

SUSTAINABILITY REPORT 2022

EXECUTIVE SUMMARY

CHAIRMAN'S LETTER AND MESSAGE FROM THE BOARD

MESSAGE FROM THE CHAIRMAN

Sonangol's mission is to strive towards the sustainable development of the oil and energy industry, whilst ensuring greater returns for our shareholders, partners, and wider society. To achieve this we have, throughout 2022, contributed to the long-term value and development of the Angolan economy through key investments, job creation, profit generation, and care for the well-being of nearly 8,000 employees, their families, local communities and the value chain. This first report is a presentation of our sustainability journey thus far.

To complete this report, we engaged with nearly 200 internal and external stakeholders to understand Sonangol's material topics and, with sustainability at the forefront, the Board of Directors approved the Organization's strategic objectives for 2023-2027, anticipating the following objectives:



To produce electricity from renewable sources;



The control and reduction of CO₂e emissions in the exploration, production and refining operations; and



Increased carbon sequestration through the implementation of the Sonangol Blue Carbon project, among other initiatives (See Biodiversity & Ecosystem Protection).

To accomplish these objectives, we will be allocating 5% of our investment portfolio in renewable energies until 2025, and 10% by 2030. As a result, and based on our energy transition strategy, we expect that our revenue matrix will be composed of the sales of crude oil and its derivatives, gas, green hydrogen and renewable energies, with particular reference to solar energy (photovoltaic).

Sonangol understands its role in both global and national sustainability efforts. Angola set a target to reduce its Greenhouse Gas Emissions by 14% by 2025, compared to a business-as-usual scenario emissions baseline (2015) of 99.99 million tons of CO₂e – in this business-as-usual scenario emissions are an estimated 103.9 million tons of CO₂e in 2020 and 108.5 million tons of CO₂e in 2025. Sonangol is committed to reducing the volume of Greenhouse Gas Emissions in operations (Scope 1 and 2) by 15% by 2030ⁱ, compared to a 2022 baseline, supporting Angola in achieving its Nationally Determined Contribution commitments of 2021.

The sectors in which Sonangol is included according to Angola's Nationally Determined Contribution – the energy and industrial sector – correspond to 11.3% in 2025 and 15.5% in 2030 of Angolan emissions. Sonangol has been responding to the climate challenge through, for example, compensating its emissions through various socio-environmental impact projects, such as the Blue Carbon projects – this five-year project, in partnership with the Otchiva Non-Governmental Organisation, contributes to mangrove restoration, community empowerment and sustainable development, as facilitated by an annual 240.000 US dollar investmentⁱⁱ.

Our targets are aligned with the Nationally Determined Contribution of Angola, and with our vision to emerge as a point of reference in Africa and globally. As such, this Sustainability Report is structured and inspired by reporting standards and frameworks such as the Global Reporting Initiative, the Carbon Disclosure Project, the Task Force on Climate-Related Financial Disclosures and the International Petroleum Industry Environmental Conservation Association guidelines. In addition, Sonangol complies with national environmental legislationⁱⁱⁱ, international human rights norms ratified by Angola^{iv} and the National Strategy for Human Rights^v.

Internally, our vision for Sonangol is encouraged throughout the Company and has prompted important national and international strategic partnerships for reducing emissions and carbon sequestration, agreements to produce green hydrogen and the and the implementation of photovoltaic power plants. We will continue to participate in initiatives which set a global standard for transparency, combating corruption, and encourage prudent revenue management – this includes Angola's continued membership in the Extractive Industries Transparency Initiative.

Sonangol has driven sustainability and social responsibility through providing financial support to socio-environmental, cultural, sports, and science projects, technology sponsorships and partnerships. In 2022, we invested 20 million US dollars through the Internal and External Scholarship Program and trained 2,500 employees during an estimated 14,568 hours in safety, technical and management topics. Beyond our staff, our sense of social responsibility was heightened during the COVID-19 pandemic – the start of our reporting period – when we took the lead in pandemic action by funding a dedicated COVID-19 Medical Center and invested in medical infrastructure, facilities, equipment and an oxygen production unit.

In summary, through these pages, we seek to share with all stakeholders Sonangol's vision for the future of energy, which we anticipate being increasingly sustainable.

We hope you enjoy reading our first Sustainability Report.

Sonangol, we produce energy to transform lives.

