Statoil

Sustainability report 2009

Sustainability

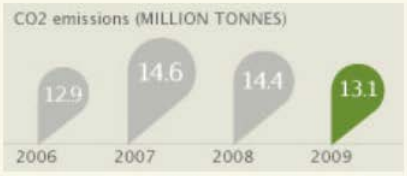
We recognise that our continuing business success depends on our ability to effectively manage the varied environmental and social challenges, risks and opportunities which our operations face.

*Climate*The fundamental dilemma facing the world is how to secure sufficient energy while at the same time reducing globa...

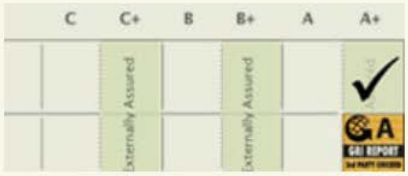
*Environment*All our activities, whether exploration for oil and gas, the construction and operation of facilities, or the end...

*Society*Growing and sustaining our business depends on our ability to forge enduring and mutually beneficial relationship...

*Safety*Safe and efficient operations are our first priority in Statoil. We aim to understand factors that create risks i...



*Key sustainability performance data*In this section you will find an overview of the key data on our sustainability perf...



*GRI Index*Statoil's Sustainability Report 2009 is prepared in accordance with GRI guidelines. This report qualifies to leve...

Climate

Statoil has been among the industry leaders in terms of high efficiency and emissions per unit of produced oil.

The fundamental dilemma facing the world is how to secure sufficient energy while at the same time reducing global greenhouse gas emissions.

What are the challenges?

Population growth and increased prosperity will continue to increase demand for energy. We believe that fossil fuels will remain the dominant source of energy for decades to come. At the same time, however, the world's greenhouse gas emissions must be reduced. The scale of the challenge means that all options must be used. Energy efficiency is one important tool. Other necessary tools for the transition to a low-carbon society include carbon capture and storage (CCS), fuel-switching – e.g. from coal to natural gas – and renewables.

As remaining hydrocarbon resources are becoming harder to find, we are entering new energy-intensive and environmentally challenging areas of production. Heavy oil production from Venezuela, oil sands in Alberta and the production of LNG all lead to higher greenhouse gas (GHG) emissions per unit produced. We have entered into these activities with the aim of providing leadership in finding solutions to the challenges involved.

Renewable energy production will play an important role in the longer term. Renewable energy production is still a young industry that will need big investments and a great deal of technological development to become efficient and competitive. Renewable energy production is one of Statoil's main strategy areas.

Statoil calls for a global climate regime that provides the necessary long-term framework, encouraging cost-efficient renewable and low-carbon energy solutions.

What are we doing?

Our goal is to develop a profitable business that leads to sustainable energy production and increased use of clean energy carriers. Our industrial response to the climate challenge is to focus on energy efficiency and carbon capture and storage, and gradually build up our new energy portfolio.

Statoil is a pioneer in CCS and currently operates some of the world's largest projects in this area (Sleipner, Snøhvit, In-Salah). We are now taking one step further by building a technology centre for developing more cost effective technologies for carbon capture from different sources, such as coal and gas-fired power plants and refineries – in cooperation with the Norwegian Government and Shell. Statoil intends to generate significant business from carbon management, mainly focusing on storage.

The development of renewable energy is important to us, and in this context our main focus will be on offshore wind and sustainable biofuels. Our ambition is to be an industry leader in terms of low climate impact from our activities. While producing energy, we stay committed to addressing climate issues. For us, this is both a challenge and an opportunity for technological innovation and value creation. Our ambition is to provide energy to meet the growing demand that is required for economic and social development, while at the same time caring for the environment and actively combating global climate change.

Statoil has developed the world's first full-scale floating wind turbine – Hywind – and, together with Statkraft, we will invest more than NOK 10 billion in Sheringham Shoal offshore wind farm capable of powering 220,000 British homes.

Biofuels are an important sustainable energy carrier that could contribute significantly to the reduction of greenhouse gas emissions in the transport sector.Our goal is to become a significant provider of sustainable biofuels and to achieve a first-mover position in our core retail markets.

Statoil is the second largest supplier of natural gas to Europe. Natural gas represents a low emission transition to a low-carbon future. Gas will thus have an essential role to play in finding a solution to the climate challenge.

Statoil has been among the industry leaders in terms of high efficiency and emissions per unit of produced oil. We have a long-established record of endeavouring to curb GHG emissions from our activities. Our climate policy sets out the principles for addressing the challenge of global warming and our ambition of maintaining our position as industry leader in relation to sustainable development. The policy covers:

1. Operations

We endeavour to implement the best available technologies and practices, to operate our facilities with a high degree of energy efficiency and to reduce greenhouse gas emissions.

2. Products

We promote energy efficiency in the use of our products and track the greenhouse gas intensity of our energy product portfolio.

3. Renewable energy

We are developing a business portfolio in non-fossil energy and clean energy technologies and carriers.

4. Carbon capture and storage (CCS)

We are working actively to establish CCS as a business opportunity, and we are evaluating CCS solutions as part of carbon dioxide-intensive projects.

5. Climate market mechanisms

As part of our portfolio of mitigation options, we are actively engaged in emission trading and project-based mechanisms, and contribute to the development of carbon markets.

6. Involvement

We engage in activities to increase awareness and understanding of global climate change and the role of business as a provider of solutions. We encourage and work with our suppliers, customers and employees to reduce their carbon footprint.

7. Leadership

We seek low-carbon and energy-efficient solutions in all areas of our business.

We aim to continue to work actively together with governments, businesses and other stakeholders to facilitate viable global policies and regulatory frameworks that encourage cost-efficient, renewable and low-carbon energy solutions and the implementation of carbon capture and storage.

What have we achieved?

We are actively promoting CCS as a key technology to reduce global greenhouse gas emissions. We have helped to put CCS at the top of the political agenda in the EU and elsewhere, influencing the EU's view on this technology and making progress in terms of gaining public acceptance for the technology as a climate change mitigation measure.

In 2008, the Sleipner West field reached an important milestone, with total storage of carbon dioxide reaching 10 million tonnes since storage began in 1996. The experience from the Sleipner project demonstrates that carbon dioxide can be stored safely. The successful storage of carbon dioxide on Sleipner has been followed by another pioneer carbon storage project - in 2008, the Snøhvit field started injecting and storing carbon dioxide from LNG-production on Melkøya in a geological formation below the gas reservoir.

Together with Gassnova (representing the Norwegian State) and A/S Norske Shell, we are developing a technology centre at our Mongstad refinery for carbon capture technologies, known as the European CO2 Technology Centre Mongstad (TCM). The technology centre demonstration plant aims to help suppliers develop more cost-efficient and safe technologies for carbon capture to handle emissions from different sources, such as gas power, coal power and refineries. The plant will have the capacity to capture up to 100,000 tonnes of carbon dioxide annually, and it therefore represents an important step towards full, industrial scale carbon capture. The TCM project is linked to the Norwegian State and Statoil's project for large-scale carbon capture at the gas power plant at Mongstad. TCM is currently under construction, and it is expected start up at the turn of the year 2011/2012.

In 2009, Statoil crossed a new energy barrier when the company built the world's first full-scale floating wind turbine, Hywind. The 2.3 MW turbine is a pilot of a concept developed by Statoil, located 10 km off the island of Karmøy north of Stavanger, Norway. The test period started in the autumn of 2009 and will last for two years. The Hywind concept is based on combining existing technologies from the wind and oil and gas industry in a new way, and opens up the possibility for capturing wind energy in deep-water environments. .

In 2009, Statoil joined forces with the Norwegian utility Statkraft to develop the offshore wind farm Sheringham Shoal in the UK. Located off the coast of North Norfolk, the 315 MW Sheringham Shoal wind farm will provide enough energy to power almost 220,000 British homes. Comprising 88 wind turbines fixed to the seabed and located between 17 and 22 km offshore, this project will draw on know-how from Statoil's longstanding offshore activities and Statkraft's expertise in renewable energy. The wind farm is owned jointly by Statoil and Statkraft through Scira Offshore Energy Limited. Statoil is operator for the project during the development phase. The project is currently under production and is expected to start up at the end of 2011. Sheringham Shoal was awarded in thesecond licensing round.

CCS – our history

Carbon capture and storage (CCS) is regarded as one of the main tools for combating climate change. Statoil has long been a pioneer in CCS and it currently operates some of the world's largest projects in this field.

Statoil is now taking one step further, by building a technology centre for developing more cost-effective technologies for carbon dioxide capture from different sources, such as coal and gas-fired power plants and refineries. Using this experience as its basis, Statoil intends to generate significant business from carbon dioxide management, mainly focusing on storage.

Mongstad CCS

In connection with approval of the CHP project at Mongstad, the Norwegian government and Statoil entered into an implementation agreement to develop solutions for carbon capture at Mongstad.

We are currently working on two carbon dioxide capture projects at Mongstad. Together with the Norwegian government and a number of industry partners, we are looking at developing a test centre to further develop carbon dioxide capture technologies. We are planning a full-scale carbon dioxide capture plant with the Norwegian Government. This involves the capture of carbon dioxide on the scale of one to two million tonnes a year from exhaust and flue gases, which will be unique in global terms.

European Carbon Dioxide Technology Centre Mongstad (TCM)

In cooperation with Gassnova (representing the Norwegian government in matters relating to CCS) and Norske Shell, we, as operator, are constructing a centre for carbon dioxide capture technologies at Mongstad, known as the European carbon dioxide Technology Centre Mongstad (TCM). The technology centre demonstration plant aims to help suppliers bring forward more cost-efficient, environmentally friendly and safe technologies for carbon dioxide capture to handle emissions from different flue gases from a gas power plant and the refinery (relevant for coal power plants). The plant will have the capacity to capture up to 100,000 tonnes of carbon dioxide annually, and it will therefore represent an important step towards full, industrial scale carbon dioxide capture. Construction activities are progressing according to plan since starting in summer 2009. The planned start up is towards the end of 2011/early 2012.

CO2 Capture Mongstad (CCM) – full scale carbon dioxide capture

Early in 2009, Statoil delivered a master plan for full scale carbon dioxide capture at Mongstad. The purpose of the plan was to provide the best possible basis for the process leading to full-scale carbon dioxide capture from the combined heat and power (CHP) plant and other substantial sources at the refinery. In addition to the CHP plant, the refinery's cracker unit is considered suitable for carbon dioxide capture.

The report describes the facility, technology and the most important risks associated with realising full-scale carbon dioxide capture. The plan addresses the principal challenges and summarises the need for studies and verification of individual technical solutions. It confirms that carbon dioxide capture is possible and describes two main alternatives for how this can be implemented at Mongstad.

The largest carbon dioxide sources are the combined heat and power plant (CHP) and the refinery's catalytic cracker, which would generate approximately two million tonnes of carbon dioxide annually. The plan clarifies relevant technical and commercial solutions for carbon dioxide capture, and it clarifies area requirements, energy requirements, requirements for operation and maintenance service and HSE solutions. This is the first step on the way towards full-scale carbon dioxide capture at Mongstad. The project is still in an early stage and is presently being further matured in cooperation with the Norwegian government.

Sleipner

In the Sleipner area of the North Sea, we have successfully captured and stored up to one million tonnes of carbon dioxide annually since start-up in 1996.

On the Statoil-operated Sleipner West field on the Norwegian continental shelf, carbon dioxide from produced gas is captured and stored in a subsea aquifer. Emissions of more than 10 million tonnes of carbon dioxide to the atmosphere have been avoided since production started in 1996. This is more carbon dioxide than the total number of cars in Norway emit in two years.

The Sleipner West reservoir was discovered in 1974, but the gas contained close to 9% of carbon dioxide. This was a challenge due to the market specification that limited the carbon dioxide content to 2.5%. To be able to export the gas, Statoil had to reduce the carbon dioxide content. A decision was taken to capture the carbon dioxide and store it in the Utsira reservoir, a saline aquifer approximately 1,000 metres below the seabed. Sleipner B started production in 1996, implementing full-scale commercial carbon dioxide capture and storage for the first time globally. The carbon dioxide storage at Sleipner is the largest single emission reduction measure in Norway.

The carbon dioxide cost of approximately USD 50 per tonne of carbon dioxide, including the Norwegian carbon dioxide tax and the climate quota costs, makes the capture and storage process cost-effective.

After 10 years of storage, we see no signs of leakages. Our seismic and gravimetric monitoring shows that stored carbon dioxide behaves in a predictable manner.

Snøhvit

Capture and storage of carbon dioxide (CCS) at the Snøhvit plant in northern Norway started in April 2008.The Snøhvit project is the first petroleum production plant in the Barents Sea. At the onshore LNG plant at Melkøya, close to the town of Hammerfest in northern Norway, carbon dioxide is captured from the production stream in subsea wells in the Barents Sea, 145 kilometres from the onshore facilities. At full production, the plant has a capture and storage capacity of 700,000 tonnes of carbon dioxide per year. This is equivalent to the annual emission of approximately 330,000 cars (average emission of 160 g carbon dioxide per kilometre and annual driving distance of 15,000 kilometres).

The subsea wells are located at ocean depths of between 250 and 350 metres, and gas streams through a multiphase pipeline to the onshore production plant. No part of the offshore plant is visible from the surface and it is designed to prevent any hindrance to fishing activities in the area. The site is producing from nine wells in the Snøhvit and Albatross reservoirs. The Askeladd reservoir will enter production in 2014 or 2015.

The produced gas contains between 5% and 8% of carbon dioxide which must be reduced to less than 50 parts per million carbon dioxide to prevent freeze-out during the LNG cooling process. Permitted chemicals are introduced to the gas at high pressure, binding the carbon dioxide. The carbon dioxide is then boiled off the mixture and liquefied before being pumped through a dedicated pipeline back to an empty subsea reservoir beneath Snøhvit. Development in the reservoir is monitored by using 4D-seismic technology, and no leakage has been detected.

The regularity of the carbon dioxide injection operation is expected to be 95% of production time.

In Salah

The In Salah CCS project in the Algerian desert has captured and injected more than three million tonnes of carbon dioxide since start-up in 2004.

Located in the Algerian Sahara, the In Salah Gas (ISG) Joint Association's Krechba field is the site of an industrial-scale greenhouse gas mitigation operation: the first geological storage of carbon dioxide in a producing gas reservoir.

Operated jointly by Sonatrach, BP and Statoil, ISG produces some nine billion cubic metres of gas annually from Carboniferous and Devonian sands, making it a major contributor to Algeria's growing gas exports. At the Krechba Central Processing Facility, the carbon dioxide content of the gas is reduced from between 5% and10% to 0.3 %. The captured carbon dioxide is compressed to 175 bar and injected into the waterleg of the Krechba Carboniferous reservoir (the Tournaisian formation) through three horizontal injection wells. At the same time, the reservoir is drained by five producers located above the gas-water contact.

Since start up in 2004, more than three million tonnes of carbon dioxide have been injected. Injection will continue at a rate of approximately 0.5 - 1 million tonnes annually, facilitating storage of some 14-17 million tonnes in total.

The USD 30 million Joint Industry Project (JIP) involves Sonatrach, BP and Statoil as well as several R&D groups in Europe and the USA. The JIP has an active programme in the field ranging from 4D seismic to potable water monitoring wells. Most of this field programme was completed in 2009. Reservoir modelling and simulation is also carried out to study the movement of the injected carbon dioxide. The intention is to ensure that the carbon dioxide remains within the geological reservoir and to detect any possible breaches.

CCS business development

Based on our experience from Sleipner, In Salah and Snøhvit and our experience of handling geological risk and developing large projects, Statoil is seeking business opportunities related to CCS . Statoil's ambition is to develop, own and operate profitable CCS projects, focusing on storage, provided that commercially and legally satisfactory conditions are in place. However, for CCS to become an important tool in the fight against the emission of greenhouse gases and to combat climate change, CCS has to become commercially viable.

Potential storage sites are restricted to sedimentary basins that are distributed around the world. These basins are found both onshore and offshore, mostly in the vicinity of land areas. Statoil has established a subsurface team (Explorationists) dedicated to mapping and maturing future carbon dioxide storage. The ambition is to store our own carbon dioxide (for example from our own production of carbon dioxide-rich natural gas streams like Sleipner), and third party carbon dioxide (for example from captured carbon dioxide from coal-fired power plants)

Is it safe?

Safe and permanent geological storage of carbon dioxide is feasible in a similar manner that has kept oil and gas trapped for years underground. A key challenge is to identify and verify safe storage sites and monitor the storage process. The expertise and experience gained from the oil and gas activities is also applicable to this technology.

The probability of incidents cannot be entirely eliminated. Mitigating actions must therefore be identified. Given our knowledge, technology and expertise from our oil, gas and storage activities, we believe that it is possible to identify safe storage sites with high predictability. In a climate perspective, the alternative to storing captured carbon dioxide is to emit it to the atmosphere.

Storage sites can be monitored using a wide range of techniques, from direct measurements (like wells), to indirect measurements from the surface (for example gravimetry and seismic) to satellite measurements. A "fit for purpose" monitoring programme has to be designed for any given storage.

In general, geological storage of carbon dioxide can be performed in abandoned oil and gas fields, saline formations, coal seams and salt caverns. Statoil is presently concentrating on abandoned oil and gas fields and saline formations.

Biofuels – addressing the challenges

Statoil is addressing the challenges of supplying sustainable biofuels by further developing the sustainability criteria for biofuel supplies to Statoil. The criteria are based on the EU's RED, Renewable Energy Directive standards.

Based on these sustainability criteria, requirements for sustainable supplies have been included in Statoil's biofuel purchase contracts. The sustainability clauses in the purchase contracts include requirements related to carbon stock preservation and soil management, water use, air emissions, fundamental labour rights and employment practices, the acquisition and use of land, and impacts on local food security.

Statoil has the right to independently audit the seller's contractual commitment to sustainability and to audit information on sustainability requirements provided to Statoil.

More than 50% of all bio ethanol supplied to Statoil in 2009 was sourced from Europe, the rest from South America. The feedstock basis for ethanol was cereals and sugarcane. Almost all biodiesel supplied to Statoil in 2009 came from Europe, the rest from North America. The feedstock basis for biodiesel was mainly rapeseed.

The blending of bio-components in transportation fuel is a measure aimed at reducing greenhouse gas (GHG) emissions by the transport sector. In 2009, the volumes of biofuel sold by Statoil reduced carbon dioxide emissions by 287,000 tonnes.

Second generation biofuels

Biofuels are considered to be one of the most effective ways of reducing carbon dioxide emissions from the transport sector.

Statoil owns 49% of the Lithuanian rapeseed-based biodiesel production facility Mestilla. The current strategy for next generation biofuel is to build technological expertise and secure access to winning technologies through demonstation projects, engagement in technology development and active technology monitoring. In 2009, Statoil joined several next generation biofuel projects.

Biofuels from algae

Norway is well positioned for commercial growth of macroalgea (sugar kelp), due to cold and nutritious water along its long coastline. Statoil and Bio Architecture Lab (BAL) are in dialogue to establish and execute a plan for a Norwegian demo project to pilot the production of bio ethanol from seaweed. The purpose of the demo is to prove the commerciality of seaweed farming in the northern part of Norway and seaweed fermentation based on BAL's technology.

Statoil has also joined a collaborative research initiative to investigate promising technologies to produce biofuel from micro algae grown naturally in offshore or near shore locations. The initial trials will be conducted in Chesapeake Bay, USA, where algae may also play a future role in cleaning up the polluted water system. The College of William & Mary in Virginia started the initiative in which Statoil has seeded the initial phase of the project in the amount of USD 3 million.

Biofuels from wheat straw

Dong Energy's demo plant for the production of bioethanol from wheat straw located in Kalundborg in Denmark started operation in November 2009 The plant is one of the largest second generation bio ethanol demo plants worldwide, and the technology is based on hydrothermal pretreatment combined with an enzymatic process.

Statoil's engagement consists of taking part in an EU project together with Inbicon and purchasing and marketing the production from the first year of operation.

Biofuels from wood chips

Weyland is a demo plant for second generation bio ethanol from wood chips located in Bergen owned by the inventors, Sarsia Seed and Ragn-Sells. The plant is scheduled to start operation in the first quarter 2010. The technology is based on concentrated acid hydrolysis.

Statoil has contributed NOK 6 million to the financing of the project.

Helping the public to calculate their emissions

Statoil Latvia is supporting a new climate calculator created by the Worldwide Fund for Nature. Using this calculator, members of the public can calculate their own effect on the climate.

The largest volume of carbon dioxide emissions in Latvia comes from food consumption. It is responsible for the highest amount of CO2 emissions – 1.67 t CO2e per capita, followed by housing with 1.42 t CO2e and transportation – 1 t CO2e. Emissions from food have been relatively stable over the years and housing emissions have significantly decreased, however carbon emissions from car use over the last 10 years has increased by 39%.

The calculator is divided into four primary sections: transportation, food, home and lifestyle. Under transportation, a special section devoted to biofuel has been included at the initiative of Statoil Latvia . It enables the calculation of the volume of carbon dioxide emissions caused by a motorist, whether the car is run on fossil fuel or biofuel, or even with 5% biofuel, which Latvia introduced in September 2009.

As pointed out by The World Wide Fund for Nature, in order to preserve a balanced climate on Earth, total carbon dioxide emissions per person must not exceed 3.8 tonnes per year. Statoil Latvia proudly supports this positive initiative and has promoted this calculator with the help of its partners, clients and friends.

The calculator can be found don the internet, at www.pdf.lv/klimats

Environment

We aim to assess relevant environmental and social issues and minimise negative impact on the environment.

All our activities, whether exploration for oil and gas, the construction and operation of facilities, or the end use of our products, have the potential to affect the environment and society.

What are the challenges?

The impacts of our activities may be due to emissions, discharges, land use, the use of limited natural resources, threats to biodiversity, cultural heritage, or human health and welfare. The impact on the environment is determined by the condition and capacity of the area affected, the type of activity, the technology applied and operational standards.

What are we doing?

We have established a set of environmental principles based on our HSE policy. Below is an extract from the principles:

- We aim to assess relevant environmental and social issues and minimise the negative impact on the environment.
- We seek to maintain biodiversity and key ecosystem functions and values, and, where possible, make a positive contribution to preserving biodiversity.
- We endeavour to practise sustainable water resource management by continually looking for ways to ensure responsible and efficient use of limited water resources, and to preserve quality through the design and operations of our facilities.

When we cross new frontiers, we endeavour to use a knowledge-based management approach in order to acquire sufficient knowledge to achieve sustainable and safe operations under extreme conditions, also enabling us to take a precautionary approach.

What have we achieved?

In this section, you will find examples of our efforts in environmental mitigation in 2009.

Stimulating use of environmentally friendly fuel

We try to encourage our customers to use more environmentally friendly transport fuels by raising their awareness of the benefits of biofuels and new fuel additives.

An increasing number of our customers wish to contribute to a more sustainable world by making several reasonable, but considerate everyday choices. In order to reduce anthropogenic climate impact and enable us to continue our modern lifestyles, we need to find ways to contribute to the reduction of carbon dioxide emissions. For Statoil, evolution in transportation fuels is one important way in which we contribute, and biofuels are an important step towards reducing emissions from the transport sector.

Statoil Energy and Retail's ambition is "To be the number one provider of responsible transport energy in Scandinavia and Eastern Europe". We wish to be a leading player in biofuels in our markets.

Based on a pan-European campaign platform, we have increased the focus on biofuels in our markets during the last six months. We have communicated the benefits of biofuels and new fuel additives. The aim has been to increase awareness of more environmentally friendly transport fuels and to inform and encourage our customers. We have launched new and upgraded standard fuels in Norway – both diesel and petrol. Across all our markets in Scandinavia, our standard diesel now contains up to 5% (7% in Norway) biodiesel, and all of our standard petrol (Petrol 95) contains up to 5% bio ethanol. This gives our customers an opportunity to contribute to reducing carbon dioxide emissions.

Going forward, Statoil will continue to provide more responsible transport energy products. We also inform and educate the customers on how they can act to reduce their own carbon footprint. We therefore believe that we stimulate our customers to use more environmentally friendly fuels.

Sustainable shipping strategy

More than 90% of world trade is transported by sea. Only three percent of the world's carbon dioxide emissions stem from shipping, making shipping one of the least environmentally damaging forms of commercial transport.

However, in the absence of actions to combat greenhouse gas (GHG) emissions, the industry's relative contribution will increase significantly in the time ahead.

There are between 50 and 60 ships sailing for Statoil's M&M OTS at any given time. The ambition is to develop sustainable shipping solutions that result in reduced GHG emissions through reduced bunker consumption and increased fuel efficiency in our activities.

The sustainable shipping strategy will focus on the following parameters:

- Apply operational experience to reduce emissions
- Improve energy efficiency
- Support the development and implementation of new technologies to reduce emissions.

One action taken to reduce emissions has been to develop a "Green Voyage Procedure" (GVP) for shuttle tankers. GVP focuses on optimisation of the tanker scheduling, e.g. virtual arrival, use of standby berth and speed optimisation. According to Teekay's "Shuttle Tanker Emissions Report 2008", a two knot decrease from 14 knots to 12 knots equals a 10% reduction in fuel consumption and an almost 6% reduction in GHG emission. The most economical speed is vessel-specific, but around 12 knots.

