



Oando PLC RC 6474

Sustainability Report 2017



BUILDING BRIGHTER FUTURES



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Sustainability Report 2017

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About this report



The 2017 Report is the fifth in the series of Oando's Sustainability Reports. This year, our report is focused on the state of the company's business, our engagement with multiple stakeholders, and our impact on the environment and society whilst doing business in a responsible and responsive manner.

Another important aspect of this report is our response to stakeholder challenges and concerns in previous years and the effect our business has had on the economic and social growth of our stakeholders. The 2017 report may be lacking in some information and data regarding our emissions and health and safety as we were not directly in charge of the operatorship of our assets in the year under review. However, we remain operator ready and have kept our standards and policies updated in line with best practice and safety for our people.

We used the Global Reporting Index in accordance with the Core option released in 2016 in preparing our report. We have in the spirit of transparency and responsibility reported on all the disclosures that relate to the Company's business in 2017.



Our Corporate Culture - "It is literally true that you can succeed best and quickest by helping others to succeed." – Napoleon Hill

Oando's corporate culture is hinged on the values of Teamwork, Respect, Integrity, Passion, and Professionalism (**TRIPP**), which embodies the 'Oando Way'.

Teamwork

Teamwork: Everyday, our people are driven to work together towards actualising the organisation's common goals and core values.

Respect

Respect: We encourage that consideration is shown to all colleagues. By appreciating the worth of others and valuing their contributions, productivity is improved, and a work friendly environment is created.

Integrity

Integrity: Reliability, honesty, and trustworthiness are integral to all business dealings and employees' interpersonal relationships.

Professionalism

Professionalism: Proper conduct by all employees is a critical component for our achievement of business excellence.

Passion

Passion: At Oando, we perform our tasks with enthusiasm and vigor, with an underlying zeal to always perform at an extraordinary level.

About Us

We are one of Africa's leading indigenous energy companies operating in the upstream, midstream and downstream sectors. 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. We are a proudly African company delivering world-class solutions and blazing the trail for a new breed of African corporates.

Through leadership and pioneering solutions, we are changing the continent's energy landscape one step at a time. We have invested substantially in assets across the entire energy value chain, formed strategic alliances to maximize productivity and are positioned to continue to deliver value to our stakeholders in an environmentally sustainable manner.



MISSION

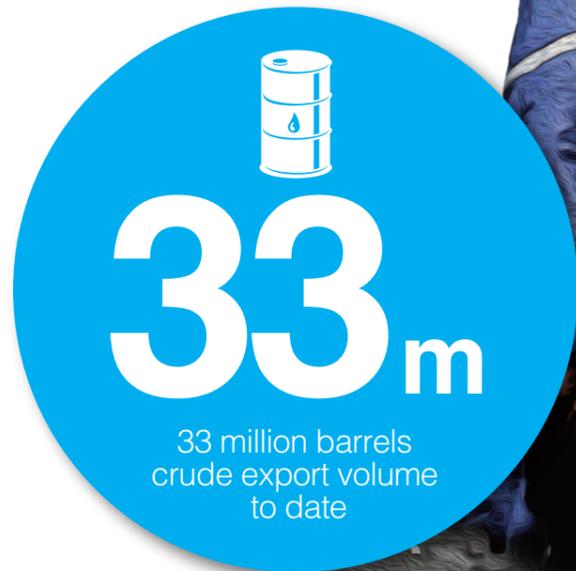
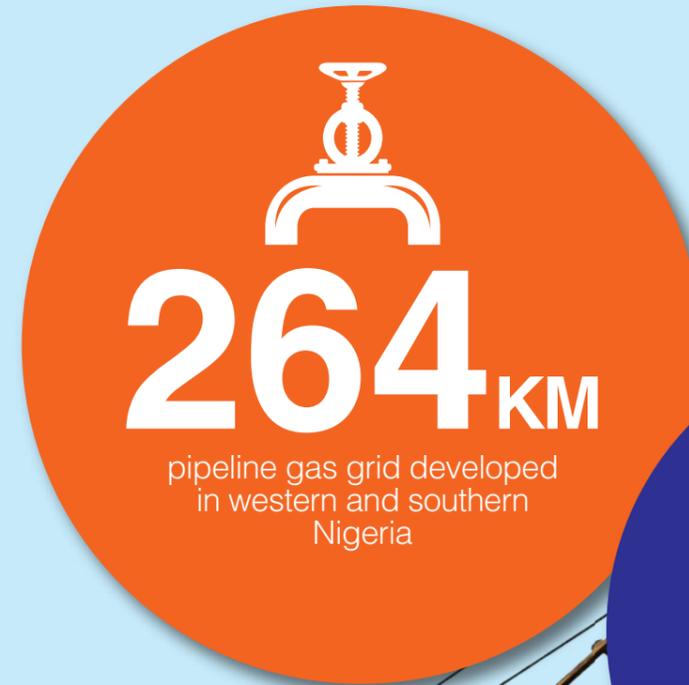
To be the leading integrated energy solutions provider

VISION

To be the premier company driven by excellence

VALUES

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



Our Global Footprint

Oando has 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 strive towards delivering the highest standards that guarantee a brighter future.



- 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 different stages 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.

- 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% 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.
- 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 successfully achieved.
- 2016** Oando voluntarily delists from the Toronto Stock Exchange (TSX).
- 2017** Oando Gas & Power rebrands as Axxella, Oando completes recapitalization of its downstream business

Our Market Presence

The Oando Group comprises of four companies who are leaders in their respective divisions of the oil, gas and energy sector; 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 covering exploration, development and production of both oil and gas situated on and offshore in Nigeria, and the Exclusive Economic Zone (EEZ) of Sao Tome and Principe.

MIDSTREAM

Axxela (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 of natural gas distribution to industrial and commercial consumers across Nigeria. In the reporting year, 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 of Lagos State further expanding our distribution infrastructure.



DOWNSTREAM

Oando Trading
Oando Trading is a leading supplier of petroleum products in Nigeria, its key trading commodities include petrochemicals, industrial & liquefied natural gas, refined oil products and crude oil. 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 (formerly Oando Marketing Limited)
OVH, a downstream marketing company 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 (also recognized as West Africa's first privately owned midstream jetty).

Chairman's Statement



HRM Oba Michael A. Gbadebo, CFR
Chairman

I am pleased to introduce our 2017 Sustainability Report. This is our fifth year of reporting; and another opportunity to demonstrate our continuous commitment to delivering societal value, the "Oando way". In 2015, we aligned our sustainability strategy towards the achievement of the Sustainable Development Goals ("SDGs"), and ever since the SDGs have served as a compass through which we shape, communicate and report on our strategies, goals and activities as a business.

Growing together with our stakeholders and maintaining a proactive approach to sustainable development requires immense effort, the SDGs give clear references which guide us in aligning our practices to propel the achievement of the Goals. This report demonstrates our strategic approach and

commitment towards maintaining a sustainable business, as well as our outcomes so far.

The year 2017 saw a focus on economic recovery for the nation as a whole, the Nigerian economy grew to 0.83% by year-end 2017, up from -0.91% GDP growth at the beginning of the year. The oil and gas industry was a major contributor to this recovery as oil prices surpassed the \$60/bbl mark and reached a two year high of \$65.62/bbl at the end of the year 2017. As a company, we were focused on sustaining our profitability and leveraging on our core dollar earning businesses, while completing divestment of non-core businesses and restructuring of our loan facilities.

Every so often, the economic climate poses challenges that tempt businesses to focus only on the short-term, setting aside the need to prepare for future challenges and opportunities. At Oando, we have made concerted effort to avoid this. We have aligned our business with the SDGs by embedding its principles and values into our strategy, business model, corporate culture and decision making processes, as demonstrated in this report. We are focused on setting long-term goals that fundamentally influence how we operate and engage, as we continue to pioneer and break new grounds on behalf of our people, economy, environment and communities.

5.6_b

In 2017, Oando and its joint venture partners cumulatively expended approximately ₦5,6b on various sustainable community development projects and programs

Partnerships for the Goals

We believe strongly in partnering with others for achievement of the goals. The company continues to partner with governmental and non-governmental organisations towards the advancement of the goals. We remain active participants of the United Nations Global Compact, and continue to align ourselves with its ten principles, in the thematic areas of Human Rights, Labour, the Environment and Anti-corruption. We have also maintained our involvement and contribution to the World Economic Forum's Partnership against Corruption initiative.

The Oando Foundation (the "Foundation"), maintains a strong belief in the power of partnership as a platform for sustainable intervention. Through strategic collaboration with key private and public actors, the Foundation raised over ₦250million, in direct contributions for projects in adopted schools. The Foundation also advocated for increased access to basic education on various national and international platforms in 2017, its direct advocacy engagement with the Universal Basic Education Commission resulted in it being selected to champion the strategic coordination of other private sector education affiliates supporting basic education in Nigeria.

