



**ENERGIZING A BRIGHT FUTURE  
FOR SURINAME**

**SUSTAINABILITY REPORT  
FIRST HALF YEAR 2022**



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# ABOUT THIS REPORT

This is Staatsolie’s first Sustainability Report. This document covers our Environmental, Social, and Governance (ESG) performance during the first half of 2022, including our main accomplishments and the challenges encountered during this period. This report is based on IPIECA’s “Sustainability Reporting Guidance for the Oil and Gas Industry” (2020). According to IPIECA standards, there are 42 indicators organized in the Governance and Strategy, Economic, Social and Environment dimensions to be considered when writing a sustainability report. In this first half-year report we describe our performance through a short list of selected indicators, which were guided by the outcome from the materiality assessment.

All the figures in this document are shown as an exercise of transparency from the first half of 2022.



## ABBREVIATIONS AND DEFINITIONS

<b>BoED</b>	Board of Executive Directors
<b>CBT</b>	Computer Based Training
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission
<b>CA</b>	Corporate Audit
<b>CG</b>	Corporate Governance
<b>CLA</b>	Corporate Legal Affairs
<b>CSR</b>	Corporate Social Responsibility
<b>ERAs</b>	Enterprise Risk Assessments
<b>ERM</b>	Enterprise Risk Management
<b>ESG</b>	Environmental, Social and Governance
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>ESMP</b>	Environmental and Social Management Plan
<b>HFO</b>	Heavy Fuel Oil
<b>HSE</b>	Health, Safety and Environment
<b>HSSE</b>	Health, Safety, Security and Environment
<b>ILO</b>	International Labor Organization
<b>IOCs</b>	International Oil Companies
<b>IUCN</b>	International Union for Conservation of Nature’s Red List of Threatened Species
<b>KPI</b>	Key Performance Indicator
<b>MD</b>	Managing Director
<b>MUMA</b>	Multiple Use Management Areas
<b>NG</b>	Natural Gas
<b>NV</b>	Naamloze Vennootschap; public company under corporate law in the Netherlands, Belgium, Indonesia, and Suriname
<b>PSC</b>	Production Sharing Contract
<b>PMS</b>	Performance Management System
<b>PPE</b>	Personal Protective Equipment
<b>PPP</b>	Procurement Policies and Procedures
<b>Scope 1 CO2 emissions</b>	Direct emissions from company-owned and controlled resources
<b>Scope 2 CO2 emissions</b>	Indirect emissions from the generation of energy purchased from utility providers
<b>SDG</b>	Sustainable Development Goals
<b>SRP</b>	Suriname Supplier Registration Portal
<b>SPCS</b>	Staatsolie Power Company Suriname N.V
<b>STEM</b>	Science, Technology, Engineering & Mathematics
<b>STOP</b>	Stop, Think, Observe and Prevent injuries
<b>SHI</b>	Staatsolie Hydrocarbon Institute
<b>UN</b>	United Nations
<b>WSA</b>	Wärtsilä



**CHAPTER 1**  
**WE ARE STAATSOLIE**

- 1.1** A Message from The Managing Director
- 1.2** Our Business
- 1.3** Our Values
- 1.4** Our Stakeholders



**1.1 A MESSAGE FROM THE MANAGING DIRECTOR**



Dear stakeholders,

We are proud to present our first Sustainability Report. Although it does not yet cover every element related to the topic, this initial report is an important milestone that demonstrates our ongoing and evolving commitment to sustainably managing our business and operations. Our goal is to show all our stakeholders, especially the Government of Suriname, the people of Suriname, employees, contractors, international partners, and investors, what our approach towards sustainability is. In this report, we focus on Environmental, Social, and Governance (ESG) topics and our commitment to contributing to the achievement of the United Nations' Sustainable Development Goals (SDGs).

For this report, we will address our performance in the first half of 2022. This will also be the basis of our comprehensive 2022 Sustainability Report that will be published in 2023.

For Suriname's economy and future, the oil, gas, and energy industry as a whole is very important. Based on our history, previous accomplishments, current developments, and future perspectives, we have confidence in the development of a sustainable oil, gas and energy industry in Suriname and our leading role in this. Moreover, 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

## 1.2 OUR BUSINESS

Staatsolie Maatschappij Suriname N.V. is a vertically integrated state-owned company founded in 1980. As one of the leading companies in Suriname, we are proud of our contribution to Suriname's economy and society. We are engaged 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 markets. Furthermore, we generate and supply electricity (thermal and hydro) and by doing so we meet the growing energy needs of our society.

### OUR BUSINESS

#### UPSTREAM

Upstream activities:  
• exploration  
• crude production



#### EXPLORATION

Exploration activities are focused on finding hydrocarbons in the onshore, shallow offshore and the deep offshore.



#### CRUDE PRODUCTION

Our onshore oil fields are currently producing an average of 16,500 barrels of crude oil per day.



#### DOWNSTREAM

Downstream activities:  
• refining  
• power generation  
• marketing



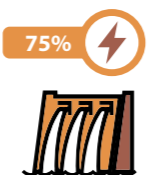
#### REFINERY

Our refinery has a name plate capacity of 15,000 barrels per stream day.



#### POWER

Our thermal power plant and a hydro-electric dam supply approximately 75% of Suriname's electricity demand.



#### MARKETING

Sales including retail stations, and distribution of refinery products to local and regional markets.



Staatsolie was founded on 13 December 1980, with the Republic of Suriname as the sole shareholder. Staatsolie is a commercial entity, and pursuant to its bylaws also has an institutional function. Commercially, the company is involved in exploration, drilling, production, refining, marketing, sales including service stations, transport of crude and refined products, and generation of electricity. In addition, Staatsolie has a participating interest in two goldmines (Merian and Pikin Saramacca) in Suriname operated by international gold mining companies. In its institutional function Staatsolie acts on behalf of the State in assessing Suriname's offshore hydrocarbon potential, attracting qualified (international) oil companies, negotiating petroleum contracts; and monitoring the execution of these contracts.

### UPSTREAM

In the Upstream it is about finding and producing hydrocarbons. Exploration activities are focused on finding hydrocarbons in the onshore, shallow offshore and the deep offshore. We partner with regional and international companies in our efforts to accelerate exploration activities and share expertise and risks.

We have been involved in crude oil production for more than 4 decades. Our 3 onshore oil fields are located in the Saramacca District and are currently producing an average of 16,500 barrels of crude oil per day. The name of the crude oil is Saramacca Crude.

