



# Shared Values

2018 Sustainability Report



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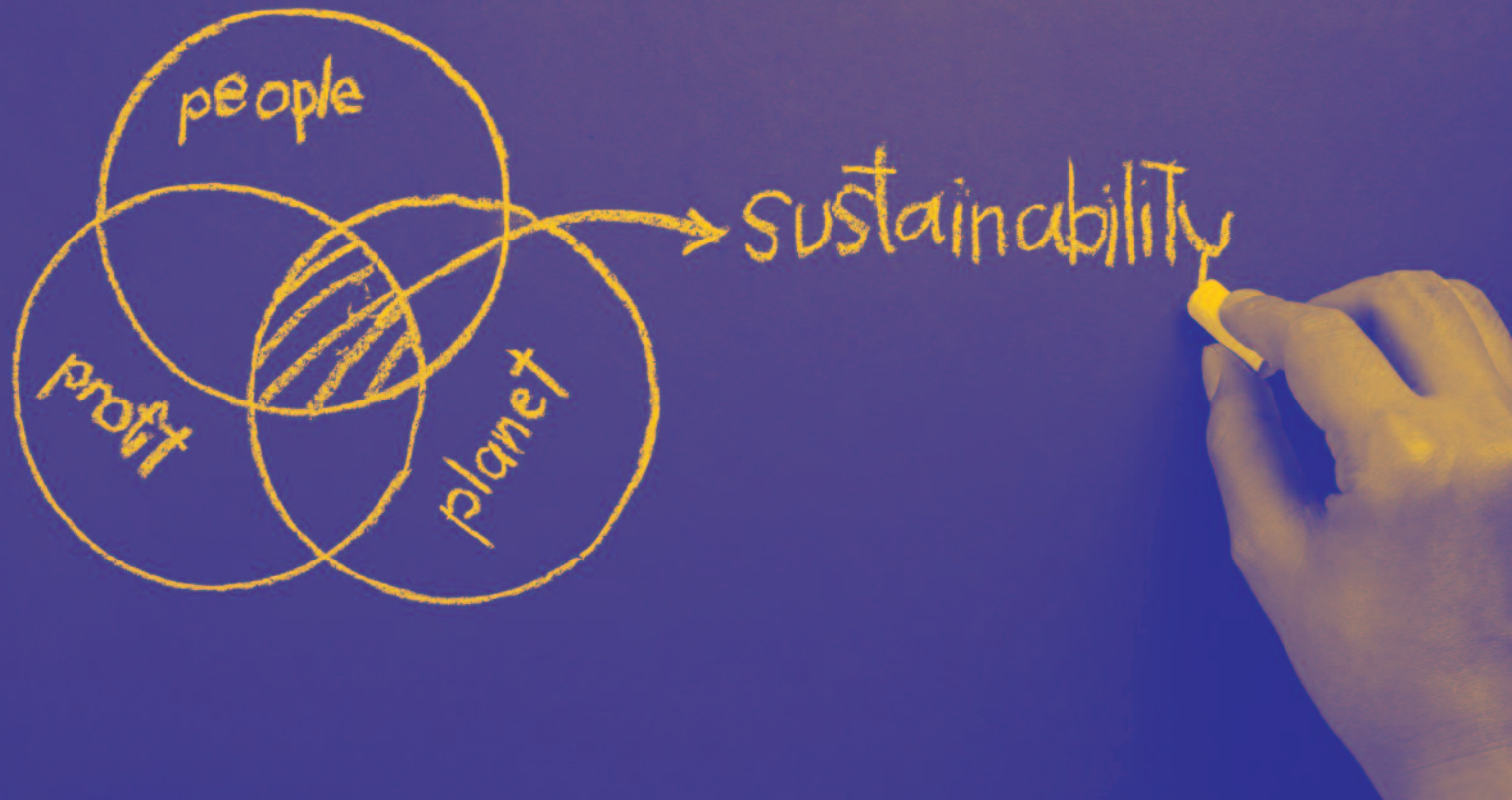
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HUMANS  
OF OANDO

# Oando PLC RC 6474

## Sustainability Report 2018



### MISSION

To be the leading integrated energy solutions provider

### VISION

To be the premier company driven by excellence

### VALUES

Teamwork, Respect, Integrity, Passion and Professionalism (TRIPP)

## Our 2018 Sustainability Report

Welcome to our 2018 Sustainability Report, which is the sixth in our series of Sustainability Reports. We have maintained the focus on our economic, social and environmental performance based on the strategies developed and implemented, the results or outcomes observed, our achievements and the impacts of our activities within the reporting year (from January 1-December 31, 2018).

It is another time to intimate you, our stakeholders of our operations in 2018. We congratulate all our stakeholders and investors especially, who have entrusted us with their funds, to do business in a sustainable manner for another successful year - a year in which we have been able to surmount several challenges to produce enviable results in our economic, social, environmental and governance spheres.

In this years' report, as always, we seek to present our corporate journey from January to December 2018, our unique challenges, the concerns of our stakeholders, and measures that were put in place to help resolve those concerns. We would also share with you our initiatives aimed at enhancing our corporate culture, giving back to our communities and seeing to the well-being and development of our staff. A focal point of this report is to provide a proper perspective for the delicate act of balancing different stakeholder interests and expectations against the numerous operational challenges that arose in the period under review.

### Our Reporting Framework

We have employed the Global Reporting Initiative (GRI) guidelines, as with our previous reports. This year we have aligned our report "in accordance" with the Core option. In addition to the essential disclosures, the company also offer additional information about its activities and the integration of sustainability principles into its operations. We also align our commitments and reporting with the ten principles of the United Nations Global Compact (UNGC).

This report should be read in conjunction with our Annual Reports and Accounts 2018.

The 2018 Annual Report & Accounts of the Oando Group can be found on the company's website [www.oandopl.com](http://www.oandopl.com)

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## Chairman's Statement



To our esteemed stakeholders, we are indeed grateful for your cooperation and contributions in the year 2018. Knowing that we had your support was a comforting and motivating factor for us throughout the year and propelled us to give the best of us. This brings to mind the words of the popular clergyman, H.E. Luccock when he said **“No one can whistle a symphony, It takes a whole orchestra to play it.”**



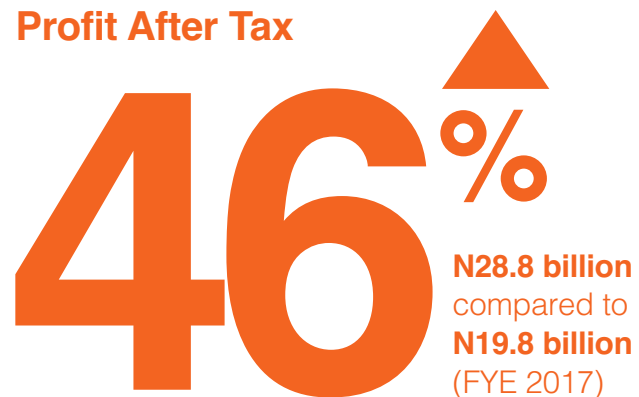
The year was an eventful one globally and nationally. The uncertainties surrounding the European Union's BREXIT negotiations, the United States and China trade war and oil rich Venezuela witnessing a collapse of their economy due to political conflict, all made the year 2018 one to watch and tread carefully.

Internally, we continued to grapple with the effect of the petition submitted to the Securities and Exchange Commission (“SEC”) in 2017, by a disgruntled investor on our ability to conclude and deliver on our strategic initiatives. As a law abiding corporate citizen, we continue to cooperate with the SEC towards the successful completion of the forensic audit, trusting that the published report will put paid to all the allegations brought against the Company and its management. With the aid of dedicated and hardworking professionals, we were not only able to weather the storm but we surpassed expectations declaring a 46% increase in Profit After Tax compared to 2017, primarily driven from an increase in our oil production.

Our strategic initiatives focused on optimizing our balance sheet and reducing our leverage. We have in effect successfully reduced our overall group debt obligations from US\$2.5 billion as at FYE 2014 to US\$579 million as at December 2018, a 77% reduction. This has placed us in a much healthier position to reap the full benefits of our asset portfolio and deliver value to our shareholders.

As much as we strive to deliver dividends to our shareholders, we are also mindful of the impact of our business on all other stakeholders. At Oando, our sustainability strategy drives us to continue to be a pacesetter in creating value for our people, customers, shareholders, business partners, communities, government and the world at large through our commitment to uphold the best international standards and principles.

### Profit After Tax



For us, doing business sustainably ultimately creates the win-win environment required for our business to thrive and to be an admired and inspiring brand. In order to create value for our shareholders in 2018, we concentrated mainly on reducing our debt profile while increasing focus on our upstream dollar earning portfolio.

Guided by our policies and values, we continue to do business in a transparent manner, abhorring corruption and contributing towards the fight against corruption in the business environment. In effect, we remain committed to our obligations as members of the Convention for Business Integrity (“CBI”) and the World Economic Forum’s Partnership against Corruption Initiative (“PACI”).

Our people are the backbone of the Company and we continue to ensure that our operations do not jeopardise the health and safety of our employees. As is the Company’s culture, we continue to hold the monthly Environmental, Health, Safety, Security and Quality meetings with staff to educate them on diverse health and safety issues. This has improved the safety awareness of our people and increased their participation in the safety culture of the organization. We also organize and expend resources on the development of our people through both internal and external trainings and activities. We continue to contribute 4.2% above the legal requirement as employer contributions to the pensions of our employees.

### We continue to contribute



Since 2015, we have aligned our business operations with the Sustainable Development Goals (SDGs) and the ten principles of the United Nations Global Compact (“UNGC”). We constantly strive to outdo ourselves, confident that contributing to the achievement of the global goals is the surest way to guarantee the achievement of our corporate goals. In the previous year, we hatched the plan to step up our contributions to the UNGC action platforms. We are glad to inform you that we have subscribed to the Action Platform on Peace, Justice and Strong Institutions of the UNGC. In conjunction with our Joint Venture partners, we persist in infrastructure development, job creation, local content development, grass root engagement, entrepreneurship and skill acquisition and other initiatives in our host communities and beyond to build a mutually beneficial relationship.

Through, the vehicle of the Oando Foundation, the Company has been instrumental to the reduction of Out of School Children (“OOSC”), a major contributor to the high illiteracy rates among young people in the country. Most of our interventions are in the crisis ravaged areas of the country where the number of vulnerable children out of school are on the rise due to insurgency and Fulani herdsmen/farmers clashes.

The company may be going through some challenging times at the moment, but we are confident that with your continued support, and our dogged determination and resilience, we will come through with a much stronger company and brand. We will not relent in boldly engaging in initiatives that confirm our reputation as trail blazers in the energy industry in Nigeria. We will continue to go above and beyond the requirements of the law and ensure best practices in all our operations as well as in our dealings with all stakeholders so that we can continue to be an attractive investment proposition, a business partner of choice and a trusted employer to our people.

HRM Oba Michael A. Gbadebo, CFR  
Chairman



## Group Chief Executive's ("GCE") Statement



Over the last few years following our landmark acquisition of Conoco Philips' Nigerian assets, we have concentrated mainly on reducing our debt profile by divesting from our naira earning businesses while increasing focus on our upstream dollar earning portfolio.



The year 2018 began with a rise in crude oil prices which set a positive tone for the year. The average crude oil price for January was \$69.08 per barrel compared to the 2017 year average of \$54.58 per barrel. Globally, crude oil prices rallied by 35% during the course of the year, positively impacting revenues of oil and gas players.

Locally, there was a 16% growth in near time production to 1.92mmbpd in 2018 compared to 1.66mmbpd in 2017. This growth was influenced by the NNPC's repayment of over \$1.5 billion of total cash calls arrears to industry operators, achieving a second year straight without incurring additional cash call arrears, and also, a steady decline in oil theft and pipeline vandalism.

Over the last few years following our landmark acquisition of Conoco Philips' Nigerian assets, we have concentrated mainly on reducing our debt profile by divesting from our naira earning businesses while increasing focus on our upstream dollar earning portfolio.

We made further progress in this regard in 2018, with an 11% decrease in total Group borrowings to N210.9 billion from N237.4 billion in 2017 whilst in our upstream division specifically, our borrowings reduced by 21% to \$255.6 million compared to \$324.6 million in FYE 2017. Since FYE 2014, the Group has reduced its overall debt by 55% from N473.3 billion while our upstream borrowings have reduced by approximately 70% from \$801.6million in 2014 to \$260 million (FYE 2018).

Growth in our oil production as well as higher commodity prices resulted in an increase in turnover of 37%, N679.5 billion compared to N497.4 billion in FYE 2017 while lower finance costs, following a reduction in Borrowings, as well as tax credits resulted in a 46% increase in Profit-After-Tax to N28.8 billion compared to N19.8 billion (FYE 2017).

In 2018, the Oando Foundation ("the Foundation or OF") enrolled 27,361 Out of School Children (OOSC) across 16 states into OF adopted schools, bringing the total to 61,000 OOSC enrolments in 3 years. In addition, 30 scholarships were awarded to students from poor socio-economic backgrounds. Beyond student enrolments, the Foundation also upgraded

infrastructure in 7 adopted schools by completing 6 blocks of 18 classrooms and supplying 525 desks.

Sanitation and water facilities were also provided across 17 schools. In line with the Foundation's commitment to long-term education development, 750 teachers and 45 School Support Officers were trained across 35 adopted schools in 11 states. Over 3,000 teaching and learning materials were provided to improve teaching and learning experiences. Promoting digital literacy, the Foundation established 15 solar powered Information Communication Technology ("ICT") centers across Kaduna, Niger, Adamawa, Plateau, Bauchi, and Kwara states, with our renewed partnership with Sumitomo Chemical resulting in the establishment of 3 additional solar-powered ICT centres, bringing the total number of ICT centers across our schools to 44. Over 45,000 students and teachers now have access to technology for learning and self-improvement.

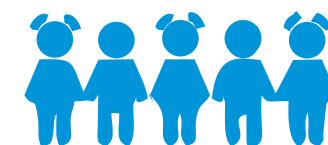
The Foundation continues to work in close collaboration with partners including government stakeholders; raising over N435million for projects in adopted schools. In partnership with the Universal Basic Education Commission ("UBEC"), the Foundation championed the first private sector meeting for corporate organizations supporting the basic education sub-sector in Nigeria, which resulted in the formation of the Private Sector Coalition for Basic Education ("PSCBE").

Being positioned as leaders in our industry, We take this opportunity to reaffirm our commitment to upholding the ten principles of United Nations Global Compact (UNGC), in a joint effort to promote sustainable and socially responsible business practices, global governance, anti-corruption, business integrity and sustainable development.

Jubril Adewale Tinubu  
Group Chief Executive

## In 2018, the Oando Foundation enrolled

# 27,361



Out of School Children (OOSC) across 16 states into OF adopted schools, bringing the total to 61,000 OOSC enrolments in 3 years.

## About us

Oando is one of Africa's largest integrated energy solutions provider with a proud heritage. Primarily listed on the Nigerian Stock Exchange, we were the first African company to have a cross-border inward listing on the Johannesburg Stock Exchange. This has ensured that we set the right tone and standards of corporate governance throughout our operations.

We are a proudly African company with international standards garnered through strategic partnerships and operations across the globe. Our passion, bold spirit and ethos of excellence drives the company to continuously push boundaries in delivering value to our stakeholders, communities and economy as a whole. Through innovative thinking, courageous leadership and pioneering solutions, we are progressively changing the continent's landscape.



## Steady Hydrocarbon Production

**50,000**  
boe/day

Over

**3000**



**service stations** in Nigeria, Ghana, Togo and the Republic of Benin

**333**



**crude export volume till date**

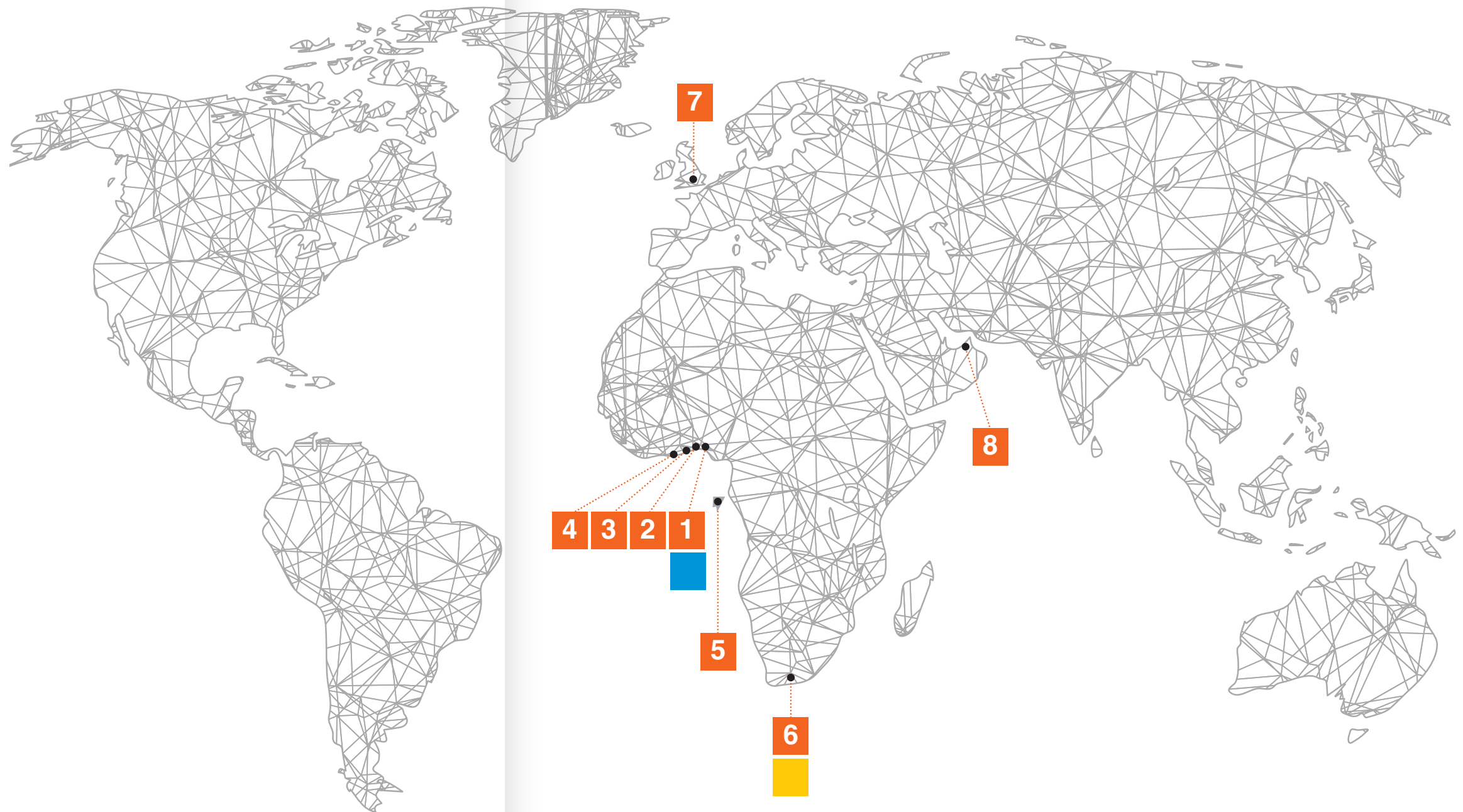


## Our Global Footprint

Oando has a presence in different locations around the world. Our operations are currently focused on West Africa and include upstream, midstream and downstream activities. We are front runners in all sectors of our operations. We are a transformational company with an outstanding workforce that strives towards delivering the highest standards to guarantee a brighter future. Our head office is situated in Lagos, Nigeria.

- 1** Nigeria
- 2** Benin Republic
- 3** Togo
- 4** Ghana
- 5** São Tomé & Príncipe
- 6** South Africa
- 7** United Kingdom
- 8** United Arab Emirates

- Primary Listing - NSE
- Secondary Listing - JSE



## Our Journey

Our journey as an energy company began in 1956 when the business started as a petroleum marketing company under the name, ESSO West Africa Incorporated, a subsidiary of Exxon Corporation, USA. In this regard, the Company has passed through various corporate transformations to emerge as it is today, including but not limited to incorporation, nationalization, public listing, partial privatisation in the government controlled Unipetrol, share acquisition, mergers and divestments.

For a detailed timeline of our journey, visit our website at <https://www.oandopl.com/about-us/our-journey/>

- 1956** Business operations commenced as a petroleum marketing company in Nigeria under the name ESSO West Africa Incorporated, a subsidiary of Exxon Corporation, USA.
- 1976** The Government bought ESSO's interests and became sole owners. The Company was renamed Unipetrol Nigeria Limited.
- 1991** The Company became a Public Limited Company - Unipetrol Nigeria Plc – and 60% of the Company's shareholding was sold to the public under the first phase of privatisation.
- 1992** The Company was listed on the Nigerian Stock Exchange in February 1992.
- 1994** Ocean and Oil Services Limited was founded to supply and trade petroleum products within Nigeria and worldwide.
- 1999** Unipetrol acquired 40% equity in Gaslink Nigeria Limited (which was increased to 51% in 2001).
- 2000** Ocean & Oil, a private investment company acquired 30% controlling interest in Unipetrol Plc.
- 2002** Unipetrol acquired 60% equity in Agip Nigeria Plc.
- 2003** Unipetrol Nigeria Plc merged with Agip Nigeria Plc and was renamed Oando Plc.
- 2005** Oando Plc became the first African company to accomplish a cross-border inward listing on the Johannesburg Stock Exchange (JSE).
- 2007** Oando Energy Services acquired two oil drilling rigs for approximately \$100 million for use in the Niger Delta.
- 2008** Oando acquired 15% equity in OML 125 and 135, emerging as Nigeria's first indigenous oil company with interests in producing deepwater assets. The Company also acquired an additional oil drilling rig.
- 2009** Oando acquired two additional oil drilling rigs.
- 2010** Oando completed a N20 billion rights issue which was 128% subscribed. Oando also launched its first Independent Power Plant for the Lagos State Water Corporation.
- 2012** OER listed on the Toronto Stock Exchange (TSX).
- 2013** Oando completed a N54.6 billion rights issue exercise which was 101% subscribed.
- 2014** Oando acquired Conoco Phillips Nigerian business for \$1.5b. Our subsidiary, EHGC, was sold to Seven Energy for \$250m and OER successfully completed a private placement for \$50m.
- 2015** An agreement was reached to recapitalize 60% of the downstream Helios-Vitol consortium for \$461million. \$250million rights issue was successfully achieved.
- 2016** Oando voluntarily delists from the TSX. Helios Investment Partners acquires 75% equity in Oando Gas and Power.
- 2017** Following the acquisition in Oando Gas & Power by Helios Investment Partners, Oando Gas & Power rebrands as Axxela Limited. Oando completes recapitalization of its downstream business.

## Our Market Presence

The Oando Group comprises four companies that are leaders in their respective sectors of the oil, gas and energy industry; Oando Energy Resources, Oando Trading, Axxela Group (formerly Oando Gas & Power) and OVH Energy (formerly Oando Marketing Limited):

### UPSTREAM

**Oando Energy Resources (OER)** is a leading African exploration, production and development company with an extensive asset base comprising of oil and gas reserves at various stages of production and development situated onshore and offshore Nigeria, and the Exclusive Economic Zone (EEZ) of Sao Tome and Principe.