Furthermore, in conjunction with our joint venture partners, we embarked on community projects that enhance inclusive and sustainable urbanisation in the communities in which we operate. In 2017, Oando and its joint venture partners cumulatively expended approximately ₦5,6b on various sustainable community development projects and programs, ranging from road construction to housing, school scholarships, welfare, security programs, and youth capacity building initiatives. (NNPC/NAOC/OANDO JV - ₦GN4,960,503.00; Network/Oando JV - ₦GN15.2m and Energia/Oando JV - ₦G49,288,111.00). We believe that through partnership, we can positively impact and transform the communities in which we operate.

Governance

In January 2017, the Securities and Exchange Commission (SEC) commenced investigation into the company following petitions filed by an indirect investor and a direct shareholder alleging gross abuse of corporate governance and financial mismanagement.

On October 17, 2017, the SEC published its interim findings and gave a directive to technically suspend free trading of the company's shares on the Nigerian Stock Exchange (NSE), our jurisdiction of primary listing as well as initiate a forensic audit into the affairs of the company.

Accordingly, as technical suspensions do not exist with the listing rules of the Johannesburg Stock Exchange (JSE), the JSE (our jurisdiction of secondary listing) had to institute a full suspension of trading in the shares of Oando, so as to be near consistent with the trading status of the Oando shares listed on the NSE.

Whilst we have consistently maintained our position of not being guilty of the allegations raised by the petitioners in their petitions, in the spirit of co-operation and transparency, the company proceeded to comply with the directives of the Commission in order to ensure a smooth and swift conclusion of the forensic audit.

We do not see the SEC's actions as a blight on 2017 but instead have taken learnings to enable greater shareholder participation, increased transparency in our communications to all our stakeholders and further strengthened our internal processes to ensure that we continue to operate to the best global corporate governance standards.

We have so far succeeded in reaching an amicable agreement with the aggrieved shareholder and having the technical suspension of our shares lifted by the NSE, and the full suspension lifted by the JSE. We are hopeful that the year 2018 will see the forensic audit concluded with a result that reinforces the values, and standards that we strictly adhere to.

Closing

In spite of the challenges of 2017, we maintain a positive outlook for the year 2018. We continue to initiate and maintain strategic partnerships of mutual benefit in our journey to becoming the trusted investment vehicle, employer and partner of choice in the energy industry.

HRM Oba Michael A. Gbadebo, CFR
Chairman

Group Chief Executive's Statement



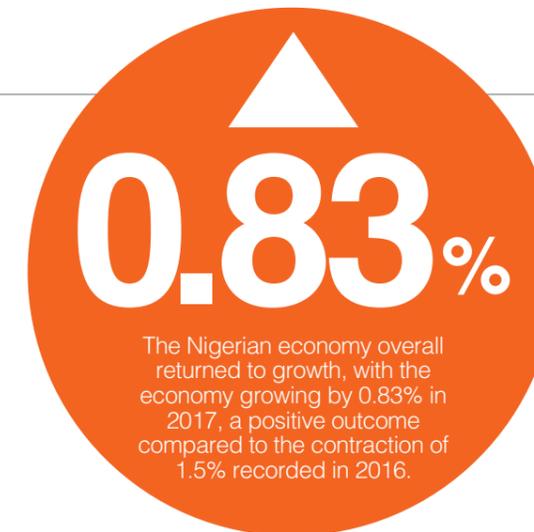
Jubril Adewale Tinubu
Group Chief Executive

If you want to go fast, go alone, if you want to go far, go together - African proverb

Welcome to Oando Plc's ("the Company") 2017 Sustainability Report. As we have done in previous years, we bring to you accounts and verifiable data on our contributions to our society, economy, the environment and our engagement with stakeholders. This is all made possible as a result of our commitment to sound corporate governance principles, which are at the heart of our sustainability strategy.

16%

In the Oil and Gas industry, production levels increased by about 16% to 1.75mmbpd in Q4 2017 compared to the 1.51mmbpd produced at the beginning of the year.



The Nigerian economy overall returned to growth, with the economy growing by 0.83% in 2017, a positive outcome compared to the contraction of 1.5% recorded in 2016.

The Company continues to believe in the importance and interconnectivity of its impact on the society and environment to the success of its business. As always, sustainability remains part of our corporate culture and the way we do business.

In 2015, the United Nations Framework Convention on Climate Change held in Paris and the United Nations also set Sustainable Development Goals. To this end, Oando published her Green Environment plan in 2016, targeted at recycling and managing waste in our buildings and all places of operation, reducing energy consumption and targeting efficiency, incorporating carbon reduction and managing our use of water. We have designed and aligned our policies and actions with the advancement of this plan; including, ensuring that our new head-office building and our corporate life style meet our commitment to the global goals.

The business environment in 2017

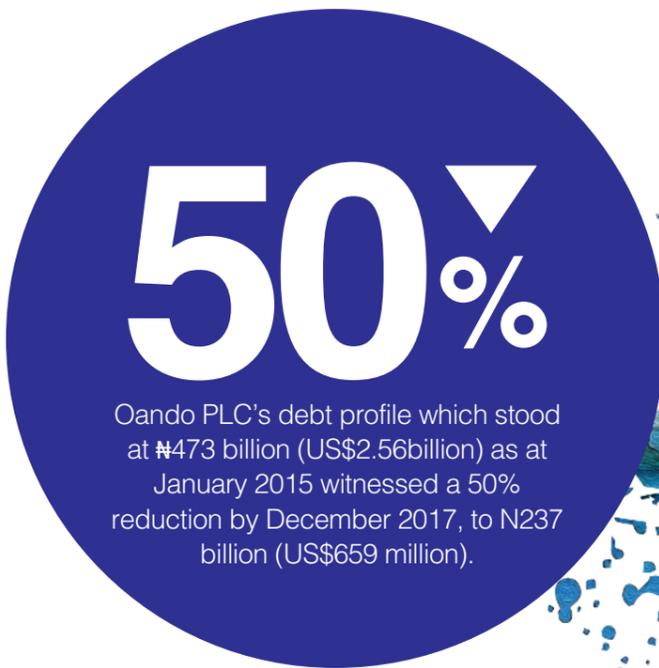
A significant improvement in oil prices was witnessed in 2017. This elicited an increasing belief that the market was approaching a new norm. The events during the course of the year led many industry experts to believe that the worst was indeed over as the market appeared to have found stability, with oil price volatility falling by about a third during the course of the year.

The Nigerian economy overall returned to growth, with the economy growing by 0.83% in 2017, a positive outcome compared to the contraction of 1.5% recorded in 2016. This recovery was driven mainly through the implementation of favourable economic policies; rising oil prices, relative oil production and forex stability; and improved manufacturing activity.

In the Oil and Gas industry, production levels increased by about 16% to 1.75mmbpd in Q4 2017 compared to the 1.51mmbpd produced at the beginning of the year. Niger Delta restiveness also decreased as the Niger Delta Avengers ("NDA") ceasefire which began in August 2016 was maintained during the year.

The industry also saw positive policy reforms notably the passage of the Petroleum Industry Governance Bill (PIGB) by the Senate, restructuring of the NNPC and continued payment of JV Cash call arrears via the Repayment Agreement executed with JV partners.





Positioning the Company for Economic growth

In 2016, we restructured our group to focus on our dollar earning businesses. 2017 saw us further intensify the restructuring and deleveraging of our balance sheet through the following initiatives:

- We divested of our stake in Alausa Power Limited to Elektron Petroleum and Energy Mining Limited for cash proceeds of ₦1.2 billion. Subsequent to transaction costs and satisfying other closing obligations of about ₦400 million, we applied ₦800 million towards interest repayment on the MTL facility.
- Following the divestment of a 70% stake in 2016, we completed a further divestment of a 5% equity stake in Glover BV, the owner of Oando Gas and Power (now Axxela) to Helios Investment Partners for a consideration of ₦3billion. The combined effect of the 75% divestment in Axxela resulted in a prepayment of the Medium Term Loan facility (MTL) principal amount of ₦21 billion and interest
- We completed the restructuring of the Vitol/ORL \$40 million facility, extending the tenor by a minimum of 30 months with a new maturity date of March 2020.

As a result, of the above initiatives, Oando PLC's debt profile which stood at ₦473 billion (US\$2.56billion) as at January 2015 witnessed a 50% reduction by December 2017, to ₦237 billion (US\$659 million).