### DOWNSTREAM

The downstream activities are comprised of refining, power generation, marketing and retail. In the past 4 decades, we have been investing effort, time, and money in the development of Downstream activities.

#### Refinery

The Saramacca crude is refined at our refinery at Tout Lui Faut, Wanica District. The facility has a design capacity of 15,000 barrels per stream day and produces ultra-low sulfur diesel, gasoline, different grades of fuel oil and bitumen. Through implemented efficiency programs since commissioning and start-up, the factory can handle a higher processing capacity of 16,300 barrels per stream day. Most of the refined products are sold locally, and the surplus is exported to the Caribbean.

#### Power

Our subsidiary Staatsolie Power Company Suriname (SPCS) operates a thermal power plant and, as of 2020, a hydro-electric dam. Together, they supply approximately 75% of Suriname's electricity demand, whereby the hydro-electric dam has a share of approximately 65% in the national electricity supply.

The thermal power plant has an installed production capacity of 96 megawatts and provides a secure source of power and process steam for Staatsolie's refinery, while also delivering electricity to the public grid.

In 2019, the Afobaka hydro-electric facility, including a dam on the Suriname River built by Alcoa in the 1960s was transferred to the Government of Suriname. This decision was supported by the external assessment that Staatsolie has the necessary management systems and capabilities to manage such an operation. On 1 January 2020, SPCS assumed operation of the 189 MW facility.

#### Marketing

We sell and distribute refinery products to local and regional markets. Through our subsidiary GOw2 Energy Suriname N.V, we serve the retail market with Staatsolie high-end products (diesel and gasoline) and import lube products.

Staatsolie has faced a number of challenges the past few years, including the COVID-19 pandemic, the resulting hits to oil prices and the climate change consequences. The company has managed to adapt to the changing operating environment and continues to grow. Steady operations and optimizing processes improved the strengths to meet envisioned targets. Furthermore, partnering with international players such as the International Oil Companies (IOCs) provided an interface to learn from their experiences and to review our identified opportunities.

New developments, such as several oil finds in the offshore, are creating high expectations among stakeholders, attract interest from all over the world and have placed Staatsolie and Suriname in the limelight of the oil and gas industry. Staatsolie has been preparing itself to transform from a regional company to an enterprise ready to participate with international oil companies and international financiers on a global scale. This also implies continuous efforts to operate in a sustainable manner as well as to international standards and best practices.

Therefore, the decision has been taken to start capturing these efforts in a sustainability report.

We fully understand that to become a partner of choice for international oil companies, sustainability is no longer an option, but a priority. Staatsolie can contribute to achieving the Sustainable Development Goals, while continuing to responsibly manage the social and environmental impacts of its operations.

### VISION AND MISSION

Our vision reflects our intention to combine our strengths with growth opportunities. It also represents the spirit and energy of our successful history of development and growth based on a distinctive value-based culture.



**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.

## 1.3 OUR VALUES

At Staatsolie, we care about the wellbeing of all our employees, the communities and environment where we operate. We maintain high operating standards and are keen to implement innovative techniques and methods in our business – and operations activities. Our core values are reflected in the way we work and behave.

### ZERO HARM

We strive for zero harm to the planet and our people, especially the communities and the environment around us.

### INTEGRITY

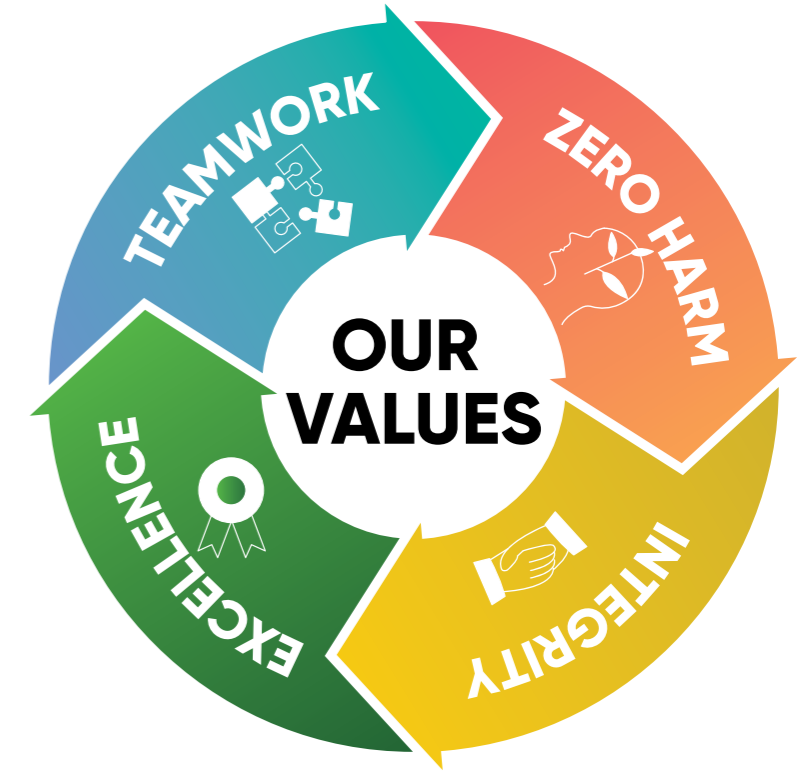
We are honest and do what we say we will do.

### EXCELLENCE

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

### TEAMWORK

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



## 1.4 OUR STAKEHOLDERS

We understand that promoting sustainability will allow us to make significant social, economic and environmental contributions to society. We are constantly engaging in efforts to maintain good relationships with our main stakeholders. Our main stakeholders include:

- The Republic of Suriname (the sole shareholder)
- Supervisory Board
- Employees
- Labor union

- Authorities
- Customers
- Media outlets
- International partners (IOCs)
- Financial institutions and investors
- Local communities
- Suppliers and contractors
- The general public



**CHAPTER 2**  
**OUR FIRST SUSTAINABILITY REPORT**

**2.1**  
**2.2**

The Importance of Sustainability for Staatsolie  
Materiality Process



**2.1 THE IMPORTANCE OF SUSTAINABILITY FOR STAATSOLIE**

**We firmly believe that sustainability is the collective improvement of the lives of everyone, everywhere, now and in the future. It means striving to prevent and/or limit damage to the environment, respect human rights and implement governance best practices while establishing economic growth. We hope to strike a balance between human well-being, protecting our planet and generating profits. From a perspective that current and upcoming generations will be assured in their needs, the company continuously balances its approach towards energy reliability, affordability and sustainability.**

Over the years, Staatsolie has developed partnerships with international oil companies and other global institutions, including banks and investors. As a fundamental building block towards responsible growth of Staatsolie, the company developed a vision and policy on Sustainability with an enhanced focus on corresponding ESG responsibilities.

