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Rev 1 / 13.06.2023

# SUSTAINABILITY REPORT

2022

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## 1. A word from the CEO

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As the CEO of Resman, I am proud to lead a team that is fully dedicated to driving positive change for our planet and its inhabitants. Our commitment to sustainability is reflected in our latest report, which details the concrete steps we are taking to achieve our goal and the impact we are making on the world.

As a global leader in tracer technology innovation, we have a unique opportunity to advance decarbonization efforts. Our focus on production and reservoir profiling has led us to develop lower carbon solutions that also reduce produced water. Additionally, we are excited to announce the launch of our New Energy division in 2023. This division will be dedicated to carbon storage integrity monitoring and unlocking the viability of geothermal energy, a sector that we believe holds great potential.

We are grateful for the unwavering support of our customers and partners in Resman Energy Technology. Their shared passion for sustainability and commitment to driving innovation for a sustainable future have been instrumental in our success.

## 2. About RESMAN

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RESMAN has its main office in Trondheim (NOR) with manufacturing, tracer production, laboratory and office. Other offices are located in Houston (USA), Kuala Lumpur (MYS), Dubai (UAE), Dammam (SAU), Aberdeen (GBR), Stavanger and Kjeller (NOR) (Moscow office was closed in 2022 due to Russia's invasion of Ukraine).

RESMAN combines chemical, physics, biotechnology and engineering to provide reservoir surveillance across the energy sector through our beyond nano tracer technology. With over 30 years of tracer experience, a global track record in over 60 countries, and the lowest detection levels, RESMAN is the technology leader in tracer technology in the industry.

Our risk-free, cost-effective organic tracer technology is the only proof of mass transport across reservoir, production, carbon storage and geothermal monitoring. This physical proof of mass transport, combined with the RESMAN multi-disciplinary expertise, enables better reservoir and production decisions, calibration of reservoir models, and a viable new energy future.

### 2.1 Unique technology

RESMAN's wireless permanent monitoring technology is unique as it is governed by fundamentally different physical principles than the currently used alternatives. RESMAN's products are independent of well geometry – if you can complete the well, we can monitor it.

The main building blocks of RESMAN's monitoring systems are a large quantity of unique tracers that allow you to monitor individual zones, or even individual screens for water or oil inflow. The tracers are designed to be released to the target fluid during a certain period that can be hours, days, months, or years depending on the monitoring objectives.

RESMAN's products can be used where fiber optics and electrical systems are inconvenient, expensive or impossible to use; long horizontals, deep water, multilaterals, down hole pumps (ESP), subsea completions etc. None of these situations represent challenges for RESMAN.

RESMAN can also be seen as a complementary system to improve reliability of or offer redundancy to other systems and it can be used to time and optimize campaign-based production logging.

## 2.2 RESMAN Value Chain and sustainability impact

In daily operations there is a low carbon footprint for our activities. The main impact is related to scope 3 and flight transportation of either personnel or shipping of goods. These activities are held at a minimum by using local resources when possible.

Resman has developed the possibility to use tracer technology to monitor the transport of CO<sub>2</sub> in subsurface reservoirs. CO<sub>2</sub> storage is one of the main technologies that must be developed and implemented to achieve the goals of the Paris Agreement, COP26. Monitoring plans must be implemented to ensure that CO<sub>2</sub> injected into subsurface reservoirs is permanently stored. Resman's tracer monitoring technology is a powerful tool for measuring CO<sub>2</sub> transport in the reservoir and leakage of CO<sub>2</sub> out of the reservoir. The basis of our solution is a portfolio of stable tracer molecules for CO<sub>2</sub> combined with an efficient and extremely accurate tracer analysis method. A few kg of our trace elements can be used for long-term monitoring of the reservoirs. To meet the future surveillance needs, Resman continues to develop the technology to increase flexibility and reduce environmental impact. **During 2022 there was ongoing work to qualify more tracers for this technology, in addition RESMAN filed a patent within this domain to secure our new innovations.**

## 3. Executive Summary

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In 2022 RESMAN has focused on establishing the framework for working systematically with sustainability going forward. This includes working with establishing KPI's for our strategic focus areas and getting approval of this by the board.







