staatsolie locations (page 9) and Onshore and offshore exploration and production Suriname (page 10).

Staatsolie also has a vested interest in two gold mines in Suriname, Merian and Pikin Saramacca, operated by international gold mining companies Newmont Suriname and Zijin Mining. This strategic diversification has proved financially beneficial for the company, especially during oil price downturns.

Regarding its institutional role, Staatsolie acts on behalf of the State to assess Suriname's offshore hydrocarbon potential, attracting qualified international oil companies, negotiating petroleum contracts, and monitoring their execution.

UPSTREAM

The focus of our upstream activities is finding and producing hydrocarbons. Exploration activities are developed in the onshore, shallow offshore, and deep offshore. We develop partnerships with regional and international companies to accelerate exploration activities and share expertise and risks.

We have been involved in crude oil production for more than four decades, and our three onshore oil fields are located in the Saramacca District. We currently produce an average of 16,500 barrels of crude oil per day, known as Saramacca Crude.

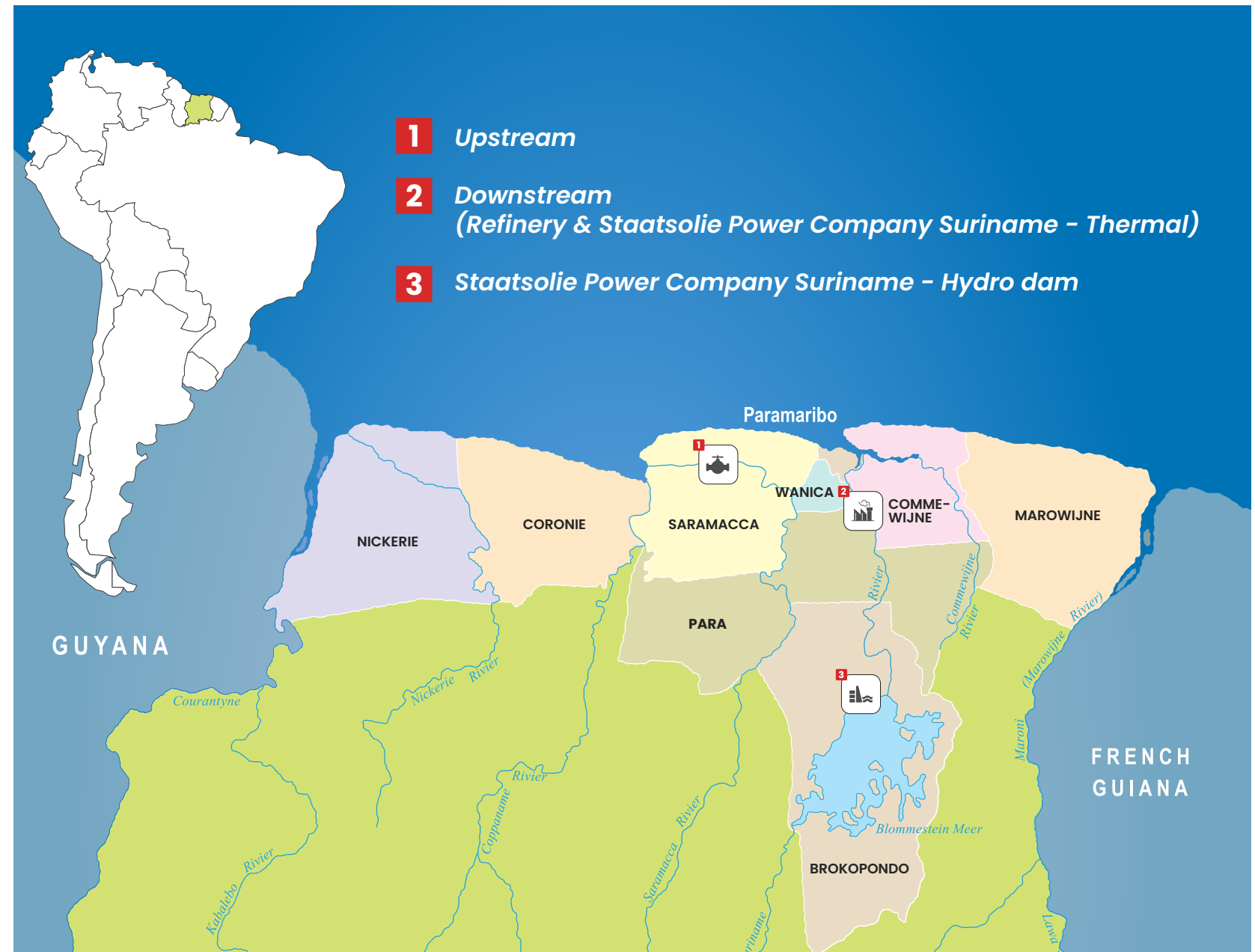
Production Goals and Optimization

In 2022, we produced 6.14 million barrels of Saramacca Crude, exceeding our initial target by approximately 110,000 barrels.

We have consecutively surpassed our production goals by optimizing the performance of existing wells and implementing enhanced and improved recovery techniques such as horizontal wells, polymer flooding, cyclic steam injection and a high fluid rate strategy, enhancing the performance of the (54) wells. Static and dynamic geological models help us to better understand the performance of reservoirs and further optimize production wells.

Despite global supply chain issues, we managed to make facility improvements in 2022, including the replacement of several storage and process tanks and pipelines.

Suriname and Staatsolie locations



- 1 Upstream**
- 2 Downstream (Refinery & Staatsolie Power Company Suriname - Thermal)**
- 3 Staatsolie Power Company Suriname - Hydro dam**

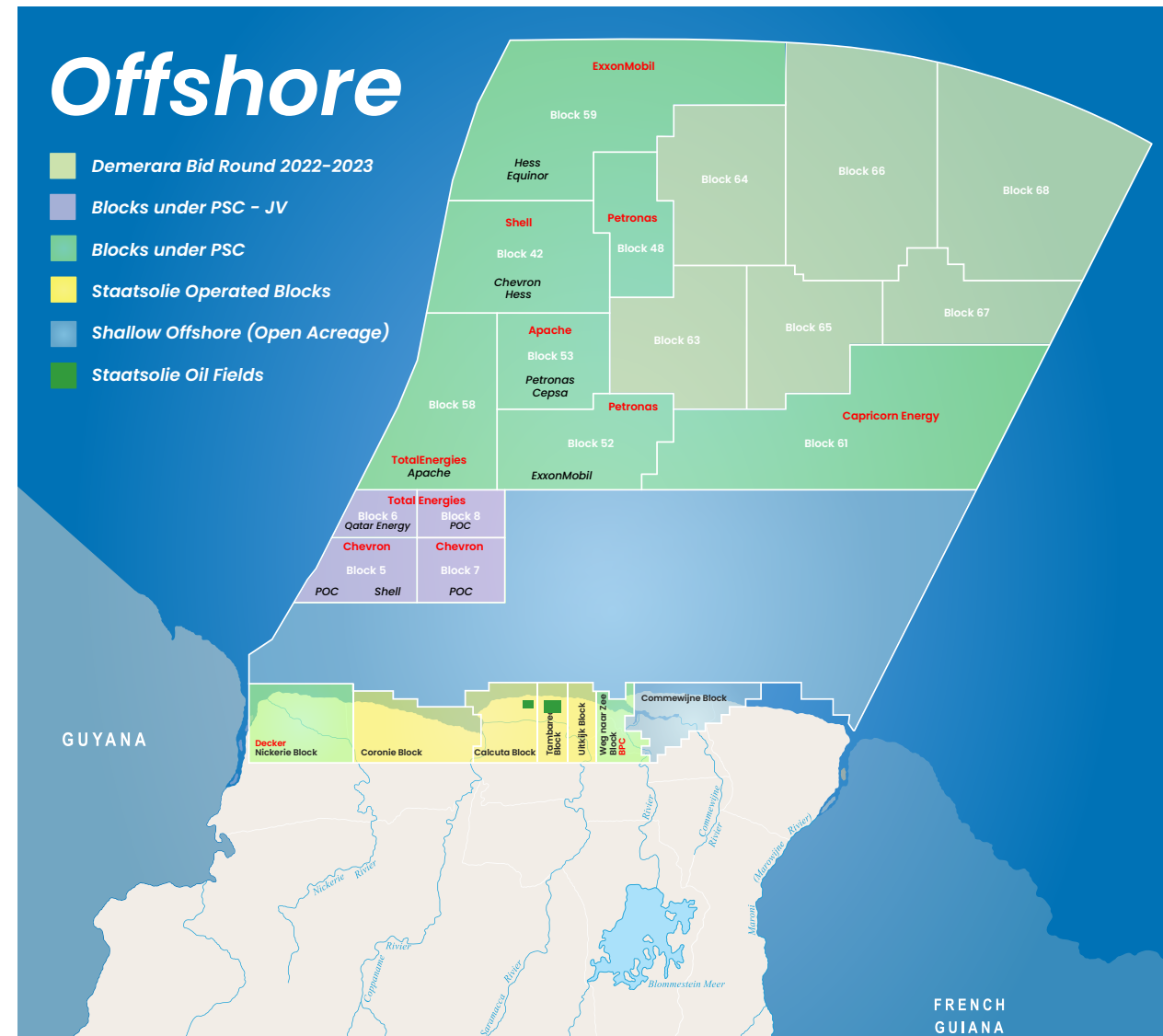
New Reserves

We continue to seek further onshore reserves through exploration, appraisal, and by activating improved and enhanced oil recovery initiatives. Over the year, we successfully drilled five appraisal wells and our intention is to bring three of these into production once the necessary facilities are in place.

The evaluation of these appraisal wells is scheduled for early 2023. We started 2022 with 89.07 million barrels in proven reserves and 15.03 million barrels of reserves were added in 2022, bringing the total of proven reserves to 97.95 million barrels at year-end.



Onshore and offshore exploration and production Suriname



DOWNSTREAM

Our downstream activities include refining, power generation, marketing, and sales.

Refinery

Saramacca Crude is processed at our refinery at Tout Lui Faut in the Wanica District and is being refined to ultra-low-sulfur diesel, gasoline, different grades of fuel oil, and bitumen. Since its 2014 commissioning and start-up, we have implemented efficiency programs, enabling a processing capacity of 16,300 barrels per stream day. Most of the refined products are sold locally, with the surplus exported to the Caribbean.

The refinery achieved record levels of production in 2022, with 3.3 million barrels of high-end diesel and gasoline, an increase of more than 300,000 barrels compared to 2021. The refinery also produced approximately 1.9 million barrels of fuel oil and bitumen.

Refinery uptime in 2022 was 93%, up from 91% in 2021. We continuously focused on maximizing availability, maintaining production levels of high-end products, and reaching the goal of zero downtime.

In Q1 2024, we will conduct a major inspection and overhaul of the refinery, which occurs every four years.

Power

Our subsidiary, Staatsolie Power Company Suriname (SPCS), established in 2006, started with thermal power generation and since 2020 also operates a hydroelectric dam. Together, they supply approximately 75% of Suriname’s electricity demand. The hydroelectric dam had a share of approximately 65% of the national electricity supply in 2022.

In 2020, the Afobaka hydroelectric facility was transferred to Staatsolie via the Government of Suriname, including a dam on the Suriname River built by Alcoa in the 1960s. This decision was based on an external assessment, determining that Staatsolie has the management systems and capabilities necessary to manage such an operation. SPCS assumed operation of the 189 MW hydroelectric facility on 1 January 2020.

The thermal power plant has an installed production capacity of 96 MW and provides a secure source of power and process steam to Staatsolie’s refinery while delivering excess electricity to the national grid.

Sales

We sell and distribute refinery products in local and regional markets. Through our subsidiary GOw2 Energy Suriname N.V., we serve the retail market with Staatsolie high-end motor fuel and imported lubricants.

In 2022, sales of refined products were strong, with 5.7 million barrels sold in B2B markets compared to 5.3 million barrels in 2021. Prices increased as a result of the ongoing Russia-Ukraine conflict and its effects on global energy supplies.



