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Mission

We deliver Affordable, Accessible, and Available high-quality energy products and services through innovation to the communities we serve.

Vision

Vital is the largest provider of energy life-line products and services in Micronesia.

Nauru transitions to Ultra-Low Sulfur Diesel



On June 18, 2020, our Vital Energy, Inc.-Nauru Terminal transitioned from one of its primary products, 500ppm ADO (diesel) to 10ppm ULSD, or Ultra-Low Sulfur Diesel. In 2019, a Government of Nauru Cabinet decision (786-2019) endorsed ULSD 10ppm as the new maximum standard for sulfur in diesel in the country.

According to a Government of South Australia website https://www.lowemissionvehicles.sa.gov.au/knowledge_bank/emissions_policy/australian_design_rules, Australia adopted the Euro 5 (10ppm) standards for light vehicles in 2018. The standards aimed to reduce a new light vehicle's maximum allowable emissions of hydrocarbons by up to 50%, Noxious Oxides (NOx) by up to 70%, and Particulate Matter (PM) by up to 90%. The General Manager of VEI, Inc. Maderson Ramon confirmed, "This transition from ADO 500ppm fuel to ULSD mirrors trends seen in major markets and across the Pacific region. Fiji introduced a ULSD 10ppm specification in 2019, with minimal disruptions and impacts to consumers. We expect the same in Nauru."

The current diesel standard in Nauru is suitable for the requirements of Euro2 engines that were manufactured in the mid-1990s. VEI, Inc. confirms that the new fuel standard is suitable for the majority of modern engines running in the Country.

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Snapshot of Pump Price Lows Across Micronesia

Pump prices across the Micronesian islands as of October 13, 2020:

Hagåtña, Guam

@ Mobil Agana
ULP @ \$3.679/gal
ADO \$ \$4.009/gal

Utwe, Kosrae

@ Hardy's Fuel
ULP \$3.75/gal

Kolonia, Pohnpei

@ PITC
ULP \$3.85/gal

Weno, Chuuk

@ K&I
ULP \$3.90/gal
ADO \$5.05/gal
@ Susumu and Island Mart
ULP \$3.90/gal

Colonia, Yap

@ YCA:
ULP \$3.95/gal
ADO \$4.40/gal
KERO \$5.50/gal

Koror, Palau

@ Blue Bay Gas Station
ULP \$4.259/gal
ADO \$4.579/gal

Majuro, Marshall Islands

@ Ace's One Stop
ULP \$4.65/gal
ADO \$4.90/gal

Kulo ma lulap, kalahngan, kinisou chapur and karim magar gad to all Our Service Station Customers for keeping prices reasonable for FSM motorists and very competitive to those across the greater Micronesian region.

Quarterly Drills at Our Terminals

Our Emergency Preparedness Program is designed to mitigate the risk of harm or damage immediately following an emergency event. According to the Program Management Plan, "This includes mitigating risk of:

- harm to people,
- loss of and/or damage to assets,
- damage to the environment, and
- damage to reputation."

The Plan further explains: "The three year goal of Emergency Preparedness Program is to ensure that all Vital operating locations can respond effectively to fire, spill, medical, marine, information technology, food, quality, security and environmental emergencies. Our response capability must exceed the requirements of the relevant industry standards."

Operations & Distribution Manager Mr. Savenaca Tamani stresses the importance of regularly run drills and exercises for a facility and its team to be emergency-ready: "In Emergency situations you typically have time constraints, information that is known/unknown, decisions to be made, and emotions. Drills and exercises are meant to build muscle memory so that we are not reacting to emergencies but acting based on knowledge and skills."



Vital's Yap Terminal in Worwoo, Colonia continues to be on top of its quarterly emergency drills and exercises of high risk scenarios including Fires and Oil Spills. Officer-in-Charge (OIC) John Rumwol facilitates each drill, supported by the Terminal Supervisor John Gilsowuth and SAFER Manager Juanito Hasugulmal. External participants also play important roles in our drills. In Yap, this includes the Yap State Department of Public Safety, the Yap State Fire Department, Yap ARFF, Yap State Environmental Protection Agency, and the security services contracted at our Yap Terminal.