The SDGs provide a powerful framework for us to further align our sustainability efforts including CSR.

**We are committed to be and remain a company that actively contributes to the achievement of the SDGs.**

Aligned with our operations and environment, we have chosen to first focus on the following 5 SDGs:

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

We are implementing a 6-12 months awareness program within the company focusing on these 5 SDG's.

Furthermore, Staatsolie is part of the coalition of ten leading companies which have expressed its commitment to accelerate the realization of the Sustainable Development Goals in Suriname.

As part of SDG 13 'Climate Action', Staatsolie is also participating as a member of the Suriname Conservation Foundation Green Partnership Program (SGPP) in a Public Private Partnership project named GreenerTogether. This is a collaboration with Rotary Suriname, 11 other companies, 15 schools and and the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation.

The objective is to implement a waste management plan, including reducing single use plastics and recycling, for all participating partners. The 12 participating companies will fund and support the implementation of the waste management plan at the 15 schools and 3 Ministries and after an evaluation in November 2023, the program can be rolled out engaging more companies and schools.





## 2.2 THE MATERIALITY PROCESS

Materiality assessment is the process of deciding which indicators (material issues) are relevant to the Sustainability Report because they demonstrate the organization's economic, environmental and social impacts or because they have a major influence on stakeholder decisions.

Given that this First Sustainability Report is not a full year report, we followed a process to define our material issues based on our internal and external stakeholders' interests. We used the following sources:



### INTERNAL INTERVIEWS

Thirteen interviews with Staatsolie's top executives. These exchanges provided information about our leaders' views.



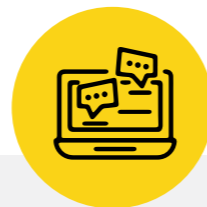
### DOCUMENT REVIEW

Review of secondary sources such as the 2021 Annual Report, corporate documents, social media posts, news pieces and ESG standards for the oil and gas industry.



### BENCH MARKING

Review of sustainability reports of six international companies to identify trends and best practices.

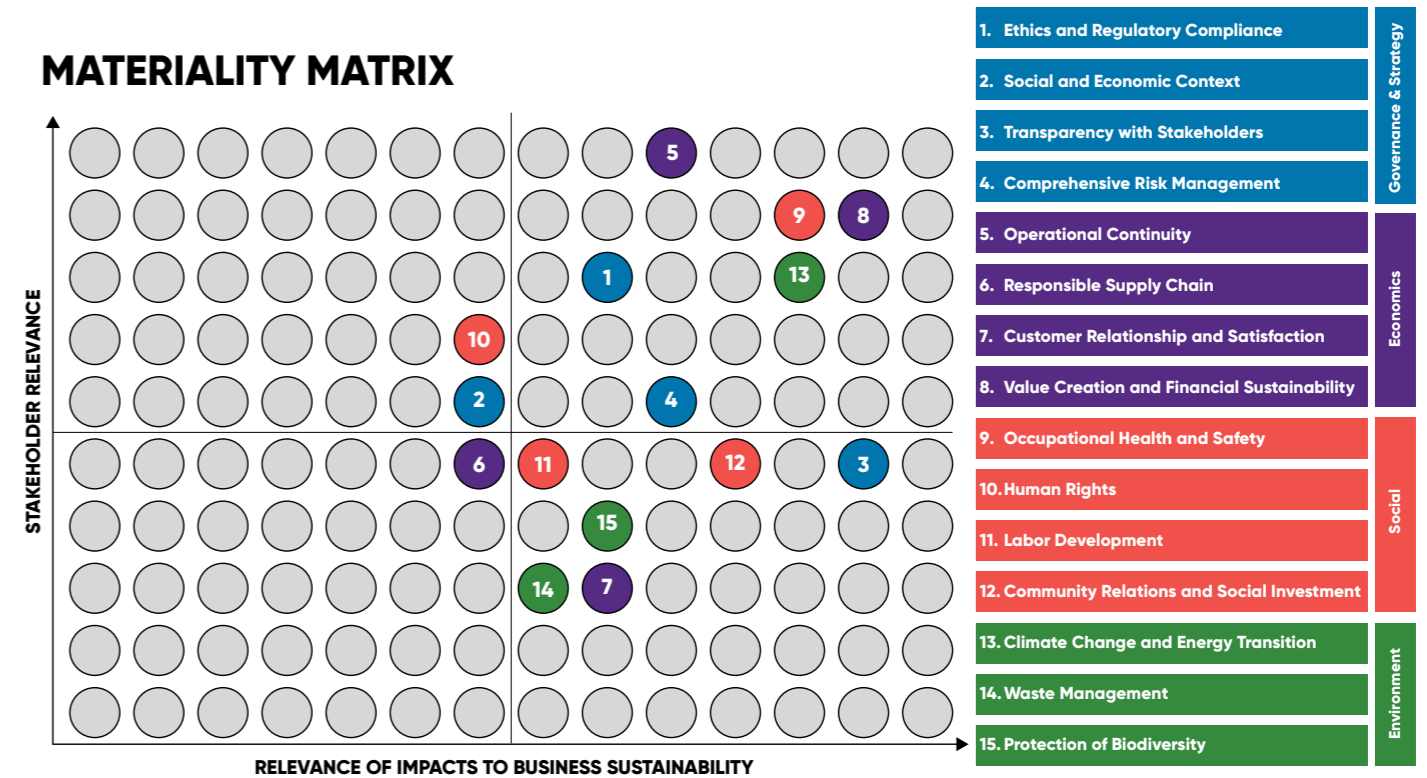


### EMPLOYEES SURVEY

An online survey to identify employees' expectations about the importance of material issues; 222 responses were received.

Based on the information gathered from the four information sources, 15 relevant indicators were identified in these four areas: Governance and Strategy, Economic, Social, and Environment.

### MATERIALITY MATRIX



Since this is our first Sustainability Report, and regards first half-year 2022, we will not elaborate into all 15 indicators. In chapter 3, the context of Governance and Strategy will be described through Governance, Ethics and Risk at Staatsolie. Furthermore chapter 4 regards Environment, whereby the indicators climate change and protection of biodiversity will be explained. In addition, this chapter comprises reporting on spills, water management, emissions and energy use. The last chapter on social will elaborate on the indicators: occupational health and safety, labor development, human rights, and social investment.