The fouling of ship hulls is a well known phenomenon. This causes reduced speed, increases fuel consumption, releases GHG , leads to more chartering days, and more wear and tear on the hull and machinery, resulting in increased maintenance costs. In general, a 1% increase in speed resistance results in a 3% fuel boost. To decrease fouling, Statoil uses CleanHull, an environmentally friendly service for underwater cleaning of vessels. On average, a 5% fuel saving has been achieved through hull cleaning.

In addition to GVP and CleanHull, Statoil is involved in several technology projects aimed at reducing GHG emissions from our shipping activity. These projects focus both on new technical solutions and on what type of energy carriers can be used in the future.

Biodiversity

Conserving biodiversity is a key aspect of sustainable development and has a central place in our environmental policy.

Biodiversity is important to ensure the stability of the ecosystem, and provide sources of food, medicines and natural resources. It also has great significance in spiritual, cultural and aesthetic contexts. We seek to maintain biodiversity and important ecosystem functions in connection with our operations in order to conserve such diversity. The following is a description of our 2009 performance in this area.

In 2009, Statoil carried out petroleum exploration and production in the North Sea, on the Grand Banks off Newfoundland, in the Libyan and Algerian deserts, offshore Iran, and in the boreal forest of Alberta, Canada.

Statoil is part of the In Salah Gas (ISG) Southern Fields Joint Venture which conducted seismic surveys in 2008/2009 in the peripheral zone of the Ahaggar National Park. The Park is an extensive area of Algeria preserved for its archaeological, historical, faunal, floral, geological, and landscape qualities. Legislation is in force to protect, conserve and promote the cultural and natural heritage of the park. The Ahaggar National Park is classified as category II in the International Conservations Union (IUCN) classification system.

Statoil is operator of the offshore exploration licence Area 2 in Mozambique, which borders on the Quirimbas National Park. A seisimic survey was conducted in the area in 2007, and there has been no subsequent activity.

We seek to avoid impacts on biodiversity by mapping of environmental baselines, planning activities, and monitoring during and after activities.

Algeria

In the ISG Southern Fields, a study was carried out by independent consultants to chart environmentally sensitive areas, define 'exclusion zones' and areas where restrictions on activities should apply. Sites of potential environmental interest were surveyed, and planned seismic lines were moved to minimise interference with sensitive areas. Oases, palm gardens, ancient villages, rare plants, reclusive animals and archaeological remains also represent challenges for the operations. Furthermore, Salah town with its 30,000 inhabitants is located within the seismic area. Prior to start-up, these concerns were addressed in the Access Environmental and Social Impact Assessment, a document which was presented to Algerian authorities.

To avoid compromising the environment of the National Park, the Joint Venture strove to conduct the seismic campaign in accordance with relevant international agreements, Algerian legislation, and policies and requirements of the operating companies. Dedicated personnel with environmental and archaeological competence were in place in the field. At the start of the survey in 2008 the employees received environmental awareness training and supervisors underwent archaeological training Special forms were developed to report archaeological and environmental findings and track environmental actions.

Canada

Statoil's environmental plans and monitoring of its oil sand leases in Alberta build on a study launched by NAOSC in 2006 to measure the degree to which wildlife is influenced by the presence of the oil industry that and which has been followed up in 2007 and 2009. The study measures the abundance and distribution of moose, caribou and wolves in the lease area and their physiological health.

Of particular concern are caribou, which are primarily found within distinct ranges in northern Alberta. As exploration drilling can only be carried out in winter, and winter is a stressful time for large mammals, it is important to understand the pre-development state of the animal population and to find a measure of the impact of winter drilling activities.

The study employs a non-invasive method of measuring and monitoring population health. The scat (faeces) of wolves, moose and caribou are collected and analysed. By testing for hormones secreted in response to external and nutritional stress, reproductive hormones and DNA, researchers can identify species, gender and individual animals and assess their physiological condition.

The scat locations are obtained using GPS , and they can thus be combined to provide information about the spatial distribution of animals as well as the approximate timing of disturbances. The scat locations have also been used to develop an empirical habitat model (resource selection model) for caribou, moose and wolves. Scat samples were collected in the winters of 2006, 2007 and 2009 using specially trained scat detection dogs. These dogs are able to locate samples from all three species at considerable distances, even if covered by snow. Members of the local indigenous community assisted in the programme.

Statoil's environmental programme for the oil sand leases in Alberta also includes a conservation and reclamation plan. The plan includes measures to prevent, mitigate, or ameliorate impacts, and to return land disturbed by the Project to equivalent, pre-disturbance land capability.

Integration of conservation and reclamation measures with the project includes considerations such as facility siting and design, and operational measures such as soil salvage, weed control, surface water management, sediment and erosion control, waste management and reclamation, re-vegetation and monitoring.

Surface disturbance will occur mainly at the following locations: Central Processing Facility areas (including temporary laydown and construction camps), well pads (including production, observation, and source water and disposal wells), access roads, barrow excavations and linear disturbances such as access roads above and underground pipelines.

When mineral soils are encountered, the standard practice is to salvage and stockpile both topsoil and subsoil. When organic material (e.g. peat) is encountered, material is salvaged to a pre-determined maximum depth (e.g. 40cm) and stockpiled. During decommissioning of a site, the stockpiles are used to re-create soil or peat layers similar to pre-existing conditions.

Norway

Statoil has conducted extensive and systematic monitoring surrounding our operations on the Norwegian Continental Shelf (NCS) over the last 30 years. Monitoring results indicate limited impacts on biodiversity of the discharges to sea. The impacts that are seen are limited to the vicinity of the installations, inside the 500 m safety zone.

In cooperation with SERPENT, exploration drilling wells have been monitored in more detail, with Remote Operated Vehicles (ROVs). Impacts on biodiversity are mainly found within the area covered by drill cuttings which may reach out to 50 -100 m from the well.

When drilling in areas cold water corals on the NCS , mitigating measures and monitoring is in place to avoid harmful impact on the reefs. A seabed monitoring platform, or "lander" for inspection of coral reefs, is currently being tested at the Morvin well in the Norwegian Sea. There is also a research programme for further developing landers and sensor technology for remote monitoring of the marine environment.

Society

In line with our corporate policy on social responsibility, we are committed to contributing to sustainable development based on our core activities in the countries in which we operate.

Growing and sustaining our business depends on our ability to forge enduring and mutually beneficial relationships with the societies in which we operate.

What are the challenges?

Wherever we operate, we are commited to making decisions based on how they affect our interest and those of the socieities around us

Our presence in the societies in which we operate and seek to grow is usually a long-term one, with the time frame of our projects typically spanning several decades. Our business therefore depends on our ability to understand and respond to the needs and interests of surrounding stakeholders, to demonstrate that the benefits of our presence on the whole outweigh the potential downsides, and to generate and sustain support from people and communities from the moment we decide to enter a new area until the day we leave (or 'decommission our operations').

What are we doing?

In line with our corporate policy on social responsibility, we are committed to contributing to sustainable development based on our core activities in the countries in which we operate, by:

- Making decisions based on how they affect our interests and the interests of the societies around us
- Ensuring transparency, anti-corruption and respect for human rights and labour standards, and
- Contributing to local content in our projects by developing skills and opportunities in the societies in which we operate.

What have we achieved?

Throughout 2009, we have continued to strengthen compliance with our policies and standards for social responsibility and ethics and anti-corruption across our operations. This section summarises the challenges and achievements we have experienced in these areas.

Human rights

We actively promote respect for human rights and fundamental labour rights and standards in our operations.

Our international growth exposes us – whether directly through our own operations or indirectly through our supply chain – to areas of the world where human rights and good working conditions may be at risk.

We make every effort to operate our business in a way that respects human rights and labour standards. Together with the International Labour Organization's (ILO) 1998 Declaration on Fundamental Rights and Principles at Work, the Universal Declaration of Human Rights forms the basis for our commitment. Furthermore, we actively support the Voluntary Principles of Security and Human Rights (VPSHR) and the United Nations Global Compact Principles.

We respect and promote fundamental labour rights and standards, such as decent wages, the regulation of working hours, the prohibition on child or forced labour, and freedom of association and collective bargaining.

While practices of association may vary in different countries in accordance with local standards, we endeavour in all our operations to involve our employees and their appropriate representatives in the development of the company.We believe in diversity and equality of opportunity and prohibit discrimination and harassment in the workplace, be it based on race, gender, age, disability, sexual orientation, religion, political views or national or ethnic origin. We also recognise the special rights of indigenous peoples.

Grievance mechanisms

Since 2005, we have had a global Ethics Helpline for our workforce, business partners and other interested stakeholders.

The helpline can be used to confidentially and anonymously report concerns about ethical issues – including potential incidents related to human rights – that involve Statoil or those acting on our behalf. The helpline is managed by an external party and it is available in local languages, 24 hours a day, every day of the year. Employees are also encouraged to raise such issues through line management, our human resources department, and/or their trade union representatives.

Impact assessment processes, particularly associated community consultations, in connection with our operations can also provide avenues for voicing/expressing concerns and grievances related to our operations. Following our new guidelines on integrated impact assessment, all "category A" projects (with a potential for significant adverse HSE /CSR impacts) and, depending on the impacts in question, some "category B" projects (with a potential for limited adverse impacts), will have to establish grievance mechanisms for the duration of the project. In line with our general human rights commitments, we are also considering other systems and channels to enable communities in which we have operations to voice and raise their grievances and concerns.

Human rights training

By training and raising awareness of human rights among our staff, we endeavour to prevent potential human rights violations from occurring in our operations.

The provision of employee training is an important part of our commitment to respecting human rights in our operations. Our training aims to provide an overview of our policies and commitments to human rights, including core labour standards, raise awareness of our corporate responsibility to respect human rights, and educate our staff on available approaches, tools and resources to promote respect for human rights in our operations.

Human rights' awareness training is integrated into our general training in corporate social responsibility. Of note in 2009, all new staff received an introduction to our human rights' commitments as part of our group-wide training for new employees. More in-depth human rights' awareness sessions were also integrated into our project management training, and they were offered to project managers and project members across the organisation. As part of our review of labour rights' risks in our supply chain, we also conducted specialised awareness sessions with the senior management teams in all business areas, key procurement managers and staff, as well as relevant staff in four countries of operation.

Integrating human rights in our operations

We conduct human rights' due diligence of our ongoing activities in order to prevent harm to our workforce and communities in which we operate.

Our endavours here are in line with the policy framework for business and human rights as formulated by the United Nations Special Representative of the Secretary General, Professor John Ruggie.

In an effort to become aware of, prevent and address adverse human rights impacts of our operations, we have made a conscious effort to mainstream human rights across the company's general systems for assessing and mitigating non-technical risks. Key elements include:

- We systematically conduct analyses of countries relevant to our operations in order to build a robust knowledge platform about local conditions, business culture and external factors – including human rights and broader social, political, security and ethical risks.
- Additional risk and impact assessments are conducted before making an investment decision. In countries or contexts in which human rights risks are considered particularly significant, we may also conduct dedicated human rights risk assessments (HRRAs). So far, we have done so in five countries. In 2009, we published and began implementation of a new set of guidelines on integrated impact assessments, also with the aim of increasing the attention devoted to human rights during the project development process.
- As regards our relations with third parties, we have procedures for integrity due diligence that include screening the human rights reputation of partners, suppliers and other third parties with whom we may enter into a business relationship. Our standard contract language requires adherence to national laws and regulations, and we are also making efforts to include specific language related to human rights in contracts with partners.

These and other processes help us to identify the source and nature of potential adverse affects of our activities on the human rights of our stakeholders. On that basis, we can develop a remedial plan to mitigate potential adverse impacts.

In order to better understand the business implications of our commitments to human rights, we continued in 2009 to collaborate with different partners and stakeholders. Among others, we participated in consultations with John Ruggie, the United Nations Special Representative on Business and Human Rights. Since 1998, we have also had a collaboration agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), covering all Statoil employees in all countries in which we operate, which further affirms our support for fundamental human rights in the community and in the workplace. Furthermore, through corporate agreements, we continued to support the work of Amnesty International Norway, the United Nations Development Programme (Democratic Governance Thematic Trust Fund), the Norwegian Centre on Human Rights and the Norwegian Refugee Council.

Security and human rights

Maintaining the safety and security of company staff and operations must be achieved in accordance with applicable laws and internationally recognised human rights.

To further this commitment, Statoil has been a supporting member of the Voluntary Principles on Security and Human Rights (VPSHR) since 2002. We endeavour to ensure that our use of security resources is in line with the Voluntary Principles.

Policies and procedures

Our commitment to the VPSHR is enshrined in our policy on corporate social responsibility, and the Principles are further integrated into our security procedures and management system. These procedures outline how security resources are managed and deployed, and underscore how important it is that all security personnel working on Statoil's behalf display universal respect for human rights, act within the law and comply with the company's rules on the use of force and firearms – in line with the *UN Principles on the Use of Force and Firearms by Law Enforcement Officials* and the *UN Code of conduct for Law Enforcement Officials.*

All Statoil-employed security staff must be given initial training commensurate with their duties. The training shall, as a minimum, also include training in human rights as well as rules of necessity and proportionality in the use of force. Security staff should also undergo refresher training once a year that includes updates on policy and procedures and reminders on ethics, human rights, the use of force and first aid. Further training in human rights, including our commitments to the Voluntary Principles, is also provided for all staff as part of our general training in corporate social responsibility. More in-depth human rights awareness sessions were also held in 2009 for exposed groups across the organisation.

In new contracts with private security personnel, we include human rights criteria as part of pre-qualification screening, integrity due diligence and contract provisions and clauses. Efforts were also made in 2009 to assess existing security contracts in priority locations with a view to integrating language that addresses human rights issues.

Our activities

While we are a major operator in Norway, most of our equity production outside Norway is produced by joint ventures or from licences in which we are a minority partner. Consequently in many countries, we are primarily responsible for the security of office activities only and for assurance and follow-up in the partner committees.

Our approaches to security vary to take account of the differing risks and risk levels in the different locations. While circumstances in some locations necessitate the use of armed security, our security personnel are unarmed in most of our locations. However, all of our locations are covered by the same corporate requirements, including our commitment to the VPSHR .

In the fourth quarter of 2008, we commenced an extensive process for the implementation of the VPSHR in priority countries. That process, which is still in progress, includes performing a human rights due diligence focusing on the company's security arrangements, addressing any identified risks and networking with international and/or local NGOs or other appropriate organisations to provide VPSHR training.

Four countries were initially identified for further review and implementation of the VPSHR . In 2009, another country was added to the list, bringing the total number of countries in which VPSHR implementation activities were ongoing to five.

Ethics and transparency

A commitment to ethics and transparency is integral to how we conduct our business and a vital element in ensuring that the wealth derived from the energy that we produce is put to more effective and equitable use.

We aim to be known for our high ethical standards and our commitment to transparency and openness, and have zero tolerance of ethics violations in our operations. In November 2009, the US Department of Justice confirmed that the Deferred Prosecution Agreement entered into due to the Horton case had been closed, and that the company had fulfilled all the conditions of the settlement entered into with US authorities (see separate article).

Our commitment to integrity and transparency is founded upon a number of international initiatives. We support the Extractive Industries Transparency Initiative (EITI) and respect and promote the EITI principles throughout our operations. We have also endorsed the United Nations Global Compact principles, including the 10th Principle on Anti-Corruption, and communicate annually on our progress in implementing the 10 principles. We also support the World Economic Forum's Partnering Against Corruption Initiative (PACI), the Business Principles for Countering Bribery (BPCP), and the OECD Guidelines for Multinational Enterprises.

Transparency

We believe that transparency is a cornerstone of good governance and a productive business environment that allows businesses to prosper in a predictable environment and enables citizens to hold governments accountable.

Statoil was the one of the first major oil companies to start disclosing all revenues and payments in the countries in which it operates, a practice that we continue to follow.

We have also supported the Extractive Industries Transparency Initiative (EITI) since its foundation in 2002/2003, and became a Board member of the EITI in 2009, representing the national oil company (NOC) constituency together with Pemex, the Mexican NOC . Through the EITI , we work to promote principles of revenue transparency in the countries in which we operate, and in 2009 we have actively promoted implementation of the EITI principles, particularly in Azerbaijan, Nigeria, Norway and Kazakhstan (see separate article).

We continue to have a collaboration agreement with Transparency International Norway and, in an effort to improve industry disclosure and reporting on sustainability issues, Statoil has in 2009 been an active member of both the Global Reporting Initiative's (GRI) Sector Supplement Working Group on the Oil and Gas industry and the International Petroleum Industry Environmental Conservation Association's (IPIECA) revision of the *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*.

In addition, we aim to work with industry, governments and civil society to operationalise our commitments in the countries in which we operate.

Ethics and anti-corruption

Our Ethics Code of Conduct describes our ethical commitment and requirements for our business practice and the personal conduct of all who act on behalf of Statoil.

We are committed to complying with applicable laws and regulations and acting in an ethical, sustainable and socially responsible manner. Respect for human rights is an integral part of Statoil's value base and our corporate social responsibility. We wish to be known for our high ethical standards, and breaches of laws and ethical requirements are therefore a threat to the group's competitiveness and reputation.

In 2009, the focus was on the continued mainstreaming of our Ethics Code of Conduct throughout the organisation and on strengthening our ability to manage and mitigate integrity risks in our operations. We screen new investments, partners, contractors and suppliers for integrity and human rights risks, and implement strict requirements for integrity due diligence (
IDD
) to improve our processes for managing integrity risks in our business relationships. Moreover, as part of an overall assessment of risk exposure, five of six business areas also reviewed their corruption risks in 2009.

We provide online and face-to-face training in key areas, including in ethics, anti-corruption and compliance issues. By the end of 2009, as many as 93% of all Statoil staff had completed compulsory e-learning in anti-corruption. We are now providing live ethics and anti-corruption training to selected groups of suppliers and contractors in key markets, and encourage suppliers to participate in our e-learning program.

Since 2005, we have had a global Ethics Helpline for employees, business partners and other interested stakeholders through which they can confidentially and anonymously report their concerns about ethical issues involving Statoil or those acting on our behalf. The Ethics Helpline is managed by an external party and is available in local languages, 24 hours a day, every day of the year. Staff are also encouraged to raise ethical issues through line management, our human resources department or their trade union representatives.

In order to ensure that these matters and other ethics issues are given thorough consideration at the appropriate management level, Statoil has established a system of ethics committees. The various management committees – from the corporate executive committee down to the local country offices – meet regularly as ethics committees and deal with an agenda specifically focusing on ethics issues. Their decisions and clarifications may then be passed on to staff or incorporated into ethics policy as this is developed.

Transparency in Azerbaijan

Statoil's largest foreign investment commitment to date is in Azerbaijan, where we are the second-largest foreign investor since 1992.

Our investments in the Caspian Sea region are both in oil - the abundant Azeri-Chirag-Guneshli (ACG) field - and in gas, the Shah Deniz (SD) gas field. We are the commercial operators of Shah Deniz, while BP is technical operator for both fields as well as the for two key pipelines exporting oil and natural gas from Azerbaijan to the West: the Baku-Tbilisi-Ceyhan (BTC) and South Caucasus pipeline (SCP). These pipelines run in parallel, from Baku in Azerbaijan through Georgia to Turkey, where the BTC pipeline ends.

Long-term success in the country and, more broadly, in the region is dependent on a consistent commitment to shared value creation and distribution of benefits in a balanced and inclusive manner.

Transparency and openness is a precondition for such success - a principle rooted not only in our corporate value system but also in our corporate policy for social responsibility.

The Extractive Industries Transparency Initiative (EITI) was founded in 2002/2003 as a global institution to further transparency and accountability. Azerbaijan was the first country in the world to commit itself to undergo EITI 's strict implementation programme. At the 2009 EITI Conference and Board meeting in Doha, Azerbaijan became the first EITI compliant country among the currently 30 implementing countries.

Since its inception, we have been an active promoter of and partner in Azerbaijan's EITI implementation process. At the EITI Conference in Doha in 2009, we shared our experience of the validation process in Azerbaijan in a panel discussion on behalf of the international oil company (IOC) constituency. We have also been an active partner in and contributor to the process leading up to the formalisation of the Multi-Stakeholder Group in the country. And, in August 2009, we submitted our 11th EITI report covering the period January-June 2009. Above and beyond our EITI disclosures, we also annually disclose taxes paid, signature bonuses, social investments and other information by country of operation, including for Azerbaijan (see table XXX for an overview of such data for Azerbaijan, and for all countries of operation see the 'Overview of activities by country').

In parallel with our support for the EITI process in Azerbaijan, in cooperation with our AIOC partners, we have promoted transparency, improved revenues and natural resource management in other areas for nearly two decades in the country.

- The oldest initiative addressed oil revenue transparency and management. Together with Norwegian authorities, we promoted experience transfer from the Norwegian model for administering the petroleum industry to the Azerbaijani authorities and its state oil company SOCAR.
- We also helped to facilitate substantial assistance from Norwegian governmental bodies, such as the Norwegian Central Bank and the Ministry of Finance, which culminated in 1999 in the establishment of the State Oil Fund of the Republic of Azerbaijan (SOFAZ), based on Norway's own oil fund experience, to avoid overheating the economy and to safeguard the prosperity of future generations.
- While we continue to work with Azerbaijani authorities at the central level, our most recent initiative to promote transparency and openness addresses tax revenue management at a very local level. For the second year in a row, we support a project run by the Eurasia Foundation aimed at improving transparency in municipal service delivery, which is a project that ensures transparency and understanding of tax revenue and management at a very local level. To date, 20 municipalities have been trained and have started to use the tools demonstrated for the municipalities' benefit.

	Year ended 31 December				
Overview of activities in Azerbaijan	**2009**	**2008**	**2007**	**09-08 change**	**08-07 change**
Investments in NOK million	**981**	1,258	2,216	(22 %)	(43 %)
Revenues in NOK million	**6,418**	7,367	9,347	(13 %)	(21 %)
Purchase of goods and services in NOK million	**43**	53	34	(19 %)	56 %
Taxes paid in NOK million	**241**	1,952	1,167	(88 %)	67 %
Profit oil In kind in NOK million	**5,399**	6,479	1,022	(17 %)	534 %
Social investments in NOK million	**12**	15	12	(24 %)	26 %
Pay and social benefit in NOK million	**19**	20	11	(6 %)	81 %
Number of employees	**42**	49	52	(14 %)	(6 %)

Horton case closed

The Horton case was finally closed by the US authorities in 2009 after Statoil had successfully fulfilled its obligations.

"The last years we have strengthened our systems, procedures and training within ethics and anti corruption. While the expiration of the Deferred Prosecution Agreement is an important milestone, and we are content with closing the Horton case, our strong commitment to operating ethically and transparently remains," said Statoil's chief executive Helge Lund in a press release following the final closing of the Horton case.

As prescribed in the settlements entered into with US authorities, an Independent Compliance Consultant was retained by Statoil in October 2006 for a three-year period. His task was to evaluate Statoil's internal control systems and guidelines related to compliance with US anti-corruption law (Foreign Corrupt Practices Act - FCPA).

Horton Revisited

- In October 2006, Statoil entered into two separate but related agreements with the Department of Justice and the Securities and Exchange Commission (the Settlements).
- These Settlements were entered into as a result of the so-called "Horton Affair". In the summary of facts of the Settlements , Statoil acknowledged having violated the US Foreign Corrupt Practices Act (FCPA) on three different counts by, in the autumn of 2002, entering into a flawed consultancy agreement with a company called Horton Investments. This was done to obtain a participation interest in the development of the Iranian South Pars Project. The individual behind the company Horton Investments was the son of a former Iranian president and also a Director of the National Iranian Oil Company (NIOC). Statoil agreed to pay this individual, regarded as a public official under the FCPA, a total of USD 15. 2 million over a period of 10 years in order for him to influence NIOC to award Statoil an interest in South Pars.
- The Settlements included a monetary component consisting of a fine of USD 10.5 million and the confiscation of benefits gained by the violations of the FCPA payments ("disgorgement") of USD 10.5 million. In addition, Statoil also paid a criminal fine of approximately USD 3 million under the penalty notice ("*forelegg*") issued by Norwegian authorities (*Økokrim*). The Norwegian fine was deducted from the US fine. In addition, Statoil also undertook to retain and fully cooperate with an external Compliance Consultant for three years. Accordingly, Mr F. Joseph Warin from the US law firm Gibson Dunn & Crutcher LLP was retained in this role in December 2006.
- The Horton case was finally closed by the US authorities on 19 November 2009 after Statoil had successfully fulfilled its obligations under the Settlements.

Following Mr Warin's last presentation to the Statoil board of directors in Norway on 3 November 2009, the US authorities also closed the Horton case, on 19 November 2009. The closing of the court case was formal recognition that Statoil had fulfilled all the conditions of the settlements entered into with the US authorities.

In his last report to the US authorities preceding the closing, Mr Warin certified that Statoil's anti-corruption compliance programme is now appropriately designed and implemented to ensure compliance with the US Foreign Corrupt Practices Act.

Given the above, Statoil has been "taken off the sick list". Having been subject to such relatively drastic remedies as ours over the last three years (through a Deferred Prosecution Agreement), Statoil has re-emerged in a clearly fitter state in terms of anti-corruption compliance.

Does this mean that we can now sit back and relax or that the last three years have been without challenges or costs? Hardly. The road the company has travelled since the Horton affair hit the headlines in 2004 has been both arduous and, at times, thorny.

The settlements with the US authorities have demanded high and time-consuming focus at all levels of the organisation.