On July 15, the Yap Team held a practical drill simulating a fire within the dyke wall of the tankfarm. OIC Rumwol identified six main testing points for the drill:

- Staff knowledge of their roles and responsibilities
- Required equipment are in good operating condition
- Security guard's knowledge of his roles and responsibilities
- Responding agencies' knowledge of their roles and responsibilities
- Response times of the different responding agencies
- Accuracy of the Log of Events



Based on the drill's Log of Events, the drill began when the Terminal's fire alarm was activated at 11:11 a.m. that morning, after the security guard reported the fire by Tank 5. All staff and contractors reached the designated Assembly Area by 11:12 a.m., and the Emergency Call List was activated, with Police, Fire, ARFF and the CEO of the Company all contacted via telephone. Police arrived by 11:18 a.m., followed a minute later by the Fire Department. By 11:38 a.m., the hypothetical fire was secured, the drill complete and the team ready for debriefing.

We're proud of the great effort and performance at our Yap Terminal--congratulations and keep up the good work, OIC Rumwol and Team, and thank you to all our partners in emergency for their continued support!

Armed & Ready: Quarters 1, 2 Staff Engagement

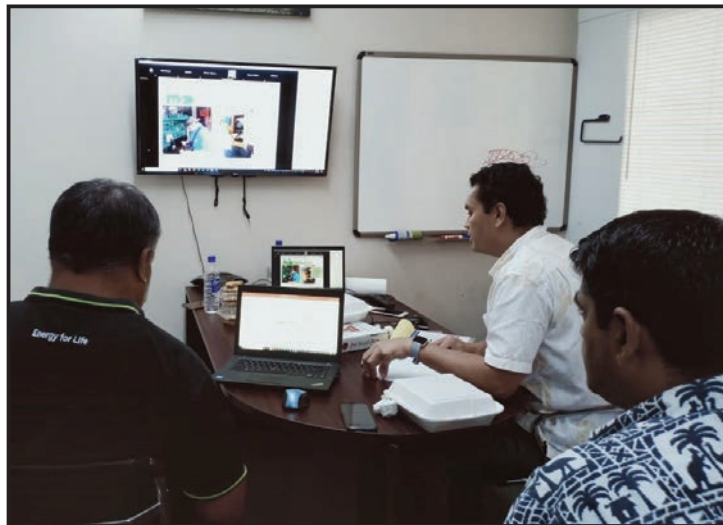
This year we've incorporated web-conferencing into our staff engagements, in an ongoing effort to have a fully engaged staff. By hosting company-wide Quarterly Updates, every member of the Vital team gets to hear firsthand, virtually, from our Senior Management Team (SMT) about what is going on in the Company. The SMT share critical updates, and also acknowledge performance excellence within specific teams and the company as a whole. The agenda also includes a discussion of what is expected in oncoming quarters.

This year we're targeting four engagements with staff, and so far we've held two successful Updates. Facilities in all six Vital locations pause from our usual operations, sit down and have a company-wide discussion via Zoom. Employees are invited to ask questions which are then addressed by one or more of the SMT. The activity typically takes about three hours, and while work-related, the engagement is more light-hearted and staff typically really enjoy these Updates.

The aim of these engagements is of course to improve communications to our greatest asset--Our People. These virtual engagements are proving to be especially useful this year as we face unprecedented times during the coronavirus pandemic, which has already affected many aspects of the business, our operations processes and procedures, and made face-to-face engagements between Senior Management and our Operations difficult.

Feedback the Communications Team received from staff reveal that they are very appreciative of the opportunity to hear directly from senior management on issues they are concerned with.

There are 2 more quarterly engagements scheduled for this year and we hope to continue to improve upon how we provide critical information to all of our teams, to ensure everyone is Armed and Ready to make the year a successful one.



Above: The SMT dialing in from the Head Office in Pohnpei



Above: Team Finance listening in from the 2nd Floor, Head Office



Above: Terminal Supervisor Wilton Masaichy following along from Chuuk



Above: Team Nauru dialing in from the Terminal in Aiwo

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ULSD into Nauru

ULSD Project Manager Peni Drodrolagi shed some light on the background behind his project: "Before the transition to ULSD, the fuel in Nauru met a Euro2 specification which is suitable for diesel engines manufactured before 2007. One of the greatest benefits of the upgrade is that is one step closer to a cleaner and greener Nauru, by reducing the amount of harmful emissions released into Nauru's atmosphere. By reducing the levels of Nitrogen oxides, Carbon monoxide, Hydrocarbons and Particulate Matter in the air, the improved air quality will translate into improved health for the Nauruan people, and we can all be proud to support this change for the better."



We asked Peni a few more questions about his project:

Q: In addition to the reduction in air pollution, what's another benefit of switching to ULSD?

A: Transitioning to ULSD 10PPM will give Nauru a huge opportunity not only to proceed with Clean Air initiatives but also to kick-start their use of modern technology-based equipment that supports a cleaner environment. This is because ULSD was designed specifically for EURO4 & 5 technology.

