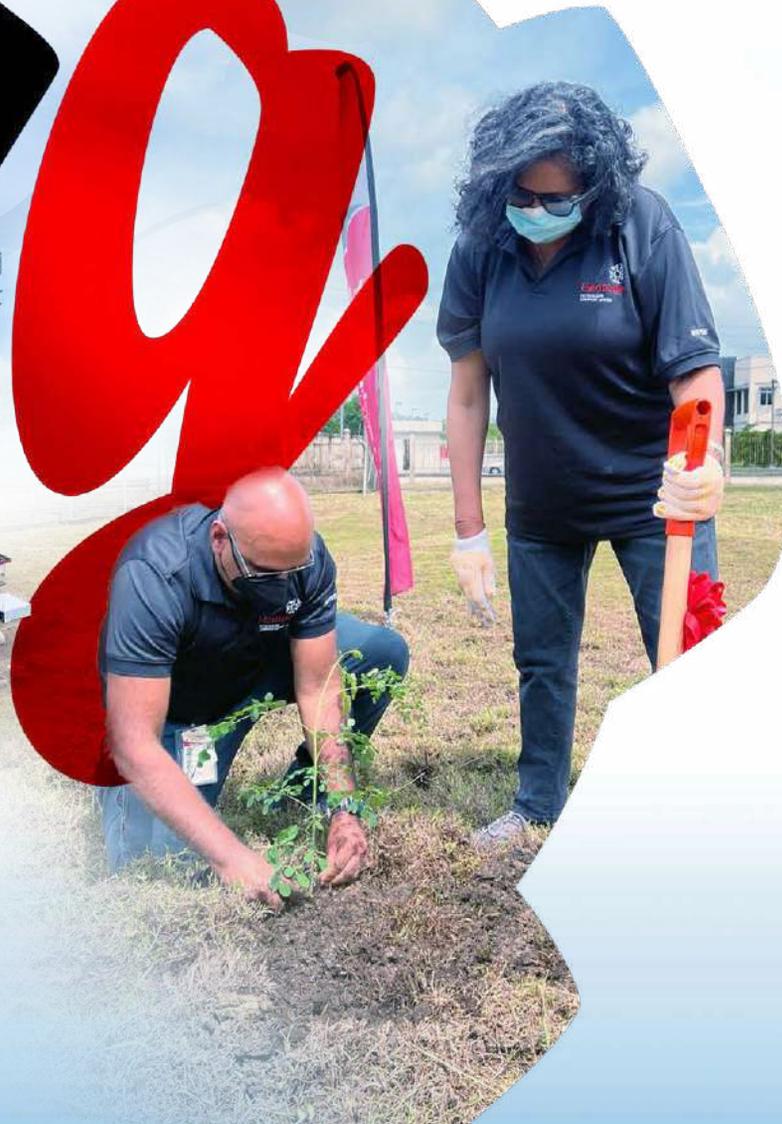




Heritage

PETROLEUM
COMPANY LIMITED



**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE**

Report **2020-2021**



ABOUT THIS REPORT

Heritage Petroleum's ("we", "our", "Heritage" or "the Company") annual Environmental, Social, and Governance ("ESG") Report describes our Sustainability/ESG efforts and performance from October 2020 to September 2021. To help frame the context of our journey to date and support our overall narrative, we have included select examples of key activities from our previous operating year (October 2019 to September 2020). These include some highlights about our efforts in response to the COVID-19 pandemic.

It must be noted that as a Party to the United Nations Framework Convention on Climate Change (UNFCCC) and a ratified signatory to the Paris Agreement, the Government of the Republic of Trinidad and Tobago has committed to the following in its Nationally Determined Contribution (NDC):

- An overall reduction in cumulative emissions from its three main emitting sectors (power generation, transport and industry) by 15% by 2030 from business as usual (BAU), equivalent to 103 MtCO₂e, conditional on international financing
- Unconditional reduction in public transportation emissions by 30% or 1.7 MtCO₂e compared to 2013 levels by December 31, 2030

We are committed to contributing to the delivery of the national targets for reducing Greenhouse Gas (GHG) emissions.

As part of our commitment to accelerating progress on our key ESG areas of focus (protecting the environment, building community capacity, supporting economic development and empowering future leaders), we have undertaken a comprehensive review of our operations and systems referencing the updated 2021 Global Reporting Initiative (GRI) Index and the Sustainability Accounting Standards Board (SASB) Guidance to support data gathering, evidence-based insights and contextual framing as part of our reporting methodology.

Included throughout this report are disclosures containing relevant, industry-specific data and information but as a wholly government-owned, state enterprise we must exercise due diligence with certain confidential information.

Content within this report should not be considered a substitute for material information provided in our public disclosures with various governmental and industry bodies like the Ministry of Finance of Trinidad and Tobago and the Trinidad and Tobago Extractive Industries Transparency Initiative (TTEITI).

For questions about this report, please contact: esgsustainability@heritage-tt.com

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A WORD FROM OUR CEO

Arlene Chow
Chief Executive Officer

DEAR FELLOW STAKEHOLDERS

I am delighted to share our first **Environmental, Social, and Governance (ESG) Report**.

This is a landmark year for us at Heritage as we, Trinidad & Tobago's newest state-owned oil and gas company, have made significant progress in developing our Energy Transition Framework and establishing ourselves as a national and regional player in the energy sector.

Our ESG Report reflects our commitment to continuous improvement as we strive to become a more sustainable and resilient business. There is much for us to be proud of, as this report demonstrates, and we are committed to building on the areas where additional improvement can be made.

In this our fourth year of operating, we aim to leverage an ESG-linked strategy that supports our cultural transformation and helps put our purpose into action. Aligned to the UN's Sustainable Development Goals (SDGs), it takes an integrated approach while focusing on the areas where we believe we can make the most difference.

One of our strengths as a nation is our diversity. Trinidad & Tobago's 'melting pot' society is reflected in our workforce and our culture. Our people are at the heart of our company and its progress, and despite the challenges of 2020-2021 we have continued to push forward together.

At the very onset of the COVID-19 pandemic, we put extensive measures in place to ensure that our employees and contractors were safe and healthy.

Our successful on-site vaccination programme was even extended to operators and other contractors. We made significant progress in other areas, including **Stabilising Production, implementing a comprehensive Operating Management System with a focus on Health, Safety, Security and Environment (HSSE), recruiting a vibrant team across all functional areas, strengthening our Supply Chain, building out our Business Partnerships and driving Ethics and Compliance across our company**. Throughout all these efforts, we streamlined processes, established policies and governance structures and uncovered new ways to support our neighbouring

communities, by establishing a sustainable fenceline contractor programme and raising hundreds of thousands of dollars through employee salary contributions and company matching.

As we move forward with strong support from the Board and throughout the organisation, we continue to build our Strategic Pillars:

GROWING PRODUCTION SUSTAINABLY

OPTIMISING CAPACITY AND CAPABILITY

PROGRESSING OUR ESG AGENDA

PARTNERING FOR VALUE

This approach can help us achieve the ultimate goal of integrating specific ESG principles into our corporate strategy and balancing long-term growth with strong governance, responsible business policies and practices as well as positive environmental impact.

This report, which uses select disclosures under the GRI framework, provides a baseline for measuring future progress. As we move ahead our annual ESG Report will provide updates on our programmes, policies and initiatives as well as an evaluation of key ESG risks and opportunities. We will also establish goals, targets and key performance indicators (KPIs) for specific topics in addition to evaluating opportunities to increase our level of disclosure and reporting depth.

I fervently believe that we must each play our part in shaping a prosperous and sustainable future. I also believe that as a country we can transition our energy needs in a responsible manner. The narrative this report tells is of the beginning of our journey.

It tells of our successes and the challenges we have and will face as the forces shaping this world will continue unabated. But in the spirit of continuous improvement, we will push ourselves to do better.

As I look to the future, I am confident and excited about what we, as a team, can achieve.



Arlene Chow
Chief Executive Officer



HOW WE APPROACH ESG





HERITAGE AT A GLANCE

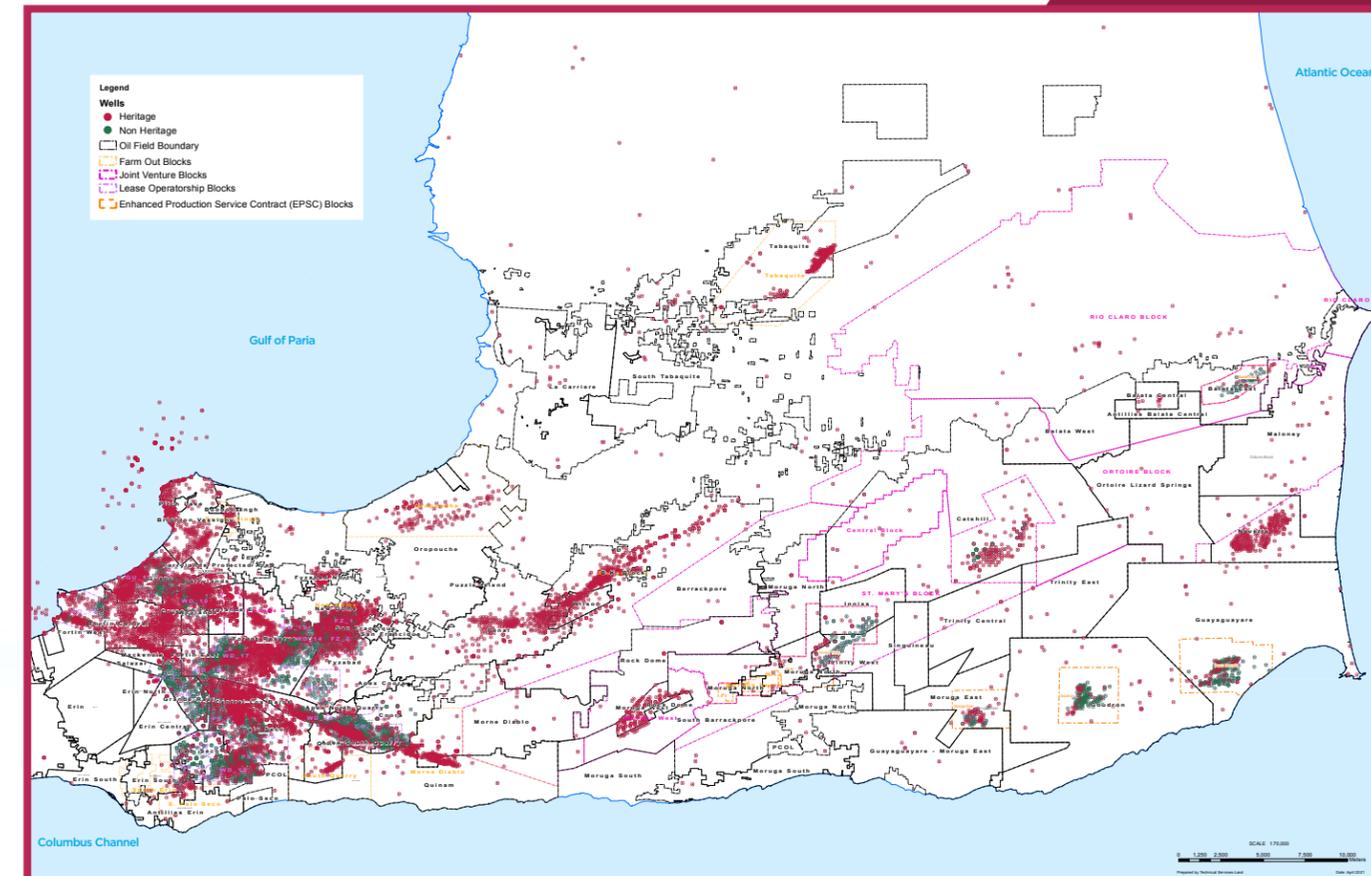
We are Trinidad & Tobago's newest state-owned, oil and gas company incorporated on the 5th October 2018 and well into our fourth year of successful operations.

Our operations are largely centred in the southern region of Trinidad and the Gulf of Paria, with non-operated assets off Trinidad's east coast.

Our primary focus is on the exploration, development and production of hydrocarbons and the marketing of crude oil with a mandate to provide maximum financial returns for the country's energy resources. We also place great emphasis on our role as an employer, taxpayer and key contributor to the livelihoods of our people, neighbours and partners across the entire value chain.

Every day our employees and contractors work toward making Heritage a source of pride for our country. Our diversity combined with passion and a relentless focus on operational excellence, profitability and world-class capability, are key to our evolution as a performance-driven oil and gas company.

Managing a massive geographical operation across South Trinidad & non-operated assets off Trinidad's north and east coast



| | | | | | |
|---|--|--|---|--|--|
| OFFSHORE FIELDS: 7 Producing Fields: Main Soldado North Soldado East Soldado Southwest Soldado West Soldado Point Ligoure Offshore Point Fortin Offshore | ASSETS: Wells* - 986 (Active - 318) Platforms - Remote/ Generator/Compressor Block Stations | ONSHORE FIELDS: 20 Producing Fields across South Trinidad from Point Fortin to Guayaguayare | ASSETS: Wells* - 13,286 (Active - 1,645) (In Service 109) Tank Batteries - 113 Pipelines/Transfer Pumps & Meters Steam Generators | OPERATIONS: Prepare and transfer of crude to loading port for final sale | ASSETS: Tank Farms - 8 (>2MM bbls capacity) Extensive pipeline network Terminal Facility at Point Fortin (Out of Service) |
|---|--|--|---|--|--|

* The number of Active Wells as of April 2022

“ Heritage is developing a reputation for sustained performance and the focus on developing a culture of safe, reliable operations is beginning to become a reality. ”

A photograph of three oil field workers in safety gear (hard hats, orange jumpsuits, and high-visibility vests) working on a platform with yellow and red valves. A large, semi-transparent blue silhouette of a person wearing glasses is overlaid on the image, extending from the top left towards the right. The background shows a clear blue sky and industrial structures.

OUR BUSINESS MODEL

Our operations are focused on core business activities supported by enabling functions.

LAND BUSINESS UNIT

Responsible for growing and optimising base production on land safely and economically, by enabling efficient and effective operations, drilling, enhanced oil recovery, robust asset integrity and maintenance programmes.

MIDSTREAM BUSINESS UNIT

Receives crude from offshore, land and lease operators; manages the fiscalisation of the crude and pumps it to an affiliated Trading Company for cargo sales.

OFFSHORE BUSINESS UNIT

Seeks to maximise value through the efficient and effective execution of projects and routine upstream activities within the Soldado Fields. The Unit develops field acreage through the efficient and safe execution of surface and subsurface activities, while protecting our base production.

BUSINESS DEVELOPMENT UNIT

Manages the partnerships and joint ventures that continue to be central to our strategy and creates new business opportunities for the company. Through our collaboration with governmental and commercial partners, we leverage both the capital and technical expertise to realise the potential of our asset base. Roughly 30% of production comes from non-operated entities as our joint venture and sub-licence programme, which is extensive.

CORPORATE FUNCTIONS

Backbone and supportive functions such as Finance, Human Resources, HSSE (Health, Safety, Security, Environment), Information Technology, Supply Chain Management, Legal & Land Management, Facilities & Property Management, Corporate Communications, Internal Audit, Subsurface and Corporate Security.



MOLO CRUDE

We are the producers of our own brand of crude oil called MOLO, a medium gravity, medium sour crude of Trinidad and Tobago origin. It is a blend of land and offshore crude supply and represents crude oil in its natural state.