In the aftermath of the Horton case, several significant and concrete steps have been taken in the Statoil organisation to prevent a similar case in the future. Among them, it is natural to highlight the increased focus on anti-corruption training of Statoil personnel. As part of our training efforts, additional focus has been put on groups among our employees that are deemed to be particularly exposed to corruption risk. Another practical step taken is the development of a risk-based procedure for vetting all new and significantly changed business relationships. These are just some of many examples of how Statoil's anti-corruption compliance programme has been seriously revamped and strengthened over the last few years.

"Extensive and important efforts have been made to strengthen our ethics and anti-corruption focus. The compliance consultant's annual reviews and recommendations to improve our anti-corruption programme have contributed significantly to the content and pace of this work," Lund emphasises.

"We must now progress this work without the assistance of the compliance consultant, maintaining our strong focus in this area. This is the responsibility of each individual. We will maintain our strong ethics and anti-corruption focus. Statoil shall be recognized for its commitment to implementing its business activities in an ethical and transparent manner," says chief executive Helge Lund.

Although the Horton case now belongs in the past, it is still a very real reminder of the importance of staying on the narrow path.

Supporting EITI implementation

As a supporting company of the Extractive Industries Transparency Initiative (EITI), where we in 2009 also became a board member, we work to promote the criteria and principles of the EITI in all the countries in which we operate.

Moreover, we aim to support implementation of the EITI in those countries of operation that have also signed up to the initiative. Currently, we actively support implementation in four EITI candidate or compliant countries – Azerbaijan, Kazakhstan, Nigeria and Norway. The following is a summary of efforts undertaken to support implementation in these countries (for Azerbaijan, see separate article):

Kazakhstan

Kazakhstan became an EITI candidate country in September 2007, and it published its second EITI report at the beginning of 2009, covering payments and government receipts from more than 100 oil and gas and mining companies. Kazakhstan commenced validation in 2009 and it appears to be on track to meet the 9 March 2010 deadline to independently validate its implementation of the EITI principles. Statoil is a member of the EITI National Stakeholder Council, and it participates in three working groups in the NSC (the validation, reporting and communication working groups). In 2009, Statoil also contributed to the translation of the national EITI website and supporting documents into Kazakh in order to further raise awareness and increase the accessibility of the initiative.

Nigeria

Former President Olusegun Obasanjo committed to EITI in November 2003 and launched Nigeria EITI (NEITI) in February 2004. Nigeria was accepted as an EITI candidate country in September 2007. A first set of financial, physical and process audits for the period 1999–2004 was published in 2006. The second report covering 2005 was released in August 2009. A third report, covering 2006–2008 was commissioned and is expected to be completed in 2010. Statoil has supported EITI implementation in Nigeria since its establishment, and it has participated in both audits conducted so far. We have also participated in roadshows and other events aimed at raising awareness among civil society and other stakeholders. Statoil is also a supporter and member of the multi-stakeholder group for the recently established Bayelsa Expenditure and Income Transparency Initiative (BEITI) in the State of Bayelsa in Nigeria. The BEITI is a complementary initiative to the EITI , aiming to promote the principles of transparency on both the revenue and expenditure sides at the state level.

Norway

Norway was accepted by the Board as an EITI candidate country in February 2009, and it is currently the first and only OECD country to implement the EITI principles. The reporting cycle began in August 2009, and the first report will be published in January 2010. The validation process is also expected to begin in early 2010. Statoil participates on the multi-stakeholder group as a representative of the oil company constituency, together with ENI and the Norwegian Oil Industry Association. Shell serves as an alternate member.

Local development

We aim to contribute to sustainable development based on our core activities in the countries and communities in which we operate.

We recognise that, in most countries where we have business activities, our projects often have lifecycles that last a generation. To ensure that we are well received around the world, we aim to make sustainable investments that benefit both our shareholders and our hosts.

We contribute locally through the contributions that we make to governments, the staff that we hire and develop, the services and goods that we buy from local firms, and the social investments made directly in our host societies and communities.

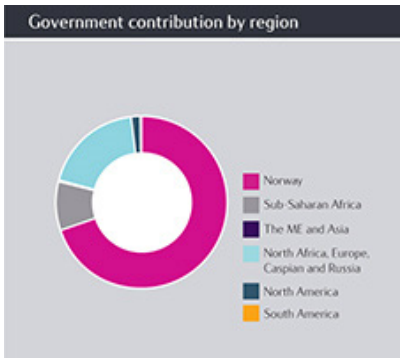
In this section, you can read more about our local development activities and impacts in 2009.

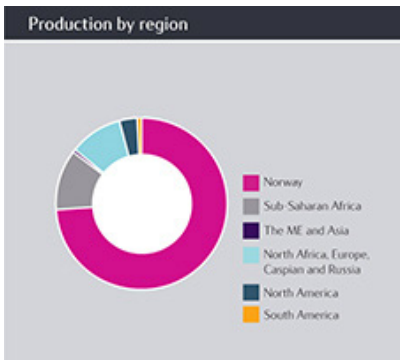
Government payments and contributions

Our business generates significant revenues for governments. In 2009, we made total payments and contributions to governments estimated at NOK 145.8 billion.

An estimated 70% of our total payments and contributions went to the Norwegian government. In the rest of the world, an estimated 19% went to North Africa and Europe (incl. Russia and the Caspian), 9% went to Sub-Saharan Africa, and 2% to North America. Of this, we paid NOK 98.5 billion in tax on income and NOK 27.3 billion in indirect taxes. Direct and indirect taxes paid in Norway amounted to NOK 102.1 billion. Direct and indirect taxes paid outside Norway totalled NOK 23.7 billion. Based on Production Sharing Agreements, depending on the value of petroleum and the requirements stipulated in the agreements, we also made in-kind contributions ('profit oil') estimated at NOK 18.6 billion towards government finances in six countries – Algeria, Angola, Azerbaijan, Iran, Libya and Nigeria. And, finally, we also paid a total of NOK 1.4 billion in signature bonuses for seven licenses in Angola, Canada, Mozambique and the US.

In many of the countries in which we operate, the finances that we provide are often the main source of government revenue. If managed well, these funds can be translated into vital services and infrastructure required for sustained economic and social development. However, transparency and accountability is required to ensure that the wealth derived from energy resources is used to full effect. To this end, we publish the revenues, investments, taxes and other contributions that we pay in all countries of operation (see 'Overview of activities by country'), and also support the Extractive Industries Transparency Initiative (EITI) (see 'Supporting EITI in-country implementation').





Local content

We aim to make investments that create and maximise shared value that benefit our shareholders as well as the countries in which we operate.

The oil and gas industry has the potential to stimulate significant economic growth. Energy-rich countries are increasingly expecting greater opportunities for local businesses and labour to participate in our activities. Wherever we have an active presence, our aim is to contribute to local content in our projects by developing skills and opportunities in the societies in which we operate.

We see local content as important and are constantly searching for opportunities to work with our host country partners to develop sustainable and cost-effective projects delivered on schedule. We are proud of our Norwegian heritage and success in developing local businesses' capacity, skills and technology to compete at the highest international levels. Drawing on this experience, we aim to be a preferred partner for many of our host governments around the world.

We demand high standards of our employees, contractors and suppliers. Such standards, found in our values statement and corporate policies on ethics, social responsibility and HSE , extend to all parties that work for or with our company. We also recognise that, in many of the countries where we work, local suppliers may not currently meet these strict standards. We are therefore also committed to working with suppliers to improve their skills and capacity in these areas.

Hiring and buying locally is a particularly effective way of generating local content and contributing to development. It has a direct impact on the local economy, creates jobs, and builds on and enhances local capacity.

Hiring locally and building capacity

We aim to recruit locally, offer a safe working environment to all our employees, and provide attractive training opportunities that build on local capacity and skills. Especially in non-OECD countries, we are working to achieve a higher proportion of national staff, including at management levels. Currently, expatriates make up a total of 34% of staff in non-OECD countries.

Overall in Statoil, we also have an ambition to increase the proportion of non-Norwegians. In 2009, for our workforce in general this proportion decreased slightly to 41% from 42% the previous year. However, among staff in management positions the share of non-Norwegians increased to 40% from 37% the year before.

Because the nature of our business requires highly specialised skills that take time to develop locally, in many countries – including in Angola and Russia – we are also developing dedicated training programmes in collaboration with local institutions to enable capacity-building and the recruitment of local expertise.

Local procurement and supplier development

We also promote local sourcing and look for opportunities to support sustainable and competitive enterprises in many of our countries of operations. In 2009, we spent an estimated NOK 2.5 billion on goods and services from companies based in non-OECD countries, down from NOK 3.1 billion in the previous year.

To achieve our aim of increasing local procurement, we also support capacity-building initiatives and invest in local enterprises – including in Brazil, Canada and Nigeria – to provide them with the right skills and expertise, standards and certifications required for them to compete successfully and work in the oil and gas industry.

Social investments

We also undertake social investments that support both our business objectives and stakeholders' priorities in the countries in which we operate.

In 2009, we spent approximately NOK 207 million on social investments in activities spread across 24 countries of operation, NOK 182 million of which was spent on a voluntary and NOK 25 million on a contractual basis. In 2009 the biggest social investments outside of Norway were made in Angola, Algeria, Azerbaijan, Russia, Venezuela and Nigeria. (See 'Overview of activities by country' for social investments by country). Social investments are part of our business and social responsibility plans for countries in which we operate.

Through our social investments, we aim to mitigate social risks associated with project development and operations, promote transparency and respect for human rights in the business environment, build local capacity and expertise in the oil and gas industry, and improve local conditions and welfare.

Overall, our social investments must be based both on our business objectives and stakeholders' priorities in the countries in which we operate. Social investments are used strategically to manage the impacts of our business activities, and are established on the basis of relevant risks and opportunities as identified through relevant risk and impact assessments. Stakeholder dialogue is also an important element of social investment identification, and aims to ensure that expressed community needs are met, projects are appropriately designed and sustainability is promoted. In 2009, we revised our procedures to further improve effectiveness and quality control, and we also introduced additional measures to reduce third-party compliance and corruption risks.

Local strategies for social investment are part of country or project-specific social responsibility plans. These CSR plans, which are required to support operations in all non-OECD countries, document key social and political risks to our business strategy and projects, and propose mitigating actions and steps, including possible social investments. In 2009, CSR plans were prepared in 57% of the non-OECD countries where we are active, up from 50% in 2008. In addition, CSR plans were prepared in Canada, Mexico and the USA to take account of the particular social and environmental risks that our operations face there.

Overview of Social Investment by region (in NOK million)	Voluntary contributions	Contractual contributions	Total contributions
Year ended 31 December 2009			
Norway	113	1	115
Sub Saharan Africa	20	14	35
North Africa and Europe*	33	9	42
Middle East and Asia	2	-	2
North America	3	-	3

South America	10	–	10
Total	182	25	207

Overview of Social Investment by region (in NOK million)	Voluntary contributions	Contractual contributions	Total contributions
Year ended 31 December 2008			
Norway	121	1	122
Sub Saharan Africa	21	14	35
North Africa and Europe*	42	9	51
Middle East and Asia	0	–	0
North America	5	–	5
South America	14	3	16
Total	202	28	230

Overview of Social Investment by region (in NOK million)	Voluntary contributions	Contractual contributions	Total contributions
Year ended 31 December 2007			
Norway	136	1	137
Sub Saharan Africa	7	11	18
North Africa and Europe*	21	–	21
Middle East and Asia	0	–	0
North America	–	–	–
South America	10	36	46
Total	174	48	222

* Includes Russia

Definitions: In 2008, we adjusted the definition of social investments we had used in the past. We now use an adapted version of the London Benchmarking Group definition for social investments which includes voluntary contributions such as charitable donations, community investments, other social investments which are not specifically targeted at communities within the direct area of impact, and management costs. Charitable donations include philanthropic donations and gifts such as 'cheque-writing' and associated activities. A community investment refers to projects that is targeted at fence-line communities or those within the project's direct area of impact. Other investments include social investment projects that do not necessarily target a specific community, but may be more regional or national level investments. Management costs generally refer to the salary cost spent managing these types of social investments. The total also includes investments made due to contractual obligations arising from licencing agreements and other contractual obligations. Social investments outside of Norway include Statoil share of investments made through partner-operated fields and joint-ventures. Social investments made in Norway only include investments made through Statoil-operated fields.

The information on this page forms part

Statoil

Safety

Our goal is to be among the industry leaders in HSE.

Safe and efficient operations are our first priority in Statoil. We aim to understand factors that create risks in order to avoid major accidents that could harm our people, the environment or our facilities.

What are the challenges?

Our employees, contractors, clients and neighbours shall know that we operate safely. If we cannot demonstrate that we focus on safety in our day-to-day activities, we cannot be sure of retaining our legitimacy to operate.

Our goal is to be among the industry leaders in HSE . We recognise the importance of complying with industry requirements, understanding the risks and running quality operations. We also acknowledge that we have to make further improvements to achieve this ambition. (See "Fines, Sanctions and Accidents" for a description of accidents that occurred last year.)

We have identified the following key areas for improvement in safety measures:

- Management of, and compliance with, our safety standards.
- Understanding and managing our risks.
- Simplification of procedures and work processes.
- Technical Integrity at our facilities.

What are we doing?

We firmly believe that all accidents can be prevented, and our goal remains zero harm. We have a strong focus on continuous improvement.

In order to meet our goal of improving safety results, we hold a large number of training sessions in compliance and risk management. We are confident in our focus areas, and we will strive hard to improve within them in the years ahead.

Major organisational changes have been planned and implemented in a safe manner, with people being integrated into one common culture. For our North Sea operations, strong cooperation between offshore units, onshore support functions and management is essential. The new organisational model has now been implemented and the results are being seen. We must think safety in the whole value chain, from planning to the execution of work. The use of risk management and compliance is in focus, and compensatory measures are continuously implemented in order to reduce the chance of accidents.

Our compliance programme will focus on the integration of our values in all activities, and on compliance with internal and external requirements. Where requirements cannot be met, the risk will be identified and controlled as part of the systematic handling of non-conformities.

We use our experience from our home operations to improve our international performance by applying the same governance system with local adjustments to fit local environment and culture.

What have we achieved?

Our monitoring of technical safety conditions and our safe behaviour programme have been widely recognised, and our safety KPIs were reached in 2009. However, we will strive harder in order to be among the best in relation to safe work in our industry.

Fines, sanctions and accidents

A number of fines and orders were received in 2009. We suffered four fatal accidents in 2009, with the loss of six lives.

Fines

- We were fined NOK 25 million on 18 December 2009 by the Public Procecutor in Rogaland in connection with an incident that took place on 12 December 2007. A ruptured loading hose on Statfjord A led to 4,400 cubic metres of crude oil being pumped into the sea.
- Statoil E&R has been fined a total of NOK 0.1 million in connection with approximately twenty minor issues related to e.g. food safety, handling of liquid fuel and the transportation of dangerous goods.
- Statoil was fined NOK 2 million in December 2008 for a pollution of oil that occurred on 23 November 2005 on the Norne field, for not responding in accordance with the emergency preparedness plan.

Orders

- On 5 March 2009, the Petroleum Safety Authority Norway issued an order. The Petroleum Safety Authority Norway (PSA) concluded its investigation of the incident on Troll A that took place on Thursday, 18 September 2008. One person was injured in connection with a lifting operation. The person was struck by a steel beam which came off as some equipment was being removed by crane.
- On 21 April 2009, the Petroleum Safety Authority Norway issued an order. The Petroleum Safety Authority Norway's investigation of the lifeboat incidents on Veslefrikk B and Kristin in December 2008 and January 2009 uncovered several breaches of the regulations. During the testing of type FF1000S free-fall lifeboat problems were identified in connection with the releasing of lifeboats.The incidents resulted in lifeboats of this type being taken out of operation on both facilities on 7 January 2009, with subsequent staff reductions on Veslefrikk B, and staff reductions and cessation of production on Kristin.
- On 9 September 2009, the Petroleum Safety Authority Norway issued an order following the fatal accident on Oseberg B on 7 May 2009. During the dismantling of scaffolding on Oseberg B, a scaffolder was seriously injured when he fell 14 metres from the scaffolding down to the cellar deck. He was brought to hospital by SAR helicopter and died later in hospital.

Accidents

We had six fatalities in 2009:

- On 7 May 2009, we experienced a fatal accident in connection with the dismantling of scaffolding on Oseberg B in which one of our contractor's employees died.
- Three of our employees in Brazil were on board Air France flight 447 which disappeared over the Atlantic on 1 June.
- On 7 September, a fatal accident occurred on the LPG carrier "Lady Shana" during a port call at Petit Couronne in France when a crew member fell from the shore gangway and into the river Seine.
- On 17 October, a fatality occurred when one of our contractors died on Statoil Canada's Leismer lease, located approximately 150 km south of Fort McMurray, Alberta.

New operational model

The intention of the offshore integration process is to create one organisation and one way of working on the NCS.

We have increased focus on quality, risk, stable operations and reduced costs, while at the same time providing increased organisational flexibility and better utilisation of our overall expertise.

The main objectives of the integration process:

Safe, efficient and reliable operation

- Improved HSE and operational performance as a result of new solutions
- No interruptions or incidents due to the integration process

One way of running the business

- Standard work processes across all installations and onshore support teams

Integrated organisation with high competence

- Standard structure and interfaces across all units, both offshore and onshore
- This also includes a standardised emergency response organisation and health requirements

There are important synergies to be gained through implementing an offshore organisation and work processes based on the best practices from different parts of our joint operations. The implementation of a common operational model for all our installations on the NCS represents a major quality reform and a unique opportunity.

The model has four main principles:

- Strengthened cooperation offshore–onshore
- Work according to plan
- One team responsible for operations and critical maintenance
- One team responsible for efficient planned maintenance

In the new operational model, priority should be given to operations and critical maintenance, and to efficient execution of planned maintenance.

The standard operating model was implemented according to plan on 1 July 2009. The decision to pass this critical milestone was based on extensive risk assessments, including local decision processes relating to action plans and risks. All installations confirmed that they were ready to implement the common operational model and pass the milestone. The unions and safety delegates did not support the decision, however. Their main concern was related to the extent of the relocation process and the capacity and expertise in the organisation through the implementation phase.

New offshore teams combine continuity and renewal

The offshore employees were invited to notify interest in available jobs and installations. The new offshore teams have been composed with a view to balancing continuity and renewal. Approximately one third of the offshore staff will move to a new installation. A comprehensive plan for the relocation process has been drawn up in detail for all installations based on agreed principles covering the need for familiarisation and training within the various disciplines. The relocation of skilled personnel is ongoing and will continue till the third quarter 2010.

Implementing a standard way of working by implementing harmonised work processes

Implementation of the new harmonised work processes is proceeding according to plan The first work processes were primarily chosen in order to support the implementation of the new operational organisation model on 1 July. The preparatory work comprised cleaning up and phasing out a large volume of local governing documentation and processes. Installation-specific training is planned and performed in accordance with local needs and requirements. The implementation of new work processes and phasing out of old governing documentation will proceed through 2010.

Monitoring and follow-up activities

The central project team responsible for the offshore integration team was demobilised according to plan on 1 October 2009. A core team consisting of two to three key persons has been mobilised to ensure follow-up of the 29 local project teams and the various business units. The core team will cooperate closely with the EPN staffs and process owners and report to the EPN management.

The focus of the integration work has moved from coordinated information and action plans to learning and experience transfer. The regular follow-up meetings with the local teams have been re-organised to support this.

Monitoring of the integration process and status on the installations is performed and integrated through various activities.

The way forward

The integration process is a quality reform. By standardising the way we work, it is possible to reduce the production gap and fight the identified trend of increasing operating costs. In the time ahead, we must take advantage of the increased organisational flexibility and manage the balance between basic and activity-based manning, implement faster transfer of experience, increase cooperation across installations and the transfer of resources.

Experiences and observations after 1 July 2009 conclude that the installations have improved the day-to-day cooperation between offshore and onshore. We also register positive utilisation of the operation support team and positive trends in improved maintenance management. However, active practising, experience transfer and use of the common operational model are necessary if we are to realise the potential of the model.

Key effects observed:

- Strong and dedicated management commitment at all levels
- Hands-on follow-up from early phase to implementation
- Risk management as the basis for all the main decisions throughout the process
- Increased cross-organisational collaboration throughout the process

Challenges ahead:

- Implement and follow up actions to ensure sufficient capacity and competence
- Balance the activity level offshore to avoid excessive stress on the organisation as well as the individual

Road safety

We focus on delivering transport fuel responsibly. In E&R, we take responsibility for the well-being of our truck drivers and our customers, and for the environment.

In Norway, truck drivers who deliver fuel for Statoil must complete an extensive safety course every three years. The purpose of this is to enusre that our truck drivers have the right skills and attitude to traffic safety issues. The emphasis is on realistic exercises, ranging from practice on slippery roads to exercises in defensive and economical driving in traffic.

Our Scandinavian traffic centre, which is located in Norway, also has a simulator that reconstructs traffic accidents so that drivers can experience situations that would otherwise not be possible to experience without serious or life-threatening injuries. Since initiating this course, Statoil Norway has had fewer accidents than before. Similar courses are held in both Sweden and Denmark with the same positive results.

A responsible provider of transport energy also cares about the well-being of the environment. Truck drivers in Statoil Sweden are educated in Heavy Eco driving. The course focuses on changing behaviour in order to drive more economically and reduce fuel consumption. This is an example of a win-win situation, where saving fuel also means saving money and the environment.

Together with the non-governmental organisation Save the Children, Statoil Lithuania launched a project called **"Be safe on the road".** This is one of our many efforts to contribute to the well-being of our customers. The project aims to teach childeren and their parents safer traffic behaviour. More then 500 children and 100 parents participated in the activity, and employees from children's day care centres, local police officers and student volunteers helped to implement the project.

Other activities aimed at local communities include: Our "Hands Free" road safety campaign – a collaboration between Statoil Poland and Nokia to raise awareness of the danger of using handheld mobile phones while driving. Statoil stations across Poland distributed 1,000 vouchers to customers for the free installation of hands-free speaker phones in their cars; and our "Pressure under control" programme – a collaboration between Statoil Poland, Michelin, the Red Cross and the Polish police to increase awareness of the importance of proper tyre pressure. Over 20 thousand cars were checked at Statoil stations last year alone.

Home / Sustainability / People

People

In our highly knowledge-based industry, we endeavour to constantly develop our personnel and foster a performance and values-based culture.

Health and the workplace

A good, health-promoting working environment is of great importance if we are to reach our goals.

People and the group

Our objective is to build a globally competitive company and an exceptional place to perform and develop.

Employees in Statoil

The Statoil group employs approximately 29,000 permanent employees in 40 countries, with more than 18,000 of them...

People and the group

Statoil's overall strategic objective is to build a globally competitive company and an exceptional place to perform and develop.

What are the challenges?

The financial and economic turmoil that characterised the global economy in 2009 has affected the entire industry, leading to a stronger focus on efficiency improvements and on the optimal use of existing resources. At the same time, the increase in business activities internationally requires Statoil to develop new capabilities to succeed globally and to attract talents in new countries.

On the one hand, Statoil needs to ensure a strong position in key talent markets by attracting and retaining a diverse, highly competent and engaged workforce. It is therefore important that Statoil continues to focus on building an inclusive working environment that attracts, rewards and develops talents equally and fairly.

On the other hand, Statoil aims to enhance the sharing of best practices, and apply a common set of standards and values across regions. Expansion into new territories and market segments also calls for continued focus on ethics and anti-corruption compliance.

What are we doing?

Statoil has recently reviewed its global people policies to ensure consistent common standards across groups. Together with our values and ethical code of conduct, our people policies are the most important guidelines for furthering the people processes. Through our global development and deployment process, we strive to ensure a good match between professional interests and goals, while at the same time offering challenging and meaningful job opportunities. Statoil remains committed to providing financial and non-financial rewards that attract and motivate the right people, and it continues to focus on equal opportunities for all talents.

What have we achieved?

- Employees in Statoil
  - In times of financial turmoil, Statoil has focused on increasing efficiency and emphasise cost management, while maintaining workforce levels.
- Attraction and recruitment
  - During 2009, Statoil maintained its employer of choice status in Norway among several groups of talents, and introduced a global induction programme.
- Development and deployment
  - In 2009, Statoil has strived to enhance the development, deployment and performance review processes, and relaunched the Statoil Academy, which offers a comprehensive portfolio of courses and training programmes.
- Performance and reward
  - Statoil's people policy promotes an open and non-discriminatory reward and compensation system that supports equal opportunities and equal rewards across gender groups.
- Organisational capabilities
  - In 2009, Statoil reported positive results in its annual organisational and working environment survey and reached its targets for corporate key performance people indicators.
- Employee and industrial relations
  - Statoil has focused on improving the dialogue and consultations with employees and their appropriate representatives.
- Equal opportunities
  - Statoil worked to strengthen capability and diversity in its leadership pipepline.

Employees in Statoil

The Statoil group employs approximately 29,000 permanent employees in 40 countries, with more than 18,000 of them being employed in Norway. Of the remainder, 9,399 are employed in the retail business.

In 2009, the Statoil group recruited almost 3,700 new employees, 50% were recruited to the retail organisation. By the end of 2009, 35% were under the age of 35, 57% were between 35 and 55 years old, and 8% were 55 years or older. The table below provides an overview of the number of permanent employees and percentage of women in the Statoil group from 2007 to 2009.