The Company's upstream subsidiary; Oando Energy Resources (OER) benefited from a more positive operating environment in 2017 as the increase in oil price helped to offset the decrease in production. The company ended the year with an average production of 40,188 boe/day compared to 43,503 boe/day for the comparative period in 2016. This was primarily due to significant reductions in gas production and delivery caused by a ruptured Gas Transmission System (GTS-4) pipeline which supplies gas to the Nigerian Liquefied Natural Gas Limited (NLNG). Production also reduced from OML 56 (Ebendo) as a result of the third party operated Forcados terminal, which experienced intermittent downtime. We completed the sale of OER's interest in OMLs 125 and 134 to Nigerian Agip Exploration Limited "NAE" for a gross consideration of \$90 million. Further, OER (through its subsidiary), Oando Qua Ibo Limited, also completed seismic acquisition of 16,700 square km in Qua Iboe field (OML 13) showing evidence of technical ability to find and develop oil and gas resources.

Despite the challenges faced from a depressed downstream oil environment, Oando Trading DMCC experienced continued growth in its crude oil business with a 9% increase in traded volumes. The business reported gross profit of \$7 million, driven mostly by the performance of the Direct Sale Direct Purchase (DSDP) agreement which the Company holds with NNPC as well as other crude offtake and product export contracts.

OVH Energy (formerly Oando Marketing Limited) commissioned its \$130 million midstream jetty - a jetty designed to increase the vessel delivery capacity and off-loading efficiency of petroleum products at Apapa in Lagos.



In 2017, we successfully rebranded the gas and power business, Oando Gas & Power to Axxela Limited and the company continued to thrive, and enforce its position as the premier gas distribution company in Nigeria. In the course of the year, Phase IV of the Greater Lagos Pipeline Expansion Project was commissioned. This is a 11km pipeline delivering natural gas to customers along the Marina, Ijora axis of Lagos State further expanding our distribution infrastructure and enabling us reach a wider demand for delivery of gas.

Impacting our communities through the Oando Foundation

The Oando Foundation ("the foundation") gained significant traction in programme implementation enrolling over 33,639 out of school children to date in partnership with Educate-A-Child. The Foundation established 10 Walk-in Centers, 16 ICT Centers, renovated 15 schools, strengthened the capacity of 774 teachers, and trained 741 LGEA & SBMC officials on educational management information systems and school governance. In 2017, the foundation leveraged new and existing partnerships with key players in the sector, raising over ₦250million for projects in adopted schools. Noteworthy is the partnership with Sumitomo Chemical, a Japanese Chemical Company, resulting in the establishment of 3 solar powered ICT Centres in schools across three states – Kaduna, Lagos and Taraba; benefitting over 2,400 students.

The foundation also advocated for increased access to basic education on various national and international platforms in 2017; the Global Business Coalition on Education (GBC-Ed), World Innovation Summit on Education (WISE), Global Education and Skill Forum (GESF), and the African Philanthropy Forum (APF). Our direct advocacy engagement with the Universal Basic Education Commission (UBEC) resulted in the Foundation being selected to champion the strategic coordination of other private sector education affiliates supporting basic education in Nigeria.

The big move - Our Green building

2017 was the year of the big move to our new office space – The Wings Office Complex. The Wings Office Complex was conceived in 2009 and construction started in 2013. At the time it seemed a lofty dream; both in terms of size and the type of structure we envisaged. Today the two towers stand tall as a testament to our vision and tenacity as we continue to lead and set standards for excellence. The structure which was constructed in consonance with our Green Environment plan parades open office space style with top to bottom glass windows that provides natural lighting for the office.

Closing

Despite the improving, yet challenging, operating environment, we remain bullish on our prospects for the future and ability to grow as a business, are uncompromising in adhering steadfastly to sound corporate governance best practices, prioritizing stakeholder engagement and satisfaction, mitigating impacts on the environment and giving back to our communities.

Being positioned as leaders in our industry, we reaffirm our commitment to upholding the UNGC's 10 principles and other governance obligations arising from our membership of the Convention on Business Integrity and Partnership against Corruption Initiative.

Jubril Adewale Tinubu
Group Chief Executive

Aligning our business with the Sustainable Development Goals



“ The Sustainable Development Goals (“SDGs”) are a universal call to action to protect the planet, end poverty, and ensure that all people enjoy peace and prosperity... They tackle the root causes of poverty and unite us together to make a positive change for both people and planet ”

United Nations Development Programme

Given the positioning of businesses globally and the understanding of the pivotal role it must play in the achievement of sustainable development in the world, Goal 17 of the SDGs called upon businesses and all other stakeholders to partner for the goals. As a global business citizen, we immediately subscribed to the Goals and formulated our Environmental strategy “The Green Environment Plan” in 2016. Acknowledging that the fallout of not contributing our part to advancing the global goals is a lose-lose situation for us all, we have since aligned our business with the SDGs by embedding the values it espouses in our strategy, business model, corporate culture and decision making. As a result of this proactive stance, we are able to forecast the risks and opportunities that abound in our external environment and effectively address the risks whilst taking advantage of opportunities in order to create maximum value for all stakeholders.

In our previous reports, we have introduced some of our projects and innovation in the advancement of the SDGs. This year likewise, we will highlight the work we continue to do for the promotion and achievement of the global goals.

2,428

A total of 2,428 community members benefited from bursaries and scholarships awarded to secondary and tertiary school candidates.

Aligning our business with the Sustainable Development Goals continued



GOOD WATER AND SANITATION (SDG 6) - PAGES 46 - 55

“You will never solve poverty without solving water and sanitation”

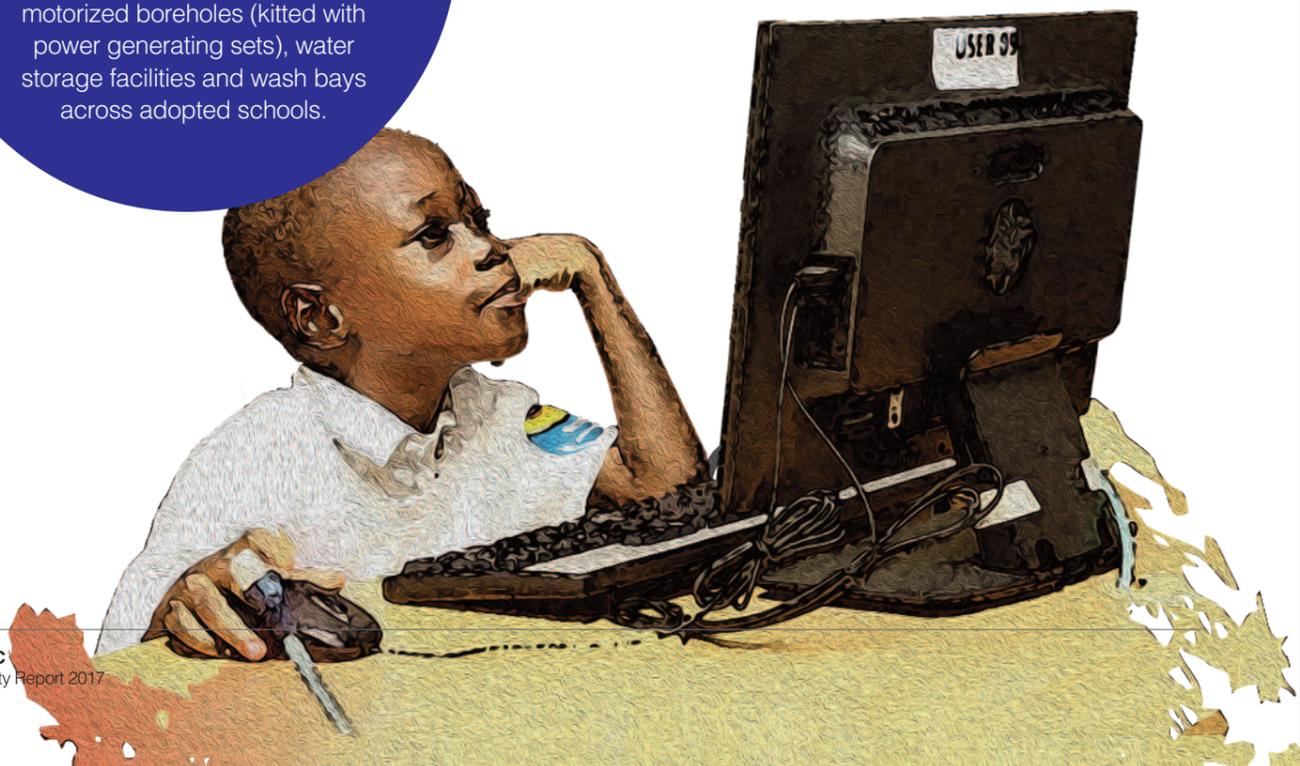
– Matt Damon

Our work with the Foundation recognizes the vulnerability of the girl child and has formulated an approach that specifically targets the integration of the girl child. One of the objections that parents from the Northern part of Nigeria had to sending their girl child to school was the absence of separate sanitary facilities in the public schools. We have worked to actively address that need in our adopted schools. We are also committed to the UNICEF Nigeria’s Water, Sanitation and Hygiene (“WASH”) programme.