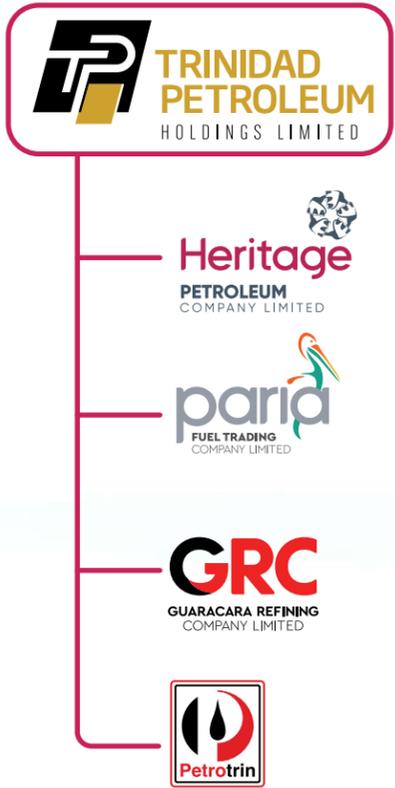
| QUALITY | | | |
|---------|-----------|---------|------------|
| API | 24.4° API | Sulphur | 1.4 w.t. % |

LNG - LIQUIFIED NATURAL GAS

Trinidad & Tobago is one of the world's primary producers of LNG and we play a role in this aspect of the energy mix.

Gas produced from the Offshore Business Unit is used to gas lift our wells or is routed to the Hollywood Manifold, located in Point Fortin and is routed through several gas scrubbers within Midstream Business Unit and then used for the steam generators within land and chemical injection pumps within the Midstream and Land operations, onshore gas is used for steam generation. Gas from our JV partners is sold to Atlantic LNG and exported across the globe. Gas not used in the operations is currently sold or vented.

KEY PLAYER IN T&T'S ENERGY MIX



Established relationships across the value chain, including with:

1. The National Gas Company
2. International Energy Companies, including BP and Shell
3. Downstream companies and markets
4. The Ministry of Energy and Energy Industries



OUR BUSINESS STRATEGY – CONTINUED, SUSTAINABLE GROWTH

Over the past three years, we have succeeded in building the foundation and setting a roadmap for accelerating our growth.

Our rich asset resource base has significant development potential and our business strategy is focused on the following four strategic pillars:



OUR VALUES

- I INTEGRITY**
 We deliver on our promises, treating each other fairly, honestly and respectfully, fostering relationships of trust with the broader society and community.
- N NIMBLE**
 We respond quickly whilst adapting in order to work effectively in ambiguous or changing situations, and with diverse individuals and groups.
- S SAFETY**
 We commit to managing our business and communities in a safe and environmentally responsible manner in accordance with statutory requirements.
- P PERFORMANCE**
 We have a commercial focus with a business mindset which promotes profitability and sustainability. We are committed to focusing our efforts on achieving high-quality results consistent with the organisation's standards and aspirations.
- I INNOVATION**
 We promote innovation that improves processes and results, generating viable, new approaches and solutions, and continuously seeking to create new possibilities.
- R RESPECT**
 We recognise value and leverage the unique perspectives, experiences and talents of every individual. We promote cross-cultural understanding, fairness and inclusion throughout the organisation.
- E EXCELLENCE**
 We are value-driven, energising and inspiring others to strive for the best and commit to common goals and purposes, creating a sense of self-efficacy, resilience and persistence.



As a market-driven, agile Exploration & Production (E&P) company, we are focused on maximising the value of our asset base and on superior execution.

We aim to succeed by:

Optimising Production from Proved Reserves

- Field Depletion Planning
- Enhanced Workover Programme for Legacy Wells
- Portfolio Management and Targeted Divestment where required

Asset Base Growth and Reserve Base Replacement

- Improved Technology
- Partnering for Production
- Focus on Assets with the Largest Resource Base
- Use of Extensive Existing Data

Commercial Optimisation

- Financial Discipline
- Managing Projects to Schedule and on Budget
- Value-based decision making
- Focus on Strategic Partnerships

Optimising Organisational Capabilities

- Reorganisation into a Functional Model
- Attracting and Retaining the Best Talent
- Training and Developing our People

JOINT VENTURES, LEASE OPERATORSHIP, PARTNERSHIPS

Heritage is currently involved with various Joint Ventures (JV), Lease Operatorships, Farmouts and Production Sharing Contracts, where risks and capital are shared in the exploration and production of oil and gas. These allow for increased production and revenues for Heritage and Trinidad and Tobago. As part of a defined strategy more opportunities will be identified and evaluated both in the development and production of hydrocarbons and also in the capture and utilisation of fugitive and vented methane, carbon capture utilisation and storage.

TECHNOLOGY AS AN ENABLER

As we continue to execute high value production projects, we are committed to investing in technologies to optimise and enhance production. The table below shows the four key technologies we are leveraging and applying across our business.

Our digital transformation roadmap is also well underway as well as our people and culture agenda. Our new hybrid working model that leverages new collaborative technologies, will continue to enable us to unlock the full capability of our teams and manage through the ongoing

COVID-19 pandemic. Together these will help us in coordinating and driving change throughout the organisation.

This innovative and nimble mindset will help us adapt and focus on priorities to ensure that we are continually learning, improving and growing as a company.

| | OPTIMISATION APPROACH | APPLICATION AREA |
|------------|-------------------------|--------------------|
| TECHNOLOGY | 3D Seismic Reprocessing | Onshore & Offshore |
| | Water Floods | Onshore & Offshore |
| | Steam Injection | Onshore |
| | Horizontal Drilling | Onshore & Offshore |

SUSTAINABILITY AT HERITAGE

Our Sustainability agenda has evolved significantly from the legacy programmes we inherited that were largely focused on corporate social responsibility.

As part of our commitment to accelerating progress on our ESG areas of focus, we have undertaken a comprehensive review of our operations and systems using the GRI Index to support data gathering, evidence-based insights and contextual framing as part of our reporting methodology.

We leverage an ESG-linked strategy that supports our cultural transformation and helps bring our vision to life. Aligned to the UN's Sustainable Development Goals (SDGs), it takes an integrated approach while focusing on the areas where we believe we can make the most difference.

STAKEHOLDER ENGAGEMENT IN SHAPING THE ESG STRATEGY

As part of our normal business practices, we maintain robust relationships with stakeholders across many areas including: employees, government, investment analysts, lenders, partners, contractors, suppliers, special advisors, industry associations, energy chambers, universities and our neighbouring communities.

Through proactive engagement and dialogue with key stakeholders we obtain diverse feedback and insights that help us to identify sustainability risks and opportunities and prioritise key ESG disclosures and initiatives.

Our employees maintain memberships to multiple industry associations, enhancing our ability to proactively identify and address relevant industry-specific risks and issues that may arise.

In addition to the 'business as usual' insights that we gain during normal operations, we also analyse industry best practices and employee engagement surveys. Many of these findings and insights helped us in the assessment of ESG disclosure areas to address in this first report. Industry association memberships and partner relationships provide another avenue for Heritage to have dialogue on key topics pertaining to sustainability.

As we further develop our ESG programme, we plan to undertake a goal setting process to establish goals, targets and key performance indicators for select topics, in addition to evaluating opportunities to increase our level of disclosure and reporting depth.

| ORGANISATIONS WE ARE A MEMBER OF AND HAVE RELATIONSHIPS WITH: | |
|--|--|
| Energy Chamber of T&T | AMCHAM (The American Chamber) |
| Trinidad and Tobago Geological Society | The University of the West Indies (The UWI) |
| University of Trinidad and Tobago (UTT) | Oil and Gas UK |
| Association of International Petroleum Negotiators | Association of Chartered Certified Accountants (ACCA) |
| Association of Upstream Organisations of Trinidad and Tobago (AUOTT) | Trinidad and Tobago Emergency Mutual Aid Scheme (TTEMAS) |
| Society of Petroleum Engineers | Trinidad and Tobago Association of Petroleum Scouts |
| American Association of Petroleum Geologists (AAPG) | |

ALIGNMENT TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The United Nation's SDGs provide a holistic and ambitious roadmap for governments, businesses and civil society to work together to address a multitude of global challenges, including poverty, inequality, climate change, environmental degradation and justice.

As a state-owned company we go beyond what a private sector organisation would have to, especially when it comes to our communities and citizens.

Given our involvement in the extraction of fossil fuels and our focus on developing capability and embedding safety into our operations to improve efficiency and prevent emissions associated with oil and gas production, we play a key role in advancing multiple SDGs.

Within the framework of our ESG strategy, we have identified the following SDGs with which we believe our company values and operations best align:



ESG AREAS OF FOCUS

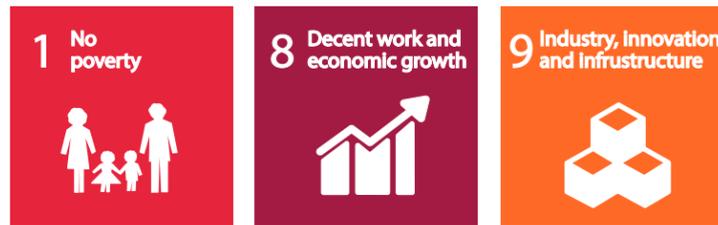
Protecting the environment



Building community capacity



Supporting economic development



Empowering future leaders



We believe alignment with these SDGs will help us focus our efforts in shaping a more sustainable future.

METHODOLOGY REFERENCING GLOBAL REPORTING INITIATIVE (GRI)

We prepared this report with reference to the GRI framework to guide the evaluation of our performance within widely accepted reporting frameworks. Leveraging these frameworks, we set out to clearly communicate our ESG risks and opportunities to stakeholders in a way that enhances transparency and long-term decision-making.

Detailed disclosures can be found in the GRI Index on pages 60-85 of this report.

Disclosures under these frameworks are related to Heritage Petroleum's sustainability performance in 2020-2021 and include all company operations unless otherwise noted.





DELIVERING SOLUTIONS WITH IMPACT

FIRST ESG FOCUS AREA:

PROTECTING THE ENVIRONMENT

(by preventing or mitigating adverse environmental impacts)

12 Responsible consumption and production

13 Climate action

15 Life on land

i) Creating a Safety Culture

In 2021, we successfully implemented our **Heritage Operating Management System (OMS)** to enable us to have a systematic and controlled approach to how we manage our business with respect to safety, risk management and operational integrity.

2022 will see us continue to build on this momentum and further embed OMS into our company as well as our supply chain.

As part of our OMS, we embedded robust HSSE policies, standards and procedures to drive compliance and support the building

of a safety culture. A strong HSSE culture helps reduce our risks of accidents to people and the environment, while building resilience into our organisation. We made significant headway in 2021 with some key achievements across multiple areas, from an ISO 14001-compliant Environmental

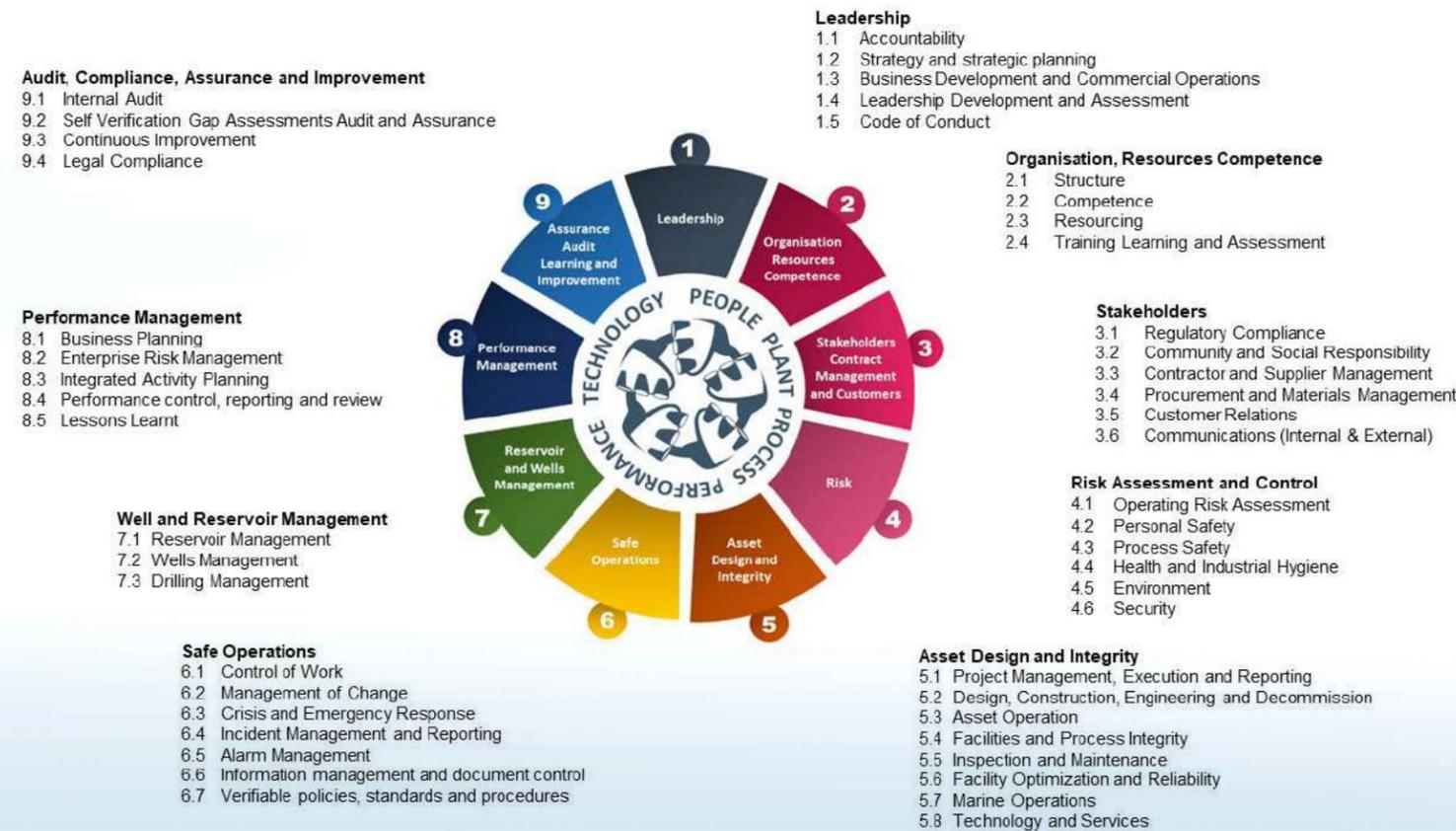
Management System and control-of-work programme to a Contractor HSSE Management and a Behaviour-Based Safety System.

To help build crisis management capability across the organisation, we implemented a Business Support Team (BST) and Incident Management Team (IMT) Roster that involves employee participation on a structured rotation system.

We also strongly encourage employees to report hazards and have a Stop Work Authority programme, which empowers any employee to stop work if they identify an unsafe condition. Employee reports of potential hazards are reviewed by the HSSE team and corrective action is taken, where applicable, to ensure the use of best management practices and a safe work environment.

Key Achievements

- Creation of a centralised HSSE Department;
- Development of Key Process Safety Procedures, namely Management of Change (MOC), Pre-Startup Safety Review (PSSR), Hazard Operability (HAZOP), Process Safety Fundamental;
- Increased focus on Learning from Incidents and embedding the Investigation Process;
- Developed the Control-of-Work Procedure;
- GHG Calculator Tool and Emissions Inventory Reporting achieved;
- CO2 Emission Reduction Assessment achieved;
- ESG and Sustainability Targets achieved;
- Asset Integrity Results reduced;
- Process Safety Incidents reduced;
- Personal Safety Incidents and Severity reduced; and
- Risk Management Standard approved and Business Risk threshold measured; Controls Audited; Risk Levels reduced.