GASPAR MARTINS


CHAIRMAN

MESSAGE FROM THE SUSTAINABILITY BOARD REPRESENTATIVE

Sonangol has taken the responsibility of actively participating in the transformation towards a more sustainable world, proactively assuming a relevant role in the energy transition process, in Angola and Africa. As an important player in the energy sector in Angola, the national oil company is strongly committed to creating long-term value for its employees, businesses, and society in general. This is achieved through the ESG (Environmental, Social and Governance) approach taken, implementing environmental impact assessment measures, and ensuring control of environmental risks on water, biodiversity, and ecosystems. This way, Sonangol's operations have no direct significant impact on vulnerable people and biodiversity. On the contrary, Sonangol has supported the protection of national parks, integral reserves, conservation areas, among others. While we face the challenges of climate change, we continue to take advantage of opportunities that may arise from the global energy transition to reformulate our vision, mission, and values.

We are deeply committed to making sustainability a reality in line with the company's vision and operating strategy, contributing to both its sustainable growth and the development of Angola. With the spirit of reform required by the energy transition, Sonangol has set emission reduction targets aligned with Angola's Nationally Determined Contribution of 2021 for the energy and industrial sector. Sonangol's goal is to reduce the volume of emissions (Scopes 1 and 2) by at least 10% by 2027 and 15% by 2030, compared to a 2022 baseline. As an Executive Administrator, I have been appointed to lead and oversee the implementation of these objectives, as well as supervise the ESG Working Group.

Following current trends, we recently created the business unit dedicated to renewable energy, Sonagás ER (Sonangol Natural Gas and Renewable Energy), and, in parallel, the Research and Development Centre, which, among other objectives, aims to develop clean technologies, which thus far, have led to the signature of agreements to produce green hydrogen with German companies.

In addition, we are developing the Sonangol Blue Carbon project in partnership with the Otchiva NGO, which aims to reforest mangrove areas in three provinces of Angola to offset part of the greenhouse gas emissions from our



operations, while reducing marine pollution and ensuring the continuity of life in the breeding ground of marine life.

Simultaneously, Sonangol is supporting the implementation of project in southern Angola, which aims to create a green belt and halt the silent advance of the desert through tree planting in the central and southern regions of the country. In terms of social responsibility, we are involved with the National Institute of Biodiversity and Conservation in the TOP 10+1 project to preserve species of fauna in danger of extinction, including typical species of the country such as the wild dog, hyena, zebra, lion, jaguar, and giant sable antelope.

In summary, this Sustainability Report demonstrates the commitment that Sonangol has made to sustainability goals, reducing the intensity of our operational direct (scope 1) and indirect (scope 2) greenhouse gas emissions, and contributing to Angola's overall reduction in greenhouse gas emissions.

KÁTIA EPALANGA



Executive Administrator

A large, rustic wooden structure shaped like the number '2' is positioned diagonally across the frame. It is constructed from several thick wooden beams joined together. The structure sits on a vibrant green grassy field. The background is a bright blue sky filled with soft, white clouds. The overall scene conveys a sense of growth, sustainability, and progress.

2

OUR SUSTAINABILITY REPORT

OUR SUSTAINABILITY REPORT

This sustainability report is the first of its kind for Sonangol Group. It offers an overview of the Group during the reporting period of 2020 to 2022, presenting a snapshot of the Group's operations and activities as well as related progress, achievements, investments and ambitions in the context of sustainability, and Environment, Social and Governance (ESG) considerations as a national energy provider.

This report is a landmark for the Company, the Republic of Angola and the Oil and Gas industry as a whole. It indicates the ambition to emerge as a point of reference in the continent and commence an energy transition in alignment with relevant international reporting disclosures. As such, this report visually represents both a challenging and evolutionary period in the Company's history, as it transitioned through the COVID-19 pandemic, restructuring of the governance structure, and the continued integration of sustainability and ESG issues in business.

SONANGOL: OUR STORY

Sonangol is the largest national public company in Angola, a cornerstone of the national economy and a key figure in promoting development, contributing towards the Nationally Determined Contributions, social impact and environmental conservation projects, and employing more than 8,000 employees across the Group.