In 2022, positive operational performance of the upstream and downstream, combined with favorable commodity prices and efficiency programs led to a significant increase in financial results in several categories.

	2022	2021	↑ %
Consolidated revenue	US\$ 840 million	US\$ 558 million	51
EBITDA	US\$ 648 million	US\$ 398 million	40
Profit before income tax	US\$ 430 million	US\$ 224 million	53
Contribution to the Government of Suriname	US\$ 320 million	US\$ 186 million	38

1.3 OUR VISION, MISSION, AND VALUES

Our vision, mission, and values are designed to support our long-term growth ambitions and ability to adapt to a changing environment.



OUR VISION

Energizing a bright future for Suriname.



OUR MISSION

Developing energy resources to maximize the long-term value for Staatsolie and Suriname.



OUR STRATEGY

Develop offshore and renewables, optimize onshore and downstream, and grow capabilities with an engaged workforce, inspired by our values.



At Staatsolie, we care about the well-being of all of our employees, the communities, and the environment where we operate



OUR VALUES

At Staatsolie, we care about the well-being of all of our employees, the communities, and the environment where we operate. We maintain high operating standards and are committed to innovation in our business and operations. Our core values are reflected in the way we work and do business.

ZERO HARM:

We strive for zero harm to the planet and our people, with a key focus on the communities and environment around us.

INTEGRITY:

We are honest and do what we say we will do.

EXCELLENCE:

We accept responsibility and deliver high-quality work with a sense of urgency.

TEAMWORK:

We trust and respect each other, work together, and create a non-blaming environment.



1.4 THE IMPORTANCE OF SUSTAINABILITY FOR STAATSOLIE

We firmly believe that sustainability is an essential condition for the successful continuation of our business.

Our commitment to sustainability encompasses the prevention and mitigation of environmental impact, the upholding of human, labor and community rights, the promotion of robust governance practices, and the contribution to economic growth. Through our journey of growth, we have developed partnerships with IOCs, key service providers, and other global institutions such as banks and investors, and we endeavor to strike a balance between human welfare, environmental preservation, and financial prosperity.

In our pursuit of securing the needs of current and future generations, we continuously refine our approach to energy reliability, affordability, and sustainability.

The SDGs provide a robust framework for further guiding our sustainability efforts. Furthermore, Staatsolie is part of the coalition of leading companies that have committed to accelerate the realization of the SDGs in Suriname. In line with this commitment, we have chosen to focus on the following five goals:

- SDG 7: Affordable and clean energy**
- SDG 8: Decent work and economic growth**
- SDG 12: Responsible consumption and production**
- SDG 13: Climate action**
- SDG 14: Life below water**



Staatsolie has a broader focus on translating all SDGs into general KPIs, while company-specific measures will mainly be based on these five priority SDGs.

To guide Staatsolie in the sustainability process, we are working on defining our framework and a roadmap. This will provide an overarching structure, pillars with specific issues to be addressed, the associated KPIs, thus the Sustainability Roadmap.





1.5 OUR STAKEHOLDERS

Our stakeholders play a crucial role in promoting sustainability at Staatsolie, mainly because they represent a wide range of groups that have an interest in or are influenced by our activities. A stakeholder mapping exercise was conducted in order to identify these key stakeholder groups. Our relationships with these groups help ensure that decision-making processes consider a broad range of potential impacts and perspectives.

By involving a diverse range of voices, we can make more informed decisions, manage risks, build a positive reputation, remain competitive, and contribute to a more sustainable and prosperous future.

KEY STAKEHOLDER	WHY WE ENGAGE	HOW WE ENGAGE
Employees	Our employees are our most important asset. Their efforts allow our company to flourish. We focus on their safety, invest in their development and promote their well-being by creating an atmosphere in which diversity, inclusion, and respect for human rights are encouraged.	<ul style="list-style-type: none"> Roadshows with the Board of Executives Directors (BoED) minimum twice per year Intranet Emailing system with announcements Direct meetings Focus groups as part of STEP – Staatsolie Engagement Program Breakfast with the BoED Employee engagement surveys
Labor union	We uphold the right to freedom of association, to unionize and to collective representation, regardless of location or duties. We take an honest and open approach to working with labor unions and undertake negotiations in good faith; 66% of employees at Staatsolie are members of the union.	<ul style="list-style-type: none"> Regular engagement as necessary with labor union engagement leads Quarterly meetings and company updates with the BOED
Local communities	Located at each major operating site, there is a community representative responsible for frequent and honest interaction with the local communities in the proximity of our operations. They engage with the communities to share information about our activities that may affect them, key risks, and control measures, and to help us understand their views and address any concerns raised.	<ul style="list-style-type: none"> Planned engagements Broad community engagement activities Community investments by Staatsolie and the Staatsolie Foundation Grievance resolution mechanism Early consultation
The Republic of Suriname (the sole shareholder)	Developing and sustaining positive and transparent relationships with this stakeholder is crucial. We continuously strive to minimize shareholder risk and maximize value creation by adhering to the highest ethical standards.	<ul style="list-style-type: none"> AGMs Meetings Website News releases Reports and presentations
Financial institutions and investors	We rely on additional sources of capital to support our growth ambitions and institutions to insure our assets.	<ul style="list-style-type: none"> Regular performance updates through formal investor relations department Investor events Website News releases Reports and presentations
Supervisory Board	The Supervisory Board has overall responsibility for the stewardship of the company. The Executive Board agrees the strategic direction with the Supervisory Board and discusses the status of strategy implementation with the Supervisory Board at regular intervals.	<ul style="list-style-type: none"> Board and strategy meetings Training sessions Site visits
Authorities	We engage local authorities as well as governmental and district commissioners.	<ul style="list-style-type: none"> Regular meetings Requests (from the authorities) for information Requests (from Staatsolie) for approvals/permits
Customers	We service thousands of customers each day at our retail sites and provide energy to meet 75% of Suriname's electricity demands. Our relationships are vital in enabling an energized future for Suriname.	<ul style="list-style-type: none"> Daily interactions at retail sites Customer engagement surveys Customer service Customer satisfaction surveys
Media outlets	We engage with the media at global, national and local levels on topics of public interest. Our approach is one of transparency and timely communications to support accurate disclosure.	<ul style="list-style-type: none"> News releases Website Social media Interviews Corporate publications
International oil companies	We maintain consistent, positive engagements with partner IOCs to sustainably develop the offshore. In addition, this provides an opportunity to learn from best practice and to find industry-wide solutions to common challenges.	<ul style="list-style-type: none"> Ongoing meetings Performance updates Local content subcommittee
Suppliers and contractors	We maintain good relationships with our suppliers and customers, engaging regularly with them to understand their views, expectations, and perspectives.	<ul style="list-style-type: none"> Tender process screening Account management protocols, inclusive of diligence and capacity audits Project management protocols



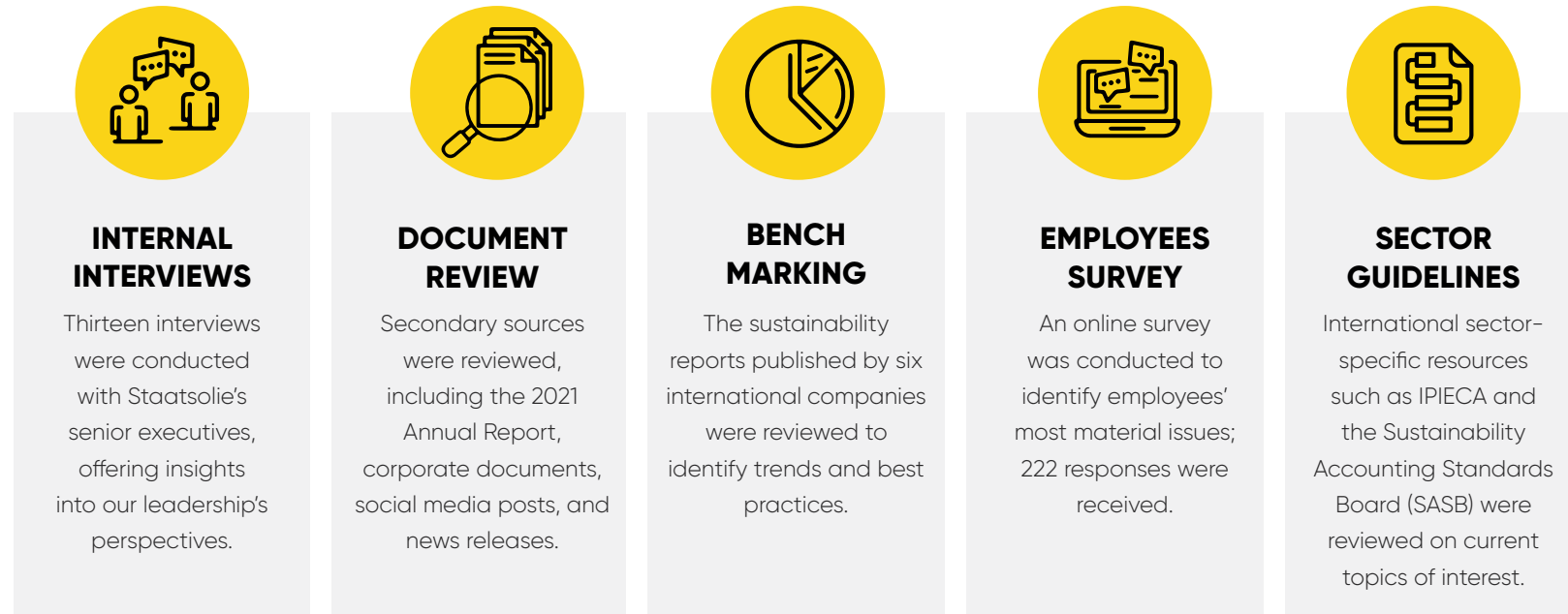


1.6 THE MATERIALITY PROCESS

The purpose of a materiality assessment is to determine the sustainability-related issues that are relevant to Staatsolie due to their impact on the organization's economic, environmental, and social aspects or because they have a major influence on stakeholder decisions. This process enables Staatsolie to focus on the most material issues and to align its efforts with stakeholder expectations.

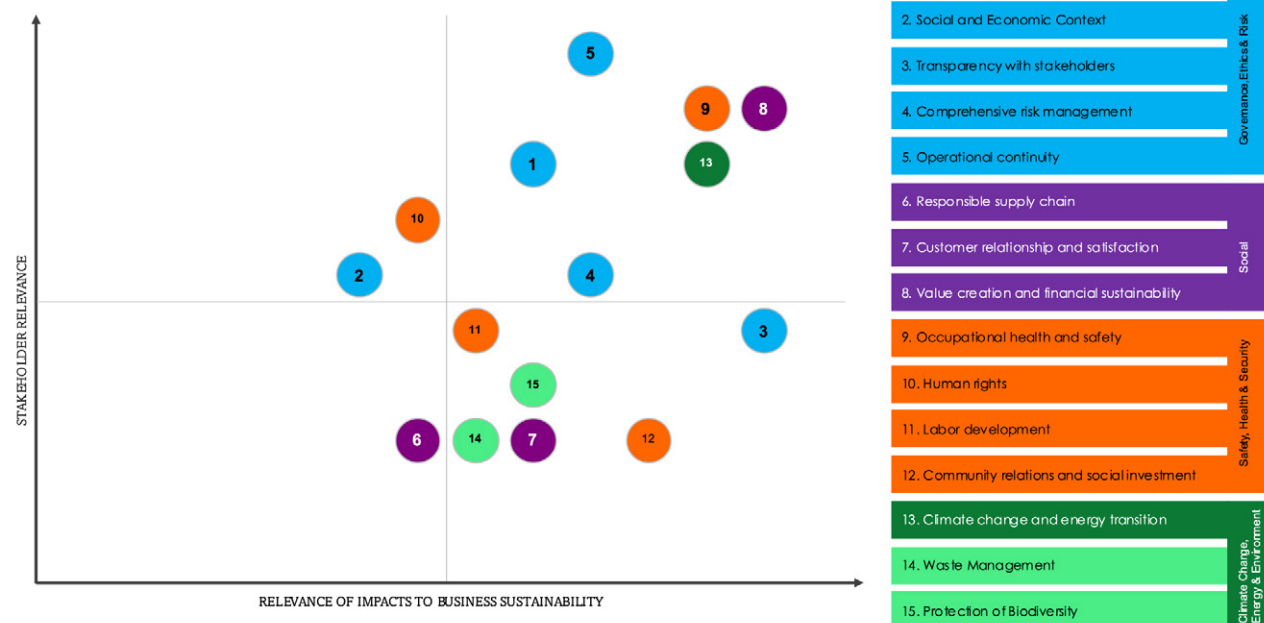
METHODOLOGY

In 2022, Staatsolie conducted a desktop materiality assessment which allows us to define our material issues based on our business-as-usual engagements with both internal and external stakeholders. With the assistance of external expertise in this field, we used the following sources to select the fifteen most material items for Staatsolie:



The outcome of this exercise was plotted onto an IPIECA materiality matrix. The key issues are organized into five key topics: Governance, ethics and risk; Climate change, energy and environment; Safety, health, and security; and Social.