The table below highlights some of the key HSSE performance metrics that we have focused on over the past two years as we implemented and embedded across the organisation.

HSSE Performance Metrics

| FOCUS AREA | LEADING INDICATORS | UNIT OF MEASUREMENT | 2019-2020 | 2020-2021 |
|---------------------------------|---|---------------------|---------------------|-----------|
| HSSE Leadership | Management Visits & Leadership Site Field Assessment | NUM | 74 | 104 |
| Employee Participation | Near Misses | NUM | 87 | 11 |
| | Employee Interventions (Behaviour-Based Safety Observations) | NUM | 699 | 564 |
| Control of Work | Self-Verifications | NUM | not yet implemented | 709 |
| Contractor Management | Monthly Contractor HSSE Meetings | NUM | 15 | 68 |
| FOCUS AREA | LAGGING INDICATORS | UNIT OF MEASUREMENT | 2019-2020 | 2020-2021 |
| Health and Safety (Employees) | OSHA Recordables - Restricted Work Case | NUM | 2 | 0 |
| | OSHA Recordables - Medical Treatment | NUM | 1 | 0 |
| | OSHA Recordables - Work-Related Facilities | NUM | 0 | 0 |
| | OSHA Recordables - Lost Time Incident Frequency Rate (Incidents per 200,000 work-hours) | Rate | 0.66 | 0 |
| | OSHA Recordables - Lost Time Injuries | NUM | 2 | 0 |
| | First Aid Cases | NUM | 8 | 4 |
| Health and Safety (Contractors) | OSHA Recordables - Restricted Work Case | NUM | 0 | 0 |
| | OSHA Recordables - Medical Treatment | NUM | 2 | 3 |
| | OSHA Recordables - Work-Related Facilities | NUM | 0 | 0 |
| | OSHA Recordables - Lost Time Incident Frequency Rate (Incidents per 200,000 work-hours) | Rate | 0.24 | 0.05 |
| | OSHA Recordables - Lost Time Injuries | NUM | 4 | 1 |
| | First Aid Cases | NUM | 6 | 6 |

ii) Managing Asset Integrity Risk

From 2020 to 2021 we set a clear priority risk reduction plan to support major integrity project execution across our entire business covering Land, Offshore and Midstream. We identified several areas as priorities in ensuring the reliability of our operations and safe delivery of production targets – that we will continue to address in 2022 to 2023:

- Field Rationalisation Studies;
- New Technology;
- Multiphase Pumps;
- Instrumentation Upgrades;
- Major Roadworks and Bridge Upgrades;
- Corrosion Repair;
- Tank Upgrades;
- Pipeline Repairs;
- Fire Suppression System; and
- Electrical Upgrade.

To help develop, define and approve our 'Asset Integrity Standards and Procedures', we implemented a multi-year integrity programme to reduce integrity-related operating risk.

The purpose of our Work Management (Maintenance) Business Process is to develop and integrate business processes in order to support user adoption and system capability development. This includes:

- Task Workflow by Role;
- System Status matched to Task Workflow;
- User Status matched to Task Workflow; and
- Transaction Type managed in Fiori and/or Graphical User Interface (GUI).

We therefore implemented a Computerised Maintenance Management System (CMMS) on an SAP platform to ensure that all maintenance and integrity work is managed and executed to achieve 90% work order compliance. In essence: if no work order is generated from SAP – no work is approved. This helps us to not only control workflow management, but have line of sight of all work activity sets that are active and in the pipeline.

Key Achievements

- Breakdowns reduced by 30%;
- Maintenance execution of work at 85%;
- Deferrals reduced to improve operational efficiency;
- Reliability critical equipment at 85%;
- Lower cost of maintenance;
- Critical Equipment Engineering Standards defined; and conformance established at 80%.

iii) Greenhouse Gas Emission Reporting

We play a role in supporting Trinidad & Tobago's national low carbon future agenda.

In 2019, we took the first step toward developing a Greenhouse Gas (GHG) Emission Inventory Report ("Report") and its GHG Calculator tool for monthly reporting.

This enabled us to have a deeper understanding of where we needed to focus in our strategic plan. In 2022 we published our third Report and are establishing a dedicated Green Agenda Team.

The table summarises the emission sources considered in our process and consequently in our inventory report. We categorise them by Scope due to a combination of materiality and priority.

Emissions sources included in Heritage's GHG Emissions Inventory.

| SCOPE | EMISSION CATEGORY | EMISSION SOURCE | EMISSION COMPONENT |
|---------|--|--------------------|--------------------------------------|
| Scope 1 | Combustion | Stationary | Natural gas compressors |
| | | | Natural gas generators |
| | | | Natural gas pumps |
| | | | Natural gas steam generator |
| | | | Diesel compressor |
| | | | Diesel generators |
| | | Mobile | Vehicles fleet (diesel and gasoline) |
| | | | Security (diesel) |
| | | | Vessel (offshore) |
| | | | Trucks (land operations) |
| | | Fluorinated gases | |
| | | Fugitive emissions | |
| | | Vented emissions | |
| Scope 2 | Purchased electricity | Power consumption | |
| Scope 3 | Wastewater treatment | | |
| | Employee commute (diesel, gasoline, cng) | | |
| | Purchase of goods and services | | |

In general terms, Heritage's GHG emissions decreased by 43.9% between 2019 and 2020 moving from 9,248,293 tCO₂e to 5,181,043 tCO₂e for Scope 1, 2 and 3 from January to December 2020, due to the improvement in calculations of the vented emissions (as explained in the Gas Venting section on page 33). The table below summarises the emission by scope and Business Unit (BU).

We can see from the table that methane is the main contributor as it represents

95.03% of total GHG emissions. As the main compound in natural gas, it is released during gas venting and directly emitted to the atmosphere. It is also emitted by fossil fuel combustion when the fuel is not burned completely. Methane is especially significant in Land Operations, where it represents 99.31% of total Land BU GHG emissions.

Carbon dioxide contributes 4.7% of Heritage's overall GHG emissions. However, it represents 48.77% in Midstream BU

(due to electricity consumption), and 23.41% in Corporate activities (due to fuel consumption in the vehicle fleet and employee commute). Nitrous oxide and HFC (hydrofluorocarbons) contribute 0.25% and 0.02% respectively to total GHG emissions, however, they represent 63.87% and 12.30% of Corporate emissions respectfully, due to fuel consumption in vehicle fleet and fluorinated gases.

GHG emissions by greenhouse gas (tCO₂e) per Business Unit for Scope 1, 2 and 3 (2020)

| | OFFSHORE BU | MIDSTREAM BU | LAND BU | CORPORATE | TOTAL | % CONTRIBUTION |
|-----------------------|-------------------|-----------------|---------------------|-----------------|---------------------|----------------|
| Methane | 409,027.28 | 3,658.07 | 4,510,626.66 | 36.67 | 4,923,348.69 | 95.03% |
| Carbon Dioxide | 212,479.30 | 4,155.32 | 24,859.31 | 2,066.20 | 243,560.12 | 4.7% |
| Nitrous Oxide | 372.35 | 693.28 | 6,305.25 | 5,637.35 | 13,008.24 | 0.25% |
| HFC | 25.85 | 14.20 | 0.00 | 1,085.80 | 1,125.86 | 0.02% |
| Total | 621,904.78 | 8,520.88 | 4,541,791.22 | 8,826.02 | 5,181,042.91 | 100% |



Gas venting

Overall, offshore emissions decreased even with higher oil production, largely due to a change in vented emissions. The vented emissions calculated for 2019 utilised the Gas-to-Oil Ratio (GOR) for all its fields which could be interpreted that all the gas produced with the oil from the fields was being vented. This is not the case, as most of the gas produced is compressed and reinjected into the wells as ‘gaslift’ gas for lifting the oil from the wells.

A small quantity of the gas produced is also used as fuel for offshore and on-land equipment.

After separation, the residual entrained gas in the oil is vented as ‘fugitive gas’ at the top of the production tanks, however this is not currently being measured.

Continuous measured venting only occurs on the Generator Platform (GP)1 location in the Soldado East Field. Otherwise venting occurs in emergency/upset situations when

equipment or platforms shut down, the system blows down or when maintenance is required. Gas is also flared on the Mobile Offshore Production Unit in the Southwest Soldado Field during upset conditions or during maintenance work on compressors. The emissions from flaring was included into the calculator from 2020 onwards.

The GOR was revised from the 2020 calculation hence the volume vented in the 2019 report was significantly reduced due to this removal.

Scope 1, 2 and 3 emissions per year

| TOTAL GHG EMISSIONS (tCO ₂ e) | 2019 | 2020 | 2021 |
|--|----------------------|---------------------|---------------------|
| Scope 1 | 9,171,798.57* | 5,150,088.20 | 5,002,925.70 |
| Scope 2 | 24,634.04 | 26,682.26 | 30,842.47 |
| Scope 3 | 51,860.68 | 4,272.44 | 4,203.42 |
| Total (Scope 1, 2 & 3) | 9,248,293.29† | 5,181,042.91 | 5,037,971.59 |

*The Scope 1 emissions for 2019 were updated to 4,719,014.35 tCO₂e due to the improvement in calculations of vented emissions.
 †The Scope 1, 2 and 3 emissions for 2019 were updated to 4,795,509.07 tCO₂e due to the improvement in calculations of vented emissions.

Methane emissions per Scope 1, 2 and 3 emissions per year

| Year | QUANTITY METHANE PER SCOPE 1, 2 & 3 (tCO ₂ e) | | |
|------|--|---------|----------|
| | Scope 1 | Scope 2 | Scope 3 |
| 2019 | 8,937,122.99* | 62.65 | 451.86 |
| 2020 | 4,920,898.80 | 211.80 | 2,238.09 |
| 2021 | 4,767,425.92 | 349.90 | 2,238.94 |

*The Scope 1 Methane emissions for 2019 were updated to 4,499,582.67 tCO₂e due to the improvement in calculations of vented emissions.



EFFLUENT MANAGEMENT

Like all oil and gas companies, we use water in key aspects of our operations. Drawing from local water wells, we use it in waterflooding, steam flooding, fire systems and industrial use and we also supply to local communities for potable use. From 2020-2021, we withdrew 1,025,373m³ of water from wells in: Central Los Bajos, Coora/Quarry, Guapo, Forest Reserve/Parrylands, Fyzabad and Palo Seco. We also consumed 592,496m³ of water for wider operations while supplying neighbouring communities with 725,105m³ of water for the same reporting period.

Heritage was issued the first water pollution permit in the country under the new Water Pollution Rules. In October 2019, following the revision of these Rules, we applied for our first two water pollution permits (for our Tank Farm facilities in Point Fortin and Point Ligoure). Since the issue of both permits, we successfully achieved the following:

1. Installation of two 24-hour continuous flow monitoring meters to accurately measure the volume of its produced water discharged;
2. Developed and received approval from the Environmental Management Authority (EMA) for two quality assurance project plans for both facilities;
3. Commenced monthly sampling and analyses of the effluent to determine the concentration of pollutants and submission of these reports to the EMA; and
4. Paid the first two annual permit fees and submitted two annual reports.

To ensure that we operate within the parameters of the Rules, we have begun the process of documenting our effluent processes across the organisation and testing all effluent discharges. This data will provide the required baseline information for evaluating our potential strategies for the treatment of produced water.

IDENTIFYING OPPORTUNITIES

Our Emissions Reduction Assessment Workshop was another key initiative that helped us to identify and prioritise 80 opportunities to help reduce our carbon footprint. They ranged from detailed engineering plans and improved data collection to dedicated roles, planning and even small-scale alternative energy infrastructure to replace fossil fuel generated power and offset carbon emissions.

We have activated our Energy Transition Framework which links our funding with our energy transition objectives, leveraging defined timelines to achieve performance goals that are relevant and material to our business.



HIGHLIGHT - OUR ESG JOURNEY TO DATE

Our first steps in our ESG journey were to develop a Greenhouse Gas (GHG) Emissions Inventory and a GHG Calculator tool for monthly emissions reporting.

This project started in July 2019, when Heritage utilised the most adequate technique for determining its impact on climate change - calculation of its carbon footprint. This process highlights the areas of the organisation where greenhouse gases are emitted and helps us to develop the measures that should be taken to reduce emissions. Our bespoke tool not only establishes a baseline for reducing GHG emissions based on quantifiable targets, but also sets the starting point for designing actions to reduce them over a specific period.

Data collection is a critical step in understanding our carbon footprint and directly impacts the accuracy of the results. This phase for us was supported by a cross functional team of 15 employees across our Land, Offshore and Midstream Business Units, as well employees from our Corporate Services such as Supply Chain,

Facilities & Property Management and Finance. A continuous work in progress, our calculations were done based on 2020 source data.

Our first solution-driven focus was the measurement and quantification of vented emissions from the facilities of our Land, Offshore and Midstream Business Units. Our process involved using an Optical Gas Imaging (OGI) camera system to detect (visualise), acquire data and quantify vented GHG Emissions in selected Land and Offshore locations. This was chosen as the first data improvement strategy based on our calculations, emissions from vented sources was one of the main contributors to our carbon footprint.

We also identified key milestones for our Energy Transition Framework to reduce our GHG, developed by a cross-functional team of 30 people. These include:

1. **Setting baseline Energy Transition Performance Targets (ETPT)** in 2022 on completion of the GHG studies, analysis, business case, investment decisions and agreements on the scope of the GHG Reduction Initiatives.

2. **Completion of 30% of our GHG studies** after 2022 to further inform our GHG ETPT targets.
3. **Setting the second ETPT target in 2023** on completion of the remaining GHG studies, analysis, business case, investment decisions and agreements on the scope of the GHG Reduction initiatives.
4. **Communicating annually** on the relevant Key Performance Indicators (KPIs) and ETPTs, ensuring that up-to-date information and reporting are available on our website.

We will also continue to refine and improve our data collection process through:

1. **Fugitive emissions:** defining an inventory with the total number of components and type of components per Business Unit, as well as an internal record of the monthly operational hours of these components.
2. **Vented emissions:** an alternative approach to estimate the vented emissions is the direct measurement at the vent locations using innovative technologies.

3. **Gas-to-Oil Ratio:** it is necessary to develop new measures of the GOR in Land operations per area into the Business Unit thereby ensuring that a more accurate figure of the emissions related to vented emissions will be obtained. It is recommended that this analysis is updated every year for Land and Offshore Operations.
4. **Waste:** defining an inventory by Business Unit to identify the quantity of waste generated.

In the spirit of continuous improvement, we are working toward anticipating future needs and developing solutions to meet them.





SECOND ESG FOCUS AREA:

BUILDING COMMUNITY CAPACITY

3 Good health and well-being

4 Quality education

11 Sustainable cities and communities



At Heritage, we are committed to the safety and well-being of our neighbouring communities.

We invest in programmes that focus on Education, Agriculture, Culture, Volunteering and Environment, areas that are relevant and have a tangible impact on the livelihoods of people.

To help build local capacity, we established a two-year Graduate Trainee Programme designed to provide incumbents with coaching, guidance and relevant work experience - thereby helping them prepare and transition to the world of work. We also have a scholarship programme called Heritage Education Resource Opportunity (HERO) that grants TT\$100,000 to top-performing Secondary Entrance Assessment (SEA) students in our local communities. This grant is disbursed annually and on a structured basis from secondary school to completion of an undergraduate degree. Students are tracked and assisted with advice and mentorship to help prepare them for their futures and to give back to their communities.

