



PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LIMITED

CSR in a Region with Extractive Industries

The Petrotrin Perspective
A National Oil Company With A
Long & Rich History



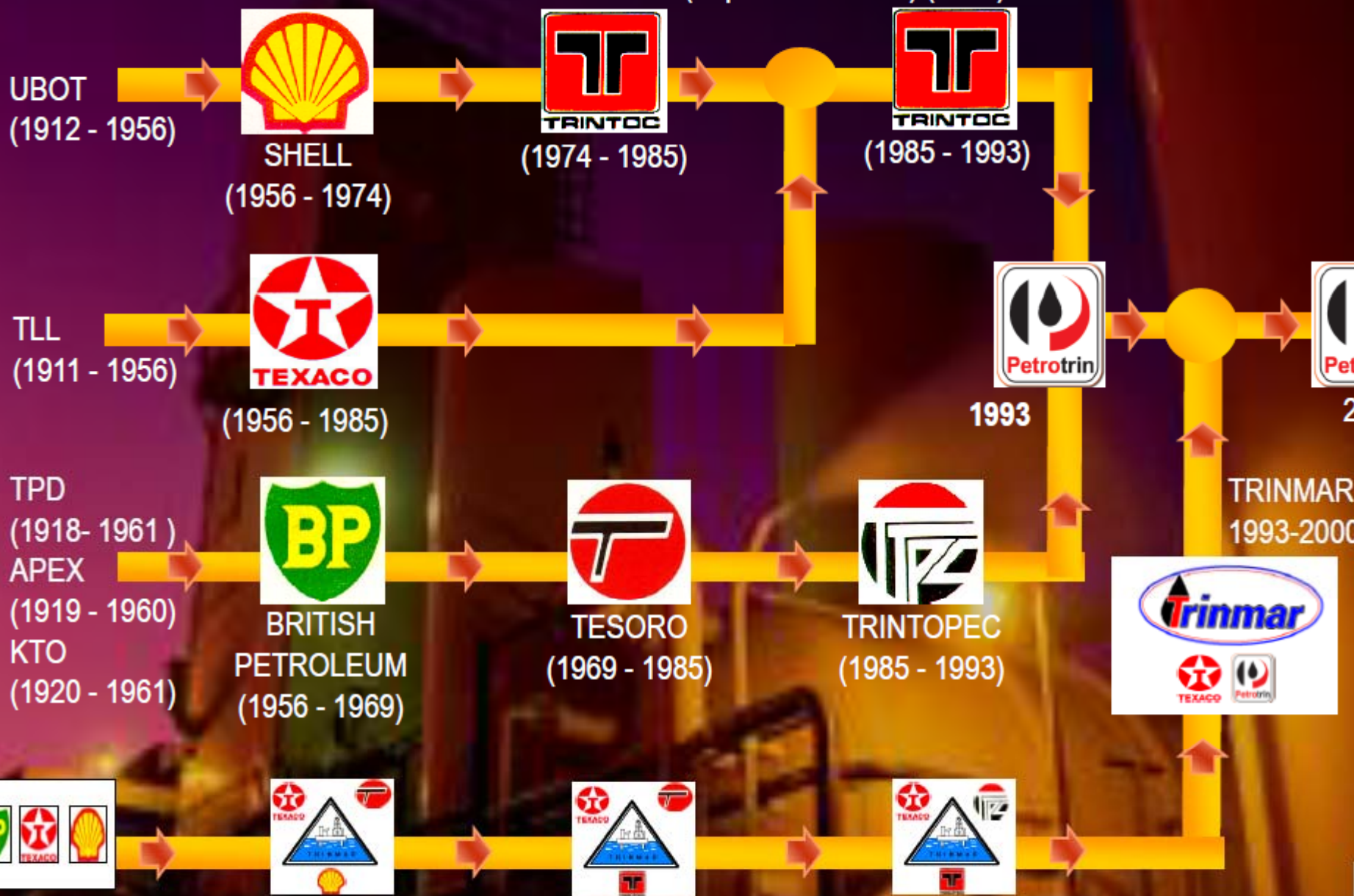
Presentation Outline

- Introduction/Company Overview
- The Petrotrin Context
- CSR in Petrotrin
- Conclusion
- Questions & Answers