Human rights have always been important in all interaction with our stakeholders, internally and externally. The introduction of the Transparency Act in July of this year facilitated the process towards our stakeholders by justifying our need for information. This has allowed us to establish more structured follow-up of our suppliers and business partners. We have also identified key stakeholders in risky countries that will require additional follow-up going forward.

Over the last couple of years RESMAN has embraced the energy transition and acknowledges that focus is shifting away from the oil and gas industry as the main future energy source. The world needs to develop more sustainable options to preserve the planet. We have therefore been looking into alternative domains where our technology can be applied to assist the world on the road to net zero. A key new domain is within Carbon Capture, Utilization and Storage (CCUS) where RESMAN is already operationally and commercially active. RESMAN has developed a new methodology for our technology that is currently under patent evaluation.

## 4. Sustainability in RESMAN

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RESMAN started the work with formalizing a path towards sustainable operations in early 2021. A workshop with key internal stakeholders was held and input was also collected from external stakeholders. The objective was to identify key strategic focus areas for the company as well as material aspects related to these. The output is summarized in the table below.

Strategic focus areas	Material Aspects	KPI	Global Sustainability Development Goals
"Focus on digitalization both for results and incorporation of results and for ways of working"	Aspect 1: Data integration in clients' workflow, enabling customers to reduce their CO2 footprint.	Top 25 customer data integration %	
"Health & Safety"	Aspect 1: Zero harm to people	No Reportable accidents (including fatalities) per hours worked TRIF – Total recordable Injury Frequency (pr 200 000 hours worked)	
	Aspect 2: Encourage and support a healthy life-style.	< 2,5 % of sick leave	
"Waste management and Emissions Reduction"	Aspect 1: Reduced CO2 footprint and overall impact on the environment.	<ul style="list-style-type: none"> <li>Zero spills</li> <li>Reduce CO2 intensity by 10 % over a 5 year period (relative to the growth of the company)</li> </ul>	  
"Equal Opportunity"	Aspect 1: Equal Opportunities regardless of gender, personal preferences, background, ethnicity, other	> 90 GPTW score on gender, sexual orientation, and race or ethnic origin.	

This formed the basis for setting our KPIs as well as identifying which SDG goals we as a company will focus on. Read more about our sustainability goals on our website: <https://resman.no/about/sustainability/>

## 5. Digitalisation



As a company that prides itself on manufacturing innovation, Resman is well aware of the Industry 4.0 movement and disruptive trends with the rise of data and connectivity, deep analytics and human-machine interaction.

In 2022 Resman developed a digital solution for Customer to connect to Resman API. This enables our customers to have a direct interface to the results of their analyzed data. Two of our main customers have started using this solution, which will enable our tracer results to be available in their internal databases. This will help them in understanding their reservoir performance and in making decisions. We realize there is still some way to go before this will be a standard for all, but we believe this will help increase the value of our data as well as help them manage their reservoir more efficiently.

During 2022 Resman completed the work of fully digitizing Inventory, and Sales and Operational planning something that enables Resman to maintain the correct stock level and reduce the risk of obsolete parts and unnecessary shipments.