Materiality Matrix



In the following section, the highest ranked issues will be addressed, in the order of relevance.

- Operational continuity:** This issue is related to the company's ability to keep the operations running. Operational risks are related to risks of losses caused by ineffective or failed processes, policies, systems, or external events that disrupt Staatsolie's core business operations. To ensure and maintain Staatsolie's success of core operations and functions, we assume a marginal risk appetite regarding operational continuity. In addition, mitigation measures are defined, resulting in good control regarding operational continuity. Chapter 2 provides more details about our approach to risk management and more information on our Governance, Risk, and Compliance activities.
- Occupational health and safety:** This issue covers all health and safety aspects in the workplace. In pursuit of zero harm, we recognize that our attitude and treatment toward our employees and local communities is fundamental in creating a Health, Safety, and Environment (HSE)-conscious culture across the organization. As such, we have a firm stance of minimal risk appetite when making decisions that impact the health and safety of employees and communities as well as decisions that could potentially result in adverse environmental impacts. We strive for zero harm regarding our people and the environment around us. We will mitigate this risk to as low a level as feasibly possible and any materialization of such risks will be addressed and remediated immediately. Chapter 5 covers our health and safety performance for 2022.



- **Value creation and financial sustainability:** This issue is related to being a financially stable company. This is an integral aspect of the company and essentially the lifeline of a responsible and sound company. In this report it is reflected in the way we are governed, and create a transparent and inclusive supplier base to maximize local content.
- **Ethics and regulatory compliance:** Ethics and regulatory compliance are related to management aspects that prevent unethical behavior, including corruption, fraud, and bribery. As such, ethics and compliance are important for the company's economic sustainability. Chapter 2 describes our governance approach and strategy with a focus on governance, ethics, and risk.
- **Climate change and energy transition:** Climate change and the energy transition are related to the reduction of polluting emissions and investment in renewable energy. This issue is very important because of global business model shifts driven by a global de-carbonization mandate that favors investment in transition fuels (like natural gas), renewable energy, nature-based solutions, and carbon capturing and sequestration. Chapter 3 and 4 contain indicators related to climate change and the protection of biodiversity. They also include reporting on spills, water management, emissions, and energy use.
- **Comprehensive risk management:** Comprehensive risk management is related to the use of management systems and scenario planning to identify and prevent significant potential environmental and social externalities. This issue is highly important, as social, economic, environmental, and legal aspects are included in Staatsolie's risk matrix. With a Risk Appetite Statement (RAS) as a guiding principle, Staatsolie demonstrates that the organization has a clear and objective understanding of the risk exposure it is willing to bear and the limits in which the organization is willing to operate within. Staatsolie's approach to risk management is driven by the organization's pursuit of growth and diversification in line with the corporate strategy and objectives outlined in its Vision 2040. In delivering these strategic initiatives and achieving corporate objectives, Staatsolie accepts that a level of risk must be taken with regards to each objective. Chapter 2 outlines our approach to risk management and provides more information on our Governance, Risk, and Compliance division.

The detailing in the following chapters will include the fifteen identified items as well as typical subjects included in these chapters as referenced by IPIECA.





CHAPTER 2

GOVERNANCE, ETHICS, AND RISK



At Staatsolie, we believe it is important to build an environment of trust, transparency, and accountability. This creates a reputation enabling us to attract long-term investments and gaining support from our stakeholders, including regulatory institutions and the general public.

Robust governance structure, ethical decision-making, and effective risk management are necessary to form a solid foundation for corporate sustainability. In this chapter we elaborate on our:

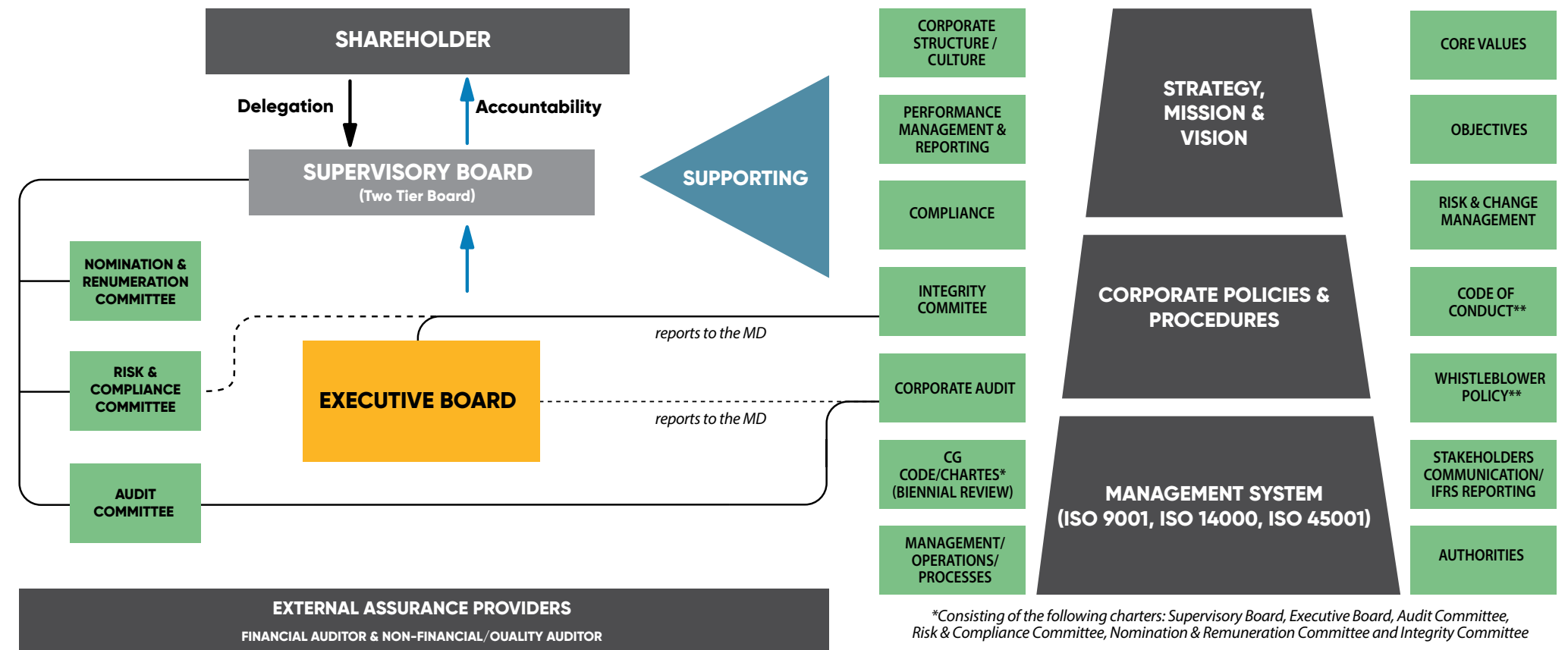
1. Corporate governance framework
2. Ethics and regulatory compliance
3. Transparency
4. Operational continuity and risk management



CORPORATE GOVERNANCE FRAMEWORK

2.1 GOVERNANCE

Our corporate governance framework, depicted below, establishes the principles and responsibilities of the Board of Executive Directors (BoED) and the Supervisory Board. This framework consists of charters setting rules of engagement for the Supervisory Board, Executive Board, Audit Committee, Risk and Compliance Committee, Nomination and Remuneration Committee, and Integrity Committee. Read our full Corporate Governance Code [here](#).



*Consisting of the following charters: Supervisory Board, Executive Board, Audit Committee, Risk & Compliance Committee, Nomination & Remuneration Committee and Integrity Committee
 **General Anti-Money Laundering aspects are covered in the Code of Conduct & Whistleblower Policy

2. Governance, Ethics, and Risk

2.1 Governance

2.2 Ethics


2.3 Operational Continuity and Risk Management



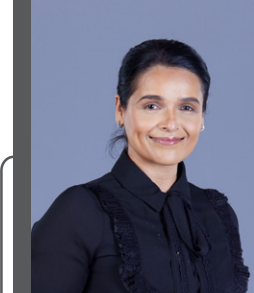
The BoED is responsible for supervising the activities of the company, including all operational matters, resource allocation, and direction-setting to execute the strategic plans as approved by the Supervisory Board. Both the BoED and Supervisory Board are responsible for creating long-term value and promoting openness and accountability.

The Supervisory Board has an oversight role with regard to the general affairs of the company. The BoED discusses the status of strategy implementation with the Supervisory Board at regular intervals. This is based on the strategic plan developed by the Executive Board and approved by the Supervisory Board.


SUPERVISORY BOARD AS OF 31 DECEMBER 2022




H. Alendy
Chairman



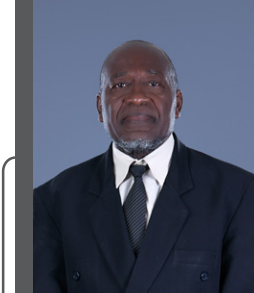
M. Shrihar Doobe
Member/Secretary




L. Jack
Member




G. Asadang
Member



D. Caffé
Member




J. Bousaid
Member




W. Dwarkasing
Member


BOARD OF EXECUTIVE DIRECTORS AS OF 31 DECEMBER 2022




Annand Jagesar
Managing Director



Agnes Moensi – Sokowikromo
Finance Director



Rekha Bissumbhar
Upstream Director



Eddy Fränkel
Deputy Director
Power & Sustainable Energy



Full biographies outlining the experience and skillsets of our leadership can be found on our website [here](#).

In 2021, Staatsolie's corporate governance structure was strengthened through creating the following Supervisory Board subcommittees:

- Audit Committee
- Risk and Compliance Committee
- Nomination and Remuneration Committee

Each committee focuses on specific issues in preparation for decision-making by the entire Supervisory Board.

THE COMPANY'S GENERAL PRINCIPLES INCLUDE:

- Staatsolie is governed by an independent Supervisory Board that oversees the organization's strategy and long-term value creation while the BoED is responsible for the long-term continuity of Staatsolie and effectively runs the daily operations.
- The Supervisory Board and BoED have a fiduciary duty to act in the best interests of Staatsolie and apply the principles of independence, probity, honesty, and diligence.
- The Supervisory Board should review its composition at least annually or as needed to confirm that it is operating at full capacity and that its members have the appropriate expertise, skills, diversity, and independence.
- The Supervisory Board must oversee that the BoED has sufficient resources to meet its strategic objectives and that the BoED establishes a framework of prudent and effective controls for risk management.
- The Supervisory Board shall assess the interest of the shareholder and maintain open communication and constant engagement.



SUSTAINABILITY GOVERNANCE

The BoED is the company's highest-ranking authority and main decision-maker on matters related to sustainability and how they affect operational and financial performance. In 2021, Staatsolie formalized its commitment to strong ESG principles by establishing an ESG Committee that includes representatives from several operational departments. These departments were selected based on their contribution to and management of material ESG matters.