Table 1: Numbers of permanent employees* and percentage of women in the Statoil group from 2007 to 2009

	Number of employees			Women		
Geographical Region	**2009**	**2008**	**2007**	**2009**	**2008**	**2007**
Norway	**18,100**	17,891	17,959	31%	30%	29%
Rest of Europe	**9,593**	10,475	10,151	50%	47%	46%
Africa	**165**	144	117	28%	32%	34%
Asia	**150**	169	144	55%	54%	52%
North America	**584**	448	315	34%	39%	33%
South America	**147**	102	72	48%	53%	53%
TOTAL	**28,739**	29,229	28,758	37%	35%	37%
Non – OECD	**2,703**	3,009	2,904	64%	65%	66%

* Service station personnel are included

Table 2: Total workforce by region, employment type, employment contract and new hires in the Statoil group in 2009

Geographical Region	**Permanent employees 2009**	**Consultants**	**Total Workforce***	**Consultants****	**% of part time**	**New hires**
Norway	18,100	5,309	23,409	23%	4.5	1,310
Rest of Europe	9,593	4,556	14,149	32%	7.2	2,113
Africa	165	41	206	20%	N/A	29
Asia	150	36	186	19%	N/A	13
North America	584	281	865	32%	N/A	172
South America	147	104	251	41%	N/A	62
TOTAL	28,739	10,327	39,066	26%	N/A	3,699***
Non – OECD	2,703	314	3,017	10%	N/A	288

*Total workforce consists of number of permanent employees and consultants
** Consultants do not include enterprise personnel
*** 1843 of these were recruited to the retail business

Statoil's low turnover rates reflect a high level of satisfaction and engagement among its employees, which is also supported by the results of the annual organisational and working environment survey. In Statoil ASA, the total turnover rate for 2009 was 0.73%. The figure below provides an overview of the total turnover rate by gender and age in Statoil ASA.

Attraction and recruitment

In every country we operate, the sustainable growth of our business depends on our ability to recruit and retain the right talent.

Since 1998, Statoil has been rated the employer of choice for technical talent in Norway, and since 2002 also as the number one employer for business students in Norway.

The gas and oil sector remains a male-dominated industry, which is a challenge to our ability to recruit a diverse workforce. In order to create a company that is culturally diverse and characterised by a good gender balance, Statoil hires a higher percentage of female candidates than the overall percentage of female applicants. Of all applicants for vacant positions in 2009, only 23% were women. However, of Statoil ASA total hires in 2009, 33% were women and 17% were non-Norwegian.

In 2009, Statoil maintained its position as one of the companies that employs most apprentices in Norway, with 168 apprentices joining our company in 2009. This is part of Statoils effort to commit to the education and training of young technicians and operators in the oil and gas industry. In total, Statoil employed 340 apprentices at the end of 2009.

Statoil's new global induction programme, "You're One of Us" is designed to help new people understand the company's values and business model and prepare them to succeed in their roles as quickly as possible. The overall purpose of the programme is to ensure consistency in how Statoil welcomes new people and ensure greater levels of commitment to the company. We also believe this will help our newly recruited people to perform and deliver at an early stage.

Through several sponsorship activities, Statoil works systematically to attract, recruit and retain people of both genders, nationalities and age groups in all types of positions. In 2009, Statoil sponsored "Female Future", a development programme run by the Confederation of Norwegian Enterprise (NHO) whose main goal is to promote women to senior positions and boardrooms.

With an aging workforce in the oil and gas industry, it is important that Statoil takes responsibility for the development of the next generation of oil and gas talent. As a result, Statoil has participated in several sponsorship activities that aim to increase the general interest in and quality of education in natural sciences. The programmes include educational programmes for Master's students and teachers in natural science and fields such as geosciences, energy exhibitions at science centres, and a robot competition for schoolchildren. Statoil also launched Teach First Norway together with the City of Oslo, recruiting natural science and mathematics teachers to schools in Oslo.

Development and deployment

Statoil continues to develop and deploy its people through the People@Statoil process, the common process for performance, reward, development and deployment.

The Statoil Academy provides systematic training that supports the development of expertise through on-the-job learning.

People development at Statoil is characterised by processes that provide a good match between professional interests and goals, while at the same time offering challenging and meaningful job opportunities.People@Statoil is supported by a common career model that develops the professional and leadership expertise required to meet business needs, and provides a clear direction for career planning.

As a key part of Statoil's development strategy, the company has implemented a dynamic and business-driven deployment process that aims to get the right person in the right position at the right time. Coupled with our internal, global job market, this provides Statoil employees with numerous opportunities to embark on challenging career paths within the company.

In 2009, the company relaunched the Statoil Academy. The Statoil Academy offers a comprehensive portfolio of courses and training programmes that are carefully designed to support business needs and ensure alignment with Statoil's common career model. The fact box below provides an overview of activities in the Statoil Academy in 2008 and 2009.

Fact Box

Activity	2009	2008
Number of participants who have completed learning programmes	76,120	73,099
Total number of course participation days	133,492	125,008
Registration for e-Learning programmes	59,555	35,000
Number of leaders participating in corporate leadership development programmes	448	388
Total number of participation days in leadership development programmes	2,856	2,300

Performance and reward

Statoil's reward systems are open, reputable and non-discriminatory, and they support equal opportunities.

Performance goals are established for all employees in the People@Statoil process, which is our common process for managing people performance, development and rewards. Individual goals are set and evaluated in two dimensions, delivery and behaviour, reflecting that delivery and behaviour are equally weighted and rewarded accordingly.

Our approach to rewards comprises both financial and non-financial rewards. The rewards are competitive and designed to attract and retain talented people.The main remuneration elements are basic salary, variable pay and benefits. Together with non-financial rewards such as personal growth, development and recognition, these elements constitute a whole.

The reward concept reflects our competitive market strategy and local market conditions, and is aligned with statutory regulations and corporate governance requirements. We reward both short-term and long-term contributions and results.

Statoil's employees participate in a corporate variable pay scheme or are eligible for local variable pay. The levels and concepts may vary with local markets and business needs.

All employees can participate in the group share saving scheme, if no restrictions apply as a result of local legislation or business requirements. The company will match every share bought with one bonus share if kept for a period of two calendar years.The share savings programme currently covers 15 of the countries in which we operate and approximately 15,000 employees save on a regular basis. In Statoil ASA, approximately 80% of employees participate in the programme. The share saving scheme is a reward element that strengthens the common interests of Statoil's employees and shareholders

The reward system in Statoil is non-discriminatory and supports equal opportunities, which means that, given the same position, experience and performance, men and women will be at the same salary level. However, due to differences between women and men in types of positions and number of years' experience, there are some differences in compensation when comparing the general pay levels of men and women.

Figure: Ratio of basic salary of men to women by employee category.

Organisational capabilities

An engaged and committed workforce aligned with and living our values is essential for Statoil to operate as a sustainable business.

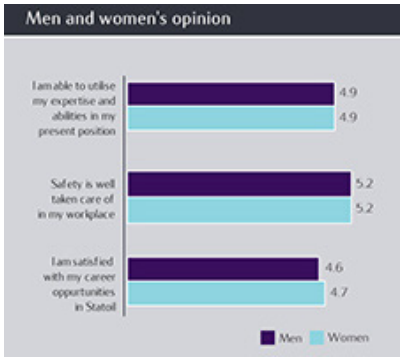
We have long worked systematically to improve the working environment, focus on monitoring activities and involve employees in the improvement work.

The most important tool in this area is Statoil's annual organisation and working environment survey, the global people survey (GPS). This survey provides an opportunity for our employees to give feedback on their current work situation and on issues that are vital to their well-being and effectiveness.

The results from the GPS survey from 2009 show that people are proud of their workplace. In 2009, 81% report that they strongly agree or agree that they speak of Statoil as being a great company to work for to their friends. The results also show strong identification with our values, with 78% reporting that they strongly agree or agree that they identify with Statoil's values. As we aim to create an inclusive working environment, it is meaningful to see that men and women in different age groups value aspects of the culture equally. The figures below show how men and women and people in different age groups reported on a scale from 1 to 6 on selected key questions in 2009.

The global people survey is closely linked to the corporate people strategy. Input from the survey forms the basis for several corporate key performance indicators (KPI). Statoil's "living the values" KPI represents the ability to incorporate our values into day-to-day work. The target for 2009 was 4.6, and we managed a result of 4.8. The People@Statoil KPI consists of two different elements: the completion rate for the People@Statoil-dialogue, and an index score for seven questions posed to all employees concerning the quality of the process. The scores from 2009 form the baseline for the KPI. In 2009 the completion rate was 92% and the score on the quality index was 4,5, where 6 is the highest possible score. The target for 2010 is 95% completion and 4.6 on quality.

Service station staff and truck drivers in the retail business complete a GPS that is customised to their needs and aligned with their strategic priorities. The general findings from this survey show that they are very satisfied with their working conditions, with 71% reporting that they would be happy to recommend Statoil as a great place to work, and 67% saying that they are proud to work for Statoil.



Employee and industrial relations

Statoil's cooperation with employee representatives and trade unions is based on confidence, trust and continuous dialogue between management and people in various cooperative bodies.

The involvement of our people and their appropriate representatives in our group is vital in relation to meeting the company's business objectives. Through this focus, we ensure that we act as a responsible employer and a social citizen wherever Statoil operates. In Statoil ASA, an estimated 69% of employees are members of a trade union. Work councils and working environment committees are established where required by law or agreement. These bodies are informed about and involved in business plans and perspectives, organisational changes and HSE issues.

Since 2007, Statoil has undergone major organisational changes as a result of the merger between Statoil and Hydro's oil and gas division. In 2009, Statoil finalised the merger by implementing its new operating model on the Norwegian continental shelf, which affected 5000 offshore employees. The unions and the company agreed on the principles for the new collaboration model, which involve simplifying and decentralising the model.

In 2009, one of Statoil's cooperation priorities was to improve relations with European employee representatives. The European Work Council (EWC) consists of employee representatives from nine European countries, mostly from the retail side of the business. The EWC is an arena where Statoil's employees in Europe receive relevant information on a regular basis, and engage in direct dialogue with management on matters concerning the group as a whole. Two conferences were held for this purpose in 2009.

In 2009, Statoil has contributed to the global social dialogue in the oil industry by promoting good employee and industrial relations practises. This includes sending a delegate to the global tripartite meeting for the oil industry organised by the International Labour Organization (ILO).

Statoil is also currently party to an international agreement with the International Federation of Chemical, Energy, Mine and General Workers Union (ICEM). This agreement supports and facilitates Statoil's ambition to further promote and develop good employee and industrial relations on a broad global basis.

Equal opportunities

We are committed to building a workplace that promotes diversity and inclusion through its people processes and practices.

In December 2009, the overall percentage of women in the company was 37%, and 40% of the board of directors were women, as were 22% of the corporate executive team. The focus on diversity issues is also reflected in the company's people strategy. One of the key priorities in 2009 has been to strengthen diversity in the leadership pipeline. The total proportion of female managers in Statoil ASA is 25%, and, among managers under the age of 45, the proportion is 34%.

Through our development programmes, we aim to increase the number of female managers, and we endeavour to give equal representation to men and women in leadership development programmes. In 2009, we worked systematically on the development, deployment and succession planning of business-critical leadership positions. Of leaders promoted to the top 170 roles in 2009, 47% were female. Of the 84 senior vice presidents in Statoil, 24% are female, while 35% of our successor pool for these roles are female.

We also devote close attention to male-dominated positions and discipline areas. In 2009, 26% of staff engineers were women, and among staff engineers with up to 20 years' experience, the proportion of women is 31%. The proportion of female skilled workers in 2009 was 16%.

Cultural diversity

We believe that being a global and sustainable company requires people with a global mindset. One way to build a global company is to ensure that recruitment processes both within and outside Norway contribute to a culturally diverse workforce. In December 2009, 4% of the managers and 7% of the rest of our employees based in our Statoil offices in Norway are of non-Norwegian origin.

Outside Norway, we need to continue to focus on increasing the number of people and managers that are locally recruited, and to reduce long-term, extensive use of expats in our business operations.

Health and the workplace

A good, health-promoting working environment is of great importance if we are to reach our goals.

What are the challenges?

Systematic efforts are made to improve the working environment in order to avoid accidents, work-related diseases and sickness absence. The term "working environment" includes all physical and organisational factors relating to humans, technology and organisation and includes exposure and interaction. We also emphasise psychological as well as social well-being and the positive promotion of health for all employees.

Our health and working environment strategy is based on a risk assessment. Five strategic areas have been identified. They guide the prioritisation of health and working environment activities: chemical exposure, workload, noise, ergonomics, and health promotion.

What are we doing?

Managing chemical health risk is an important area in terms of our sustainable development. The Chemical Centre is the key to ensuring a consistent process in chemical management. The business areas continue their work on chemical risk management. They perform systematic occupational hygiene measurements and risk assessments of work processes and work areas where exposure to hazardous chemicals could occur. In addition, we endeavour to develop and implement new technology to improve the chemical working environment. We run several research and development projects relating to chemical health risks.

A good psychosocial working environment promotes better performance and creativity, greater tolerance and presence at work. Systematic risk management of the psychosocial working environment and the implementation of actions contributes to health-promoting workplaces.

To avoid work-related musculoskeletal disorders among employees, we recognise that optimal workplace design, access and transportation, good working positions and flexible tasks are of vital importance. During the last few years, we have given special attention to ergonomics/human factors in workplace design and risk assessment of operational activities. We also acknowledge that a human factor-based design will contribute to increasing efficiency and reduce the risk of human errors.

We recognise that noise and damage to hearing are significant challenges in our industry. Reducing the risk of noise-induced hearing damage is a priority and therefore also an important strategic area in Statoil. Ongoing projects to identify, assess and manage noise are being carried out on Norwegian offshore installations. Statoil is funding several noise research projects in hearing protection and noise exposure. This includes an analysis of the hearing status of offshore workers and the use of a hearing loss simulator. We aim to establish new technology and new knowledge to prevent occupational hearing damage.

Statoil has introduced the "Inspiration" health promotion programme – an initiative aimed at inspiring employees to make healthier choices in their daily lives. The main focus of "Inspiration" is on physical activity, nutrition, a stop-smoking programme and substance abuse awareness. The "Inspiration" initiative will be introduced in our international operations in 2010.

We monitor risk related to the working environment, and we monitor the health of our people. We have highly skilled occupational health and working environment professionals throughout the company.

Risk analyses were carried out and business continuity plans established in order to address the risk from the influenza A/H1N1 virus pandemic.

Expatriates with dependent/family undergo relevant health assessment/examination, necessary vaccination and relevant health training before expatriation. During expatriation, expatriates and dependent/family will undergo health control adjusted to local needs and conditions, and when terminating the expatriation period they undergo a health control with special attention to infectious diseases and other relevant issues based on a risk assessment. For certain areas expatriates and dependent/family are informed about food and water safety.

What have we achieved?

Business areas that have worked systematically on psychosocial issues, e.g. the "Psychosocial Risk Management" approach (PRIMA), have shown improvements in health and well-being.

On offshore installations, the occupational health service includes primary health care of injured and sick personnel. Telemedicine by Integrated Operation on all Norwegian offshore installations has been fully implemented in 2009. Platform-based nurses and medical doctors onshore are connected by videoconferencing equipment. All installations are also covered by a search and rescue service.

In international operations, much work has been done to ensure healthy conditions and healthy workers at all our locations. This work starts with baseline studies at the location followed by implementation of company requirements for health and the working environment. Before employees and their families are sent abroad, they undergo thorough medical screening and health advice tailored to the location.

There must be emphasis on the prevention of illness as well as on high-quality treatment whenever necessary. To ensure rapid service for employees on international assignments and worldwide travel, Statoil runs a phone line medical duty roster 24/7 from Norway.

Systematic involvement of working environment professionals and employee representatives in the design process of new work processes and workplaces has contributed to healthy workplace design.

In connection with the implementation of design for integrated operations, human factors expertise has been important in providing analysis and a basis for efficient and error-tolerant solutions. Human factors expertise has also been used to improve our methods of incident investigation. A new tool for assessing organisational safety has also been developed in cooperation with safety professionals.

A programme for a pilot for noise control has been developed and will utilise R&D experience to provide improved hearing protection and control.

Our R&D activities focused on chemical management in 2009. Important results have been achieved in relation to oil mist/vapour and control of exposure when working in habitat tents. The project for the characterisation of chemical health risk throughout the production process will be an important activity in 2010, and the results of this project will help us to control risk in our operations.

Statoil is actively involved in the petroleum industry joint project for the chemical working environment (OLF Kjemisk). Statoil has provided the project leader and chaired the management committee of the project. We participate in various management and discipline committees for sub-projects.

Our health and working environment professionals have participated at national and international conferences with presentations and posters, and shared our experiences and knowledge with others.

The "Inspiration" health-promoting initiative has inspired thousands of employees in Norway to participate in physical activities.

Controlling and managing chemicals

Statoil is a large industrial end-user of chemicals, but it also produces and distributes chemical substances and products. We are thereby subject to a number of national and international requirements laid down in statutes and regulations.

As an important part of securing compliance with requirements, but also to challenge our internal choice of chemicals, we have gathered together expertise in health, safety and the environment (HSE) in a Chemical Centre.

We use many and large amounts of chemicals. They are used in drilling and well activities, processing, refining, maintenance and construction, and in the production of chemicals for sale. To ensure good and correct documentation, manage the choice of chemicals and provide for safe handling, the company has made it a requirement that chemicals' HSE properties are registered and assessed prior to procurement. This is performed by the Chemical Centre.

Chemicals with properties that have the greatest potential to inflict injury or illness and chemicals that are subject to restrictions or regulatory requirements are barred from procurement and transport to our facilities until measures have been initiated or alternatives found.

Our ambition is to be an industry leader in the field of HSE . As part of our HSE strategy for the coming years, we are therefore strengthening our work on identification and analysis, and on implementing measures in relation to exposure to chemicals and the risk of illness. We are also continuing work on reducing the use of hazardous chemicals that can harm the environment if they are discharged. We continuously assess the results of research and monitor advice and recommendations issued by important international institutions and government agencies. This has led to internal assessments of the properties of chemical substances being stricter in some cases than national regulations dictate. At the same time, we challenge the supplier industry to develop solutions and products with the best possible HSE properties. The Chemical Centre plays an important role in this collaboration.

Good documentation of the properties of chemicals and documentation of their use over time are key requisites for management and control. Documentation is also important in order to report to the authorities, spread information and lend assistance if questions are raised about any connection between previous use and consequences for people or the environment. The significance of, and requirement for, good documentation has become much clearer in recent years as a result of the European Union's new chemicals regulation, REACH. To support these work processes, our Chemical Centre therefore administers large information databases.

Our products

We produce and sell a wide range of products developed from fossil and renewable sources. Our aim is to develop high quality products that meet customer requirements while resulting in the lowest possible resource consumption and environmental impact.

What are the challenges?

One of our main challenges is to reduce greenhouse gas (GHG) emissions resulting from the production and use of our products. The blending of bio-components in transportation fuel is a measure aimed at reducing greenhouse gas (GHG) emissions by the transport sector. Sustainable production of biofuel components is a challenge for the industry. Regulative and legislative frameworks are under development, but there is no industry standard or well established system regulating sustainability issues in the biofuel supply chain. The challenge for production is to find a way to be as energy-efficient as possible in order to reduce GHG emissions or find technology to capture carbon dioxide from power station flue gases.

What are we doing about it?

Statoil is addressing the challenges of sustainable supply of biofuel by imposing requirements on sellers. Sellers are expected to comply with national laws on soil management, contamination and depletion of water sources, air emissions and burning practices. Compliance with national laws and applicable International Labour Organisation standards with respect to forced labour, child labour, freedom of association and discrimination is also required. Suppliers are also expected to operate in accordance with the United Nation's Global Compact Initiative (UN) and UN Declaration on Human rights, in particular the rights of indigenous people, the right to food and water and the prohibition on forced displacement. Sellers should also commit to respecting land rights and to preventing displacement of food production.

At the Statoil Mongstad oil refinery, energy supply is central to the new combined heat and power (CHP) station. Surplus gas from refining operations is used along with supplies from Troll to generate electricity for the grid and heat for refinery processes. This is an important contribution to meeting regional energy needs, which in turn allows Troll and Gjøa (offshore installations in the North Sea) to be supplied safely and efficiently with power from shore as well as contributing to energy efficiency at the refinery.

Statoil also joined forces with the Norwegian state enterprise Gassnova and Shell to develop and test various types of technology for capturing carbon dioxide from power station flue gases. This work, which is taking place at the Mongstad oil refinery, aims to come up with solutions that can be applied internationally.

The material safety datasheets (MSDS) and the product data sheet contain descriptions of what the products consist of, how to handle them and any detrimental health or environmental effects. These descriptions comply with EU legislation. In the process of developing new products, we actively seek to find less harmful components and chemicals to reduce the negative impacts of our products.We are in close cooperation with a technical oil industry organisation, CONCAWE , regarding studies on fuel quality, energy use and greenhouse gas emissions from motor fuel, as well as production processes and engine technology. Health and safety impacts of our products are assessed for improvements through EU's chemical regulation programme (REACH).

What have we achieved?

In January 2009, the Directive of the European Union on Renewable Energy Sources (RED) set a range of sustainability conditions to be met by any biofuel source on the EU market. Statoil has developed sustainability criteria for all biofuel supplies to Statoil based on the RED standards. Based on these sustainability criteria, requirements for sustainable supplies have been made operational and included in Statoil's bio fuel purchase contracts. Statoil has the right to independent auditing of the seller's contractual commitments to sustainability and to audit information on sustainability requirements supplied to Statoil.

In cooperation with the automotive industry, the European Comission and CONCAWE a "well to wheel" study is regularly updated, and the results are published on the Internet (http://ies.jrc.ec.europa.eu/WTW). The database resulting from this work forms the starting point for our selection of environmentally appropriate solutions.In 2009, the volumes of biofuel sold from Statoil reduced carbon dioxide emissions by 287,000 tonnes.

Key sustainability performance data

In this section you will find an overview of the key data on our sustainability performance in our HSE accounting and social performance, as well as the assurance report from our auditors, Ernst & Young.

HSE accounting

Statoil's objective is to operate with zero harm to people and the environment and in accordance with principles ...

Social performance data

The table shows key social performance data for Statoil, such as gender, trade union membership, social investmen...

Independent assurance report from Ernst & Young AS

To the stakeholders of Statoil ASA Scope and limitations of our Engagement We have...

HSE accounting

Statoil's objective is to operate with zero harm to people and the environment and in accordance with principles for sustainable development. We support the Kyoto Protocol and apply the precautionary principle in the conduct of our business.

Our HSE management system is an integrated part of our total management system, and it is described in our governing documents.

A key element in our HSE management system is recording, reporting and assessing relevant data. HSE performance indicators have been established to provide information about historical trends. The intention is to document quantitative developments over time and use the information in decision-making and for systematic and purposeful improvement efforts.

The HSE data are compiled by the business units and reported to the corporate executive committee, which evaluates trends and decides whether improvement measures are required. The chief executive submits the HSE results and associated assessments to the board together with the group's quarterly financial results. These results are posted on our intranet and internet sites. Quarterly HSE statistics are compiled and made accessible on our website through the performance report.

Our three group-wide performance indicators for safety are the Total Recordable Injury Frequency (TRIF), the Lost-Time Injury Frequency (LTIF) and the Serious Incident Frequency (SIF). These are reported quarterly at corporate level for Statoil employees and contractors. Statistics on our employees' sickness absence are reported annually.

The group-wide environmental indicators are reported annually at corporate level, with the exception of oil spills which are reported quarterly. The environmental indicators are reported for Statoil operated activities. This includes the Gassled facilities at Kårstø and

Kollsnes, for which Gassco is operator, while Statoil is responsible for the technical operation (technical service provider).

Historical data include figures relating to acquired operations from the acquisition date. Correspondingly, figures relating to divested operations are included up to the divestment date.

Results

We had six fatalities in 2009 in four different accidents. On 7 May 2009, we experienced a fatal accident in connection with the dismantling of scaffolding on Oseberg B, in which one of our contractor employees died. Three of our employees in Brazil were onboard Air France flight 447 which disappeared over the Atlantic on 1 June. On 7 September, a fatal accident occurred on the LPG carrier "Lady Shana" during a port call at Petit Couronne in France when a crew member fell from the shore gangway and into the river Seine. On 17 October, a fatality occurred when one of our contractors died on Statoil Canada's Leismer lease, located approximately 150 km south of Fort McMurray, Alberta.

The HSE accounting shows the development of the HSE performance indicators over the past five years. The use of resources, emissions and waste volumes for selected Statoil operated land-based plants and for Statoil-operated activities on the Norwegian continental shelf are shown in separate environmental overviews. See also the information on health, safety and the environment in the review of Statoil operations and the directors' report.

During 2009, our operations account for more than 154 million working hours (including contractors). These hours form the basis for the frequency indicators in the HSE accounting. Contractors handle a large proportion of the assignments for which Statoil is responsible as operator or principal enterprise.

Statoil's safety results with respect to serious incidents have been at a stable level in recent years. The overall Serious Incident Frequency (SIF) indicator decreased from 2008 (2.2) to 2009 (1.9).

There has been a decrease in the number of total recordable injuries per million working hours (TRIF) in 2009 (4.1) compared with 2008 (5.4). Contractor TRIF at year end 2009 was 4.8, and Statoil employee TRIF was 2.9. The lost-time injury frequency (injuries leading to absence from work) was 1.6 in 2009, a decrease from 2008 (2.1).