With the increase in online learning, we also donated 462 computers to students in our communities and organisations such as the Children's Authority of Trinidad and Tobago and to the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT). We also sponsored the development of the La Brea Student Support Centre where students are able to have access to computers and the internet to help facilitate their learning objectives.

T&T is a nation rich in culture with music playing a key part of our society. In support of this we have sponsored the Siparia Deltones Steel Orchestra. Our support for the national instrument also extends to us supporting the Youth Music Literacy Programme of the 'Palo Seco Diatonics'.

In the spirit of volunteerism, our employees have undertaken various community infrastructure improvement projects. This sense of volunteerism also sees our employees contributing significantly from their own pockets to various community initiatives aligned to our ESG Areas of Focus.

A major area of focus for the government and citizens of T&T is food sustainability. To support this agenda, we implemented an agricultural programme called 'Here We Grow' to empower households in our neighbouring communities to grow what they eat as well as train and assist them in making their farming initiatives economically viable.

Finally, we continue to sponsor the Pointe-à-Pierre Wild Fowl Trust (PaPWFT) - a non-profit making, volunteer organisation that was established in 1966 by Dick Dean and Johnny Cambridge. It is patterned after the Wildfowl & Wetlands Trust in Slimbridge UK, with the similar far-reaching vision that captive breeding of waterfowl for reintroduction into the wild, would become necessary to offset the dangers of poaching, overharvesting and pollution. Because of its location within a huge industrial complex, the PaPWFT serves as an example of industry and commerce working side-by-side with the natural environment.

Key Stats

Sponsorship

contributions of TT\$551K

Donations of TT\$413K

HERO programme

investment of TT\$30K

20,000 seedlings distributed for 'Here We Grow' programme

Mass Vaccinations

investment of TT\$152K

2,280 Hampers distributed

462 Computers donated





THIRD ESG FOCUS AREA:

SUPPORTING ECONOMIC DEVELOPMENT

1 No poverty

8 Decent work and economic growth

9 Industry, innovation and infrastructure

As one of our nation's flagship state-owned companies, we play a critical role as not only an employer, tax contributor and supply chain partner, but also as a facilitator of livelihoods and socio-economic prosperity.

Over the past three years, our company has grown to a workforce of approximately 462 people (permanent and direct contracted staff) as well as a major provider of third-party contracts across the value chain.

We aim to provide industry standard, competitive compensation for our employees that are compliant with the State Enterprise Performance Manual and aligned to our strategic plan. Our robust recruitment and selection processes is fair, transparent and consistent. This helps us to provide equal opportunities without discrimination with respect to: skin colour, ethnicity, religion, sex, gender, political persuasion, sexual orientation, disability, or any other basis prohibited by law. This practice has resulted in us achieving a healthy level of diversity within the organisation.

As a major national oil and gas producer, we procure capability, equipment, components and raw materials from suppliers locally, regionally and internationally. Across our supply chain, our Code of Ethics governs all of our interactions, including those with suppliers and outlines our commitment to all applicable laws and regulations, including the Procurement Act. Our supplier vetting process includes evaluating suppliers' performance and conducting an on-site audit to ensure ethical treatment of their employees, including the absence of child labour.

Key Figures

- 4.6% (TT\$6.83BN)** of T&T's GDP
- TT\$1.1BN** Supply chain spend
- c.1,470** local invited vendors
- c.4,000** jobs: employees and third-party contractors
- 5.7%** contribution to T&T's Total Tax Revenue Budget

FOURTH ESG FOCUS AREA:

EMPOWERING FUTURE LEADERS

| | |
|-----------------------------------|---|
| <p>4 Quality education</p> | <p>8 Decent work and economic growth</p> |
|-----------------------------------|---|

We have also invested in the talent pipeline of the future with the launch of two initiatives: our **Graduate Trainee Programme** and our **Student Mentoring Programme**.

In February 2021, our two-year Graduate Trainee Programme was offered to university graduates to provide practical and invaluable work experience with the aim of helping them become more employable. The first year saw us recruit 19 graduates across multiple disciplines.

In 2022, we partnered with the Society of Petroleum Engineers to mentor six students as part of our Student Mentoring Programme, designed to coach and inspire Science, Technology, Engineering and Mathematics (STEM) students during their academic journey.



THE WAY WE WORK

People and Culture

As our organisation grows, it is vital that we continue to invest in the capability of our employees through a range of learning and development programmes.

Our Human Resources Strategic Plan is aligned to our organisation's corporate strategy and comprises four key elements (each with its supporting building blocks): **1) Building and Sustaining a High-Performance Culture, 2) Becoming an Employer of Choice, 3) Building an Agile Workforce and 4) Being a Fit for Purpose Organisation Structure.** We believe that this cohesive approach across all elements helps provide assurance that the organisation is equipped with the right resources in the right place at the right time, helping to create a safe and productive work environment for all.

As a relatively new employer in the local sector, we are proud of our ability to recruit and onboard a total of 462 employees from inception. A retention rate of 96% in 2021 coupled with 17% headcount growth, are testaments to the commitment of our employees and the leadership team.

Building resilience into our company culture is a key focus for us as we navigate an increasingly challenging environment. Our INSPIRE Core Values and Human Resource Policies help guide our conduct and behaviours every day and our use of cross-functional, multidisciplinary teams are key features in the way we work. The resiliency of our organisation's culture is continuously tested throughout the COVID-19 pandemic, but from its onset in 2020, through thoughtful planning and careful execution by our teams, we were able to transition to a hybrid working model while maintaining employee health and safety as our top priority.

We implemented strict protocols for the safety of employees who must work on sites, including masks and gloves, regular disinfections of the facilities throughout the day and between shifts, as well as regular COVID-19 testing.

Along with our commitment to creating safe workplaces for our people, we placed significant emphasis on employees' physical and mental well-being. Our

Employee Assistance Programme (EAP) service provides an avenue for employees to access professional services in this space and we also provide other activities, from fitness sessions and wellness lunches to paid time off for training programmes. We also updated our Employee Health Plan to provide reimbursements for COVID-19 PCR testing.

As a national leader in the oil and gas sector we know that our continued success will depend significantly on our talented 100% local workforce, which will be a key driver of our ESG agenda.

EMPLOYEE SPOTLIGHT

SADIYAH FORDE
GRADUATE TRAINEE,
HEALTH, SAFETY, SECURITY AND
ENVIRONMENT HSSE



“ My hope for Heritage’s future is the expansion of its focus on sustainability by continuing to develop and implement strategic and impactful practices that will build a greener future for the industry and Trinidad and Tobago. ”

After completing her undergraduate degree in Environmental Science and Sustainable Technology at The University of the West Indies, Sadiyah joined Heritage as a Graduate Trainee in Heritage’s HSSE team.

With a belief that high-risk industries like oil and gas need to sustainably manage their resources and mitigate their environmental impacts, she was pleasantly surprised to see emphasis already being placed on sustainability through projects such as the Greenhouse Gas Inventory Report and the Energy Transition Framework. This is especially so as the company was only a little over two years old at the time.

As a member of Heritage’s ESG committee she played a key role in supporting both the creation of this ESG Report as well as the company’s plan for alignment to T&T’s commitments to the Paris Agreement (COP21) and more recently COP26 in Glasgow.

As a young emerging leader, Sadiyah feels inspired by the representation of female leadership and loves the diversity of the people at Heritage. She thrives on the mentorship and coaching she continues to receive and has grown the confidence to speak up and voice her opinion on matters she believes to be important. As she continues to build her career she looks forward to helping shape Heritage’s sustainability agenda and contributing to the company’s one team, one journey culture.

EMPLOYEE SPOTLIGHT

SAMANTHA MOHAMMED
E&I ENGINEER,
MIDSTREAM BUSINESS UNIT



“ Using the ‘One Team’ approach, I think we need to focus on reducing our company wide carbon footprint, to ensure that we are well positioned to take advantage of upcoming opportunities in the low carbon oil and gas sector. ”

As an Electrical and Instrumentation Engineer in the Midstream Business Unit, Samantha plays a key role in designing and implementing solutions that drive operational excellence and enhance asset integrity. Her experience across onshore and offshore facilities has given her a great perspective on the need for the oil and gas sector to be a driving force in achieving a reduction in carbon emissions. As such she was delighted to learn that Heritage has embarked on a strategic Green Agenda and already started integrating “green” into various projects and activities.

One of the key projects she is currently leading is the Heritage Supervisory Control & Data Acquisition (SCADA) System Upgrade, which involves the remote monitoring and control of assets across a large geographical spread. Benefits will include: faster leak detection and response, a reduction in energy consumption and a decrease in CO2 emissions associated with site travel. Another key project her team is working on is a Gas Recovery Project aimed at recovering 500,000 standard cubic feet (scf) of gas per day that will be used to operate steam generators on land to drive production while reducing methane emissions.

Samantha believes some of the key areas for Heritage to tackle would be: oil spill reduction, effluent waste management, vapour recovery and the use of energy efficient systems. She also believes in the power of the company’s One Team approach to problem solving and managing risk. The journey is well underway and Samantha is excited about playing her part in delivering a sustainable future. One team, one journey.

EMPLOYEE SPOTLIGHT

VANITA RAMHARACK
SENIOR PROCESS ENGINEER,
OPERATIONS TECHNOLOGY,
LAND BUSINESS UNIT

“ I believe that Heritage, as the state-owned E&P company, should be setting the example in this arena and am delighted to play my part in our Green Agenda initiative. ”

Over the past 16 years, Vanita has observed first-hand the challenges and evolution of the local oil and gas sector. As a Senior Process Engineer with the Land Business Unit, she provides technical and field support for project implementation, resolving operational issues and the completion of process safety related activities. This problem-solving experience has given her a unique perspective on finding solutions to complex challenges.

As such it was a logical step in her being appointed as the Process Engineer for Heritage's Green Agenda Project - which will initially focus on methane emissions reduction, waste management and carbon capture, utilisation and storage. She believes that a priority for Heritage should be reducing the venting of associated gas, which is predominantly methane and accounts for more than 90% of Heritage's carbon footprint. She and the team are currently conducting an exercise to identify and quantify methane emissions throughout the company's operations in order to prioritise recovery efforts.

Vanita understands clearly the significant impact that the oil and gas sector has on climate change and believes that the industry players have a role to play and a duty of care in ensuring a sustainable future. She also believes that Heritage's people and its One Team culture would enable it to leverage its full capability in delivering on its commitments. A proud 'Planeteer', she continues to play her part in helping shape Heritage's future.

“ While operating as lean and efficiently as possible, we must ensure that the correct capex investments are put in place to support our environmental and wider sustainability agenda. ”

As one of the largest real estate managers in the country, Heritage's Land Business Unit plays an integral role in delivering production and the Green Agenda Project. In his capacity as Production Team Lead, Kirt's mandate is to drive production within a lean, operating structure - no easy task for any professional in this space.

In two-and-a-half years he and his team have enabled production output increases in Forest Reserve/Fyzabad from 2,500 barrels of oil per day (bopd) to 3,500 bopd, with 11 wells being drilled on the LBU and a target of 30 wells in the next operating year. This growth agenda required new ways of working within the company's OMS, especially across field teams comprising 210+ employees and contractors. From consistent, two-way communications and robust audits to embedding strict protocols, the teams were able to deliver strong results without any major incidents.

Kirt believes that land emissions at satellite locations can be managed through a reduction of tanks on sites (where possible), effective well testing and gas collection and replacing defective piping to enhance asset integrity. He also believes in the power of teamwork and keeping morale high through recognition and reward for performance and great ideas. An industry veteran, Kirt is excited about the future, the possibilities that exist and the path that Heritage is exploring.

EMPLOYEE SPOTLIGHT

KIRT ROBERTSON
PRODUCTION TEAM LEAD,
LAND BUSINESS UNIT



GOVERNANCE

Heritage Petroleum Company Limited and our Board of Directors are committed to implementing sound and transparent corporate governance principles that strengthen accountability, oversight, and alignment with our key stakeholders.

Our corporate governance efforts are highly focused on effectively managing risk and preserving long-term, sustainable value for the benefit of our shareholders, our employees, and the broader ecosystem in which we operate. Our corporate governance framework is guided by our Certificate of Incorporation, Bye-Laws, Board Committee Charters, Code of Ethics, Ethics and Compliance Charter, and other relevant policies. In addition to these governing documents, which are publicly available on our investor website, more information pertaining to corporate governance can be found in Energy Recovery's 2020 Proxy Statement.

Role of the Board of Directors

Among its primary responsibilities, the Board oversees our strategic and business planning processes, monitors corporate performance and assesses the integrity and effectiveness of our internal controls, legal procedures, ethics, and compliance programmes. Beyond these core responsibilities, the Board is also responsible for establishing and maintaining the most effective leadership structure for the company, as well as overseeing the Executive Leadership Team.

The roles of the Chairman of the Board and the Chief Executive Officer (CEO) are separate, with the Chairman's role being filled by an independent director, appointed by the state. This structure affords independent Board leadership while allowing the CEO to focus on the company's business and operations. Nevertheless, the Board also believes it is both appropriate and strategic to retain discretion and flexibility to occasionally alter its structure to ensure optimal leadership of the company.

The Board regularly reviews the skills and experience required to properly oversee the interests of the company and its stakeholders. Our Board believes that the directors and executive officers have the appropriate mix of expertise, experience, skills, qualifications, and attributes necessary to effectively lead the company.

Heritage Petroleum Company Limited (Heritage) Board Members: Michael A.A. Quamina (Chairman), Reynold Ajodhasingh (Deputy Chairman), Vincent Bartholomew, Peter Clarke, Newman George, Joel Harding, Selwyn Lashley, George Leonard-Lewis, Reza Salim, Ryan Toby.

All members are non-executive, independent and generally have a two-year tenure that is renewable by Corporation Sole under the Ministry of Finance. Under the State Enterprises Performance Monitoring Manual, Board members have an annual performance appraisal report.