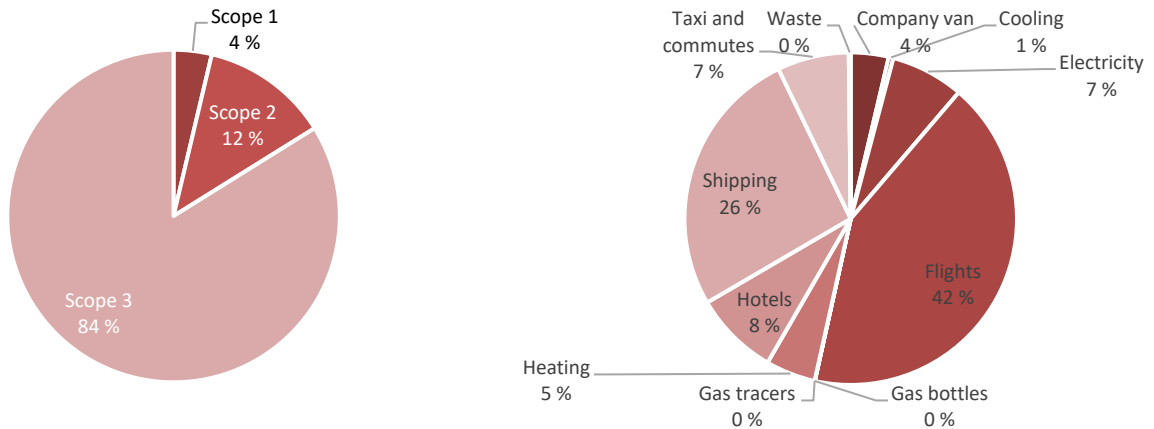
The Tracer Modelling Tool, developed in 2022, interfaces with our database, ResBase, to plot release, concentration, and mass over time. It handles multi-phase flow and automatically extracts metadata for modelling. This tool has improved our tracer analysis efficiency, leading to optimized management strategies and increased efficiency.

We also developed an in-house JupyterHub, called ResHub, providing a collaborative environment for code sharing, data analysis, and reproducible research. It promotes transparency in our data science workflows and simplifies computational resource management. The implementation of ResHub has fostered a more efficient and innovative working environment, driving the company's growth in the energy sector.

## 6. Environment



In 2022 our total greenhouse gas emission is 306.2 tons CO<sub>2</sub>-eq, which is about 3.60 tons CO<sub>2</sub>-eq per capita (based on 85 employees). The charts below show the distribution of emission from each scope and from each emission source.

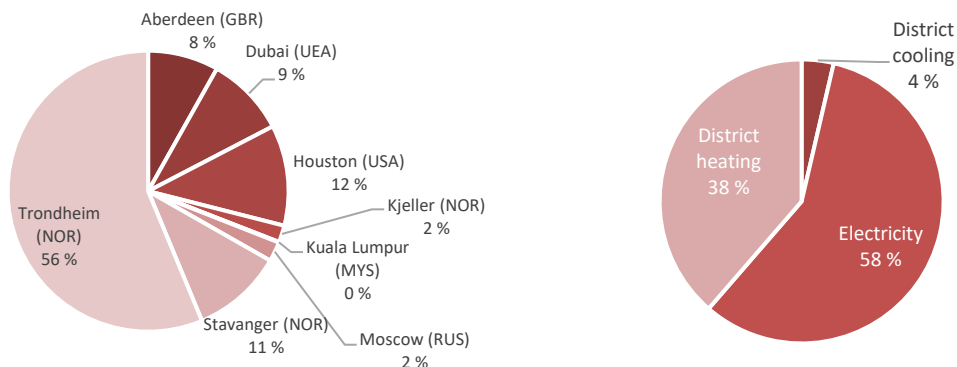


\*COP26 goal for 2030 is 2.27 tons CO<sub>2</sub>-eq. per capita.

### 6.1 Energy consumption

RESMAN has offices located in Houston (USA), Kuala Lumpur (MYS), Dubai (UAE), Dammam (SAU), Aberdeen (GBR), Stavanger and Kjeller (NOR), Trondheim (NOR) (Moscow office was closed in 2022 due to Russia's invasion of Ukraine). The activities in all office locations, except Trondheim, are standard office activities. The headquarters in Trondheim also includes laboratory, R&D facility and manufacturing facility, requiring additional energy consumption.

The total energy consumption of our offices is 1326.5 MWh, which equates to 38 tons CO<sub>2</sub>-equivalent. All the energy originates from renewable sources, where electricity dominates. The first chart below illustrates the CO<sub>2</sub>-emission from energy consumption for each office location and the second illustrates the distribution of energy sources.



\* Moscow office has since been closed due to the conflict in Ukraine.