In addition to our HSE accounting at group level, the business units prepare more specific HSE statistics and analyses that are used in their own improvement efforts.

We were fined NOK 25 million by the public procecution authorities in Norway on 18 December 2009 in connection with an oil leakage incident that took place on 12 December 2007 on the Norwegian

continental shelf. Statoil E&R has been fined a total of NOK 0.1 million in connection with approximately twenty minor issues related to, e.g,. food safety, the handling of liquid fuel and the transportation of dangerous goods. Statoil was fined NOK 2 million in December 2008 for a pollution of oil that occurred on 23 November 2005 on the Norne field, for not responding in accordance with the emergency preparedness plan.

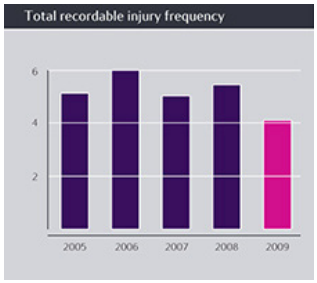
HSE performance indicators

Here we present charts and statistics for our HSE performance indicators.

Total recordable injury frequency

Definition: The number of fatalities, lost-time injuries, cases of alternative work necessitated by an injury and other recordable injuries, excluding first-aid injuries, per million working hours.

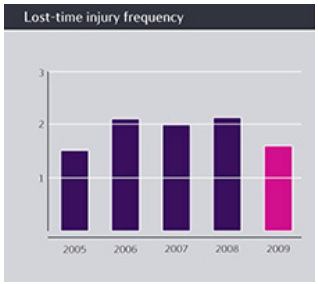
Developments: The total recordable injury frequency (including both Statoil employees and contractors) decreased from 5.4 in 2008 to 4.1 in 2009. For Statoil employees, the frequency decreased from 3.4 in 2008 to 2.9 in 2009, and for our contractors, the total recordable injury frequency decreased from 6.6 in 2008 to 4.8 in 2009.



Lost-time injury frequency

Definition: The number of lost-time injuries and fatal accidents per million working hours.

Developments: The lost-time injury frequency (including both Statoil employees and contractors) decreased from 2.1 in 2008 to 1.6 in 2009. The frequency for Statoil employees decreased from 1.7 in 2008 to 1.4 in 2009, and for our contractors, the lost-time injury frequency decreased from 2.3 in 2008 to 1.7 in 2009.

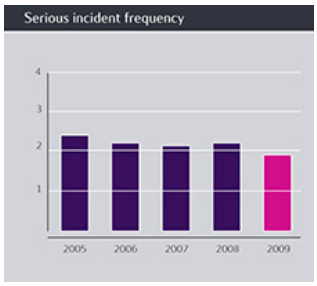


Serious incident frequency

Definition: The number of incidents of a very serious nature per million working hours (1).

Developments: The serious incident frequency (including both Statoil employees and contractors) decreased from 2.2 in 2008 to 1.9 in 2009.

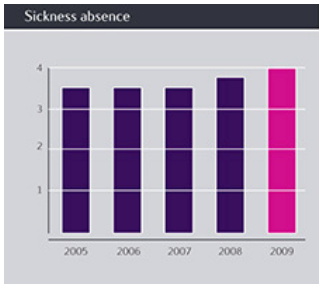
(1) An incident is an event or chain of events that has caused or could have caused injury, illness and/or damage to/loss of property, the environment or a third party. Matrices for categorisation have been established in which all undesirable incidents are categorised according to the degree of seriousness, and this forms the basis for follow-up in the form of notification, investigation, reporting, analysis, experience transfer and improvement.



Sickness absence

Definition: The total number of days of sickness absence as a percentage of possible working days (Statoil employees).

Developments: Sickness absence in Statoil increased from 3.7 % in 2008 to 4.0 % in 2009. At the same time, the reporting scope has increased and larger parts of the organisation are now included. Sickness absence in Statoil ASA in Norway has been stable in recent years at approximately 4.0 %. The sickness absence is closely followed up by managers at all levels.



Oil spills

Definition: Unintentional oil spills to the natural environment from Statoil operations (in cubic metres) (2).

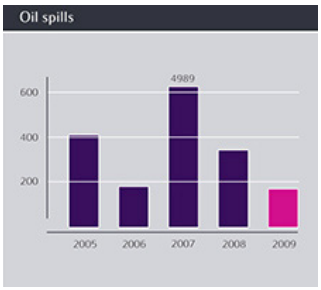
Developments: The monthly average number of unintentional oil spills in 2009 is still stable. The total volume of spilled oil (net volume > 0) has however been reduced with about 50 % as compared to 2008.

(2) All unintentional oil spills reaching the natural environment from Statoil operations are included in the figure.

Definition: Other unintentional spills to the natural environment from Statoil operations (in cubic metres) (3).

Developments: The number of other unintentional spills (net volume > 0) in 2009 is at the same level compared to 2008. The total volume of spills in 2009 has however been reduced by nearly 35 % as compared to 2008.

(3) All unintentional spills of chemicals, produced water, ballast water and polluted water reaching the natural environment from Statoil operations are included.

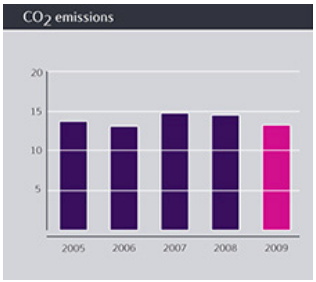


CO_2 emissions

Definition: Total emissions of carbon dioxide (CO2) in million tonnes from Statoil operated activities (4)

Developments: CO2 emissions decreased from 14.4 million tonnes in 2008 to 13.1 million tonnes in 2009. Both CO2 from energy production and CO2 from flaring have been reduced. This is mainly because of a reduction in Exploration and Production Norway of approx. 1.1 million tonnes CO2 . International Exploration and Production has a reduction of approx. 0.2 million tonnes CO2 from 2008 to 2009. This is mainly due to reduced flaring at South Pars and production at Lufeng only first half 2009.

(4) Carbon dioxide emissions include carbon dioxide from energy and heat production, flaring (including well testing/well work-over), rest emissions from carbon dioxide capture and treatment plants and process emissions.

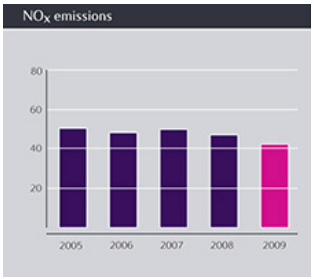


NO_x emissions

Definition: Total emissions of nitrogen oxides (NOx) in thousand tonnes from Statoil operated activities (5)

Developments: NOx emissions decreased from 46.7 thousand tonnes in 2008 to 42.3 thousand tonnes in 2009. Both NOx from energy production and NOx from flaring have been reduced. All business areas have reduced their NOx emissions.

(5) Nitrogen oxide emissions include nitrogen oxides from energy and heat production in our own plants, transportation of products, flaring (included well testing/well work over) and treatment plants.



CH4 emissions

Definition: Total emissions of methane (CH4) from Statoil operated activities (6)

Developments: CH4 emissions were 32900 tonnes in 2009. CH4 emissions are approximately 10 % higher in 2009 compared to the year 2008. CH4 from energy production and methane from flaring has been reduced. CH4 from diffuse sources (including cold venting) has increased.

(6) CH4 emissions include CH4 from energy- and heat production in own plant, flaring (included well testing/well work over), cold venting, diffuse emissions and also storage and loading of crude oil.

Global warming potential (GWP)

Definition: Global warming potential (GWP) is Statoil's share of greenhouse gas emissions from Statoil operated activities and activities operated by others (7)

Developments: GWP was 10.0 million tonnes CO2 equivalents for 2009. GWP has been at the same level through the year 2009.

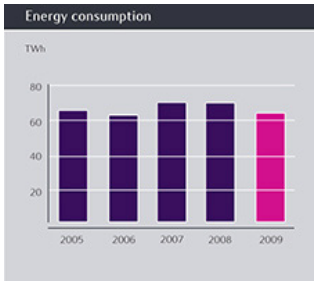
(7) The unit of measurement is "tonnes of carbon dioxide equivalent". This indicator is calculated based on Statoil's share of emissions of carbon dioxide and methane, using the following formula: [1*(emissions of CO2)]+[21* (emissions of CH4)].

Energy consumption

Definition: Total energy consumption in terawatt-hours (TWh) for Statoil operated activities (8)

Developments: Energy consumption decreased from 69.6 TWh in 2008 to 63.6 TWh in 2009. The energy consumption and the CO2 emissions basically follow the same pattern.

(8) Energy consumption includes energy from power- and heat production based on combustion, unused energy from flaring (including well testing/well work-over and venting), energy sold/delivered to third party and gross energy (heat and electricity) imported from contractor.



Non-hazardous waste recovery rate

Definition: The recovery rate for non-hazardous waste comprises non-hazardous waste from Statoil-operated activities and represents the amount of non-hazardous waste for recovery as a proportion of the total quantity of non-hazardous waste (9)

Developments: The non-hazardous waste recycling ratio has been at the same level (63-73 %) during 2009 and the average value for 2009 was 69 % .

(9) The quantity of non-hazardous waste for recovery is the total quantity of non-hazardous waste from the plant's operations that has been delivered for re-use, recycled or incinerated with energy recovery.

Hazardous waste recovery rate

Definition: The hazardous waste recovery rate for comprises hazardous waste from Statoil operated activities and represents the amount of hazardous waste for recovery as a proportion of the total quantity of hazardous waste (10)

Developments: The amount of hazardous waste has increased by approx. 10% in 2009 compared to the year 2008. The waste recovery ratio has decreased from 86 % in 2008 to 61 % in 2009.

(10) The quantity of hazardous waste for recovery is the total quantity of hazardous waste from the plant's operations that has been delivered for re-use, recycled or incinerated with energy recovery (the total amount of hazardous waste, excluding hazardous waste sent to an approved deposition facility).

Environmental data

Environmental data for our land-based installations in Norway and Denmark.

Norwegian contintental shelf

Energy Diesel 2,045 GWh Electricity 314 GWh Fuel gas 32,810 GWh Flare gas 3,500 GW...

Snøhvit LNG installation

Energy: Electricity 104 GWh Flare gas 926 GWh Fuel gas 2,680 GWh Diesel 1.1 GWh Ra...

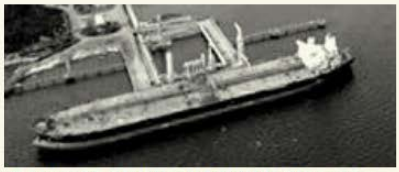
Tjeldbergodden

Energy Diesel 2 GWh Electricity 233 GWh Fuel gas 1,490 GWh Flare gas 119 GWh Raw m...

Mongstad

Energy Electricity consumption 503 GWh Fuel gas and steam 6,600 GWh Flare gas 204 ...

Sture processing plant



Energy Electricity 159 GWh Flare gas 0.09 GWh Fuel gas 351 GWh Diesel 0.17 GWh Raw...

Kalundborg

Energy Electricity 190 GWh Steam 162 GWh Fuel gas and oil 2,440 GWh Flare gas 67 G...

Kollsnes processing plant

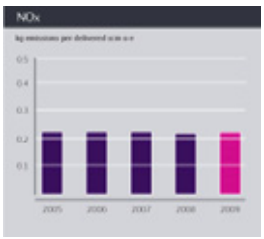
Energy Electricity 1,130 GWh Flare gas 109 GWh Fuel gas 204 GWh Diesel 0,51 GWh Ra...

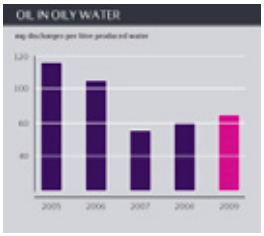
Kårstø gas processing plant and transport systems

Energy (10) (11) Fuel gas 5,260 GWh Electricity bought 720 GWh Diesel 3 GWh Flare ...

Norwegian contintental shelf

Energy	
Diesel	2,045 GWh
Electricity	314 GWh
Fuel gas	32,810 GWh
Flare gas	3,500 GWh
Raw materials	
Oil/condensate	92 mill. scm
Gas (2)	114 bn. Scm
Produces water	123 mill. m3
Utilities	
Chemicals process/prodn	61,900 tonnes
Chemicals drilling/well	363,750 tonnes
Other:	
Fresh water consumption	416,800 m3
Products	
Oil/condensate	92 mill. scm
Gas for sale	77 bn. Scm
Emissions to air	
CO2	8.5 mill.tonnes
nmVOC (3)	29,430 tonnes
Methane (3)	20,600 tonnes
NOx	36,490 tonnes
SO2	248 tonnes
Unintentional emissions of HC gas (4)	23,800 kg
Discharges to water	
Produced water	105 mill. scm
Oil in oily water (5)	1,226 tonnes
Spills	
Unintentional oil spills	105 m3
Other unintentional spills	204 m3
Chemicals (6)	
Process/production	30,300 tonnes
Drilling/well	86,960 tonnes
Waste (7)	
Non-hazardous waste for deposition	1,720 tonnes
Non-hazardous waste for recovery	11,550 tonnes
Non-hazardous waste recovery rate	86 %





Hazardous waste for deposition	37,000 tonnes
Hazardous waste for recovery	80,830 tonnes

Other:	
Produced water injected in the ground	26 mill. m3

Annotations
(1) Includes British part of Statfjord
(2) Includes fuel (3,0 bill. Sm3), flare (0,3 bill. Sm3) and gas injection (32,5 bill. Sm3)
(3) Includes diffuse emissions, flare and engergy production
(4) Estimated values based on gas leakage rate and duration
(5) Includes oil from produced water, drain water, ballast water and jetting
(6) Includes 98500 tonnes water and green chemicals/ingredients
(7) Includes waste from onshore bases. Waste from drilling represent 111 000 tonnes.

Snøhvit LNG installation

Energy:	
Electricity	104 GWh
Flare gas	926 GWh
Fuel gas	2,680 GWh
Diesel	1.1 GWh

Raw materials	
Gas Snøhvit	4,030 mill scm
Condensate Snøhvit	0.6 mill scm

Utilities	
Amine	39.4 m3
Hydraulic fluids*	20 m3
Caustics	185 m3
Monoethylene glycol	0 m3
Other Chemicals	90.7 m3

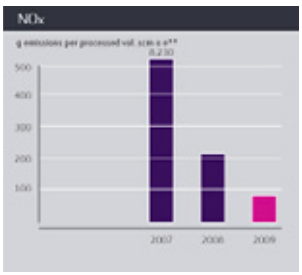
Water consumption	
Fresh water	115,000 m3

Products	
LNG	5.20 mill scm
LPG	0.30 mill scm
Condensate	0.51 mill scm

Emissions to air	
CO2	805,000 tonnes
NOx	438 tonnes
H2S	3.40 tonnes
SO2	3.59 tonnes
nmVOC	748 tonnes
Methane	744 tonnes

Discharges to water	
Treated water and open drain water	80,100 m3
Amine	0.22 tonnes
Ammonium	0.26 tonnes
BTEX	0.08 tonnes
Phenol	0.02 tonnes
Hydrocarbons	0.04 tonnes
TOC	1.36 tonnes
Heavy metals	0.01 tonnes

Spills	
Unintentional oil spills	0 m3
Other unintentional spills	1.02 m3

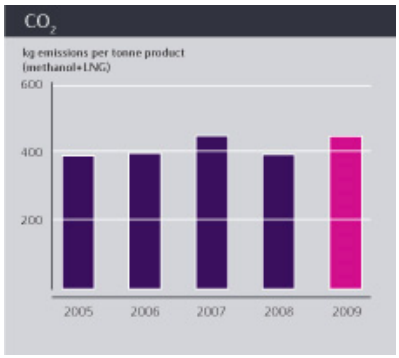


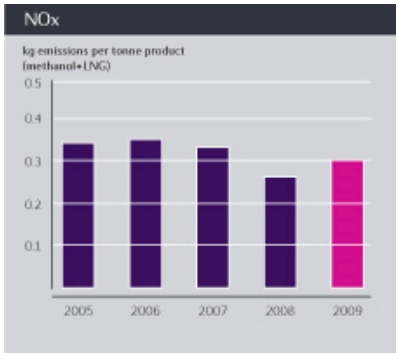
Waste	
Non-hazardous waste for deposition	549 tonnes
Non-hazardous waste for recovery	531 tonnes
Non-hazardous waste recovery rate	49.2 %
Hazardous waste for deposition	337 tonnes
Hazardous waste for recovery	734 tonnes
Hazardous waste recovery rate	67.2 %

Annotations
* Utilities include hydraulic fluids used in Hammerfest LNG Offshore/subsea part System 18
** Calculation of OE for produced LNG/LPG is done by using OLF factor for NGL; 1tonn NGL = 1,9 Sm3 o.e.

Tjeldbergodden

Energy	
Diesel	2 GWh
Electricity	233 GWh
Fuel gas	1,490 GWh
Flare gas	119 GWh
Raw materials	
Rich gas	416,000 tonnes
Utilities	
Caustics	286 tonnes
Acids	55 tonnes
Other chemicals	15 tonnes
Water consumption	
Fresh water	494,000 m3
Products	
Methanol	711,000 tonnes
Oxygen	9,580 tonnes
Nitrogen	34,800 tonnes
Argon	14,000 tonnes





LNG	8,930 tonnes

Emissions to air (1)	
CO2	316,000 tonnes
nmVOC	251 tonnes
methane	581 tonnes
NOx	217 tonnes
SO2	0.6 tonnes
Unintentional emissions of HC gas	0 tonnes

Discharges to water	
Cooling water	182 mill m3
Total organic carbon (TOC)	3.46 tonnes
Suspended matter	0.59 tonnes
Total-N	1.75 tonnes

Spills	
Unintentional oil spills	0 m3
Other unintentional spills	0.01 m3

Waste (2)	
Non-hazardous waste for deposition	42 tonnes
Non-hazardous waste for recovery	83 tonnes
Non-hazardous waste recovery rate	66 %
Hazardous waste for deposition	101 tonnes
Hazardous waste for recovery	24 tonnes
Hazardous waste recovery rate	19 %

Annotations
(1) Figures for nmVOC/methane include emissions from flaring
(2) Hazardous waste for deposition is sludge from the waste water treatment plant

Mongstad

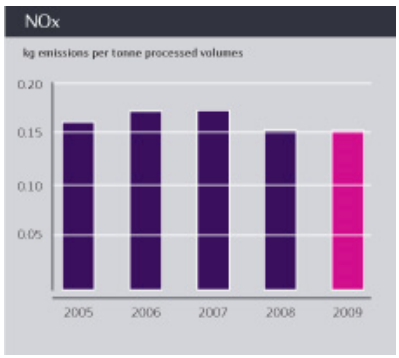
Energy	
Electricity consumption	503 GWh
Fuel gas and steam	6,600 GWh
Flare gas	204 GWh

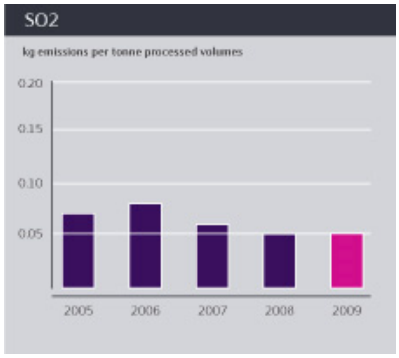
Raw materials	
Crude oil	7,740,000 tonnes
Other process raw materials	3,130,000 tonnes
Blending components	232,000 tonnes

Utilities	
Acids	539 tonnes
Caustics	2,390 tonnes
Additives	1,890 tonnes
Process chemicals	4,040 tonnes

Water consumption	
Fresh water	4,510,000 m3

Products (tonnes)	9,960,000 tonnes
Propan	Butane
Naphta	Gas oil





Petrol	Petcoke/sulphur
Jet fuel	

Emissions to air	
CO2	1,550,000 tonnes
SO2	516 tonnes
NOx	1,670 tonnes
nm-VOC refinery + CHP	6,890 tonnes
nm-VOC terminal	555 tonnes
Methane (2)	6,120 tonnes
Unintentional emissions of HC gas (3)	10 tonnes

Discharges to water	
Oil in oily water (4)	5 tonnes
Phenol	2 tonnes
Total Nitrogen (5)	52 tonnes
Total organic carbon (TOC)	86 tonnes
Suspended Solids (SS)	51 tonnes

Spills	
Unintentional oil spills (6)	0.5 m3
Other unintentional spills (6)	1.1 m3

Waste (7)	
Non-hazardous waste for deposition	1,670 tonnes
Non-hazardous waste for recovery	3,090 tonnes
Non-hazardous waste recovery rate	65 %
Hazardous waste for deposition	1,670 tonnes
Hazardous waste for recovery	16,100 tonnes
Hazardous waste recovery rate	91 %

Energy	
Electricity produced (8)	15 GWh

Annotations

1. Included data for the refinery, crude oil terminal, Vestprosess facilities and Combined Heat and Power Plant (CHP).
2. Reported methane emissions have risen from 2007/8 to 2009. Largely due to new factors derived from measurements by Spectrasyne in 2009. When looking at VOC as a sum of methane and nmVOC the emissions have decreased since 2007 (the emissions in 2008 were low because of RS-08). The nmVOC recovery unit does not recover methane.
3. Included in nm-VOC refinery + CHP and Methane
4. Due to an icident in october 2008 the average of oil in oily water increased in 2008 and thus higher than the avreage in 2009.The effect of clearing of oily sludge in the water treatment plant seems to be good and the level of oil in oily water is lower than the level for the past six years.
5. Includes Nitrogen from the water treatment plant and from scrubber A-4830 (SNCR plant)
6. All spills are net values - to ground - none to water.
7. Increase of 6 % in total amount of non-hazardous waste from 2008 to 2009. Increase of 20 % in total amount of hazardous waste from 2008 to 2009. Might be due to higher project activity on Mongstad in 2009, and no turnarounds this year.
8. Electrisity produced in the CHP plant

Sture processing plant

Energy		
Electricity	159	GWh
Flare gas	0.09	GWh
Fuel gas	351	GWh
Diesel	0.17	GWh
Raw materials		
Crude oil	23.4	mill scm
Utilities		
Hydrochloric acid	6.84	tonnes
Sodium hydroxide	10.6	tonnes
Methanol	418	m3
Water consumption		
Fresh water	509,000	m3
Products		
LPG	757,000	scm
Naphta	448,000	scm
Crude oil export	21.8	mill scm
Emissions to air		
CO2	79,700	tonnes
NOx	35.2	tonnes
Unintentional HC-gas emissions	0	tonnes
nmVOC	2,490	tonnes
Methane	309	tonnes
Discharges to water		
Treated water and open drain water	767,000	m3
TOC	84.0	tonnes
Hydrocarbons	1.83	tonnes
Spills		
Unintentional oil spills	0	m3
Other unintentional spills	0	m3
Waste		
Non-hazardous waste for deposition	35.7	tonnes
Non-hazardous waste for recovery	195	tonnes
Non-hazardous waste recovery rate	85.0	%
Hazardous waste for deposition	0.64	tonnes
Hazardous waste for recovery	46.7	tonnes
Hazardous waste recovery rate	99.0	%

Kalundborg

Energy	
Electricity	190 GWh
Steam	162 GWh
Fuel gas and oil	2,440 GWh
Flare gas	67 GWh

Raw materials	
Crude oil	4,750,000 tonnes
Other process raw materials	2,920 tonnes
Blending components	198,000 tonnes

Utilities	
Acids	662 tonnes
Caustics	1,140 tonnes
Additives	610 tonnes
Process chemicals	667 tonnes
Ammonia (liquid)	2,070 tonnes

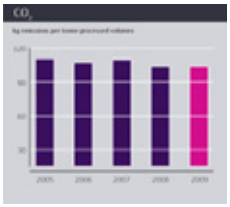
Water consumption	
Fresh water	1,620,000 m3

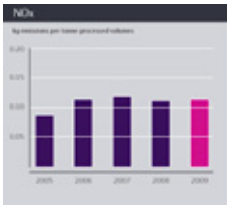
Products	4,800,000 tonnes
Naphta	82,100 tonnes
Petrol	1,540,000 tonnes
Jet fuel	130,000 tonnes
LPG (butane, propane)	70,900 tonnes
Gas oil	1,780,000 tonnes
Fuel oil	361,000 tonnes
ATS (fertiliser)	6,500 tonnes
Fuel	836,000 tonnes

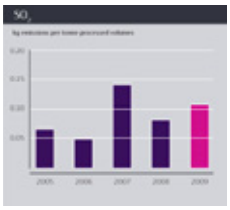
Emissions to air	
CO2	502,000 tonnes
SO2	512 tonnes
NOx	559 tonnes
Methane	2,090 tonnes
nmVOC	4,790 tonnes
Unintentional emissions of HC gas	– tonnes

Discharges to water	
Oil in oily water	2.2 tonnes
Phenol	0.02 tonnes
Suspended matter	7 tonnes
Nitrogen	4.7 tonnes

Spills	
Unintentional oil spills	15.1 m3
Other unintentional spills	0.11 m3







Waste	
Non-hazardous waste for deposition	50 tonnes
Non-hazardous waste for recovery	356 tonnes
Non-hazardous waste recovery rate	88 %
Hazardous waste for deposition	0 tonnes
Hazardous waste for recovery	5,240 tonnes
Hazardous waste recovery rate	100 %