The ESG Committee is tasked with ensuring that ESG matters are regularly assessed among the company's leadership. The finance director is the chair of the ESG Committee, and the managing director is ultimately responsible for its work.

The policies that address sustainability issues include the Sustainability Policy; the Corporate Governance Code, the Corporate Social Investment Policy; the Corporate Communication Policy; the Health, Safety, Environment, and Quality (HSEQ) Policy; the Procurement Policies and Procedures; the HRM Policy; the Recruitment Policy; the Performance Management Policy; the Whistleblower Policy; and the Code of Conduct.

We use several standards and tools to set performance requirements and monitor results. Our Performance Scorecard, covering production, operational efficiency, HSE, and capital allocation, provides a visual overview of the company's progress over time toward specific goals. Information on performance indicators and targets is available in a dashboard application and provided in Quarterly Performance Presentations to the BoED.

2.2 ETHICS

We want all our employees to live our values of zero harm, integrity, excellence, and teamwork. Our Code of Conduct provides a framework on how to behave in the business and illustrates how our activities impact internal and external stakeholders and the broader community.

The Code describes ethical expectations and highlights the importance of confidentiality, objectivity, and competence, as well as enforcement and potential consequences for policy breaches.

We believe that we must commit to meeting our legal obligations and conduct business ethically and responsibly with openness, integrity, honesty, and in accordance with this Code. Our four core values help steer the company towards the goal of exemplary corporate behavior. We have an online annual sign-off for the Code of Conduct, via which employees commit to the expectations regarding behavior. Through a short video, we made the Code of Conduct process more relatable and interesting.

We have a zero-tolerance policy on bribery, corruption, and the exercise of improper influence by our employees in their dealings on behalf of Staatsolie with both public officials and private organizations.

The Code of Conduct instructs employees to avoid any situations in which potential bribery or corruption may occur or may be perceived to have occurred.

We have established an Integrity Committee that consists of the corporate human resources manager, corporate legal affairs manager, and corporate audit manager. This committee manages and oversees ethics and compliance issues. The composition of the Integrity Committee is such that there is at least one member with a clear understanding of key international legislation designed to combat illegal business activity such as those that address bribery and corruption, money laundering, and financing terrorism.

Every employee has a duty to report any irregularities or suspected breaches of the standards outlined in the company's Code of Conduct or any other applicable legal/regulatory requirements or professional standards to the Integrity Committee. These include, but are not limited to, dishonesty, fraud, or theft and include corruption or other illegal business activities. Our Whistleblower Policy provides guidelines for reporting irregularities and describes safeguards for a whistleblower.

Contractors and suppliers are also required to adhere to all applicable laws, the Supplier Code of Conduct, and other policies.

TRANSPARENCY

We are committed to maintaining strong, open, and effective relationships with local and international governmental agencies, regulators, internal and external auditors, and other stakeholders. It is crucial that employees fully and honestly cooperate with these parties, as failure to provide disclosures may result in fines, penalties, license revocation, and civil or criminal charges.

We are a supporting company of the Extractive Industries Transparency Initiative (EITI) and committed to transparency and to supporting the activities of the EITI. We have actively participated in the process led by the Government of Suriname in becoming a candidate country, as of 24 May 2017, and are a primary member of the multi-stakeholder group responsible for implementing the EITI in Suriname. By supporting EITI, we commit to encourage initiatives to maintain transparency in accounting for revenues related to natural resource extraction, reduction in poverty, and progress in the fight against corruption.

DEALINGS WITH THE GOVERNMENT OF SURINAME

Staatsolie fulfills its contributions to the Government of Suriname through taxes, dividends, and royalties. It is important to note that we are firmly committed to upholding our Code of Conduct, which unequivocally prohibits any involvement in political contributions, safeguarding the integrity of our organization and ensuring a sustainable and equitable future for Suriname.





2.3 OPERATIONAL CONTINUITY AND RISK MANAGEMENT

In order to ensure operational continuity, Staatsolie has implemented a thorough risk management approach. Due to the recent growth in our operations, applicable laws, regulations, accepted standards, and the number of stakeholders involved, the Risk and Compliance System is continuously being evaluated and revised. Increasing uncertainty means that effective identification, monitoring, modeling, and reporting of risk is required by Staatsolie to comprehensively manage risk and remain resilient. This upgraded system will address higher financial risks, such as those related to participation in offshore developments.

The Supervisory Board is responsible for setting the tone by promoting a disciplined risk culture and approving the strategy and risk appetite. The BoED reviews and approves Staatsolie's Enterprise Risk Management (ERM) and Compliance frameworks and actively monitors compliance with its obligations.

The Governance, Risk, and Compliance division is tasked with monitoring the actual progress of achieving organizational objectives, including risk management. Finally, the internal auditing body provides independent assurance on the effectiveness of the company's governance model and ERM design.

Staatsolie is exposed to a wide range of risks that can impact its health, safety, environment, reputation, local communities, and financial performance. We have implemented a management system that allows us to methodically oversee these risks. The ERM system is based on ISO 31000 for risk management and the Committee of Sponsoring Organizations (COSO) guidelines.

The purpose of the ERM is to identify, prioritize, and mitigate internal and external risks that can impact the achievement of company objectives.



To effectively manage risks, we have identified eight key risk categories (see table below). The risk appetite for each category has been defined, guiding us in managing the risks in all our endeavors.

RISK CATEGORY	RISK DESCRIPTION
Health, Safety, and Environment	HSE risk encompasses negative impact to the health and well-being of employees, customers, residents, communities, and the broader environment resulting from either ineffective action or inaction taken by Staatsolie.
Strategic	Strategic risk refers to the internal and external events that may inhibit Staatsolie's ability to achieve the objectives and strategic goals outlined through Vision 2040.
Regulatory and Compliance	Regulatory and Compliance risk refers to the potential of a change in laws and/or regulations or the non-compliance to existing laws and regulations resulting in material impact and losses to Staatsolie's business and operations.
Reputation and Brand	Reputation risk relates to the risk of failing to meet stakeholder expectations as a result of any event, behavior, action or inaction, either by Staatsolie, our employees, or any associated parties with whom we are associated, which could result in stakeholders having a negative view of Staatsolie.
Operational	Broadly, Operational risk is the risk of losses caused by ineffective or failed processes, policies, systems, or external events that disrupt Staatsolie's core business operations.
People and Culture	People and Culture risk can be considered as the negative financial and non-financial risk that results from misalignment between Staatsolie's values, leadership actions, employee behaviors, and organizational systems.
Financial and Market Forces	Financial and Market Forces risk represents the risk of financial instability and inability to fulfill Staatsolie's financial obligations resulting from non-optimal operating decisions, external volatility in commodity prices, and fluctuations in interest rates and foreign exchange rates.
Investment and Capital Allocation	Investment risk can be considered as the risk that the capital allocation to a specific investment or venture turns out less profitable for Staatsolie relative to the expected return on the investment or venture.



CHAPTER 3

CLIMATE CHANGE AND ENERGY

3.1 CLIMATE CHANGE

We acknowledge both the risks and opportunities presented by climate change. Furthermore, we recognize the expectations of stakeholders, who seek to understand how Staatsolie is addressing these climate-related risks and opportunities.

We have taken a multidimensional approach to addressing climate risk and opportunity:



We consider worldwide developments in our strategic plan, as such we are preparing our company to be ready for the transition. We are proud to report that we have already built a diversified product offering across the energy supply spectrum, from hydrocarbon products to renewable energy provision.



We are measuring our GHG emissions and preparing plans to come to net zero in the future. This plan will include preferences given to capital projects that will enable energy efficiencies, emission reductions, and cost savings.



We are engaging with industry and other key stakeholder groups to enable a just transition that meets the sustainability, accessibility, and affordability requirements of the people of Suriname.



CLIMATE RISK AND OPPORTUNITY

In our risk management we include climate change risk assessments and opportunities.

Although this operation took place within the limits of our operational guidance and in consultation with the Government, we have since adjusted our engagement with local communities and will update the risk record based on new insights to further strengthen our internal measures for such climate change events.

Physical risk, precipitation specifically, presents a risk to our operations. During 2021, we experienced a significant increase in precipitation which required keeping the spill gates open at the hydroelectric facility for prudent dam safety reasons. Subsequently, communities were impacted across the natural downstream floodplains.

OPERATION	DECARBONIZATION OPPORTUNITIES
SPCS	<ul style="list-style-type: none"> • Converting power generation from heavy fuel oil to natural gas • Increase efficiency of hydro power plant • Increase waste heat recovery • Improve efficiency of thermal generating units • Expand solar generation
Upstream	<ul style="list-style-type: none"> • Increase utilization of associated gas
Refinery	<ul style="list-style-type: none"> • Improve the energy efficiency of the process furnaces • Reduce steam losses • Minimize flaring
GOw2	<ul style="list-style-type: none"> • Reduce fuel and electricity consumption • Pilot electric vehicle utilization



3. Climate Change and Energy

3.1 Climate Change

3.2 Emissions and Energy Use



3.2 EMISSIONS AND ENERGY USE

EMISSIONS

Our total emissions for 2022 were 670,692 tons of CO₂ equivalent. The majority of this consists of direct emissions from owned and controlled sources. This posed a challenge as well as an opportunity to identify and reduce our emissions. The GHG Protocol was used and the calculated Scopes 1 and 2 for the 2021 baseline were verified by Det Norske Veritas (DNV). The GHG inventory is still undergoing improvement and new insights have been incorporated in the 2022 calculations versus the 2021 baseline. The improvement of the inventory will continue through 2023.

The table below specifies the emissions of 2022 versus 2021. The overall emission has decreased slightly with almost 2% due to the following reasons:

- Reduction in upstream emissions due to switch from crude oil to gas as fuel for the heaters
- Higher hydro/thermal energy production ratio at SPCS in 2022 versus 2021
- Increase at the refinery due to the higher utilization of the refinery in 2022 in combination with lower heating efficiency

SCOPE 1: Direct emissions (tons CO ₂ -eq)	2021	2022
Upstream	70,597	49,327
Refinery	295,135	338,112
SPCS	247,425	218,054
GOW2 and headquarters	782	5,286
Total Scope 1 emissions	613,939	610,779

SCOPE 2: Emissions from procured electricity (tons CO ₂ -eq)	2021	2022
Upstream	7,325	6,887
Refinery	55,630	47,505
SPCS	5,572	5,121
GOW2 and headquarters	423	390
Total Scope 2 emissions	68,950	59,903
Total Emissions	682,889	670,682

The table below gives an overview of the intensity of the CO₂ emissions per production asset.

SPECIFIC EMISSION RATES (INTENSITY)		2021		2022	
Activity	Unit	Scope 1	Scope 2	Scope 1	Scope 2
Upstream	Kg CO ₂ /bbl. produced	12.02	1.25	8.03	1.12
Refinery	Kg CO ₂ /bbl. processed	57.91	11.03	59.36	10.84
SPCS	Kg CO ₂ /kWh produced	0.171	0.0038	0.146	0.0034

CO2 EMISSIONS BASELINE

In 2021, we reviewed our carbon footprint data to identify risks and opportunities in this area. We started conducting monthly measurements and quarterly reporting on Scope 1 and 2 CO₂ emissions.

Several initiatives have been implemented across our current operating footprint with the possibility to reduce greenhouse gas emissions by approximately 65,000 tons of CO₂.

For example, within our upstream operation the methane that was vented in 2021 was, in 2022, for a large part used for crude treatment instead of crude as a fuel. Besides economic gain this resulted in significant CO₂-equivalent reduction.

Our emitted compounds are monitored, e.g., stack emissions are monitored once every two years for the quality of combustion emissions. Daily monitoring is performed for the most significant parameters at the southeast fence line of the refinery and thermal power plant on ambient level.

With regards to sulfur oxides (SO_x) and nitrogen oxides (NO_x), emissions totaled 2,250 tons and 1,471 tons respectively from the refinery and SPCS operations.

ENERGY USE

We launched various projects to reduce energy use and increase operational efficiency.