Q: What was one of the most rewarding aspects of the project?

A: It was the general public's interest in the whole transition. People were very inquisitive--they want to know about the ULSD and very importantly, they liked what they heard!

Q: One lesson learned?

A: Don't take things for granted--the whole awareness campaign took a lot more time and effort than I had originally expected.

Q: What did you find most critical to the success of your project?

A: Actually it was the help, support and participation of various stakeholders throughout the different phases of our transition to ULSD. In particular, the GoN Finance Advisor Mr. John Petersen and the Honorable Secretary for Finance Ms. Novena Itsimaera; the National Police Department; Service Station Owners and Attendants as well as our Contracted Customers; the Global Procurement Services team; DIGICEL; and I can't leave out our own Vital Staff; our IMEL contractors; our families and our friends. Also, much thanks is also owed to Angela's Garage, who we partnered with to conduct all diesel vehicle inspection and clean ups.





Andrew Musrasrik
Engineering (B.E.)
Walla Walla University

Rennie Glen Taiwerpal
Agriculture (B.S.)
University of Guam

Stewart Johnny
Agriculture (B.S.)
University of Guam

Tyron Estephan
Engineering (B.E.)
Walla Walla University

Kimsy Kubo
Tropical Conservation Biology
and Env. Science (M.S.)
University of Hawai'i at Hilo

Congratulations 2020-2021 VITAL SCHOLARS



The Vital Annual Scholarship

For the fourth consecutive year, Vital and the Rotary Club of Pohnpei (RCP) opened up the Vital Annual Scholarship to FSM college students enrolled in the 2020-2021 School Year. As with years passed, all applications were evaluated, but priority was given to applicants whose concentrations align with Vital's business interests and needs, specifically, the prioritized fields of Engineering, Agriculture, Applied Sciences and Business.

The pool of applicants grows more impressive every year, and this year was no exception. This past August, the RCP's Scholarship Committee reviewed applications from college students studying in Micronesia, the United States, and Japan; from the College of Micronesia-FSM and the University of Guam in Micronesia, to the University of California-Santa Cruz and Cardinal Stritch University in the U.S., to Sophia University and Ritsumeikan Asia Pacific University in Japan. We thank all applicants for their submissions, and encourage all qualified FSM college students to apply next year.

The ultimate goal of the Vital Annual Scholarship Program is to help support professional development throughout our host country of the FSM, help reduce the need to outsource professionals, and ultimately to harness and further advance the local Micronesian talent. We're proud to share that several Vital scholars from past years have since graduated and are working in their home states: Jamilyn Mooteb who graduated with a BS in Physics is now a teacher in Yap, and Erick Paul who graduated with a Master's Degree in Business Administration is an auditor with the FSM Public Auditor. We're also excited to confirm that this year, 3-time Vital Scholar Rennie Glen Taiwerpal will be graduating this year with a BS in Agriculture from the University of Guam.

Since the establishment of our Memorandum of Agreement with the RCP in 2017, Vital's Corporate Social Responsibility (CSR) Program has proudly contributed \$100,000 in scholarship funding towards the educational careers of FSM college students. We look forward to continuing to give back to our host communities in meaningful ways such as the Vital Annual Scholarship.

The 2020-2021 Vital Scholars

From this year's pool of applicants, the Rotary Club of Pohnpei's Scholarship Committee nominated five FSM college students for the 2020-2021 Vital Scholarship. Three nominees are three-time recipients of the Vital Scholarship--Andrew Musrasrik, Rennie Glen Taiwerpal, and Stewart Johnny--and two were new nominees: Tyron Estephan and Kimsy Kubo.

We asked these five gentlemen to share a bit about their college experiences, what motivates them to excel in their respective fields of study, and how they envision giving back to their home states and the FSM, and found their responses quite inspiring. Excerpts from their feedback below:

Andrew Musrasrik of Pohnpei State is working towards a B.S. in Civil Engineering (B.S.) from Walla Walla University. He spoke on how he envisions his background in Engineering will help the FSM:



"Improvements to the infrastructure in the FSM is vital as it will allow the economy to grow faster and help to reduce poverty in the country.

"As the number of civil engineers in the FSM increases, it is likely that improvements will be made to the country's roads, bridges, buildings, airports, etc. Interaction with other economies of the world will be made easier as the country's airports are improved. With improved airports and seaports, the FSM will be able to import and export goods more efficiently.