### MIDSTREAM

**Oando retains an interest in Axxela Limited (formerly Oando Gas and Power)**

In 2017, we successfully rebranded Oando Gas & Power to Axxela Limited. Axxela has continued to thrive as the pioneering company focused on natural gas distribution to industrial and commercial consumers across Nigeria. In 2017, Phase IV of the Greater Lagos Pipeline Expansion Project was commissioned. This is an 11km pipeline delivering natural gas to customers along the Marina - Ijora axis, Ijora axis of Lagos State further expanding our distribution infrastructure.

### DOWNSTREAM

**Oando Trading Dubai**

Oando Trading Dubai is a leading trader and supplier of petroleum products in Nigeria. Its key trading commodities include petrochemicals, crude oil, industrial & liquefied natural gas, and refined oil products. Oando Trading is a key participant in international oil markets, with a significant presence in the West African region, and direct access to major energy markets across Africa via its offices in the United Arab Emirates, South Africa and Nigeria.

### DOWNSTREAM

**OVH Energy (formerly Oando Marketing Limited)**

Oando retains an interest in OVH Energy, a downstream marketing company, which is a leading retailer of petroleum products in Nigeria, with operations spanning across West Africa. OVH provides solutions for a wide range of energy needs, with expertise spanning across the provision of jetty services and the marketing and distribution of refined petroleum products for retail, commercial and industrial purposes. Alongside its subsidiaries, OVH are custodians of the Lagos Midstream Jetty, recognized as West Africa's first privately constructed and owned midstream jetty.



## Our Core Values

The entrenchment of sustainability in our corporate culture is a major factor behind the success and resilience of our business. We have established a community of people and partners who are willing to abide by and champion values which will help us achieve our goals. In 2018, in order to promote our culture and values, members of staff nominated amongst themselves individuals who they believe to be of exemplary character and who embody our core values to be the face of the Company's culture and to help further entrench our values throughout the organisation.



## T teamwork

- Working as a team towards a common purpose
- Create and engender a convenient and professional work environment
- Inculcate a 'Winning-as-one' culture
- Assist fellow stakeholders to meet their obligations
- Refrain from debilitating work place politics or hidden agendas

## R espect

- Human Dignity
- Company Reputation
- Health, Safety and Environment
- Fair Dealing
- Intellectual Property Protection
- Authorized and Proper Use of Company Information and Resources
- No Retaliation
- No Harassment/ Discrimination
- Zero-Tolerance for Work Place Violence

## I ntegrity

- Honesty in all dealings
- Reliability/Trustworthiness
- Vendor Relations
- Benefits, Gifts and Entertainment
- No Political Contributions
- No Conflict of Interest
- No Use/Disclosure of Insider Information
- Accounting Controls
- Adherence to Blackout/Closed Periods

## P assion

- Employee commitment
- Zeal for 'above-average'/mediocre/ordinary performances
- Zeal to meeting the highest standard of service and productivity

## P rofessionalism

- Expressing proper conduct at all times with all stakeholders
- Retention of Business Records and Book-Keeping
- Dealing with public officials appropriately
- No corrupt practices
- Abdication/Dereliction of Duty
- Equal Employment Opportunity
- High Quality performance and delivery



## Our Material Issues in 2018



Our material issues in the year under review are shaped by stakeholder concerns, our commitment to the SDGs, matters important to the success of our business and issues of global and national importance, for example: poverty; education; gender equality; climate change adaptation/mitigation; and economic growth.

During the year, periodic review meetings were held at different levels of management; including our monthly performance review meetings; Executive (Exco) meetings; Group office meetings; and Group Leadership Council (GLC) meetings. At these meetings, analysis of the performance of our business against set targets are undertaken. During these reviews, we consider the factors, events and trends which may have occurred within our industry in that period to impact our performance. These reviews are primarily done to determine conformity with our corporate strategy and brand.

The Board of directors also receive regular reports from the deliberations of these management meetings either directly or from its Board Committees and gives feedback to Management at the board meetings or through the Company Secretary.

The feedback process from Management to the Board of Directors and vice versa happens at regular intervals throughout the year to enable us identify or confirm and monitor closely, the issues material to our operations. We are also able to refine aspects of our strategy as we negotiate the myriad of sociopolitical challenges and opportunities in the oil and gas industry.

Our material issues have been identified on the basis of their relevance and significance to our business and categorized under the triple bottom line criteria, showing our Economic, Environmental and Social performance for the year under review. We ensured that our issues of importance were in alignment with the Sustainable Development Goals which are the global priorities for the next 12 years. We have identified our material issues in accordance with specific targets of the SDGs which we contribute to.

## Economic

### Creating Value

The goal to give value to our investors and shareholders remains constant. Our operations provide value to several groups of stakeholders such as Employees, Investors, Governments & Regulators, Host communities etc. In summary, we work to balance the competing interests of all our stakeholders while meeting our business obligations.

### Maximising our Opportunities

The constantly changing business landscape and in particular the oil and gas sector creates numerous risks and opportunities. The ease with which we adapt to the changes and develop innovative ideas enable us identify and maximize the opportunities occasioned by these changes such as the drive for increased local participation in our sector. Adequately harnessing these attributes will enable us increase our productivity and income.

## Social

### Developing our People

In addition to employing and retaining the right people for the job, investing in the development of our human capital is a key priority. Leveraging opportunities for capacity development backed by employee growth clear career development trajectories will ensure that we have a steady stream of seasoned professionals to continue our legacy of operational excellence for years to come.

### Workforce Wellness, Motivation and Empowerment

In addition to programs designed to promote the health, wellbeing, safety and security of our employees both at work in their personal lives, we have also sought to appropriately remunerate, motivate and empower them in order to sustain their passion for work and consequently, their productivity. This is in line with our goal to be the employer of choice.

## Environment

### Protecting our Environment

Our environmental management philosophy is based on the intent to derive benefit from natural resources in the environment, whilst doing the least harm possible. This is because we are fully aware of the potential risks inherent in our operations coupled with the many challenges such as vandalism, oil theft, sabotage etc that pervade the industry. We have therefore developed systems for the appropriate monitoring of our key indices to prevent the crystallization of environmental risks inherent in our operations.

### Environmental Compliance

At Oando, we ensure that we uphold the environmental laws, regulations and standards that are of relevance to the industry in which we operate. We have environmental procedures and policies that safe guard our decision-making processes, operations and activities. We carry out an Environmental Impact Assessment (EIA) study for all new projects and an Environmental Evaluation Audit (EEA)/ Environmental Evaluation Report (EER) for all existing facilities which have a potential to cause significant adverse environmental, social or health impact. The Company ensures that it limits the nature and extent of any residual negative impacts, caused as a result of our operations and demonstrate that they are as low as reasonably practicable.



## Our Material Issues in 2018

### Economic

#### Leveraging Technology to Improve Efficiency

Technological solutions focused on cost optimization, improved performance and profitability are always being sought, implemented and updated at Oando. These solutions, in addition to enabling us deliver efficiently on our business objectives they also enable us actively address such issues our carbon footprint and other climate-related target improvements.

### Social

#### Building Sustainable Communities

The development of our host communities is a huge priority to our ongoing operations. Host communities are important stakeholders, and indeed partners to our business. In line with our definition of sustainability, we actively collaborate with our host communities to meet both their needs and ours, without destroying the environment and adversely affecting the ability of current and future generations to meet their needs as well.

#### Advancing our Commitment to Ethical Conduct

Over the years, we have consistently built up our governance framework by setting up adequate structures in the form of policies and processes for the effective dissemination of governance best practice in the way we have chosen to conduct business with our stakeholders. We understand that business ethics is not a destination, rather, it is a continuum that must be advanced till there is total alliance with emerging global governance ideals.

#### Access to Basic Education

The Oando Foundation supports the Federal Government of Nigeria in the achievement of its Universal Basic Education (UBE) goals which include the eradication of illiteracy, ignorance and poverty amongst other priorities. In addition, the Foundation holds as priority such other development issues as education of the girl child and sanitation in our adopted schools.





## Risk Management and Control

The Enterprise Risk Management function reports to the GCE and the Board through the Risk and EHSSQ Committee (“REHSSQ Committee”). The function supports the REHSSQ Committee in providing independent risk oversight.

The unit works with operational management in designing and implementing efficient and effective processes to identify, analyse and treat risk. They are involved in facilitating and monitoring the implementation of effective risk management practices and assisting risk owners in defining the target risk exposure and reporting adequate risk-related information throughout the organization for effective decision making.

A major objective of the Risk function is to maintain organizational risks at acceptable levels and ensure the best balance possible between threats and opportunities – in line with the risk appetite and business strategy of the Board and Executive Management. The Risk function is concerned with ensuring the effective achievement of organizational goals and appropriate management of the organization’s assets, including avoidance of losses as a result of adverse events.

### Stakeholder Engagement & Risk Management

Stakeholder engagement is key to the successful implementation and effective operation of the risk management and control function. Internal stakeholders are regularly engaged in identifying and managing the risks facing the organisation, including the Board, REHSSQ Committee, Audit Committee, Executive management, Function heads, Operations and Technical Staff.

Our external stakeholders include operators of our JV assets, Regulators, Government Agencies, such as, the Department of Petroleum Resources (“DPR”), Nigerian National Petroleum Management Services (“NAPIMS”), Nigerian National Petroleum Corporation (“NNPC”) as well as our Lenders, External Auditors and Shareholders.

Regular engagement with our key stakeholders is implicit to the effectiveness and success of our enterprise risk management framework.

S/N	STAKEHOLDER	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT
<b>Internal</b>			
1	Board of Directors	Quarterly	Through the REHSSQ Committee reports
2	REHSSQ Committee	Quarterly	Face to face meetings, presentations and reports
3	Audit Committee	Quarterly	Face to face meetings, presentations and reports
4	Executive Management	Daily	Face to face meetings, presentations and reports, email
5	Function Heads	Daily	Face to face meetings, reports and emails
6	Operations and Technical Staff	Daily	Face to face meetings, emails
<b>External</b>			
1	Counterparts on JV assets	Quarterly	Face to face meetings
2	DPR/NAPIMS/NNPC Officials	Quarterly	Face to face meetings
3	External Auditors	Periodically	Face to face meetings, reports and emails



### Governance

Feedback from stakeholders is reported to the Board through the formal channel of quarterly risk reporting and daily engagement of executive management with members of the Board constituting a part of the executive management team. The REHSSQ Committee of the Board is charged with reviewing the effectiveness of the Company’s risk management processes. They review these every quarter and give feedback on corrective actions to be taken by the risk management team and executive management.

### Monitoring & Reporting as a risk mitigation measure

The Company has a toll free whistleblowing hotline managed by KPMG on behalf of the company to ensure anonymity and protection of the identity of all whistleblowers.

The whistleblowing hotline is available to employees, vendors, customers, partners and all other external stakeholders.

The Company’s management also encourages the reporting of unethical or unlawful behavior regarding all matters related to the company. Issues reported are promptly investigated by the Governance Office with input from Internal Audit as may be required. Upon completion of the investigation, a formal report is presented to the Audit Committee and senior management with appropriate recommendation / remedial actions. Feedback is also provided to the whistleblower via the KMPG hotline.

### Health and Safety Risk

The Company had no incidence of non-compliance with regulations and voluntary codes concerning health and safety issues in 2018.

### Oando’s Key Risks

A number of risks and uncertainties impact the organisation’s ability to deliver on strategic objectives and create long-term shareholder value. These risk factors separately or in combination, could have a material adverse effect on the implementation of the organisation’s strategy, business, financial performance, results of operations, cash flows, liquidity, shareholder returns and corporate reputation.

As a Company, we are competing in commodity-type markets, accordingly, failure to manage costs and operational performance could result in material adverse effects on earnings, cash flows and the Company’s overall financial condition. In addressing treasury risk (which includes liquidity risk, interest rate risk, foreign exchange risk and credit risk) we

majorly utilise debt instruments to raise significant amounts of capital. Should access to debt markets become more difficult, the potential impact on liquidity could have a material adverse effect on our operations, cash flows and overall financial condition.

Oil price volatility is a significant risk in the oil and gas industry and prolonged periods of low oil and gas prices, coupled with rising costs, can result in projects being delayed or cancelled leading to impairments in extreme cases.

In Q2 2018, a forensic audit of the group commenced as a result of the prior year’s investigation from SEC and an unprecedented attack on our reputation, particularly by disaffected investors.



**No incidence of non-compliance with regulations and voluntary codes concerning health and safety issues in 2018**

## Risk Management and Control

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
1	<b>Liquidity Risk</b>	<p>Liquidity risk still remains a key risk to the group's survival. This risk crystallized to some degree and resulted in the inability of the Company to meet its financial obligations as they fell due.</p> <p>Liquidity risk still remains a key risk to the Group's survival. This risk crystallized to some degree and resulted in the inability of the company to meet its financial obligations as they fell due.</p> <p>The group's ability to achieve its business objectives and growth projections is dependent on a significant improvement in its liquidity position. There are ongoing engagements with the banks and negotiations on alternative funding plans. However, European banks have reduced their portfolio concentration for African business, while there is a high premium for banks willing to disburse loans.</p> <p><b>Mitigating Measures</b> The Group continued the aggressive restructuring of its balance sheet through shareholder approved divestments, loans and other debt restructuring and new capital programs. The steps taken by management should address the liquidity issues facing the Company. The current divestment strategies provide the opportunity to focus on the upstream business and raise the required capital for a healthier balance sheet.</p> <p>The Treasury Manager estimates the liquidity requirements and ability of the Company to meet future obligations on a weekly basis. Cash flow is also monitored on a weekly basis. This involves comparisons with forecasts, investigation of differences, and identification of changes in cash flow requirements.</p> <p>In the preparation of project plans and models, the Corporate Finance Manager carries out stress testing on assumptions used in preparing the project model including inflation, interest rate and exchange rate simulation and develops scenario based hurdle rates for investment decisions. This ensures that the company is aware and adequately prepared to handle inflation, interest and exchange rate fluctuations.</p> <p>The company has a formal contingency funding plan (CFP) that clearly sets out the strategies for addressing liquidity shortfalls in emergency situations. The contingency plan includes contingency overdraft lines with banks and a cushion of unencumbered, high quality liquid assets to be held as a buffer for liquidity stress situations.</p>

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
2	<b>Macroeconomic Risk</b>	<p><b>Upstream business</b> Volatility in oil and gas prices remains a high risk. Oil prices fluctuated between \$50.6/bbl and \$86.1/bbl (with prices hitting a steep decline at the end of the year) with an average price for the year of \$71.3/bbl. The volatile nature of oil prices during the year had a significant impact on overall liquidity and ability to service debts and other counterparty obligations, as well as our ability to achieve our short to medium term production and profit targets.</p> <p><b>Mitigating Measures</b> Management's strategy was that of cost optimization. In addition to strategic reduction of operational expenses several cost optimization initiatives were incorporated into the Company's 2018 budget while re-prioritizing work programs in order to reduce CAPEX spend and Joint Venture funding. Management also instituted a plan to study the NAOC JV cost structure with a view to further reducing costs.</p>

The Company also maintained the crude price hedge to preserve the value of our investments and assets and continued to review for appropriateness and sufficiency.

A debt reconciliation exercise was concluded with NAOC (operator of OML 60 -63 JV) and a settlement and funding agreement implemented in order to further manage future cashflows and strategic re-alignment with JV partners to ensure production optimization in the short to medium term.

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
3	<b>Regulatory &amp; Reputational Risk</b>	<p>The group is still faced with significant regulatory and reputational risk due to negative publicity as a result of the dispute with a disgruntled investor. There was wide spread negative media coverage based on allegations by the Securities and Exchange Commission ("SEC") of breaches of securities laws, the SEC Rules and the SEC code of corporate governance. This has resulted in a long-drawn-out investigation from the SEC and led to the temporary suspension of trading of Oando Plc's shares on the NSE and the JSE and the institution of a forensic audit which commenced in Q1 2018. On April 12, 2018 the NSE lifted the technical suspension on Oando's shares pursuant to a SEC Directive.</p> <p>The Q3 2018 release of the UK arbitration proceeding ruling between Ocean and Oil Development Partners and Ansbury Inc (two indirect shareholders of Oando PLC) has fueled increased scrutiny from stakeholders. The ruling as it stands does not have a direct impact on Oando Plc as Oando Plc is not a party to the arbitration and consequently not liable for the disputed amounts which were the subject of the ruling. However, as two of the executive directors of the Company are involved in the dispute, the increased scrutiny on corporate governance issues has the potential to increase the vulnerability of the Group.</p> <p>Late rendition of taxes and tax warning letters also posed a reputational risk to the organisation.</p> <p><b>Mitigating Measures</b> This risk was managed by developing and implementing a proactive stakeholder communication strategy and by carefully monitoring and reporting on progress. The Company also had a crisis management plan in place which focused on proactively managing the Company's shareholders and providing agile responses to negative press. Management actively cooperated with directives of the SEC and requests and enquiries from the forensic auditor.</p> <p>There is significant engagement with the tax authorities on outstanding taxes and an agreed payment plan has been reached on tax liabilities.</p>
4	<b>Strategic and Business Model Risk</b>	<p>The risk of current or prospective negative impact on the Groups' earnings, profitability, capital base and reputation arising from a selection of inappropriate business strategies.</p> <p><b>Mitigating Measures</b> The Oando Opportunity Realization Process was consistently used for the screening of potential and ongoing business opportunities. The Strategic Planning and Finance Committee of the Board provided guidance and oversight in respect of the Company's strategic objectives, determined its financial and operational priorities, made</p>



## Risk Management and Control

recommendations regarding the Company's dividend policy, and continuously evaluated the long-term productivity and sustainability of the Company's operations. Continuous management reviews of business processes were carried out to identify areas for strategic improvement. Operational reviews also took place for proper project evaluation.

Opportunities for business diversification were sought where it appeared that a particular model no longer held the capacity or potential to provide the anticipated value to the company and tough decisions were taken in the overall best interest of the company.

### S/N TOP RISKS

### DETAILS AND MITIGATION CONTROLS FOR TOP RISKS

#### 5 Financial Reporting Risk

Given the size and complexity of the Oando Group structure and the limitation of the Groups' reporting application, there is a risk that there may be inaccuracy in its reporting and a risk of misleading the investing public.

##### Mitigating Measures

1. The Financial Statements, notes and disclosures prepared by the Finance Manager are reviewed by the Group Financial Controller along with the completed IFRS disclosure checklist to ensure all areas requiring disclosures have been adequately covered before approval.

2. The Group Financial Controller reviews key financial reports to verify that the consolidated balances, after applying elimination entries, are correct (for example: intercompany accounts are zero). Identified errors are discussed with the Finance Managers and corrected as necessary.

3. Internal and External Audit review of the Financial Statements. The Audit committee also meets quarterly to review the Interim Financial Statements.

### S/N TOP RISKS

### DETAILS AND MITIGATION CONTROLS FOR TOP RISKS

#### 6 Business Continuity & Disaster Recovery Risk

The company will not be able to recover its data or continue its day-to-day business activities in the event that there is business interruption due to fire, cyber-attack, etc.

##### Mitigating Measures

1. Vital company information is stored centrally in electronic format. All staff documents on local laptops are automatically backed up on the company's servers.

2. Existence of an updated disaster recovery policy and plan with provisions for annual testing.

3. The company has a backup server and the disaster recovery site has been relocated from the high-risk area to a lower risk area with 99.9% uptime.



## Peace, Justice and Strong Institutions (SDG 16)



### INTERNAL AUDIT

#### SDG Targets:

- Substantially reduce corruption and bribery in all their forms
- Develop effective, accountable and transparent institutions at all levels

Our Internal Audit unit reports directly to the Audit Committee of the Oando Plc Board and administratively to the Group Chief Executive of the company. In performing its duties, the unit also engages various levels of management staff (executive, senior and mid-level) and other employees.

The Internal Audit unit provides independent assurance that the company's risk management, governance and internal control processes are operating effectively thereby supporting the Board and Management in the successful execution of the Oando Strategy.

#### Governance

In conformity to the SEC Code of Corporate Governance for Public Companies in Nigeria and global best practice, our internal auditor reports directly to the Audit Committee of the Board, which significantly contributes to maintaining its independence within the organization.

#### Stakeholder Engagement

The unit's activities require continuous engagement with various levels of management whose processes / operations are subject to review and follow up on recommendations.

The schedule below highlights the key stakeholders, frequency and mode of communication with these stakeholders.

S/N	STAKEHOLDER	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT
<b>Internal</b>			
1	Board of Directors	Quarterly	Through the Audit Committee's reports
2	Audit Committee	At least once a Quarter	Face to face meetings, presentations and reports
3	Group Chief Executive Officer	At least once a Quarter	Face to face meetings, presentations and reports
4	Executive Management	Daily	Face to face meetings, presentations, reports and email
5	Function Heads	Daily	Face to face meetings, reports and emails
6	Operations and Technical Staff	Daily	Face to face meetings, emails
<b>External</b>			
1	Counterparts on JV assets	Annually	Face to face meetings, reports, emails
2	External Audit	Periodically throughout the course of the year	Face to face meetings, reports, emails



The internal audit unit adopts a risk based approach to developing the plan of activities and reviews to be performed in each financial year. The risk based audit plan links internal audit's activities to the company's overall risk profile and risk management framework thereby allowing the unit to provide assurance to the Board of Directors that management's risk management processes are effective, in relation to the company's risk appetite. The audit plan is reviewed and approved by the Audit Committee.

An External Quality Assessment exercise was conducted on the Internal Audit unit during the period, in compliance with the requirement of the Institute of Internal Auditors (IIA) Standards and the Code of Corporate Governance for Public Companies in Nigeria issued by the Securities and Exchange Commission.

The result of the exercise indicated that the Internal Audit unit generally conformed to the International Standards for the Professional Practice of Internal Auditing (Standards) and the internal auditors applied the IIA's Code of Ethics in conducting their activities.

A written report is prepared and issued by Internal Audit at the conclusion of each audit engagement, and such report is distributed as considered appropriate. Aggregated significant issues are reported to the Audit Committee and GCE periodically. This is done at least once a quarter or as mandated by the Audit Committee.

During the period, 16 critical concerns were communicated to the Board and Statutory Audit Committee. The Audit Committee and Board of Directors engaged the executive management to ensure the prompt remediation of the issues identified. The table below shows the nature of critical concerns communicated to the Board and Audit Committee during the period.

NATURE OF CRITICAL CONCERNS	NO. OF CRITICAL CONCERNS
Governance / Strategy	3
Financial Exposure / Misstatement	6
Reportable Condition	7
<b>Total</b>	<b>16</b>

Fourteen (14) of the issues reported have been appropriately remediated by management with adequate measures put in place to address the outstanding issues.





## Advancing our Commitment to Ethical Conduct

Peace, Justice and Strong Institutions (SDG 16)



### GOVERNANCE

#### SDG 16 Targets

- Promote the rule of law at the national and international levels and ensure equal access to justice for all
- Substantially reduce corruption and bribery in all their forms
- Develop effective, accountable and transparent institutions at all levels
- Ensure responsive, inclusive, participatory and representative decision-making at all levels
- Broaden and strengthen the participation of developing countries in the institutions of global governance
- Promote and enforce non-discriminatory laws and policies for sustainable development

As a Governance personnel, I am abreast of and uphold the Company's policies and processes in all transactions. When the company conducts tenders and bid, I ensure that all laws, policies and best practice in the industry are adhered to for fairness and transparency.

Bayo Onamade



About 150 due diligence assessments were conducted on our business partners in 2018.



Good corporate governance allows for the efficient and effective operation and management of the Company in the interest of all stakeholders. At Oando, a practical and implementable corporate governance structure is our highest priority.