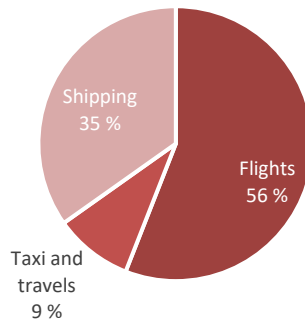
### 6.2 Transport and business travel

RESMAN operates globally, which requires travel to perform work in different locations. We have a goal to reduce and minimize travel by utilizing local resources where possible. Digital meetings are applied more extensively when there is no need to be physically present. We continuously evaluate the need of establishing

local content to reduce shipping and travel. At the same time the evaluation must be balanced against the need for specific competency for certain activities.

We have projects and ship our products all over the world. To reduce our emissions, we have utilized more shipping with cargo ship instead of air freight. When possible, we ship the products directly from our supplier to the installation sites.

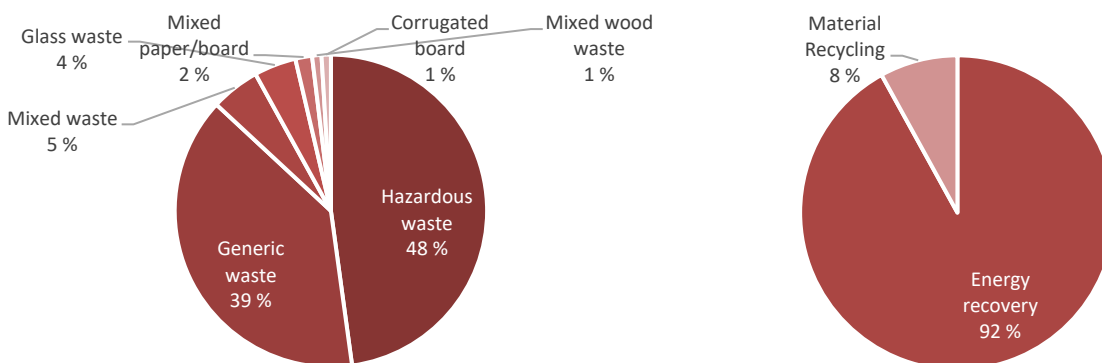
The total emission from flights, business travels and shipping is 80.38 tons CO<sub>2</sub>-eq and the distribution is illustrated in the chart below.



### 6.3 Waste

RESMAN global operation produces a minimum amount of waste. Surplus products are either returned or re-injected in other projects where applicable. Hazardous waste is handled according to local waste management guidelines and regulations. All generic waste is managed by either the service company or oil company where operation takes place.

A waste management schedule has been implemented for our main office in Trondheim. We have suitable systems to ensure sorting and recycling in all our facilities. This is performed by a certified waste handler. They report the amount of every waste fraction produced as well as amount of waste being recycled. Emission from waste generation and waste handling from our operations is 571.65 kg CO<sub>2</sub>-eq. The charts below illustrate the emission from each waste fraction and the percentage of material recycling and energy recovery.



Waste reduction is a focus area going forward. We plan to review our processes and operations to see how we can reduce the amount of waste and increase recycling. One area where we see this might have an impact is working with our suppliers to reduce the amount of plastic material in the wrapping of our consumables or the use of recyclable material where possible.

## 6.4 Water

RESMAN has minimal water consumption in our processes. We are working to see how we can map this to look for potential to improve going forward.



## 7. Health, Safety and Security

RESMAN has a sustainability goal of zero harm to people. RESMAN place a high value on the health, safety and security of our employees as well as other stakeholders potentially affected by our work. Risk management is therefore essential to all our activities.

Our company is based in different parts of the world and travels to all parts of the world. Journey Management is an integral part of everyday work for us. We have a collaboration with international SOS to ensure we are familiar with risks for the locations we are planning to travel to. For high-risk areas additional evaluations are performed. For 2022 we have travelled to Cote d'Ivoire which required some additional follow-up.

RESMAN measures "Sick leave", "Lost Time Injuries (LTI)" and "Days Away From Work (DAFW)". In 2022 the sick leave was at 2,0%, and we had no LTIs and DAFWs.