Evolution of Petrotrin

MERGER (Expanded Trintoc) (1985)



Company Overview

PETROTRIN is the largest integrated oil and gas company in Trinidad and Tobago (T&T)

Overall Leadership

- ▶ Largest integrated Oil and Gas Company in T&T, a major revenue generator with a leading position in oil and gas refining as well as in exploration and production
- ▶ Sales Revenue^(e) for FY2011/12 of TT \$ 40 Billion

Ownership

- ▶ 100% owned by the Government of the Republic of Trinidad and Tobago
- ▶ Government Take^(e) for FY2011/12 of TT \$ 1.6 Billion (Royalties, SPT , PPT, Levy)

Location

- ▶ Strategically located to supply the Caribbean, Central America and the U.S. markets resulting in a transportation-cost advantage

Crude Oil Producer

- ▶ Leading producer of crude oil in T&T - Average crude production of approximately 35KBPD in FY2011/12 – approx. 42% of the country's total crude output . Lease Ops and Farmout Arrangements produced approx 7 KBPD .
- ▶ Oil and Gas production from Joint Ventures 30KBOEPD

Marketing and Refining

- ▶ Owner and operator of the sole crude oil refinery in T&T, the Pointe-a-Pierre Refinery
- ▶ Full conversion capacity of up to 168,000 bpd and average throughput of approximately 127,650 bpd
- ▶ Leading supplier of petroleum products in the regional CARICOM - 49% market share

Clients

- ▶ Long standing sales relationships with international Oil & Gas companies – Shell, Exxon and Chevron account for more than 23% of PETROTRIN's refined products sales.

(e) - estimated



Petrotrin in National Development



Business
Investor

- ▶ Last 10 yrs Total Capex = TT\$24.5 Billion Total Opex = TT\$29.4 Billion .
- ▶ FY 12/13 Capex of TT\$ 4.0 Billion
- ▶ FY 2012/13 Budgeted Capex = TT\$4.0 Billion Budgeted Opex = TT\$4.5 Billion



Contributor to
the Treasury

- ▶ Over TT \$32.0 billion paid in royalties, SPT and Petroleum Profits Tax over the period 2002 to 2011
- ▶ Some US \$ 27 billion (TT \$177.6 billion) earned in foreign exchange between 2002 and 2011



Developer of
indigenous
business
capability

- ▶ Over 700 firms registered as contractors > 75% Local
- ▶ Over 2800 registered suppliers to the company > 75% Local
- ▶ Lease Operatorships (**24**) , Farmouts (**10**) and IPSC (**5**)