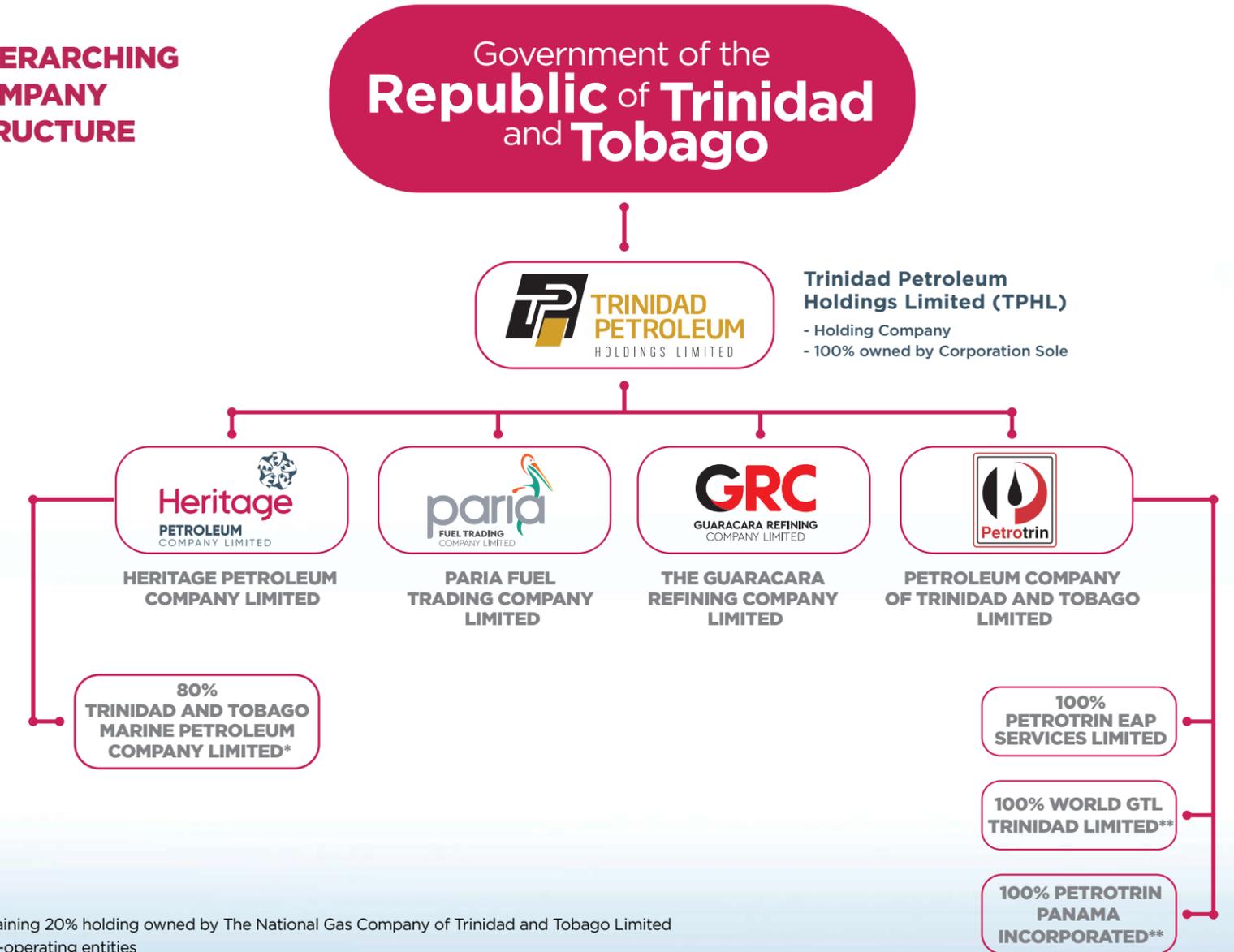
Board Composition

Our Board and its five sub-committees provide guidance and oversight for the company. Each committee has adopted formal charters that describe in detail their purpose, organisational structure, and key responsibilities.

Our directors bring diverse skills and experiences to the Board, including executive management, leadership, finance, financial reporting, manufacturing, engineering, technology, product commercialisation, expertise in the oil and gas industry and risk management.

The Board strongly believes that the current mix of directors provides the company with an appropriate balance of knowledge, experience, and capability, allowing us to leverage institutional experience and knowledge in addition to new viewpoints and ideas.

OVERARCHING COMPANY STRUCTURE



There are five Board Committees that are responsible for different topic areas such as:

AUDIT AND RISK SUB-COMMITTEE:

Purpose:

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

Members:

- Ryan Toby (Chairman)
- Selwyn Lashley
- Vincent Bartholomew

OPERATIONS AND SAFETY SUB-COMMITTEE

Purpose:

To assist the Board with monitoring and assuring production delivery, ensuring compliance with OSH policy and the safety management system, and assures HSSE performance.

Members:

- George Leonard-Lewis (Chairman)
- Selwyn Lashley
- Vincent Bartholomew

FINANCE, INVESTMENT AND STRATEGY SUB-COMMITTEE:

Purpose:

To assist the Board with financial planning and management, capital investment analysis, strategic core asset acquisition/disposition, strategic HR planning, recruitment and development, people performance management.

Members:

- Peter Clarke (Chairman)
- Reynold Ajodhasingh
- Joel Harding

HUMAN RESOURCES SUB-COMMITTEE:

Purpose:

To assist the Board with strategic HR planning, recruitment and development, people performance management.

Members:

- Newman George (Chairman)
- Reza Salim
- Michael Quamina

PROCUREMENT AND TENDERS SUB-COMMITTEE:

Purpose:

To assist the Board with core asset dispositions, tender invitations and awards, prequalification and registration of vendors, contractor claims and complaints.

Members:

- Reynold Ajodhasingh (Chairman)
- Vincent Bartholomew
- George Leonard-Lewis
- Joel Harding



RISK MANAGEMENT

The Board, either directly or through one or more of its sub-committees, reviews the company's business strategy and management's assessment of related risks, and discusses with management the appropriate level of risk response depending on the market environment and other relevant factors. The Board relies on each Board committee to oversee the management of the specific risks related to that committee's function.

The goal of the company's risk management process is to understand and manage material risks impacting our business' objectives. Additionally, we view a fundamental part of risk management as understanding what level of risk is appropriate depending on the market environment and the specific issue in focus.

The impact of COVID-19 is examined at Board meetings from angles ranging from HSSE, Operations, Finance and Human Resources. This remains a key item on the TPHL Group Board portfolio.

While Heritage's executive management team is responsible for establishing our business strategy, identifying and

assessing the related risks, and establishing appropriate risk management practices and controls, the Board also oversees the risk management process to support the achievement of organisational objectives, which includes: to improve long-term performance, and ultimately enhance shareholder value. The Board's key responsibilities around risk management are primarily actioned through the Audit and Risk Sub-Committee.

The Audit and Risk Sub-Committee is primarily responsible for overseeing the company's risk management processes on behalf of the Board and regularly discusses and considers the processes by which management and relevant departments assess and manage the company's exposure to risk. Furthermore, the Audit and Risk Sub-Committee discusses the company's major financial risks and the steps taken by management to monitor, control, and report such exposures. This Sub-Committee, reporting to the Board (which also considers the company's risk profile), obtains input from management regarding the most significant risks facing the company and the company's risk management strategy and resources required.

ESG OVERSIGHT

Our CEO is ultimately responsible for internal efforts related to the development of our ESG programme, including our assessment of key ESG risks and opportunities. Our CEO, who reports to the highest governance body, set the delivery of the company's inaugural ESG report as a corporate-level objective for 2021.

Relevant ESG topics, risks, issues, and considerations - largely informed by related stakeholder feedback and the use of the GRI frameworks as well as the SDGs - are managed by the ESG Committee (an internal, multi-disciplined working group). Internal initiatives related to ESG are being driven predominantly at the executive and senior management level with the full support and guidance of the Board.

As our ESG programme and related initiatives evolve, the Board will play a key role in assessing our areas of greatest influence within the larger sustainability landscape and will be directly involved in the creation and subsequent execution of related goals.

ESG topics, issues and considerations relevant to Heritage will be discussed at each Board meeting going forward. In an effort to bolster its expertise related to key ESG issues relevant to Heritage, the Board will facilitate discussions and participate in educational sessions when possible.

COMMITMENT TO CODES OF CONDUCT

We employ high ethical standards to better manage ESG risks, while supporting the growth of our business and that of our partners and other key stakeholders.

Our success is rooted in our adherence to core principles that govern the business, and we require our personnel, including our principal executive officers and directors, to follow a Code of Ethics. Every year as part of the performance cycle, employees are asked to attest that they have been trained and also understand the Code of Ethics.

Related initiatives are driven by the highest governance body - our Board - which consists of qualified individuals who have not only excelled in their respective areas of expertise, but also meet high personal and professional standards.

Heritage seeks to do business with individuals and companies that share our commitment to ethical business conduct. As such, we require our suppliers and contractors to comply with all local and international laws applicable to where we or our business partners operate.

Our Code of Ethics, which is fully supported by the Board, outlines our approach to managing conflicts related to bribery, fair dealing, gifts and entertainment, discrimination and harassment, recordkeeping and public reporting, confidentiality, and conflicts of interests among others. We expect our directors, officers, and employees to be free from influences that conflict with the best interests of the company and they are required to declare whether there are competing interests once annually and whenever they may occur.

We provide Anti-Bribery and Corruption Training to all employees with external-facing responsibilities. More details on our approach to business conduct and ethics, as well as a review of disciplinary action to be used in the case of violations, can be found in our Code of Ethics.





Independent Assurance Statement

WHEN TRUST MATTERS

Heritage Petroleum Company Ltd. "Heritage" commissioned DNV Business Assurance USA Inc. ("DNV", "we", or "us") to undertake independent assurance of the Heritage Environmental, Social and Governance (ESG) Report 2020-2021 (the "Report") for the fiscal year 1st October 2020 to 31st September 2021.



Our Conclusion:

- On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Heritage's adherence to the principles of stakeholder inclusiveness, materiality, responsiveness and impact
- In terms of quality of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate

Our observations and areas for improvement will be raised in a separate report to Heritage's Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

We found that Heritage conducts a broad range of engagement with relevant individuals and groups of stakeholders. As a state-owned enterprise, Heritage has been given a clear mandate to maximise the efficient production of the country's oil and gas reserves to the socio-economic benefit of the country. As such, it has strong engagement with Ministries and regulators of the Trinidad and Tobago government.

We note that requests for engagement and information on sustainability impacts have increased, including from the financial community in relation to climate change and Environmental, Social and Governance (ESG) Reporting.

Engagement is implemented across the organisation and feeds into asset level, as well as functional decision making. Heritage usefully adapted its approach to community engagement which was restricted by the Covid 19 pandemic, including for some vulnerable and less well-resourced stakeholder groups like fence line communities and fisherfolk.

We recommend Heritage broadens and reports on its engagement with non-industry stakeholders who represent the environment, including in relation to the strategic implications of climate change.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders in relation to its impacts.

In our opinion, the Report includes useful information on many of the material ESG issues facing Heritage and its stakeholders. The company utilized an extensive Enterprise Risk Management assessment (ERM) process and outcomes to inform the report content. This ERM was informed by engagement across the business and with external stakeholder views represented by contributors. It plans to develop a fuller materiality assessment in future, which we also recommend.

One limitation of this approach is that the ERM focus, and its calculations, are based on the risks to the enterprise. Peer and wider industry impacts were considered in the process and helped to highlight wider risks. We recommend risks to the environment and to other human and labour rights holders, such as the indirect supply chain are further included in the process.

In line with its mandate, the broader context of Heritage's wider Scope 3 Greenhouse Gas emissions reductions in terms of use of its products downstream, global climate goals and Trinidad and Tobago's Nationally Determined Contribution have not been considered in detail, nor requested by close stakeholders and are therefore only briefly covered in the report.

We recommend that Heritage completes a broader materiality process, that further considers non-financial risks in the context of global sustainable development, including climate change risk reduction, mitigation and adaptation.

Our competence, independence, and quality control

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV), and to maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any part of Heritage's data or report. This is our first year of providing assurance for Heritage. We adopt a balanced approach towards all stakeholders when performing our evaluation.



WHEN TRUST MATTERS

Responsiveness

The organisation's timely and relevant reaction to material sustainability topics and their related impacts.

Heritage provides useful information to support the understanding of the context of its operations, its structure and its performance. As a relatively new company, and a first-time reporter, it is building its systems and processes to be able to provide fuller and more granular information and data aligned to leading international management practices, reporting standards and stakeholder expectations.

It is advancing at a fast pace and has reported foundation information that is relevant and timely in relation to most of its material topics, including governance. We recommend Heritage continues with its ambitious plans to have world class ESG management and reporting.

We recommend the strategic and socio-economic implications of the need to reduce and eventually stop oil and gas production and use in line with the Paris Agreement is including in greater depth in future engagement and reporting. We also recommend it broadens its reporting scope to include more information on contractors as well as direct employees.

Reliability and Quality Conclusions and Observations

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

Overall, we have confidence in the processes in place to ensure reasonable accuracy for the information presented in the Report, and of data management systems. Goals and performance data are presented clearly and in an objective manner. Our review of the specified data presented in the report resulted in minimal technical errors being identified based on our sampling. These errors have been corrected for the final report.

Based on the processes and procedures conducted with a limited assurance, there is no evidence that the GHG assertions and environmental footprint data are not materially correct, are not a fair representation of GHG and environmental data and that information has not been prepared with the calculation method referenced.

Heritage is reporting 'with reference to GRI' (2021 consolidated version of the standard) and is seeking to match all relevant indicator requirements. As a first-time reporter and adopter of the GRI and other sustainability standards, it will take several reporting cycles to enable systems and processes to fully report on all of the requirements of all of the relevant GRI indicator protocols. As such, data has been provided for the selected indicator topics and where full reporting is not yet possible, the reasons for omission documented for the aspects of indicators that are not reported. Contextual narrative to help indicate the relevance of such information, has also been provided in many parts of the report and the GRI index.

Impact

The effect of behaviour, performance, and outcomes of the organisation, on the economy, the environment, society, stakeholders, or the organisation itself.

Heritage has an important role in the economy of Trinidad and Tobago, which significantly affects the countries population, from tax income to employment. As such, it is important it continues to balance stakeholder expectations in its reported topics.

It has taken ownership of many legacy assets with risks and opportunities associated with them. It is implementing a program to formalise and systematise key business functions and operational activities, for example the Organisational Management System. This will enhance Heritage's ability to monitor, manage and report on its impacts. We welcome future reporting on these efforts.

In response to the increased demand for information relating to global warming, current and future impacts, we recommend consideration of enhanced reporting as laid out by the Task Force for Climate Related Financial Disclosures.

We recommend Heritage changes the name of the strategy pillar 'Growing production sustainably' as this has the potential to be misunderstood in the context of ESG.

Responsibilities of the Directors of Heritage and of the assurance providers

The Directors of the Heritage have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Heritage; however, our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Level of assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion. We are providing a 'limited (moderate) level' of assurance. A 'reasonable level' of assurance would have required additional work at Executive, Board and site level to gain further evidence to support the basis of our Assurance Opinion.



GRI Indicators and performance data

We evaluated the selected GRI indicators and performance data as shown below using the GRI Reporting Principles for defining report quality (Accuracy; Balance; Clarity; Comparability; Completeness; Sustainability context; Timeliness; Verifiability) together with Heritage’s data protocols for how the data are measured, recorded and reported. We did not check comparability as this was a first report and there was no reported data from prior years except for Greenhouse Gas emissions. The scope of our work and our verification outcome covers the following fiscal year 2021 disclosures, except Greenhouse Gas emissions which were verified for calendar years 2020 and 2021:

| GRI Indicator and performance indicators (with selected data points broken out) | Fiscal year 2021 data and 2021 narrative | |
|--|--|---------------------------------|
| GRI 2: General Disclosures | Assured narrative and GRI index entries | |
| GRI 200: Economic Topics | | |
| GRI 201 Economic Performance; GRI 202 Market Presence; GRI 204 Procurement Practices GRI 205 Anti-corruption; GRI 207 Tax | Assured narrative and GRI index entries | |
| GRI 300: Material Topics 2021 (material topics) | | |
| GRI 302 Energy | Calendar Year 2020 | Calendar Year 2021 |
| Total Electricity Consumption | 42,359.52 MWh | 62,665.29 MWh |
| Total Fuel Consumption (Stationary Combustion) | 3,153,375.47 MMBTU | 3,328,440.19 MMBTU |
| Total Fuel Consumption (Mobile Combustion) | 763,573.32 MMBTU | 204,067.11 MMBTU |
| GRI 303 Water and Effluent (please note effluent data is not presented here – see the Report for the data) | Calendar Year 2020 | Calendar Year 2021 |
| Total Water Used | 1,191,872 m ³ | 1,456,532 m ³ |
| Water Consumed by Communities | 679,388 m ³ | 848,646 m ³ |
| Water Consumed by Heritage | 512,484 m ³ | 607,886 m ³ |
| GRI 305 Greenhouse Gas Emissions from Table 17 | Calendar Year 2020 | Calendar Year 2021 |
| Scope 1 Emissions | 5,150,088.20 tCO ₂ e | 5,002,925.70 tCO ₂ e |
| Scope 2 Emissions | 26,682.26 tCO ₂ e | 30,842.47 tCO ₂ e |
| Scope 3 Emissions: Purchased Goods | 112.52 tCO ₂ e | 24.92 tCO ₂ e |
| Scope 3 Emissions: Employee Commuting | 1,946.55 tCO ₂ e | 1,965.13 tCO ₂ e |
| Scope 3 Wastewater treatment | 2,213.38 tCO ₂ e | 2,213.38 tCO ₂ e |
| GRI 307 Environmental Compliance; GRI 308 Supplier Environmental Assessment | Assured narrative and GRI index entries | |
| GRI 400 Social | | |
| GRI 401 Employment; GRI 403 Occupational Health and Safety; GRI 404 Training and Education; GRI 413 Local Communities | Assured narrative and GRI index entries | |



Scope and approach

We performed our work in accordance with the AA 1000 Assurance Standard v3, Type 2 engagement, and the International Standard on Assurance Engagements 3000 (“ISAE 3000 – July 2020”). For our verification of the Greenhouse Gas data, we used the WBCSD/WRI Greenhouse Gas Protocol. We also used the GRI Standards 2021: Principles for defining report quality: Accuracy; Balance; Clarity; Comparability; Completeness; Sustainability context; Timeliness; Verifiability and the specified GRI indicator standards as criteria in our assessment.