Other indicators according IPIECA standards will be reported in the full-year Sustainability Report 2022, which is aimed to be published in Q3 2023. For the Economic part, the Annual Report 2022 will cover relevant elements and will be published in Q2 2023.



# 3 GOVERNANCE, ETHICS AND RISK

At Staatsolie, we believe that it is important to build an environment of trust, transparency, and accountability so that we can encourage long-term investments, financial stability and business integrity. Over the decades, our content has become stronger and will continue to grow alongside our strong interest in sustainability.

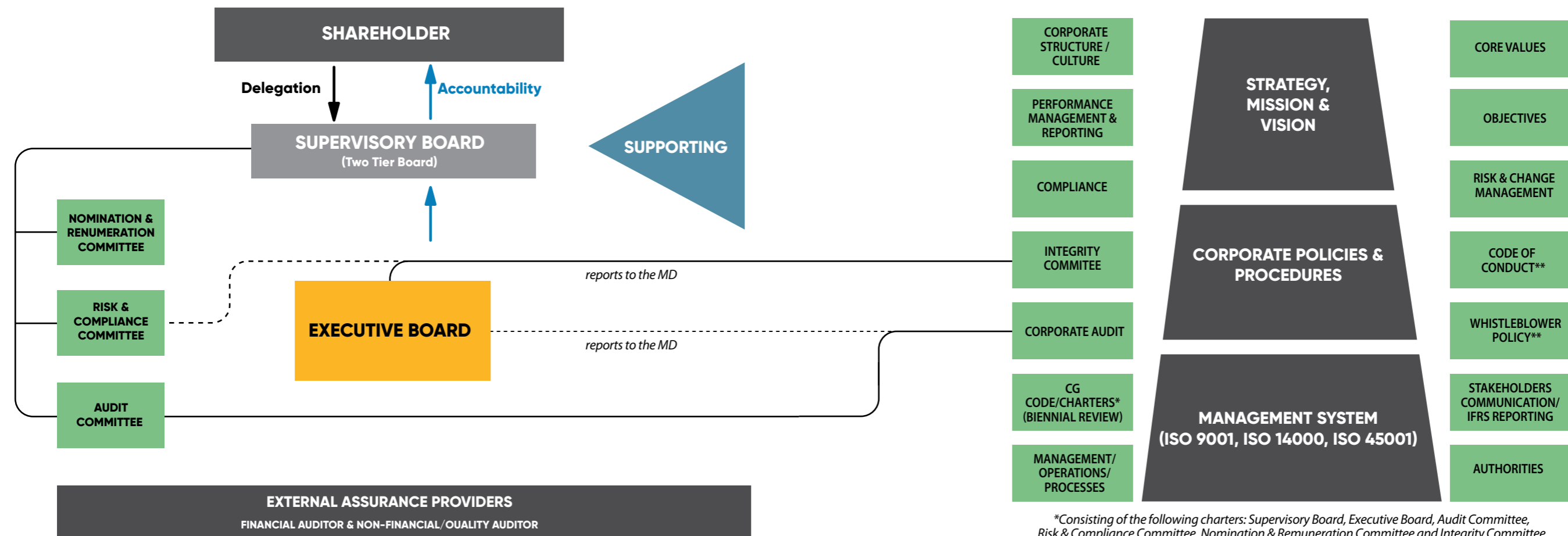
## GOVERNANCE

We have implemented an effective governance structure throughout the company, along with high standards. We are continuously reviewing and upgrading these systems to keep up with the latest standards and requirements.

The Board of Executive Directors (BoED) provides strategic oversight of the company's operations. As a company we have a Corporate Governance Code that establishes the principles and responsibilities of the BoED and the Supervisory Board. Our Corporate Governance Code consists of charters for the: Supervisory Board, Executive Board, Audit Committee, Risk & Compliance Committee, Nomination & Remuneration Committee and Integrity Committee. For details on the Corporate Governance Code click [here](#).



## CORPORATE GOVERNANCE FRAMEWORK



\*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

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.

The Supervisory Board has an oversight role with regard to the general affairs of the company. The BoED agrees on the strategic direction with the Supervisory Board and 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.

## BOARD OF EXECUTIVE DIRECTORS AS AT 1 DECEMBER 2022



**Annand Jagesar**  
Managing Director



**Agnes Moensi – Sokowikromo**  
Finance Director



**Rekha Bissumbhar**  
Upstream Director

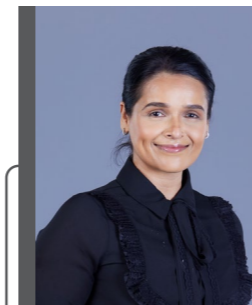


**Eddy Fränkel**  
Deputy Director  
Power & Sustainable Energy

## SUPERVISORY BOARD AS AT 1 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

Staatsolie's Corporate Governance structure was strengthened in 2021 by the creation of the following Supervisory Board subcommittees:

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

The BoED and Supervisory Board are responsible for creating long-term value and promoting openness and accountability.

The general principles of the company include:

- Staatsolie is governed by an independent Supervisory Board that oversees the strategy and long-term value creation of the organization.
- The Supervisory Board and the 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 within its 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 in place 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.

The BoED is the company's highest-ranking authority and the main decision maker on sustainability issues. In 2021, Staatsolie formalized its commitment to strong Environmental, Social and Governance (ESG) principles by establishing an ESG Committee that includes representatives from several departments.

The ESG committee is tasked with ensuring that ESG concerns remain a top priority of the company's highest leadership. The Finance Director is the Chair of the ESG committee whereas the Managing Director holds overall responsibility.

The corporate policies that address sustainability issues include the Sustainability Policy, Corporate Social Investment Policy, Corporate Communication Policy, HSE Policy, Procurement Policy, HRM Policy, Recruitment Policy, Performance Management Policy, Whistleblower Policy and the Code of Conduct.

Staatsolie is exposed to a wide range of risks that can impact the health, safety, environment, reputation, local communities and financial performance of the company. We have implemented a management system that allows us to methodically oversee these risks. The Enterprise Risk Management system is based on ISO 31000 and COSO.

ERM's purpose is to identify, prioritize, and mitigate internal and external risks that can impact the achievement of company objectives. Risk management is and will continue to be applied to our entire organization.

There are several standards and tools that we use to set performance requirements for the company and monitor results. We have a Performance Scorecard that gives a visual overview of the company's progress over time toward specified goals. Data about performance indicators and their targets and actual realizations are available in a dashboard application. In the Quarterly Performance Presentations given by the Business to the BoED, performance indicators are reviewed.