To improve school sanitation and hygiene, we have constructed 75 units of integrated child friendly toilets, and provided 14 motorized boreholes (kitted with power generating sets), water storage facilities and wash bays across adopted schools. WASH sensitization campaigns are on-going to promote and sustain behavioral change amongst students and teachers. As part of our Joint Venture efforts, a 20,000 gallon capacity water project was executed during the year under review. In line with SDG 6, the water project provided affordable clean and portable water for the benefiting community. In addition, various water extension lines were constructed to make portable water more accessible to the community members.

75
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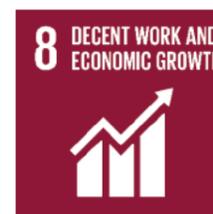


QUALITY EDUCATION (SDG 4) - PAGES 46 - 55

“The more that you read, the more things you will know, the more that you learn, the more places you’ll go.” – Dr. Seuss

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 vehicle of the Oando Foundation, we have in collaboration with government and non-governmental institutions, ensured increased access to learning especially in crisis ravaged cities and with internally displaced persons, exposed children to information communication technology (“ICT”) by building ICT centres for schools, increased the pedagogical skills of teachers by training them in modern pedagogy. Our aim among others is to bridge the gender gap by increasing the number of girl children with access to education and empowering the younger generation with education that will enable them to defeat all barriers.

Also, Oando in conjunction with its Joint venture partners – NAOC, NETWORK and ENERGIA, supported educational development in the communities within its areas of operation. A total of 2,428 community members benefited from bursaries and scholarships awarded to secondary and tertiary school candidates. To further improve educational infrastructure, teacher’s housing quarters and 6-class room blocks were built and donated to the communities. We also supplied science laboratory equipment and school furniture to some communities.



DECENT WORK AND ECONOMIC GROWTH (SDG 8) PAGES 56 - 67

“None of us is as smart as all of us.” – Ken Blanchard

At Oando, we aim to be the investor and employer of choice. This can only be achieved if we continue to employ and retain staff who are able and willing to achieve our goals. With the aid of our Human Capital Management policies and processes, we ensure safe and best working conditions for our staff. Our policies mandate transparency in the recruitment process. Employment with us is merit based and the process is devoid of discrimination based on race, gender, religion or sentiments. Our employees are provided with good welfare packages which motivate them to strive for the success of our corporate goals.

Also, the ingenuity of our Information technology unit enables us achieve higher levels of economic productivity through technological upgrades and innovation which focuses on efficiency and innovative service delivery.

Aligning our business with the Sustainable Development Goals continued



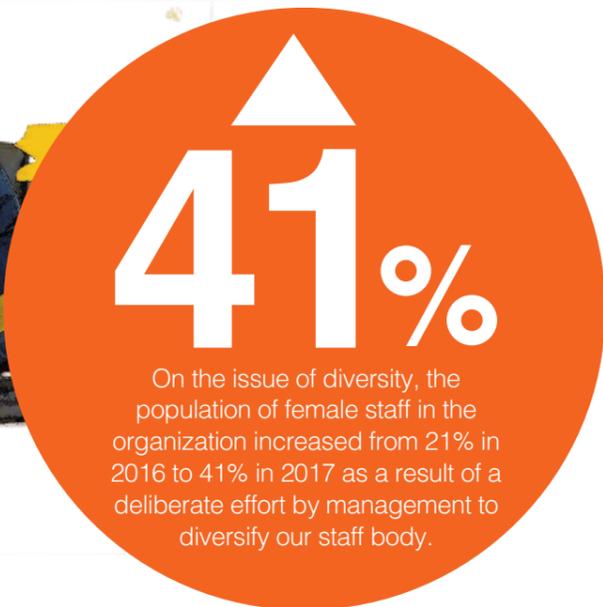
**REDUCED INEQUALITIES/GENDER EQUALITY (SDGS 10 & 5)
PAGES 42 - 45, 46 - 55**

“We hold these truths to be self-evident: that all men are created equal” – Thomas Jefferson

The Oando Foundation is making significant effort in reducing inequality in Nigeria. Our projects use objective metrics to identify and target vulnerable persons. The Foundation currently supports 17 adopted schools across 3 states in Northeast Nigeria, a region afflicted with insurgency by the Boko Haram terrorist group. Some of our adopted schools are in locations 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 to implement key components of the Adopt a School Initiative (“AASI”). Our work is geared towards strengthening the capacity of government and community stakeholders to support active mobilization and enrolment of out-of-school children, especially those who have been displaced or orphaned by the insurgency.

Furthermore, in line with the Nigerian Oil and Gas Industry Content Development Act, 2010, our supply chain process addresses targets of SDG 10 & 15 by prioritizing local vendors in all our operations. 70% of contracts awarded in 2017 were made to indigenous vendors.

On the issue of diversity, the population of female staff in the organization increased from 21% in 2016 to 41% in 2017 as a result of a deliberate effort by management to diversify our staff body. The Company continues to adhere to its pay by performance policy. All member of staff irrespective of gender, nationality or religion are remunerated on the basis of their performance and not based on their gender. To this end the Company employs the Hays grading methodology to map out and align all job roles thus enabling salary and benefit grading and benchmarking due to standardization of job levels.



SUSTAINABLE CITIES AND COMMUNITIES (SDG 11) PAGES 42 - 45

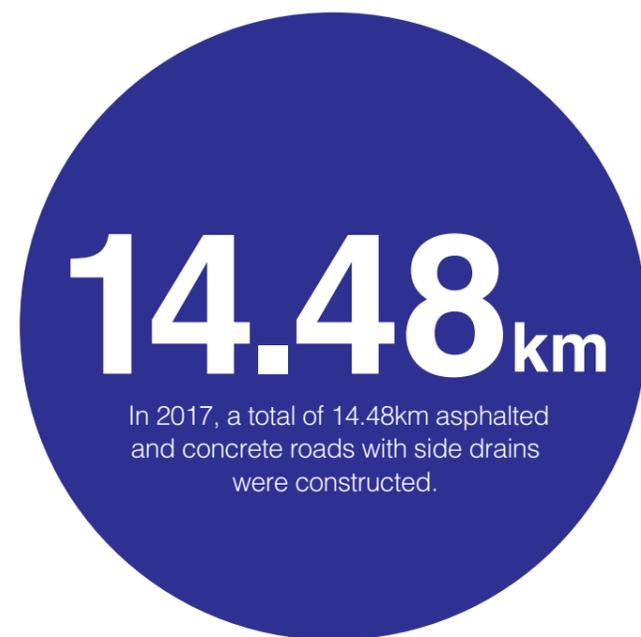
“The greatest threat to our planet is the belief that someone else will save it.”

– Robert Swan

We understand the importance of sustainable cities to the smooth running of our business. Thus, we have in conjunction with our joint venture partners embarked on projects that enhance inclusive and sustainable urbanization. Some of these efforts are the construction of good road networks which serve as a medium of social and economic integration and growth in the communities. The choice of road construction within a locality is usually influenced by the terrain. The swampy communities had concrete roads constructed while the upland communities were given asphalted roads. In 2017, a total of 14.48km asphalted and concrete roads with side drains were constructed.

To improve the wellbeing of the communities, various electrification projects were executed. The projects involved the procurement of 2 Heavy industrial CAT generating sets of 350kva and 500kva capacities, construction of generator houses, and extension of high and low voltage tension lines. The electrification projects provided alternate means of energy source, boosted economic activities and improved security.

In addition, three health care projects were executed. The projects involved the supply and installation of various medical equipment and chemicals in 3 community health/medical centers. The supply of the medical equipment and chemicals in no small measure assisted in improving health care delivery services within our communities.



Aligning our
business with
the Sustainable
Development
Goals
continued



PEACE, JUSTICE AND STRONG INSTITUTIONS (SDG 16) PAGES 28 - 35

“If you want peace, work for justice” – Pope Paul VI

Governance Framework

At Oando, we maintain a regulatory monitoring framework to guard against corruption and other unethical activities. To this end, Oando recognizes and strives to practice principles of fairness, integrity and transparency in its business dealings as entrenched in our Code of Business Conduct & Ethics. A number of policies including the Oando Anti-Corruption Policy, KYC Policy, Insider Trading Policy, Related Party Transaction Policy, Whistle blowing Policy, Gifts and Benefits Policy reiterate our commitment to a transparent, just and strong ethical corporate culture.

Transparency

Increased transparency and openly reporting on how we address corruption risks in our business, industry and environment are ways in which we assure our various stakeholders of our commitment to good governance.