The reported financial data and information are based on data from ‘[Heritage’s Separate Financial Statements Yr End September 2021](#)’, which are subject to a separate independent audit process that was outside the scope of our work.

Basis of our opinion

A multi-disciplinary team of sustainability and non-financial assurance specialists performed work remotely. We undertook the following activities:

- Review of the current sustainability issues that could affect Heritage and are of interest to stakeholders;
- Review of Heritage’s approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Heritage on its reporting and management processes relating to the Principles;
- Interviews with 17 selected Directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and functions covered;
- These interviews included Senior Managers responsible for Land, Offshore, Drilling, Subsurface and Midstream Business Units, which additionally provided insight into asset level management.
- Review of supporting evidence for key claims in the Report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a corporate level, and
- Review of the processes for gathering and consolidating the selected Performance data and, for a sample, checking the data consolidation.

For and on behalf of DNV Business Assurance USA, Inc.



Katy, TX
24th June, 2022

Assurance Team

| Role | Name |
|--------------------|------------------------|
| Lead Verifier | Dave Knight |
| Senior Verifier | Shruthi Bachamanda |
| Project Manager | Andrew Bhem |
| Senior Verifier | Chandran Ilango |
| Senior Verifier | Nelson Lee |
| Peer Reviewer | Natasha D’Silva |
| Technical Reviewer | Sathishkumar Nagarajan |

DNV Business Assurance

DNV Business Assurance Services USA, Inc is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.
<https://www.dnv.com/services>

HERITAGE GRI CONTENT INDEX

| GRI Standard | Disclosure Description | Response/Link |
|--|---|---|
| GRI 2: General Disclosures | | |
| 1. The organisation and its reporting practices | | |
| Disclosure 2-1 Organisational details | | |
| 2-1-a | Name of the organisation. | Heritage Petroleum Company Limited. |
| 2-1-b | Ownership and legal form. | Heritage is one of the four (4) oil and gas companies within the Trinidad Petroleum Holdings Limited (TPHL) group that is owned by the State - Government of the Republic of Trinidad & Tobago. The Overarching Company Structure is provided on Page 51 of the ESG Report. See Company Profile |
| 2-1-c | Location of headquarters. | Our headquarters are located at 9 Queen's Park West, Port of Spain with operations largely centred in the southern region of Trinidad and the Gulf of Paria, with non-operated assets off Trinidad's east coast (Refer to Map on Page 11 of the ESG Report). Company Profile |
| 2-1-d | Countries of operations. | Trinidad & Tobago |
| Disclosure 2-2 Entities included in the organisation's sustainability reporting | | |
| 2-2-a | List of all entities included in our sustainability reporting. | This ESG Report includes only the activities of Heritage Petroleum Company Limited. |
| 2-2-b | The differences between the list of entities included in our financial reporting and the list included in our sustainability reporting. | There are no differences between the entities in our financial reports and in our ESG Report. |
| 2-2-c | If the organisation consists of multiple entities, explain the approach used for consolidating the information. | The organisation does not consist of multiple entities. |
| Disclosure 2-3 Reporting period, frequency, and contact point. | | |
| 2-3-a | The reporting period for, and the frequency of sustainability reporting. | This is Heritage's first ESG Report. The reporting period is October 2020 to September 2021. Following this initial report, ESG Reporting will be conducted each financial year. |

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| 2-3-b | The reporting period for our financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this. | The reporting period is in alignment with our financial reporting period of October to September. This first ESG Report is aligned with our last completed financial year of October 2020 to September 2021. |
| 2-3-c | The publication date of the report or reported information. | The publication date of this report is 25th June 2022. |
| 2-3-d | Contact point for questions about the report or reported information. | Questions about the report or report information can be directed to esgsustainability@heritage-tt.com or persons can contact the following: Najila Elias-Samlalsingh, Environmental & Regulatory Compliance Manager at Najila.Elias-Samlalsingh@heritage-tt.com or Mikhael Newman, ESG Advisor at Mikhael.Newman@heritage-tt.com . |
| Disclosure 2-4 Restatements of information | | |
| 2-4-a-i | Report restatements of information made from previous reporting periods and explain the reasons for the restatements. | This is Heritage's first ESG Report, as such there are no restatements of information made from previous reports. |
| 2-4-a-ii | Report restatements of information made from previous reporting periods and explain the effect of the restatements. | This is Heritage's first ESG Report, as such there are no restatements of information made from previous reports. |
| Disclosure 2-5 External Assurance | | |
| 2-5-a | Policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved. | The process of obtaining external assurance for Heritage's ESG Report was conducted through Heritage's selective tendering process. Companies known to provide independent assurance services for ESG Report within Trinidad & Tobago were registered with Heritage and invited to bid based on predetermined requirements outlined in a Scope of Work. Companies were required to submit proposals through Heritage's Ariba Supply Chain Management System. Proposals were evaluated for compliance with the Scope of Work and the highest scoring proposal was selected as the external assurance provider. The evaluation was reviewed and approved by Heritage's HSSE Leader and the Chief Executive Officer before the award of the project to the external assurance provider. |

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| 2-5-b | External Assurance of Sustainability Report: | <p>Heritage's ESG Report has been assured in accordance with the AA 1000 Assurance Standard v3 and the International Standard on Assurance Engagements 3000 (ISAE 3000) by DNV Business Assurance USA, Inc. Sustainability & Supply Chain Services.</p> <p>The GRI Standards 2021: Principles for defining report quality: Accuracy; Balance; Clarity; Comparability; Completeness; Sustainability context; Timeliness; Verifiability and the specified GRI indicator standards were also used by the external assurance company. A "moderate level" of assurance has been conducted by DNV based on these standards.</p> <p>DNV is an independent team of sustainability assurance professionals with no relationship or other contracts with Heritage. The Independent Assurance Statement is provided on Page 56 of the ESG Report.</p> |
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2. Activities and Workers

Disclosure 2-6 Activities, value chain and other business relationships.

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| 2-6-a | Sector(s) in which active. | Trinidad and Tobago's Oil and Gas Sector and Public Sector. |
| 2-6-b-i | The organisation's activities, products, services, and markets served. | <p>The organisation's key activities are exploration and production, fiscalisation and transmission of crude oil for sale. The crude oil produced by Heritage is marketed and sold internationally as our own brand of MOLO Crude, a medium gravity, medium sour crude of Trinidad and Tobago.</p> <p>Heritage Operations</p> |
| 2-6-b-ii | The organisation's supply chain. | <p>Our supply chain comprises circa 1470 local vendors—that are grouped into five (5) categories - fenceline/community vendors, strategic vendors, non-strategic vendors, consultants, and no classification assigned.</p> <p>These vendors provide a variety of goods and services that is needed along the life cycle of oil and gas production including - drilling & workover services; civil works; marine services; mechanical services; electrical & instrumentation services; IT services; environmental services; freelance services; consultancy services and provision of all oil and gas materials.</p> <p>Heritage engages vendors from approximately 32 locations across Trinidad both within and outside of our fenceline communities and 12 regional and international vendors.</p> <p>In 2020/2021, Heritage has had approximately TT \$1.1 BN in Supply Chain Spend.</p> <p>We are committed to ensuring that our vendors maintain high standards through our Supplier Registration and Performance Management, Sourcing and Contract Management Processes through SAP Ariba Strategic Sourcing Suite (e-Procurement).</p> |

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| 2-6-b-iii | The entities downstream from the organisation and their activities. | <p>Paria Fuel Trading Company ("Paria") is the entity downstream of Heritage responsible for the storage, handling, and export of Heritage's MOLO crude. Paria is one of the four (4) companies within the TPHL group owned by the Government of the Republic of Trinidad & Tobago.</p> <p>Heritage's crude oil is transported via our crude oil pipeline transmission network to Paria's terminal in Pointe-a-Pierre, Trinidad. At the terminal, the crude is stored and subsequently delivered to the purchasers onto vessels they have chartered. Heritage pays a handling fee for the use of the terminal at Pointe-a-Pierre.</p> <p>The crude is sold on a free on-board basis and as such Heritage has no control or information on the final destination of cargo.</p> |
| 2-6-c | Relevant business relationships. | Heritage currently has business relationships with seventeen (17) Joint Ventures (JV) and thirty-nine (39) Lease Operatorships where risks and capital are shared in the exploration and production of oil. ESG Report Page 19. |
| 2-6-d | Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period. | This is Heritage's first ESG Report, as such there are no changes from previous reports. |

Disclosure 2-7 Employees

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|-------|---|---|
| 2-7-a | Report the total number of employees, and a breakdown of this total by gender and by region. | <p>Refer to page 43 of ESG Report.</p> <p>The total number of employees: 462</p> <p>Breakdown by Gender:</p> <ul style="list-style-type: none"> - Total number of Females: 190 - Total number of Males: 272 <p>Information on employees by region is not applicable as employees are not grouped by region within Trinidad and Tobago.</p> |
| 2-7-b | Report the total number of permanent, temporary, non-guaranteed hours, full-time and part-time employees, and a breakdown of each total by gender and by region | <p>Total number of permanent employees: 348</p> <ul style="list-style-type: none"> - Total Number Females: 137 - Total Number Males: 211 <p>Total number of fixed term contract employees: 14</p> <ul style="list-style-type: none"> - Total Number Females: 8 - Total Number Males: 6 <p>Total number of short-term contract employees: 100</p> <ul style="list-style-type: none"> - Total Number Females: 45 - Total Number Males: 55 <p>There are no employees engaged directly with Heritage on a part-time basis.</p> <p>Information on employees by region is not applicable as employees are not grouped by region within Trinidad.</p> |

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| 2-7-c | Describe the methodologies and assumptions used to compile the data. | The Human Resources team maintains its database of employees' basic data that is updated on monthly basis on new hires and employee movements, this is now being maintained on the Company's Human Resources Information System SAP SuccessFactors. |
| 2-7-d | Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b. | All Heritage employees are located in Trinidad & Tobago. |
| 2-7-e | Describe significant fluctuations in the number of employees during the reporting period and between reporting periods. | There was an overall 17% increase in the number of employees over the fiscal year 2019/2020 to 2020/2021 i.e., 383 to 462 (inclusive of short-term contracts). This is based on the Organisation's recruitment drive to fill vacancies in the organisation's structure. |
| Disclosure 2-8 Workers who are not employees | | |
| 2-8-a | Report the total number of workers who are not employees and whose work is controlled by the organisation and describe- i. the most common types of worker and their contractual relationship with the organisation, ii. the type of work they perform. | Heritage is a major provider of third-party contracts across the value chain and provides circa 4000 jobs for persons through third-party contractors (Refer to page 43 ESG Report). The type of work is varied and includes: <ul style="list-style-type: none"> • Civil Works • Drilling & Workover Services • Marine Services • Mechanical Services • Electrical & Instrumentation Services • Environmental Services • Consultancy Services • Special Projects • IT Services • Freelance Services |
| 2-8-b | Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology ii. at the end of the reporting period, as an average across the reporting period, or using another methodology | The number of workers who are not employees provided is an estimation across the reporting period, as actual number of workers for the reporting period is not available. In the next ESG Report, the number of workers will be calculated utilising one of the methodologies prescribed in this requirement. |

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| 2-8-c | Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods. | This information is unavailable as it is currently not tracked by Heritage. In preparation for the next ESG Report, Heritage is working towards being able to understand the exact number of workers who are not employees. In subsequent reports, fluctuations in the number of workers during the reporting period and between reporting periods can be completed. |
| 3. Governance | | |
| Disclosure 2-9 Governance Structure and Composition | | |
| 2-9-a | Describe the governance structure, including committees of the highest governance body. | Heritage's governance structure, including committees of the highest governance body is provided on Pages 50 - 53. Heritage Board of Directors and Leadership Team |
| 2-9-b | List the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organisation's impacts on the economy, environment, and people. | The five (5) committees are outlined on Pages 52 and 53 of the ESG Report. |
| 2-9-c | Describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organisation; viii. stakeholder representation. | The composition of Heritage's highest governance body and its committees is outlined in Pages 50 - 53 of the ESG Report. All board members are non-executive and independent. The tenure of each member is two (2) years and is renewable by Corporation Sole, the Ministry of Finance of Trinidad & Tobago. Our Board Members |
| Disclosure 2-10 Nomination and selection of the highest governance body | | |
| 2-10-a | Describe the nomination and selection processes for the highest governance body and its committees. | The Board of Directors is appointed by the Shareholder, which is the Government of the Republic of Trinidad and Tobago and the Corporation Sole. |

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| 2-10-b | Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organisation | The Board of Directors is appointed by the Shareholder, which is the Government of the Republic of Trinidad and Tobago and the Corporation Sole. The Shareholder is fully responsible for selection of the Board of Directors and sets the criteria for selection. |
| Disclosure 2-11 Chair of the highest governance body | | |
| 2-11-a | Report whether the chair of the highest governance body is also a senior executive in the organisation | No, the Chairman of the Board is not a senior executive or member of the Executive Management in Heritage. |
| 2-11-b | if the chair is also a senior executive, explain their function within the organisation's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated. | Not applicable because the Chairman of the Board is not a senior executive or member of the Executive Management. |
| Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts | | |
| 2-12-a | Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies, and goals related to sustainable development | Among its primary responsibilities, the Board oversees Heritage's strategic and business planning processes, monitors corporate performance, and assesses the integrity and effectiveness of our internal controls, legal procedures, ethics, and compliance programs. Beyond these core responsibilities, the Board is also responsible for establishing and maintaining the most effective leadership structure for the Company as well as overseeing the Executive Management. |
| 2-12-b | Describe the role of the highest governance body in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people, including: i. whether and how the highest governance body engages with stakeholders to support these processes; ii. how the highest governance body considers the outcomes of these processes; | |

| | | |
|--|--|--|
| 2-12-c | Describe the role of the highest governance body in reviewing the effectiveness of the organisation's processes as described in 2-12-b, and report the frequency of this review. | Effectiveness yet to be tested due to official Organisation Strategy being less than a year old and not within the reporting period for this ESG Report. |
| Disclosure 2-13 Delegation of responsibility for managing impacts | | |
| 2-13-a | Describe how the highest governance body delegates responsibility for managing the organisation's impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees. | Responsibility for managing the organisation's impacts on the economy, environment and people falls with the Chief Executive Officer (CEO). The CEO in turn ensures that the organisational structure is tailored to ensure that members of the executive management hold responsibilities for managing the organisation's impacts on the economy, environment, and people. At Heritage, the responsibilities lie with the following positions: 1. Environment – HSSE Leader. 2. Economy – Chief Financial Officer. 3. People – Human Resources Leader & Corporate Communications Manager. Heritage Leadership |
| 2-13-b | Describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organisation's impacts on the economy, environment, and people. | Reporting to the Board of Directors on the management of the organisation's impacts on the economy, environment and people is conducted monthly, through the respective Board Sub-Committee Meetings. |
| Disclosure 2-14 Role of the highest governance body in sustainability reporting | | |
| 2-14-a | Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organisation's material topics, and if so, describe the process for reviewing and approving the information. | Heritage's highest governance body, its Board of Directors is responsible for reviewing and approving the reported information, including the organisation's material topics. The reported information will be presented to the Board of Directors by the Chief Executive Officer for approval. |
| 2-14-b | If the highest governance body is not responsible for reviewing and approving the reported information, including the organisation's material topics, explain the reason for this. | Not applicable because the Board of Directors is responsible. |