We maintain our reputation for transparency by ensuring that good corporate governance is the basis upon which our decision making and compliance processes are derived and adhered to. This ensures the perpetuity of our corporate activities towards business success and economic growth.

#### Ethics and Integrity

Oando is committed to maintaining an ethical workplace in which the values underpinning all our activities contribute to building a professional company culture and a better relationship with all our stakeholders. The company receives, investigates, and addresses all complaints received relating to violations or perceived violations of its core values of TRIPP (Teamwork, Respect, Integrity, Passion and Professionalism), its Corporate Code of Business Conduct & Ethics and all applicable laws and regulations pertinent to its operations.

The Company maintains a Whistleblowing Policy which provides guidelines for internal and external engagement (i.e. employees, directors and business partners/vendors) with respect to raising concerns on unethical issues or unlawful behavior in confidence as well as for receiving feedback on any action taken without fear of dismissal, discrimination, harassment or retaliation of any kind.

In 2018, there were 3 cases reported through the KPGM hotlines.

1. A breach of the Company's core values and abuse of office
2. Lack of adherence to the core values of the Company, more specifically regarding team work and the maintenance of a harmonious working relationship.
3. Discrimination and unfair treatment

All reported cases were duly closed out with appropriate sanctions and remediation.

In this regard, KPMG Professional Services manages the Whistle Blowing Hotlines and web-link independently to ensure that all reports are kept confidential and channeled to the appropriate authorities for investigation and resolution. The Chief Compliance Officer and Company Secretary ("CCO&CS") provides a summary of issues reported and resolutions to the Audit Committee members quarterly.

#### Anti-Corruption

Anti-corruption is a fundamental aspect of our corporate culture. We are opposed to all forms of corruption as we have seen its destructive effects within our society and nation at large. Our anti-corruption program is tailored towards compliance with all applicable anti-corruption laws and regulations whilst providing training and actively monitoring progress on key issues such as bribery, money laundering, insider training, conflicts of interests, nepotism and other related matters. It is mandatory for employees, directors and business partners to be trained and certified annually on all Oando business ethics and anti-corruption policies and processes.

At Oando, our engagement in various anti-corruption programmes has been consistently seen as measures correlated with good company performance. Consequently, we focus on increased transparency as a good means of mitigating corruption risks, which can arise in the course of our operations. The Company maintains a watertight regulatory monitoring framework to guard against corrupt and illegal activities. We maintain a robust Anti-Corruption Policy, which is geared at combating corrupt practices. The Company also maintains established internal procedures which are specifically targeted at detecting suspicious and/or fraudulent activities within the organization.

The Company is committed to the global fight against corruption and actively participates in this fight through its membership and active participation in the following local and international organisations.

#### Partnering Against Corruption Initiative ("PACI") of the World Economic Forum

Oando joined PACI, an initiative of the World Economic Forum, in 2008 and continues to be an active member. This forum offers a risk mitigation platform to help companies design and implement effective policies and systems to prevent, detect and address corruption issues. The PACI Principles for Countering Corruption (the "Principles") as revised in 2013 and launched at the 2014 World Economic Forum Annual Meeting in Davos to expand the focus of the initiative beyond bribery. The Principles are intended to be a guiding framework for businesses ready to assume a leading role in combating corruption in all its forms. The core aspirational principles reinforce the drive for transparency, integrity and ethical conduct amongst businesses.

## Advancing our Commitment to Ethical Conduct

Peace, Justice and Strong Institutions (SDG 16)

### United Nations Global Compact (“UNGC”)

The UNGC is a strategic policy initiative for businesses committed to aligning their operations and strategies with the universally accepted principles covering the core areas of human rights, labour, environment and anti-corruption and reporting publicly on progress made in implementing these principles in their business operations. Oando became a signatory to the UNGC in July 2009 and has been an active participant in the Local Network of the Global Compact in Nigeria. Oando PLC is also a pioneer member of the Global Compact LEAD platform. The Company continues to be an active participant in UNGC initiatives.

### Convention on Business Integrity (“CBI”)

Oando is a member of the Core Group of signatories to the CBI and became its 21st member on November 16, 2009. CBI is a declaration for the maintenance of ethical conduct, competence, transparency and accountability by private sector operators. It was established to empower business transactions within Nigeria against corruption and corrupt practices.

In 2014, CBI in partnership with the Nigerian Stock Exchange (NSE) developed a Corporate Governance Rating System (CGRS) for companies listed on the NSE. The CGRS is designed to rate companies listed on the NSE based on their corporate governance and anti-corruption culture thereby improving the overall perception of and trust in Nigeria’s capital markets and business practices. Oando successfully participated in the pilot programme in 2014 prior to the official launch of the CGRS and the majority of its directors passed the Fiduciary Awareness Certification Test (“FACT”). With the changes to the Company’s Board, the new directors are in the process of completing the FACT.

For a detailed explanation of our Governance and Leadership structure, refer to the Oando 2018 Annual Report and Accounts, pages 38-46.

### Communication and Training on Anti-corruption

Oando’s mandatory compliance training exercise (the Recertification Exercise) is conducted annually by all employees and directors. Training sessions are conducted using both web-based multimedia and in classroom settings.

To ensure that Oando’s culture of business ethics and zero tolerance for anti-corruption is maintained, all new hires and business partners are mandated to attend trainings on the Oando Code of Business Conduct and Ethics (the “Code”) and other relevant company policies. New hires also undergo a compliance on-boarding process.

The results of the annual re-certification exercise highlights areas where the Company may need to focus its attention and further develop its compliance framework with respect to employee sensitization and training.

We further ensure that all employees in sensitive business units such as Supply Chain, Finance, Legal, Trading, and Human Resources departments are specifically trained on methods of dealing with the different ethical scenarios that may occur whilst carrying out their daily job functions.

### SEC Investigation into the affairs of the Company

The SEC on October 18, 2017 issued a public notice to the effect that it had directed the NSE to implement a full suspension in the trading of Oando shares for a period of forty-eight hours followed by a technical suspension until further notice. The SEC also directed that a forensic audit into the affairs of the Company be conducted by a team of independent firms. The actions of the SEC were predicated upon supposed initial findings by the SEC regarding two petitions brought against the Company in May 2017 by Alhaji Dahiru Mangal (a Shareholder) and Ansbury Inc (an indirect investor).

The Company recognising the authority of the SEC immediately took cogent steps to protect the Company and its shareholders whilst ensuring that its day to day operations were not unduly disrupted. The Company was able to successfully address and provide clarifications to the concerns raised by Alhaji Mangal in his petition to the SEC which led to a withdrawal by him of the petition that he had filed against the Company. A Peace Accord mediated by Emir Muhammadu Sanusi II (CON), the Emir of Kano was successfully concluded on January 7, 2018 between the Company and Alhaji Mangal.

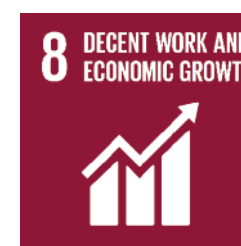
Oando has always encouraged oversight over its affairs by all its shareholders. In the same vein, the Company encouraged Alhaji Mangal to exercise such rights to enable him to gain a better understanding of the Company’s business development plans, initiatives and operations. On 19 January 2018, the Company appointed a non-executive director in the person of Alhaji Bukar Goni Aji, as Alhaji Mangal’s representative on the Board of Oando PLC from a pool of potential nominees presented to the Board.

On April 12, 2018, the NSE lifted the technical suspension which had earlier been placed on the Company’s shares whilst the forensic audit into the affairs of the Company continued. The Company has been fully cooperative with both the SEC and Deloitte Nigeria (SEC’s appointed forensic team lead).

In the spirit of goodwill, transparency and full disclosure, the Company, in the interest of all stakeholders, will continue to cooperate with the SEC in the discharge of its duties as the capital market regulator whilst the Company awaits the final outcome of the forensic audit, optimistic that the allegations levelled against it will be cleared.

## Our People

Gender Equality, Decent Work and Economic Growth, Reduced Inequalities (SDGs 5, 8 & 10)

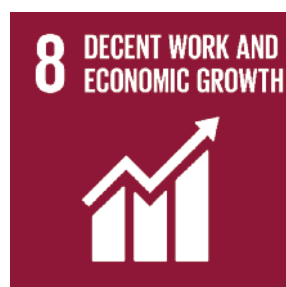


SDGs 5, 8 and 10 seek to promote sustained economic growth, higher levels of productivity, technological innovation and the employment of effective measures to eradicate forced labour, slavery and human trafficking. Oando aims to be the investor and employer of choice. With the aid of the Human Capital Management policies and processes, we ensure safe and best working conditions for our staff.





## Human Capital Management (SDG: 5, 8 & 10)



### HUMAN CAPITAL MANAGEMENT

#### Relevant SDG 5, 8 and 10 targets:

- Ensure equal opportunities and end discrimination
- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
- By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
- End all forms of discrimination against all women and girls everywhere
- Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- Reduce income inequalities
- End all forms of discrimination against all women and girls everywhere.

#### Management Approach

At Oando, we understand that people are pivotal to building a sustainable company, thus our people constitute the foundation of our success. While the nature of our work changes frequently, our core values do not. In 2018, we positioned the organization to attract and retain diverse talent and empowered them to continuously seek developmental opportunities.

#### Our employee profile

##### Total Employees by Subsidiary

EMPLOYMENT CATEGORY	OER	GROUP	FOUNDATION	OTD	TOTAL
Full Time Employee ("FTE")	94	34	6	13	147
3rd Party Contract staff	67	30			97
Consultants	2				2
Interns	10	2			12
Total	173	66	6	13	258

#### Total number of employees



We pride ourselves as an equal opportunity employer by ensuring our policies and procedures are poised to continuously propagate, attract, recruit and retain inclusion and diversity. We continuously dissociate ourselves from all forms of discrimination and unethical practices including but not limited to Child Labour engagements. Our people initiatives in the current year were aimed at enhancing and instituting commitment, motivation and employee engagement.

We respect our employees' rights to collective representation and freedom of association in all our locations. We have a healthy representation with the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) Lagos chapter and a collective bargaining agreement covers our engagement with employees who are members of this association.

#### Gender Distribution

The Company did not terminate the employment of any member of staff in 2018. The reduction in the population of staff occurred as a result of voluntary resignation for other endeavours.

#### Total workforce by Management (Mgt.)/ senior (Snr.) staff showing gender distribution group wide

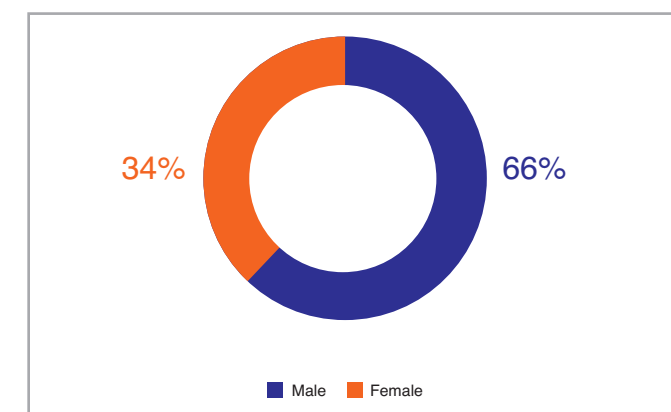
FTE	SNR STAFF	MGT STAFF	EXECUTIVE MGT	TOTAL
M	33	53	6	92
F	34	18	3	55
<b>TOTAL</b>	<b>67</b>	<b>71</b>	<b>9</b>	<b>147</b>

#### Total number and rates of new employee hires and employee turnover by age group and gender.

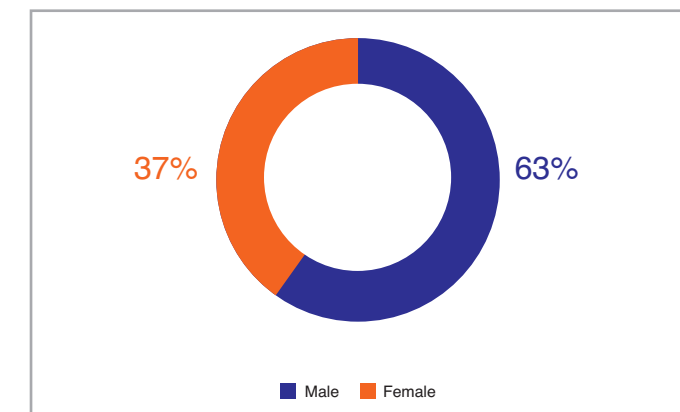
	NEW HIRES 2018				TOTAL	RATE
	20-29	30-39	40-49	50+		
M	3	4	1	1	14	9%
F		5				

	TURNOVER 2018				TOTAL	RATE
	20-29	30-39	40-49	50+		
M	3	3	2		9	5%
F		1				

#### All Employee type gender distribution 2018

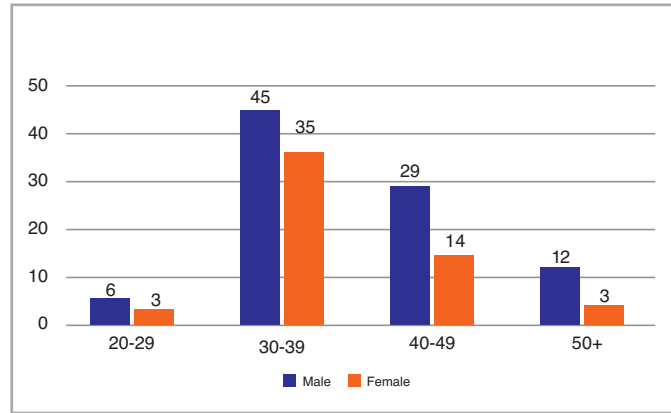


#### Full time Employee gender distribution 2018



## Human Capital Management (SDG: 5, 8 & 10)

### Demography



We see diversity in our workforce as an opportunity, and our relationships are based on respect and openness. This is reflected in the composition of the organization with a total of 258 employees, a 19% increase compared to 2017, who are committed to the development of the organization as a whole and to the identification of new potential investments.

In 2018, Oando employed 23 people across the Finance, Corporate Communications, Legal, and Engineering departments on full time permanent contracts. The proportion of women at this time was 37% and 63% for men. Oando hopes to continue to attract more women to its workforce with the variety of person friendly policies and benefits it has (please refer to Remuneration, Benefits & Employee Welfare section). The company also has a target of increasing the proportion of women on the board by 30% as at 2022.

### Remuneration, Benefits & Employee Welfare

At Oando, we are strong advocates of equal opportunities and we place strong emphasis on linking performance with reward; thus, we adopt a pay-for-performance culture. The Oando Reward Framework guides our remuneration process for all employees. In addition, for company executives and Board level remunerations, the Governance and Nominations Committee provides guidance in line with the Board Remuneration Policy, which is in turn based on global corporate governance best practice.

As stated in previous reports, we provide full time employees (based on defined eligibility criteria) across all company locations the following benefits:

- Pension
- Group Life Insurance
- Health Insurance
- Annual Leave
- Sick Leave
- Leave of absence
- Parental Leave (In 2018, this was expanded to include Paternity and Adoption Leave, in addition to the existing Maternity Leave option).
- Casual & Compassionate Leave
- Study Leave
- Examination Leave
- Mortgage Support Facility
- Car Benefit
- Car Grant
- Social & Professional Subscription
- Mobile Phone
- End of Year Allowance

Oando, participates in the Mandatory Pension scheme as guided by the Pension Reform Act 2014. The company pays 14.2% of gross pay as its contribution to the Pension Fund Account of each employee, which is 4.2% above the 10% recommendation of the Pension Reform Act 2014, while the employee contributes 8% of their gross pay into the same scheme. This serves as our participation in retirement plans and gives our employees some comfort for life after work.

In our bid to build a sustainable organization, our competitive pay position anchors Oando's fixed pay around the 50th percentile of comparative competitor pay levels, obtained through appropriate and reliable market/industry surveys. We believe that we are contributing to SDGs 8 (Decent Work and Economic Growth) and 10 (Reduced Inequalities) by providing full and productive employment and decent work for our employees and by maintaining our competitive pay position, we are reducing income inequalities one step at a time.

Oando engages Third Party Outsourcers for temporary/ or part time employees to aid its operations and ensure that the organizations we contract with provide their employees with adequate benefits including but not limited to:

- Pension
- Life Insurance
- Health Care
- Annual Leave
- Sick Leave
- Parental Leave

## Developing our People

### Learning and Development

The Company offers its employees a wide range of training and development programmes and continuous opportunities for personal growth in order to develop their professional skill set, promote talent systematically and take increasing responsibility for value creation in the Company. The size of our organization enables us to personalize career development and training opportunities for each employee. Ongoing assessments of employees' performance and success in meeting their objectives are key considerations in order to ensure that we continuously offer employees the right personal development tools at an individual and Group Level.

Training and development are pivotal to Oando's business as they directly impact our drive for continuous improvement and building a sustainable organization. We have continued to improve on our existing employee skill profile through various learning interventions including but not limited to: classroom training, e-learning, on-the-job training, coaching and mentoring, and self-study.

Learning Interventions continue to be effected through blended learning methods as enumerated above to address competency gaps identified during its routine competency assessment report and business exigencies. All these activities are geared towards building organizational and individual capacity to ensure a sustainable organization.

### Employees trained in 2018

TRAINING TYPE	NUMBER	%
International	12	13%
Local	30	32%
Total no of Trained Employees	42	45%

### Performance and Talent Management

To sustain the growth trajectory of the organization, all employees participate in yearly performance reviews and have individual objectives that are reviewed twice a year.

- This ensures that our people strive to reach their highest possible potential, achieve their objectives and in turn the organization's objectives.
- Succession planning and collegiate review exercises are continuously carried out within all entities to build internal pipelines of talent. These exercises typically involve evaluating direct reports on performance and long term objectives, vision and mission

Oando regards people management as extremely material to our operations as it embodies the general management regarding developing, maintaining and improving employee relationships via communication, performance management, processing grievances and/or disputes as well as interpreting and conveying the organization's core values and policies. In addition to this, in order to attract and retain skilled staff, we offer our employees attractive working conditions.

### Stakeholder Engagement

At Oando, our systems are continuously designed and driven by the understanding that every organization has stakeholders whose differing interests may sometimes conflict. We ensure that we continuously:

- Know who our stakeholders are;
- Identify the impact of each stakeholder to the business and vice versa;
- Prioritize our stakeholders based on their respective impact on the business;
- Adequately understand what our key stakeholder concerns & issues are;
- Resolve or manage the stakeholder concerns identified;
- Update stakeholders on resolutions to their concerns; and advance improvements

Maintaining a close dialogue with our principal stakeholder groups is a central part of Oando's sustainability work. The key stakeholder groups have been identified as those that are most affected by our operations, as well as have a high degree of influence over the Company.

For 2018, we have maintained the identification and classification of our key stakeholders outside of our employees into the following groups:

- Customers
- Vendors and Business Partners
- Investors & Shareholders
- Governments and Regulators
- Communities

The processes of stakeholder identification and prioritization are as detailed in our previous Sustainability Reports (2017 Pages 40, 41).



## Environmental, Health, Safety, Security and Quality at Oando



### ENVIRONMENTAL, HEALTH, SAFETY, SECURITY AND QUALITY AT OANDO

#### Relevant SDG Targets:

- Protect labour rights and promote safe and secure working environments for all workers... and those in precarious employment

#### Why is EHSSQ material to the Company

At Oando, we are concerned about the safety and welfare of our staff. We are only able to achieve our corporate goals when we have a mentally, physically healthy and agile workforce who are able to do their job without fear of harm coming to them.

#### Stakeholder Management:

STAKEHOLDER GROUP	BASIS OF IDENTIFICATION	FORMAT/MODE OF ENGAGEMENT	KEY STAKEHOLDER CONCERNS /ISSUES RAISED	RESOLUTION STRATEGIES
NOSDRA	Joint inspection of spill sites	Joint visits	Nil	NA
DPR	Permit approval	Emails /visits to DPR office	Nil	NA
NAPIMS	Budget and performance approvals	Emails /face to face meetings	Nil	NA

Feedback from engagement with the stakeholders is communicated to the Company's senior executives through presentations and memos to ensure that projects are not delayed. Reports are communicated to the Company's board of directors via presentations on a quarterly basis. These reports are presented to the Risk, Environmental, Safety and Security committee who has been delegated oversight function on all environmental and risk issues by the Board.

#### Work Related Hazards

The Company met the 2018 set target of zero Lost Time Injury ("LTI") and a Total Recordable Incident Rate ("TRIR") not greater than 0.2 as part of maintaining its Environment Health Safety (EHS) culture. In addition, the Company did not record any minor or major accidents within the operations which it manages.

	2018	COMMENTS
Man hours	311,088	Man hours from Oando divested entities is not included
Fatalities	0	There was no fatalities among employees, contractors or 3rd party
LTI	0	LTI has consistently remained @ Zero (0) for the last 4 years of reporting
Lost Time Injury Frequency (LTIF)	0	Zero LTIF recorded for the Oando Operations
Total Recordable Case Frequency (TRIR or TRCF)	0	Zero (0) TRIR achieved as a result of awareness, adherence to processes, ownership by employees and active participation in the health & safety programs organized by the company
Product Spills (Litre)	0*	No spill recorded within Oando's EHS management system and does not include spills recorded from operations in which Oando has partnerships
Fire	0	No Comments



#### How we manage work-related hazards

In order to control work-related hazards, a hazard risk assessment must first be carried out. In identifying hazards, employees including contract staff go through inductions and HSE trainings to make them understand hazards associated with their functions. These trainings help to identify, assess and put in place corrective measures to prevent accidents from occurring. All employees (including contract staff) undergo mandatory HSE trainings as required by the nature of relevant task or regulation. Aside HSE trainings, all employees go through HSE awareness sessions/exercises required to increase their competency at work.

When on the field, employees undergo site specific induction and tool-box meetings where they are informed of specific hazards related to the task being performed and actions required to ensure that the hazards do not crystalize.

In ensuring the control of hazards, audits are carried out to ensure that personnel are competent to carry out tasks, equipment are inspected before being mobilized (pre-mobilization inspection) and the methodology for the job/task is assessed. A Job Hazard Analysis (JHA) is developed for each task performed and every personnel is made to understand the hazards associated with the tasks performed.

A supervisor is assigned to each task to ensure that activities performed are in line with stipulated methodology (ies) and Job Hazard Analysis. Personnel are also provided with Personal Protective Equipment as a last line of defense in the event of occurrence of an accident.

Results of these processes are evaluated through various ways, including:

- (i) Evaluation of training sessions through employees' feedback and feedback from awareness sessions.
- (ii) Feedback received from personnel interaction on assigned tasks/activities by the crew
- (iii) Investigation of reported incidents (near misses and accidents) and implementing effective corrective actions to prevent recurrence.
- (iv) Sessions are conducted on lessons learnt from completed projects which is then fed into a continuous improvement cycle for future projects.
- (v) Review of and compliance with changes in legislation or regulations from oversight government agencies
- (vi) Review of Company policies and processes

- (b) Employees report unsafe acts, unsafe conditions and near misses to the Company's HSE team. Employees are encouraged to complete hazard forms physically while on the field or electronically while in the office. All employees, are required to intervene when they observe unsafe acts or conditions. They are encouraged to issue a stop work order in such instances irrespective of persons involved without fear of reprisals from line managers and colleagues.

- (c) Oando has a couple of policies & processes that help workers to remove themselves from work situations which they believe could cause injury or ill health. The policies are communicated to employees in different forms such as town hall meetings, tool box meetings and creatives on the Company's intranet. These policies and processes are reviewed every three (3) years or more frequently by reason of change in legislation or improvement in practice. Policy reviews are structured in a manner that ensures that each statement & its implications are carefully distilled.