Community
Relations

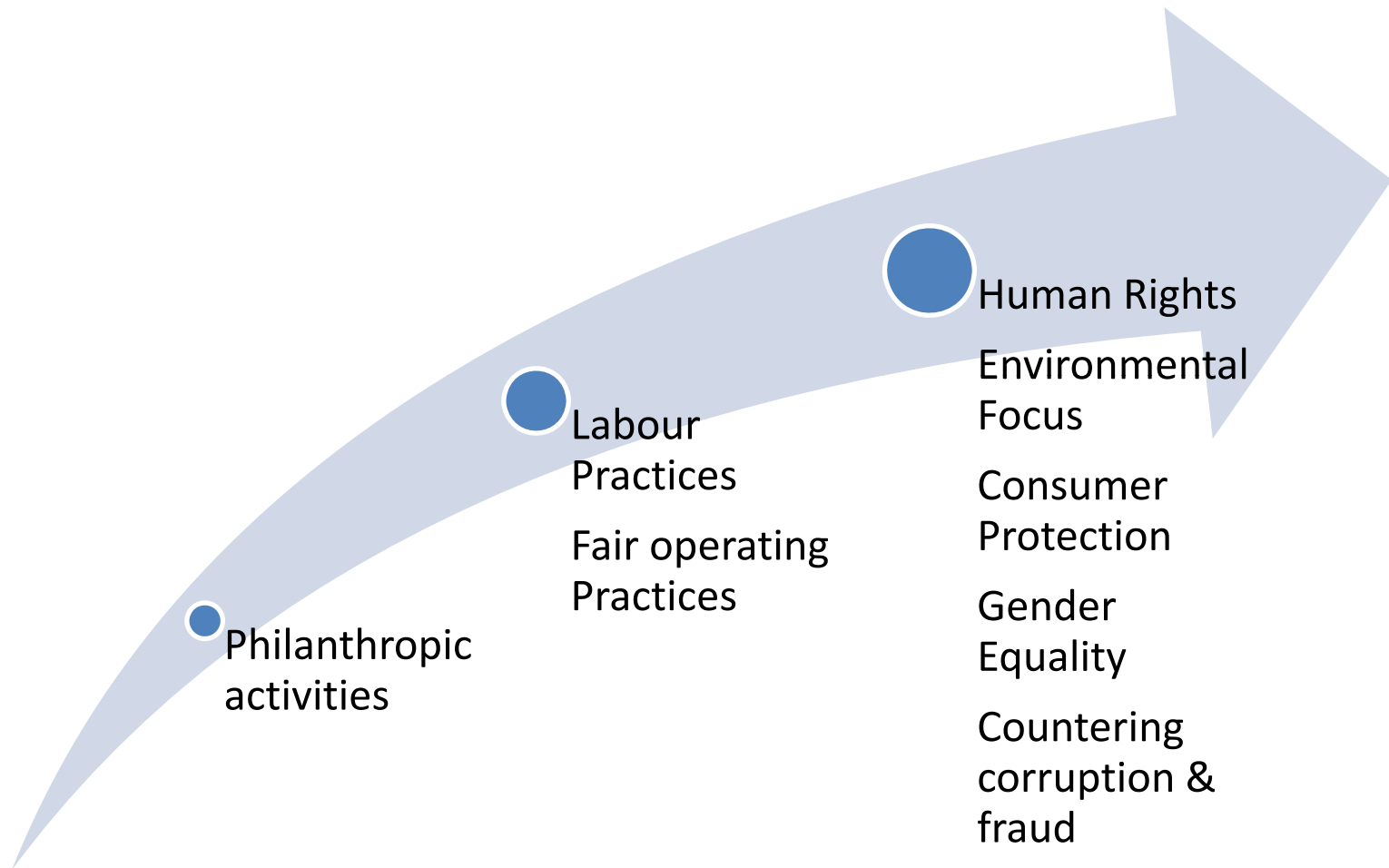
- ▶ Petrotrin fosters and maintains close relations with the communities adjacent to its operations and extends its corporate philanthropy to the wider national community

Human
Developer

- ▶ We cater for our employees as well as other citizens of Trinidad and Tobago through – Employee training, Employee education initiatives, Leadership development, Undergraduate and Graduate Trainee Programmes, OJT and Apprenticeship



Evolution Of Corporate Social Responsibility



Social Responsibility Principles



Source : ISO 26000, International Standard–Guidance on Social Responsibility



Key Issues Facing Firms in Extractive Region



- Ensure efficient operations
- Maximise benefits to stakeholders
- Minimise operational footprint
- Operate in a transparent and ethical manner
- Promote local content
- Address imbalance - location of resource and where revenue is spent
- Promote inter-generational equity – ensure that future generations benefit



Petrotrin's Situation – The Context



- An international operation, state owned, located in South Trinidad
- A successor company inheriting :
 - Aged Oil facilities, industrial sites, Health facilities,
 - Liabilities
 - Cultural and educational affiliations
 - Sporting facilities,
 - Community aspirations and expectations
- A state enterprise straddling 12 constituencies
 - 9 represented by Government Ministers
 - 3 represented by opposition MPs but critical to our operations (The location of major facilities)