Sonangol was established in 1987 as a state-owned company to conduct activities related to oil and other hydrocarbons, their derivatives, residues, the equipment related to them, petrochemical and related industries, and their commercialisation. Following the Oil Activities Law (LAP) modifications which reorganised the Angolan oil sector, Sonangol Group no longer holds exclusive mining rights in the country; from the 1st of May 2019, the title of National Concessionaire was transferred to the National Oil, Gas and Biofuels Agency, along with the exclusive rights Sonangol previously held - related to liquid and gaseous hydrocarbons - and the power to propose hydrocarbon exploration plans and programs.

In a push for efficiency and clarity across the value chain, the external shift occurred in the context of preparation for privatisation, an initial public offering and an overhaul of the internal governance structure.

Launched in 2018, the Privatisation Programme ('PROPRIV') allows the sale of up to 30% of the share capital of Sonangol and a new organisational structure; this division includes a range of strategic ambitions for trading and shipping, investment and monetisation of renewable energies, increasing the production of crude oil and optimisation of infrastructure, supply chains and operations.

A CHALLENGE FOR THE OIL AND GAS SECTOR: CLIMATE CHANGE

As a leader of Oil and Gas production in Africa, Sonangol acknowledges the global pressure to achieve net-zero emissions, commit to an energy transition and the imperative for decarbonisation and a climate scenario analysis, in tandem with the national responsibilities towards the Angolan 2021 NDC revision commitments. In response, Sonangol has developed a corporate vision based on financing the energy transition strategy through a continuation of oil production based on both absolute reductions in CO₂ emissions compared to 2022 and diversification of the company's revenue-generating portfolio.

While Sonangol has measured and reported upstream Greenhouse Gas (GHG) emissions since 2005, in 2022 the Company invested in a GHG emissions accounting software system (SANGEATM) - a standard in the industry - and set an absolute reduction target of our direct (scope 1) and indirect (Scope 2) emissions by 10% in 2027 and 15% by 2030, relative to a 2022 baseline. By 2030, Sonangol plans to produce 25% of the energy for operations from renewable sources and capture 32.3 million tonnes of CO₂ e per year through carbon sequestration and reduced GHG emissions.

Achieving Sonangol's climate and sustainability ambitions relies on the commitments and roadmap within the Report, a sound baseline and Company-wide alignment with international reporting standards and framework; this report observes the Global Reporting Initiative 2021 standards and the Task Force on Climate-Related Financial Disclosures Recommendations for reporting on climate change governance, strategy, risk management and metrics.

To continue the alignment with global best practices, this report considers various frameworks including the United Nations Sustainable Development Goals, the Carbon Disclosure Project Climate Change questionnaire, the convening work of associations such as the International Association of Oil & Gas Producers, and the International Petroleum Industry Environmental Conservation Association. Sonangol maintains several relevant associations and memberships, including Oil Spill Response Limited, the International Association of Oil and Gas Producers, and Zero Routine Flaring by 2030.

OUR JOURNEY: ENVIRONMENTAL, SOCIAL AND GOVERNANCE WORKING GROUP

Sonangol is determined to integrate sustainability considerations across the Company in a feasible manner. To ensure this, the Group formed a dedicated ESG Working Group, which has been integral to the development of this report and overseeing the roadmap for the implementation of Sonangol's strategic objectives for the continued integration of ESG, climate and sustainability topics into all business, relationships and operations.

Consisting of 16 members from across the Company (e.g. legal, human resources, QHSE, communications, among others), the Working Group was established to facilitate the production of this report and support the associated materiality assessment. This entailed managing stakeholder engagement, data collection and analysis, coordination of Business Units, and identification of material topics. In addition, the Group is supporting the preparation of the GHG emissions inventory - using the SANGEATM tool - in defining emissions scopes, and GHG reduction targets and measures. The priority topics for sustainability were presented to 117 internal stakeholders - from senior management and governance in the Group. The Group intends to expand the scope of this engagement to include both internal and external stakeholders for subsequent years, as defined within a Pilot Scheme for the following year.

GOVERNANCE

As a state-owned company, the development of Sonangol is closely linked to that of Angola and national sustainable development targets, corresponding to pertinent responsibilities and corresponding legal compliance. The Governance structure consists of a Board of Directors, an Advisory Board, a Supervisory Board and four Committees (e.g. Governance, Audit, Risk, Remuneration and Compensation), managing oversight of core areas.