The following policies & processes are put in place with respect to health and safety of employees:

- (i) Environmental Health & Safety policy
- (ii) Ionizing Radiation policy
- (iii) Permit to Work/Work Ethics policy
- (iv) Oando EHS-MS Framework Document

- (d) Oando has certain processes for the investigation of work-related incidents which include:
  - (i) A documented procedure for reporting and investigating incidents
  - (ii) A notification process through which management is notified in the event of an accident

## Protecting our Environment

Environmental, Health, Safety, Security and Quality at Oando

- (iii) An investigation team to investigate the actual and underlying cause(s) of the accidents, including recommendations for corrective measures to prevent a recurrence
- (iv) A lessons learnt session to study investigation reports for company-wide implementation

Recommendations from investigation reports are implemented through review of policies and processes, training and awareness sessions amongst others.

### Safety Awareness & Trainings

The Company continues to focus on enhancing the Environment, Health and Safety ("EHS") competency of its personnel through classroom-based trainings, town hall meetings, and awareness sessions. Creatives were also deployed to promote EHS awareness within the Company in 2018. As part of ensuring a productive and healthy state of mind among the workforce, topics including mental illness as well as drug and alcohol dependencies were discussed. In addition, employees were provided with contact details of professionals in the event they require help in relation to the said issues. Security awareness sessions continued to feature on the agenda of all meetings in the Company to ensure employees' safety at all times.

Approximately, 120 employees underwent various EHSSQ awareness sessions and trainings in 2018. Trainings provided included first aid training and fire-fighting.

Key EHSSQ awareness sessions and courses included:

1. Basic Offshore Safety Induction & Evacuation Training (BOSIET);
2. First Aid training;
3. Radioactive safety; and
4. Emergency Response Awareness session.

Approximately

# 120

employees underwent various EHSSQ awareness sessions and trainings in 2018.

## EHS INITIATIVES

### World Blood Donor Day

The Company encouraged its employees to participate in the World Blood Donor Day by running a blood drive. The event was aimed at raising awareness on the need for frequent blood donation to ensure availability of blood for patients in need. A total of 60 employees participated in this drive.



### EHSSQ Sports Day

As part of maintaining a healthy workforce, the Company organized its 1st annual EHSSQ sports day. The Company used this event to strongly promote the benefits of recreation and sports, not only for its physical benefits, but also for the impact of same on the emotional and mental wellbeing of employees within the organization. The sports day was beneficial in teaching team work, problem solving skills, encouraging playful competition, boosting self-esteem, and reducing stress.

### Security Practices

Security is important to us at Oando as it is a significant risk factor in our operating environment. Therefore, Oando recognizes that it must design and implement processes that will help it effectively mitigate and manage security risk and protect its people and property. In view of this, the Company has set out a minimum security requirement in its operations and its practices are set against these agreed standards.

Managing security risks through undertaking a structured security risk assessment is important to ensure the protection of the lives of employees and contractors, to prevent damage to Company assets, and sustain operational capability. Security deployment and other mitigation measures are developed and managed with due consideration to respecting human rights.

A security unit under the EHSSQ department was established to manage security issues. Standard Operating Procedures were also issued to guide the implementation of the Company's security policy. Security and safety incidents can be reported by employees directly to any member of the security unit or on the Company's intranet. Incidents reported are recorded and investigated. Reports of investigations are communicated to the Head of EHSSQ who in turn reports to the Group Chief Corporate Services and Operations Officer and the REHSSQ committee of the Board. The REHSSQ committee presents quarterly reports to the Board of Directors.

# 110

persons (including 3rd parties) attended security related trainings organized by the Company in 2018

The security unit conducts bi-annual audits on all operational areas in order to check for compliance with security requirements and safety of the Company's personnel. The audits may be conducted more frequently if necessitated by significant change to structure or business operations. Audits help to identify gaps in the Company's operations and recommend necessary machineries that should be put in place to address the gaps.

Mitigation measures are deployed to be proactive and also to effectively manage breaches when they occur. Metrics (for example monitoring the frequency and longevity of outages of CCTV cameras, and the number of access cards logged out without cause) are used to measure the adequacy and cost effectiveness of our security practices.

Remedial actions are taken to close security gaps identified during audits and reviews. Processes delivering the expected results are sustained while efforts are constantly geared towards overall continuous improvement.

### Training of Security Personnel on Human rights

Our services are largely supported by third party contractors. A part of our contractual terms of engagement with these contractors ensures that regular training on human relations, and the respect of dignity and all other human rights are conducted for personnel seconded to our Oando premises. Respect is fundamental to the Company's business as it is one of the pillars of our corporate culture. Thus, any person who works in the Company's premises must uphold its values including respect.

The Company from time to time conducts security training for staff and third party vendors. In all, about 110 persons (including 3rd parties) attended security related trainings organized by the Company in 2018.



## Building Sustainable Communities



### SDG Targets:

- Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, and in particular, developing countries
- Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships
- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

### Why are our communities important stakeholders?

The development of our host communities is a huge priority to our ongoing operations. Host communities are important stakeholders, and indeed partners to our business. We actively collaborate with our host communities to meet both their needs and ours, without destroying the environment and positively impacting the communities within which we operate.

We have developed several initiatives and projects to ensure that we positively impact the lives and environments of the communities in which we explore. This also enables us to meet some of the targets of 'Peace and Justice, strong institutions' (SDG16) aimed at promoting peaceful and inclusive societies for sustainable development. In collaboration with our Joint Venture partners in the upstream business, we have conducted various development programs and initiatives in our communities.

### Stakeholder Engagement

Engagement with stakeholders in our host communities is done formally and informally. The informal means of engagement includes the day to day outreach through phone calls, interactions and responses to correspondence while the formal forms of engagement are the weekly (Tuesdays and Thursdays general meeting days) meetings, monthly/quarterly engagement schedules (for example, Community Parliament and Trust Board meetings etc.) and annual engagement (usually for social projects commissioning, performance reviews with regulators etc.). In this situation meetings are held as town halls, workshops and/or roundtable sessions. Most formal meetings are usually communicated to stakeholders via letters of invitation to a meeting. Sometimes, ad-hoc engagements are also held to handle exigencies that may occur. Engagement with our stakeholders are carried out throughout the life cycle of any project. Our engagements are routine activities in the ordinary course of our operations.

### Building stronger relationships with our host communities through partnership and inclusiveness.

Our communities are a major stakeholder group in our operations and their overall development and advancement are of great benefit to our operations. We consider our hosts to be our partners and we work with them to establish mutually beneficial initiatives and projects in the communities.

Our host communities are involved in our projects right from the inception stage. We engage the communities to provide us with an assessment of their needs, through which our projects are conceived. Through inclusiveness and partnerships, we believe that we can build sustainable communities in the areas in which we operate. All our projects are nominated by the communities, reviewed by us and then implemented based on available resources.

In collaboration with our Joint Venture partners, we ensure that we maintain a strong physical presence in our host communities by visiting the different domains and localities frequently. In 2018, there was an increased amount of in-depth physical meetings, which encouraged high level interaction between all parties.

We maintained visibility within the communities and through our formal local community grievance process we were able to identify and effectively manage disputes between communities. In the reporting year, we recorded a dispute over land ownership between two of our host communities Obodugwa and Ebedwa. We engaged the state government to perform a boundary adjustment allocation. The case between the two communities is ongoing and the boundary adjustment is still in progress. However, this did not affect the progress of our work in the communities, in the reporting year, because we successfully recorded 0 downtime as a result of community disputes.

\*For a detailed description of our formal Local Community Grievance Process please see page 43 of the Oando 2017 Sustainability Report.

In 2018, we successfully instituted our annual award for the 'Most Friendly Community', an award for communities that provide a peaceful environment for the Company to operate. Our 2018 Most Friendly Community award was won by Ebendo and the community was presented with a monetary award. In 2019, we plan to hold an awarding ceremony to create awareness and celebrate the award winner. Our aim is to promote and maintain peace and unity in our host communities.





## Our Corporate Social Responsibility Impact - 2018

**\$130**  
**million** in investment

Over  
**340**  
projects executed

Over  
**400**  
communities

**Over 12 million impacted**



### Commissioning and Handover of Ambulances to Government of São Tomé and Príncipe

In line with our Community Relations Policy with the National Petroleum Agency (ANP-STP), São Tomé and Príncipe (STP), In order to increase access to quality health care services in the community, we handed over three state of the art ambulances to the Minister of Health in STP on January 19, 2018. The Company has worked in partnership with the National Petroleum Agency of São Tomé (ANP-STP) and the Government since 2005 when it started operations in STP, and have developed and executed much needed empowerment and development projects for the country.

Our representatives at the event also inspected the on-going road construction project, which will positively impact lives and increase the value of land in surrounding areas. The projects reaffirm our commitment to sustainable development in the communities in which we operate.





## Our Corporate Social Responsibility Impact - 2018



### Women Rising: Promoting Equality in the Workplace

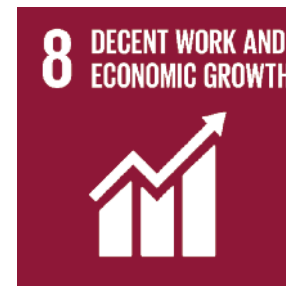
On the 9th of February 2019, the women of Oando, held a one-of-a-kind session titled, 'Women Rising: Women in the Workplace', led by Ngozi Okonkwo, Chief Legal Officer. The insightful session was headed by Mrs. Bunmi Aboderin-Talabi, Wimbiz Executive Council Chairperson, Mrs Priscilla Ogemwoh, Managing Partner, Olisa Agbakoba Legal Mrs. Binta Max-Gbinije, Chief Executive, Stanbic IBTC Trustees, Mr. Dan Agbor, Managing Partner, Udo Odoma & Bello Osagie and Mr. Akin George-Taylor, CEO, FAPE International Limited.

This incredibly inspiring conversation touched on several issues that women and men face in the workplace and the various perspectives and beliefs that exist. We were able to evaluate and discuss our efforts in ensuring full and effective participation, as well as leadership and equal opportunities for women at all levels of decision making in the work place, a target of SDG 5 (Gender Equality) The women of Oando were able to openly air their concerns and experiences in a safe and comfortable environment and also explain some of the issues they faced.



I am extremely thrilled that we were able to have this conversation today, I feel like we are at the beginning of an incredible journey towards equality in the workplace and I am so glad to be a part of it.

Emike Etu



### Commissioning of Agro-storage Facility in Brass, Bayelsa State

On the 23rd of January, we commissioned a cold room facility for the fishery community of Twon Brass. The initiative was borne from the need to enable socio-economic development as well as boost self-sustenance through agro-infrastructure in Twon Brass. We are optimistic that this project will put Twon Brass on the map of Africa as a fishing export and self-sustaining community. The facility, which will be managed by the Excellent Women of Twon Brass cooperative, will ensure commodities are properly preserved, exportable and will positively impact the economy. In line with SDG 8 (Decent Work and Economic Growth), we are encouraging entrepreneurship and job creation as effective measures to eradicate forced labour and extreme poverty, whilst empowering women



### Commissioning and Handover of Corpers Lodge in Tuoma Community, Burutu, Delta State

In line with the NAPIMS/NAOC/Oando Joint Venture partnership, and our commitment to improving the lives of our host communities, we commissioned an NYSC Corpers Lodge in the Tuoma community in Burutu, Delta State on March, 1st 2018. The lodge which will accommodate over 100 NYSC members yearly. Also comes fully equipped with a water treatment plant that will be utilized by members of the community as well as the occupants. Our hope is that through this lodge, the Tuoma community will experience social development with the influx of more youth corpers into the community.





## Our Corporate Social Responsibility Impact - 2018



### Oando Gives Back – The Month of Love Initiative

In celebration of February, the Month of Love, employees raised N3,154,290 for the purchase of school supplies for the pupils of Gbagada school complex. Gbagada school complex comprises of three Oando Foundation adopted schools, Temidire Primary School, Ogo Oluwa Primary School and Idi Odo Primary School. Funds raised were used to purchase school supplies such as educational books to encourage learning and reading; school bags, school furniture and raincoats in preparation for the rainy season as well as other items to aid educational development.



### Commissioning Ceremony of the Bomadi Community Modern Town Hall

On Wednesday, March 28th, Oando commissioned and handed over the Bomadi Community Modern Town Hall in Delta State, conceived and built by the NNPC/NAOC/OANDO joint venture. The project addresses one of the vital community needs and is captured in our MoU with Bomadi to play a critical role in the socio-economic development of the community. We are optimistic that the Town Hall will serve as a beacon of unity by encouraging more formal and social engagements amongst community members and improving co-existence amongst the members of the Bomadi community.



### Cottage Hospital Commissioned in Ogboinbiri Community

It was a joyous occasion in Ogboinbiri community, Bayelsa State when we commissioned a cottage hospital alongside our Joint Venture (JV) Partners, NNPC and NAOC. The hospital complete with male and female wards, a surgical theatre, delivery room and fully equipped pharmacy, was refurbished to meet the healthcare needs of the community. During the ceremony, a representative from the Bayelsa State Government commended the NAPIMS/NAOC/OANDO JV for rehabilitating and upgrading the dilapidated health centre to a modern cottage hospital. This project, amongst others, is in line with our commitment to improve the lives of the indigenes of our host communities.



### Graduation Ceremony of 275 Niger-Delta Youths from the Green River Project (GRP) Skills Acquisition Programme

Thanks to the combined efforts of our Joint Venture (JV) Partners, NNPC and NAOC, we celebrated the graduation of 275 Niger-Delta youths from the Green River Project (GRP) Skills Acquisition Programme. The youths were trained in various agro-skills including fishery, poultry and animal husbandry which will positively impact the economy of the Niger-Delta and the country at large. The GRP scheme, a brainchild of the NNPC/ NAOC/OANDO JV, continues to push for socio-economic development of our host communities – Rivers, Bayelsa, Imo and Delta States – through agro initiatives. To date, the scheme has trained over 35,000 farmers within 120 communities in various vocational skills including seed distribution programs and farming.





## Our Corporate Social Responsibility Impact - 2018



### EHSSQ Champions Waterway Clean-up Exercise

The EHSSQ team led a laudable clean-up exercise of Cowrie Creek, Ozumba Mbadiwe in celebration of the 2018 World Environment Day themed 'Beat Plastic Pollution' which saw the elimination of 1,876kg of plastic waste. The clean-up exercise is one of the many ways Oando is actively supporting the implementation of the United Nations Sustainable Development Goals (SDGs) to make cities inclusive, safe, resilient and sustainable; conserve and sustainably use the oceans, seas and marine resources; and ensure access to clean water for all. Plastics take up to 100 years to decompose and as such pose a risk to marine life. Think before you use plastic. If you can't reuse it, refuse it.



Plastics take up to 100 years to decompose and as such pose a risk to marine life. Think before you use plastic. If you can't reuse it, refuse it.



### Employees Save Lives with Blood Donation

In commemoration of World Blood Donor Day, our EHSSQ department organized a blood donation drive, through which our employees donated blood in support of the cause. As a result of our selfless donations, over 180 lives will be saved. The blood drive was organized in partnership with LifeBank, an e-health company connecting blood banks with hospitals in Nigeria, with the objective of bridging the blood shortage gap in Nigeria. The initiative was also aimed at dispelling myths around blood donation and encouraging employees to motivate others to follow suit. Every donor is a hero. Donate blood, save lives!



### Oando and JV Partners Commission Clean Water Scheme in Agbere Community, Bayelsa State

All thanks to Oando and its JV partners, over 5,000 residents of Agbere Community, Bayelsa State were overjoyed at the commissioning of a 20,000 gallon water scheme which would take them off the appallingly high statistic of 69 million Nigerians without access to clean portable water. The laudable water scheme will drastically reduce deadly water-borne diseases in the community such as typhoid fever, cholera, diarrhea, dysentery, hepatitis A to name a few. The scheme will also reduce the amount of time spent looking for water especially in rural areas, as noted by UNICEF – 19 million Nigerians walk long distances to collect unsafe water from lakes, streams and rivers.





## Our Corporate Social Responsibility Impact - 2018



### Oando and JV Partners Commission Asphalt Road in Aggah Community

We were applauded by members of the Aggah community in Rivers State for commissioning asphalt road and drainage projects, alongside our JV partners, NNPC & NAOC. The road project will add socio-economic value to the Aggah Community and ease the mobility its residents. The Executive Chairman of the Local Government Area, Hon. Ifeanyi Odili commended the company for fulfilling the terms of the Memorandum of Understanding with the Community. He also urged the community members to build on their existing relationship with the company and its JV partners to ensure a continued peaceful working environment.



### Oando and JV Partners Commission Projects in Irri Community, Delta State

We recently commissioned a 480M road and drainage in Irri Community, Isoko South Local Government Area of Delta State in conjunction with our JV partners NNPC & NAOC. The project will further improve the quality of life of the indigenes and its environs by providing an alternative mode of transportation between communities, whilst creating safer options for school kids and other socio-economic benefits.

### Oando and JV Partners Commission Road and Drainage Projects in Oguta Community, Imo State

We were in Oguta Community, Imo State to commission a series of road and drainage projects in collaboration with our JV Partners. This project is in line with our social responsibility mandate to positively impact our host communities. Some of the roads commissioned include Flora Nwapa, Echina and Bishop Nwedo.



### Oando and JV Partners Champion the 5th Nigerian Content Development Workshop

In line with our commitment to Nigerian Content Development, we recently collaborated with our JV partners NAOC and NNPC to hold a series of content development workshops in Yenagoa, Bayelsa State for our contractors. These workshops, carried out in partnership with the Nigerian Content Development Monitoring Board (NCDMB), focused on compliance best practices, procurement regulations and business financing strategies to help improve the quality of output of our contractors in the long run as well as the promotion and development of in-country capacities for the industrialization of Nigeria.



### Oando Hosts Launch of the United Nations Nigerian Humanitarian Fund Private Sector Initiative Home

Oando PLC hosted the launch of the United Nations Nigeria Humanitarian Fund-Private Sector Initiative (NHF-PSI) in November 2018 at our Wings Event Space. We alongside other leading Nigerian companies from the banking, energy, legal and consumer services sectors joined forces with the United Nations to tackle the Nigerian humanitarian crisis in the country's North-East region. The event marked the first time in history that the private sector is collaborating with the United Nations through a country-based fund that pools resources to deliver humanitarian aid to people in need. The crisis in the North-East region, triggered largely by the ongoing conflict in Borno, Adamawa and Yobe states, has claimed the lives of 27,000 people over the last decade. Today more than 7 million vulnerable women, men and children are in need of life-saving aid, such as food, safe water and medicine.





## Our Corporate Social Responsibility Impact - 2018

### 11 SUSTAINABLE CITIES AND COMMUNITIES



#### Oando and JV partner Energia Commission Infrastructural projects in Delta State

We collaborated with our Joint Venture partners Energia on OML 56 to commission and handover a series of infrastructural projects to six host communities in Kwale, Ndokwa West Local Government Area, Delta State. They included a newly built health centre, housing estate, fully furnished community town hall, two new fully furnished palaces, an integrated drainage system and roads. The projects also included rural electrification within the communities of Ebendo, Obodougwa, Umusam, Isumpe, Umusadege and Ogbeani. The projects are an actualization of the promises made by the Joint Venture in a Memorandum of Understanding (MoU) with the host communities of the Ebendo/Obodeti oil field.



### 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



#### Oando/NAOC/NAPIMS JV Celebrate the 22nd GRP Farmers Day

We joined forces with our JV Partners, NAOC and NAPIMS for the 22nd edition of the annual Green River Project (GRP) Farmers Day celebration in Igbogene Bayelsa State. In addition to creating the much needed awareness on the importance of agriculture in spearheading the socio-economic development and economic diversification of the country, particularly in the Niger Delta, our aim through the GRP is to make agriculture an attractive and accessible sector to the youth and women through the use of modern farming techniques, formation of cooperative societies and access to micro-credit schemes.





## Leveraging Technology to Improve Efficiency



### TECHNOLOGY AND ECONOMIC GROWTH AT OANDO

#### SDG Target:

- Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

#### Management Approach

It is now established that an organization's ability to adopt technology will define its competitiveness and sustainability in today's dynamic business environment. The adoption of these solutions ensure organizations have the tools to overcome the challenges of executing on strategy every day and prospering in today's economic landscape. In our own endeavor to leverage technology to efficiently manage business operations and drive productivity, we have a renewed focus on improving collaboration, reinforcing service resilience, increasing efficiency, guaranteeing visibility and saving time through the adoption and use of innovative technology.



IT has given me the tools necessary to function effectively and efficiently outside the office environment by giving me access to all the work tools I will typically have at my desk. This flexibility has increased my productivity and ease of attending to the high demands of my role as Head, Supply Chain & Services.

Modupe Oyeneyin



The Information Technology ("IT") department kick-started the year with aligning IT's objectives with the Company's continuous resolution to drive sustainability through the deployment of various initiatives that will increase efficiency and access to information. This saw the team focus on process automation, securing the organization's information assets and charting a roadmap to build a fit for purpose technology ecosystem.

The dynamism of our daily operational activities was also managed to sustain a flexible working architecture model using a mix of diverse and customized service offerings. Some of the most significant strategic initiatives completed during the period are listed here below:

- Social Engineering Training: An initiative aimed at ensuring employees gain the awareness and knowledge to defend against social engineering deceptions that threaten organizational security
- Productivity Tools: Deployment of soft phones and optimizing the enterprise messaging platform to improve communication and accessibility for employees
- Enterprise backup: Eliminated backup challenges by replacing obsolete technology and improving cycle time
- Cost Management: Defined a new co-sourced strategy to improve support effectiveness
- Worktool Optimization: Replacement of obsolete work tools of employees across the organization

Implementation of these key initiatives was governed by the IT Steering Committee which comprises senior business leaders with the mandate to ensure business and IT alignment.

#### IT Management Approach

Our Information Technology operations reference global service delivery standards, business continuity frameworks, and security frameworks such as ITIL, ISO 22301 and ISO 27001 which enable our business to meet acceptable benchmarks. This very practical approach is guided by a governance structure that includes the IT steering committee, a hybrid (co-sourced) organizational structure, delivering on imperatives that:

- Provide a robust and secure IT Infrastructure that supports on-demand access to information;
- Enhance collaboration across the department through digital solutions to inform and engage internal and external audiences;
- Ensure the availability of and access to information that enables employees to make timely, informed decisions by strengthening data and knowledge management approaches;
- Promote an enterprise approach to information sharing that fosters decision-making through the use of analytic technology;
- Drive centralized and streamlined cloud adoption to meet the business needs of the department.

With a steering committee constituted to oversee and ensure technology investments yield the right ROI, the IT function leverages an operating model delineated below:

#### IT Planning Process

The planning process maintains a direct line-of-sight with the business and is periodically recalibrated to establish, plan, execute and monitor performance. A corporate view of the technology imperatives and performance measures are developed through a direct feed from the business strategic objectives.

#### Policies

Through holistic governance, we align the Department's IT strategy with the business strategy to ensure our investments deliver value for the organization. The policy manual establishes the information technology policies and guidelines required to appropriately identify and protect information resources and business requirements. The policy also stipulates IT Service Operation guidelines and requirements to govern IT Service management. The policy takes into cognizance the industry Oando operates in and how technology will be utilized to support our corporate objectives. The result is quality service delivery, cost control of these services, increased visibility and transparency across the units.