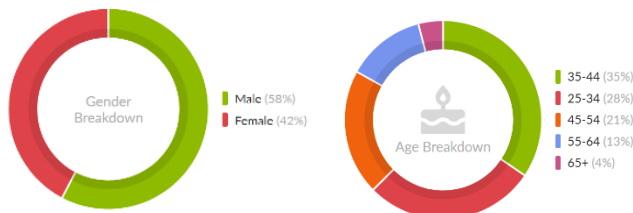
### 7.1 Equal opportunity

The Board of Directors consists of 6 members, 4 males and 2 females. All board members are covered by board liability insurance (NOK 100 mill coverage). RESMAN has a diverse workforce; at year-end 82 full-time employees, whereof 32 women and 50 men, and none are on temporary contracts. RESMAN has not had any part-time employees during 2022. The average of maternity/parental leave for RESMAN AS is 23 weeks, divided on gender its 29 weeks for female and 4 weeks for male.

RESMAN considers human capital one of the most valuable assets in the company. We want to attract, develop, and retain talented and innovative employees. In return, RESMAN offers a safe and exciting work environment where employees can develop and grow both personally and professionally.

RESMAN performed a mapping of the material aspects for the company – one key aspect that was identified is equal opportunity. We have defined an internal KPI for this to make it clear that this is a focus for us. In addition, we have performed a risk assessment on this to ensure we have good internal and external processes for this and work proactively to make sure we give equal opportunity to all.

#### Gender and Age profile:



#### Building a work force

We are a high-tech company with a great focus on continuous development for all employees. For all technical positions we have implemented career ladders where our intention is to:

- promote the progression and the continuous development of employees.
- secure a skilled workforce based on defined standards.



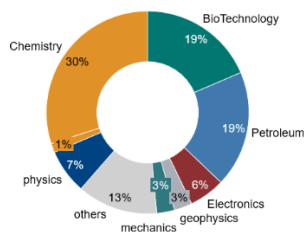
- have clarity of technical requirements, responsibilities, and personal competencies
- offer transparent criteria to give structure and direction to individual career path(s)
- secure high employee retention and RESMAN’s place as a preferred employer within the industry

Individual plans for development are discussed and agreed between the employee and manager.

During 2022 we have 14 employees that have been acknowledged with a technical career promotion, demonstrating that the work with continuous development of employees is progressing.

### University education overview:

- Bachelors: 34% of all employees
- Masters/PhD: 49% of all employees



### Gender and Salary overview for RESMAN:

We have divided gender statistics into the following categories for RESMAN Globally:

- Group 1 All employees (47% female)
  - Group 1a: Mid-level management (29% female)
  - Group 1b: Executive management (14% female)

*It is noteworthy to mention that RESMAN recently welcomed a new female CEO who assumed her position on Feb 1<sup>st</sup>, 2023.*

In terms of gender pay equality, RESMAN AS currently exhibits an average gender pay gap of 8%, favoring male employees. This calculation considers the average compensation for individuals with similar job roles and responsibilities.

It is important to acknowledge that individual differences in pay within roles may exist due to factors such as background, skills, and experience, all of which align with our internal salary policy. However, during the assessment of the gender pay gap, our focus lies on identifying any disparities that cannot be justified by our policy.

RESMAN will work to ensure that employees receive equal pay for equal work.

The company actively fosters career development by implementing transparent career ladders throughout RESMAN, enabling employees to gain a clear understanding of how they can progress within the organization.

To promote transparency and provide internal growth opportunities, RESMAN adopts a process of internal job postings before seeking external candidates for all job openings (with exceptions of ELT roles). This practice ensures that all available positions are initially advertised within the organization, allowing current employees the chance to apply and be considered for career advancement before external recruitment takes place. By prioritizing internal applications, RESMAN demonstrates its commitment to providing its existing workforce with opportunities for professional development and growth.

To ensure effective communication, cooperation, and shared decision-making, RESMAN maintains three distinct trade unions. Agreements between each trade union and the company regulate information sharing, cooperation, and co-determination. Regular meetings between management and the trade unions are

conducted, fostering a collaborative environment. Notably, 53% of RESMAN's workforce are active trade union members.

Annual salary negotiations take place with each trade union and the company diligently reports the base salary for each union member. This commitment to transparency underscores RESMAN's dedication to fair practices, ensuring that salary allocation is free from discrimination.