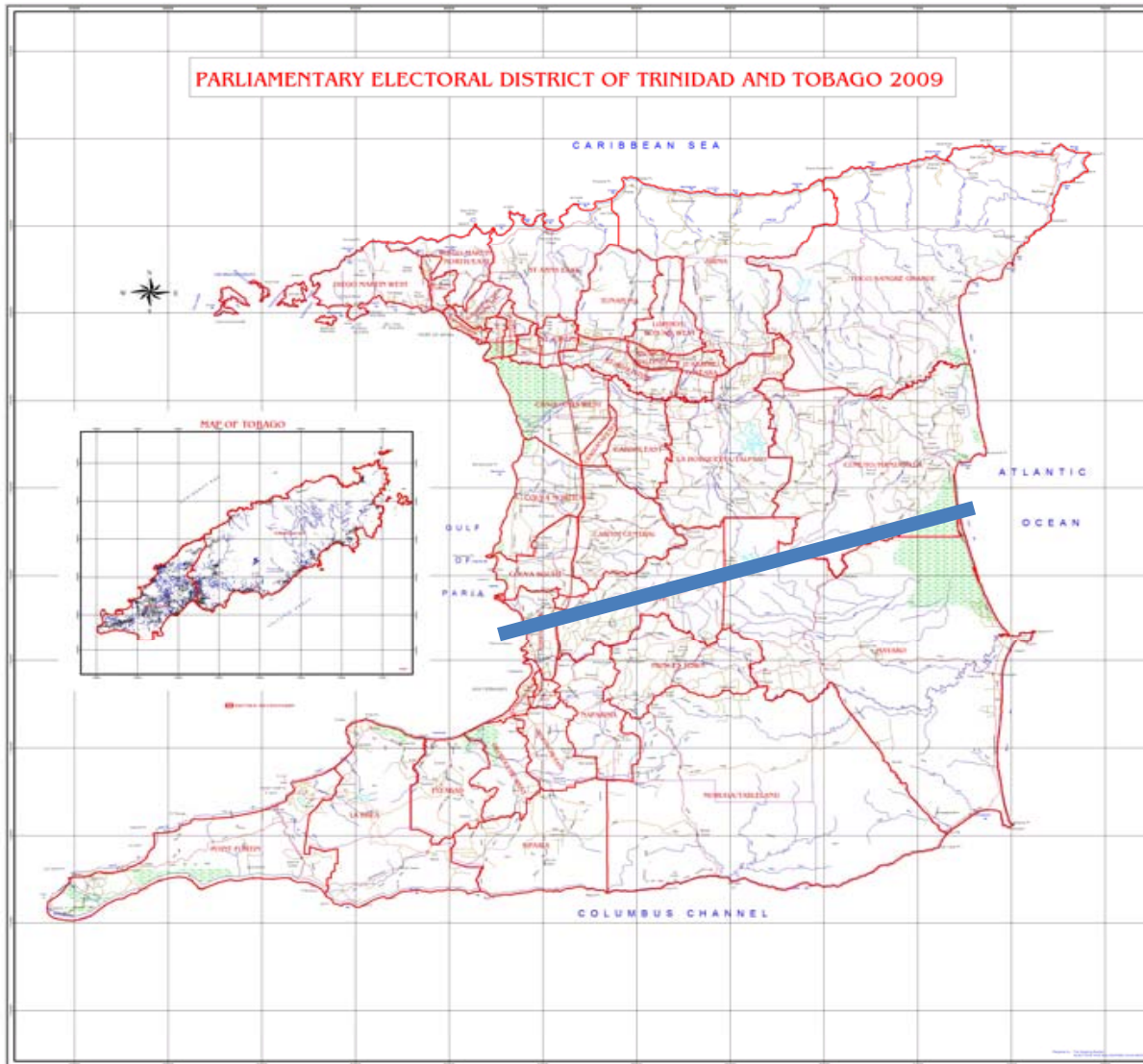
The Context Continued



- 5,000 + permanent / 2,000 + temporary & casual employees
- Very Diverse workforce – occupation spread, ethnicity, education attainment, residence, corporate culture(s) inherited
- 2,000 + service providers / 1,100 + suppliers
- Indirect employment estimated at 20,000 persons
- 3 Representing Unions - 8 Bargaining Units
- Over 75 years of militant trade unionism