The Downstream activities (Refinery, Marketing & SPCS) have gained the ISO 9001, ISO 14001 and ISO 45001 certification.

Upstream, GOW2 and head office have gained the ISO 9001 certification and are currently in the process of preparing for the ISO 14001 and ISO 45001 certification audit. An external gap audit was already conducted.

## ETHICS

We want all our employees to live our values of "integrity" and "excellence".

**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.

The four Core Values - Zero Harm, Integrity, Excellence and Teamwork, help steer towards the goal of exemplary corporate behavior.

We have an online annual sign off for the Code of Conduct, which establishes expectations regarding behavior and ensures that all employees understand the document. We have made the Code of Conduct more insightful by introducing a short video followed by an online test.

Staatsolie has established an Integrity Committee that consists of the Corporate Human Resources Manager, Corporate Legal Affairs Manager and Corporate Audit Manager. The role of this body is to manage and oversee ethics and compliance issues.

## RISK

Due to the potential disproportionate growth of Staatsolie's operations, applicable laws, regulations, accepted standards and the number of stakeholders involved, the Risk and Compliance System is continuously being evaluated and revised. This upgraded system will address higher (financial) risks, for instance due to participation in offshore development.

The Supervisory Board is responsible for setting the tone by promoting a disciplined risk culture and approving the strategy and risk appetite. For its part, the Board of Executive Directors reviews and approves Staatsolie's ERM and Compliance frameworks and actively monitors compliance with applicable obligations.

The Governance, Risk and Compliance division performs the actions necessary to achieve organizational objectives, including risk management. Finally, internal audit provides independent assurance on the effectiveness of the company's governance model and ERM design.

A well-designed Whistleblower Policy is key to Staatsolie's governance model. This policy offers every employee the opportunity to report alleged acts of corruption, integrity issues and violations of human rights and the Code of Conduct. These complaints are handled by the Integrity Committee.





## CHAPTER 4 ENVIRONMENT

- 4.1** Climate Change
- 4.2** Emissions and Energy Use
- 4.3** Water Management
- 4.4** Protection of Biodiversity
- 4.5** Spills



Staatsolie's commitment to sustainability includes compliance with national and international environmental standards and legislation.

## 4.1 CLIMATE CHANGE

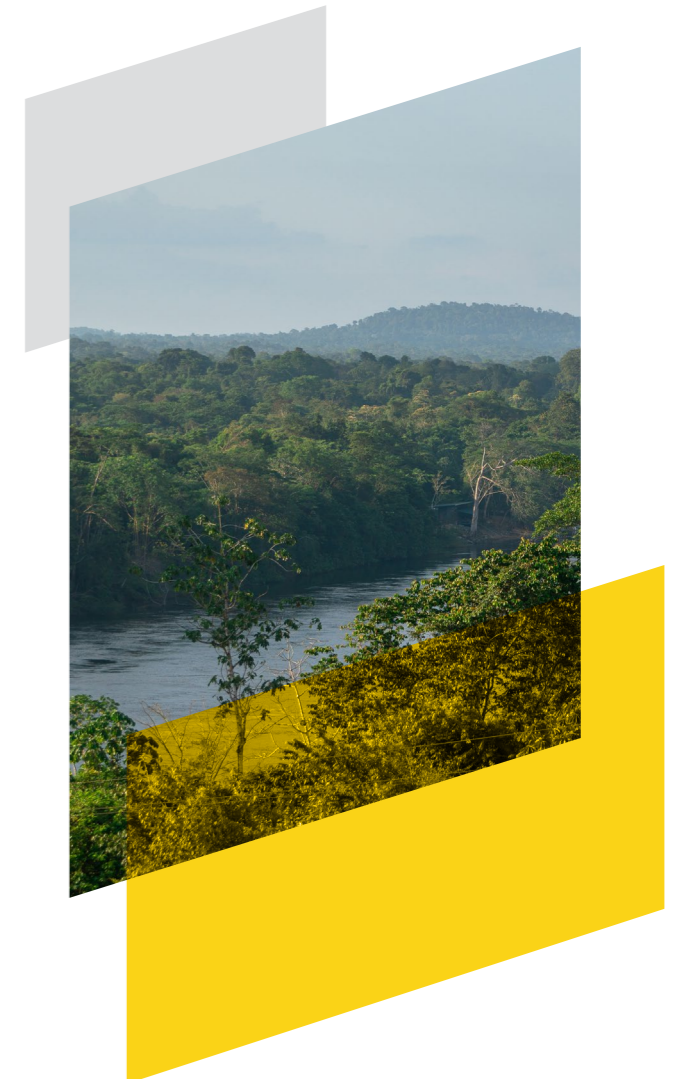
Staatsolie formalized its commitment to strong Environmental, Social, and Governance principles by establishing an ESG Committee. The entity is comprised of representatives from several parts of the organization and is responsible for ensuring a structured and effective management system for ESG.

We have made several commitments in this area. For example, Staatsolie is engaged in efforts to reduce greenhouse gas emissions and further mitigating the effects on climate change.

In the coming years, we will focus on improving efficiency and identifying partners so that we can capitalize on major sustainable energy opportunities. We will focus on the possibilities of renewable energy projects and are studying the feasibility of solar energy and exploring local participation in these exciting sustainable developments.

Enforced by legislation, one of the environmental improvements has been the drastic reduction of the use of styrofoam food containers: only biodegradable and reusable containers and cutlery are used in our canteens, while employees bring their own food containers for take-out.

In 2021, we reviewed information about our carbon footprint to identify risks and opportunities related to climate. We started to conduct monthly measurements and engage in quarterly reporting of Scope 1 and 2 CO2 emissions.



Across the company, several initiatives have been taken to further reduce the greenhouse gas emissions with a potential of 65k tons CO<sub>2</sub> on annual basis within two years, which is equivalent to 8% - 10% less emissions per year compared to the baseline in 2021. For instance, the upstream operation is focused on recycling methane gas in its heater-treater system which leads to less emissions and economic efficiency.

Within the downstream operation sweet gas is lined-up to the Hydrogen Production Unit lowering the emissions at the flare. In addition, optimization of the heater operation and reducing steam losses will lead to increased contribution towards this goal.

Staatsolie Power Company Suriname (SPCS) seeks to improve diesel engine turbo charger efficiency and install Waste Heat Recovery systems. Our goal is to achieve a CO<sub>2</sub> equivalent reduction of 1-2% based on the 2021 baseline emission value of 247.4k ton CO<sub>2</sub> equivalent by end of 2025.