ENSURING ETHICS AND COMPLIANCE

The approach to ethics and compliance within Sonangol Group is managed through the Code of Conduct and Ethics, overseeing employee and human rights matters, diversity and inclusion, conflicts of interest, communication, anti-corruption and the grievance mechanism. The Code's mandate extends to all contracted suppliers, partners and associates of Sonangol Group; external relationships are conditional on the outcome of a due diligence process and alignment with the Code. Internally, the Code is enforced by the relevant Committees, Board, and supplemented by a comprehensive employee training and awareness-raising program.

Employees are considered the foremost beginning of good governance; employees are encouraged, and trained, to report grievances and actual or potential conflicts of interest and instances of corruption. During the reporting period, 100% of the Board of Directors were trained in anti-corruption, 77 managers were trained in Code of Conduct awareness-raising sessions and 56% of the employees from the Exploration and Production Business Unit (UNEP) received training on compliance and the Code of Conduct, including corruption topics. Company-wide video and virtual training on corruption and compliance are planned for 2023.



The Code of Conduct is supplemented by several internal policies which oversee safety and risk management, compliance, best practices and alignment with international standards and expectations; these include the Integrated Policy for Quality, Health, Safety and Environment, and Remuneration Policies. It is the standards of the former, in addition to the Code of Conduct and the Suppliers Manual, to which external business partners are held accountable for social, environmental and governance issues, is pre-screened and undergo technical audits.

CONTINUOUS IMPROVEMENT

Towards feasible improvement and risk management, UNEP has adopted the interactive Plan-Do-Check-Act (PDCA) framework within the Inspection and Corrosion Management (ICM) approach, with inputs from the Corrosion Management Framework (CMF) integral. This occurs in parallel to the Risk Based Inspection (RBI) approach, and maintenance of an inspection plan and reports. Internal adoption of the Managing Technologies and Information Systems is targeting IT and digital risk management, as well as overseeing various ongoing digital projects.

Regarding global affairs, Sonangol maintains ongoing investments in research and development, such as the Centre for Research and Development and investments in green hydrogen.

RISK MANAGEMENT

Sonangol applies its Integrated Risk Management System – SIGR - model in accordance with corporate values and international best practices on risk management to provide a cross-category and agile assessment of risks, and opportunities to improve the existing internal business management systems; Sonangol uses SIGR to promote risk management, strengthen its Risk Management function and conduct internal reviews. This is overseen by the Risk Committee. There are Company-wide levels of Risk Management Reporting, defined according to the reporters' role in the Company.

CLIMATE CHANGE RISK MANAGEMENT

Sonangol is aware of possible risks, and opportunities, related to climate change and its decarbonisation journey, as heightened due to its role in Angola.

The Company identifies risks related to the physical impacts of climate change through damage to assets and infrastructure, climate change, changes in policy, legislation, consumer preferences and market demands, and growth opportunities around increased demand for low or zero-carbon products. Production is the biggest contributor to the total emissions; emissions are reported according to an operational control boundary - following the GHG Protocol's Corporate Accounting Standard - and investments towards exploration and production blocks are shared with partners, with proportional reporting according to the investment size.

GHG emissions associated with exploration and production for direct (scope 1) and indirect (scope 2) emissions are reported, with intentions to expand this scope. To improve risk management, Sonangol will continue to work towards decreasing its direct emissions, invest in alternative technologies and improve the integrity of its data.





3

ENVIRONMENT

ENVIRONMENT

MANAGING OUR WATER

Water consumption, management and discharge within Sonangol Group and UNEP are overseen by the Code of Conduct and Ethics, national legislation and environmental regulatory compliance. Environmental Impact Assessments are required Throughout the reporting period, none of UNEP's operations have been based in or near water-stressed areas, with zero significant water-related impacts caused by suppliers in the reporting period.

In the offshore context, Sonangol has begun managing and analysing the volume of extracted ocean water to improve risk and impact management, and UNEP acts under internal, national, and international maritime legislation and guidance regarding water discharge and treatment.

Annual operational discharge management plans manage all offshore operating blocks, subject to the relevant regulations and the minimum quality standards defined by the Ministry of Environment and the Ministry of Mineral Resources, Petroleum and Gas. During the reporting period, 4,8 million cubic meters of production-based water passed through the oil-water treatment system, drainage water, and collected leak discharges before being discharged into the ocean. Water is a core theme in employee training programmes and awareness-raising sessions, and the Group maintains a record of zero significant impacts on water catchment basins caused by its operations nor holds associations with suppliers with a significant water-related impact.