## Leveraging Technology to Improve Efficiency

### Commitments

The Information Technology team is committed to ensuring Oando leverages on technology deployed appropriately to achieve competitive advantage, increase market share, improve quality and drive efficiency through automation of manual processes.

### Our Goals and Targets

**Leverage existing IT:** Leverage existing information technology and expertise to maximize investments and reduce costs.

**Foster new and emerging IT:** Identify and foster new and emerging information technology to maximize mission accomplishment and reduce costs.

**Automated processes:** Identification of opportunities to streamline manual work processes to improve staff productivity and accelerate work output.

**IT Governance, Policy, and Oversight processes:** Provide Departmental IT governance, policy, and oversight processes to ensure secure, efficient, and cost-effective use of its resources.

**Risk-Based Cybersecurity:** Strengthen enterprise situational awareness to foster near-real-time risk management and combat the advanced persistent threat, forge inter-agency and sector partnerships to protect critical infrastructure, promote information sharing, and advance technologies for cyber defenses.

**IT Workforce:** Build, develop, and retain a talented, diverse IT workforce. Implement a workforce-planning model that attracts, engages, and retains a highly skilled IT workforce

### Responsibilities

The Oando IT team are a group of professionals who specialize in various disciplines within the field of Information Technology providing advice and expertise on IT strategy, infrastructure, design, building, and maintenance within the organization.

### Resources

People constitute a key part of the resources and capabilities required to deliver quality IT services to the business.

### Grievance mechanisms (i.e. Helpdesk)

- The Helpdesk acts as a single point of contact for all user incidents, requests and general communication
- Ensures 'normal service operation' is restored as quickly as possible in the case of disruption
- Improve user awareness of IT issues and to promote appropriate use of IT services and resources
- They also assist other the other IT functions by managing user communication and escalating incidents and requests using defined procedures.

### Processes, Projects, Programs, and Initiatives

- In 2018, the Company conducted an IT Security awareness sessions anchored by the IT Productivity coaches for all departments across the company with a focus on Social Engineering and Information Security
- Work tool refresh implementation progressed – obsolete user work tools were replaced
- Also in the year, staff were educated on the importance of security awareness training (Social Engineering) as they represent the first call of defense for the company against hackers in order to prevent the company from being infiltrated.

Our Information technology (“IT”) unit enables us to achieve higher levels of economic productivity through technological upgrades and innovation which focuses on efficiency and innovative service delivery.

### Evaluation of IT Management Approach

In 2018, as is our custom to conduct a bi-annual audit, the IT Management approach for information systems was subjected to an Audit exercise to identify gaps in current procedures and processes, report to executive management and monitor gaps till closure.

These bi-annual Audit of IT Management approach leads to;

- Closure of identified gaps
- Updated processes and procedures
- Policy amendment
- Updated Risk register

### Information Technology and the Environment

#### I. Employee Engagement

It was observed that highly-visual and dynamic internal communications tools with its various modes of reaching employees deepened internal engagement. We continued to leverage our cloud based communication tool – SnapComms to communicate effectively with all employees.

#### II. Internship programme

Following the introduction of knowledge sharing sessions in early 2017, an internship programme was initiated in 2018, where interns from various universities worked and learnt from qualified professionals in the Company. The exercise also required them to carry out research of the latest technology trends that are capable of changing business dynamics in the oil and gas industry. The unit utilizes the research to further identify gaps in its operations and analyse how they can be mitigated.

#### III. IT Waste Disposal

In line with the Oando IT Asset Management process, some faulty and obsolete IT assets were captured for disposal. A summary of items to be disposed of was shared with the Asset Management Team for approval. Details of the items are captured below;

S/N	ITEM DESCRIPTION	QUANTITY
1	Narada Batteries	14
2	Battery Rack	2
3	iStar Pro access control panel and power module	3
4	Cable Tray	Lot
5	Spiral Tube	Lot
6	PVC Pipes	Lot
7	Pattresse	Lot
8	Orbrom Kits	1
9	Dual Channel Trunk	7
10	Laptops	44
11	Desktops	6
<b>TOTAL</b>		<b>69</b>

### Customer Satisfaction Survey

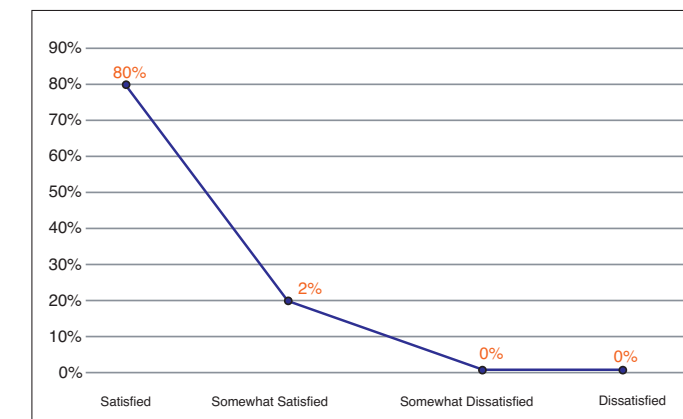
In 2018, a customer satisfaction survey was conducted which was specifically tailored for our C-Suite executives to achieve the following objectives;

- To ascertain the quality of IT services being rendered to its C-Suite executives
- To get feedback from its customers on their satisfaction levels
- To identify areas of improvement.

A total of 10 respondents took the survey.

### The Result

80% satisfaction level was achieved, whilst, 20% of respondents were somewhat satisfied, which indicates there are areas to be improved upon generally.



### Summary of Findings

Overall, the following were the findings that were gathered from the survey:

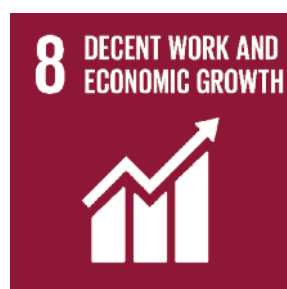
- More timely delivery of IT solutions and initiatives
- Document management portal is not very user friendly
- Wireless speed and reliability for mobile phones need to be optimized

### Reviews and Audits

What we did well:

- IT personnel are always willing to help address incidents and attend to requests
- Dashboard development helped drive effective engagement
- Better understanding of issues encountered displayed by the team

## Economic Performance



### Economic Performance

The company's economic performance is material to the business as it enables us to meet our obligations to all stakeholders and shareholders for continuity in business operations. These obligations include our cash call obligations to our joint venture partner, Debt service obligations, employee benefits and returns to shareholders.

Over the last few years, following our landmark acquisition of Conoco Phillips' Nigerian assets, we have concentrated mainly on reducing our debt profile by divesting from our naira businesses while increasing focus on our upstream dollar earning portfolio. Since 2014, the Company has reduced its debt by 55% from N473.3 billion while our upstream borrowing have reduced approximately 70% from \$801.6 million in 2014 to \$260 million.

#### Economic Value Distributed/Retained

Our economic value in 2017 was distributed as shown below:

o Operating costs	<b>N24.62B</b>
o Employee wages and benefits	<b>N454.32M</b>
o Payments to providers of capital (Equity)	<b>NIL</b>
o Payments to providers of capital (Debt)	<b>N17.44B</b>
o Payments to government (by country) – Tax	<b>N584.55M</b>

#### Economic Value Retained

\*calculated as 'Direct economic value generated' less 'Economic value distributed' – N30.38B

#### Consolidated Entities in the Company's Audited Financial Statements

Oando Logistics and Services Limited, Oando Resources Limited, Oando Terminals and Logistics, Oando Trading DMCC, XRS 1, Oando Trading Limited, Oando Netherlands Holdings 2 Cooperative U.A, Oando Netherlands Holdings 3 Cooperative U.A, Oando E&P Holdings Limited, Ebony Oil and Gas South Africa Proprietary Limited, Royal Ebony Terminal Proprietary Limited, Ebony Trading Rwanda Limited, Petrad Mozambique Limitada, XRS 11, Churchill Finance C300-0462 Limited, Oando Energy Resources Inc. (Subsidiary of Oando E&P Holdings Limited).

#### Financial Assistance Received from Government

The Company did not have any financial assistance from the government in 2018 in the form of tax relief, tax credit or subsidies.

### 2018 FINANCIAL HIGHLIGHTS - STRONG TOP AND BOTTOM LINE

Profit After Tax  
**N28.8B** | **▲ 46%**



Gross Profit  
**N96.3B** | **▲ 9%**



#### OPTIMISED BALANCE SHEET

Turnover  
**N679.5B** | **▲ 37%**



Total Borrowings  
**N210.9B** | **▼ 11%**



## Profit After Tax

# 46%



**N28.8 billion**  
compared to  
**N19.8 billion**  
(FYE 2017)



## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)



Education is indispensable for the achievement of sustainable development. Needless to say, that we will be unable to empower girls, combat climate change, fight inequality and end extreme poverty without access to quality education.

At Oando, we recognize the importance of quality education and its role in the achievement of our national and global goals. In this wise, we have continued to sustain and improve on providing qualitative education to vulnerable and underprivileged people through the Oando Foundation.



The Millennium Development Goals achieved some success in promoting gender equality and women empowerment, yet women and girls continue to suffer discrimination and violence in every part of the world. Gender equality is a necessary foundation for a peaceful, prosperous and sustainable world. Providing women and girls with equal access to education, health care and decent work will fuel sustainable economies and benefit societies and humanity.



To the young girl/lady out there, dare to dream and achieve your dream. Some people may look down on you as a girl/lady, but do not relent, prove your worth, and they will learn to respect you. When you make mistakes, dust yourself off and learn from them. Like me, the support of professional mentors will also motivate and nurture you for a successful career growth.



**Omemi Egure**



### OANDO FOUNDATION

#### Relevant SDG 5, 8 and 10 targets:

- By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes
- By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
- Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all
- By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
- By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing state
- By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries
- Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)

### Introduction

The Oando Foundation (the "Foundations or OF") was established in 2011 as an independent charity to support the Nigerian Government in achieving its Universal Basic Education ("UBE") goals with a vision to create sustainable and equitable educational systems. OF through its signature project – the Adopt-A-School Initiative ("AASI") seeks to empower every child in target communities. The AASI deploys a holistic approach of integrated school improvement, addressing critical supply and demand factors that affect learning, teaching, management, parental/community participation and responsiveness to children's needs, while creating proof of concept for project replication and scale up.

The Company realizes that education and work in Sub-Saharan Africa will determine the livelihoods of nearly a billion people in the region and drive growth and development for generations to come. To ensure sustainable development in Africa, it is imperative that adequate investments are made in education and learning that will add value in the labour market and prepare children for the future.

Oando is driving improved access to quality basic education in Nigeria, by providing funding for OF projects, supplemented by income generated from partnerships with development partners and select private sector entities.

### Our Mandate

Since 2011, OF has worked with multilayered stakeholders across communities in Nigeria to improve access to quality basic education. The achievement of every child's right to education is at the core of the Foundation's mandate; to radically improve the quality of teaching and learning in our schools by ensuring access to world class basic education systems; leveraging resources, best practices, and cross-cutting solutions through the AASI.

AASI deploys an integrated strategy that delivers a superior learning environment for both the pupils and teachers. We adopt holistic approaches to teaching and learning improvements.

Our theory of change is premised on the belief that for long term impact, all children acquiring basic literacy and numeracy in primary schools, especially girls and other marginalized groups enroll and complete primary education. This would require (i) better quality schools providing improved learning environments, (ii) children of school age especially from disadvantaged backgrounds attending these better quality schools, (iii) funding school improvement sustainably and, (iv) government agencies establishing effective school support systems.

The AASI, seeks to support existing government interventions to:

- Improve school quality through infrastructure upgrade (classroom renovation/new-builds, water supply, and child friendly toilets), training head teachers and other teachers, provision of teaching and learning materials.
- Support communities, through capacity strengthening of School Based Management Committees ("SBMC"). The SBMC supports and monitors school improvement processes, holds government accountable for quality service, and mobilizes the enrolment of out-of-school children ("OOSC").
- Strengthen state and local government capacity to support school improvement through better planning and monitoring systems based on credible school data, and well trained school support and quality assurance officers;
- Improve digital literacy in adopted schools through the establishment of ICT centres and training of ICT educators;
- Award scholarships to the best performing students in adopted schools, to aid transition into secondary school.

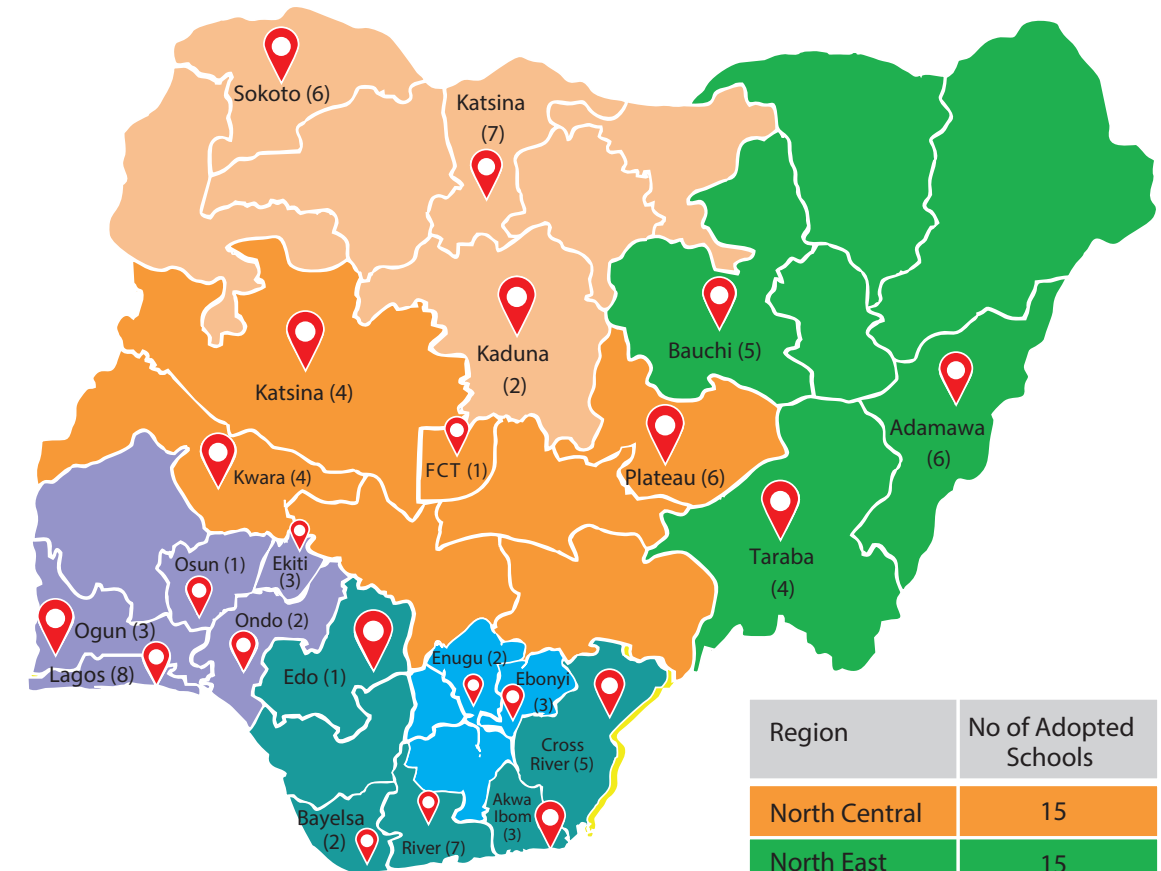
Since inception, we have documented many positive results. Through our partnerships, cutting across all levels of governance in the basic education sub-sector, more than 60,000 OOSC, particularly girls and vulnerable children, are on the path to acquiring literacy and numeracy skills that will improve their lives and impact positively on their communities.

2,834 school teachers have improved their subject content knowledge and pedagogical practices and are passing on this knowledge to children in adopted schools in a simple, engaging, and effective manner that builds their cognitive and socio-emotional skills. Our Teaching and Learning Materials ("TLMs") further aid the transfer of knowledge and enrich the students' learning experiences.

We have continued to build on the goodwill and commitment demonstrated by state and local partners, working through government and community systems to create ownership and sustained participation in the programme. We are improving skills and building capacity of the State Universal Basic Education Boards ("SUBEB"s), Local Government Education Authorities ("LGEAs"), and School Based Management Committees ("SUBEBS") to deliver basic education dividends to communities, whilst strategically contextualizing our approaches and solutions for sustainability, replication and scale up.

We continue to focus on changing behavior towards education in the communities we serve by empowering our partners, community groups, and grassroots mobilizers with evidence-based messaging on the importance of basic education, and their role in ensuring increased enrolment, retention and transition within the school system. Our strategic partnership with key technical and funding organizations is contributing to the overall quality of projects implemented, providing opportunities for increased awareness and project scale up.

### Our Reach



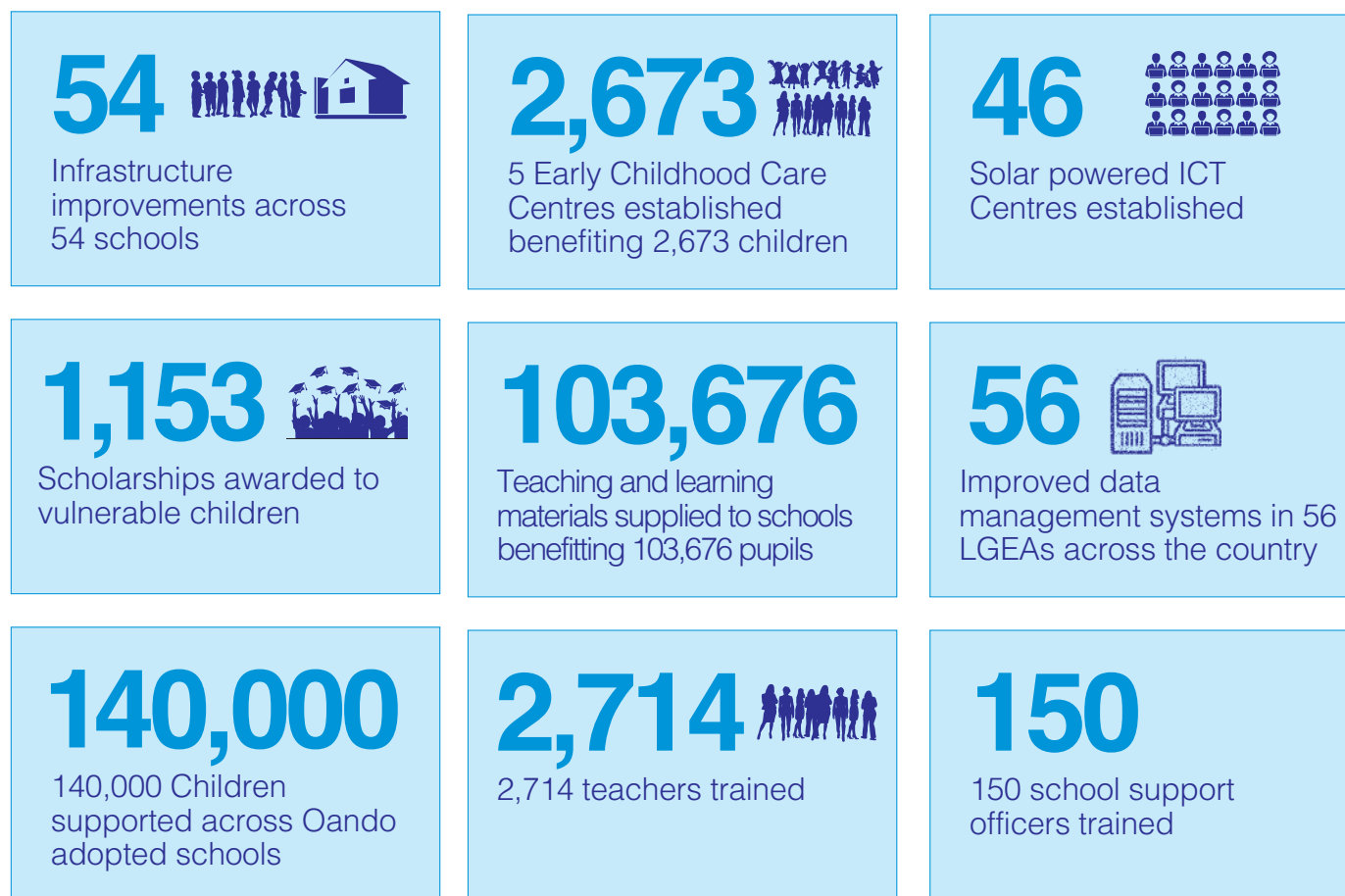
**88**  
adopted schools across  
23 States and the FCT



## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)

### Impact



### Organizational Structure

A properly constituted Board of Trustees ("BOT") oversees the OF. Members are selected based on a pre-determined skills matrix. The Foundation is headed by the head of Foundation who is supported by a team of dedicated staff and volunteers to manage its daily operations.

Members of the BOT serve on a pro-bono basis and therefore receive no financial compensation for their services/time rendered. Every year, BOT members are required to disclose any potential conflict of interest in writing.

To effectively implement and coordinate the programme implementation process, OF works with 10 implementing partners (Non-Governmental Organizations/Community Based Organizations) across 6 geo-political zones to ensure active programme implementation and monitoring. In addition, consultants are engaged to provide specialized services like conducting surveys, data collection and analysis, support to the LGEA and teacher capacity building components, among others.

The Foundation effectively leverages the Company's human resource support provided by the Finance, Legal, Human Resources, and Admin departments. Our strategy is therefore embedded in Oando's culture that is hinged on the core values of Teamwork, Respect, Integrity, Passion and Professionalism (TRIPP) and code of conduct. This significantly reduces the administrative burden to the Foundation, while guaranteeing premium controls.

### Limitations to the operations of the Foundation

The operations of the Foundation have been limited by the utilization of multiple implementing partners with attending risk of disparity in quality of programme implementation across states. Also, the rise in competing priorities for global funds affects the availability of funds for basic education mandate.

Also, the complexities of a holistic approach to education reform may create challenges for scale up and replication.

### Stakeholder Management

Oando Foundation's AASI is hinged on effective partnerships with key stakeholders supporting basic education planning and delivery to ensure sustainability, replication, and scale up of our programme interventions. We deploy a multi-faceted approach to stakeholder engagement, maximizing an array of communication tools to reach diverse stakeholder groups and maintain a strong presence across our target communities.

We work in close collaboration with government, international development agencies, traditional & religious leaders, civil society organizations, philanthropists, and communities to ensure the needs of our beneficiaries are being effectively addressed.

At OF, stakeholder engagement goes beyond people simply being informed and consulted. It includes people participating whilst striving for a greater focus and commitment to improve the overall outcome of our work.

### Stakeholder Analysis

Stakeholder analysis is an ongoing process that evolves as the programme progresses. Through a detailed analysis, we identify stakeholder groups with similar interests or those that could influence our work. Our stakeholder engagement plan is developed based on analysis done delineating their potential roles, interests, influences and effective means of engagement for each partner.