One of the main climate risks that Staatsolie must address is the increase in the frequency and intensity of precipitation.

This has already affected the Hydro Dam and the onshore production fields in 2021. Heavy rainfall forced us to spill excess water from the hydro dam reservoir. We have improved engagement with the local communities and will update the risk register accordingly with new insights to strengthen our internal measures for such climate change events.



## 4.2 EMISSIONS AND ENERGY USE

### EMISSIONS

During the first (Q1) and second (Q2) quarter of 2022, total emissions were 338,076 tons CO<sub>2</sub> equivalent. The majority being direct emissions from Staatsolie owned and controlled sources. This posed a challenge and an opportunity to identify and reduce our emissions. The method used for calculating scope 1 and 2 was verified by Det Norske Veritas (DNV).

#### SCOPE 1: Direct emissions (tons CO<sub>2</sub>eq)

Upstream	24,488
Refinery	173,778
SPCS	100,487
GOw2 and Headquarters	1,615
<b>Total Scope 1 emissions</b>	<b>300,367</b>

#### SCOPE 2: Emissions from procured electricity (tons CO<sub>2</sub>eq)

Upstream	3,106
Refinery	31,985
SPCS (own consumption)	2,413
GOw2 and Headquarters	206
<b>Total Scope 2 emissions</b>	<b>37,709</b>

**Total emissions from Q1 & Q2: 338,076 tons CO<sub>2</sub> equivalent**

### ENERGY USE

The upstream focused on the recycling of methane gas to realize an economic target through less consumption of fuel oil for the heater treaters, while reaching an environmental benefit in terms of less CO<sub>2</sub> emissions. Within the refinery, process efficiencies resulted in a significant drop of LPG consumption, while through the reduction of steam losses in the installation the next level of energy efficiency will be achieved.

SPCS will install high efficiency turbo chargers and Waste Heat Recovery (WHR) systems for its thermal energy production in order to improve its efficiency. SPCS is studying the possibility of upgrading existing fixed-blade turbines to higher efficiency Kaplan turbines at the Afobaka hydro power plant to increase the hydro power output.

## 4.3 WATER MANAGEMENT

We continuously put our efforts to meet the challenge of reducing the hydrocarbon concentration of process waste water to diminish our impact on surface water and to comply with regulations. Measurements are being done on a weekly basis, from which insights are acquired to determine further improvement in relation to achieving world class standards.



## 4.4 PROTECTION OF BIODIVERSITY

Expanding the swamp operation in the upstream is the default operations and preserving our biodiversity has been of prominent importance. Suriname's protected areas include Multiple Use Management Areas (MUMA), Nature Reserves, and Nature Parks. The MUMAs fall under the IUCN Category VI ("Protected area with sustainable use of natural resources"). The three Staatsolie oilfields, TA58 Crude Treatment plant, polymer plant, and waste treatment facilities are in the North Saramacca Multiple Use Management Area. The Tambaredjo and Tambaredjo Northwest oilfields border the Coppename Monding Nature Reserve in the north.

As part of the Upstream Operations Environmental and Social Management Plans (ESMP), environmental monitoring activities are conducted in collaboration with Suriname's Forestry Department (LBB). This includes annual aerial surveys to identify the locations of breeding bird colonies in the Coppename Monding Nature Reserve.

Environmental and social impact assessment studies are conducted for all new initiated activities in accordance with the guidelines of the National Institute for the Environment in Suriname (NIMOS) and this has been a common practice for many years.

## 4.5 SPILLS

The following measures are taken in each area to prevent oil spills.

### Upstream & Downstream

- Bund walls and other containment elements.
  - Job safety assessments.
  - Operator rounds.
  - Preventive maintenance on equipment.
  - Oil spill training by Oil Spill Response Limited.
  - Emergency Response Readiness.
- All chemicals are placed in areas with curbs to contain possible spills.

- Waste from the hydro units at the Afobaka Dam are released into an oil water separator before being discharged downstream.
- Oil-Water content at discharge point is measured in various parts of the thermal plant.
- Air emission measurements are conducted on a yearly basis
- The particulate matter (PM2.5 & PM10) released by our operations is measured daily at a specific point.
- Starting 2021, SPCS launched operations excellence programs focused on autonomous maintenance by operators and oil spill prevention in the engine halls of the thermal plant. This has reduced oil spill rates.

### REPORTED SPILLS

There were 11 spills larger than 1 barrel, totaling 400 barrels, reported between 1 January and 30 June 2022.

### SPILL RESPONSE

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



## CHAPTER 5 SOCIAL

- 5.1** Occupational Health and Safety
- 5.2** Labor Development
- 5.3** Human Rights
- 5.4** Social Investment



Our employees are our most important assets. It is because of their efforts that the company can flourish. We invest in their development and promote their well-being by creating an atmosphere in which diversity, inclusion and respect for human rights are stimulated. Furthermore, we take the interests of (local) communities into account when carrying out our activities.

## 5.1 OCCUPATIONAL HEALTH AND SAFETY

Through our core value Zero Harm, we encourage employees to look after each other and themselves and focus on safety. We have established a range of Health, Safety, and Environment initiatives and frameworks across the company.

The Health, Safety, Environment and Quality (HSEQ) policy comprises the following principles: law and regulation, safe and healthy workplace, excellence, optimizing processes and training. Moreover, the HSE management system is designed around the ISO-14001 & ISO-45001 systems and includes HSEQ manuals, HSE data management & reporting, Incident Management and Investigation, Safety Observations system, Emergency Response, Life Saving Rules and many other site specific procedures.

All employees can submit a Risk Notification or Safety Observation when unsafe work conditions are identified. 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 engaged in the process of executing Job Safety Assessments and Risk Assessments. In addition, we also encourage employees to be aware of STOP stories on unsafe behavior.

The company is preparing for the implementation of the Life Saving Rules (LSR) of the IOGP (International Oil and Gas Producers). These are: Energy Isolation, Hot Work, Line of Fire, Safe Mechanical Lifting, Work Authorization, Working at Height, Bypassing Safety Controls, Confined Space and Driving (reflecting to all moving equipment).

Contractors receive a safety induction to become familiar with our safety procedures and when necessary they receive more in-depth training on specific procedures. For example, there are regular meetings with HSSE and 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. At Power & Sustainable Energy Directorate, the following training courses were offered to contractors in Q1 and Q2: Machine Safeguarding, PPE Awareness, Lock Out Tag Out Verification Program, Confined Space Program, Working at Heights / Fall Prevention, Hot Work and Autonomous Maintenance & 5S.