MANAGING OUR WASTE

As a step towards a circular economy, Sonangol and UNEP manage the generation, treatment and disposal of waste across their buildings, facilities and operations, both upstream and downstream. Offshore facilities and processes comply with the International Maritime Organisation (IMO) regulations on waste management and disposal, as well as water discharge and consumption. Internally, UNEP follows all procedures described in its Plan for Waste Management - as submitted to the National Waste Agency - to reduce harmful impacts on the environment and its employees; this covers both the non-hazardous and hazardous waste generated. Hazardous waste is managed according to the requirements of the International Maritime Dangerous Goods Code and the IMO, while Naturally Occurring Radioactive Material (NORM) is managed according to international best practices and employs a third-party company to treat, store and dispose of this waste.

ENVIRONMENTAL CARE: HANDLING OIL SPILLS

Oil spillage is a core concern of UNEP, as covered by an Oil Spill Contingency Plan and an onboard Emergency Spill Kit. UNEP follows the guidance of the Angolan Environmental Agency in reporting and managing its oil spills, considering an incident as >1 barrel of oil spillage; only 1 incident was registered in 2022 (of less than 1 barrel).

Similarly, an offshore training schedule is under development to raise awareness of water management best practices and to eliminate adverse incidents related to water discharge. UNEP monitors the oil concentration of discharged water according to an excess limit and has improved from nine incidents in 2021 to zero in 2022. Overall, the Company recognises that establishing a baseline for discharge water will be crucial to introduce initiatives towards reducing the impact on water resources and the marine ecosystem.

ENSURING CLEAN AIR

GHG emissions are considered the most material issue to Sonangol in the context of emissions and despite a lack of national legislation, Sonangol acts under international standards and the revised 2021 NDC strategy; monitored emissions and pollutants include nitrogen oxide, sulphur oxide and ozone-depleting substances, among others. UNEP works in accordance with the procedure outlined in the Greenhouse Gas Emissions (GEE) guidelines, using the E&P's Forum September 1994 emission factors to calculate emissions. The increase in emissions from 2020 to 2022 is due to increased production and flaring, following the COVID-19 lockdown.

BIODIVERSITY AND ECOSYSTEMS PROTECTION

Sonangol considers biodiversity and the ecosystem; when developing its exploration plans, it instates robust operational controls and has no operations located in or near sensitive areas, such as monitoring and discharge analysis, an oil spill support network and a risk management system. This is ensured by pre-construction and installation environmental impact assessments and, in the case of marine ecosystems, submission of monitoring plans and a mitigation strategy. Once operational, Sonangol manages impacts through operational discharge plans that are prepared, revised and adhere to the national legislation.

Decommissioning of wells and installations can have an impact on the environment and is regulated through presidential decrees and international standards, and is managed by ANPG; in the offshore context, abandonment follows national guidance and depends on the proximate environmental conditions.

OUR IMPACT PROJECTS

To contribute to sustainable development through socio-environmental impact, Sonangol funds the Blue Carbon project in partnership with Otchiva NGO, to plant 190,000 mangroves; contributes to the plastic-awareness raising Garrafinha campaign, community-based clean-ups and a Company-wide no-printing day.

SOCIAL

OUR PEOPLE, THEIR RIGHTS AND BENEFITS

The rights of Sonangol's workforce are treated and respected in line with the Angolan Constitution and the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Angolan 'National Strategy for Human Rights' and those human rights norms ratified by the Angolan State, including those at an African Union, United Nations and International Labour Organisation level. These documents have influenced the internal overarching framework, Sonangol's Code of Conduct and Ethics; this document includes considerations of fair labour practices and attractive benefits; development and well-being initiatives and packages are allocated to employees.

As an indicator, the minimum wages at UNEP were 15 times higher than the national minimum wages for the industry sector, and of the 27 new hires at UNEP, 37% were women.

Sonangol consistently maintains a competitive employee compensation and benefits package above and beyond legal requirements, indicative of the seniority amongst UNEPs workers with 90% of employees over the age of 36 and 86% of workers having been at the company for over 10 years.

EMPOWERMENT IN THE WORKPLACE: GENDER

Gender equality and guidelines are assured in the Code of Conduct and Ethics concerning preferential retirement for mothers, maternity remuneration and care, and equal pay. Wages are not differentiated according to gender. Of UNEP's 781 employees - many of whom are offshore - an average of 29% are women, 7% greater than the Oil and Gas industry average.