A detailed overview of our identified stakeholders and concerns raised for the period under review is highlighted in the Stakeholder Table below

Stakeholder Group	Basis of Identification	Format/Mode of Engagement	Frequency	Key Stakeholder concerns/issues raised	Resolution Strategies
<b>State Universal Basic Education Board</b>	Education Sector mapping States Education Index Report	Letters / emails Meeting KII Periodic project update	Ongoing Quarterly	Continuous engagement to ensure change in government does not affect ongoing projects	Oando Foundation signs an MOU with government to ensure documented commitment from government. In addition, all engagements are documented in the form of letters / reports for easy reference
<b>Implementing partners</b>	Robust procurement process, Capacity Assessment Report	Emails Meetings Phone calls	Ongoing	Disparity in IP delivery capacity	The Foundation provides ongoing capacity support to implementing partners to ensure quality delivery. In addition, accountability mechanisms are set up at various levels to ensure adherence to set standards
<b>Community Members</b>	Community mapping based on State SBMC policy	Focus Group Discussions Phone calls	Quarterly Ongoing	Effective management and maintenance of provided school facilities	The Foundation involves community members through the project cycle and provides training on maintenance of provided facilities
<b>Teachers</b>	Government adopted schools	Focus Group Discussions Meetings Interviews	Quarterly Ongoing	Abrupt transfer and retirement of trained teachers	Oando Foundation is working with SUBEB to ensure trained teachers are retained for the period of the project

## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)

### OUR BENEFICIARIES

To support inclusive and equitable quality basic education in Nigeria, the Foundation directly targets hard to reach children between the ages of 5 and 15 in public primary schools, OOSC, internally displaced persons, children with special needs, orphans, vulnerable children and girls in target communities. Our aim is to increase access to basic education, and improve quality of learning for these groups through AASI.

Our target communities are selected following a review of varying research outputs and information sources, triangulated data along OOSC population, security risks, logistical accessibility, Girl Child Education ratio, and the presence of development partners/thematic focus. Our selection process prioritizes areas with the most educational needs and relatively low security risk, to maximize impact and promote project continuity.

#### Key target groups

**Out of School Children** – Nigeria still has an estimated 10.5 million out-of-school children, notably the world's highest. A significant percentage of these are in northern Nigeria. OF mobilizes and enrolls children between the ages of 7 -14 years who have never attended school or have had their schooling interrupted due to varying socio-economic reasons. We are focused on changing behavior towards education in communities we serve, by empowering our partners, SBMCs, community groups, and grassroots mobilizers with key messaging on the importance of basic education. To date, we have mobilized over 60,000 OOSC back to school.

**Girl Child** – Education of the girl child is not a luxury. Gender disparity continues to exist, from access to enrolment and school completion rates, to the quality of learning. Among children not attending school, there are twice as many girls as boys, and among illiterate adults there are twice as many women as men. OF mainstreams gender across all its programme interventions whilst making concerted efforts that target girls specifically to bridge the gender gap.

**Children affected by Crisis** – The North-Eastern part of Nigeria has become significantly displaced educationally due to Boko Haram insurgency. Many children who are victims of the insurgency have had their schooling interrupted, some have become orphaned, whilst others lack the financial resources necessary to continue schooling. Schools in Muchalla and Nzangula communities in Gombi and Madagali LGAs were destroyed by the insurgents, making it impossible for children to continue schooling.

OF currently supports 17 adopted schools across three states in North-East Nigeria ; Adamawa, Bauchi, and Taraba. Some of these schools are located close to the state-government approved settlement camps for displaced persons. Working collaboratively with respective state and local government education managers, community groups, and partners, we implement key components of the AASI.

**Children with Special Needs** – In order to reduce the difficulties faced by children with disabilities and support retention in schools, the Foundation provides teaching and learning aids, as well as ramps in schools we renovate. In addition, our teacher training programme builds capacity of teachers to understand and attend to the peculiar needs of children with learning difficulties.

Mobilized over

# 60,000

Out of School Children back to school

### 2018 PROGRAMME UPDATE

#### 1. 27,361 OOSC Enrolled into OF Adopted Schools

Through 2018, the Foundation enrolled 27,361 OOSC across 16 states; bringing the total number of enrolled OOSC to 61,000 in 3 years. We deploy effective community engagement practices and provide ancillary support where necessary, to encourage OOSC enrolment and retention. Our approach ensures the entire process; OOSC enrollment, retention and monitoring is community driven, sustainable and cost effective.



Distribution of Back to School Materials for newly enrolled OOSC in Bauchi State.

#### 2. Seven (7) adopted schools receive infrastructure upgrade to support learners' needs

Public primary schools are characterized by poor learning environments and fast deteriorating infrastructure that cannot adequately support learners' needs. Severe shortages of classroom space result in class sizes that sometimes triple the prescribed teacher-pupil ratio for Nigeria of 1:40.

Oando Foundation improves the quality of learning infrastructure in its adopted schools through the construction of new classrooms, renovation of existing structures, provision of age-appropriate furniture and ensuring access to clean water and sanitation facilities.

To ensure intervention is targeted at schools with the most pressing infrastructure needs, we work with the SUBEBs and SBMCs, giving consideration to the current school population, level of deterioration, and net ratio of OOSC within the community.

In 2018, the Foundation completed 6 blocks of 18 classrooms, supplied 525 units of double desk furniture, and provided sanitation and water facilities across 17 schools.



Infrastructure facilities provided at Yoldepe Primary School, Yola and Our Lady of Fatima Primary School, Jos.

#### 3. Education quality assurance and school improvement officers trained in focal states

To ensure quality delivery of educational services and sustainability, the Foundation works with government education stakeholders, that is, SUBEBs and LGEAs in the efficient management, mentoring and coaching of teachers, proper and efficient data management, timely distribution of TLMs and mobilization of community support for learning.

The Foundation is strengthening the effectiveness of key partners vested with the mandate of school development by investing, planning, capacity building, institutional development, and learning. In 2018, we trained 59 School Managers (on school management and leadership), 45 School support officers (to provide support and mentorship for trained teachers), as well as 66 Quality Assurance Officers (on effective use and application of Education Management Information Systems ("EMIS")). In addition, 15 laptops were provided to the trained EMIS teams, to digitally support post training implementation. Collectively, we are supporting performance monitoring and evaluation, especially the quality of data collection, analysis, and dissemination in public schools.



Cross-section of quality assurance officers at a 3-day training organized by the Foundation.



## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)

Over  
**3,000**  
teaching and learning materials such as teacher guides, lesson plans, and audio-visual materials were provided to improve teaching and learning experiences.



### 4. Capacity strengthening for SBMC in 42 adopted schools to support school improvement processes

OF effectively integrates community participatory approaches in programme planning, implementation, monitoring and evaluation. This encourages the development of democratic processes in school improvement at community level, and higher levels of resource mobilization and use, volunteerism and rejuvenates community spirit.

We train and empower SBMC in effective school governance, enrolment drives for OOSC, resource mobilization, and advocacy across various levels. 363 SBMC members were trained and 237 supported across Plateau, Kaduna, Katsina, Niger, Adamawa, Bauchi, and Sokoto states in 2018.

We have witnessed with great excitement the transformation of SBMCs in most adopted schools from docile, ill-equipped school groups unable to champion effective changes in their schools, now becoming key agents of change, springing hope for sustained community involvement in school improvement processes. To date, the Foundation has trained and supported 1,594 SBMC members across adopted school communities.



### 5. Improving learning outcomes for students in adopted schools through teacher capacity development

The quality of teaching and learning has a direct impact on the learning outcomes of students. Results from an earlier Teacher Development Need Assessment (TDNA) conducted in adopted schools confirmed a weak capacity base for teachers and existing gaps in classroom management and subject content knowledge especially numeracy, literacy, and science & technology.

The Foundation's teacher training programme is aimed at improving teachers' skills in modern pedagogy and subject content knowledge. It is also expected to strengthen the capacity of head teachers and assistants in school management and leadership, and empower school support officers to mentor and monitor teachers' performance post training.

In 2018, the Foundation trained 45 LGEA school support officers, 750 teachers (including 59 Head Teachers/Assistants, 634 classroom teachers, and 57 ICT Teachers) across 35 adopted schools in 11 states. Over 3,000 teaching and learning materials such as teacher guides, lesson plans, and audio-visual materials were provided to improve teaching and learning experiences.



Participants at the Foundation's training workshop for teachers across adopted schools in Sokoto

### 6. Promoting digital literacy and Science, Technology, Engineering and Mathematics ("STEM") education in adopted schools

Through Oando Foundation's digital literacy programme, we are bridging the existing gaps in the implementation of ICT education in public primary schools by providing students access to ICT facilities in adopted schools. Thus, empowering them with technological skills through creativity and learning.

We achieve these through the establishment of ICT centers in adopted schools, thereby strengthening the capacity of in-school ICT educators to transfer knowledge to the learners, entrench practical application of the national ICT curriculum, and provide ICT textbooks and software to support teaching and learning experiences. The Center also serves as a hub to aid teachers' self-study, utilizing audio-visual teaching materials for lesson preparation.

The Foundation established 15 solar-powered ICT centres across Kaduna, Niger, Adamawa, Plateau, Bauchi, and Kwara States in 2018; bringing the total number of ICT centers across our schools to 46. Over 45,000 students and teachers now have access to technology for learning and self-improvement.

## The Foundation established

# 15

solar-powered ICT centres across Kaduna, Niger, Adamawa, Plateau, Bauchi, and Kwara States in 2018

## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)

### 7. Oando scholarship programme

Financial exclusion is a major barrier prohibiting many children from accessing education. While progress has been made, such as the near-universal provision of free basic education (2015 Global Monitoring Report), user costs remain a significant barrier to accessing education. Oando Scholars programme supports transition and retention of intellectually gifted pupils from adopted schools through secondary education. The award covers tuition where applicable, as well as other ancillary costs including transportation, study materials, and uniforms.

Through the scholarship programme, OF has directly impacted 1,153 students from poor socio-economic backgrounds to date. 56% of them have recorded remarkable strides, performing above 70% average consistently.

Others have represented their states and local governments at different academic competitions. In 2018, 30 additional scholarships were awarded, making a total of 512 scholars currently on the scheme.

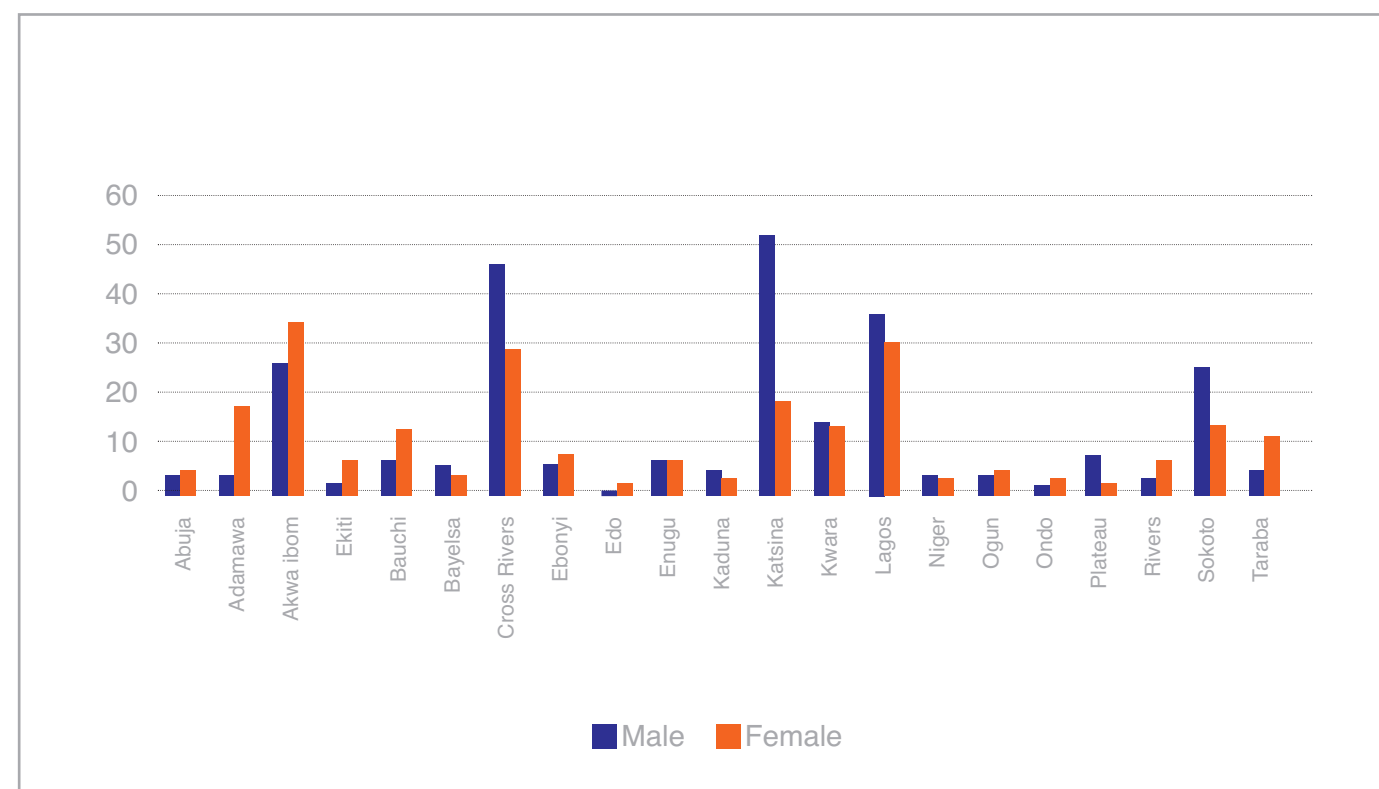
### 8. Partnerships and Advocacy

The AASI thrives on synergy among various stakeholders, harnessing the strength of each partner in a coherent and systemic way to ensure sustainability centered activities in cross-cutting intervention states, value for money, increased scale and impact.

Working in close collaboration with partners including government stakeholders, the Foundation raised over N435million as direct contributions for projects in adopted schools. Our partnership with the World Bank-assisted Community Social and Development Project (CSDP) under the government's social protection agenda, is providing economic empowerment opportunities in overlapping states where our schools are located. Our renewed partnership with Sumitomo Chemical; a Japanese Chemical Company resulted in the establishment of 3 additional solar-powered ICT Centres in schools across Niger, Plateau and Katsina, thus, benefitting over 4,000 students.

In partnership with the Universal Basic Education Commission (UBEC), we championed the first private sector convening for corporate organizations supporting the basic education sub-sector in Nigeria. This has resulted in the formation of the Private Sector Coalition for Basic Education (PSCBE) with a mandate to bridge the access and information gap between the organised private sector and UBEC, and contribute to basic education planning and delivery.

### Oando Scholars' Gender Spread Per State



### Below is a full list of partnerships and collaborations established/sustained by the Foundation in 2018

#### STRATEGIC PARTNERS

#### TECHNICAL COMPONENT

##### Educate A Child (EAC)

OF partners with EAC, a global initiative launched by Her Highness Sheikha Moza bint Nasser of Qatar. This joint partnership is aimed at reducing the number of out of school children (OOSC) in Nigeria by enrolling 60,000 OOSC across the Foundation's adopted schools over a 3-year period. The partnership is a matching fund grant.

##### Sumitomo Chemical

Partnership is aimed at promoting ICT and STEM education by establishing solar powered ICT Centers in Oando adopted schools. 3 ICT Centers were established under this partnership in 2017, and 3 additional Centers are currently being established in Plateau, Niger, and Katsina. All 6 Centers are funded by Sumitomo.

##### North-East Regional Initiative (NERI)

USAID-NERI was established to provide rehabilitation support to communities ravaged by the Boko Haram insurgency. OF established a strategic partnership with USAID-NERI to support access and quality of learning in rebuilt schools across supported communities in Adamawa state. Two schools rebuilt by NERI have been adopted by the Foundation in Dzungula and Muchalla communities. We are supporting OOSC mobilization and enrolment, teacher capacity building, training of LGEA and SBMC in Education Management Information Systems and school governance, provision of learning materials, and award of scholarships, among others.

##### Universal Basic Education Commission (UBEC)

The Foundation is partnering with UBEC to accelerate the organized private sector support towards basic education in Nigeria. In this role, we are championing strategic engagements between UBEC and the private sector through an established platform.

##### Department for International Development ("DFID") Support Programme in Nigeria (ESSPIN)

The Foundation is replicating the DFID-ESSPIN training model and manuals for the SBMC and LGEA programme components. We are also utilizing the services of Consultants who worked with ESSPIN for training in adopted schools.

##### UKAID Teacher Development Programme (TDP)

The Foundation partners with the DFID-TDP to replicate its training model for teacher capacity building in adopted schools. TDP provides technical support for the Foundation's WIC component. We also reproduce teacher guides and lesson plans developed by TDP for use in adopted schools. This is a technical partnership with zero funding implication. Utilizing these models allow us leverage existing capacity and knowledge thereby reducing project costs and ensuring sustainability.

##### National Home Grown School Feeding Programme

In 2016, the Federal Government announced its intention to commence the National Home Grown School Feeding Programme (HGSP) aimed at providing breakfast for children in primary schools. Partnership for Child Development (PDC), a key partner of the Federal government saddled with the responsibility of strengthening the evidence on the costs and benefits of the HGSP reached out to the Foundation on the need for collaboration in adopted schools. The outcome of this engagement informed the reconsideration of our school feeding approach to providing ancillary facilities (water, sanitation, and hygiene) in adopted schools, as support for the HGSP programme.



## Oando Foundation

Quality Education, Clean Water and Sanitation, Reduced Inequalities, Partnership for the Goals (SDGs 4, 6, 10 & 17)

### STRATEGIC PARTNERS

#### USAID North East Initiative Plus (NEI Plus)

### TECHNICAL COMPONENT

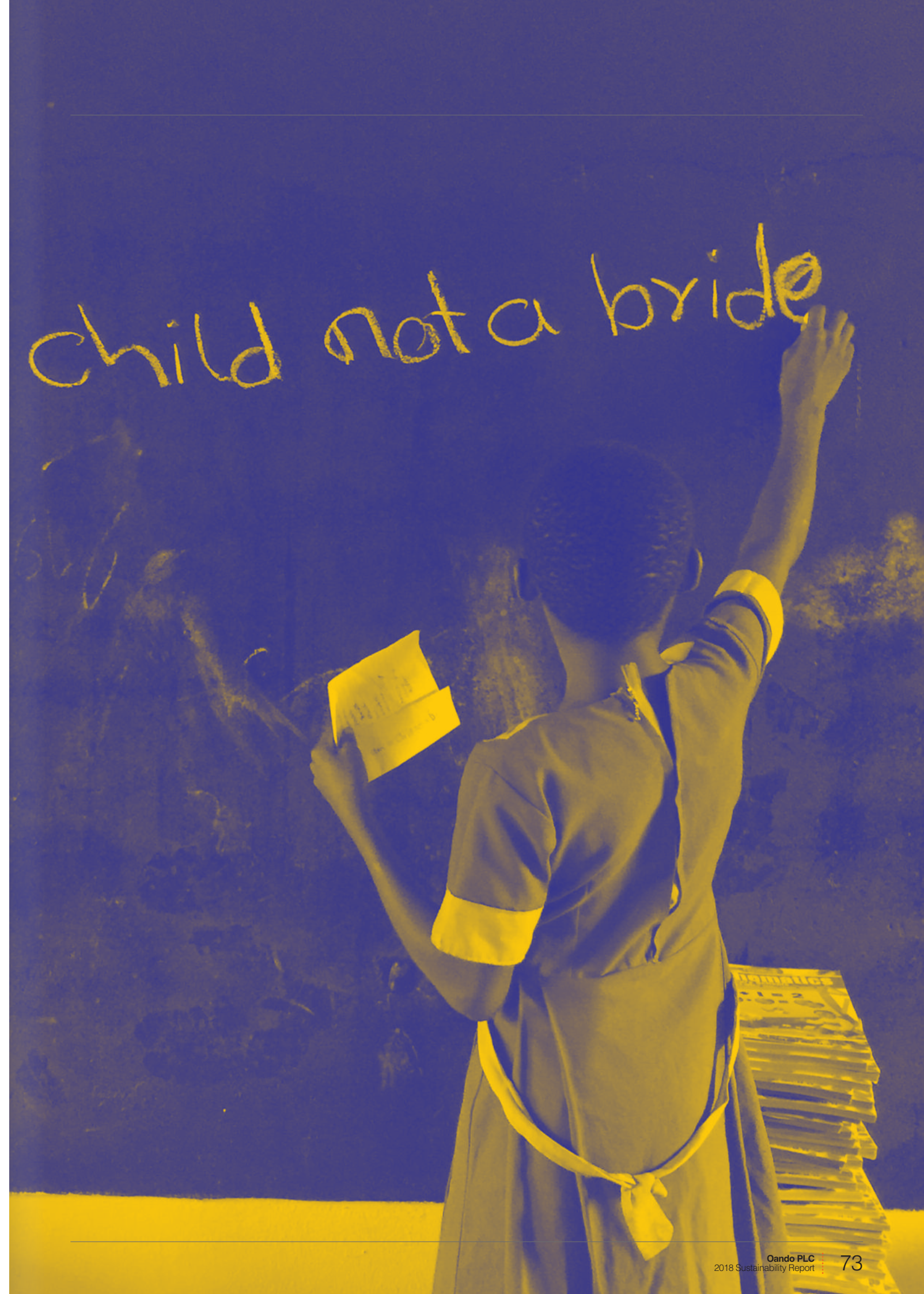
The Foundation is partnering with USAID-NEI Plus to support the mainstreaming of OOSC (including internally displaced persons) from non-formal learning centers supported by the programme into adopted schools in Sokoto and Bauchi.

#### World Bank-assisted Community and Social Development Project (CSDP)

Our partnership with the CSDP under the government's social protection agenda, is providing economic empowerment opportunities in overlapping states where our schools are located.

### Awards and Recognition

Our efforts to transform the basic education sector in Nigeria have been well received by communities and governments, thereby giving rise to various awards. Notably, the Foundation in January 2018 received a merit award from the USAID Education Crisis Response (USAID-ECR) in recognition of its meritorious contribution to the educational development and wellbeing of Out-of-School and internally displaced children in Bauchi and Adamawa States.





## Our Supply Chain

Reduced Inequalities, Sustainable Cities and Communities, Responsible Consumption and Production (SDGs 10, 11 & 12)

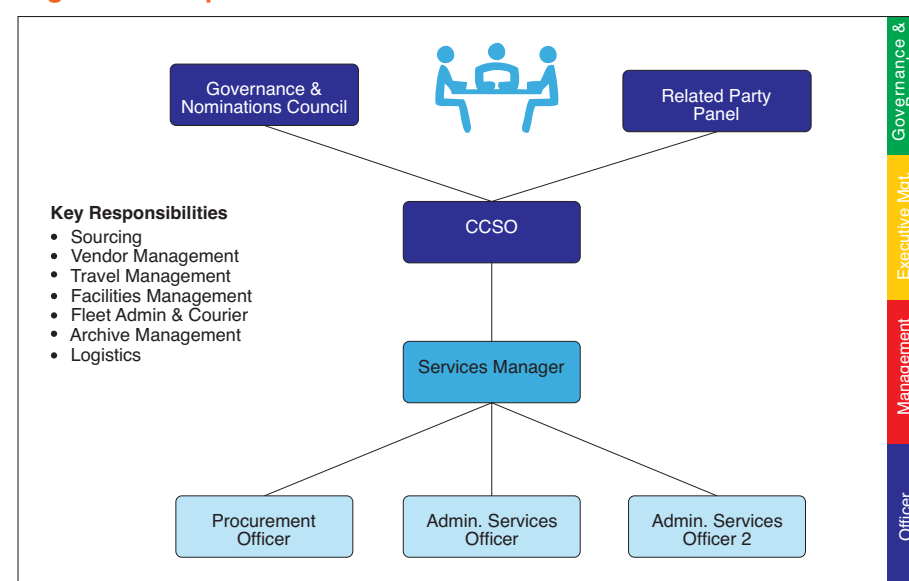


### CORPORATE SERVICES

#### SDG Targets:

- By 2030, achieve the sustainable management and efficient use of natural resources
- Promote public procurement practices that are sustainable, in accordance with national policies and priorities

#### Organizational profile



The Company's supply chain employs an end to end management approach for procurement of goods and services. From user departments' requests to executing contracts with vendors, we adopt a detailed process on the role and responsibilities of all units involved in the supply chain management process from start to finish. The management approach is evident in the number of policies, processes and procedures we have successfully implemented for our supply chain management. Some of these include the Procurement Procedures and Policy, Vendor Management Policy, Vendor Appraisal Policy and tender processes.