In the first half-year 2022, some other specific improvements were made in the operating assets, which are listed as follow:

- There is an Employee Suggestion System in place at the Power & Sustainable Energy directorate. The best suggestion for improving workplace conditions is recognized each month.
- Employees of Power & Sustainable Energy are part of Health, Safety and Environment (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 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, Downstream introduced and is continuing the "Slips and Trips" initiative, which raised awareness for 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.

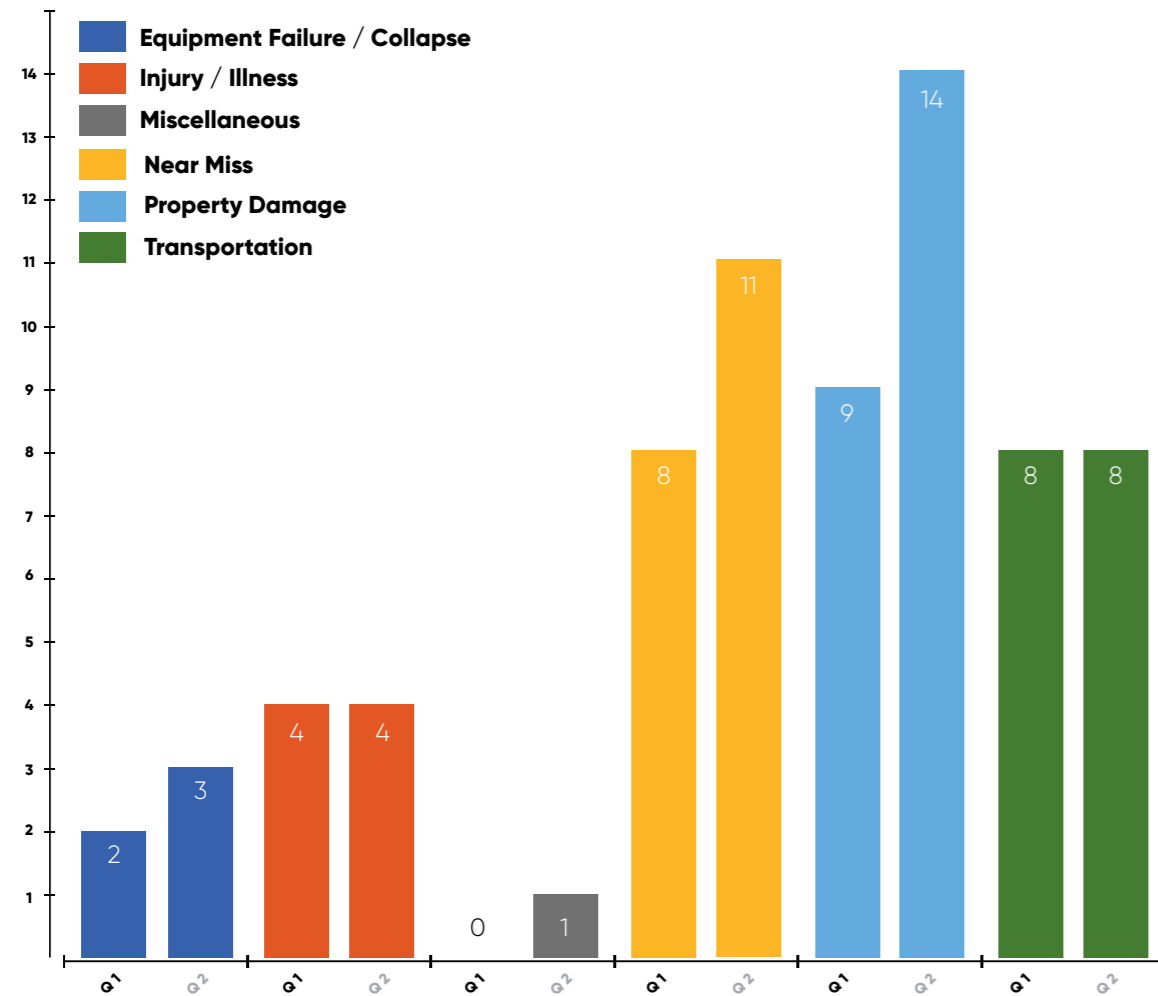


## OCCUPATIONAL INJURY AND ILLNESS INCIDENTS

For benchmarking purposes, the HSE performance of the company is measured through the Total Recordable Injury Frequency Rate (TRIFR).

We have had 4 recordable injuries involving employees or contractors within Staatsolie in the first half of 2022.

### INCIDENT RATES FOR Q1 AND Q2.



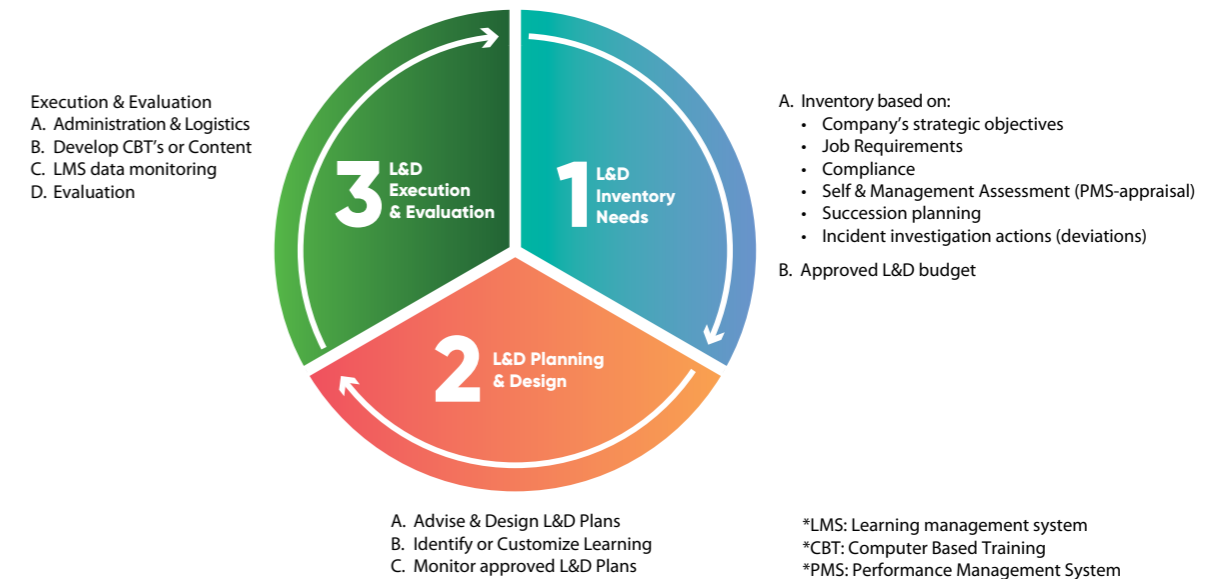
## 5.2 LABOR DEVELOPMENT

As part of the efforts to have the right people in the right places and achieve our strategic goals, Staatsolie and its subsidiaries implement policies and procedures focused on professional development. These programs are governed by the Human Resource Development Department.