To achieve a higher total, Board Member Kátia Epalanga is leading a women's association for female employees and the public to further female representation with a women's rights campaign, financial support and mentoring program.

PROTECTING OUR PEOPLE: OCCUPATIONAL HEALTH AND SAFETY, AND HEALTHCARE

Sonangol has firm Quality, Health, Safety and Environment Policy obligations to identify, assess, eliminate and/or mitigate the risks associated with its activities, with a Health and Safety System based on the International Standards Organisation (ISO) 45001. In the reporting period, there were zero fatalities and zero high-consequence work-related injuries, and 1013 days without a lost time incident, only minor First Aid Cases. UNEP has a particular mandate for safety, 203 employees were trained in complementary, non-basic courses of Health, Safety and Environment, the 'Permit to Work' and Risk Management System. This is complemented by 455 emergency drills conducted at UNEP in 2022.

Employee healthcare is under the remit of Girassol Clinic, with services provided to their close family, children and retirees. Vulnerable retirees are provided with additional support and social care, equipped with home care, food aid, equipment and support; furthermore, in 2022, close relatives of retirees received over 400 000 US dollars towards scholarships and training.



DEVELOPING CONFIDENCE: TRAINING

Consistent across all areas of Sonangol Group and its operations is the emphasis placed on employee development, training and capacity-building. At the top, 77 Sonangol E.P.'s managers are trained in the Code of Conduct and Ethics, and 14,568 hours of training have been offered to 2,528 of Sonangol's employees. Within UNEP, employees receive training specific to their role, and when transferred or a new department or with new work functions; this is acute for offshore workers, who undergo extensive training, ranging from hydrogen sulphide training to basic first aid and firefighting.

BEYOND CORPORATE: COMMUNITY ENGAGEMENT

Over the reporting period, Sonangol invested nearly 90,746,700 US dollars in Social Responsibility projects, selected for alignment with either Sonangol's current strategic goals or the current National Development Plan of Angola. Sonangol was particularly proactive during COVID-19, investing over 20 million US dollars over two years, building a COVID-19 hospital, new oxygen centres, and staffing vaccination centres. Pandemic-aside, the Company invests in gender-empowerment demining and employment projects, scholarship programs, and road rehabilitation projects.

As required by the Code of Conduct and Ethics, the Grievance Mechanism is permanently open for any member of the public - whether involved in a project or not - to either email or call in a complaint through a dedicated third-party hotline.

FINANCIAL PERFORMANCE AND IMPACTS

The financial reporting provided in the report reflects that disclosed in the Financial Report, following the accounting principles and policies defined in the internal Accounting Policies Manual, about the national accounting standards and certain provisions of the International Financial Reporting Standards.

The average price of crude oil sold by Sonangol increased from 2020, a post-COVID-19 recovery; the direct economic value generated by Sonangol in 2022 was 12.4 billion US dollars, an increase of 23% compared to 2021 and 128% compared to 2020, while UNEP generated 4.5 billion dollars, relative increases of 7% and 136%. The economic value retained with amortization, entirely distributed to the sole public shareholder amounts to almost 3.1 billion US dollars for Sonangol, out of which 2.2 billion US dollars arise from UNEP.



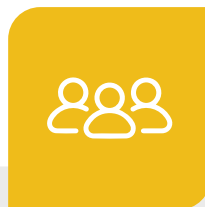
3.1 ENVIRONMENTAL, SOCIAL AND GOVERNANCE 2022 HIGHLIGHTS

ENVIRONMENT



- Zero incidents with discharged water exceeding limits of oil concentration;
- Reduction of 75% in the number of oil spill incidents compared to the previous year, with only 1 recorded (< 1 bbl) in 2022;
- 4.8 million m³ of production-based water was treated before being discharged into seawater;
- 190,000 mangroves planted through the Sonangol Blue Carbon project;
- Zero UNEP operations in water-stressed areas, with no significant water-related impacts caused by suppliers;
- Increase in the recycling rate as compared to 2021;
- Zero UNEP operations in or adjacent to protected areas or areas of high biodiversity value.