"Additionally, there will be many benefits of improving the transportation infrastructure of the FSM. For example, increasing public transportation on the islands will connect people to each other and to goods and services, connect workers to jobs, reduce traffic, and can reduce greenhouse gas emissions. Thus one of my main focuses when returning to the FSM will be on the transportation infrastructure."

Rennie Glen "RG" Taiwerpal of Yap State and graduating this semester with a B.S. in Agriculture from the University of Guam, on how the skills and knowledge acquired from his studies in agriculture will help him address growing challenges back home:

"The FSM is facing challenges such as waste management, climate change and increasing pressures on our natural resources. I believe we can minimize risks and challenges by strengthening our communities' understanding of agricultural practices which will help us maximize our available resources.

"With the promotion and demonstration of sustainable farming, our communities can learn how to turn waste into useful resources, and planting trees will help tackle climate change by absorbing carbon emissions and releasing oxygen."



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The 2020-2021 Vital Scholars

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Stewart Johnny of Pohnpei State is working towards a B.S. in Agriculture from the University of Guam. He talked to us about what motivates him to pursue an education in Agriculture:



"I aspire to become an Entomologist because I want to learn more about insects.

"Pests and insects are one of the main problems to our islands' crops. In Guam, the Coconut Rhinoceros Beetle has caused so much damage to most of the coconut trees on the island.

"This is one thing that motivates me to continue my education and one day improve the agricultural technical capabilities in Pohnpei and the FSM."

Tyron Michael Estephan of Pohnpei State is a Sophomore majoring in Civil Engineering at Walla Walla University. He shared a bit about his first year as a college student:

"Having experienced college as an engineering major, I find it really challenging and also quite fascinating. With the very little technical knowledge I have now, I wish to further expand it for the betterment and technical advancement of my country."



Kimsky Kubo of Pohnpei State is studying towards a Master of Science in Tropical Conservation Biology and Environmental Science from the University of Hawai'i at Hilo. He spoke of his very passionate dream to help protect life and land in Pohnpei:

"I once dreamt to be a politician, but then I looked back and thought, 'Do the Garden Islands of Pohnpei need more politicians?' I found 'NO' as the answer to that.

"What Pohnpei needs is someone who knows and understands the island itself, its environment, and how to conserve and maintain the beauty of the island. "If we look at Pohnpei and imagine it as a tree, which parts would you rather be? Me? I'd want to be the roots, which can barely be seen but hold all the strength of the tree. I am not chasing fame- this is just how much I want to give back to my homeland. I may get dirty and become invisible, but as the dawn sets and dusk rises, I will still be the roots for Pohnpei."



Nauru Fun Walk and Clean Up Celebrates New ULSD Product

In July, our Nauru team hosted two community events in conjunction with other promotional events surrounding the launch and transition from 500ppm Automotive Diesel Oil (ADO) to 10ppm Ultra-Low Sulfur Diesel (ULSD). ULSD Project Manager Peni Drodrolagi, OnSite Supervisor Adonis Demauna and team planned the activities, with much support from management visiting from the Head Office, our Operations & Logistics Manager (OLM) Savenaca Tamani and Human Resources Advisor (HRA) Marleen Ngirametuker.

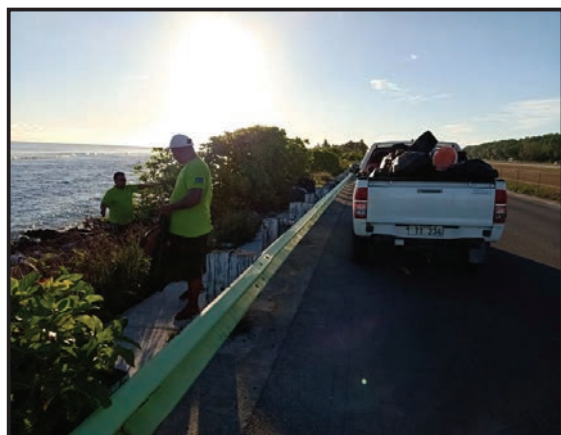
The first community event was a Circle the Island Fun Walk on Saturday, July 18th. Vital staff and family members as well as friends and community members completed the 11 kilometer trek that both began and ended at the Anibare Boat Harbor. In all, there were an estimated forty participants, many of whom had never walked the circumference of the island before.

Project Manager Peni thanked everybody who showed up for the walk, and explained that the fun activity was planned to help reinforce the message and drive behind our transition from 500PPM ADO to 10PPM ULSD: a cleaner, greener and healthier Nauru.