At the refinery, process efficiencies led to a drop in LPG consumption, resulting in emissions and cost reductions. Further efficiencies in steam capture and utilization will be assessed in 2023.





4

We are committed to our zero-harm value and conduct our operations in such a way that we minimize impact on the environments we work in. We have an aging asset base, which we are diligently bringing back to standard in order to be able to adhere to this commitment. In addition, we continue to explore and invest in technologies and procedures to improve the sustainability of our operations to enhance our environmental stewardship.

4. Environment

- 4.1 Waste Management
- 4.2 Protection of Biodiversity
- 4.3 Spills Prevention
- 4.4 Effluent



CHAPTER 4

ENVIRONMENT

4.1 WASTE MANAGEMENT

Staatsolie is committed to managing waste responsibly in conformance with national legislation and international codes of best practice. In 2023, our corporate waste recycling program will be launched, focusing on waste reduction through recycling initiatives.

Waste treatment overview:

ASSET	VALORIZATION	LANDFILL	OTHERS*	STORAGE**
Upstream	8.7%	0.05%	42.8%	48.45%
Downstream	7.9%	29.55%	5.47%	57.09%

* Incineration and biotreatment.

** Used when waste is temporarily stored before the treatment method is decided.

ASSET	WASTE GENERATED (TON)
Upstream	4,973
Downstream	332

4.2 PROTECTION OF BIODIVERSITY

Staatsolie is committed to minimizing the loss of natural habitat and protecting biodiversity, ecosystems, flora and fauna, water sources, and water quality. In 2020 Staatsolie became a member of the Suriname Conservation Foundation Green Partnership Program (SGPP). The SGPP is an initiative of Suriname Conservation Foundation (SCF) whereby participating companies support awareness for and protection of nature with their partnership.

Suriname's protected areas, encompassing Multiple Use Management Areas (MUMA), nature reserves, and nature parks, fall under International Union for Conservation of Nature's Red List of Threatened Species (IUCN) Category VI "Protected area with sustainable use of natural resources."

Three of Staatsolie's oilfields, TA58 crude treatment plant, polymer plant, and waste treatment facilities are situated within the North Saramacca MUMA. Additionally, the Tambaredjo and Tambaredjo Northwest oilfields adjoin the Coppename Monding Nature Reserve in the north.

Environmental monitoring is being executed in a collaborative effort with Suriname's Forestry Department (LBB) as part of our upstream operations Environmental and Social Management Plans (ESMP). Activities include annual aerial surveys to pinpoint breeding bird colonies within the Coppename Monding Nature Reserve.



In the upstream, our focus is on expanding wetland operations while emphasizing biodiversity preservation. In order to leave nature as much as possible in its original state we started our so-called wetland operations in 2006. As our concessions are not open for third parties and no other activities are allowed, including hunting and fishing, flora and fauna were positively impacted.

Environmental and social impact assessment studies are conducted for all newly initiated activities in line with the National Institute for Environment & Development in Suriname, Nationaal Instituut voor Milieu en Ontwikkeling in Suriname (NIMOS) guidelines. This has been common practice for many years. During 2022 we had a total of eleven sites with operational environmental permits, nine from upstream, one from downstream, and one from Power and Sustainable Energy.



4.3 SPILLS PREVENTION

In our operations the following measures are taken to prevent and mitigate the impact of (oil) spills:

- Bund walls and other containment elements
- Job safety assessments
- Operator rounds
- Preventive maintenance performed on company equipment
- Oil spill training by Oil Spill Response Limited
- Emergency response readiness training
- All chemicals are placed in areas with curbs to contain possible spills
- Waste from the hydro units at the Afobaka Dam is released into an oil-water separator before being discharged downstream
- Oil-water content at the discharge point is measured in various parts of the thermal plant
- SPCS launched operations excellence programs focused on autonomous maintenance by operators and oil spill prevention in the engine halls of the thermal plant in 2021. This has reduced oil spill rates.

REPORTED SPILLS

A total of fifteen oil spills involving more than the equivalent of one barrel were reported in 2022, with a total volume of 469 barrels. One downstream spill was the main contributor to this total; however, the spill was contained and did not effect the environment.

SPILL RESPONSE

Emergency response plans are in place and reviewed and updated annually to respond to possible spills at each site. Spills that cannot be prevented require immediate containment, clean-up, and notification of all relevant stakeholders.



4.4 EFFLUENT

We have a monitoring system for measuring and analyzing the quality of the effluent and surface water in the onshore operations. We are continuously improving our processes to ensure compliance with the applicable regulations, standards and baseline results related to water quality. Some parameters that are measured include oil and grease, turbidity, chemical oxygen demand, pH, and electrical conductivity. Within the context of water quality, our upstream operations already anticipated the Environmental Framework Law of Suriname to identify and execute environmental improvement projects such as upgrading our crude treatment facilities.

At the Staatsolie refinery, process wastewater is treated for oil and grease (O&G) and total suspended solids (TSS) at the wastewater treatment plant (WWTP). Prior to discharge to the Suriname River, the treated effluent is sampled and analyzed on several parameters including the above mentioned. The analysis results show that both O&G and TSS levels have a decreasing trend. Following a legal compliance gap analysis with the Environmental Framework Law of Suriname and benchmarking with global oil and gas industries, the O&G and TSS limits were reviewed and adjusted. Efforts aimed at compliance with applicable regulations and standards include the routing of the wastewater from the WWTP to two basins before discharge, allowing for a longer retention time. The O&G and TSS trends are expected to decline further due to optimization of the wastewater treatment plant performance in 2023 and other optimization projects which will be implemented in 2024, such as the installation of a gamma ray level transmitter (LT) in the desalter unit. This LT will decrease the O&G content of the desalter's wastewater, which is one of the biggest contributors of process wastewater to the WWTP.



CHAPTER 5

SAFETY, HEALTH, AND SECURITY

We are committed to the physical and mental safety, security, and health of our employees, contractors, residents, and the surrounding flora and fauna.

This commitment is supported by various HSE policies, and environmental and social guidelines provided by organizations such as the National Institute for Environment and Development in Suriname (NIMOS), the Regional Association of Oil, Gas, and Biofuels Sector Companies in Latin America and the Caribbean (ARPEL), ISO, and the Occupational Safety and Health Administration (OSHA).

We strive to foster a safe and healthy working environment that prioritizes the well-being of employees and stakeholders through these comprehensive measures while minimizing adverse impacts on the surrounding environment and communities.



Prioritizing the health and safety of our workforce is fundamental, creating a culture of well-being that forms the foundation of our sustainable operations.

5. Safety, Health, and Security

- 5.1 Occupational Health and Safety
- 5.2 Workforce and Community Health
- 5.3 Transport Safety
- 5.4 Process Safety
- 5.5 Security
- 5.6 Product Stewardship



5.1 OCCUPATIONAL HEALTH AND SAFETY

Zero harm is a core value, and we seek to ensure that our colleagues and those working on our behalf return home safely each day. We maintain a strict focus on safety and encourage employees to look after each other and themselves. We have established a range of HSE initiatives and frameworks across the company.

To prevent fatigue-related incidents and human errors, shift and semi-shift systems with eight-hour shifts are implemented, along with limitations on overtime and stand-by services.

The Personnel Care Department implements, monitors, and evaluates health and well-being programs designed to support the overall well-being of employees. These initiatives include promoting healthy food options, encouraging participation in sports and fitness activities, and conducting Social and Medical Observations (SMO) meetings with management to address social and medical issues affecting employees.





Our Health, Safety, Environment, and Quality Policy embodies several fundamental principles, including compliance with laws and regulations, the provision of secure and healthy workplaces, a commitment to excellence, and the continuous optimization of processes and training. Our HSE management system is implemented around the ISO-14001 and ISO-45001 systems and includes HSEQ manuals, HSE data management and reporting, incident management and investigation, a safety observations system, emergency response, life-saving rules, and many other site-specific procedures.

All employees can submit a risk notification or job safety observation regarding unsafe acts and work conditions. Furthermore, safety meetings are held regularly with the workforce so that employees can raise concerns or identify actions that management should take.

All employees and contractors are also part of the process of executing job safety and risk assessments. We encourage employees to practice STOP (stop, think, observe, and prevent injuries) on unsafe behavior. In 2022, 604 job safety observations were carried out by management, ahead of our target of 503.

We have been preparing for the implementation of the International Oil and Gas Producers (IOGP) Life-Saving Rules (LSR) in January 2023. The LSRs are energy isolation, hot work, line of fire, safe mechanical lifting, work authorization, working at height, bypassing safety controls, confined space, and driving (all moving equipment). Identifying high risk hazards will allow us to better strive for zero harm to our people and communities.

Contractors receive safety training designed to familiarize them with our safety procedures. They also receive more in-depth training on specific procedures when necessary. For example, we hold regular meetings between HSE and our main contractors to encourage them to adhere to safety requirements. We provide specific HSE training to our contractors whenever they need to perform a specific task. Safety requirements for contractors are included in the respective scope of works. In addition to regular meetings, we conduct inspections/job safety observations to verify if our contractors adhere to the requirements.

5.2 WORK FORCE AND COMMUNITY HEALTH

Occupational injury, incidents and illness

For benchmarking purposes, our HSE performance is measured through the Total Recordable Injury Frequency Rate (TRIFR). This reflects the rate of recordable injuries (fatalities, lost time injuries, medical treatment cases, and restricted work cases) per million manhours worked within an organization. Lost Time Injury Frequency (LTIF) data are also measured per million manhours worked.

For benchmarking purposes, our HSE performance is measured through the TRIFR. This reflects the rate of recordable injuries (fatalities, lost time injuries, medical treatment cases, and restricted work cases) per million manhours worked within an organization.

IN 2022, WE CARRIED OUT THE FOLLOWING SAFETY INITIATIVES IN THE OPERATING ASSETS:

- **Established an Employee Suggestion System at the Power & Sustainable Energy Directorate. The best suggestion for improving workplace conditions is recognized each month.**
- **Employees of Power and Sustainable Energy are part of HSE programs and are divided into Area Health, Safety, and Environmental (AHSE) teams. This way, they can contribute to enhancements and new initiatives.**
- **At the refinery complex, we posted billboards to reinforce safety instructions. Employees were engaged to help identify and improve safety at the site and were organized in the team of Safety Champions. In 2022, we implemented a Safety Campaign that consisted of monthly safety topics, safety talks, and walkthrough inspections.**
- **In 2021, at our downstream operations, we introduced the "Slips and Trips" initiative, which raised awareness of the risks of working at heights and the importance of using three-point contact when using stairs. The initiative consisted of an awareness campaign and placing related signs on site.**
- **At the upstream, HSE departmental teams are in place for all operational departments in which HSE-related issues are discussed.**
- **We offered Systematic Cause Analysis Technique (SCAT) training for HSE personnel, upstream managers, and the superintendent. Supervisory personnel will be trained on SCAT in 2023.**
- **Process safety management training.**
- **Snake and Jaguar awareness sessions. The focus was on how to protect the species, but safety aspects were also included for employees on how to act when encountering these species in the field.**

TOTAL RECORDABLE INJURY FREQUENCY RATE 2022

	Recordable Injuries
Employees	3
CONTRACTORS	2
TOTAL	5
TRIFR	1.30

In 2022, the total of manhours worked was **3,871,282**. There were five recordable injuries; three were a medical treatment case and two were a lost workday case. The TRIFR for this year was 1.30, including employees and contractors, compared to 4.15 in 2021 with a total of 4,073,696 manhours worked.

LOST WORKDAYS 2022

	Days
Employees	2
CONTRACTORS	18
TOTAL	20
LTIF	9.91

We continue to strive to eliminate injuries, in line with our core value of zero harm. To achieve this, we have implemented various safety enhancements across our operations.



2022
Safety Talks:
3.864



2022
Safety Observations:
11.834



We encountered a series of incidents over the course of the year that were addressed through the implementation of appropriate measures and protocols aimed at safeguarding our employees' well-being. We have taken several actions to prioritize safety, operational efficiency, and emergency response. These include employee training sessions on topics such as Safety Hazard Identification, Permit To Work, Medevac, Incident Reporting, and Loader Operator training; also, the implementation of adequate handover procedures, task observation enforcement, equipment repairs, and the implementation of inspection sheets. In addition, lighting improvements, warning signals, and upgraded administrative controls have been implemented.