## 7.2 Diversity and inclusion



RESMAN works actively with diversity and inclusion to make sure that there is no discrimination and that this is part of our company DNA.

RESMAN is headquartered in Trondheim, Norway which also is the hub for manufacturing and production, laboratory, engineering, and R&D. In addition, we have employees, typical Sales, Technical and Operations resources, in these locations:

- Stavanger
- Oslo
- Aberdeen
- Houston
- Dubai
- Abu Dhabi
- Dammam
- Kuala Lumpur
- Perth

RESMANs employees are from all continents, with 16 different nationalities representing a wide range of diversity in gender, culture, religion, sexual orientation (including LGBTQ), ethnicity and age. We do not tolerate any discrimination and are committed to providing fair, unbiased treatment in the workplace. Some tools to ensure this are addressing it in all relevant guidelines and procedures, regular meetings in our Work Environment Committee (WEC), employee workshops and management reviews.

We also have a Speak-up Policy that gives employees the tools to let the company know if this was to happen. There were no reports via this communications channel in 2022.

RESMAN is conscious of the diverse background of its employees and sees this as a value for the company. This is also highlighted during recruitment processes.

RESMAN has conducted a risk assessment of equal opportunities involving key stakeholders, including representatives from all trade unions. We believe the risks we are facing are common for most companies. We have reviewed the entire process from recruitment to offboarding, and have identified these risk areas:

- Recruitment
- Development
- Training
- Promotions
- Salary
- Leave

One of our biggest risks is discrimination during the recruitment and hiring process. We have a policy to be transparent, both internally and externally, in the recruitment announcements and interviews to ensure the correct candidate is selected based on competency and qualifications. All positions have a clearly defined job description including formal education, responsibilities, and personal skills.

RESMAN do not ask for information about race, religion, politics, sexual orientation etc.

Similarly, we have identified measures for all risks identified. Key measures are related to open communication, transparency, and cooperation with stakeholders. All these are focus areas which will be continuously improved.

Routines for handling feedback related to any kind of discrimination are implemented in the organization. No negative feedback has been reported. RESMAN will continue to build a strong culture based on our Code of Conduct.

## 7.3 Wellbeing



### Employee survey and work environment



Employees' wellbeing and work environment are prioritized areas for the company. We have performed regular employee surveys for many years with different providers/systems. Since 2017 we have been using Great Place to Work as our supplier. This has allowed us to have a track record of historical results and benchmarking with other comparable companies. This employee survey measures the level of Trust, Pride and Camaraderie in the workplace.

RESMAN works actively with the results and makes specific action plans on company and department level and has identified several KPI's that are being followed up. This survey is conducted every other year and was performed in 2022. Overall, as a company we rate higher on work satisfaction than our last survey. This shows that working systematically with this gives results. Departments and locations have had workshops to secure involvement and ownership from employees. The objective has been to identify focus areas and improvements going forward and define action plans for follow-up. On a company level we will continue our work on communication and information, personal development, and training for the employees. We see that we rank lower on Pride than expected, and it is key for the company to improve in this area.

RESMAN has a Work Environment Committee (WEC) consisting of 6 members, of which 3 are safety representatives elected by the employees and 3 are representing the employer. In addition, there is 1 observer from our occupational health service provider (Falck). We have regular meetings, 4-6 times per year. RESMAN has safety representatives in our offices in Aberdeen (1), Stavanger (1) and Trondheim (2). They have received safety training and will take part in safety tours as well as be available to the employees if there are issues relating to the work environment in our locations.

RESMAN has a company health service provider that is a consultant in all matters relating to health and safety. They have competencies within different topics including mental health, ergonomics, physical health, physical exposure, etc.

They provide support when it comes to training, advice both for managers and employees, vaccinations, and health examinations. In addition, we have local health service providers in different locations for advice and training.

Mental health has had a high focus over the last couple of years (also due to COVID). We have held mental health awareness training for managers with personnel responsibilities to ensure they have the tools needed to follow up with their staff.

RESMAN believes in encouraging physical health proactively and is therefore sponsoring gym memberships for all employees.