Kollsnes processing plant

Energy	
Electricity	1,130 GWh
Flare gas	109 GWh
Fuel gas	204 GWh
Diesel	0,51 GWh

Raw materials	
Rich gas Troll A	19.2 bn scm
Rich gas Troll B	2.33 bn scm
Rich gas Troll C	2.93 bn scm
Rich gas Kvitebjørn	5.28 bn scm
Rich gas Visund	1.17 bn scm

Utilities	
Monethylene glycol	1,030 m3
Caustics	35 m3
Other Chemicals	119 m3

Water consumption	
Fresh water	67,400 m3

Products	
Gas	31.0 bn scm
NGL	2.04 mill. scm

Emissions to air	
CO2	64,200 tonnes
NOx	22 tonnes
CO	28 tonnes
nm VOC	546 tonnes
Methane	1,280 tonnes

Discharges to water	
Treated water and open drain water	121,000 m3
Total organic carbon (TOC)	1.29 tonnes
Monethylene glycol	1.23 tonnes
Methanol	0.06 tonnes
Hydrocarbons	0.06 tonnes
Ammonium	0.01 tonnes
Phenol	0.01 tonnes

Spills	
Unintentional oil spills	15 m3
Other unintentional spills	0.02 m3

Waste	
Non-hazardous waste for deposition	109 tonnes
Non-hazardous waste for recovery	400 tonnes
Non-hazardous waste recovery rate	79 %
Hazardous waste for deposition	158 tonnes
Hazardous waste for recovery	2,330 tonnes
Hazardous waste recovery rate	94 %

Annotations
1) Gassco AS is operator for the plant, but Statoil is the tecnical service provider (TSP)

Kårstø gas processing plant and transport systems

Energy (10) (11)	
Fuel gas	5,260 GWh
Electricity bought	720 GWh
Diesel	3 GWh
Flare gas	102 GWh

Raw materials (2)	
Rich gas (PP)	22.1 mill. tonnes
Condensate (PP)	2.81 mill. tonnes

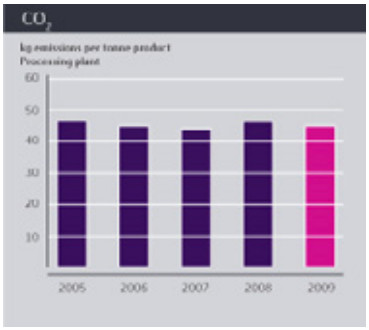
Utilities	
Hycrocloric acid	273 tonnes
Sodium hydroxide	247 tonnes
Ammonia (13)	15.1 tonnes
Methanol	117 tonnes
Other chemicals	8.2 tonnes

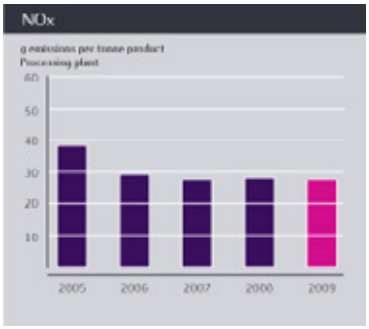
Water consumption	
Fresh water (PP)	0.9 mill m3

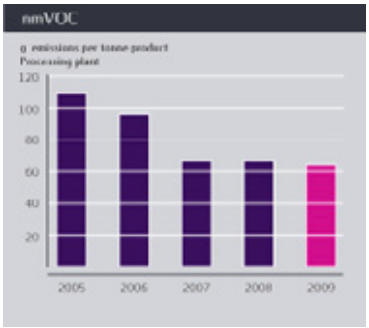
Products	
Lean gas	18.4 mill tonnes
Propane	2.65 mill tonnes
I-butane	0.54 mill tonnes
N-butane	1.05 mill tonnes
Naphtha	0.70 mill tonnes
Condensate	1.53 mill tonnes
Ethane	0.88 mill tonnes
Electricity sold	38 GWh

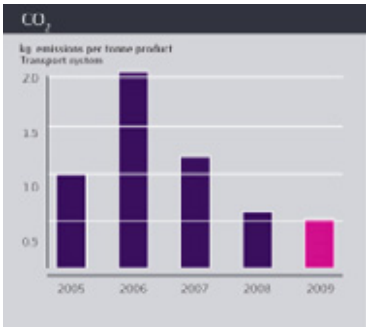
Emissions to air (3) (4) (5) (6) (7)	
SO2	6.60 tonnes
NOx	705 tonnes
nmVOC	1,640 tonnes
Metane	1,130 tonnes
CO2	1,140,000 tonnes
Unintentional HC-gas emissions	0 tonnes

Discharges to water	
Cooling water	396 mill m3
Treated water	1.13 mill m3
Oil in oily water	338 kg
Total organic carbon (TOC)	3.9 tonnes





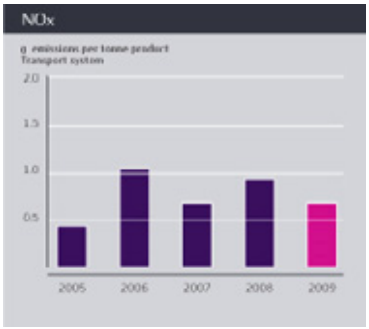


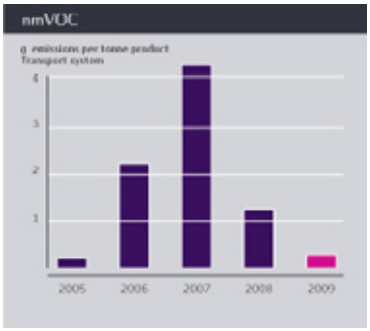


Spills	
Unintentional oil spills	0.17 m3
Other unintentional spills	0.75 m3

Waste (8) (9) (12)	
Non-hazardous waste for deposition	247 tonnes
Non-hazardous waste for recovery	2,510 tonnes
Non-hazardous waste recovery rate	91.0 %
Hazardous waste for deposition	7.3 tonnes
Hazardous waste for recovery	629 tonnes
Hazardous waste recovery rate	98.9 %

Annotations /Additional information
1) Gassco AS is operator for the plant, but Statoil is the technical service provider (TSP)
2) Except gas transport from TN Draupner: 26,3 mill tonnes
3,4,5,6,7) Included emissions from Draupner: SO2: 0,08 tonnes, NOx : 17 tonnes, nmVOC: 7 tonnes, CH4: 32 tonnes, CO2 : 13 339 tonnes
8) Non Hazardous waste included from Draupner: 15,2 tonnes for deposition and 133 tonnes for recovery
9) Hazardous waste included from Draupner: 7 kg for deposition and 95,4 tonnes for recovery
10) Included energy from Draupner: 64 GW from fuel gas, 1 GW from diesel and 1 GW from flare gas
11) All energy is reported as gross energy from 2009
12) Hazardous waste includes processwater and puraspec mass
13) Included the amount of ammonia in the chemical "Salmiakksprit"





Social performance data

The table shows key social performance data for Statoil, such as gender, trade union membership, social investments and reputation and sustainability rankings.

Social performance data	2009	2008	2007
Diversity			
% staff, non-Norwegians	**41**	42	41
% new hires, non-Norwegians	**59**	39	36
% management, non-Norwegians	**40**	37	37
Gender equality			
% staff, women	**37**	37	35
% new hires, women (ASA)	**33**	33	34
% new hires, women (Group)	**41**	N/A	N/A
% management, women	**29**	27	26
% earnings unskilled/skilled workers, female vs male (1)	**96**	N/A	N/A
% earnings professional staff, female vs male (1)	**97**	N/A	N/A
% earnings managers/executives, female vs male (1)	**98**	N/A	N/A
Labour relations			
% staff, member of trade union (ASA)	**69**	69	69
Corporate Governance			
Independent members, board of directors (2)	**7**	7	6
Women, board of directors	**4**	4	4
Employee elected, board of directors	**3**	3	3
Non-norwegians, board of directors	**2**	2	2
% meeting attendance, board of directors	**94.0**	97.0	93.0
CSR Country plans			
% of non-OECD countries with CSR plans	**57**	50	33
Local contracting and procurement (NON-OECD) (in NOK billion)			
Estimated expenditures on local suppliers (3)	**2.5**	3.1	2.5
Lobbying and public policy participation (in NOK million)			
Contributions made towards lobbying and public policy (4)	**8.0**	9.5	5.4
Social investment (in NOK million)			
Sub-Saharan Africa	**34.6**	35.5	17.8
The Middle East and Asia	**1.9**	0.4	0.3
North Africa, Europe, Caspian and Russia (excl. Norway)	**42.5**	51.0	20.9
North America	**3.0**	4.6	0.0
South America	**10.0**	16.1	45.7
Norway	**114.9**	122.0	137.0
Voluntary	**181.6**	201.8	173.7
Contractual	**25.2**	27.8	48.1
Total	**206.8**	229.6	221.8

Reputation and sustainability ranking (with special publics)			
Norway (Reputation ranking, selected peer group) (5) (6)	**1st**	3rd	2nd
International (Sustainability ranking, every other year) (7) (8)		1st	

(1) Due to changes in the salary-band structure implemented by Statoil in 2009, equivalent statistics are unavailable for 2008 and 2007.

(2) Statoil's board of directors consists of members elected by shareholders and employees, none of whom are executive officers of the company. The directors elected by Statoil's employees would not be considered "independent", as defined under NYSE Rule 303A.02, but are independent for the purposes of Rule 10A-3(b)(1) of the US securities Exchange Act of 1934, which applies to members of the company's audit committee. Statoil's board of directors has determined that, in its judgement, all of the shareholder-elected directors are independent.

(3) Estimated expenditures on goods and services from companies based in non-OECD countries (based on invoice-address)

(4) Figures amount to the sums declared by our representative offices in Washington, D.C. and Brussels. Figures for 2007 only include lobbying-related expenditures in Brussels.

(5) TNS Gallup - Syndicated CRI Benchmark Survey - fieldwork December 2006, April 2008, May 2009. TNS Gallup's company universe: 35-40 largest companies in terms of Norwegian media coverage - according to data from CISION Norway.

(6) Statoil's selected peer group: Yara, Hydro, Statoil, Aker, Shell, Statkraft, DnB NOR, Storebrand, Telenor, Hafslund. (Shell and Yara not measured in 2006.)

(7) TNS Infratest: Global Reputation Research Programme across six countries and five key stakeholder groups - research wave 1, 2008. In-depth surveys undertaken across the USA, Canada, Brazil, Russia, UK, and Algeria among major and local suppliers, industry talents, students, employees and journalists. Fieldwork June to September 2008. Interviews were conducted by telephone or face-to-face. Web interviews used for talents and own employees. Super major peer group consist of 4 international oil and gas companies present in all the abovementioned markets.

(8) Customised Sustainability Index constructed across 10 questions covering social and environmental responsibility as well as health and safety.

Independent assurance report from Ernst & Young AS

TO THE STAKEHOLDERS OF STATOIL ASA

Scope and limitations of our Engagement

We have been engaged by the corporate executive committee of Statoil ASA ("the Company") to perform an independent assurance of the chapter in the Statoil Annual and Sustainability Report 2009 titled "Sustainable performance" ("the Report") including the health, safety and environment (HSE) accounting, as presented in the section "HSE accounting" and in the sub-sections "HSE performance indicators" and "Environmental data", in its online and downloadable pdf format.

The scope of our assurance engagement extends only to the content of the Report as determined by the Company, subject to the limitations the Company defines in the chapter "Defining the content of our reporting".

The content of the Report that is within the scope of our procedures is marked with a label that confirms it has been subject to assurance by Ernst & Young. Our scope only includes the content of other parts of the Annual and Sustainability Report 2009 to the extent that they are referenced to from within the "Sustainable performance" chapter and excludes all content referred to from external sources.

Our assurance procedures did not include assessing the implementation of or compliance with the Company's policies.

Criteria

As a basis for the HSE assurance engagement, we have used Statoil's internal reporting criteria specifically developed for HSE , as described in the section "HSE accounting".

For the sustainability assurance engagement, we have used the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI G3) as criteria, as well as the AA1000 AccountAbility Principles Standard (2008) in relation to the principles of Inclusivity, Materiality and Responsiveness. We consider these reporting criteria to be relevant and appropriate as a basis for the assurance report.

Assurance team and independence

Our assurance team includes environmental and social assurance specialists from our global environment and sustainability network, which undertakes similar engagements to this with a number of significant international businesses. As auditors to Statoil, Ernst & Young are required to comply with the independence requirements set out in the Norwegian legislation and relevant ethical codes.

The management's responsibility

It is Statoil's management responsibility to properly aggregate the data and prepare the chapter "Sustainable performance" including the health, safety and environment (HSE) accounting, as presented in the section "HSE accounting" and in the sub-sections "HSE performance indicators" and "Environmental data". They are also responsible for selecting the information, collecting the data for and determining the presentation of the Report. The choices made by the management, the scope of the report and the reporting principles, including the inherent specific limitations that might affect the reliability of the information are explained by Statoil's management in the Annual and Sustainability report's section "About the report" and "Defining the content of our reporting".

The auditor's responsibility

It is our responsibility to express a conclusion on the Report for 2009 based on our limited assurance procedures and form an opinion on Statoil's 2009 HSE accounting on the basis of our assurance procedures outlined above.

Assurance standards used and level of assurance

We have performed the assurance engagements for the HSE accounting and the sustainability reporting in accordance with ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information". The standard requires that we plan and execute procedures in order to obtain the following assurance levels:
- Reasonable assurance that the information in the section "HSE accounting" including the aggregation of the data in the sub-sections "HSE performance indicators" and "Environmental data" is, in all material respects, properly aggregated and an accurate and adequate representation of Statoil's HSE performance during 2009.
- Limited assurance that the other information in the Report is, in all material respects, in accordance with the GRI

G3 guidelines and an application level of A+ is fairly stated. Our evidence gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000 and in compliance with a Type 2 assurance engagement under the AA1000AS (2008)) on which to base our conclusions. The extent of evidence-gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

Limited Assurance procedures for the Report

Our assurance of the Report has been planned and performed in accordance with ISAE 3000 and the AA1000 Assurance Standard. The standards require that we plan and execute procedures in order to obtain limited assurance on the Report. The assurance procedures took place between October 2009 and March 2010.

Our assurance of the Report has involved the following activities:
- Interviews with a selection of Statoil's senior and site management as well as visits to three entities, to gain an understanding of their approach to managing sustainability issues that are covered in the Report.
- In-depth evaluation of the Gender equality and the Local contracts and procurement contents of the Report, including data quality and compilation for this year's report.
- Obtaining and considering evidence to support the assertions and claims made in the Report, using a risk based approach.
- Evaluation of the overall balance and consistency of the information in the Report.
- Evaluation of Statoil's processes for adherence to the AA1000 AccountAbility Principles including observation of a stakeholder meeting, review of minutes of stakeholder meetings and interviews with selection of key personnel.
- High-level benchmarking of Statoil's reporting compared to selected industry peers.
- Media research in relation to press articles about the company and its activities throughout the calendar year.

Assurance procedures for the HSE accounting

Our assurance of the HSE accounting is performed in accordance with the ISAE 3000. The standard requires that we plan and execute procedures in order to obtain reasonable assurance that the HSE accounting as a whole is free of material misstatement. Our work has included:
- Discussions with the corporate management on the content and aggregation of the HSE accounting.
- Site visits including interviews for selected entities, chosen based on an evaluation of the entity's nature and significance, as well as general and specific risks. Testing of underlying data, on a sample basis, to evaluate whether HSE data are reported, registered and classified according to Statoil's criteria and in line with recognized standards and methods.
- Review of whether systems used for registering, aggregating and reporting are satisfactory, and the collection of data and presentation of results is consistent and complete.
- An overall analysis of the figures compared with earlier reporting periods.

We have also evaluated the HSE data's reliability, and whether the HSE performance is presented in an appropriate manner. Our objective has been to investigate:
- The acceptability and consistency of the reporting principles.
- The reliability of the historical information presented in the HSE accounting section of the Report.
- The completeness of the information and the sufficiency of the presentations.

We believe that our procedures provide an appropriate basis to conclude with a reasonable level of assurance for Statoil's HSE accounting.

Observations and recommendations

To assist Statoil's continuous improvement of its sustainability reporting, Ernst & Young provides recommendations in a more detailed report to Statoil's management.

Conclusions concerning adherence to the AA1000 AccountAbility Principles

Inclusivity - Has Statoil been engaging with stakeholders across the business to further develop its approach to sustainability?
- Nothing has come to our attention that would cause us to believe that Statoil has not applied the Inclusivity principle in developing its approach to sustainability.
Materiality - Has Statoil provided a balanced representation of material issues concerning Statoil's social, environmental and economic sustainability strategies and performance?
- Nothing has come to our attention that management has not applied its process, as described in the chapter "Defining the content of our reporting", for determining material issues and that any material aspects concerning Statoil's sustainability and performance have been excluded from the Report.
Responsiveness - How has Statoil responded to stakeholder concerns?
- Nothing has come to our attention that causes us to believe that there are any material issues of stakeholder interest that are not currently included in the Report's scope and content.

Conclusions concerning the report's accordance with GRI G3 reporting guidelines and Application Level Check

Has the Report been prepared in accordance with the GRI G3 Sustainability Reporting Guidelines and does the third-party Application Level Check confirm Statoil's self-declared Application Level?
- Based on our review of the Report, nothing has come to our attention that causes us to believe that Statoil management's assertions that their reporting has been prepared, in all material respects, in accordance with the GRI G3 guidelines and an application level of A+ is not fairly stated.

Conclusions concerning the HSE accounting

Is the information in the HSE accounting presented in the section "HSE accounting" of the Report an accurate and adequate representation of Statoil's HSE performance during 2009?
In our opinion, in all material respects:

– The HSE reporting is an accurate and adequate presentation of Statoil's performance based on Statoil's internal reporting criteria specifically developed for HSE ; and
– The key performance indicators and environmental posters are accurately compiled and aggregated, and illustrations of trends are in accordance with presented historical data.

Stavanger, 17 March 2010
ERNST & YOUNG AS

Erik Mamelund
State authorised public accountant

Managing our risks and impacts

Risk management is an integral part of our management system. We aim to minimise harmful impacts from our activities throughout their life cycle, from initial project planning to operations and decommissioning.

We take a risk-based approach when developing our business, and we make decisions based on how risks potentially affect the environment and society around us as well as our business.

Risk management is an integral part of our management system. We aim to minimise harmful impacts from our activities throughout their life cycle, from initial project planning to operations and decommissioning. We assess risks related to health, safety, security and the environment (HSE), social responsibility, as well as ethics and anti-corruption on the basis of their likelihood and potential effects. We apply the precautionary principle in our risk assessment.

In addition to complying with national laws, our internal policies and guidelines for this issue are based on international standards, and we employ the "as low as reasonably practicable" (ALARP) and "best available technique" (BAT) principles.

The overall management system of the Statoil group and the management systems of our operational entities are in line with the principles described in the ISO 14001 standard for Environmental Management Systems (EMS).

We take a multi-disciplinary approach to risk management, drawing on tools and expertise from our HSE , social responsibility and ethics and anti-corruption disciplines to respond to the diverse set of challenges resulting from our activities.

- We assess risks systematically in countries relevant to our operations in order to better understand local conditions, business culture and external factors – including political, social, environmental, security and ethical dimensions.
- We carry out risk and due diligence assessments – including of our business relationships – in order to make informed investment decisions. We conduct integrated impact assessments that cover all activities throughout the project life cycle.
- We regularly conduct risk assessments related to HSE , continuously monitor performance, and follow up with measures when necessary.
- We engage and consult with our employees, host communities and other stakeholders to ensure continued support for our presence and our operations.

In 2009, we updated our risk management framework for HSE and we are in the process of revising our complementary framework for social risk management.

EPRA , our tool for integrated early-phase risk assessments, which brings together experts from HSE , social responsibility and ethics and anti-corruption, was also introduced as a group-wide risk management tool to meet needs across our business areas. The tool has been used in connection with several major potential acquisitions and early-phase activities, and it has successfully brought high-level management attention to risks connected to projects.

Furthermore, we published and began implementation of our guidelines for integrated impact assessment, drawing upon the International Finance Corporation's (IFC) Social and Environmental Performance Standards.

We also continued a review of labour standard risks in our supply chain and initiated efforts to improve our internal procedures and routines for promoting respect for labour rights and employment practices among our key contractors and suppliers.

Country risk assessments

Our country analysis team assesses business risks and opportunities in prospective countries around the world.

The purpose of country and reputation risk assessments and subsequent mitigation measures is to build a robust knowledge platform and to understand local conditions and business culture as early as possible in the business process.

This enables Statoil to reduce its country and reputation risk exposure through a process of early identification, prioritisation and mitigation of significant risk elements that could have a potentially negative impact on a given business opportunity. Risk assessments are carried out and updated as part of preparing the decision basis at each decision gate and during the operating and abandonment phases of projects in medium and high-risk countries.

The evaluation of country risk is an integrated part of the decision-making process, with specific requirements and active follow-up from involved management. The risk identification process makes use of Country Risk Workshops where a multi-disciplinary group from relevant parts of the organisation can brainstorm, filter and prioritise risk elements along 18 pre-defined areas of risk and also consider the risk to the company's reputation. In 2009, we conducted 10 country risk workshops, as well as five country forums on particular risk themes of relevance to different internal stakeholders.

In addition to this qualitative analysis, projects larger than NOK 500 million in medium-to-high risk countries are assessed for country risk effects on the Net Present Value of the project. Through a model developed with IHS Global Insight, this seeks to estimate which risks have the potentially largest effect on the cash flow of a project and thereby enable mitigation of these risks.

Integrated impact assessments

We aim to minimise harmful impacts and enhance benefits to the environment, people and societies throughout the lifecycle of our operations.

The manner in which we develop and execute projects is of vital importance in relation to ensuring sustainability in the planning, construction, operation and decommissioning phases. Our management system prescribes impact assessments as a tool for achieving such sustainability.

Our focus in Statoil is on **integrated** impact assessments, addressing not only the environmental impact of our operations, but also our projects' social, health, safety and security-related impacts. Furthermore, understanding the consequences that such impacts may have on peoples' entitlements and human rights is also increasingly recognised as an important element in the impact assessment process.

Reflecting this emphasis, in 2009 we published and began implementation of a new set of guidelines for impact assessment in the company in order to ensure an integrated approach to impact management. The guidelines are based on the International Finance Corporation's (IFC) Social and Environmental Performance Standards, which are considered to be an international benchmark and best practice for sustainable project management. The guidelines apply to all relevant projects, including all exploration, project development, and major modification and abandonment activities.

Stakeholder engagement

Our operations affect various groups of stakeholders representing millions of people – from local communities, customers and shareholders to suppliers, partners and governments. We value input from our stakeholders.

We maintain a regular dialogue with our stakeholders in order to build stronger relationships with them — a key element in our efforts to manage the risks associated with our operations. We engage with our stakeholders in a variety of ways, at corporate, country and project level.

Civil society and communities

We aim to ensure an open and clear dialogue with representatives of civil society in the countries in which we operate – the media, non-governmental organisations (NGOs), international organisations, academics and research centres, and host societies and communities.At the corporate level, we have agreements with several organisations that enable the sharing of information and expertise related to a range of sustainability issues. These corporate agreements are described in the section on "Working in collaboration."We also work with communities in countries in which we operate in order to manage the potentially disruptive impacts of our projects and to try to maximise the shared value and benefits from our business. (For more on this, see the article: Engaging fenceline com-munities).We use surveys, interviews, town hall meetings and community panels to understand our impacts on communities, and to devise mitigation strategies and plans to improve our contribution to the community.We also survey stakeholders and opinion leaders – including industry experts and journalists – in order to measure our reputation in key markets. We work with the leading market research company TNS to survey key stakeholder groups about our corporate reputation, including our strategy and ability to address sustainability risks and opportunities.

Governments

We work with governments in a range of contexts. We have dealings at government level through bidding processes and production sharing agreements (PSA), as operators and as partners in our operations.We also maintain close contact at political and administrative levels of government in most of the countries in which we are located, as these levels represent essential stakeholder values to us and **vice versa**.Finally, we work with governments through multi-stakeholder initiatives such as the Extractive Industries Transparency Initiatives (EITI), the Voluntary Principles on Security and Human Rights (VPSHR), and the Global Gas Flaring Reduction (GGFR) partnership in which companies and governments work to improve the investment climate and protect our business standards in host countries.

Suppliers

As part of our business, we work with a range of suppliers worldwide. In 2009, NOK 102.2 billion was invoiced to approximately 7,000 companies located in Norway, while NOK 27.6 billion was invoiced to approximately 11,500 suppliers with registered addresses in 73 different countries.

We promote local sourcing and work with local businesses as suppliers where such exist, and we invest in developing sustainable and competitive local enterprises. Our suppliers are required to adhere to our HSE , social responsibility and ethics and anti-corruption standards (for more on this see "Working with our suppliers.") We regularly involve our suppliers in these and other issues through a range of activities, including bi-annual supplier satisfaction surveys and meetings.

Investors and shareholders

Investors are increasingly interested in understanding the long-term risks and opportunities for value creation that companies face, including environmental and social concerns. We aspire to build trust by being as open and truthful as possible in our dialogue with our investors and shareholders on these issues. Our approach has resulted in high ratings in several Socially Responsible Investing (SRI) indexes.

Employees and unions

In Statoil, we believe in involving our staff and their representatives in the development of the company. We actively work with and involve our employees through:

- Relations with trade unions, including our agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM).
- The Statoil European Works Council, which provides an important channel of information between the company and employees based in Europe.
- Our annual global people survey (GPS).