We have taken a strong stance against corruption and made it mandatory for employees, directors and business partners to undergo training and annual certification on all Oando business ethics and anti-corruption policies and processes.

Tone at the Top

Our board and management are committed to operating at the highest levels of Corporate Governance Practices.

Risk Assessment

Our robust risk assessment procedures help us identify the areas within our business that are prone to corruption risk, in order to ensure adherence to local and international anti-corruption regulation.

We strongly believe that Peace, Justice and Economic Development are intrinsically connected to one another and that none of the other global goals can be achieved without the presence of Peace, Justice and Strong Institutions founded on the Rule of Law. For that reason, we intend to join the Peace, Justice and Strong Institutions Action Platform of the United Nations Global Impact in 2018 in order to advance economic and social development nationally and globally.



PARTNERING FOR THE GOALS (SDG 17) - PAGES 36 - 42

“Coming together is a beginning, staying together is progress, and working together is success.” – Henry Ford

We are conscious of the critical role businesses must play in the achievement of the global goals. Oando PLC continues to be a pace setter in the African Energy Industry and our attitude towards the SDGs is the same. The Company continues to collaborate with governmental and non-governmental organizations towards the advancement of the goals. Oando PLC is a member of the United Nations Global Compact and fully subscribes and believes in its ten (10) principles. We are also actively involved in the World Economic Forum's, Partnership against Corruption Initiative. We continue to review our internal policies to fit our stance on these principles. Our policies are enforced internally, adhered to by all third parties who transact business with us and are applied through the length and breadth of our supply chain. We intend to join one of the Action Platform's of the United Nations Global Compact (UNGC) in 2018, through which we can further contribute to sustainable development.

The Oando Foundation is driven by the principle of partnership. It collaborates with both national and international implementing partners, state ministries of education, local government authorities, communities, parents and teachers in carrying out its signature project, the Adopt a School Initiative.

Furthermore, in a step to maintaining strong and beneficial relationships with our stakeholders, in 2017, we held robust engagements with our diverse range of stakeholders, after which we formulated enhanced approaches to address the concerns raised. We believe that through strategic partnerships with our multiple stakeholders, we are one step closer to addressing the different SDGs which we have chosen to focus our energies on.



Our material issues in 2017



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.

We remain committed to global best practice principles in the areas of corporate governance, human rights, anti-corruption, safe labour practices, environmental protection and responsible business practices. Our obligations arising from membership of international organisations, such as, the Convention on Business Integrity, United Nations Global Compact and the World Economic Forum's Partnership against Corruption Initiative, guide us in maintaining a strong corporate governance culture within the organisation.

Economic

Achieving our goal to be the investor of choice requires that we maintain stable economic growth internally and contribute to the national economic growth. The company works to continuously give value to our stakeholders remains the same. We aim to provide our investors and shareholders with good return on their investment. We work to maintain a healthy balance in meeting our business obligations and creating value whilst considering the interests of all our stakeholders including our employees, host communities, Government and Regulators.

- Related SDGs:**
- SDG 8** Decent work and economic growth
 - SDG 9** Reduced inequality
 - SDG 17** Partnerships to achieve the Goal



Social

Our people are an integral part of our business and our strength. Without the help of our passionate and innovative staff, our corporate goals cannot be achieved. In return, we prioritise developing and retaining a steady stream of seasoned and talented professionals in the oil and gas industry. Investing in the development of our human capital is a key priority. We ensure that we hire the right people for the job and continue to provide career development opportunities for capacity development and experience.

We also acknowledge the importance of our host communities as they give us the social license to operate. The Company is committed to improving their quality of life and sustaining a mutually-beneficial relationship with our communities. Our customers, business partners, contractors and all persons along the supply chain are also critical to the Company's business and we manage our relationships with them with the same degree of importance.

- Related SDGs:**
- SDG 8** Decent Work and Economic Growth
 - SDG 5** Gender Equality
 - SDG 9** Reduced Inequalities



Environment

Our environmental management practices are based on the principle of deriving benefits from our natural resources whilst doing the least harm possible. We understand that our core activities possess the inherent risk of damage to the environment, this is further complicated by the threat of sabotage, oil theft, vandalism etc. We therefore continue to develop systems and solutions that monitor our practices and operations in order to prevent the crystallization of environmental risks inherent in our operations.

- Related SDGs:**
- SDG 13** Climate Action
 - SDG 14** Life below water
 - SDG 15** Life on Land



Governance

A good governance structure is the foundation of a successful business. With the help of seasoned governance professionals, we have developed sound corporate governance throughout the Company in line with global best practice. This stance is evident in our detailed policies and procedures which govern the roles, responsibilities and activities of all member of staff from the most junior to the highest governing body.

The plethora of policies and processes we have ensures the smooth running of our business. From prohibiting corruption to encouraging whistle blowing, we have laid the foundation through policies (including but not limited to Anti-Corruption Policy, Oando KYC Policy, Oando Code of Business Conduct and Ethics, Insider Trading Policy, Related Party Transaction Policy, Whistle Blowing Policy) for the achievement of peace, justice and strong institutions with our stakeholders in all areas of operation.

- Related SDGs:**
- SDG 16** Peace, Justice and Strong Institutions



OUR MATERIAL ISSUES IN 2017

Peace, Justice and Strong Institutions, Partnering for the Goals (SDG 16 & 17)

We are committed to building a strong organization that actively fights against corruption and bribery. Our robust risk management and control system helps us identify areas within our business that are prone to corruption risk.



Risk Management And Control

The Enterprise Risk Management function reports to the GCE and the Board through the Board Risk Committee. The function supports the Risk Committee in providing independent risk oversight. The unit works with operational management in designing and implementing efficient and effective processes to identify, analyse and manage risk. They are involved in facilitating and monitoring the implementation of effective risk management practices and assist 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 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 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 unwanted events.

Enterprise Risk Management (ERM) contributes to value creation via reduced sub-optimization as well as a reduction of uncertainty related to future cash flows, and improving the company's ability to identify opportunities and threats, thus maximising risk opportunities, earning potential and ultimately stakeholder value.

Governance

Feedback from stakeholders is reported to the Board through the formal channel of quarterly risk reporting and regular engagement by the risk management team with members of the Board constituting a part of the executive management team. The Risk 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 actions to be taken by the risk management team and executive management.

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,

and matters related to the company's integrity. Issues reported to KPMG are forwarded to the Chair of the Audit Committee and the Chief Compliance Officer and Company Secretary and are promptly investigated by the Governance Office with the involvement of the Internal Audit unit as may be necessary. Upon completion of the investigation, a formal report is presented to the Audit Committee and senior management with appropriate recommendation and remedial actions. Feedback is also provided to the whistleblower via the KMPG Ethics line.

Breach of Regulations on Health and Safety.

The company had no incidence of non-compliance with regulations and voluntary codes concerning health and safety.

Oando Group Risk Management Profile

A number of risks and uncertainties impact the organisation's ability to deliver on strategic objectives and 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 reputation. The organisation's top risks are as analysed below:

In October 2017, the group was faced with significant reputational risk. As a result, regulatory and compliance risk was heightened due to scrutiny from SEC during the year to date and a pending forensic audit planned for the first quarter of 2018. There has been unprecedented attack on the Company's reputation, particularly by disgruntled shareholders.

S/N TOP RISKS

DETAILS AND MITIGATION CONTROLS FOR TOP RISKS

1 Liquidity Risk

A key risk to the group's survival is its liquidity. This risk crystallized in some instance and resulted in the inability of the Company to meet its financial obligation to some counterparties as and when they fell due.

Liquidity risk still remains a key risk to the group's survival. This risk crystallized in some instances and resulted in the inability of the company to meet some of its financial obligations as they fell due.

Mitigating Measures

To mitigate this risk, the Group continued the aggressive restructuring of its balance sheet through Board and shareholders' approved divestments, loan restructuring and new capital injection programs. The current divestment strategies provide the opportunity to focus on the upstream business and raise the required capital for a healthier balance sheet.

The treasury manager estimates the liquidity needs and ability of the Company to meet future obligations on a weekly basis. Cash flow is monitored on a weekly basis. This involves comparison with forecasts, investigation of differences, and identification of changes in cash flow requirements.

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.

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 buffer for liquidity stress situations.