The company facilitates professional development by helping employees to broaden and deepen their existing competencies. Staatsolie's executives and HR, together with the employee, identify the specific needs for professional development, which is then addressed through one or more of the following methods: training, coaching, mentoring, job rotation and secondments.

Staatsolie uses the following process to offer Learning & Development opportunities.

### LEARNING & DEVELOPMENT (L&D) PROCESS



Training during Q1 and Q2 of 2022:

- Hours of training: 22,000
- Training investment: US\$ 450,000
- Number of employees trained: 1,040

## 5.3 HUMAN RIGHTS

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

This includes:

- Prohibition of slavery, forced labor, and human trafficking.
- Equal rights for women in the professional sphere.
- Prohibition of child labor.
- Equal labor rights for migrant workers.

Staatsolie focuses on Article 23 of the Universal Declaration of Human Rights, particularly 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 offered a total of 81 programs during Q1 and Q2.

Effective instruments include the Collective Labor Agreement (in Dutch abbreviated as CAO), sustainability policy, ESIA & ESMP guidelines, stakeholder management procedure, health, safety and environmental policy and procedures and supply chain management policy and procedure.

The Staatsolie Human Rights due diligence approach is reflected in the following policies:

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

The Collective Labor Agreement is based on local labor law and international treaties implemented by entities such as the ILO and UN.

### CONTRACTOR HUMAN RIGHTS

Contractors perform a significant part of our operations and are required to meet Staatsolie human rights standards. Contractors are also required to maintain high standards in the areas of safety, health, security, integrity and anti-corruption efforts.

## 5.4 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. Through the Corporate Social Investment (CSI) policy and the Staatsolie Foundation for community projects, the company demonstrates its Corporate Social Responsibility (CSR).

This year, we took the initiative to improve the living condition of 12 social homes by making construction improvements among other things. It concerns homes for children, the elderly and people with a disability. Staatsolie approached various local entrepreneurs and found them willing to carry out the work at a social 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 by the local entrepreneurs in terms of reduced prices. The aim is to complete this project in early 2023.

Moreover, Staatsolie has also taken the initiative to set up an oil and gas stream at the Nature Technical Institute (NATIN). 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 world class secondary vocational education institute in Suriname and the region. The new oil and gas stream will provide qualified technicians for the offshore oil and gas industry. The ultimate aim is the development of local content to which Staatsolie has committed itself.

In 2022, the first group of thirty students will start the eight-month program. The intention is that after approximately three years the program will be integrated into the regular 4-year NATIN program. In collaboration with the IOCs and other local companies, an amount of USD 750k has been spent on this program.

To make all of this happen, we have brought various parties together including the Ministry of Education, Science and Culture (MINOWC), the Surinamese business community and the international oil companies (IOCs) active in Suriname.

### STAKEHOLDER ENGAGEMENT

Our Sustainability Policy is based on our engagement with all our stakeholders. We respect the human rights and culture of all communities and adhere to national laws and regulations as well as international standards and regulations. This is reflected in our core value Zero Harm.

Building relationships with stakeholders is a primary focus of Staatsolie. We partner with local governments, non-governmental organizations, academic institutions and other entities. We have developed corporate policies and procedures regarding stakeholder engagement and management.

From an environmental point of view, we use the following guidelines to prevent, mitigate or resolve adverse impacts:

- Environmental aspect identification guidelines
- Environmental monitoring guidelines
- Waste management guidelines

When developing and before implementing a project for the short- or long-term, an Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) must be completed.

For example, in our Upstream Polymer project, stakeholder meetings were held with residents, local organizations and farmers as part of the ESIA process. These encounters were necessary for Staatsolie, as they allowed the company to address concerns, proposals, and questions about the project. With the Polymer project, one of the most enhanced oil recovery (EOR) methods is being introduced in Suriname. The goal is to be able to extract more crude from a reservoir.

## COMPLAINT MECHANISM

The Staatsolie complaint mechanism allows external stakeholders such as local communities and individuals to file a complaint. All customers and community complaints are registered and managed. Moreover, the grievance procedure and mechanism is designed to channel community and customer grievances for direct attention, evaluation and follow-up in fostering close relationships.

## PROCUREMENT

The Procurement Policies and Procedures (PPP) document describes our interest in engaging with local companies.

The purchasing process consists of vendor registration, prequalification, bidding round, evaluation, awarding and contracting. Selection of the purchasing method depends on the purchase value. For purchases between USD 25 – 100k, a competitive tender is mandatory, while for purchases above USD 100k an additional control has been added by appointing a neutral manager to the bid evaluation team who independently monitors the tender process. All participants from the bid evaluation team should have signed a non-conflict of interest form as part of the screening.

Our bid evaluation process includes applying additional points to local companies or collaborations (joint ventures) between foreign and local companies. This should be seen as an incentive for local suppliers to perform better, as they will have better business opportunities at Staatsolie. Such local content promotion considerations will be specified in the evaluation criteria as part of the tendering strategy.

Furthermore, some projects tendering are subjected to an Expression of Interest (EOI) round, in which phase the information is published through local & social media, and on the Staatsolie website, whereby interested parties can respond with their interest for participation during the bidding round.

Supplier prequalification is mandatory. This allows us to work with highly qualified suppliers and to upgrade suppliers. Prequalification registration is possible through the Staatsolie [website](#).

Performance evaluations are mandatory as part of our efforts to upgrade and continuously improve contractor performance.





Confidence in our own abilities

A decorative graphic consisting of two overlapping, slanted rectangular shapes. The top shape is bright yellow and the bottom shape is a dark green, matching the background. They are positioned in the lower right quadrant of the page.

[sustainability.staatsolie.com](https://sustainability.staatsolie.com)  
[staatsolie.com](https://staatsolie.com)