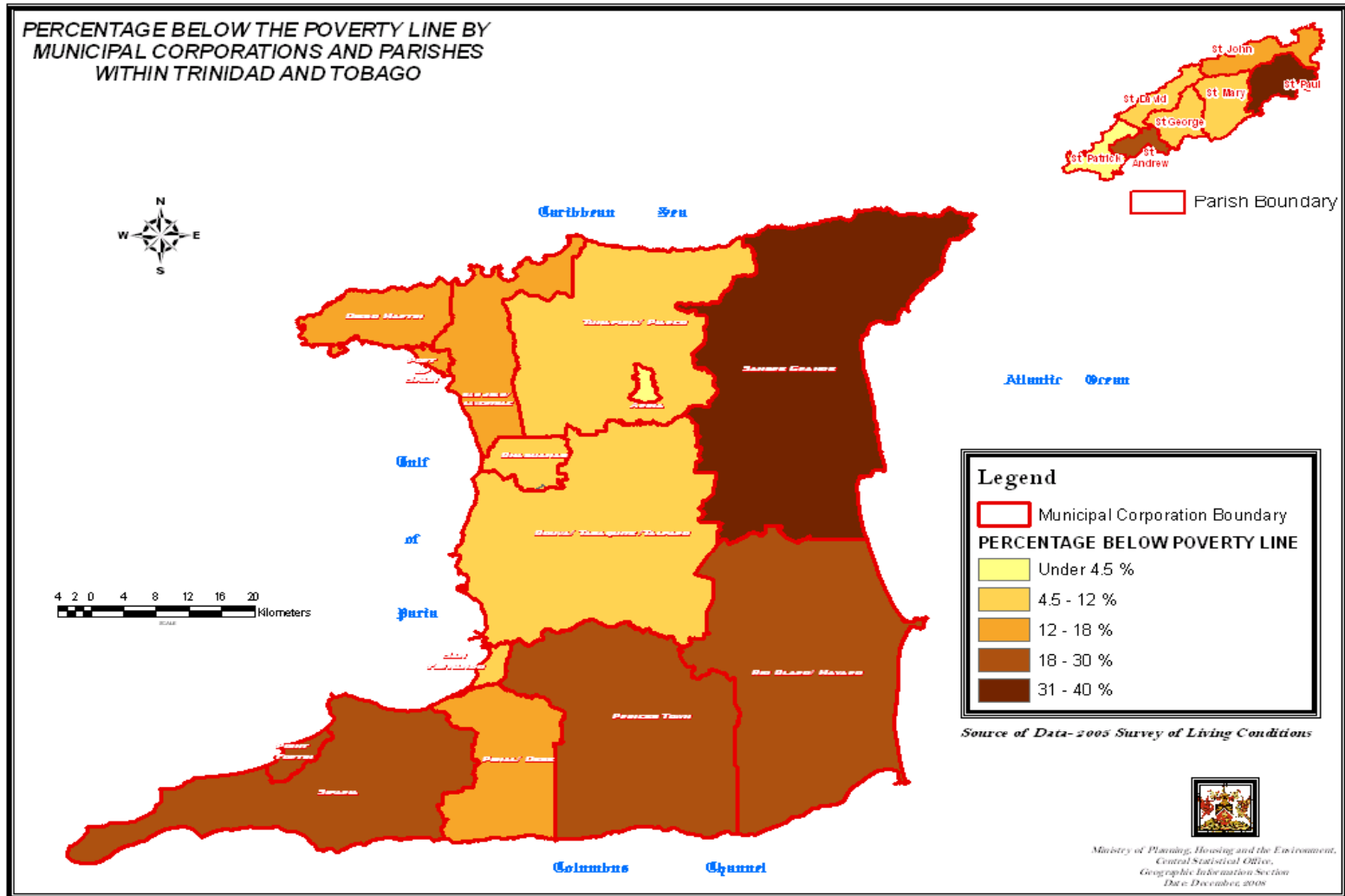
Fenceline Communities



- Point Fortin
- La Brea
- San Fernando East
- San Fernando West
- Fyzabad
- Mayaro
- Moruga-Tableland
- Pointe a Pierre
- Siparia
- Tabaquite
- Oropouche East
- Oropouche West



Socio-Economic Environment



Petrotrin's CSR Policy

Petrotrin's CSR Policy recognizes:

- The historical context and the legacy of the predecessor companies in:
 - Community relations
 - Corporate philanthropy
- The need for more strategic interventions
- The critical role for stakeholder engagement for long term sustainability and viability



Petrotrin's Stakeholders



Internal

- Employees
- Retirees
- Middle management
- Executive management
- Board
- Employee Representatives (3 Unions , 8 Bargaining Units, 76 years of militant representation)

Fenceline

- Residents
- Schools
- NGOs
- Company Clubs
- Village councils
- Fishing Communities
- Farming Communities
- Sponsored groups
- Lease operators
- Fenceline MPs

External

- Non-Fenceline MPs
- Ministry of Energy
- Ministry of Finance
- Other ministries
- Regulatory Agencies
- National Security Agencies
- Business Associations
- Other Energy companies
- Contractors etc.



CSR Objectives

- Sustainable social and economic development of employees and their families, Fenceline communities and the wider society
- Influence that allows it to become inter alia:
 - An employer of choice
 - A preferred neighbour
 - A leader in the energy business



Stakeholder Engagement

- **Employer of choice**

- Competitive compensation package
- Opportunities for growth & development
- Ongoing training; New Horizons Programme, OJT,
- Medical, wellness, recreational facilities and services

- **Preferred neighbour**

- Meaningful support for host communities