Peace, Justice
and Strong
Institutions,
Partnering for
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continued

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
2	Macroeconomic	<p>Volatility in oil and gas prices is still a high risk. 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.</p> <p>Oil prices fluctuated between \$44.8/bbl and \$66.8/bbl (mainly at the tail end of the year) with the average price for the year at \$54.7/bbl. The highly volatile nature of oil prices during the year had a significant impact on overall liquidity and ability to service debts and other counterparty obligations, ability to achieve our short to medium term production and profit targets.</p> <p>Mitigating Measures The Company maintained a crude price hedge to preserve the value of our investment and continued to review for appropriateness and sufficiency. Management leveraged the hedge differentials to pay down outstanding loan balances in the period.</p> <p>The Company also embarked on strategic reduction of operational expenses and reprioritization of work programs with a bid to reduce capex spend and joint venture funding during the year. Strategic re-alignment was undertaken with JV partners to ensure production optimization in the short to medium term.</p>
3	Regulatory & Reputational Risk	<p>In the fourth quarter of 2017, the Group was faced with significant regulatory and reputational risk due to negative publicity as a result of two petitions brought before the Securities and Exchange Commission (SEC) by a significant shareholder and an indirect investor in Oando PLC.</p> <p>There was wide spread negative media coverage based on unverified negative reports of breach of code of corporate governance and other allegations. This eventually resulted in an investigation by the SEC, which led to a suspension of trading of Oando Plc's shares on both the NSE and JSE with a pending forensic audit planned for the first quarter of 2018. This increased scrutiny on the Company's corporate governance has the potential to increase the negative perception of the Company by the public.</p> <p>Late rendition of taxes whilst awaiting the outcome of certain tax audits also posed a reputational risk to the organisation.</p> <p>Mitigating Measures This risk was managed by developing a proactive stakeholder's communication strategy and by carefully monitoring and reporting on the achievement of targets. Our corporate Communications department also had a crisis management plan in place which focused on proactively managing the Company's stakeholders and providing agile responses to negative press.</p> <p>There is significant engagement with the tax authorities on outstanding taxes. An agreed payment plan on some tax liabilities and payment thereon has commenced.</p>

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
4	Strategic & Business Model Risk	<p>The risk of current or prospective negative impact on the Group's earnings, profitability, capital base and reputation arising from a selection of unrealised business strategies.</p> <p>Mitigating Measures The Oando Opportunity Realization Process was consistently used for the screening of potential and ongoing business opportunities. Continuous Management Reviews of business processes were carried out to identify areas for strategic improvement. Operational reviews also took place for proper project evaluation.</p> <p>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.</p>
5	Financial Reporting Risk	<p>Given the size and complexity of the Group structure, there is a risk of inaccuracies in its reporting thereby misleading the investing public.</p> <p>Mitigating Measures</p> <ol style="list-style-type: none"> 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 Audit reviews of the Financial Statements. The Audit committee also meets quarterly to review the Interim Financial Statements. 4. The year-end Financial Statements are audited by a big-four firm to ensure that the financial statements accurately reflect and true and fair view of the financial position of the Company and that they accurately represent the financial transactions entered into by the Company during the financial year in line with IFRS. The quarterly and year-end Financial Statements are reviewed, discussed and approved by the Audit Committee and the Board of Directors of the Company.
6	Business Continuity & Disaster Recovery Risk	<p>The risk that 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-attacks, etc.</p> <p>Mitigating Measures</p> <ol style="list-style-type: none"> 1. Vital company information are stored centrally in electronic format. All staff documents on local laptops are automatically backed up on the Company's server. 2. Existence of a disaster recovery policy and plan. This plan is currently being updated to inculcate emerging changes within the business and the environment. 3. The company has an offsite backup server with simultaneous real-time backup capabilities. The disaster recovery site initially located in an area adjudged by the Internal Audit function to be high-risk was relocated to a lower risk area with 99.9% uptime in the period.

Peace, Justice
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continued

Corporate Governance at Oando

Working under the direction and supervision of the Board's Governance & Nominations Committee ("GNC"), Oando PLC's Governance office is responsible for developing and implementing sound corporate governance policies for the Company and its subsidiaries. The unit also measures and monitors the Company's level of compliance and periodically reviews these policies to ensure they continually align with global best practice and changes in regulation.

The Company is committed to the fight against corruption and actively participates in this fight through its membership, advocacy and active participation in local and international organizations engaged in anti-corruption campaigns.

Furthermore, the Governance and Nominations Committee is responsible for Board-level oversight and periodic review of the Company's corporate governance policies and practices. The GNC also reviews and monitors all Company policies, including policies concerning shareholder rights, directors' duties, conflict resolution, ethics, disclosure and transparency etc., and ensuring that the Company's remuneration policy supports the successful identification, recruitment, development and retention of directors, senior executives and staff.

Risk Management

The Risk, Environmental, Health, Security and Safety (REHSSQ) Committee is responsible for reviewing the policies and processes established by management which are designed to aid in the implementation of a safe working environment for the Company and ensuring the Company's compliance with international standards of risk, environmental health, safety and quality. The REHSSQ Committee regularly reviews the economic, environmental and social impacts of the Company's operations on its key stakeholders and ensures that the risks and threats to the on-going sustainability and success of the business are properly evaluated and incorporated into the decision making at the highest levels of the organisation.

Nature of critical concern(s) that were communicated to the highest governance body and the mechanism(s) used to address and resolve them in 2017.

The Securities and Exchange Commission ("SEC") on October 18, 2017 issued a public notice to the effect that it had directed the Nigerian Stock Exchange ("NSE") to impose a full suspension on the trading of Oando shares for a period of forty-eight hours, followed by a technical suspension which was subsequently lifted on April 12, 2018. The SEC also announced that a forensic audit into the affairs of the Company be conducted by a team of independent firms. The technical suspension of trading in the shares of the Company and the forensic audit were predicated on what the SEC referred to as "weighty findings" following its investigation of the Company arising from two petitions brought by a significant shareholder, Alhaji Dahiru Mangal and an indirect investor, Ansbury Inc.

The Company was quick to publicly deny the allegations made in the petitions brought against it by the petitioners and whilst fully recognising and respecting the authority of the SEC over the capital market felt it necessary to take certain cogent steps in order to protect the Company and its shareholders at the same time ensuring that its day to day operations were not significantly disrupted.

The Company was able to successfully address and provide clarifications to the concerns raised by the shareholder in his petition to the SEC which led to the signing of a Peace Accord on January 7, 2018 with Alhaji Mangal, mediated by the Emir of Kano, Muhammadu Sanusi II (CON).

On April 12, 2018, the NSE lifted the technical suspension placed on the Company's shares since October 23, 2017, whilst the forensic audit into the affairs of the Company continued. The Company has been fully cooperative with both SEC and Deloitte Nigeria (the SEC appointed forensic auditor).

In the spirit of goodwill, transparency and full disclosure and in the interest of all stakeholders, the Company will continue to cooperate with the SEC in the discharge of its duties as capital market regulator and to ensure a speedy and smooth conclusion of the matter by the SEC.

Ethics And Integrity

Oando is committed to maintaining a workplace in which the company receives, retains, and addresses all complaints received relating to violations or perceived violations of its Corporate Code of Business Conduct and all applicable laws and regulations.

The Company maintains a Whistleblowing Policy which provides guidelines for internal and external engagement by employees, directors and business partners/vendors with respect to raising concerns on unethical issues or unlawful behavior as well as channels for receiving feedback on any action taken. Such concerns can be raised anonymously without fear of dismissal, discrimination, harassment or retaliation.

In this regard, KPMG Professional Services (KPMG) manages the Whistle Blowing Hotlines and web-link for independence and to ensure that all reports are kept confidential and channelled to the appropriate authorities for investigation and resolution. The Chair of the Audit Committee, who is an independent non-executive director and the Chief Compliance Officer ("CCO&CS") receive all whistleblowing reports and the CCO & CS ensures that all reports are fully investigated, providing a summary of all issues and reports of investigations to the Audit committee on a quarterly basis.



Zero tolerance for corruption

Companies are becoming more open about their anti-corruption efforts and operations, as being open can have a positive influence on corporate reputation and ultimately an organisations' bottom line.

At Oando, anti-corruption programmes have been consistently regarded as measures correlated with good company performance. Consequently, increased transparency and openly reporting on how we address corruption risks in our business, industry and environment are critical in assuring our various stakeholders of our commitment to good governance.

We have taken a strong stance against corruption and made it mandatory for employees, directors and business partners to undergo training and annual certification on all Oando business ethics and anti-corruption policies and processes.

How we manage corruption

The Company maintains a regulatory monitoring framework to guard against corruption and other illegal activities. In this regard, Oando recognizes the principles of fairness, integrity and transparency in all business dealings as entrenched in our Code of Business Conduct & Ethics.

Consequently, Oando Plc maintains a robust Anti-Corruption Policy, which is geared at combating corruption and other illicit activities. We also maintain established internal procedures which are specifically geared at detecting suspicious and/or fraudulent activities within the organization. In addition, the Governance Office conducts regular anti-money laundering training and enlightenment programs for employees and other stakeholders.

Evaluating our approach

Oando's internal mandatory training exercise is conducted annually and is referred to as the Annual Re-certification Exercise. Training sessions are conducted using both web-based multimedia and classroom settings.