#### Growing the local economy

We are passionate about local content development and thus continue to increase our patronage of local companies over the years. In 2018, more local vendors were contracted than previous years. We are proud to have achieved a 75% population of vendors who are either registered in Nigeria or have majority Nigerian participation.

### Transparency

We continue to align our processes with best practices in bid and tender processes. We introduced a tender review process to ensure transparency in our bid process. This necessitated the institution of a Tender Review Panel which consists of representatives of the Governance & Compliance, Legal, Audit & Risk, Environmental, Health, Safety, Standards & Quality, Tax and Procurement units. Representatives of each unit must be present at all bid openings and sign off on all bid documents.

### Stakeholder engagement

Our stakeholders are both internal and external. For our internal stakeholders, we liaise with the user department(s), management and the board of directors, while our external stakeholders include but are not limited to the regulatory agencies (NAPIMS, NCDMB), JV Partners, bidders/vendors and tax authorities. Our approach to stakeholder engagement is one of mutual respect; adherence to laws, company policies and procedures; and active engagement with all stakeholders.

The practice at Oando is for us to ensure we have the necessary tools for the achievement of our corporate goals while complying with all Company policies. As in other spheres of our business, our TRIPP culture comes to bear in our relations with all the stakeholders in the procurement journey.

Our procurement practices are material as failure to adhere to those ideals may occasion loss of revenue, slow down of business, reputational damage and inability to procure the best goods and services for the achievement of our goals. This also helps us avoid negative ratings during internal and external audits.

Our audit exercises also help to identify gaps in our processes. The Company has put in place mechanisms for evaluating the effectiveness of the management approach by way of periodic audits by internal (governance, audit & internal control units which have processes and procedures that form checks on procurement processes) and external bodies. We did not have any negative rating from internal and external audits in 2018.

In 2018, we held a vendor/stakeholders' forum as part of our strategic initiative for the year. The forum themed "Driving Business Sustainability through Strengthened Partnership" was chaired by an Executive Director, the Group Chief Corporate Services.

Other speakers at the event spoke on identified topics that cut across:

- The Company's journey so far,
- The Environment and Sustainable Business Practices,
- Role of Governance and Compliance in the Supply Chain, and
- Achievements of the Oando Foundation

Representatives of twenty-three strategic partners were in attendance at the workshop.

We constantly communicate with stakeholders in order to ensure that concerns are channeled to the appropriate teams and down time to business operations are reduced or eliminated.

As a result of stakeholder concerns in 2018, the procurement unit recommended a review of the Financial Delegation of Authority to the Board of Directors.



## Our Supply Chain

Reduced Inequalities, Sustainable Cities and Communities, Responsible Consumption and Production (SDGs 10, 11 & 12)

### Stakeholder's table showing identification, engagement, issues and resolution strategy

Stakeholder Group	Basis of Identification	Format/Mode of Engagement	Key Stakeholder concerns/issues raised	Resolution Strategies
<b>NAPIMS</b>	Government representative	Daily, weekly, monthly, quarterly, annually.	Emails, letters, face to face meetings, workshops	External funding discussions
<b>Vendors</b>	Supply of goods and services	Emails, letters, vendors forum	Prompt settlement of contract sums	As against previous years, we ensured that we do not engage vendors unless fund availability is certain.
<b>JV Partners i.e. Energia, NAOC, NEPN</b>	Joint venture agreement	Emails, letters, face to face meetings, workshops	Over-review of documents/processes Delay in payment of cash call obligations	Faster reviews and more engagement with JV partners Faster review of cash call submissions so as to give JV partners a clear picture/record of payments due.
<b>Internal stakeholders User department</b>	Requests for goods and services	Emails, face to face meetings	Contract award timelines Delay in contract award approvals as a result of Company policy on Financial Delegation of Authority	Communication of Service Level Agreement and contracting timelines Recommendation to increase approval limit presented and approved by the board

### Stakeholder Concerns

Concerns raised by stakeholders are communicated by the Supply Chain unit to the Chief Operations Officer who communicates same to the Risk and Internal Control unit or the Governance and Compliance unit as appropriate. Such concerns are escalated to the board where need be.

### Significant indirect economic impacts, including the extent of impacts

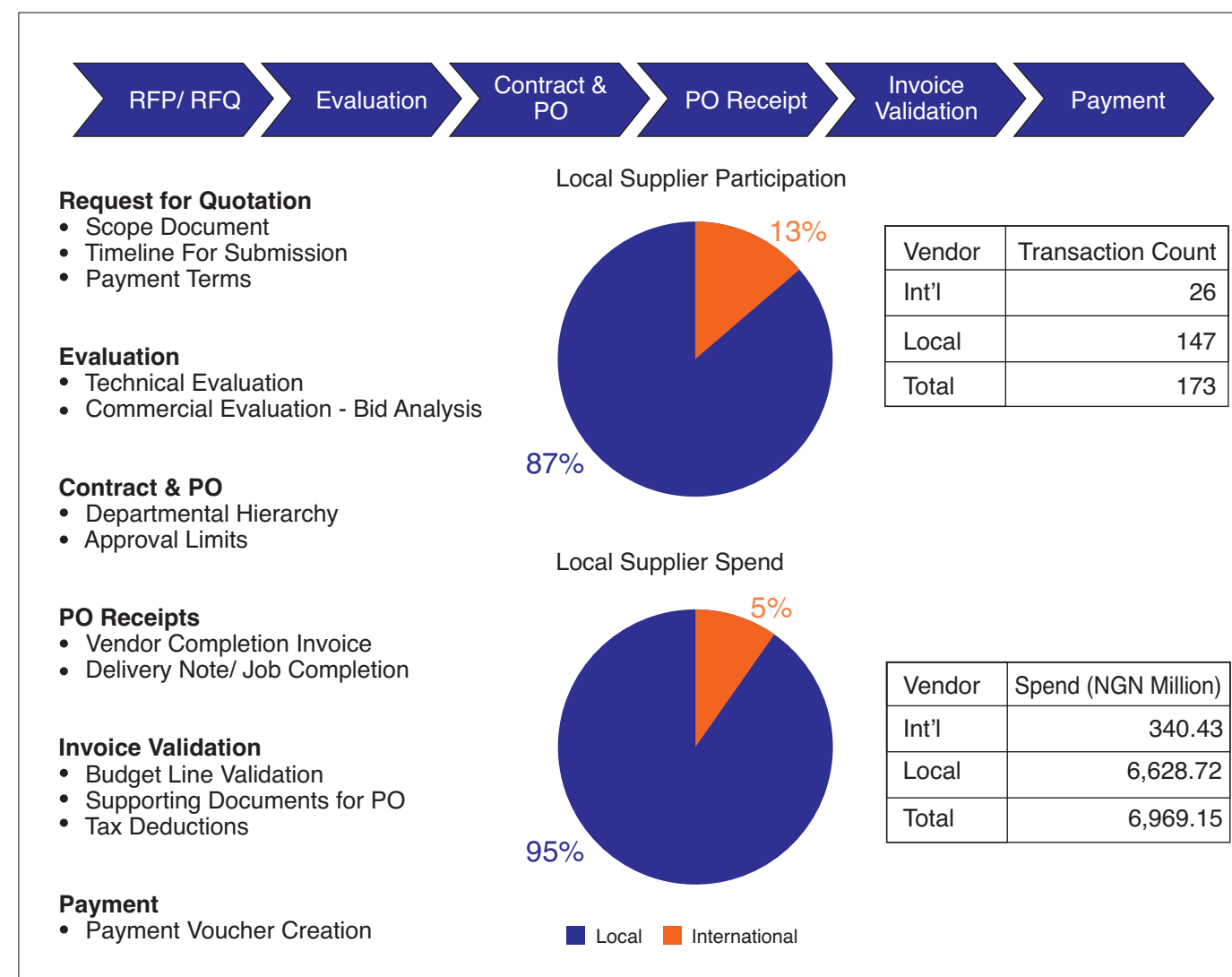
The Company has a due diligence process which all vendors must undertake before being registered as vendors. This process requires that vendors present relevant proficiency certificates and other documents as required by law or regulation. Going through our due diligence process fortify these companies to comply with all legal and regulatory requirements for doing business in the country. Unlike the previous years, where vendors lost out because they did not have the necessary documentation, in 2018, we encouraged the development of small and medium enterprises ("SME") by giving them a conditional onboarding. They are subsequently contracted when they are able to fulfil the terms.

As part of our efforts to contribute to the growth of the local economy via the development of SMEs, we engaged more small and medium scale indigenous companies than we did in the previous years.

### Proportion of spending on local suppliers at significant locations of operation

Being an indigenous Company, we are committed to helping to grow the local economy. We set targets to increase our local participation in 2017 and this we greatly achieved. In 2018, 95% of our expenditure was spent locally as our local spend increased by 5% from 2017, when we had a 90% spend on local suppliers. Participation of local vendors also increased by 2% in the year under review as 87% of our projects were awarded to local vendors as against 85% in 2017.

### Our Procurement Practices



## Our Supply Chain

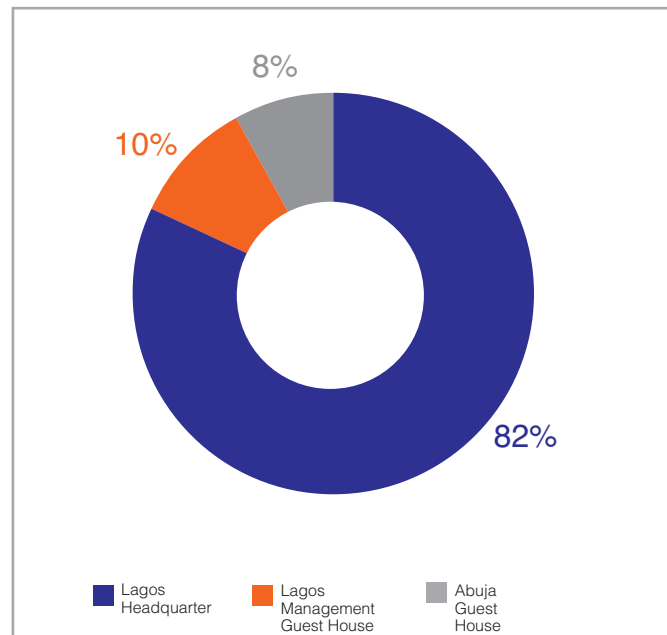
Reduced Inequalities, Sustainable Cities and Communities, Responsible Consumption and Production (SDGs 10, 11 & 12)

### ENERGY CONSUMPTION

Energy forms the bedrock of our operations. It is required to power all our office locations as well as other site locations including guest houses. Energy consumption is managed directly and indirectly by the respective landlords and each location's consumption pattern is peculiar to occupancy and use.

Direct energy consumption is tracked via bills from the public utility company as well as AGO (Diesel) usage sheet. The primary focus of the latter is the consumption of fuel for alternative to public power using generators

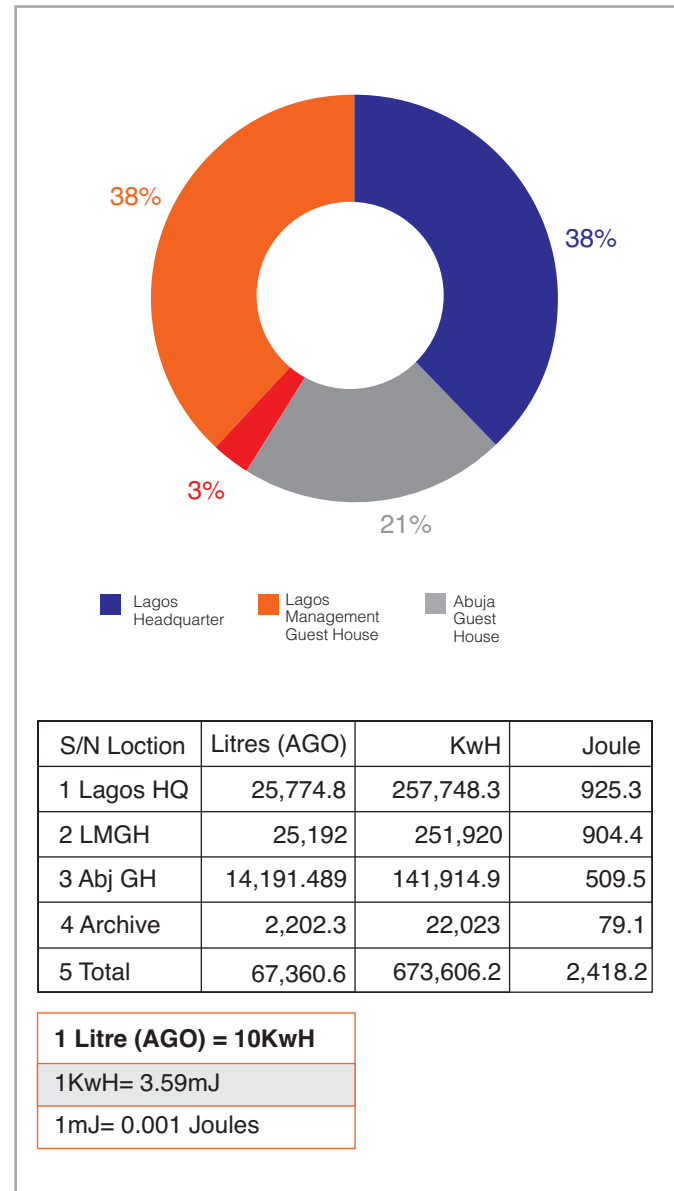
#### Non - Renewable Energy (Public Power)



S/N Location	Consumption (Kwh)	Conversion (Joule)
1 Lagos HQ	1,074,741	3,858.3
2 LMGH	128,647.5	461.8
3 Abj GH	102,839.9	369.2
5 Total	1,306,228.5	4,689.4

**1 Litre (AGO) = 10Kwh**  
1Kwh= 3.59mJ  
1mJ= 0.001 Joules

#### Non-Renewable Energy (Generator)



#### Water

The source of water consumed in the Company's office is ground water obtained from boreholes constructed by the Company. On average, 1,420,000 litres of water is consumed monthly. The Company is doing a lot in terms of conservation of water in the employment of motion sensor taps in its rest rooms.

#### Human Rights

We latch on to the Company's policy on human rights to prohibit engagements with vendors who may engage in child labour. Our agreements with vendors and business partners also contain commitments as to the protection of human rights and prohibition of all kinds of child or forced labour.



## Protecting our Environment

Climate Action, Life Below Water (SDGs 13 & 14)



### CLIMATE ACTION, LIFE BELOW WATER

#### SDG Target:

- Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



#### Our “Beat Plastic Pollution” Initiative

Oando continues to create opportunities and platforms through which the Company and its employees contribute positively to the community in which it operates.

The Company commemorated the World Environment Day with the theme “Beat Plastic Pollution” by cleaning the Cowrie Creek located behind the Company’s Head Office in Lagos. This activity doubled in creating awareness on the impact of marine pollution by plastics as well as serving as a form of environmental social responsibility. A total of 5,000kg of waste and 30,000 pieces of recyclable plastic were recovered from the creek.



#### Carbon Reduction Through our Transport Initiative

Oando operates a carpool system in an effort to reduce traffic congestion and carbon monoxide as it relates to the number of vehicles deployed per employee. Pool car allocations are done on the basis of daily requests received.

The Oando staff bus scheme is a larger representation of this conscious effort at reducing pollution. In this regard, 7 staff buses are used to transport employees to and fro work daily. Staff buses being used as a carpool initiative transports an average of 150 employees daily, significantly reducing the number of cars in traffic by 70, thus, reducing CO2 emissions by 322 metric tonnes annually.

#### Our Emissions

Emissions from our oil and gas projects and their impacts are not monitored directly by Oando, but through operators of the Company’s JV assets via gas flare monitoring and environmental monitoring programs. In addition, there are facility-type projects that are on-going which help to reduce the quantity of gas flared.



I have always heard about climate action but I haven’t consciously taken steps to reduce my emissions. After the enlightenment campaign done by the company, I am determined to contribute towards climate action by taking my own paper bags to the mall, trekking more, driving less and recycling my waste. I also commit to encourage others to be disciples of climate action.

Busola Awoyemi



## Targets and Data

### OANDO FOUNDATION SCHEDULE OF 2018 ACTIVITIES

#### Oando Foundation Adopt-A-School Scholarship Award to 512 students

##### ICT Centers

Established solar-powered ICT Centres (fully equipped with furniture, solar powered inverters, computers, server, projectors, printers, ICT educational software and text books) in 15 adopted schools:

- Chanchaga Primary School, Niger State
- Imburu Primary School, Adamawa State
- Sabon Gari Yolde Pate primary school Yola, Adamawa State
- Transfer Baptist Science primary School Shendam, Plateau State
- LEA Science Pilot School, Jos, Plateau State
- Daurama Primary School, Katsina State
- Bayan Banki Primary School Alkaleri, Bauchi State
- Tafida Aminu Model Primary School, Sokoto State
- Central Primary School Gamawa, Bauchi State
- Central Primary School, Liman Katagum, Bauchi State
- Baptist BLGEA Primary School Okuta, Kwara State
- Maitunbi Primary School, Niger State
- Our Lady of Fatima Primary School Jos, Plateau State
- Mabera Magaji Model Primary School Sokoto State
- Ibrahim Gusau N.I Model Primary School Sokoto State

##### Infrastructure Development

- Construction of 2 blocks of 6 classrooms and 1 motorized borehole (kitted with power generating set and water storage facility) at LGEA Primary School, Bungaha Gida, Mangu, Plateau State
- Construction of 1 block of 3 classrooms and provision of wash bay at Tafida Aminu Primary School, Sokoto State
- Construction of 1 block of 3 classrooms, 1 motorized borehole (kitted with power generating set and water storage facility), and provision of wash bay at Shehu Malami Primary School, Sokoto State
- Construction of 1 block of 3 classrooms at Bayan Banki Primary School, Bauchi State
- Renovation of 1 block of 3 classrooms at LGEA Ipata Primary School, Ipata, Kwara State
- Construction of 3 units of child friendly toilets, 1 motorized borehole (kitted with power generating set, water storage facility and wash bay) at Baptist Primary School Shendam, Plateau State
- Construction of 1 motorized borehole (kitted with power generating set and water storage facility) at
  - o St Paul's Township Primary School, Jos North, Plateau State
  - o LEA Pilot Science Primary School, Jos North, Plateau State
  - o Galadima Primary School, Mulun Fashi, Katsina State
  - o Radda Primary School, Radda, Katsina State
  - o Gidado Primary School, Gidado, Katsina State
  - o Model Primary School, Batagarawa, Katsina State
  - o General Muhammad Buhari Model Primary School, Katsina State
  - o Ibrahim Gusau Nizz. Islamiyat Model Primary School, Sokoto State
  - o Salihu Anka Model Primary School, Sokoto State
  - o Imburu Primary School, Numan, Adamawa State
  - o Nyibango Primary School, Yola, Adamawa State
  - o Sabon Gari Primary School, Sangere, Adamawa State
  - o Chanchaga Primary School, Minna, Niger State
  - o Jauro Gbadi Primary School, Jalingo, Taraba State

##### Furniture

- Provision of 525 units of twin desks for students and 21 units of teachers' desks in 6 Schools

##### Capacity Building

- 634 teachers trained in key subject competence and modern pedagogy, 59 school administrators in leadership and management; and 57 ICT Teachers
- 111 School Support Officers and Principal Quality Assurance Officers trained to provide school improvement support
- 363 SBMC members trained and 237 members mentored to support effective school management and governance
- Over 3,000 learning and instructional materials distributed across 60 schools

##### Special Projects

- Scholarship award for 5 indigenous pupils of Ogun State to Nobel House College
- Scholarship grant to 4 university beneficiaries on the Ebola Education Trust Fund
- Donation of school supplies (books, school bags, stationery, raincoats) and furniture through the #OandoGivesBack Campaign to Idi-Odo Primary School, Gbagada, Lagos, Ogo-Oluwa Primary School, Gbagada, Lagos, and Temidire Primary School, Gbagada, Lagos.
- Donation of exercise books, t-shirts, math sets and school bags towards the annual school inter-house sports competition of Archbishop Taylor Memorial Primary School, Victoria Island, Lagos, Idi-Odo Primary School, Gbagada, Lagos, Ogo-Oluwa Primary School, Gbagada, Lagos, and Temidire Primary School, Gbagada, Lagos
- Partnership with AMA Foundation to conduct eye examinations and provision of corrective glasses to pupils and teachers of Olisa Primary & Inclusive Unit, and Methodist Primary Schools, Papa Ajao, Lagos
- Partnership with Lafarge Africa on its 5th Annual National Literacy Competition

Provision of

# 525

units of twin desks for students and 21 units of teachers' desks in 6 Schools



## Targets and Data

### SUMMARY OF DATA BASE FOR NAOC JV (OANDO 20% WORKING INTEREST) NEW PROJECTS COMMISSIONED IN H1 & H2 OF 2018

S/N	Name and Location of Projects	LGA	State	Date Commissioned	Contract No:	OML	Operational facilities within locality	Impact
1	Construction of Cold Room in TWON BRASS	Brass	Bayelsa	22/01/18	5000016377	63	Host to Export Terminal	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
2	Installation of 200 KVA Generator and Generator House in OSIFO	Sagbama	Bayelsa	13/02/18	4600031351	63	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
3	Installation of 200 KVA Generator and Generator House in ABUETOR	Sagbama	Bayelsa	13/02/18	4600032046	63	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
4	Completion of 500 M Concrete Roads and Drainage in EGBEMO-ANGALABIRI	Ekeremor	Bayelsa	17/02/18	4600032378	62	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
5	Construction of 1KM Road and Drainage in MGBEDE	Onelga	Rivers	27/02/18	4600031895	61	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
6	Construction of Corpers Lodge & Mini Water Scheme in TUOMO	Burutu	Delta	01/03/18	4600027884	62	Host	<ul style="list-style-type: none"> <li>Improve educational standards of the community.</li> <li>Improve economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> </ul>
7 x 2	Construction of 3Nos Conveniences & Mini Water Scheme in OMOKU	Onelga	Rivers	06/03/18	4600024404, 4600018300	61	Host	<ul style="list-style-type: none"> <li>Improved sanitary conditions of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
8	Construction of Civic Centre in OGODA	AWLGA	Rivers	08/03/18	4600030677	61	Host	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
9	Construction of Modern Town Hall in BOMADI	BOMADI	Delta	16/03/18		61	Host	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
10	Construction of 2.1 KM Asphalt Road and Drain in IDU OSOBILE	ONELGA	RIVERS	23/03/18		61	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>