Disclosure 2-15 Conflicts of interest

| | | |
|--------|--|---|
| 2-15-a | Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated. | The process for prevention and mitigation of conflicts of interest for the Board of Directors are outlined in TPHL Conflict of Interest Policy and administrated through the Heritage administration Conflict of Interest Form. All new hires are formally onboarded and go through a HSSE, HR and administrative induction. As part of this process persons are required to complete Conflict of Interest Form and Confidentiality Non-Disclosure Form. |
| 2-15-b | Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances. | The disclosures required and the reporting of conflicts of interest to key stakeholders are outlined in the TPHL Conflict of Interest Policy . |

Disclosure 2-16 Communication of critical concerns

| | | |
|--------|--|--|
| 2-16-a | Describe whether and how critical concerns are communicated to the highest governance body; | Critical concerns are communicated to the highest governance body through the TPHL Whistleblower Policy . |
| 2-16-b | Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period. | During the reporting period, there were two (2) complaints reported through the system established by the TPHL Whistleblower Policy . Both complaints were investigated, and sufficient evidence was not found to substantiate claims. |

Disclosure 2-17 Collective knowledge of the highest governance body

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|--------|--|---|
| 2-17-a | Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development. | At present, the Board of Directors does not have significant collective knowledge, skills, and experience in sustainable development. The Board of Directors have, however, shown keen interest in advancing their knowledge and as such training and development will be looked at as an intervention. |
|--------|--|---|

Disclosure 2-18 Evaluation of the performance of the highest governance body

| | | |
|--------|---|--|
| 2-18-a | Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organisation's impacts on the economy, environment, and people | The processes for evaluating the performance of the Board of Directors is outlined in the State Enterprise Performance Monitoring Manual . |
| 2-18-b | Report whether the evaluations are independent or not, and the frequency of the evaluations; | Board members have an annual performance appraisal report as outlined in the State Enterprise Performance Monitoring Manual - Under Ministry of Finance and is carried out by Corporate Secretary, Management and CEO. |
| 2-18-c | Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organisational practices. | Actions in response to the evaluations are governed by State Enterprise Performance Monitoring Manual - Under Corporation Sole, Ministry of Finance. Any actions required in response to the evaluation is determined by the Corporation Sole. |

Disclosure 2-19 Remuneration policies

| | | |
|--------|--|---|
| 2-19-a | Describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits. | For the Board of Directors, aspects of remuneration are outlined in State Enterprise Performance Monitoring Manual , Pages 18 – 21. Remuneration for Executive Management comprises fixed pay with retirement benefits, allowances for housing and travelling, and bonuses. It is in alignment with industry standards. Heritage's approach to remuneration is aligned to the industry standards. This information is considered competitive and sensitive to the company and will not be published. |
| 2-19-b | Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people. | For the Board of Directors, aspects of remuneration in relation to their objectives and performance are outlined in State Enterprise Performance Monitoring Manual , Pages 18 – 21. Remuneration for Executive Management comprises fixed pay with retirement benefits, allowances for housing and travelling, and bonuses. It is in alignment with industry standards. Heritage's approach to remuneration is aligned to the industry standards. This information is considered competitive and sensitive to the company and will not be published. |

Disclosure 2-20 Process to determine remuneration

| | | |
|--------|--|--|
| 2-20-a | Describe the process for designing its remuneration policies and for determining remuneration, including: i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration; iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organisation, its highest governance body and senior executives; | The process for designing remuneration is done at the executive management and board level and is aligned to the State Enterprise Performance Monitoring Manual which will include the Line Ministry and HR Sub-Committee. Policy Board Fees and Allowances for State Enterprises are determined by the Government of the Republic of Trinidad and Tobago State Enterprise Performance Monitoring Manual - Pages 18-21. |
| 2-20-b | Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable | Not applicable as votes of stakeholders (including shareholders) on remuneration policies and proposals are not completed. |

Disclosure 2-21 Annual total compensation ratio

| | | |
|--------|---|---|
| 2-21-a | Report the ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); | It is not standard process that compensation ratios are published as this information is considered sensitive and competitive to the company. |
| 2-21-b | Report the ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual). | It is not standard process that compensation ratios are published as this information is considered sensitive and competitive to the company. |
| 2-21-c | Report contextual information necessary to understand the data and how the data has been compiled. | It is not standard process that compensation ratios are published as this information is considered sensitive and competitive to the company. |

4. Strategy, policies and practices

Disclosure 2-22 Statement on sustainable development strategy

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| 2-22-a | Report a statement from the highest governance body or most senior executive of the organisation about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development. | A statement from the Chief Executive Officer is provided in ESG Report on Page 7. |
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Disclosure 2-23 Policy commitments

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| 2-23-a | Describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference; ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle; iv. whether the commitments stipulate respecting human rights; | The requirements are outlined in the TPHL Code of Ethics and Business Conduct Policy . |
| 2-23-b | Describe its specific policy commitment to respect human rights, including: i. the internationally recognized human rights that the commitment covers; the categories of stakeholders, including at-risk or vulnerable groups, that the organisation gives particular attention to in the commitment; | The requirements are outlined in the TPHL Code of Ethics and Business Conduct Policy . |
| 2-23-c | Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this; | The Code of Ethics and Business Conduct Policy is publicly available on the TPHL Website via this link: https://trinidadpetroleum.co.tt/wp-content/uploads/2021/12/tphlgp05-code-of-ethics-policy-final-executed.pdf |
| 2-23-d | Report the level at which each of the policy commitments was approved within the organisation, including whether this is the most senior level; | The policy commitment was approved by the Chairman of the TPHL Board of Directors. |

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| 2-23-e | Report the extent to which the policy commitments apply to the organisation's activities and to its business relationships; | The policy commitments are applicable to all employees, directors and related third party companies affiliated with Heritage and the TPHL group. |
| 2-23-f | Describe how the policy commitments are communicated to workers, business partners, and other relevant parties. | The Policy requirements were communicated to employees via email through Corporate Communications. |

Disclosure 2-24 Embedding policy commitments

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| 2-24-a | <p>Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:</p> <ul style="list-style-type: none"> i. how it allocates responsibility to implement the commitments across different levels within the organisation; ii. how it integrates the commitments into organisational strategies, operational policies, and operational procedures; iii. how it implements its commitments with and through its business relationships; iv. training that the organisation provides on implementing the commitments. | The requirements are outlined in the TPHL Code of Ethics and Business Conduct Policy . |
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Disclosure 2-25 Processes to remediate negative impacts

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| 2-25-a | Describe the commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to; | The process is transparent. It is aligned with the procedures - Performance Management Policy and Progressive Disciplinary Policy and provides feedback along all major milestones. |
| 2-25-b | Describe its approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in; | The process is transparent. It is aligned with the procedures - Performance Management Policy and Progressive Disciplinary Policy and provides feedback along all major milestones. |
| 2-25-c | Describe other processes by which the organisation provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to | The process is transparent. It is aligned with the procedures - Performance Management Policy and Progressive Disciplinary Policy and provides feedback along all major milestones. |

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| 2-25-d | Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms; | The process is transparent. It is aligned with the procedures - Performance Management Policy and Progressive Disciplinary Policy and provides feedback along all major milestones. |
| 2-25-e | Describe how the organisation tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback. | The process is transparent. It is aligned with the procedures - Performance Management Policy and Progressive Disciplinary Policy and provides feedback along all major milestones. |

Disclosure 2-26 Mechanisms for seeking advice and raising concerns

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| 2-26-a | <p>Describe the mechanisms for individuals to:</p> <ul style="list-style-type: none"> i. seek advice on implementing the organisation's policies and practices for responsible business conduct; ii. raise concerns about the organisation's business conduct. | <p>Individuals can seek advice or raise concerns through the following mechanisms:</p> <ul style="list-style-type: none"> Internal Audit Department. TPHL Whistleblower policy. Directly to the Group Chief Audit Executive. Line Managers and Members of Executive Leadership. Chairman of the Board Audit and Risk Sub-Committee. |
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Disclosure 2-27 Compliance with laws and regulations

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| 2-27-a | <p>Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:</p> <ul style="list-style-type: none"> i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred | There are no significant instances of non-compliance with laws and regulations during the reporting period. |
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| 2-27-b | Report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods. | There are no significant instances of non-compliance with laws and regulations during the reporting period. |
| 2-27-c | Describe the significant instances of non-compliance. | There are no significant instances of non-compliance for the reporting period. |
| 2-27-d | Describe how it has determined significant instances of non-compliance. | No significant instances of non-compliance during the reporting period were determined. |

Disclosure 2-28 Membership associations

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| 2-28-a | Report industry associations, other membership associations, and national or international advocacy organisations in which it participates in a significant role. | Heritage maintains memberships to multiple industry associations; these associations are provided on Page 20 of the ESG Report. |
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5. Stakeholder Engagement

Disclosure 2-29 Approach to stakeholder engagement

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| 2-29-a | Describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organisation seeks to ensure meaningful engagement with stakeholders. | Heritage engages in a wide cross section of stakeholder including employees, government, investment analysts, lenders, partners, contractors, suppliers, special advisors, industry associations, energy chambers, universities and our neighbouring communities. It is through proactive engagement with key stakeholders that we obtain diverse feedback and insights that help us to identify sustainability risks and opportunities and prioritise key ESG disclosures and initiatives. The ESG Report provides further details of Heritage's Stakeholder engagement on Pages 20 and 39 to 43. |
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Disclosure 2-30 Collective bargaining agreements

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| 2-30-a | Report the percentage of total employees covered by collective bargaining agreements; | Heritage's employees are not covered by collective bargaining agreements. There is no labour agreement between a union representing employees and Heritage as the employer. Employee conditions and benefits are developed by Heritage Management and approved by the Board of Directors and the Corporation Sole. |
| 2-30-b | For employees not covered by collective bargaining agreements, report whether the organisation determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organisations. | Not applicable. There are no employees covered by collective bargaining agreements. Working conditions and terms of employment are based on the same process. |

200 Series Economic Performance 2016

GRI 201 - Economic Performance 2016

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| 201-1 | Direct economic value generated and distributed. | We generated revenues from customers of TT\$6,827 million (US\$1,011 million) and TT\$4,740 million (US\$702 million) for the years ended September 30, 2021 and September 30, 2020, respectively. Our economic value distributed comprised of Cost of sales TT\$4,419 million (US\$654 million), Tax expenses TT\$1,272 million (US\$188 million), Net Finance costs TT\$242 million (US\$36 million), Administrative expenses TT\$179 million (US\$27 million), and other expenses netting TT\$32 million (US\$5 million). Our operating profit was TT\$2,197 million (US\$325 million) and TT\$1,258 million (US\$186 million) for the years ended September 30, 2021 and 2020, respectively. Operating profit as a percentage of revenues was 32% and 27% for the years ended September 30, 2021 and September 30, 2020, respectively. Our profit for the period reached TT\$683 million (US\$101 million) and TT\$1,018 million (US\$151 million) for the years ended September 30, 2021 and September 30, 2020, respectively. |
| 201-2 | Financial implications and other risks and opportunities due to climate change. | No formal of evaluation of financial implications and other risk and opportunities due to climate change. Climate related risks were all identified in the GHG Emissions Inventory in Heritage for 2019, 2020 and 2021 to Heritage's Leadership, the GHG Reduction Assessment prepared in 2020 and the Energy Transition Framework in 2021. It is included in the Risk Registers of Land, Midstream Offshore and Facilities and Property Management. These registers were created in the fiscal year of 2021/2022 and would not have existed in the reporting year. The requirement of this section is planned for the next ESG Report (2021/2022). |

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| 201-3 | Defined benefit plan obligations and other retirement plans | <p>Heritage provides a deferred annuity plans as part of its benefits package to its employees. In the deferred annuity plan, the employees contribute 5% and Heritage contributes 10% of the employee's base salary.</p> <p>In deferred annuities, the employee contributes to the individual annuity to which he/she owns, and Heritage contributes to the corporate annuity which Heritage owns on the employees' behalf.</p> <p>The annuity enrolment is mandatory based on Heritage's terms and conditions of employment.</p> <p>The employees' individual annuity gives each employee the choice of three (3) funds into which to invest the contributions into. The funds range from aggressive to balance to conservative portfolios.</p> |
| 201-4 | Financial assistance received from government | Government assistance was granted in the form of the SPT waiver. The total waiver amount was TT\$1,043,179,179.00 for the period July 1st to June 30th 2021. |
| GRI 3: Material Topics | | |
| Flaring | Describe actions taken to: manage flaring and venting and the effectiveness of actions taken. | <p>Heritage is currently developing strategies to improve the carbon intensity of its operations. One such strategy is material reduction in our methane emissions through gathering and transport of associated gas that is currently being vented. The company has published an Expression of Interest (EOI) seeking partners to propose innovative approaches to achieving this objective.</p> <p>The EOI was published on 3rd April 2022.</p> <p>EOI for Methane Recovery - Heritage Petroleum Company Ltd.</p> <p>Please note, the information included in the ESG is for what was done in 2020/2021 which was to identify the sources and the main contributors. This fiscal year, the Company is now working on the studies for the venting.</p> |

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| Material topic area - climate adaptation, resilience, and transition | Describe policies, commitments, and actions of the organization to prevent or mitigate the impacts of the transition to a low-carbon economy on workers and local communities. | <ul style="list-style-type: none"> • Report the level and function within the organization that has been assigned responsibility for managing risks and opportunities due to climate change. • Describe the board's oversight in managing risks and opportunities due to climate change. • Report whether responsibility to manage climate change-related impacts is linked to performance assessments or incentive mechanisms, including in the remuneration policies for highest governance body members and senior executives. • Describe the climate change-related scenarios used to assess the resilience of the organization's strategy, including a 2°C or lower scenario." | Climate related risks were all identified in the GHG Emissions Inventory in Heritage for 2019, 2020 and 2021 to Heritage's Leadership, the GHG Reduction Assessment prepared in 2020 and the Energy Transition Framework in 2021. |
| | | | Please note, the information included in the ESG is for what was done in 2020/2021 which was to identify the sources and the main contributors. This fiscal year, the Company has appointed a Green Agenda Team to further define what Heritage's GHG Agenda and climate change actions will be. |
| GRI 202 - Market Presence 2016 | | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | The minimum wage of \$17.50 is governed by the Minimum Wage Act that pertains to workers/positions in certain sectors of the economy. Heritage is part of the Local Energy Industry, which is a specialised market within which salaries, benefits, allowances are influenced by other variables including market conditions resulting in Heritage employees being paid above the minimum wage. | However, to maintain Heritage's competitive advantage, the ratios of standard entry level wage cannot be publicly disclosed. |
| 202-2 | Proportion of senior management hired from the local community. | Local Community is defined as all of Trinidad and Tobago. Senior Managers is defined as the Executive Management Team at Heritage. Based on this definition 100% of our Senior Managers are from the local community. | |
| GRI 204 - Procurement Practices 2016 | | | |
| 204-1 | Proportion of spending on local suppliers | For the reporting period of 2020 to 2021, 92.7% of Heritage's spend was to local suppliers with 7.3% to international suppliers. | In the context of Heritage, local is defined as within the boundaries of Trinidad and Tobago. |