To ensure that Oando's culture of business ethics is maintained, all new hires and business partners are mandated to attend trainings on company policies and the Code. New hires undergo a compliance on-boarding process as well as intensive induction training on the policies and Code of business conduct & ethics. After this induction, they are made to undergo Compliance testing which they must pass to be employed by the Company.

The result of the evaluation of management's approach helps the Company to understand and further develop its compliance framework as well as meet up with compliance obligations with respect to employee sensitization and training.

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During the reporting period, there were no confirmed incidents of corruption, no confirmed incidents of contracts being terminated due to corruption and no legal cases relating to corruption brought against the Company.

Another strategy employed by the Company is to ensure that all employees in sensitive business units such as Procurement, Finance, Sales & Marketing 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.

Operations assessed for risks related to corruption

The Company has a risk and internal audit unit which regularly reports to the REHSSQ Committee. Management assist the Board with its oversight role and decision making with regards to risk by continuously improving enterprise risk assessment. The Group Risk Management and Control department facilitates the identification, assessment, evaluation and monitoring of controls established to mitigate any downside risk to the business. All vendors and business partners are assessed for corruption in line with our KYC process.

The Company maintains an in-house risk committee known as the Group Risk Management Committee (GRMC) chaired by the Group Chief Financial Officer and made up of senior management. The committee acts as an advisory body on enterprise-wide risk management. The GRMC provides regular reports to the REHSSQ Committee who have primary responsibility for reviewing the adequacy and overall effectiveness of the Company's risk management function and its implementation by Management.

Communication and training on anti-corruption policies and procedures

All anti-corruption policies and procedures of the Company are communicated to all employees. The Group Chief Executive is the Chief Ethics Officer and has overall responsibility for ensuring the existence of a robust framework for all ethics and anti-corruption compliance within the Company. This responsibility is shared and delegated to the CCO&CS.

The Governance team is responsible for implementing the Compliance and anti-corruption strategy of the Group throughout the organization. There are also TRIPP (Teamwork, Respect, Integrity, Passion and Professionalism) Champions with responsibility for monitoring and reporting on Compliance and anti-corruption breaches in all of the Company's locations.

The Company is committed to the highest standards of anti-corruption compliance and this is evidenced in a number of ways:

- There are formal anti-bribery and corruption policies in place, namely; Anti-Corruption Policy, Know Your Customer Policy, Insider Trading Policy, Related Party Policies;
- The procurement policy and procedure includes a commitment by vendors to the Company's anti-corruption policy. All third party business partners must sign a non-solicitation commitment confirming that they will not receive or give bribes on behalf of the Company in the discharge of their business with Oando and its subsidiaries.
- The Group is a member of several national and international anti-corruption Initiatives, including the Partnering against Corruption Initiative of the World Economic Forum, the United Nations Global Compact and the Convention on Business Integrity.
- The Company annually trains all directors, employees and business partners on corruption risk and how to effectively deal with it.
- The Company maintains a whistle-blowing hotline managed by KPMG for the reporting by any employee, shareholder, business partner or other stakeholder of any wrong-doing involving the Company.
- During the reporting period, there were no confirmed incidents of corruption, no confirmed incidents of contracts being terminated due to corruption and no legal cases relating to corruption brought against the Company.

Monetary value of significant fines for non-compliance with laws and regulations

There were no fines for non-compliance levied against the Company during the reporting period. The Company complied with the principles and all relevant provisions set out in the SEC Code of Corporate Governance throughout the reporting year. In addition to complying with applicable corporate governance requirements, the Company also complied with the listing rules and regulations of the Nigerian Stock Exchange and the Johannesburg Stock Exchange.

Remuneration of Board and senior executives

Executive Remuneration

- Fixed pay and variable pay: Remuneration for all employees with the Company are generally in accordance with a fixed pay principle.
- Bonuses: The Company recognizes the importance of declaring bonuses and profit-sharing. In this regard, it applies a formula which takes into consideration the profit attributable to the company's shareholders after certain adjustments.
- Deferred or vested shares: Share options are currently not awarded to directors. However, where share grants are given to executives as part of bonus compensation, the board sets and approves the grant of such options.
- Sign-on bonuses or recruitment incentive payments: Sign-on bonuses may be made as a one-off payment to new hires in senior management only and shall be based on negotiation at the point of recruitment. The Company reviews and sets the level of sign-on bonus payments to ensure its attractiveness to prospective employees on a case- by-case basis.
- Retirement benefits - Gratuity entitlements are payable (on exit) to employees who have attained a minimum of three (3) years of uninterrupted service with the Company. Entitlements shall be as stipulated by Nigerian employment regulations and Company policy from time to time. Employees who are summarily dismissed shall automatically forfeit their right to any gratuity/severance payments

Process for determining Board remuneration

The Company has a formal written remuneration policy that provides a framework for the remuneration of all non-executive and executive directors, the chairman and the company secretary. The Board determines the remuneration of the Executive Directors. Compensation for non-executive directors are fixed by the Board after due consultation with remuneration consultant. The remuneration of non-executive directors is approved by the shareholders at the Annual General Meeting.

The remuneration policy states that director's remuneration should be amongst other things linked to the good performance of the Company. Indicators of good performance are; return on capital employed, profitability, increased turnover, earnings per share growth, industry's considerations of good performance, improvement in goodwill based on empirical data, and total shareholder return.

Independent consultants are recruited to carry out the Board Remuneration exercises.

OUR MATERIAL ISSUES IN 2017

Partnering with our stakeholders for the Goals (SDG17); our units and their stakeholder approaches



Engaging our host communities

In 2017, the Company engaged the following stakeholders in the course of its operations across different communities in the Niger Delta. They were: traditional rulers; Community Development Committee (“CDC”) leaders; community women and youth leaders; State and Local Government Authorities; pressure groups; as well as various Government Regulatory Agencies (such as the National Petroleum Investment Management Services (“NAPIMS”), Department of Petroleum Resources (“DPR”), and the Nigerian Content Development and Monitoring Board (“NCDMB”), etc.).

The Community Relations unit approach to stakeholder engagement

In order to create active and well informed stakeholders, we proactively engage and create interactive opportunities to manage issues of concern. The Company believes that satisfying its stakeholders is incidental to a conducive operating environment devoid of rancor.

Stakeholder’s table showing identification, engagement, issues and resolution strategy

Stakeholder Group	Basis of Identification	Format/Mode of Engagement	Key Stakeholder concerns/issues	Resolution Strategies
Community Leadership	Reconnaissance visit, Introductory Letters, Government gazette, Opinion leaders etc.	Daily, weekly, Monthly, Quarterly, Annually.	Employment, Economic Empowerment, Homage, Social projects execution etc	Signing of Memorandum of Understanding (“MOU”) / Global Memorandum of Understanding (“GMOU”), agreement after Round table, Workshops, Town hall meetings, etc
Regulators	Laws establishing the regulatory agencies, Correspondence	Quarterly and Annual meetings	Execution of Annual Work Programs, Compliance to regulations	Sign-off in Performance review meetings, Compliance with regulatory framework.
Pressure groups	Correspondence	Round table meetings, legal means	Employment / Environmental issues, Economic opportunities	Agreement signing, Settlement resolutions, Alternative Dispute resolutions

How has the organization responded to Stakeholder topics and concerns?

Oando continues to proactively engage communities and regulators at all levels to address concerns raised. For the communities, the first proactive step is usually the execution of a Memorandum of Understanding (“MoU”) which would clearly define the obligations of parties – company and community. Employment quota of different categories are provided to members of the communities. Sustainable community development programs that are a reflection of the needs of the people and in line with standards global practice are planned and executed. The Company provides various human capacity building programs such as scholarships, skill acquisition and trainings. We handle environmental issues promptly and strictly in line with regulatory requirements.

Our Environmental, Health, Safety, Security and Quality unit and her stakeholders

Stakeholder Management:

In meeting statutory requirements while carrying out its operations, the company engaged with various regulatory agencies with supervisory oversight within the Oil & Gas industry. These agencies include:

- (i) Department of Petroleum Resources (DPR)
- (ii) Federal Ministry of Environment
- (iii) National Oil spill Detection & Response Agency (NOSDRA)
- (iv) Lagos State Ministry of Environment

Most of the engagements with these agencies centered on proposed or amended regulations that had the potential of affecting the manner in which issues surrounding protection of the Environment and Health & safety were managed, particularly in the area of implementation. A few of these engagements were carried in conjunction with other oil & gas companies under the auspices of the Oil Producers Trade Section of the Lagos State Chambers of Commerce. All key stakeholders were taken into consideration as proposed changes to the regulations had significant financial and legal consequences.