### SUMMARY OF DATA BASE FOR NAOC JV (OANDO 20% WORKING INTEREST) NEW PROJECTS COMMISSIONED IN H1 & H2 OF 2018

S/N	Name and Location of Projects	LGA	State	Date Commissioned	Contract No:Projects	OML	Operational facilities within locality	Impact
11	Construction of 1.044KM Asphalt Roads & Drainages in IRR1	ISOKO SOUTH	DELTA	26/03/18	4600027107, 4600029679	61	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
12	Reconstruction of 280M Nwaoge Asphalt Road and Drain in AGGAH	ONELGA	RIVERS	03/04/18	4600033693	61	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
13	Rehabilitation of community Health Center in OGBOINBIRI	SILGA	BAYELSA	19/04/18	4600031139	63	Host	<ul style="list-style-type: none"> <li>Improved health and social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
14	Construction of Enyiche 315 M Asphalt Road and Umu-Chikere 1.380M Street Drainage in Omoku	ONELGA	RIVERS	03/05/18	46000283999, 4600028422	61	Host	<ul style="list-style-type: none"> <li>Improved economic and social lives of the people</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
15	Procurement of 275 KVA CAT Generator in OBIOFU	ONELGA	RIVERS	04/05/18	4600032249	61	Host	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
16	Construction of Generator House and Installation of 275 KVA CAT Generator in OBIOFU	ONELGA	RIVERS	04/05/18	4600032250	61	Host	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
17	Construction of 250 M Concrete Road and Drains in AGBIDIAMA	SILGA	BAYELSA	19/05/18	4600032479	63	Host	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
18	Construction of 1.02 KM Concrete Roan & Drain in ETIEMA	NEMBE	BAYELSA	22/06/18	4600022919	63	Transit	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
19	Construction of 20,000 Gallon capacity water scheme in AGBERE	Sagbama	BAYELSA	26/06/18	4600034235	63	Transit	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>
20	Installation of 100 KVA Generator and Generator House in OPUADINO	SILGA	BAYELSA	28/06/18	4600018558	63	Host	<ul style="list-style-type: none"> <li>Improved social lives of the people.</li> <li>Improved relationship between the community &amp; the JV</li> <li>Oando visibility</li> </ul>

## Targets and Data

### Project Executed in OML 13 Network/Oando 2018/2019 Scholarship Scheme

- Number of Post Primary beneficiaries = 69 students valued at N3,450,000.00
- Number of Tertiary Institution beneficiaries = 74 students valued at 10,230,000.00

**Total for 2018 = N13,680,000.00**

Over

# 3,000

learning and instructional materials  
distributed across 60 schools





## GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GR 101: Foundation 2016</b>		
<b>GR 102: General Disclosures</b>	Disclosure 102-1	Name of the organisation Page 2
	Disclosure 102-2	Activities, brands, products, and services Pages 8-9, page 13
	Disclosure 102-3	Location of headquarters Page 10
	Disclosure 102-4	Location of operations Pages 10-11
	Disclosure 102-5	Ownership and legal form Oando 2018 Annual Report & Accounts, page 44
	Disclosure 102-6	Markets served Page 13
	Disclosure 102-7	Scale of organization Pages 10-11, pages 13-24
	Disclosure 102-8	Information on employees and other workers Pages 32-33
	Disclosure 102-9	Supply chain Pages 74 & 77
	Disclosure 102-10	Significant changes to the organization and its supply chain Pages 74-77
	Disclosure 102-11	Precautionary Principle or approach Pages 20-24, 26-27
	Disclosure 102-12	External initiatives Page 29-30
	Disclosure 102-13	Membership of associations Page 29-30
	Disclosure 102-14	Statement from senior decision-maker Pages 4-7
	Disclosure 102-15	Key impacts, risks and opportunities Pages 20-24
	Disclosure 102-16	Values, principles, standards and norms of behavior Pages 14- 15
	Disclosure 102- 17	Mechanisms for advice and concerns about ethics Page 29
	Disclosure 102- 18	Governance Structure Oando 2018 Annual Report & Accounts pages 38-42, 52
	Disclosure 102-19	Delegating Authority Oando 2018 Annual Report & Accounts, pages 46, 49-50
	Disclosure 102-20	Executive level Responsibility for economic, environmental and social topics Oando 2018 Annual Report & Accounts, page 46
	Disclosure 102-20	Consulting stakeholders on economic, environmental and social topics Oando 2018 Annual Report & Accounts, pages 44-53
	Disclosure 102-22	Composition of the highest governance body and its Committees Oando 2018 Annual Report & Accounts, pages 49-51
	Disclosure 102- 23	Chair of the highest governance body Oando 2018 Annual Report & Accounts, page 38
	Disclosure 102- 24	Nominating and selecting the highest governance body Oando 2018 Annual Report & Accounts, page 50
	Disclosure 102- 25	Conflicts of interest Oando 2018 Annual Report & Accounts, pages 166-169
	Disclosure 102-26	Role of highest governance body in setting purpose, Values Oando 2018 Annual Report & Accounts, page 46
	Disclosure 102-27	Collective knowledge of the highest governing body Oando 2018 Annual Report & Accounts, page 46
	Disclosure 102-29	Identifying and managing economic, environmental and social impacts Oando 2018 Annual Report & Accounts, pages 53-57
	Disclosure 102-30	Effectiveness of risk management processes Pages 22-34, pages 26-27
	Disclosure 102-31	Review of economic, environmental and social topics Oando 2018 Annual Report & Accounts, pages 49-51
	Disclosure 102-33	Communicating Critical concerns Page 29, Oando 2018 Annual Report & Accounts, page 53

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>GR 102: General Disclosures</b>	Disclosure 102- 34	Nature and Total number of concerns Page 29-31	
	Disclosure 102-35	Remuneration Policies Oando 2017 Sustainability Report page 35	
	Disclosure 102-36	Process for determining Remuneration Oando 2017 Sustainability Report page 35	
	Disclosure 102- 37	Stakeholders involvement in remuneration Oando 2017 Sustainability Report page 35	
	Disclosure 102-40	List of stakeholder groups Pages 26-27, page 35, page 40, page 65. Oando 2017 Sustainability Report page 36-41	
	Disclosure 102-41	Collective bargaining agreements Page 33	
	Disclosure 102- 42	Identifying and selecting stakeholders Pages 26-27, page 35, page 40, page 65. Oando 2017 Sustainability Report page 36-41	
	Disclosure 102- 43	Approach to stakeholder engagement Pages 26-27, page 35, page 40, page 65. Oando 2017 Sustainability Report page 36-41	
	Disclosure 102- 44	Key topics and concerns raised Pages 26-27, page 35, page 40, page 65. Oando 2017 Sustainability Report page 36-41	
	Disclosure 102-45	Entities included in the consolidated financial statements Pages 58-59	
	Disclosure 102-46	Defining report content and topic boundaries Page 3	
	Disclosure 102-47	List of material topics Page 16-18	
	Disclosure 102- 50	Reporting period Page 3	
	Disclosure 102- 51	Date of most recent report Page 3	
	Disclosure 102- 52	Reporting cycle Page 3	
	Disclosure 102-53	Contact point for questions regarding the report Page 98	
	Disclosure 102- 54	Claims of reporting in accordance with the GRI Standards Page 3	
	Disclosure 102-55	GRI Content Index Pages 88-97	
	<b>GR 103: Management Approach</b>	Disclosure 103-1	Pages 16-18
		Disclosure 103-2	Pages 26-27, 29, 32, 37, 41, 54, 58, 62-64, 74-75
		Disclosure 103-3	Evaluation of the management approach Pages 26-27, 29, 32, 37, 41, 54, 58, 62-64, 74-75

## GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>GRI 201: Economic Performance</b>	Management Approach		
	Disclosure 201-1	<b>a.</b> Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:	<b>Pages 58-59</b>
		<b>i.</b> Direct economic value generated: revenues	<b>Pages 58- 59</b>
		<b>ii.</b> Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;	<b>Pages 58-59</b>
		<b>iii.</b> Economic value retained: 'direct economic value generated' less 'economic value distributed'.	<b>Pages 58-59</b>
		<b>b.</b> Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	<b>Pages 58-59</b>
	Disclosure 201-3	<b>a.</b> If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.	<b>Oando 2016 Sustainability Report page 46</b>
		<b>b.</b> If a separate fund exists to pay the plan's pension liabilities:	<b>Oando 2016 Sustainability Report page 46</b>
		<b>i.</b> The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;	<b>Oando 2016 Sustainability Report page 46</b>
		<b>ii.</b> The basis on which that estimate has been arrived at;	<b>Oando 2016 Sustainability Report page 46</b>
		<b>iii.</b> When the estimate was made.	<b>Oando 2016 Sustainability Report page 46</b>
		<b>c.</b> If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.	<b>Oando 2016 Sustainability Report page 46</b>
		<b>d.</b> Percentage of salary contributed by employee or employer.	<b>Oando 2016 Sustainability Report page 46</b>
		<b>e.</b> Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact.	<b>Oando 2016 Sustainability Report page 46</b>
	Disclosure 201-4	<b>a.</b> Total monetary value of financial assistance received by the organisation from any government during the reporting period, including:	<b>Page 58-59</b>
		<b>i.</b> tax relief and tax credits;	<b>Page 58-59</b>
	<b>ii.</b> subsidies;	<b>Page 58-59</b>	
	<b>iii.</b> investment grants, research and development grants, and other relevant types of grant;	<b>Page 58-59</b>	
	<b>iv.</b> award;	<b>Page 58-59</b>	
	<b>v.</b> royalty holidays;	<b>Page 58-59</b>	
	<b>vi.</b> financial assistance from Export Credit Agencies (ECAs);	<b>Page 58-59</b>	
	<b>vii.</b> financial incentives;	<b>Page 58-59</b>	
	<b>viii.</b> other financial benefits received or receivable from any government for any operation.	<b>Page 58-59</b>	
	<b>b.</b> The information in 201-4-a by country		
	<b>c.</b> Whether, and the extent to which, any government is present in the shareholding structure.	<b>Pages 57-58</b>	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>GRI 202: Market Presence</b>	Management Approach		
	Disclosure 202-1	<b>a.</b> When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.	<b>Page 34</b>
		<b>b.</b> When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.	<b>Page 34</b>
		<b>c.</b> Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.	<b>Page 34</b>
		<b>d.</b> The definition used for 'significant locations of operation.'	<b>Pages 10-11</b>
	Disclosure 202-2	<b>a.</b> Percentage of senior management at significant locations of operation that are hired from the local community.	<b>Pages 33-35</b>
		<b>b.</b> The definition used for 'senior management'	<b>Page 33</b>
		<b>c.</b> The organization's geographical definition of 'local'.	<b>Page 33</b>
		<b>d.</b> The definition used for 'significant locations of operation'.	<b>Pages 10-11</b>
	<b>GRI 203: Indirect Economic Impacts</b>	Management Approach	
Disclosure 203-1		<b>a.</b> Extent of development of significant infrastructure investments and services supported.	<b>Pages 42-52</b>
		<b>b.</b> Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.	<b>Pages 40-52</b>
		<b>c.</b> Whether these investments and services are commercial, in-kind or pro bono engagements.	<b>Pages 40-42</b>
Disclosure 203-2		<b>a.</b> Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.	<b>Pages 42-52</b>
		<b>b.</b> Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	<b>Pages 40-52</b>
<b>GRI 204: Procurement Practices</b>	Management Approach		
	Disclosure 204-1	<b>a.</b> Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).	<b>Page 77</b>
		<b>b.</b> The organization's geographical definition of 'local'.	<b>Page 77</b>
	<b>c.</b> The definition used for 'significant locations of operation'	<b>Page 77</b>	



## GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>GRI 205: Anti-Corruption</b>	Management Approach	Page 29	
	Disclosure 205-1	a. Total number and percentage of operations assessed for risks related to corruption.	Pages 28-30
		b. Significant risks related to corruption identified through the risk assessment.	Pages 28-30
	Disclosure 205-2	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.	Page 30 <i>*anti-corruption policies and procedures are communicated to all governance body members and all employees.</i>
		b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	Page 30 <i>*anti-corruption policies and procedures are communicated to all governance body members and all employees.</i>
		c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.	<i>* Our anti-corruption policies and procedures are communicated to all our business partners.</i>
		d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.	<i>*All of our governance body members have received training on anti-corruption</i>
		e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	<i>*All our employees have received training on anti-corruption</i>
	Disclosure 205-3	a. Total number and nature of confirmed incidents of corruption.	<i>*There were no confirmed incidents of corruption in the reporting year</i>
		b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	<i>*None</i>
		c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	<i>*None</i>
	d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	<i>*None</i>	
<b>GRI 302: Energy</b>	Disclosure 302-1	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	Page 78
		b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	Page 78
		c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption	Page 78
		d. In joules, watt-hours or multiples, the total: i. electricity sold	Page 78

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>GRI 303: Water and Effluents</b>	Management Approach		
	Disclosure 303-1	a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).	Page 78
		b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.	Page 78
	Disclosure 303-3	a. Total water withdrawal from all areas in megaliters	Page 78
b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:		Page 78	
<b>GRI 304: Biodiversity</b>	Management Approach	Oando 2016 Sustainability Report Page 41	
	Disclosures 304-1	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:	Oando 2016 Sustainability Report Pages 40, 41
	Disclosure 304-2	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:	Oando 2016 Sustainability Report Pages 40
	Disclosure 304-3	a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.  b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.	Oando 2016 Sustainability Report Pages 40, 41
<b>GRI 305: Emissions</b>	Management Approach	Page 81	
<b>GRI 306: Effluents and Waste</b>	Management Approach	Oando 2016 Sustainability Report page 41	
	Disclosure 306-2	Water waste by type and disposal method	Oando 2016 Sustainability Report page 41
	Disclosure 306-4	Transport of hazardous waste	Oando 2016 Sustainability Report page 41
<b>GRI 307: Environmental Compliance</b>	Management Approach		
	Disclosure 307-1	Non-compliance with environmental laws and regulations	
<b>GRI 401: Employment</b>	Management Approach	Pages 32-33	
	Disclosure 401-1	New employee hire and employee turnover	Pages 33
	Disclosure 401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Page 34
	Disclosure 401-3	Parental leave	Page 34

## GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 402: Labour/Management Relations</b>	Management Approach	Page 32, page 35
<b>GRI 403: Occupational Health And Safety</b>	Management Approach	Page 36
	Disclosure 403-1 Workers representation in formal joint management-worker health and safety committees	Page 36
	Disclosure 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 36
<b>GRI 404: Training and Education</b>	Management Approach	Page 35
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	Page 35
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Page 35, Oando 2017 Sustainability Report pages 40-41
<b>GRI 405: Diversity and Equal Opportunity</b>	Management Approach	Page 33-34
	Disclosure 405-1 Diversity of governance bodies and employees	Page 33-34
<b>GRI 406: Non-Discrimination</b>	Management Approach	Page 33
<b>GRI 408: Child Labour</b>	Management Approach	Pages 33 and 78
	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	Page 78
<b>GRI 409: Forced or Compulsory Labour</b>	Management Approach	Page 78
<b>GRI 410: Security Practices</b>	Management Approach	Page 39
	Disclosure 410-1 Security personnel trained in human rights policies or procedures	Page 39
<b>GRI 412: Human Rights Assessment</b>	Management Approach	Oando 2017 Sustainability Report page 63,
	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	Pages 36-37, 39, page 78
	Disclosure 412-2 Employee training on human rights policies or procedures	Page 39
	Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 413: Local Communities</b>	Management Approach	Pages 40-41, Oando 2017 Sustainability Report page 42
	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Pages 40-52, 60-72
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Pages 40-52, 60-72
<b>GRI 415: Public Policy</b>	Management Approach	Page 62
	Disclosure 415-1 Political contributions	Pages 62-64
<b>GRI 419: Socioeconomic Compliance</b>	Management Approach Disclosure 419-1	Page 29-30
	Non-compliance with laws and regulations in the social and economic area	Pages 29-30



## Introduction

CSR-in-Action Consulting Limited (CSR-in-Action) was engaged by Oando Plc (Oando) to undertake independent assurance of its 2018 Sustainability Report. This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are management, staff and stakeholders of Oando Plc. The overall aim of conducting the engagement was to provide assurance to Oando's stakeholders on the reliability, objectivity, completeness and accuracy, of the information included in the Report which was prepared using the GRI Standards reporting framework, strongly referencing the SDGs and which covers a time frame of 1 January to 31 December, 2018. The assurance process also evaluated Oando's management of sustainability in accordance with the AA1000AS (2008) principles of **inclusivity**, **materiality** and **responsiveness**. The information that was assured and its presentation in the Report are the sole responsibility of the management of Oando Plc. CSR-in-Action was not part of drafting or developing the Report.

## Scope and Level of Assurance

Our scope of work entails conducting independent assurance for Oando's 2018 Sustainability Report restricted to a **Type 1, moderate level assurance** of the AA1000 Assurance Standards. During our engagement, we assessed relevant data and activities, as well as assertions made in the report in relation to actual performance within the reporting time frame of 1 January, 2018 to 31 December, 2018. And as agreed between Oando Plc and CSR-in-Action, the basis for the engagement was delimited to the following:

A. AA1000 Accountability Principles Adherence

The extent of Oando Plc's adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness.

B. Global Reporting Initiative (GRI) Standards Application

This is based on Oando Plc's assertion that the Report content is scripted in alignment with the GRI Standards reporting framework.

C. Data and report text included in the report for the 2018 sustainability reporting period.

D. Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;

Excluded from the scope of our work is any assurance of information relating to:

A. Activities outside the defined assurance period and report;

B. Positional statements (expressions of opinion, belief, aim or future intention) by Oando;

C. Statements of future commitment; and

D. Any financial data previously audited by an external third party.

## Summary of Work Done

### Standards and criteria used

CSR-in-Action Consulting planned and conducted the assurance engagement in a participatory manner in order to allow for receipt of sufficient and appropriate assurance evidence for its conclusion. Furthermore, we utilised the following assessment criteria while undertaking the work:

- AA1000 AccountAbility Principles Standard (APS) 2008
- GRI Standards Sustainability Reporting Guidelines
- Sustainable Development Goals (SDGs)
- Organisational Content: Review of the content of the Report in relation to Oando's organisational targets and ambitions, systems of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Engagement limitations

Our assurance of Oando's 2018 Sustainability Report is limited to reviewing the claims contained in the report using evidence made available by the company as required by the moderate level of assurance adopted for the assurance process. Thus, our assessment is delimited to reviewing only plausibility of the internal records, as well as interviews with relevant referenced management, such that the risk of our conclusion being in error is reduced, but not zero.

Also, because of the selective nature (sampling) and other inherent limitations of procedures, an unavoidable risk, including errors or irregularities, possibly insignificant, may not be detected.

### Our work

In conducting the assurance engagement, a multi-disciplinary team of sustainability and assurance specialists performed work at the corporate level. We concentrated our verification efforts on the issues of high material relevance to Oando and its stakeholders. Furthermore, we investigated the systems, structures and processes through information contained in the report, interviews and a review of supporting documents, to arrive at our conclusions. We undertook the following activities:

- Interviews with relevant personnel of Oando (including executives, managers and staff members at the corporate level)
- Review of Oando's stated approach to stakeholder engagement and recent outputs, although we had no direct engagement with stakeholders
- Review of information provided to us by Oando on its reporting and management processes relating to the Principles
- Review of internal and external documentary evidence produced by Oando
- Interviews with key managerial staff, including heads of the following teams: Governance and Compliance, Internal Audit, Risk Management, Procurement and Services, Supply Chain and Services, Environment, Health, Safety, Security and Quality (EHSSQ), Corporate Communications, Community Relations, Human Capital, Information Technology (IT) and Oando Foundation
- Review of the following supporting documents: Human Resources policy statements, MoUs between Oando and its communities, MoUs between Oando and the government, Brand Book,

IT automation processes, Call for Employment spread sheet for Host Communities, pictures and images of projects for communities and Oando Foundation, procurement policy documents, procurement and supply chain strategy documents, brand audit documents, minutes of meetings, corporate communication campaigns, Waste Management Policy, Business Continuity Plan and a host of other relevant documents from different departments

- Review of Oando's data and information systems for collection, aggregation, analysis and internal verification and review
- An independent assessment of Oando's reporting against the GRI Standards and advancement of the SDGs.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as part of this assurance engagement. Our work was planned to obtain all the information and explanations that were needed to provide a basis for our assurance conclusions.

#### Statement of Competence, Independence and Impartiality

CSR-in-Action Consulting is a foremost sustainability consultancy in West Africa, with the authority to assure sustainability processes using AccountAbility's AA1000AS certification. We have provided assurance services to leading indigenous and multinational organisations in different sectors including the banking, oil and gas and fast-moving consumer goods sectors.

CSR-in-Action is certified by the Global Reporting Initiative as a training partner, in addition to being a Gold Community Member. The CSR-in-Action Group is independently recognised as having high levels of proficiency in sustainability consulting, reporting and stakeholder engagement; skills resident amongst the members of the assurance team.

No member of the assurance team has a business relationship with Oando Plc, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this verification independently and we believe there was no conflict of interest. In line with our core values, we have maintained professionalism and high ethical standards during our conduct of this engagement.

#### Responsibilities of Parties

The management of Oando Plc is responsible for the collection and presentation of the information within the report. Oando Plc management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error. Our responsibility, in accordance with Oando's terms of engagement, is to provide Type 1, moderate level assurance over the accuracy, reliability and objectivity of data and performance claims in the Report (the subject matter information). We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance on any such third party may place on the Report is entirely at its own risk.

#### CSR-in-Action Consulting's Assurance Conclusion

Findings from our assessments based on the moderate level of assurance adopted are outlined below:

- There is no indication, to our knowledge, that the materiality analysis, management approaches and qualitative and quantitative information presented in Oando's 2018 Sustainability Report is in anyway materially misstated or not presented fairly in accordance with the reporting criteria
- Oando Plc adhered to the AA1000 principles of inclusivity, materiality and responsiveness as set out in the AA1000 Accountability Principles Standard (APS) (2008)
- Oando Plc's Report has been prepared using the GRI Standards in accordance Core framework. Based on verification undertaken, nothing came to our attention to suggest that the Report does not seek to meet the requirements of the GRI Standards or does not represent its commitment and contribution to the advancement of the Sustainable Development Goals.

#### Our Key Observations and Recommendations

Based on our work set out above, and without affecting our assurance conclusions above, our key observations based on the AA1000 AccountAbility Principles are:

##### Inclusivity

Oando Plc has good stakeholder engagement practices in place and identified and engaged its employees, shareholders and investors, customers and communities, regulatory bodies, media and suppliers. Future reports need to document all stakeholders' communication and feedback mechanisms. The company should also seek to show the relevance of communities as a critical stakeholder group being an extractives player.

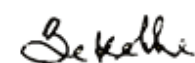
##### Materiality

Oando Plc's 2018 Sustainability Report stated that the company identified its materiality through its stakeholder concerns, commitment to the SDGs, matters important to its business success and issues of global and national importance. This is commendable practice. For the next report, it is recommended that the process for determining material topics is articulated, including prioritisation of topics. While social and economic topics were clearly addressed, environmental topics did not receive adequate coverage and must be re-prioritised in the next reporting year.

##### Responsiveness

Oando Plc effectively responds to stakeholder feedback in a timely manner. Stakeholder feedback is managed by respective functional management and reported to the executive team. The response to activities undertaken following stakeholder communication depends on the complexity and potential impact of each sustainability concern.

Oando Plc recorded impressive achievements during the period in review. The company could, therefore, enhance the report by providing information on how it identifies and assesses gaps, and whether or not it achieved its sustainability goals and targets for a given period for annual comparability.



Bekeme Masade  
Chief Executive  
CSR-in-Action Consulting



February 2020





## Feedback

In preparing this report, we have focused on including the particular type of information which we believe would interest our stakeholders. However we are open to receiving any feedback in the form of questions, comments or where clarification is required regarding any section of this report. In this regard, please contact the following:

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or

**Alero Balogun**

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