

President's Statement

As with many other corporate entities, NGC was not shielded from the devastating impact of the global coronavirus pandemic in 2020. It is now a truism to say that 2020 was a difficult year for all. Global trade, industry, travel, and consumer spending came to a virtual standstill resulting in a precipitous decline in commodity prices with direct implications for the national economy and NGC. We have navigated some choppy and uncharted waters. However, amid great turbulence, we have sowed seeds for future value creation and sustainability.



Mr. Mark Loquan
President



Against this backdrop, and despite the associated challenges, NGC was able to continue building the foundation necessary for creating a sustainable future for the local industry, while positioning itself to drive the 'Green Agenda' conversation, to be in step with changes taking place in the international business. Over the past four years, NGC has restructured itself as an integrated energy company identifying value leakage and creation areas along the natural gas value chain from upstream, midstream, aggregation, downstream and commodity trading.

It is with this in mind that the theme of this year's report **"Embracing Opportunity, Creating Value"** bears relevance now more than ever. It is often said that a crisis is too good an opportunity to waste. Indeed, NGC's developments in 2020 may be considered an apt testimony to this saying, as we adroitly accepted the challenges posed by the COVID-19 crisis to embark on or accelerate transformational initiatives.

Firstly, in a direct response to the COVID-19 pandemic, digital infrastructure enabled NGC to quickly adapt to the new normal, grounded in risk management, robust asset integrity and safety processes. Under our business continuity plan, all health protocols were speedily put in place to safeguard the health of our staff and stakeholders. There was a seamless transition to work from home and online meetings and transactions, for which we would like to thank all our employees and contractors.

The SAP Ariba system enabled us to accelerate transparent e-tendering, e-auctions and procurement. Moreover, NGC leveraged its vast knowledge and experience in Process Safety Management (PSM) and collaborated with the Centre for Chemical Process Safety (CCPS) to produce and disseminate a monograph titled 'Risk- Based Process Safety During Disruptive Times'. This monograph has been translated into four languages, serving the global chemical process plant community.

President's Statement (continued)



The last few years have been characterised by instability across the value chain. Amid disruptive market conditions, we have been able to emerge from 2020 with an improved gas supply outlook while progressing negotiations with downstream customers. The experience has reinforced the imperative of operating efficiency and competitiveness in the markets we serve.

To that end, we have made an unequivocal commitment to become a best-in-class integrated energy company with focus on sustainability.

In 2020, NGC accelerated the digitisation process by deploying advanced technologies and latest software to revolutionise our processes in areas such as supply chain management, pipeline maintenance, and human resource management. This will support the new risk-based inspection system which will be deployed across the Group in 2021.

The existential threat of climate change is far more enduring and problematic than COVID-19. Growing evidence on its impacts is driving the global movement towards carbon neutrality. NGC has joined in the race against climate change and is supporting Trinidad and Tobago in its efforts to meet its emissions and renewable energy targets under the Paris Agreement. In response to this 'movement' NGC embraced a green agenda. This encompasses the ethos of sustainability including a focus on climate change mitigation initiatives at the community, corporate and national levels.

At the corporate level, the focus has been on measuring and reducing methane emissions, reducing the corporate carbon footprint and reforestation as well as innovative studies on carbon sequestration. Our new and exciting partnership with Orbital Eye of The Netherlands, allows us access to advanced technology that uses satellite-generated data to monitor emissions from our pipeline and other infrastructure system. The technology will be initially used for real-time scanning of potential right-of-way threats to the entire network using artificial intelligence. Among the other projects executed at a national level that support the energy transition were the launch of the Energy SmarTT app, the expansion of the CNG network, forging of partnerships with tertiary institutions, investing in solar energy projects, and pioneering work on production of green hydrogen.

Consistent with the Sustainable Development Goals and the National Policy on Sustainable Community Development (NPSCD), NGC is committed to new value-added engagement with national communities.

While legacy programmes on youth, sport, culture, and literacy continue, NGC has embarked on several exciting new initiatives directly targeting some long-standing socio-economic pain points in our society.

NGC has identified projects that can leverage energy sector technology and knowledge to boost other sectors. These include a potential research and development work-centre focussed on innovation in agriculture; launch of a green information website in 2021 showing relevant information across Caribbean

countries; the application of pipeline monitoring skills to electronic monitoring of water transmission pipelines to reduce losses due to leakage; leveraging our Geographic Information System (GIS) know-how and technology; and finally, working with our relevant stakeholders. These initiatives support national development and will also create value in the non-energy and manufacturing sector.

Acknowledgement

We remain optimistic about NGC’s future and its critical role in the gas value chain in Trinidad and Tobago. We are confident that our strategy of building value across the entire gas value chain – upstream, midstream, downstream, LNG and trading – is coming together with the right pace and efficiency through strategy, utilising the talent of our people, technology and process transformation with a focus on sustainability.

I wish to take this opportunity to acknowledge and thank our multiple stakeholders for their indefatigable commitment to NGC. Thanks to our Board of Directors, for being exemplars in good corporate governance and stewardship, and supporters at one of the most challenging times in the energy sector globally. This crisis has placed extraordinary demands on management and staff, who have adapted boldly and continue to serve with unwavering perseverance and resilience. Our people were at the forefront of the health and safety response to the threat of COVID-19. My deepest gratitude to you for meeting and treating frontally with these unprecedented challenges. Your unstinting effort, adaptability and selfless commitment have bolstered our confidence in pursuing our aspirations to become a global energy business.



**Mark Loquan
President**