## 8. Compliance

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RESMAN works systematically to map relevant rules and regulations to ensure we are in compliance. We work proactively with this to ensure we follow relevant obligations that might become regulations going forward. Some key areas with increased focus are mentioned below.

### 8.1 Human Rights

Human rights have always been important in all interaction with our stakeholders, both internally and externally. The introduction of the Transparency Act in July of this year facilitated the process towards our stakeholders by justifying our need for information. This has allowed us to establish a much more structured approach when requesting follow-up information from our suppliers and business partners. This is highlighted in our Code of Conduct as well as on our webpage.

#### 8.1.1 Internal

A new Code of Conduct was launched this year and published to all employees. They were asked, via our HR system, to individually verify that this Code has been read and fully understood.

All our employees have a work contract and working time is specified in our employee manual. We do not use temporary workers or young workers.

As a part of our risk assessment relating to the transparency act, we see the need to provide training on this to ensure high risk regions are aware of and follow this up with local suppliers. This will be a focus area in 2023 and moving forward in the future.

#### 8.1.2 Supply Chain

As part of our standard course of business, we have a process for evaluation of our subcontractors. In connection with the Transparency Act we have performed additional due diligence on our entire supply chain, including agents and business partners. This was evaluated based on risk for corruption as well as human rights conditions in the countries in which they operate. Suppliers in countries with a high risk are being monitored more closely. RESMAN ensures that a contract is in place that includes requirements for following international rules and regulations when it comes to Human Rights, in addition to other factors. As an additional step, we include our Code of Conduct as an amendment for them to comply with as a condition of our business transactions. An annual reporting form has been established for all key suppliers, as well as those operating in high-risk countries. Critical suppliers and agents will also be audited on an as-needed basis, weighted by performance and criticality. In 2022 we performed 3 audits of subcontractors in different locations.

As a part of standard routines an integrity due diligence is performed on all potential new agents. In 2022 we performed 4 of these evaluations in different parts of the world.

### 8.2 Anti-bribery and Corruption

RESMAN has always had a high focus on anti-bribery and corruption (ABC). From the start of the company an ABC policy has been in place, including associated employee training.

#### 8.2.1 Internal

All employees are required to verify that they have read our ABC policy and Code of Conduct upon starting in the company. These materials are sent to all employees on a biannual basis to ensure continued awareness. In addition, all sales personnel need to sign an ABC compliance form annually to ensure that none of the sales performed have breached the ABC policy.

### 8.2.2 External

RESMAN ABC policy is signed off by the board. Highlights from this are referenced in our Code of conduct, which is communicated to all key stakeholders.

For evaluation of new suppliers, a supplier questionnaire is completed. This includes information about compliance related to ABC and is followed up internally and will be included as a part of the supplier selection criteria. In addition, this will also be reviewed as a part of the audit for critical suppliers.

When evaluating new business partners and/or agents a more detailed process is followed. Every company evaluated must go through a detailed integrity due diligence process performed by our legal team. Based on their recommendation, an agreement can be initiated. Our Code of Conduct as well as our ABC policy will form part of the contract documentation.

We have also implemented an annual self-reporting program for all business partners/agents and suppliers. It will be a useful tool to understand how far our stakeholders have come in understanding the importance of human rights among other things. We see that several of our business partners and suppliers do not have established systems for evaluating their suppliers. The hope is that by following up on this they will see that this is expected and establish this.

Based on annual feedback we have identified **3 suppliers** which require specific attention and additional follow-up over the coming year. We will continue to evaluate these suppliers via audit and recommend additional training to help increase their awareness.

## 9. Going forward

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As part of our commitment to continuous improvement and alignment with evolving regulations, the company will conduct a comprehensive review of its overall sustainability strategy in 2023. This review is prompted by upcoming regulatory changes as well as internal developments within the organization. The objective of this review is to enhance our sustainability focus and establish more precise Key Performance Indicators (KPIs) for the future. By undertaking this evaluation, we aim to ensure that our sustainability strategy remains relevant, effective, and aligned with the changing landscape of sustainability practices.

References:

<https://sdgs.un.org/goals>

<https://ukcop26.org/>