- Display and promote HSE consciousness
- Collaboration and partnerships



Stakeholder Engagement - Continued

- **Leader in the Energy Industry**

- Support shareholder initiatives
- Operate in an ethical manner
- Active role in Business/Energy Organizations - Energy Chamber, GSTT, SPE
- Active support to post-secondary institutions in energy related studies - MIC, NESC
- Participation in trade shows, exhibitions. etc.
- Host visiting delegations
- Conduct tours



Examples of Internal CSR



- Full range of medical benefits (emergency services, primary, secondary and tertiary care, ALH, 7 medical centres)
- Employee Wellness and Sporting Programmes
- Employee observance of national festivals and festivities \$0.65 million
- Regular communication sessions
- Petroconnect, Desktop Update (employee communication/reward and recognition tools)
- 8 Employee Clubs with diverse recreational facilities



Examples of External CSR



- Support for all national festivals
- Steelbands (support for 20 steel bands)
- Sponsor Southern Games & Palo Seco Games
- Athlete Development Programme- (\$2.0 million over 4 years, 2012-2016)
- Young Achievers Awards - \$100,000 (*SEA, CXC, CAPE, University National Sporting achievement Reward and recognition*)
- Wild Fowl Trust -\$0.5 million



Examples of key HSE Initiatives



- Clean Development Mechanism – carbon sequestration
- Remediation of polluted sites
- Tree planting projects
- Fish stock replenishment
- Collaboration with fisher-folk
- Mobile petting zoo



Key Conclusions

- The flexibility of a state company in its CSR is very different from a private sector entity
- Historical context shapes stakeholder expectations and responses
- Ongoing dialogue and constant review is necessary to maximize CSR's benefits.





Questions & Answers