We have also implemented regular checks, engineering controls, and equipment evaluations. These actions reflect our commitment to maintaining a safe and efficient work environment.

Regarding our community, we encourage our safety principles during our engagements and support community initiatives that promote and improve health and safety. Through the Staatsolie Foundation, we have committed to invest US\$ 1 million to the health sector; this program spans two years.

5.3 TRANSPORT SAFETY

Transport is a key aspect of Staatsolie's operations, therefore close attention is paid to safe execution. Regarding transport safety, all operations are handled by a series of protocols and regulations that apply to all Staatsolie premises, which are:

- The "Rijwet" (driving law)
- The Life-saving Driving Rule
- Water traffic regulations
- Vehicle inspections
- Requirement of a license from the Maritime Authority of Suriname for all water traffic
- Regular speed limit measurements
- Operation of airboats only by trained personnel

Staatsolie and contractor employees who operate vehicles on our premises are trained in defensive driving. As part of our commitment to involving local communities in transportation safety efforts, we actively assist local authorities in road maintenance work. We also collaborate with the local police to monitor speeding in traffic and engage in related initiatives.

5.4 PROCESS SAFETY

We operate a complex refinery and manage several processes in onshore operations, including a 55 km-long pipeline to the refinery. In the upstream process safety risks are assessed as part of Hazard and Operability Study (HAZOP), project risk assessment, and major operating risk analysis. At the refinery, we have a well-developed system in place. This system employs a range of indicators, including Management of Change processes and asset integrity management. The refinery, in particular, has implemented a robust set of procedures, including emergency response.

Our pipelines undergo regular inspections to ensure their integrity, while the loading arm on the jetty is equipped with an automated shutdown system to prevent spills into the river in case of an emergency.

5.5 SECURITY

We rely on outsourced security personnel for our internal security operations, but we closely monitor and supervise their activities. There is a security plan in place, and the jetty at our Tout Lui Faut site port is ISPC-certified, indicating compliance with international security standards. In the event of any questions or concerns regarding security, community members have access to the contact information of the security guards.

We have conducted vulnerability and threat risk assessments related to security challenges and management for our upstream operations. Staatsolie has been working on a security management plan, as well as an Awareness Program for our workforce to identify and report possible threats and risks.

5.6 PRODUCT STEWARDSHIP

The long-term sustainability of our business depends to a great extent on our ability to meet customers' demands and expectations in a safe manner. Our products conform to high international health, safety, environmental and performance standards. Compliance of each batch that is sold is rigorously checked and where necessary re-checked in our laboratory or by third parties.

Our Refinery was built especially to produce to Euro V specifications and started production in 2015. In our process we remove sulphur from our fuels to produce ultra-low sulphur Diesel and Gasoline. This sulphur is converted to sulphuric acid. In our fuel oil and crude we use scavengers to lower H₂S contents.

Over the past few years, customer preference is increasingly shifting to interest in sustainability and environmental consciousness, which is driving the development of more efficient processes and innovation. Our customers' demands will continue to influence our strategic direction, products, and their quality.

Our goal is to develop strategic partnerships with them, which involves learning about their business and identifying their needs. We have a 24/7 availability and on-time delivery policy, which make us a trusted and reliable supplier. We strive to continuously improve our customer services and exceed expectations.

Besides the fuels retail market, we have over 300 clients, with the majority in the Caribbean and South America. We provide solutions for the power and energy sector, bitumen market, IOCs operating in Suriname, and the gold market.

Through our subsidiary GOw2 Energy Suriname N.V., we serve the local retail market with products including ultra-low-sulfur diesel and gasoline. GOw2 also provides Jet A-1 fuel to the aviation business.

The following milestones are a testament to our commitment to improving our customers' experience:

GOw2:

- Upgrading of retail stations as part of our World Class Retail Network project.
- Improving local coverage by expanding our retail station network.
- Introduction of a new corporate identity.
- Improvement of logistics to guarantee on-time delivery (containerized refueling solution).

Supply and Trade:

- Supplying of products and services to IOC operators.
- Expansion of the bitumen market.
- Improved customer engagement (relationship management and customer visits).





CHAPTER 6

SOCIAL

We invest in the continuous development of our employees and communities, aligning with our sustainability goals and fostering innovation. Emphasizing inclusivity, diverse perspectives, and human rights principles further enhance our work environment and corporate social responsibility (CSR) activities.

Staatsolie additionally recognizes Article 23 of the Universal Declaration of Human Rights, and the right to work in just and favorable conditions. This is reflected in corporate policies and procedures, and these values are instilled in our employees through mandatory training programs. We delivered approximately 100 training programs during 2022.

Effective instruments include the Collective Labor Agreement, Sustainability Policy, Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) guidelines, stakeholder management procedure, health, safety, and environmental policies and procedures, governance, risk and compliance policies and procedures, and supply chain management policy and procedures.

The Staatsolie human rights due diligence approach is reflected in the following policies:

6.1 HUMAN RIGHTS MANAGEMENT

Our commitment to national and international laws, local standards, and our policies, core values, procedures, and guidelines help us ensure that we adhere to human rights principles. Human rights are addressed by the laws of Suriname, which also govern Staatsolie operations.

This includes:

- Prohibition of forced labor and human trafficking.
- Equal rights for women in the professional sphere (diversity, equity, and inclusion).
- Prohibition of child labor.
- Equal labor rights for migrant workers (diversity, equity, and inclusion).

- Recruitment Policy
- Performance Management Policy
- Code of Conduct (signed by all employees annually)

6. Social

- 6.1 Human Rights Management
- 6.2 Training and Development
- 6.3 Diversity and Inclusion
- 6.4 Workforce Engagement
- 6.5 Contributing to the Community
- 6.6 Our Suppliers



The Collective Labor Agreement is based on local labor law and international treaties implemented by entities such as the ILO and the UN. It reinforces and protects human rights and ensures that they are observed by all internal stakeholders.

When preparing new projects, Staatsolie must adhere to the ESIA and ESMP. In addition, we comply to policies, and legal procedures and guidelines regarding HSE supply chain management. In the case of international partners, we must adhere to international treaties, regulations, standards, and guidelines throughout the project life cycle. These guidelines contain aspects of human rights and are also mandatory for all Staatsolie partners along with the company guidelines and international standards.

Our commitment to human rights extends beyond our employees. It encompasses our approach, processes, procedures, guidelines, and more. As such, we are compelled to uphold and unconditionally adhere to human rights. This commitment also applies to all suppliers and contractors, all of whom are required to respect and abide by these principles.

All contractors are held accountable under our Code of Conduct.





6.2 TRAINING AND DEVELOPMENT

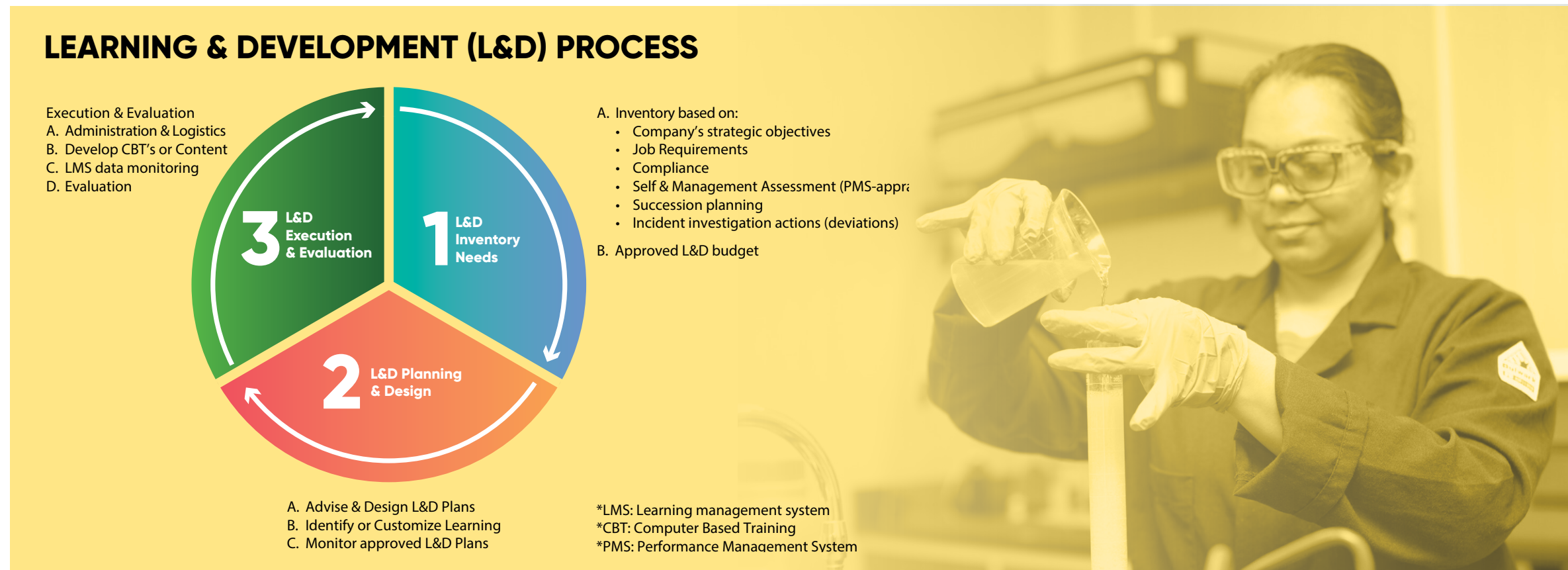
Staatsolie and its subsidiaries implement policies and procedures focused on professional development to ensure that the organization has the right people in the right places and achieves its strategic goals. These programs are governed by the Human Resource Development Department.

The fundamental aspects of this approach include:

- Providing comprehensive support and resources to empower employees' efforts to meet the company's evolving needs, facilitating the achievement of its strategic objectives. Staatsolie sets annual strategic goals through its Performance Scorecard, which serves as the basis for defining departmental and individual objectives. Adequate budget allocations are made each year to facilitate employees' successful implementation of development plans.
- We encourage our employees to improve their professional capabilities by helping them to expand and enhance their existing skillsets. Staatsolie's management team, human resources team, and employees work together to identify specific professional development requirements, which are then addressed through various means such as training programs, coaching, mentoring, job rotations, and secondments.

We also foster a culture of continuous development and motivation by encouraging employees to actively pursue self-improvement and providing incentives such as study leave and financial resources to support the successful completion of developmental interventions.

Staatsolie uses the following process to offer continuous education opportunities.



Training provided in 2022:

- Hours of training: 31,700
- Training investment: US\$ 1,450,661
- Number of employees trained: 1,040

Staatsolie launched a comprehensive leadership program during the fourth quarter of 2022 that is designed for leaders at all levels within the organization. This program will be delivered by seasoned national and international providers during the third and fourth quarters of 2023.

6.3 DIVERSITY AND INCLUSION

At Staatsolie, we cultivate a work environment that embraces diversity, encourages a wide range of perspectives, and fuels creativity and progressive thinking. We outline our efforts to promote diversity, equity, inclusion, and non-discrimination in various documents, such as:

- Human Resources Policy
- Recruitment Policy
- Code of Conduct
- Collective Labor Agreement

With that in mind and aligned with SDG 5 (gender equality), we have a transparent personnel policy that aligns with our dedication to diversity and inclusion, emphasizing proper respect for human rights. This policy ensures that no differentiation is made based on gender, ethnicity, age, religion, or sexual orientation.





6.4 WORKFORCE ENGAGEMENT

To keep our employees engaged, we use both informal and formal communication, such as open dialogue and feedback through informal two-way communication and forums that address performance and growth. Furthermore, the Board of Executive Directors conducts formal roadshows, including presentations, at all locations at least twice a year, allowing employees to interact with senior leadership and receive updates on organizational matters.