Customers

Our customers are increasingly aware of the sustainability challenges facing our industry. Through our downstream business, we engage with our customers on a daily basis at our service stations, and we also conduct regular customer satisfaction and brand equity surveys in which we also poll customers' opinions on the environmental and social dimensions of our performance.

Engaging communities

Engaging communities and stakeholders within the area of influence of our projects is a key element in managing our impacts.

We do our best to involve stakeholders on an iterative basis throughout the lifetime of our projects: at an early stage, to inform initial decisions and project design; during the construction phase, as an important part of monitoring project implementation and associated impacts; and during execution to ensure our continued presence in the community is still welcome and wanted.

As part of our recent guidelines on integrated impact assessment, we developed a set of guiding principles for our engagement with communities and other stakeholders during the impact assessment process.

- Consultations with community stakeholders should be initiated already during the early scoping process for the project, and on an iterative basis during the remainder of the impact assessment process to identify and follow up issues concerning potential impacts on these stakeholders, so that their views can be incorporated into the decision-making process.
- Consultation activities, as well as specific actions, measures or other instances of decision-making that have been influenced by, or resulted directly from the consulting process, should be documented.
- If ongoing impacts on and risks to the affected communities are expected, arenas for dialogue should be established throughout the project's lifetime (regular meetings, newsletters, stakeholder forums etc).
- The consultation process should be tailored to the language preferences of the affected communities, their decision-making processes, and the needs of disadvantaged or vulnerable groups.
- For projects with potentially significant impacts, and where otherwise relevant, the principle of free, prior and informed consultation should guide interaction with community stakeholders. Such consultations should be "free" (free of external manipulation, interference or coercion, and intimidation), "prior" (timely disclosure of information) and "informed" (relevant, understandable and accessible information), and apply to the entire project process and not to the early stages of the project alone.
- In projects with potentially significant impacts, and where otherwise relevant, community grievance mechanisms should also be considered from the very beginning of the project process, and be in place during construction and operations until the end of the project.
- In projects where indigenous peoples may be among the impacted communities or individuals, free, prior and informed consultations should be promoted in order to facilitate effective participation in matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The consultation process will be culturally appropriate and commensurate with the risks to and potential impacts on indigenous peoples. Specific consideration is required of literacy levels. Furthermore, the special rights of indigenous peoples as recognised by host-country legislation will need to be addressed.

Early-phase risk assessment

As we grow internationally, our exposure to risk grows substantially as new business opportunities are often located in challenging areas.

Early identification and understanding of risk and opportunities is vital. To meet this challenge, great efforts have been made to develop and implement a web-based Early Phase Risk Assessment (EPRA) tool for evaluating new business opportunities. While initially developed for our international activities, in 2009 it was decided to roll EPRA out as a corporate-wide tool.

The tool is based on a multi-disciplinary approach to risk assessment, integrating the disciplines of health, safety, security and environment (HSE), social responsibility and ethics and anti-corruption. The EPRA -tool also includes a module called the Brownfield Risk Assessment Tool (BRAT) for assessing the condition of existing installations.

The EPRA process

EPRA is a stepwise process that includes establishing the context, identifying sources and their impacts, analysing and evaluating the risks they represent, and then devising the most effective means of control. The result is shown in risk diagrams that are used to communicate results to management at project, asset and corporate level. Risks that end up in the red area of the risk matrix are regarded as challenging, requiring high management attention and the identification and implementation of effective control measures. Both downsides and upsides are assessed. The process aims to promote standardized, clearly defined and transparent decision-making.

Creating risk ownership

EPRA is used to support a work process in which representatives of the HSE , social responsibility and ethics and anti-corruption disciplines are brought together with the project team to discuss all relevant risks and opportunities at a workshop. All participants play an important role in defining and assessing inherent risks from their various perspectives and disciplines. Experts outside the project and the project itself may have different opinions of the risk level, and the discussions and evaluations aim to create a common understanding of the risks. The process creates understanding and ownership of the risk picture by the project management and asset owner, which is essential for effective follow-up and monitoring.

In 2009, EPRA has been successfully utilised especially in our INT E&P business area for several major and challenging projects, and this has brought management attention in situations where the company is exposed to high risks.

Research and development

As conventional fossil fuels become more difficult to find, we are setting our sights on remote geographical areas and unconventional hydrocarbon sources. We also recognise the need to develop carbon-free energy sources.

We believe that innovative field development solutions will largely focus on the exploitation of hydrocarbons in deepwater and Arctic areas, and areas containing heavy oil. We expect to see an increasing transition from topside to intelligent, remotely-operated, autonomous seabed facilities, coupled with ultra-long, subsea tie-backs and wellstream compression devices. Furthermore, we believe that it will be necessary to develop new drilling concepts, especially in ice-affected areas, and pipelines capable of withstanding ultra-cold and ultra-deepwater conditions.

In connection with the development of extra heavy oil value chains, we have emphasised research related to improving recovery methods, with particular emphasis on energy efficiency. We expect to focus on water management and carbon capture and storage.

We believe that sound gas chain technology will lead to increased access to "difficult" unconventional gas resources by providing leading-edge capabilities in selected technologies, such as membrane-based separation. We also wish to develop sustainable carbon capture and storage (CCS) value chains.

Environmental technology

We believe that legitimacy, or a "licence to operate" is a prerequisite for doing business, and, to us, this means reducing the negative impact of our activities and products on the environment. We strive to minimise harm to the environment through our operations and respond to increased awareness of climate change by adopting technology to mitigate the effects that our industry has on the global climate.

The following areas are examples of where we believe technology can make a difference:

- The carbon dioxide value chain
- HSE management
- New energy

We are developing technology to improve the carbon dioxide value chain using experience gained from our CCS projects on Sleipner and Snøhvit on the Norwegian continental shelf and In Salah in the Algerian desert. We are developing new expertise on the safe transport and storage of carbon dioxide. In 2009, we increased our carbon capture efforts as a result of the development of TCM and the plans for carbon capture from the energy plant at Mongstad.

We have developed tools for environmental management that integrate risk assessment, mitigation measures and environmental monitoring. These tools are used to design and operate our installations and industrial plants. We are working to integrate observatories for monitoring environmental parameters in changes in ecosystems in our present and future infrastructure, in order to improve our environmental management and performance and to provide environmental data for the international scientific community.

We recognise the need to develop new sources of energy, and we are doing so by pursuing two main paths.

We aim to develop offshore wind turbines, with R&D efforts focused on our floating wind turbine demonstration project, Hywind.

In addition, we are supplying the transport sector with alternatives to fossil fuels, which is vital in relation to reducing carbon dioxide emissions, and our R&D efforts are dedicated to developing technology for producing second-generation biofuels and utilising our experience in hydrogen.

Strengthening oil spill response in the Arctic

In 2008, we established an overall strategy for oil spill preparedness and response for our operations on the Norwegian continental shelf (NCS). In this region, the main focus in coming years is on being properly prepared for exploration and production in the north of Norway, including the development of the Goliat field in the Barents Sea. As part of our preparations and the work on revising the management plan in 2010, we have continued to further improve our knowledge about oil spill response. A reliable oil spill response organisation and good cooperation with local players are pre-conditions for opening up for activities in northern areas such as Lofoten and Vesterålen.

The US Geological Survey has estimated that the Arctic contains 22% of the world's undiscovered hydrocarbons, fuelling great optimism in relation to the development of Arctic resources. Our main focus is on developing technology that will enable safe and sustainable exploration, field development and operation in Arctic areas. The aim is to ensure that operations in Arctic areas will not carry higher risks – to people, the environment or assets – than would be acceptable in more temperate areas such as the North Sea environment. We are focusing on technological developments to reduce the risk of all kinds of actual and potential discharges to sea and emissions to air.

Environmental monitoring

As we move into new areas, deeper waters and onshore, we encounter new and different challenges relating to environmental monitoring. Solutions are needed for monitoring the direct impact of our operations.

For the past three years, the objective of our R&D activities has been to develop a flexible '"toolbox" for environmental monitoring, to help us meet future needs for improved understanding, documentation and management of environmental impacts from emissions and discharges, utilising sensor technology, improved conventional methodology and existing infrastructure. In 2009, we tested a prototype on the Morvin field in the Norwegian Sea.

Working with our suppliers

We are committed to working with our suppliers to develop common goals, approaches and behaviour and to drive continuous improvement.

We make every effort to promote our standards and principles throughout the procurement process – when evaluating and selecting suppliers, in tenders, contracts and agreements, through risk-based verification, monitoring and follow-up.

In general, we expect all our partners, including suppliers, to follow our standards or an equivalent set of standards. However, we also recognise that, in many of the countries where we work, local suppliers may not currently meet these requirements. In such cases we aim to work with our suppliers to improve their skills and capacity.

All suppliers based in Norway or Denmark, or supplying our operations on the Norwegian or Danish continental shelves have to be prequalified through the Achilles Joint Qualification System (JQS).

Potential suppliers are informed about our HSE requirements in the invitation to tender and the pre-qualification phase prior to contract award. The specific HSE requirements are then included in the contract and form the basis for follow-up of the supplier's performance through the contract administration phase.

Prior to contract award, suppliers are screened for material integrity risks and, when relevant, subject to further Integrity Due Diligence (IDD). Through the IDD procedure we screen all potential business relationships, including those with suppliers, for integrity and human rights reputation risks. A business relationship with a potential supplier is only established if the resulting relationship is considered to represent a non-material integrity risk, or has previously been approved by Statoil.

All our potential suppliers for contracts worth more than NOK 7 million are also required to sign a Supplier Declaration in the pre-qualification phase, whereby they commit to a set of minimum standards for ethics and anti-corruption, HSE and CSR , including core labour standards and employment conditions. Moreover, as part of this, suppliers agree to promote these principles among their own sub-suppliers. The Supplier Declaration is then made part of the contract agreement. Throughout 2009, we have strengthened the Supplier Declaration follow-up and monitoring routines and provided training for company representatives in implementation and follow-up of the Supplier Declaration..

Throughout 2009, we also continued to review our supply chain management procedures and systems in order to assess their effectiveness in promoting decent labour standards and working conditions as outlined in the core conventions of the International Labour Organisation (ILO). Topics addressing labour standards have also been included in company-wide risk assessment processes. Awareness sessions have been conducted at business area management level, and they will be further implemented in relation to exposed groups in the company in 2010.

We recognise that managing and monitoring compliance with our standards in our supply chain is a challenging and complex task. Our starting point is to follow-up and monitor those suppliers with whom we have direct contracts. Additional follow-up and monitoring in the supply chain is then considered, where possible, based on our assessment of risks.

We recognise the diversity of local conditions and practical limits on our sphere of influence throughout our supply chain, and we are working towards the goal of continuous improvement in partnership with our suppliers.

Working in collaboration

We collaborate with a wide range of people, groups and partners to promote sustainable operations at corporate, country and project levels.

Many of the challenges that the oil and gas industry is facing cannot be solved unilaterally. It is necessary to build alliances and partnerships across the industry, as well as with governments, international organisations, civil society and other stakeholders.Here, we provide an overview of the most important civil society organisations, industry associations, international organisations and multi-stakeholder initiatives that we have supported and collaborated with at corporate level in 2009.

CIVIL SOCIETY ORGANISATIONS

Amnesty International Norway

Amnesty International is a worldwide, member-controlled organisation that campaigns for internationally recognised human rights for everyone. The organisation is independent of any government, financial agents, political persuasion or religious creed.Statoil has a corporate agreement with Amnesty International Norway.Statoil regularly consults with Amnesty International on questions related to the business's responsibility for human rights issues, and it also receives information about the human rights situation in the countries in which we operate.Through the agreement, Statoil also provides financial support for Amnesty International Norway's work on preventing and campaigning against human rights violations worldwide.

International Crisis Group (ICG)

The International Crisis Group (ICG) is generally recognised to be the world's leading independent, non-partisan source of analysis and advice on the prevention and resolution of deadly conflict.

Statoil entered into a collaboration agreement with the ICG in 2007, and in 2008 we became a member of the ICG President's Council with observer status at ICG board meetings. The agreement gives Statoil access to ICG staff and expertise on issues of mutual interest.

International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM)

The International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) is a global federation of unions covering the oil/ energy and mining industries. It has approximately 20 million members.

Since 1998, Statoil has had a global collaboration agreement with ICEM that covers all Statoil employees in the countries in which we operate, which affirms our respect for fundamental human rights in the community and in the place of work.

International Union for Conservation of Nature (IUCN)

The International Union for Conservation of Nature (IUCN) helps the world find pragmatic solutions to our most pressing environmental and development challenges. It supports scientific research, manages field projects all over the world and brings together governments, non-governmental organisations, United Nations agencies, companies and local communities to develop and implement policy, laws and best practice.

IUCN is the world's oldest and largest global environmental network - a democratic membership-based union with more than 1,000 government and NGO member organisations, and almost 11,000 volunteer scientists in more than 160 countries.

IUCN 's work is supported by over 1,000 professional staff in 60 offices and hundreds of partners in the public, NGO and private sectors around the world. The Union's headquarters are located in Gland, near Geneva in Switzerland.

Statoil is a member of the IUCN Red List Corporate Support Group, which supports the IUCNs work to develop and update the Red List of Threatened Species.

Norwegian Centre for Human Rights

The Norwegian Centre for Human Rights is an independent, multidisciplinary research centre on human rights based at the University of Oslo. It is also a teaching institute and a centre for internationally-oriented projects on human rights issues.Statoil entered into a corporate agreement with the Norwegian Centre for Human Rights in 2007 to support the Centre's international outreach work on human rights issues.The agreement also aims to foster the exchange of ideas and information about human rights-related issues of relevance to our operations.

Norwegian Red Cross

The Red Cross is an international humanitarian relief agency, with Red Cross or Red Crescent societies in 187 countries.

The basic principle of the organisation is the protection of human life and rights in order to work towards worldwide peace.The Norwegian Red Cross is a nationwide organisation that, in recent years, has had about 170,000 members.The relief work it carries out is comprehensive, ranging from caring for the elderly, sick and lonely to providing a prison visitor service, mountain rescue service, working with Aids and an emergency telephone helpline

for children and the young.Statoil has had a corporate agreement supporting the work of the Norwegian Red Cross since 2001.

Norwegian Refugee Council

The Norwegian Refugee Council (NRC) is an independent, humanitarian non-governmental organisation that provides assistance, protection and enduring solutions for refugees and internally displaced persons worldwide.

The NRC promotes and protects the rights of people who have been forced to flee their countries or their homes within their countries. The NRC has a staff of approximately 2,600 spread between 20 countries in Africa, Asia, America and Europe.Statoil has a corporate agreement supporting the NRC's activities. We consult the NRC on humanitarian and human rights issues, and benefit from their in-depth country-context expertise relevant to our operations.

Transparency International (TI) Norway

Transparency International (TI) is a worldwide organisation that works to fight corruption.

TI has placed the combating of corruption on the agenda, and it works in relation to governments, organisations and business and industry.Statoil was actively involved in formulating TI's Business Principles for the Countering of Bribery, and, since 2002, it has supported TI Norway through a corporate agreement.

Zero

ZERO is a non-governmental organisation (NGO) focusing on climate change, greenhouse gas (GHG) reductions and renewables. Its mission is to contribute to limiting the threat posed by climate change by promoting carbon-free energy solutions. Based on this mission, Zero:

- urges companies to choose carbon-free energy solutions and cooperate on putting them into use
- seeks contact with policymakers to favour such solutions
- collects and distributes information to contribute to their realisation.
- In order to promote emission-free solutions, ZERO endeavours to play a constructive role in the fight against climate change: instead of negative campaigning, Zero prefers to advocate the solutions which it supports. It cooperates with companies and industrial researchers to secure the know-how necessary to maintain that position.

Statoil has cooperated with Zero on a project basis for many years, among other things supporting the development of its website and publications.

INDUSTRY ASSOCIATIONS

Global Business Coalition

The Global Business Coalition on HIV/Aids, Tuberculosis and Malaria (GBC) is an association of more than 220 leading companies that work to maximise their impact in the fight against HIV/Aids, tuberculosis, and malaria.

The GBC works in concert with others who are critical in relation to effective action being taken: governments, NGOs and strong partners around the world.Member companies also work to reach out to their workforce, their customers and public and private partners all along the supply chain to address these issues.Statoil has supported the GBC through a corporate agreement since 2003, and we consult the GBC on issues related to HIV/Aids, tuberculosis and malaria that are relevant to our operations and the societies where we operate.

International Association of Oil & Gas producers (OGP)

The International Association of Oil & Gas producers (OGP) encompasses most of the world's leading publicly-traded, private and state-owned oil and gas companies, oil and gas associations and major upstream service companies. OGP members produce more than half the world's oil and about one third of its gas.The association was formed in 1974 to develop effective communications between the upstream industry and an increasingly complex network of international regulators. Originally called the E&P Forum, the name International Association of Oil & Gas Producers (OGP) was adopted in 1999.An essential part of OGP's mission is to represent the interests of the upstream industry in relation to international regulators and legislators. From its headquarters in London, OGP represents the industry on such UN bodies as the International Maritime Organization and the Commission for Sustainable Development. OGP also works with the World Bank and with the International Organization for Standardization (ISO). It is also accredited to a range of regional bodies that include OSPAR, the Helsinki Commission, the Barcelona Convention and the Arctic Council.OGP also helps members to achieve continuous improvements in safety, health and environmental performance and in the engineering and operation of upstream ventures. OGP also promotes awareness of corporate responsibility issues within the industry and among stakeholders. Transparency about revenues and combating corruption are current areas of interest.Statoil is a member of the OGP.

International Emissions Trading Association (IETA)

IETA is dedicated to the objectives of the United Nations Framework Convention on Climate Change (UNFCCC) and, ultimately, climate protection. It is also dedicated to the establishment of effective market-based trading systems for greenhouse gas emissions by businesses that are demonstrably fair, open, efficient, accountable and consistent across national boundaries; and maintaining societal equity and environmental integrity while establishing these systems.IETA will work for the development of an active, global greenhouse gas market, consistent across national boundaries and involving all flexibility mechanisms: the Clean Development Mechanism, Joint Implementation and emissions trading; and the creation of systems and instruments that will ensure effective business participation. In order to be the premier voice for the business community on emissions trading, the organisation aims to promote an integrated view of the emissions trading system as a solution to climate change; participate in the design and implementation of national and international rules and guidelines; and provide the most up-to-date and credible source of information on emissions trading and greenhouse gas market activity.As of February 2008, IETA comprised 176 international companies from OECD and non-OECD countries.Statoil is a member company of IETA.

International Gas Union (IGU)

The International Gas Union (IGU) was founded in 1931. It is a worldwide non-profit organisation registered in Switzerland with the present secretariat located in Oslo, Norway.

For a six-year period, the secretariat is headed by Mr Torstein Indrebø from Statoil, who was elected Secretary General in October 2007. The objective of the IGU is to promote the technical and economic progress of the gas industry.The members of IGU are associations and entities from the gas industries in 68 countries. It cooperates with many global energy organisations. IGU's working organisation covers all domains of the gas industry, from exploration and production of natural gas onshore or offshore, pipeline and piped distribution systems to customers' premises and combustion of the gas at the point of use.Statoil is a member of the IGU.

International Petroleum Industry Environmental Conservation Association (IPIECA)

The International Petroleum Industry Environmental Conservation Association (IPIECA) was established in 1974 following the establishment of the United Nations Environment Programme (UNEP).

IPIECA is one of the industry's principal channels of communication with the United Nations.The IPIECA is the single global association that represents both the upstream and downstream oil and gas industry on key global environmental and social issues. The IPIECA's programme takes full account of international developments in these issues, serving as a forum for discussion and cooperation involving industry and international organisations.The IPIECA aims to develop and promote scientifically-sound, cost-effective, practical, and socially and economically acceptable solutions to global environmental and social issues pertaining to the oil and gas industry. The IPIECA is not a lobby organisation, but provides a forum for encouraging continuous improvement of industry performance.The IPIECA draws on the skills and experiences of its international membership through various committees, supported by a small secretariat. The IPIECA currently has a number of Working Groups and Task Forces comprising: Climate Change; Biodiversity; Social Responsibility; Oil Spill; Operational, Fuels & Product Issues; Health and Sustainability Reporting.Statoil is a member of the IPIECA.

Partnering Against Corruption Initiative (PACI)

The Partnering Against Corruption Initiative (PACI) was initiated during the World Economic Forum's annual meeting in January 2004.

PACI's mission is to develop multi-industry principles and practices that will result in a competitive level playing field, based on integrity, fairness and ethical conduct.The Initiative is based on a commitment to zero tolerance of bribery and a commitment to implement a practical and effective anti-corruption programme within companies.The principles are derived from Transparency International's Business Principles for Countering Bribery, which Statoil has been actively involved in developing.Statoil signed on to PACI in 2005.

World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development (WBCSD) is a global association of some 200 companies united by a shared commitment to sustainable development.The Council provides a platform for companies to explore sustainable development, share knowledge, experiences and best practices, and to advocate business positions on these issues in a variety of forums, working with governments, non-governmental organisations and intergovernmental organisations.Members are drawn from more than 35 countries and 20 major industrial sectors. The Council also benefits from a global network of about 60 national and regional business councils and regional partners.Statoil is a council member of the WBCSD.

INTERNATIONAL ORGANISATIONS

IEA - Greenhouse Gas R&D Programme (IEA GHG)

The IEA Greenhouse Gas R&D Programme (IEA GHG) is an international collaborative research programme set up under the auspices of the International Energy Agency.

IEA GHG focuses on studying technologies to reduce greenhouse gas emissions. Established in 1991, IEA GHG aims to provide its members with sound information on the role that technology can play in reducing greenhouse gas emissions. The Programme has three main activities:

- Evaluation of technologies aimed at reducing greenhouse gas emissions
- Promotion and dissemination of results and data from its evaluation studies
- Facilitating practical research, development and demonstration activities

To date, the IEA GHG Programme's activities have covered all the main anthropogenic greenhouse gases. The IEA

GHG 's work currently focuses on ways of controlling and reducing emissions of carbon dioxide, which is the principal greenhouse gas.The members of the IEA GHG include: 17 member countries, the European Commission and 17 multinational companies. Each member pays into a common research fund and has a seat on the Programme's governing board, the Executive Committee, which meets twice yearly.Statoil is a sponsor of the IEA GHG .

United Nations Global Compact (UNGC)

The United Nations Global Compact (UNGC) is a framework for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles on human rights, labour standards, the environment and anti-corruption.The Global Compact is a voluntary initiative with two objectives:

- Mainstream the ten principles in business activities around the world
- Catalyse actions in support of broader UN goals, such as the Millennium Development Goals (MDGs)

Statoil is a Founding Member of the Global Compact, having supported the Compact since its inception in 2000.We strongly support the principles of the UNGC, have integrated them into our policies and practices, and, through our sustainability reporting, we communicate annually on our progress in promoting the 10 principles.In addition to our participation in the Global Compact, we also play an active part in the Global Compact Nordic Network.

UNDP - Democratic Governance Thematic Trust Fund

The United Nations Development Programme has initiated a range of Thematic Trust Funds to help achieve development goals. These funds enable donors - including private sector companies - to provide additional contributions to work in the UNDP practice areas. They support a multi-year funding framework - a compact among donors, host governments and UNDP to implement results-oriented programmes at the country, regional and global levels.The Democratic Governance Thematic Trust Fund (DGTTF) was established in 2001 as a new instrument

providing UNDP with additional (non-core) resources to address development priorities in Democratic Governance. The DGTTF has the following three strategic objectives:

- To provide an alternative to traditional funding arrangements (core and project-by-project cost-sharing), by functioning as a fast and flexible funding mechanism for innovative UNDP projects in Democratic Governance, mainly at the country level;
- To support the Democratic Governance Practice Area at the global level;
- To provide a driving force for substantive and geographical alignment around the strategic focus of UNDP in the area of Democratic Governance, as expressed in the organisation's four-year strategic planning framework.

As such, it provides donors with an opportunity, through their contributions, to strengthen their and UNDP's commitment to the promotion of a Democratic Governance agenda.Statoil supports the UNDP DGTTF through a five-year corporate support agreement, from 2005-2009.

UNEP - World Conservation Monitoring Centre

The Proteus project was initiated by the United Nations Environment Programme - World Conservation Monitoring Centre (UNEP-WCMC) in 2002. It has evolved into a partnership of like-minded, forward-thinking and environmentally aware organizations.The partnership recognises that the private sector has a key role to play in conservation. Proteus provides an effective platform from which the private sector can support and engage with international organisations, national governments and non-governmental organisations to help protect the world's biodiversity.The partnership accepts that economic growth without due regard for the world's biodiversity is unacceptable. It recognises the need to monitor human-induced pressures and the implementation of conservation measures. In doing so, the partnership supports the international conservation community and the internationally agreed target of significantly reducing the rate of loss of biodiversity by 2010, which was facilitated by the United Nations.Proteus's main focus is now on creating a decentralised, user-friendly, up-to-date system for storing, managing and reporting on trends in coverage for all the world's protected areas - conforming to best practice techniques and providing a platform that allows for the easy integration of other conservation datasets and user opinion.Statoil has been a partner since the beginning of the initiative.

World Bank - Carbon Finance Unit (CFU)

Statoil is a supporter of two carbon fund mechanisms managed by the World Bank's Carbon Finance Unit - the Prototype Carbon Fund and the Community Development Carbon Fund.