GRI 3: Material Topics

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| 3.3 | Management of material topics The reporting organization shall report how it manages anti-corruption using Disclosure 3-3 in GRI 3: Material Topics 2021. | Anti-corruption is managed as per the process outlined in the Anti-Bribery, Corruption and Fraud Policy at the TPHL level. |
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GRI 205 - Anti-corruption 2016

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| 205-1 | Operations assessed for risks related to corruption. | Heritage's Enterprise Risk Management Framework assesses the risks related to corruption to the company within the Legal and Supply Chain Management Risk Registers. Requirement for mitigation of bribery, corruption and fraud is outlined in the TPHL Anti-Bribery, Anti-Corruption and Fraud Policy . |
| 205-2 | Communication and training about anti-corruption policies and procedures. | 1% of employees received formal training, all Directors have received formal training, soft rollout to all employees and key contractors. The break down and categorisation of formal training provided below. Director: 11 Leadership: 11 employees Managers: 13 employees Analysts/Other: 8 employees |
| 205-3 | Confirmed incidents of corruption and actions taken | No incidents of corruption. |

GRI 207 - Tax 2019

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| 207-1 | Approach to tax | The company operates within the various tax legislations of Trinidad and Tobago. Tax legislation are periodically reviewed to be in alignment with Finance Act (annually) to ensure tax practices are consistent with the laws as there are regular reviews of various legislations. Furthermore, tax payments are effected in compliance with the various tax legislations, ensuring all liabilities and deadlines are met (payments and returns). |
| 207-2 | Tax governance, control, and risk management. | The Chief Financial Officer is the executive level position within the organisation responsible for compliance with the respective tax legislation and the implementation of any tax strategies. The approach to tax is embedded through compliance with the various legislations and risks are identified, managed, and monitored through Training and Audit Review. Compliance with the tax governance and control framework is evaluated through engagement of external tax experts (Ernst and Young). The assurance process for disclosures on tax is done through external review via audits. |

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| 207-3 | Stakeholder engagement and management of concerns related to tax. | Heritage engages the Board of Inland Revenue on multiple matters including the payment of taxes under the respective legislation and seeking tax clearances as and when required. |
| 207-4 | Country-by-country reporting | Heritage is locally operated and therefore pays taxes within Trinidad & Tobago. Total tax payments made for FY 2021: TT\$2,024,541,706.35 |

300 Series (Environmental Topics)

GRI 302 - Energy 2016

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| 302-1 | Energy consumption within the organisation. | Energy is consumed by Heritage in the form of electricity and combustion of diesel and natural gas. Electricity is used primarily to power our administrative buildings and our onshore production facilities. Diesel and natural gas are used to power our offshore facilities. Energy Consumption through-out Heritage was as follows: Electricity 2021 - 62,665.29 MWh 2020 - 42,359.52 MWh Fuel Combustion (Stationery Sources) 2021 - 3,328,440.19 MMBTU 2020 - 3,153,375.47 MMBTU Fuel Combustion (Mobile Sources) 2021 - 204,067.11 MMBTU 2020 - 763,573.32 MMBTU |
| 302-2 | Energy consumption outside of the organisation. | Energy consumption outside of the organisation is not accounted for. |
| 302-3 | Energy intensity. | Energy intensity was not calculated for the reporting period, however, will be considered in future reports. |
| 302-4 | Reduction of energy consumption. | Reduction of energy consumption has been considered as part of Heritage's Energy Transition Framework. |
| 302-5 | Reductions in energy requirements of products and services. | Information not available as energy reduction initiatives did not commence within the reporting period. |

GRI 303 - Water and Effluents 2018

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| 303-1 | Interactions with water as a shared resource. | Like all oil and gas companies we use water in key aspects of our operations. Drawing from local water wells, we use it in waterflooding, steam flooding, fire systems and industrial use and we also supply to local communities for potable use. |
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| 303-2 | Management of water discharge-related impacts. | Water discharges from our operations are currently managed via the Water Pollution Rules, 2019 where water pollution permits have been issued to Heritage for three (3) facilities, the Point Fortin Central Tank Farm, Pt. Ligoure Tank Farm and Guayaguayare Tank Farms. Produced water discharges into the environment are managed by the Water Pollution Permits that was issued under the Water Pollution Rules, 2019 by the Environmental Management Authority. Produced water is also treated at Los Bajos Water Treatment Plant. |
| 303-3 | Water withdrawal. | Water is drawn from local water wells for use in waterflooding, steam flooding, fire systems, industrial use and local communities for potable use. Total Volume of Water Abstracted from Wells: 2020 - 2021 - 1,025,373m ³ . |
| 303-4 | Water discharge. | Heritage has two (2) main sources of water discharges produced and process water discharges. Effluent is managed as per the effluent management process outlined in page 34 of the ESG Report. |
| 303-5 | Water consumption. | Water drawn from wells is consumed by Heritage and for domestic supply to the neighbouring communities. In 2020, Heritage consumed 512,484 m ³ and the neighbouring communities consumed 679,388m ³ for a total water consumption of 1,191,872 m ³ . In 2021, Heritage consumed 607,886m ³ and the neighbouring communities consumed 848,646m ³ for a total water consumption of 1,456,532 m ³ . |

GRI 305 – Emissions 2016

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| 305-1 | Direct (Scope 1) GHG emissions. | Direct Scope 1 GHG emissions were as follows: 2021 - 5,002,925.70 tCO ₂ e. 2020 - 5,150,088.20 tCO ₂ e. |
| 305-2 | Energy indirect (Scope 2) GHG emissions. | Indirect Scope 2 GHG emissions were as follows: a. 2021 - 30,842.47 tCO ₂ e. b. 2020 - 26,682.26 tCO ₂ e. |

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| 305-3 | Other indirect (Scope 3) GHG emissions. | Indirect Scope 3 GHG emissions were as follows: 2021: Purchased Goods - 24.92 tCO ₂ e. Wastewater Treatment - 2213.38 tCO ₂ e. Employee Commuting - 1,965.13 tCO ₂ e. 2020: Purchased Goods - 112.52 tCO ₂ e. Wastewater Treatment - 2213.38 tCO ₂ e. Employee Commuting - 1,946.55 tCO ₂ e. |
| 305-4 | GHG emissions intensity. | Total Heritage GHG Intensity: 2020 - 0.507 tCO ₂ e/bbl 2021 - 0.511 tCO ₂ e/bbl |
| 305-5 | Reduction of GHG emissions. | Information provided in the ESG Report pgs (30-31, 33, 35-37) and Energy Transition Framework |
| 305-6 | Emissions of ozone-depleting substances (ODS). | Emissions of ozone-depleting substances were not calculated during the reported period. Heritage has to evaluate the risk of emissions of ozone-depleting substances from its operations prior to quantifying and disclosing. |
| 305-7 | Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions. | In addition to Carbon Dioxide, other significant emissions of concern are Methane and Nitrous Oxide. |

GRI 307 – Environmental Compliance 2016

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| 307-1 | Non-compliance with environmental laws and regulations. | No existing non-compliance with environmental laws. |
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GRI 308 – Supplier Environmental Assessment 2016

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| 308-1 | New suppliers that were screened using environmental criteria. | A total of nineteen (19) Suppliers were screened utilising Heritage's supplier questionnaire. |
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| 308-2 | Negative environmental impacts in the supply chain and actions taken. | <p>Instances of negative environmental impacts in the supply chain were not recorded within the reporting period as this was not part of the supply chain process.</p> <p>With the launch of the Ariba Online Registration Tool in July 2020, Heritage has been able to reduce the risk for potential human error as well as reduce cycle time for processing applications.</p> <p>As we continue to interface regularly with the varying features of the online tool, we can now conduct sanction checks on suppliers which upholds the company's compliance to legislation as well as protect the brand. It also allows the company to select the market's best for the provision of goods and services via an effective and S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, and Time-bound) evaluation process.</p> <p>Issuance and processing of invitations to bid are done guaranteeing timely project execution, and the conducting of E-Auctions in a timely manner adds to the bottom-line. It has also created the opportunity for improved supplier performance and relationship management.</p> <p>Moving forward, to foster continuous improvement and assuage negative impacts, the SCM Leadership aims to conduct assessment of the online tool, its processes, and procedures to mitigate any potential risks and close gaps. Furthermore, training for SCM Personnel, its suppliers and relevant stakeholders is a key component to our action plan for enhance efficiency and performance.</p> |
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GRI 3: Material Topics 2021

400 Series (Social Topics)

GRI 401 – Employment 2016

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| 401-1 | New employee hires and employee turnover. | In 2020/2021, Heritage hired 35 new permanent and fixed term employees. The employee turnover rate was 4.0%. |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees. | Housing Allowance, Motor Vehicle Allowance and Retirement Benefits are benefits provided to full-time employees. |
| 401-3 | Parental leave. | Parental leave benefits for Heritage employees are in alignment with industry best practice. |

GRI 403 - Occupational Health and Safety 2018

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| 403-1 | Occupational health and safety management system | The Occupational, Health and Safety Management System is part of the company's Operating Management System (OMS) The OMS is an integrated management system which enables us to have a systematic approach to how we manage our business with respect to safety, risk and operational integrity. Page 26 of the ESG Report provides further information on the OMS. |
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| 403-2 | Hazard identification, risk assessment, and incident investigation. | <p>The processes for hazard identification and risk assessment are outlined in Heritage's Control of Work Procedure and incident investigation is outlined in the Incident Management Procedure.</p> <p>Both Control of Work and Incident Management are elements of the OMS. See pages 26 of the ESG Report.</p> |
| 403-3 | Occupational health services | The requirements for Occupation Health are outlined in Sub-element 4.4 – Health and Industrial Hygiene of the OMS. Heritage also has a dedicated team that identifies and addresses the risk associated with occupational health. |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety. | <p>Processes including the Behavioural Based Safety Programme, HSSE Committees, Near Miss Reporting, Self-Verification checks and Leadership Site Field Assessment. All employees and contractors are given the opportunity for participation, consultation and communication on occupation health and safety issues.</p> <p>Metrics for worker participation in occupational health and safety is provided on Page 28 of the ESG Report.</p> |
| 403-5 | Worker training on occupational health and safety. | <p>HSSE Training is a continuously ongoing process within Heritage which includes employee and contractor induction as well as training on the systems and process for occupational health and safety at work including:</p> <ul style="list-style-type: none"> • HSSE Induction. • Permit to Work. • Task Based Risk Assessment. • Enterprise Risk Management. <p>In 2020/2021, Heritage outlined its minimum requirements for training for employees and contractor workers. Implementation of this procedure will be reported in future reports.</p> |
| 403-6 | Promotion of worker health. | <p>The requirements for Occupational Health are outlined in Sub-element 4.4 – Health and Industrial Hygiene of the OMS. Heritage also has a dedicated team that identifies and addresses the risk associated with occupational health.</p> <p>During 2020/2021, Heritage focused on outlining the procedures for promotion of worker health. The procedures developed to accomplish this are:</p> <ol style="list-style-type: none"> 1. Fatigue Management. 2. Fit for Work. 3. Benzene Management. 4. Drug, Alcohol and Substance Abuse. |

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| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships. | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships are managed through the Risk Management Framework. Risks linked to business relationships are documented in the Operational Business Unit's and HSSE Risk Registers. |
| 403-8 | Workers covered by an occupational health and safety management system. | Employees and contractors are covered by Trinidad & Tobago's Occupational Safety and Health Act, 2004. Additionally, Heritage has an operating Management System, see page 26 in ESG Report. |
| 403-9 | Work-related injuries | HSSE Performance Metrics - See page 28 in ESG Report. |
| 403-10 | Work-related ill health | HSSE Performance Metrics - See page 28 in ESG Report. |
| GRI 404 - Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | <p>FY 2020/2021 Gender: Male - 36.3/Female - 25.1</p> <p>Employee Category: Support - 37.5 Technical/Administrative - 28.3 Managerial - 47.7 Lead - 16.9 Team Lead - 29.4 Supervisory - 53.2 Professional - 25.4 Senior Professional - 34.1 Senior Technical - 9.4 Executive Leadership - 6</p> |

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| 404-2 | Programs for upgrading employee skills and transition assistance programs | <p>As a new organisation the primary focus has been on start-up initiatives and the implementation of SAP (all modules), although there has been some training intervention. Currently training information is not in SuccessFactors (Excel sheets are maintained). The Learning module in SuccessFactors will be utilized in the upcoming fiscal year.</p> <p>The Employee Assistance Program (EAP) continues to be utilised by employees and their dependents. Transition plan for retirees is not required at this time.</p> <p>Programmes will be aligned to needs assessment and organisational initiatives.</p> <p>FY 2020/2021 - training executed were aligned to activities identified from personal development plans: Negotiation Skills, Project Management, Supervisory Management, IFRS fundamentals, ISO 45001: 2018 Lead Auditor, ISO 14001: 2015 Lead Auditor, Root Cause Analysis, measurement of hazardous substances, Security Management and Administration, Advanced Oil & Gas Project Economics, Evaluation and Financial Modeling, Creative Problem-Solving and Analytical Thinking, Communication Strategies, Microsoft Excel, Mastering Contracts, Auditing the Human Resources Function, Cyber Security & Data Privacy, Quality Assurance Improvement Program (QAIP), Masterclass on Machine Lubrication and Reliability, Sand Control Techniques, Masterclass on Advanced Spare Parts and Inventory Management - Risk & Reliability aligned spare parts model, CAT 1 Vibration Analysis Training and Certification Examination course, Mediation Skills and Certified Mediator Practical Skills Workshops, Certified Reliability Engineer (CRE), Technical Report Writing, Professional Certificate in Operations Management, Understanding ISO/IEC 17025:2017: General Requirements for the competence of testing and calibration laboratories, ISO 19011: 2018 Internal Auditing for Laboratories and Understanding Risks and Opportunities for Testing and Calibration Laboratories.</p> |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | <p>FY 2019/2020 - 97% of employees with completed year-end reviews. FY 2020/2021 - 98% of employees with completed year-end reviews.</p> |
| GRI 413 - Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | <p>The company has developed and engaged a database of community groups and leaders. There is information sharing and engagement on needs and recommendations for engagement. Currently, there is a Community Engagement survey in development.</p> <p>For more information on engagement exercises see page 40-41 of the ESG Report.</p> |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | <p>The company engages in the following which can potentially have negative impacts on local communities:</p> <ul style="list-style-type: none"> • drilling and workovers. • transportation of crude oil via pipeline. • maintenance activities. |



Heritage
PETROLEUM
COMPANY LIMITED



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