The program began with a survey known as "Bbetter2gether," which served as a foundation for the following activities undertaken throughout 2022:

- Breakfast with the CEO/BoED at all Staatsolie locations
- Reconnection with our core values
- Kids@WorkDay (head office and refinery)
- Introduction of STEP focus groups
- Performance management info sessions
- Start of "HR Wist je datjes" ("HR facts simplified")

Departments allocate resources to organize team building sessions aimed at enhancing collaboration, cohesion, and rapport among team members. These initiatives demonstrate our commitment to creating a positive work environment that fosters teamwork and a sense of belonging among employees.

The chart below outlines the actions for 2023. These actions are closely monitored by the STEP project group in an effort to ensure their effective implementation.

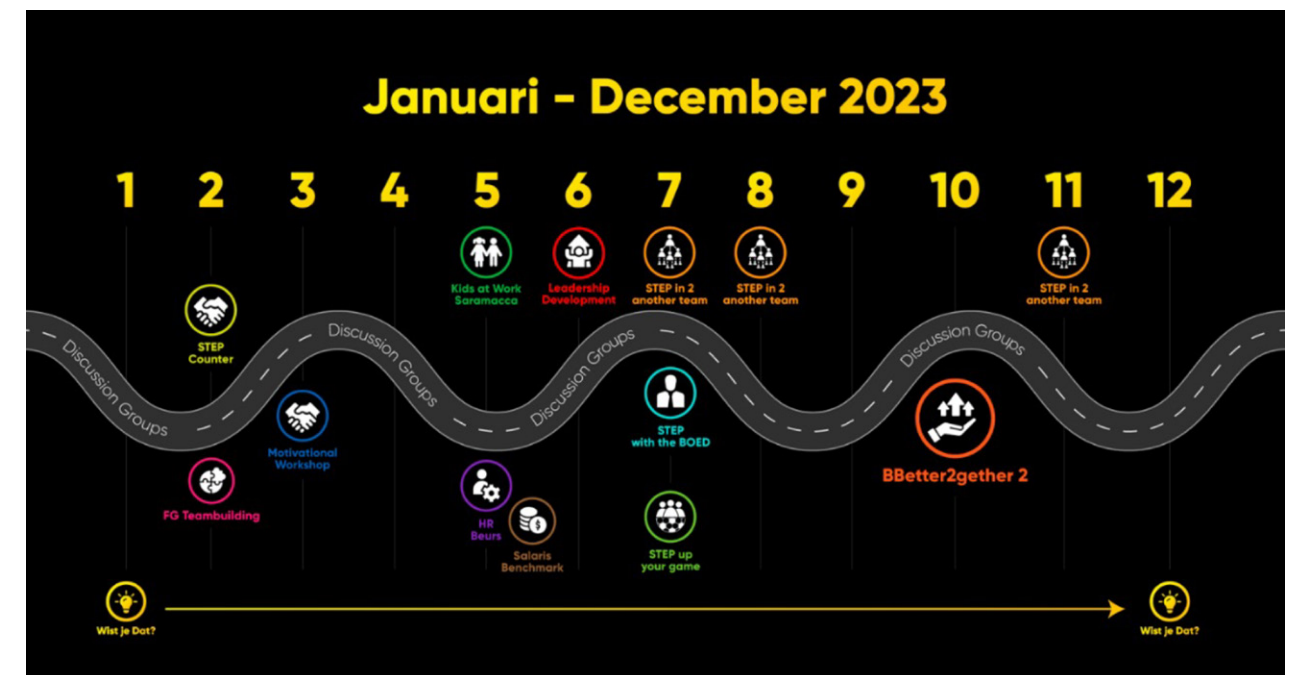
In 2022, the Staatsolie Engagement Program (STEP) was launched under the leadership of our CEO. This program is a comprehensive and project-based initiative aimed at further enhancing employee involvement and engagement, while also providing a formal platform for expressing their concerns.

The table below outlines the gender distribution of our employees:

#	FEMALE	%	MALE	%	GRAND TOTAL
1 BoED	2	50%	2	50%	4
2 Supervisory Board	2	29%	5	71%	7
3 Heads	25	39%	39	61%	64
4 Labor	29	6%	476	94%	505
5 Labor staff	99	33%	205	67%	304
6 Managers	15	41%	22	59%	37
7 Staff	93	47%	104	53%	197
Total	265	24%	853	76%	1118



41% of managers are female, while 50% of our executive directors are women.



6.5 CONTRIBUTING TO THE COMMUNITY

LOCAL COMMUNITY ENGAGEMENT AND SOCIAL INVESTMENT

Staatsolie promotes mutual understanding with local stakeholders, particularly around sustainability. We are committed to enhancing the social well-being of our employees and the people of Suriname. Our corporate social responsibility is demonstrated through the Corporate Social Investment (CSI) Policy and the Staatsolie Foundation for Community Development.

Staatsolie's corporate communication and community relations policies are designed to foster a trusting and positive relationship with the communities where we have a presence. Through these policies, we have committed ourselves to establish and encourage trust-based relationships with communities and conduct business activities in accordance with applicable laws and regulations. We seek to maximize positive impacts through initiatives and social alliances and to ensure community participation and engagement. In our upstream polymer project, for example, stakeholder meetings were held with residents, local organizations, and farmers as part of the ESIA process. These consultations were designed to gather valuable input, critiques, proposals, and concerns from stakeholders regarding the project. The ESMP for the project was developed based on those interactions and is currently being implemented.

A stakeholder-focused strategy was adopted in response to the opinions expressed by local communities in the Brokopondo district, after the lake flooded in 2022, due to rainfall beyond any historical data. To preserve the integrity of the dam, we had to keep spill gates open longer than usual to prevent water in the reservoir from reaching operational maximum levels, which in turn impacted households located in the river's floodplains downstream of the dam.

In coordination with the District Commissioner of Brokopondo and the National Center for Disaster Management, we informed residents beforehand that the spill gates would remain open and we contributed to relief efforts for people impacted by flooding. SPCS relief efforts included purchasing and distributing food, installing drinking water tanks, providing boats, outboard motors, and life vests for logistic support, and building temporary educational facilities and public sanitary facilities.



“ Staatsolie's corporate communication and community relations policies are designed to foster a trusting and positive relationship with the communities where we have a presence ”

For the 185 households directly affected, our efforts included donating funds for clean-up and household equipment replacement. No personal accidents were recorded connected to the flooding.

A wide range of policies and procedures guides our approach to effectively handling local engagement, including the following:

- Corporate Communication Policy
- Corporate Social Investment Policy
- Health, Social, and Environmental Policy
- Stakeholder Management Procedure
- Stakeholder Engagement Guidelines
- Staatsolie Social and Environmental Guidelines
- NIMOS Environmental and Social Guidelines

Social projects supported by Staatsolie include:

- Supporting the National Healthcare Recovery Plan with SRD 29 million to help alleviate acute needs in Suriname's health sector.
- Preparing for future local participation in Suriname's hydrocarbon development by launching an Oil and Gas Training Program at Natuurtechnisch Instituut (secondary technical school) (NATIN).
- Improving living conditions at eleven social institutions devoted to care for children, the elderly, and people with disabilities.
- Bolstering public safety by donating five vehicles to the Suriname police force for use in Paramaribo and Brokopondo.
- Providing emergency relief for communities affected by flooding in Brokopondo.
- Promoting diversity, equality, and inclusion opportunities by covering the salaries of nine employees with disabilities at NATIN and Stichting Villa Zapakara.
- Supporting education by devoting income from the Suriname Energy, Oil and Gas Summit & Exhibition (SEOGS) to renovate three schools in districts beyond the operating locations of Staatsolie.

Improvements to shelters: Our effort to improve living conditions at eleven social institutions started with construction improvements. The facilities house orphans, senior citizens, and people with disabilities. This social investment is a collaboration with various local construction companies who are executing the work at a special rate. The total joint investment amounted to SRD 11 million, of which SRD 8.8 million was financed by Staatsolie and SRD 2.2 million was provided by the local companies in the form of reduced prices. The aim is to complete this project by Q4 2023.

The listed documents formalize our engagement practices and help strengthen our community relations. Staatsolie and the Staatsolie Foundation for Community Development allocated over US\$ 2 million toward social investments in 2022.



NATIN upgrade program: Preparing for future local participation in Suriname's hydrocarbon development by launching an Oil and Gas Training Program at NATIN, a vocational technical institute, in collaboration with NATIN, the Ministry of Education, Science and Culture, the Surinamese business community and IOCs. This initiative is part of the NATIN Upgrade Project, which we started in 2021. The purpose of the upgrade project is to help NATIN develop into a best-in-class secondary vocational education institute. The new oil and gas stream will provide qualified technicians for the offshore oil and gas industry. The first group of thirty students started the eight-month program in 2022. After approximately three years, the program will be integrated into the regular four-year NATIN program. Staatsolie, IOCs, and other local companies have spent US\$ 750,000 on this program.

LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

Engagement with landowners along the pipeline route and private land acquisition is prioritized to prevent and resolve issues related to land access. We have developed a TTT Procedure ("Toegang tot terreinen"), also known as the Access to Site procedure. This procedure deals with situations involving access to land for production and exploration activities and is based on Mining Decree E8B.

If there is a need to access private property to maintain or set up facilities, landowners are consulted in advance. We investigate the area of interest and legal status of the land. The landowners are then contacted, and negotiations begin. When our facilities occupy a portion of the land, financial compensation is provided to the owners.

COMMUNITY GRIEVANCE MECHANISMS

We have established a complaint management procedure, which is an operational and effective mechanism for responding to stakeholders, community, and customer grievances and concerns.

The Staatsolie complaint mechanism allows external stakeholders to file a complaint. All customer and community complaints are recorded and managed. The grievance procedure and mechanism are designed to channel community and customer grievances for direct attention, evaluation, and follow-up in fostering close relationships.

6.6 OUR SUPPLIERS

Our suppliers play a critical role in our operations, and we consider them to be key stakeholders. As such, we expect to maintain respect and a high level of integrity throughout the business process. Suppliers provide essential equipment and services for our operations. As such, maintaining strong and efficient relationships with suppliers can contribute to optimizing processes, reducing waste, and minimizing social and environmental impacts.

All suppliers are held accountable under our supply chain management procedures, such as the Supplier Code of Conduct for complaint operations. Before entering into a contract, we conduct due diligence checks, including assessments of legal compliance, human rights practices, and financial credibility. Thorough evaluation ensures that we engage with partners who align with our values.

If, during assessment or operations, there are any questions or impermissible actions are suspected or reported, the Staatsolie Integrity Committee is promptly convened to conduct a thorough investigation.

The Supplier Code of Conduct (available here) includes various essential aspects such as human rights, fair labor conditions, HSE and quality management, business ethics, compliance, and reporting. These obligations, along with Staatsolie's terms and conditions and requirements, are published on our website to promote transparency and equal opportunities.

Additionally, our Purchasing Policy offers guidelines for the screening of new suppliers and contractors. Prequalification is mandatory, ensuring that we collaborate exclusively with the most qualified and dependable suppliers and contractors of good standing.

By implementing these measures, we strive to maintain high standards and foster a productive working relationship with suppliers and contractors who we expect to share our values.

Our Governance, Risk, and Compliance department has implemented a mandatory due diligence procedure for engaging with suppliers and contractors. As part of this process, we are taking the necessary steps to obtain a license for access to the software that will allow third party checks regarding being blacklisted for engaging in activities that involve human rights violations, fraud, or other prohibited acts.

By utilizing the application and implementing these measures, we are aiming to avoid doing business with companies that have a documented history of disregarding human rights or engaging in fraudulent or unethical practices. These initiative-taking measures highlight our commitment to upholding high standards and conducting business with integrity.