The following week, our Vital Nauru team and family got together again for a Clean Up event at Ella's Park as well as along the coastline and along the airport strip. The group of about thirty volunteers collected over two truckloads of trash, and were treated to some fresh fruits and water after the hard work.

Marleen commented, "Seeing everyone out there, happily doing something for the community was such a memorable moment. After all the trash was collected, you could see the sense of pride and happiness that we had made this lovely part of Nauru clean and more beautiful. This being our second clean up activity here, I believe and see firsthand how our staff are proud to contribute to the cleanliness of their country. Everyone worked so hard and contributed to the success of the event. Cheers to the whole team!"

As the HRA for our growing company of over 150 employees, this experience was especially valuable from the Human Resources perspective; Marleen explained, "I'm always happy when our employees encourage their families, especially their children, to participate in extracurricular activities like this clean up, as they help instill in our kids the importance of health--the health of each person as well as the health of the nation--and what better way than to give back to your immediate community through some hard work and sweat! I hope that our kids are inspired to continue this and other good deeds, and be our unofficial ambassadors for a cleaner, greener and healthier Nauru."



Customer Pump Upgrades

In June, our Pohnpei customer AMCREC upgraded the fuel dispensing pumps at their Kolonia gas station. Our Vital Maintenance Crew, including Shambhu Prasad, Mechanics John Gilmete and Jayden Immanuel, were on-site to assist the AMCREC team with the installation and commissioning of the equipment. Key Accounts Manager Trevayne Esiel oversaw the Vital Crew's work and reported a successful installation. Congratulations to the AMCREC team for the upgrade, and on celebrating its 20th Anniversary this September 2020!



Our Corporate Social Responsibility Program



While our major company-sponsored event, the Vital Annual Fishing Circuit (in Pohnpei, Kosrae, Chuuk, Nauru and Yap) were cancelled in 2020 in compliance with COVID-19 social distancing guidelines, we are very happy to continue to support initiatives throughout our host communities. Here are a few of the community events we participated in recently:

-Micronesian Conservation Coalition's 2020 Marine Island Ecology Course

*Special thanks to Coco Tree Service Center (CTSC) for its assistance with this donation (Left: CTSC General Manager Aran Gilinug)

-KOHWA Clothing Drive in Pohnpei
(Right: KOHWA Representative Luan Gilmete with CSR Committee Member Joe and Vital Staff Maylinda and Shambhu)



-2020 Ahi Mwour Ahi Pwukoah AMAP Fishing Tournament (Left: Drinnette James representing the 2020 AMAP Organizing Committee with CSR Committee Member Trevayne and Vital Staff Sharein)

C4Life Ambassador Resty Shotaro Retires



On behalf of Vital’s Coconut for Life (C4L) Proejct, we would like to wish C4L Ambassador Resty Shotaro a happy retirement! Ambassador Shotaro served the Vital Group first on the Vital FSM PetroCorp Board of Directors, from 2013 to 2017. After his term as Chuuk State Representative, he transitioned into the role of Project Ambassador for the Company’s coconut initiative, engaging with stakeholders in the Chuuk community as well as leadership at the traditional, state and national levels. June 12th was his last day of service, which ended with a retirement party held by our Chuuk team. Thank you Ambassador Shotaro for the seven years of great service to the Vital Group, first as our Director, and then as a colleague and a good friend. Photos won’t do the memories justice, but we’re happy to share a handful just the same. Kinisou chapur, ammafen Resty.



The latest Handwashing Poster issued by the Vital Crisis Management Team (CMT), "Wash Your Hands" is installed at every Vital location with the goal of protecting Our People and minimizing risk to Our People. Staff and visitors are asked to avoid entering Vital facilities if they are experiencing flu-like symptoms, including runny nose, sore throat, cough, fever or difficulty breathing. For more information, contact CMT at +691 320 8506 or via e-mail, at cmt@fsmnpc.com.

Please help us
minimize risk to
Our People.

Do not enter if:

- You are experiencing runny nose, sore throat, cough, fever, or difficulty breathing.
- The purpose of your visit can be accomplished via e-mail or phone call.

If you have any questions or concerns, speak with the Security Guard, or call the COVID-19 Crisis Management Team (CMT) @ 320-8506.

**Before
entering this
Vital facility,
All Staff
and Visitors
are required
to wash your
hands:**

WASH YOUR HANDS



01

Wet your hands
before applying
soap.



02

Bring your palms
together and rub
soap all over the
palms and back of
your hands,
including between
the fingers.



03

Wash your hands
for at least 20
seconds.



04

Wipe your hands
with a clean paper
towel, and make
sure to throw it away
in the trash.



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