SOCIAL



- Zero fatalities and zero high-consequence work - related injuries at UNEP;
- 1013 days without a lost time incident at UNEP;
- More than 70 million US dollars spent in Sonangol E.P.'s Social Responsibility projects, an increase of +82% in comparison to previous year and +105% compared to 2020;
- 413,000 US dollars spent by Sonangol E.P. to improve the quality of life of its retired employees in vulnerable social and economic conditions;
- Average of 8.648 healthcare services per month are offered to Sonangol E.P.'s employees and their close families in our subsidiary, Girassol Clinic;
- 277 UNEP employees involved in Sonangol E.P.'s mental health programme;
- 14.568 hours of training offered to 2.528 Sonangol E.P. employees;
- 203 UNEP employees trained in complementary, non-basic courses of Health, Safety and Environment;
- 27 new hires at UNEP, 37% being women;
- Minimum wages at UNEP were 15 times higher than national minimum wages for the industry sector.

GOVERNANCE



- 27% of the Board of Director are women (3 out of 11) ;
- 781 employees at UNEP, out of which 29% women;
- 100% of board members trained in anti-corruption between 2020 and 2022;
- 56% of UNEP's employees and contractors trained on compliance and the Code of Conduct and Ethics, which includes the anti-corruption topic;
- 2.854 employees (35.7% of Sonangol E.P.'s workforce) voluntarily associated with trade unions;
- 16 employees of seven different areas part of the ESG Working Group;
- Zero ongoing legal actions against Sonangol E.P. related to corruption, nor any pending public proceedings;
- Zero confirmed corruption incidents with business partners;
- No associated reported legal actions against Sonangol regarding anti-competitive behaviour, unfair competition, or monopoly policies, either completed or pending;
- Membership to five different national and international associations and initiatives.

ECONOMICS

- +23% increase of revenue generated by Sonangol E.P. in 2022 compared to 2021 and +128% compared to 2020;
- +7% increase of revenue generated by Sonangol UNEP in 2022 compared to 2021 and +136% compared to 2020;
- More than 9.3 Billion US dollars of economic value allocated for operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments by Sonangol E.P. in 2022, out of which 2.2 Billion US Dollars were through Sonangol UNEP;
- Approximately 20 Million US dollars invested in renewable energies in 2022, representing 1.4% of Sonangol's total investment portfolio.

OUR CONTRIBUTION TO CLIMATE ACTION IN 2022

- GHG baseline assessment;
- Set a target to reduce the volume of the company's emissions (GHG scope 1 and scope 2) by at least 10% by 2027 and 15% by 2030, compared to a 2022 baseline in alignment with Angola's Nationally Determined Contribution of 2021 for the energy and industrial sector;
- Board decision to allocate 5% of Sonangol's investment portfolio in renewable energies until 2025 and 10% until 2030;
- Committed to avoid routine flaring in new oil field developments and end routine flaring at existing oil production sites by 2030;
- Aiming to produce 450 MW of electricity from renewable sources by 2027 and 1000 MW by 2030, and to produce 25% of the energy consumed in the company's operations by 2030 from renewable sources;
- Initiated investments, together with partners, in large scale renewable energy projects (50 MW Caraculo Solar PV Project in Namibe and 60 MW Quilemba Solar PV Project in Huila (30MW phase 1 and extra 30MW in phase 2));
- Signed a Memorandum of Understanding (MoU) to produce 280.000 tonnes of green hydrogen per year and an MoU to start studies for the construction of a biorefinery in Luanda; and
- Invested in a software solution to improve GHG emissions management and reporting - SANGEA™ system.

ⁱ Including carbon dioxide (CO₂), nitrogen dioxide (N₂O), and methane (CH₄).

ⁱⁱ Equivalent estimated based on investment of 1 million Kwanzas.

ⁱⁱⁱ These include the environmental framework law (5/98), the Presidential Decree 39/00 on environmental protection in the course of oil activities, and the general regulations accorded to the oil and gas sector of Environmental Impact Assessments (EIAs) and environmental licensing procedures.

^{iv} These norms include the International Convention on the Elimination of All Forms of Racial Discrimination (1949), the International Covenant on Economic, Social and Cultural Rights (1966), the Convention on the Elimination of All Forms of Discrimination against Women (1979), and the Convention on the Rights of Persons with Disabilities (2006).

^v Approved by Presidential Decree 100/20 of April 14th.



Sonangol

www.sonangol.co.ao **SIGA-NOS**      / SonangolOficial