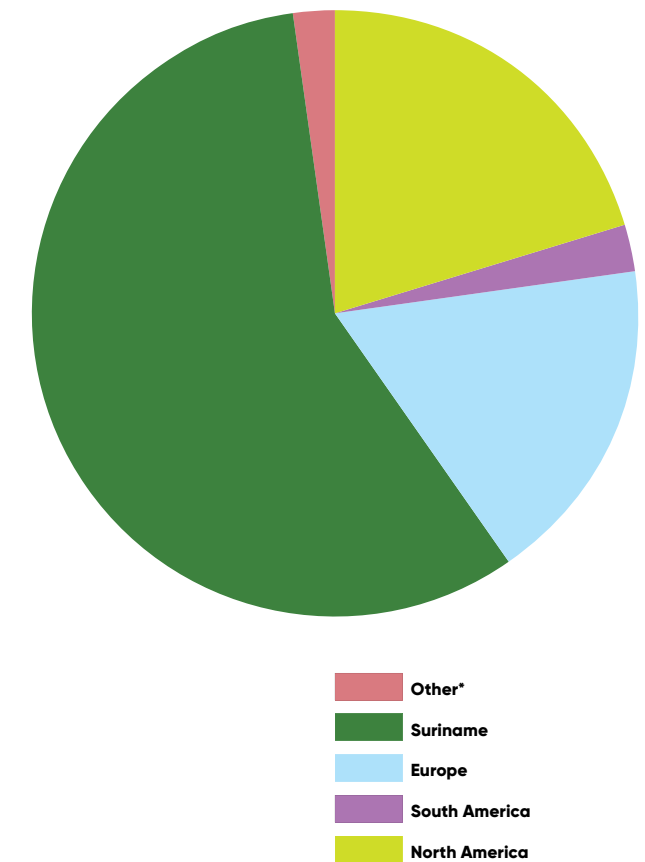
The Supplier Code of Conduct identifies the following main principles:

- Human rights
- Fair labor conditions
- Health, safety, environmental, and quality management
- Secure business
- Business ethics
- Procurement by supplier
- Compliance

In 2022, Staatsolie worked with 829 suppliers, 477 from Suriname and 352 from foreign countries.

PLACES OF ORIGIN OF STAATSOLIE SUPPLIERS

CONTINENT	NUMBER OF SUPPLIERS
North America	170
South America	19
Europe	146
Suriname	477
Other*	17
Total	829



*The category "Other" refers to suppliers from Africa, Asia, and Australia.





PROCUREMENT

The Procurement Policies and Procedures (PPP) document describes the way we engage our suppliers. The purchasing process consists of vendor registration, prequalification, bidding, evaluation, awarding, and contracting. The purchasing method depends on the purchase value. Depending on the value, additional controls are put in place, such as appointing a neutral manager to the bid evaluation team who independently monitors the tender process. All participants from the bid evaluation team sign a non-conflict-of-interest form.

Our bid evaluation process includes awarding additional points to local companies or collaborations (joint ventures) between foreign and local companies. These efforts enable local suppliers to gain experience in order to raise their performance to become more competitive. These considerations for local suppliers are specified in the evaluation criteria as part of the tendering strategy.

Furthermore, some project tendering is subject to an Expression of Interest round, where the information is published through local media and on the Staatsolie website, allowing interested parties to indicate their interest in participating in the bidding round. Supplier prequalification is mandatory. This allows us to work with and upgrade to highly qualified suppliers. As part of our efforts to upgrade and continuously improve contractor performance, we also conduct performance evaluations.

“ Our efforts enable local suppliers to gain experience in order to raise their performance to become more competitive

THE SURINAME SUPPLIER REGISTRATION PORTAL

The size of our operations and buying power allows us to contribute to the economic development of the territories and communities in which we operate. We are committed to our social and economic role and have worked with Staatsolie Hydrocarbon Institute to create the Suriname Supplier Registration Portal (SRP), which will allow suppliers to be included in a database to offer a broad range of services to the Surinamese offshore oil and gas industry.

The SRP increases local suppliers' visibility to oil and gas companies and subcontractors and will allow them to receive information on the latest developments in the industry, as well as capacity building and procurement opportunities. The system is currently being developed and discussed with the offshore contractors.

More information on the SRP can be found at <https://smesupplierportal.sr/>.

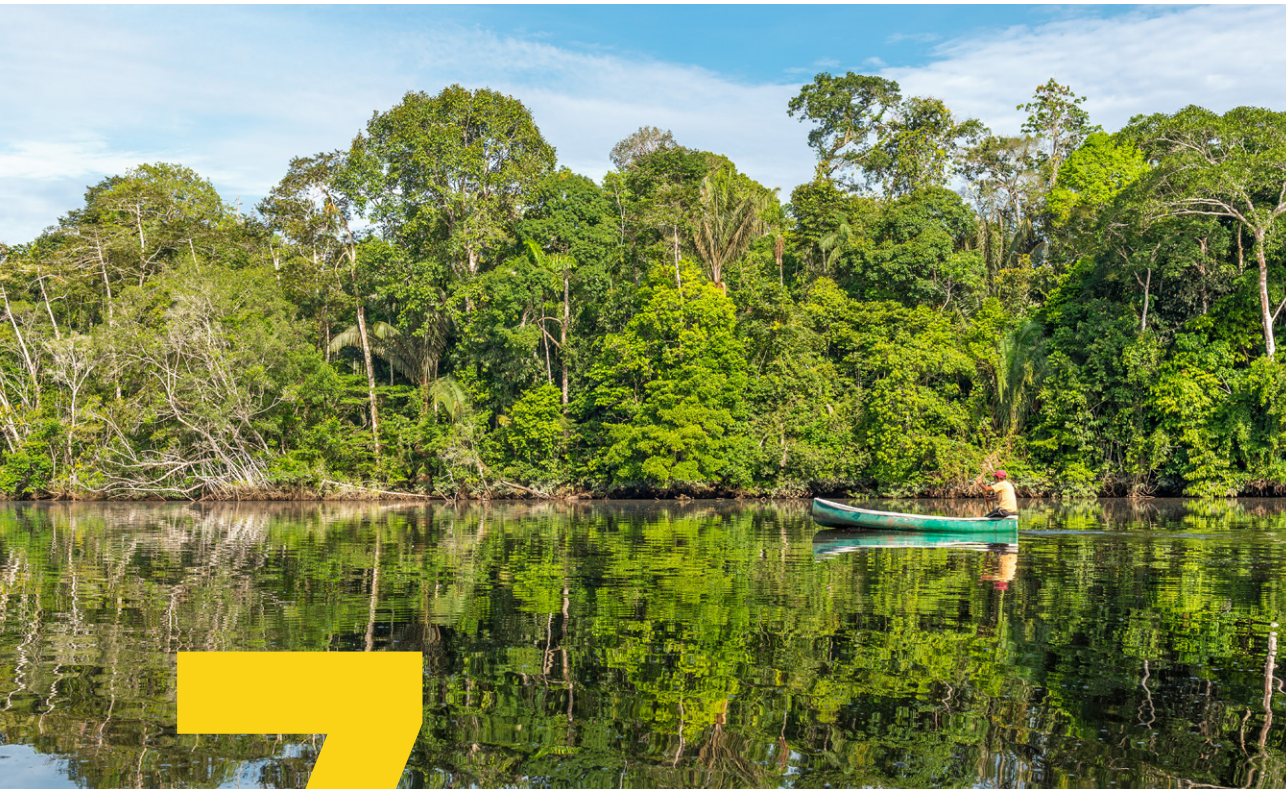
“ We are committed to our social and economic role





CHAPTER 7

APPENDIX



7

7.1 GLOSSARY

ABBREVIATION	MEANING
AHSE	Area Health, Safety, and Environmental
ARPEL	Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean
BoED	Board of Executive Directors
CBT	Computer Based Training
CEO	Chief Executive Officer
COSO	Committee of Sponsoring Organizations
CA	Corporate Audit
CG	Corporate Governance
CLA	Corporate Legal Affairs
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
EITI	Extractive Industries Transparency Initiative
ERAs	Enterprise Risk Assessments
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
GHG	Greenhouse Gasses
HFO	Heavy Fuel Oil
HSE	Health, Safety, and Environment
HSEQ	Health, Safety, Environment and Quality
HSSE	Health, Safety, Security, and Environment
ILO	International Labour Organization
IOCs	International Oil Companies
IOGP	International Oil and Gas Producers
IPIECA	International Petroleum Industry Environmental Conservation Association
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature's Red List of Threatened Species
KPI	Key Performance Indicator
LPG	Liquified Petroleum Gas
LSR	Life-Saving Rules
LT	Level Transmitter
LTIF	Lost Time Injury Frequency
MD	Managing Director
MUMA	Multiple Use Management Areas
NG	Natural Gas
NATIN	Natuurtechnisch Instituut (Institute for Natural Resources and Engineering Studies)
NIMOS	National Institute for Environment and Development in Suriname
NV	Naamloze Vennootschap; public company under corporate law in the Netherlands, Belgium, Indonesia, and Suriname
OSHA	Occupational Safety and Health Administration
PMS	Performance Management System
PPE	Personal Protective Equipment
PPP	Procurement Policies and Procedures
PSC	Production Sharing Contract
RAS	Risk Appetite Statement
SASB	Sustainability Accounting Standards Board
SCAT	Systematic Cause Analysis Technique
SCF	Suriname Conservation Foundation
Scope 1 CO2 emissions	Direct emissions from company-owned and controlled resources
Scope 2 CO2 emissions	Indirect emissions from the generation of energy purchased from utility providers
SDG	Sustainable Development Goals
SEOGS	Suriname Energy, Oil and Gas Summit and Exhibition
SGPP	Suriname Conservation Foundation Green Partnership Program
SMO	Social & Medical Observations
SRP	Suriname Supplier Registration Portal
SPCS	Staatsolie Power Company Suriname N.V.
STEM	Science, Technology, Engineering and Mathematics
STEP	Staatsolie Engagement Program
STOP	Stop, Think, Observe, and Prevent injuries
SHI	Staatsolie Hydrocarbon Institute
TRIFR	Total Recordable Injury Frequency Rate
TSS	Total Suspended Solids
UN	United Nations
WSA	Wärtsilä
WWTP	Waste Water Treatment Plant

7. Appendix

7.1 Glossary

7.2 IPIECA Indicators



7.2 IPIECA INDICATORS

CHAPTER	KPI	CODE
I. We are Staatsolie	Local procurement and supplier development	SOC-14
II. Governance, Ethics & Risks	Governance approach	GOV-1
	Management systems	GOV-2
	Preventing corruption	GOV-3
	Transparency of payments to host governments	GOV-4
	Public advocacy and lobbying	GOV-5
III. Climate Change & Energy	Climate governance and strategy	CCE-1
	Climate risk and opportunities	CCE-2
	Lower-carbon technology	CCE-3
	Greenhouse gas (GHG) emissions	CCE-4
	Methane emissions	CCE-5
	Energy use	CCE-6
	Flared gas	CCE-7
IV. Environment	Freshwater	ENV-1
	Discharges to water	ENV-2
	Biodiversity policy and strategy	ENV-3
	Protected and priority areas for biodiversity conservation	ENV-4
	Emissions to air	ENV-5
	Spills to the environment	ENV-6
	Materials management	ENV-7
	Decommissioning	ENV-8
V. Safety, Health & Security	Safety, health, and security engagement	SHS-1
	Workforce health	SHS-2
	Occupational injury and illness incidents	SHS-3
	Transport safety	SHS-4
	Product stewardship	SHS-5
	Process safety	SHS-6
	Security risk management	SHS-7
VI. Social	Human rights due diligence	SOC-1
	Suppliers and human rights	SOC-2
	Security and human rights	SOC-3
	Site-based labor practices and worker accommodation	SOC-4
	Workforce diversity and inclusion	SOC-5
	Workforce engagement	SOC-6
	Workforce training and development	SOC-7
	Workforce non-retaliation and grievance mechanisms	SOC-8
	Local community impacts and engagement	SOC-9
	Indigenous peoples	SOC-10
	Land acquisition and involuntary resettlement	SOC-11
	Community grievance mechanisms	SOC-12
Social investment	SOC-13	
Local hiring practices	SOC-15	



Confidence in our own abilities

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