Prototype Carbon Fund (PCF)

A partnership between seventeen companies and six governments that is managed by the World Bank, the Prototype Carbon Fund (PCF) became operational in April 2000.As the first carbon fund, its mission is to pioneer the market for project-based greenhouse gas (GHG) emission reductions while promoting sustainable development and offering a learning-by-doing opportunity to its stakeholders.The Fund pioneered this market through pilot production of Emission Reductions within the framework of Joint Implementation (JI) and the Clean Development Mechanism (CDM).In practice, this means that the fund buys carbon credits from a closed project portfolio of 23 projects in developing countries and in "economies in transition".The Fund has a total capital of USD180 million and Statoil's share is USD 10 million.

Community Development Carbon Fund (CDCF)

The Community Development Carbon Fund (CDCF) provides carbon financing to projects in the poorer areas of the developing world.The Fund, a public/private initiative designed in cooperation with the International Emissions Trading Association (IETA) and the United Nations Framework Convention on Climate Change, became operational in March 2003.The CDCF supports projects that combine community development attributes with emission reductions to create "development plus carbon" credits, and will significantly improve the lives of the poor and their local environment.The first tranche of the CDCF is capitalised at USD 128.6 million, with nine governments and 16 corporations/organisations participating. The Fund is currently closed for further subscriptions.Statoil's share is USD 2.5 million.

MULTI-STAKEHOLDER INITIATIVES

Carbon Sequestration Leadership Forum (CSLF)

The Carbon Sequestration Leadership Forum is an international climate change initiative that is focused on development of improved cost-effective technologies for the separation and capture of carbon dioxide for transport and safe long-term storage.The purpose of the CSLF is to make these technologies broadly available internationally and to identify and address wider issues relating to carbon capture and storage. This could include promoting the appropriate technical, political, and regulatory environments for the development of such technology. The CSLF, which was established in 2003, currently comprises 22 members, including 21 countries and the European Commission. Membership is open to national governmental entities that are significant producers or users of fossil fuel and that have a commitment to investing resources in research, development and demonstration activities in carbon dioxide capture and storage technologies. CSLF also recognises that stakeholders, those organisations that are affected by and can affect the goals of CSLF, form an essential component of CSLF activities.Statoil is registered as a CSLF stakeholder and represents Norway as chair of the Technical group.As part of its mission under the CSLF Charter to "identify promising directions for research," the CSLF Technical Group has produced a Technology Roadmap that is intended to act as a guide for the CSLF and its Members in describing possible routes to future carbon dioxide capture, transport and storage needs.

Extractive Industries Transparency Initiative (EITI)

The Extractive Industries Transparency Initiative (EITI) supports increased transparency and improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining.The EITI is a coalition of governments, companies, civil society groups, investors and international organisations. Then UK Prime Minister, Tony Blair, announced the initiative at the World Summit on Sustainable Development in Johannesburg in September 2002.

Statoil has supported the EITI since its foundation, and it became a member of the international EITI Board in 2009, representing the national oil company (NOC) constituency together with Pemex, the Mexican NOC . In addition, we publish our revenues, investments and taxes paid in the countries where we operate, and we support implementation of the EITI principles in Azerbaijan, Kazakhstan, Nigeria and Norway.

Global Gas Flaring Reduction Partnership (GGFR)

Launched at the World Summit on Sustainable Development in August 2002, the Global Gas Flaring Reduction public-private partnership (GGFR) brings around the table representatives of governments of oil-producing countries, state-owned companies and major international oil companies so that, together, they can overcome the barriers to reducing gas flaring by sharing global best practices and implementing country-specific programmes.The GGFR partnership, a World Bank-led initiative, facilitates and supports national efforts to use currently flared gas by promoting effective regulatory frameworks and tackling the constraints on gas utilisation, such as insufficient infrastructure and poor access to local and international energy markets, particularly in developing countries.Poverty reduction is also an integral part of the GGFR programme, which is developing concepts for how local communities close to the flaring sites can use natural gas and liquefied petroleum gas (LPG) that may otherwise be flared and wasted. The program has already evaluated opportunities for small-scale gas utilisation in several countries.Statoil is a partner of the GGFR programme.

Global Reporting Initiative (GRI)

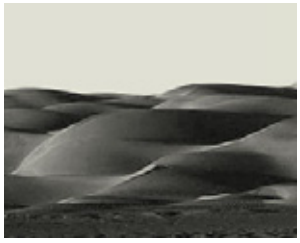
The Global Reporting Initiative (GRI) is a long-term, multi-stakeholder governed institution collaborating to provide globally applicable guidelines and standards for sustainability reporting.

The Sustainability Reporting Guidelines are now in their third version - the G3 Guidelines - which were published in 2006.The Guidelines set out principles and indicators that organisations can use to measure and report their economic, environmental, and social performance.To date, more than 1000 organisations have declared their voluntary adoption of the Guidelines worldwide. Consequently, the G3 Guidelines have become the de facto global standard for sustainability reporting. GRI is a collaborating centre of the United Nations Environment Programme (UNEP) and the Guidelines can be used to produce the UN Global Compact's required annual report -Communication on Progress (COP) .Statoil has been an organisational stakeholder of the GRI since 2005, and it is a member of the GRI Working Group for the development of the Oil and Gas Sector Supplement.

Voluntary Principles on Security and Human Rights (VPSHR)

The initiative to develop the Voluntary Principles on Security and Human Rights (VPSHR) was taken by the US and UK governments in 2000, with the Netherlands and Norway joining later.Together with companies in the extractive and energy sectors, and non-governmental organisations, all with an interest in human rights, they established a dialogue on security and human rights.The participants recognise the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society - including non-governmental organisations, labour/trade unions and local communities - can play in advancing these goals.Through this dialogue, the participants have developed a set of voluntary principles to guide extractive industry and energy companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms. Mindful of these goals, the participants agree on the importance of continuing this dialogue and keeping under review these principles to ensure their continuing relevance and efficacy. Companies commit themselves to following the principles, adopting implementation plans and reporting on progress.Statoil is a member-participant in the VPSHR , and we work to ensure that our use of security guards and operations is in line with the voluntary principles.

Integrity due diligence



International growth and expansion not only increases opportunities, it increases a company's exposure to risk. Our company-wide integrity due diligence (IDD) requirements aim to improve our integrity control of potential business partners.

Especially in countries where corruption is endemic and where partners and business practices are unfamiliar, it is important to identify ethical "red flags" before entering into commitments. Procurement is one of the first areas of businesses to enter new countries and in-depth knowledge of suppliers is therefore vital to success and the company's reputation.

Our standards for
IDD
facilitate improved access to knowledge about potential suppliers, how their business is conducted and what their values are. They also increase understanding of the business environment Statoil is operating in, so that the company knows what to expect.

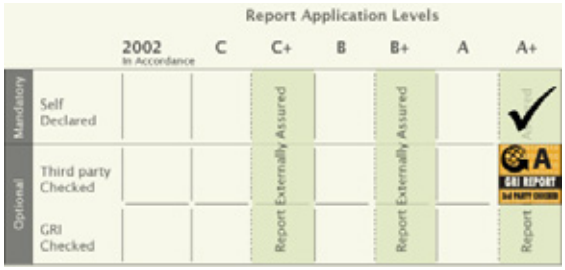
With risk to reputation and liability resulting from the actions of business partners becoming an urgent concern,
IDD
is, in our opinion, one of the most effective tools available. Early risk identification is the key to success in managing integrity risk. In fact, the "red flags" are often not red but yellow, warning that something needs to be looked at in more depth or that some action needs to be taken before proceeding.

We have a separate independent staff function to carry out
IDD
, and, when a risk is deemed significant, cases are referred to the Business Integrity staff for further analysis.

Only a small number of business partners represent an integrity risk, and a simple set of tests can determine whether or not a risk is present. The evaluation of high-risk cases needs to be thorough, however, and this requires resources. However, given the inherent risks in our operations, integrity due diligence can be one of the best investments a company can make. A good reputation takes years to build, but it can be lost in a moment.

GRI Index

Statoil's Sustainability Report 2009 is prepared in accordance with GRI guidelines. This report qualifies to level A+ (third party application level check and externally assured).



Company profile

G3	Description	References	Extent	Comments
1.1	Statement from the most senior decision-maker about the relevance of sustainability to the organisation and its strategy.	CEO letter	Full	
1.2	Desciption of key impacts, risks and opportunities: The reporting organisation should provide two concise narrative sections on key impacts, risks and opportunities.	CEO letter and disclosure on management approach for Health, Safety, the environment, human resources and CSR	Full	
2	**Organisational profile**			
2.1	Name of organisation	Name on website and on paper edition front cover	Full	
2.2	Primary brands, products, and/or services	Business overview	Full	
2.3	Operational structure of the organisation, including main division, operating companies, subsidiaries, and joint ventures.	Business overview	Full	
2.4	Location of organisation's headquarters	Our business	Full	
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Our business, overview by map in paper edition	Full	
2.6	Nature of ownership and legal form	Our business	Full	
2.7	Markets served (including geographic breakdown, sectors served, and types for customers/beneficiaries)	Business overview	Full	
2.8	Scale of the reporting organisation.	Business overview	Full	
2.9	Significant changes during the reporting period regarding size, structure or ownership.	Not relevant	Not relevant	Statoil ASA is again the name after a tyransition period with StatoilHydro following the merger between Statoil and Hydro's oil and gas division.
2.10	Awards received in the reporting period	SAM gold class, Corporate Knights, Shtokman price for best IR Team	Full	
3	**Report parameters**			
	Report profile			
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	About the report	Full	
3.2	Date of most recent previous report	About the report	Full	
3.3	Reporting cycle (annual, biennial, etc)	About the report	Full	
3.4	Contact point for questions regarding the report or it contents.	About the report	Full	
	Report scope and boundary			
3.5	Process for defining report content	Defining the content of our reporting	Full	

G3	Description	References	Extent	Comments
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Defining the content of our reporting	Full	
3.7	State any specific limitations on the scope or boundary of the report.	Defining the content of our reporting	Full	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		Full	Basis for reporting on joint ventures, subsidiaries, leased facilities etc have not been altered
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Key sustinability performance, HSE accounting, social performance, article: Overview over activities by country	Full	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		Full	There have not been any restatements compared to previous reports
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		Full	There are no significant changes in scope, boundary or measurement methods.
	GRI content index			
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI index from front page on web	Full	
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Assurance report from EY	Full	
4	**Governance, Commitments, Engagements**			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate governance: General meeting of shareholders, Nomination committee, Corporate assembly, Board of directors	Full	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Board of directors	Full	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Board of directors	Full	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	General meeting of shareholders	Full	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Compensation to the governing bodies and note 3 in Statutory accounts + statement on corporate governance (Statutory report)	Full	Statement on corporate governance plus parent company financials with remuneration tables and policies will be included in statutory report
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Ethics code of conduct	Full	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Rules of procedures for the board of directors	Full	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Statoil Book, Ethics code of conduct, Disclosures on management approach for HSE , Human resources, CSR ,	Full	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Rules of procedures for the board of directors	Full	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Rules of procedures for the board of directors	Full	

G3	Description	References	Extent	Comments
	Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Managing our impacts	Full	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Articles: Working in collaboration; Human rights, Integrity and transparency	Full	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Working in collaboration	Full	
4.14	List of stakeholder groups engaged by the organization.	Working in collaboration, Stakeholder engagement	Full	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Working in collaboration, Stakeholder engagement	Full	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Working in collaboration, Stakeholder engagement	Full	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Working in collaboration, Stakeholder engagement, defining the content of our reporting	Full	

Disclosures on management approach

Environment	Social	Product responsibility	Economic	Labor practices
Safety; Environment; Climate	Society (overview); Human rights (overview); Integrating respect for human rights in our operations; CEO Letter; Corporate Governance; Managing our impacts; Ethics and transparency;	Product responsibility	CEO letter; Financial analysis and review	People

Economy

G3	Description	References	Extent	Comments
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Articles/tables: Positive impacts section (4.4) containing tables with overview of activities by country; taxes, bonuses and royalties; distributions to capital providers; employees and recruiting; procurement; investments and r&d. Additional information in Performance and reward section (5.6.1.4).	Full	No significant changes from previous year
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	CEO letter, Climate, Sustainable performance	Full	Added risk factor
EC3	Coverage of the organization's defined benefit plan obligations.	Note 23 to group financial statements	Full	Numbering of notes subject to change
EC4	Significant financial assistance received from government.	Shareholder information	Full	Statoil benefits in its credit rating from Norwegian government majority shareholding, no other financial assistance
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Article: Employee and Industrial Relations	N/A	We do not have reports for all entry levels in the Statoil Group. In general, the oil and gas-sector is a high-salary sector in most countries of operation. For our main operations, taking place in Skandinavia and Poland, the salary levels are subject to union negotiations. Statoil has since 1998 also had a collaboration agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), covering all Statoil employees in all our countries of operation, which commits us to pay fair wages and benefits according to good industry standards in the country concerned. The agreement

G3	Description	References	Extent	Comments
				moreover further commits us to all fundamental labour rights, as well as relevant health, safety and environmental standards.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Local content; Overview of activities by country; Social performance data	Full	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operations	Article 5.7.3.2 on Local content; Overview of activities by country (4.4.1); Equal opportunities (5.6.1.7); Social performance data	Partial	We are working on developing systems to better track and report on this indicator.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Managing our impacts; Local development (incl. Subarticles on Local content; Social investment); Overview of activities by country	N/A	Statoil undertakes social responsibility by contributing to sustainable development based on our core activites. While we believe that our activities are of public benefit, we do not generally undertake investments that are primarily for charity purposes
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Managing our impacts; Local development (incl. Subarticles on Local content; Social investment); Overview of activities by country	Full	

Environment

G3	Description	References	Extent	Comments
EN1	Materials used by weight or volume.	Environmental data	Full	Statoil's currently operated business is taking place in Norway, hence data for international activities regarding this indicator is neglectible.
EN2	Percentage of materials used that are recycled input materials		Not reported	Not relevant for current main stream business, as our main product is oil and gas.
EN3	Direct energy consumption by primary energy source.	Environmental data; HSE accounting	Full	There is no split between direct and indirect energy consumption in presented data, although background data distinguishes between indirect and direct energy consumption.
EN4	Indirect energy consumption by primary energy source.	Key sustainability performance data; Environmental data	Full	Imported energy: 4 275 224 MWh (electricity and other)
EN5	Energy saved due to conservation and efficiency improvements.		Not reported	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Reference to "Biofuels - sustainable sourcing and retail sales reducing CO2 emissions"	Full	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.		Not reported	
EN8	Total water withdrawal by source.	Environmental data	Partial	
EN9	Water sources significantly affected by withdrawal of water.		Full	No water sources significantly affected by current operations
EN10	Percentage and total volume of water recycled and reused.		Not reported	Our main current business is located offshore or in areas where water scarcity is of less relevance. Scarcity of some relevance in Canada (not yet producing) and Algeria (partner operated). Produced water from offshore activities is treated or injected.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Biodiversity	Full	
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Biodiversity	Full	
EN13	Habitats protected or restored.	Biodiversity	Full	

G3	Description	References	Extent	Comments
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Biodiversity	Full	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		Full	No indications of IUCN Red List species and national conservation list species put at extinction risk due to Statoils operations. We have internal requirements to carry out impact assessments for our operations whether or not that is required by national regulations. Potential impacts on Red List species are considered, and if adverse impacts on such species are foreseen, sufficient measures will be implemented to avoid the impact
EN16	Total direct and indirect greenhouse gas emissions by weight.	HSE accounting, Environmental data	Full	
EN17	Other relevant indirect greenhouse gas emissions by weight.		Not reported	Main contributors to greenhouse emissions from our business is direct emissions of CO2 and methane. Indirect GHG emissions are neglectable.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	CCS - our history	Full	
EN19	Emissions of ozone-depleting substances by weight.		Not reported	The remaining use of freon (ozon depleting substance) is as cooling component in closed systems. Until 2015 we are under govt. permit to use recircled HKFK (ozon-depleting) from vendor, legislation carved out to stop new and future production of HKFK. We do not currently have any internal plans to speed up the process to implement other solutions."'
EN20	NOx , SOx and other significant air emissions by type and weight.	HSE accounting, Environmental data	Partial	Sox and VOC only from Norwegian Continental shelf and large land-based facilities.
EN21	Total water discharge by quality and destination.	Environmental data	Full	
EN22	Total weight of waste by type and disposal method.	HSE accounting, Environmental data	Full	
EN23	Total number and volume of significant spills.	HSE accounting, Environmental data; Fines, sanctions and accidents; HSE performance indicators	Full	
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally.		N/A	Import or export of hazardous waste is not relevant to our main stream operations
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Biodiversity	Full	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Articles: CCS -Our history; Biofuels - addressing the challenges; Second generation biofuels	Full	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category. (Core)		Partial	Statoil ASA is selling gross volume of products in bulk or directly into customers' car, hence packing material is not an issue at corporate level. For non-fuel products there are several initiatives at national levels to recycle used materials. For example Statoil Norge AS is partner in Grønt Punkt Norge AS. Grønt Punkt Norge is the system established by the business community in response to the authorities' requirement that used packaging is recovered and recycled. Our main task is to ensure that the business

G3	Description	References	Extent	Comments
				community participates in the financing of the recovery and recycling of used packaging. We pay Plastretur AS and Norsk Resy AS to receive and recycle packing materials collected at our service stations in Norway. Hence, it is impossible to submit numbers at a company level, only at national subsidiary level.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Articles: Fines, sanctions and accidents, HSE accounting	Full	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.		Not reported	
EN30	Total environmental protection expenditures and investments by type.		Not reported	Environmental expenditures are integrated in our business decisions and cannot be separated as isolated investments.

Social - Society

G3	Description	References	Extent	Comments
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. (Core)	Articles: Managing our impacts; integrated impact assessments; Engaging communities	Partial	
SO2	Percentage and total number of business units analyzed for risks related to corruption. (Core)	Article: Ethics and anti-corruption	Full	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures. (Core)	Article: Ethics and anti-corruption	Full	
SO4	Actions taken in response to incidents of corruption. (Core)	Article: Ethics and anti-corruption; Horton case closed	Full	
SO5	Public policy positions and participation in public policy development and lobbying. (Core)	Articles: CEO Letter; Northern trailblazer; Outward bound	Partial	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. (Additional)	Ethics Code of Conduct	Full	Statoil does not support individual political parties or individual politicians.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional)		Full	No legal actions againgst us in this field
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. (Core)	Articles: Fines and sanctions - Safety	Full	Awaiting inputs from CFO LEG

Social - Human Rights

G3	Description	References	Extent	Comments
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	Integrating respect for human rights in our operations; Integrated impact assessments; Integrity due diligence	Full	Our integrity due diligence procedures involve screening of integrity risks and human rights reputation of all new business relationships
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. (Core)	Integrating respect for human rights in our operations; Working with our suppliers; Integrity due diligence	Partial	Our integrity due diligence procedures involve screening of integrity risks and human rights reputation of all new business relationships, including suppliers and contractors
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional)	Human rights training	Partial	
HR4	Total number of incidents of discrimination and actions taken. (Core)		Not reported	No such incidents are reported. We do not report on this indicator due to the difficulty in collecting and reporting accurately on this information. However, incidents of discrimination are raised through various channels - e.g. Ethics Helpline, Human Resources, trade unions, and line management. When

G3	Description	References	Extent	Comments
				potential incidents are uncovered, these are investigated and, if confirmed, we take steps to eliminate such practices.
HR5	Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights. (Core)		Full	No related incidents have been reported to the anonymous Ethics Helpline, human resources department or trade unions in 2009.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)		Full	We perform due dilligence as part of our entry into countries and projects in order to avoid i.e. child labour. No related incidents have been reported to the anonymous Ethics Helpline, human resources department or trade unions in 2009
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. (Core)		Full	We perform due dilligence as part of our entry into countries and projects in order to avoid i.e. forced or compulsory labour. No related incidents have been reported to the anonymous Ethics Helpline, human resources department or trade unions in 2009
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. (Additional)	Security and human rights	Full	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. (Additional)		Full	No related incidents have been reported to the anonymous Ethics Helpline, human resources department or trade unions in 2009.

Social - Labour Practises

G3	Description	References	Extent	Comments
LA1	Total workforce by employment type, employment contract and region	Article: Employees in Statoil	Full	Statistics regarding employment contract (full time or part time employees) is current ly not applicaple outside Norway
LA2	Total number and rate of employee turnover by age group, gender and region	Article: Employees in Statoil	Full	Turnover rates are presented by gender and age groups in Statoil ASA. Turnover by region and turnover by gender and age groups is currently not applicaple outside Norway
LA3	Benefits provided to full time employees that are not provided temporary or part time employees, by major operations		N/A	Statoil does not differentiate between permanent full time and permanent part time employees in terms of compensations
LA4	Percentage of employees covered by collective bargaining agreements	Article: Employee and industrial relations	Full	Statoil recognise the right to unionise. Ref agreement with ICEM . Link: http://www.icem .org/index.php?id=107&la=EN&doc=1219.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Article: Employee and industrial relations	Partial	Operational changes are communicated to those concerned as early as possible and minimum notice periods are governed by Statoil internal policy, collective bargaining agreements, national legislation and EU/EEA directives (Work Councils/ European WorksCouncils).
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs	Article: Employee and industrial relations	Partial	"In Statoil ASA, all employees are represented in formal joint management- worker health and safety committees. Legal requirements is followed in all countries. Examples of Work Environment Committees exceeding legal requirements. Also covered in national and local union agreements. Use of safety delegats widely implemented."
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	Article: HSE accounting 2009, HSE performance indicator	Full	WRI is integrated into SIF (Red 1&2)

G3	Description	References	Extent	Comments
LA8	Education, training, counceling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	Article: Health and the workplace	Full	
LA9	Health and safety topics covered in formal agreements with trade unions.	Article: Employee and industrial relations	Partial	Also covered in national and local union agreements. Use of safety delegats widely implemented.
LA10	Average hours of training per year per employee by employee category	Article: Development and deployment	Partial	The human resource system in Statoil operates with course participation days. Average participation days per employee category is currently not applicaple in Statoil's human resource system
LA11	Programs for skilled management and lifelong learning to support the continued employability and assist them in managing career endings	Article: Development and deployment	Partial	Covered by different programs, individual needs discussed in "People@Statoil process. A special "Senior Policy" is defined in parent company.
LA12	Percentage of employees receiving regular performance and career development reviews.	Articles: Development and deployment and Organisational capabilities	Full	All employees have annual performance review. IT solution for the "People@Statoil" process are implemented in subsidiaries.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Article: Employees in Statoil and equal oppurtunities	Full	Reporting on minority Groups is prohibited by Norwegian legislation, reporting on age groups is prohibited by U.S legislation.
LA14	Ratio of basic salary of men to women by employee category	Article: Performance and reward	Full	Statistics apply to Statoil ASA, and is currently not applicaple outside Norway

Social - Product Responsibility

G3	Description	References	Extent	Comments
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. (core)	Article: Our Products	Partial	The section for Our products only deals with our products sold to private customers.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. (additional)		Partial	Reports from Sweden and Denmark indicate no incidents of such non-compliance.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. (core)	Article: Our Products	Full	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.(additional)		Partial	During 2009 there has been 102 contaminations according to our reporting tool.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (addtional)	Stakeholder engagement	Partial	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.(core)	Article: About Statoil	Full	We are following Norwegian and local law and we allways obtain internal juridical approval before we enter into a sponsorship or before we start running a advertising campaign.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. (additional)		Not reported	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (additional)		Full	Nothing to report
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. (core)	"HSE accounting and articles: Fines, sanction and accident"	Full	"We were fined NOK 25 million on the 18th of December 2009 by The Public Procecuters in Rogaland in connection with an incident that took place on the 12th of December 2007. A ruptured loading hose on Statfjord A led to 4,400 cubic meters of crude oil being pumped into sea. Statoil E&R has received fines at a total of

G3	Description	References	Extent	Comments
				0,1 million related to approximately twenty minor issues related to e.g. food safety, handling of liquid fuel and transportation of dangerous goods."

Statoil

UN Global Compact Index

United Nations Global Compact Index

GC Area	Principles		References
Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	CEO Letter Society (overview) Human rights
	Principle 2	Make sure that they are not complicit in human rights abuses	Human rights Integrating human rights in our operations Human rights training Security and human rights Grievance mechanisms Managing our risks and impacts Working with our suppliers
Labour	Principle 3	Businesses should uphold freedom of assocation and the effective recognition of the right to collective bargaining	Human rights Employee and industrial relations Integrating human rights in our operations Working with our suppliers
	Principle 4	The elimination of all forms of forced and compulsory labour	Human rights Integrating human rights in our operations Working with our suppliers
	Principle 5	The effective abolition of child labour	Human rights Integrating human rights in our operations Working with our suppliers
	Principle 6	The elimination of discrimination in respect of employment and occupation	Human rights Equal opportunities Integrating human rights in our operations
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	CEO Letter Environment (overview) Climate (overview) Managing our risks and impacts
	Principle 8	Undertake initiatives to promote greater environmental responsibility	Environment (overview) Climate (overview) Managing our risks and impacts Our products
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Environment (overview) Climate (overview) Research and development CCS - our history Crossing energy frontiers Power to the people Sustainable shipping history Stimulating use of environmentally friendly fuel Helping the public to calculate their emissions
Anti-corruption	Principle 10	Businesses should work against all forms of corruption, including extortion and bribery	CEO Letter Society (overview) Ethics and transparency Ethics and anti-corruption Horton case closed