Feedback from engagements with regulatory agencies are discussed extensively at operational and departmental meetings. This feedback was similarly communicated to the Company’s senior executives and Board who were able to dimension the effect of the proposed changes on the Company’s strategy and corporate goals and further provided steer and encouraged continuous engagement with agencies to ensure that Company’s objectives were achievable.

Internal Audit and Risk unit; engaging stakeholders to mitigate our risks

Stakeholder engagement is key to the successful implementation and effective operation of the risk management and control function. Internal stakeholders engaged in 2017 include the Board of Directors, Risk Committee, Audit Committee, Executive Management, function heads, Operations and Technical Staff. External stakeholders include operators of our JV assets, NAPIMs, NNPC officials during the sub-committee process and external auditors.

Engaging all identified stakeholders is implicit to the success of the risk management and control function.

S/N	Stakeholder	Frequency of engagement	Mode of Engagement
Internal			
1	Board of Directors	Quarterly	Through the Risk Committee reports
2	Risk Committee	Quarterly	Face to face meetings, presentations and reports, emails
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, emails
6	Operations and Technical Staff	Daily	Face to face meetings, emails
External			
1	Counterparts on JV assets	Quarterly	Face to face meetings
2	NAPIMs/NNPC Officials	Quarterly	Face to face meetings
3	External Audit	Annually	Face to face meetings, emails

Partnering with our stakeholders for the goals; our units and their stakeholder approaches continued

Oando Foundation; partnering for development

Stakeholder engagement is crucial to the success of our work. The Foundation deploys a multi-faceted approach to stakeholder engagement. This is done by maximizing an array of communication tools to reach diverse stakeholder groups and maintain a strong presence across the communities we work with. Connecting with the public, donors, clients, employees, local leaders and communities help us remain relevant; ensuring the needs of our beneficiaries are being addressed effectively.

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

In the course of our work, we have identified and cultivated multilevel partnerships with a range of groups across various levels – Government, International Development Agencies, Political/ traditional & Religious Leaders, NGO's, Civil Society Organizations, philanthropists and communities. These include SUBEBs, LGEAs, SBMC, head teachers of adopted schools, secondary school principals, scholarship boards and parents

10,000
Over 10,000 teaching and learning materials (TLMs) were deployed to aid the transfer of knowledge and enrich the students' learning experiences in adopted schools.



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	Resolution Strategies
State Universal Basic Education Board	Education Sector mapping States Education Index Report	<ul style="list-style-type: none"> Letters / emails Meetings Key Informant Interview (KII) Periodic project update 	Ongoing Quarterly	Availability of quality data at SUBEB & LGEA level	The Foundation is building capacity of SUBEB & LGEA on data management in Education, as well as providing mentorship on school / teacher performance assessment and data collation strategies
Implementing Partners	Robust procurement process, Capacity Assessment Report	<ul style="list-style-type: none"> Emails Meetings Phone calls 	Ongoing	Disparity in the quality of delivery across board	The Foundation has set up mechanisms to check IP performance including providing templates for reporting, implementation manuals and periodic monitoring by staff
Community Members	Community mapping based on State SBMC policy	<ul style="list-style-type: none"> 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
Teachers	Government adopted schools	<ul style="list-style-type: none"> Focus Group Discussions Meetings Interviews 	Quarterly Ongoing	Abrupt transfer and retirement of trained teachers	The Foundation is working with the SUBEBs to ensure trained teachers are retained for the period of the projects.

Partnering with our stakeholders for the goals; our units and their stakeholder approaches continued

Engaging with our Financial Partners

In 2017, the company's finance unit engaged with the following stakeholders among others:

- JV partners
- Auditors
- Tax authorities
- Government authorities (DPR, NNPC)
- Banks, lenders and Financial advisers

Stakeholders are identified relative to their significance of impact on the business of the company and based on

reporting guidelines for our environment. JV partners are ranked high priority as we work together with them to generate revenue for the business and there is therefore a strong need to influence the activities of the JV.

Government authorities are ranked high priority as they regulate the industry and set guidelines for operations. Contravention of these guidelines may lead to business disruptions. Engagement with government has a direct impact on our license to operate.

Stakeholder engagement

Stakeholder Group	Basis of Identification	Format/Mode of Engagement	Key Stakeholder concerns/issues	Resolution Strategies
JV partners	Revenue Operational Activities Operational Efficiency	Regular Meetings, Email, Telephone calls Governance meetings	Late payment of Cash calls JV Profitability Increase Production and manage Asset integrity issues	Structured payment agreement on all amounts owed Provide key support through governance meetings, JV improvement Initiatives and technical collaboration.
Government agencies (DPR)	License to Operate	Meetings	Late payment of Royalties	Structured payment plan
Tax authorities	License to Operate Relevant Tax Authority	Meetings, Emails, Letters, Telephone calls	Disagreements on amount of tax payable	Objection, Negotiation/Settlement and structured payment plan

Communicating stakeholder concerns to the Board

Feedback is communicated by management to the board through reports, meetings and Internal memos

- Engagement with Board Sub-committees
- Management provides feedback to the Board and its Sub-committees
 - Monitoring by Risk, Governance and Audit units, all reporting directly to the Board.
 - Hot Line for direct feedback on infractions
 - Solutions are agreed upon and executed

Human Capital Management unit and her Stakeholders

At Oando, our systems are continuously designed and driven by the understanding (as declared in previous reports) 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 every 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.

For 2017, we have maintained the identification and classification of our key stakeholders (outside of our employees) in the following groups:

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

Stakeholder engagement

In 2017, we maintained all possible avenues for employee engagement, including but not limited to direct emails and email campaigns, telephone

calls/conferences, in-person meetings, round table discussions, town hall sessions etc. We went further to personalize stakeholder management by organizing Focus groups. The groups were formed in order to directly engage with employees to encourage them to air concerns, thoughts and raise suggestions on general employee matters such as choice of HMO, remuneration and benefits, talent management and so on. Vendor appraisals were also introduced in order to get 360 feedback from employees and vendors.

Stakeholder Group	Basis of Identification	Means of communication	Stakeholder concerns	Approach/addressing concerns
Employees (Full time employee "FTE")	Company staff	Emails, focus groups, in-person meetings, round table discussions, town hall sessions	HMO – more option, robustness of package Remuneration and benefits – Performance management- effective measurement of performance; grievances et al	HMO providers are invited to engage all employees on available offerings, limitations and exclusions where applicable. The HCM team manages and resolves all concerns that arise in this regard. Employees are constantly engaged to better understand their contractual terms, benefits available to them and ways to better enhance the organizations Employee Value Proposition (EVP). The Company undertakes a biannual appraisal cycle based on corporate objectives for the year in view which is managed by the HCM team
Vendors	Training Facilitators	Email and phone calls	Value add of available learning interventions; payments;	Source credible and relevant facilitators for learning interventions based on business needs.
Outsourcing Companies	Third party contractors	Emails, in-person meetings, round table discussions.	Aligning with corporate culture, business goals and strategy	HCM includes all outsourced staff in town hall meetings where general matters refer. 3rd Party contractors undergo a level of induction to familiarize them with the Company objectives, its policies and culture.
Management and Executives	Group Leadership Council	Emails, focus group, in-person meetings, round table discussions, town hall sessions	Cascading information. Driving the right culture	Town hall engagements; provide organizational reports and drive implementation of policies

OUR MATERIAL ISSUES IN 2017

Sustainable Cities and Communities, Reduced Inequalities (SDGs 11 & 10)



COMMUNITY RELATIONS

Our Local Communities

The local communities are material to our business because they are our 'landlords' and grant the social license required for us to operate within the environment.

How we manage impact on local communities

In managing our impact on the local communities, we are guided by a proactive implementation of the Company's community relations strategy – POWERS (Partnership, Ownership, Win-Win, Empowerment, Respect, and Sustainable Development).

Community Relations Strategy



Most engagements culminate in the signing of agreements, resolutions, MoUs or GMoUs which guide obligations of the Company and the respective community.

Our impact on the communities have been managed in a mutually beneficial way such that there has been an increase in social investments and infrastructural development. The Company's projects have also improved the economies and livelihood of individuals within the communities, increased life expectancy, and reduced Company/Community conflict. In turn, our operating environment is more conducive and balanced.

Mechanisms for evaluating the effectiveness of the management approach

Some of the mechanisms we used to evaluate the management approach are:

- Rate of downtime caused by community disturbances. If there is zero downtime recorded within a specific activity/period under review, it shows that there is a sync in the engagement approach. However, if the rate of disturbance is high and results in operational downtime, the management approach is ineffective and has to be reviewed.
- Rate of successful implementation of signed MoU/Resolution/Agreements. This is also an indicator which shows how successful a relationship management approach is with stakeholders. A high rate of implementation gives a positive outlook while a lower rate shows a negative outlook.
- Feedback from stakeholders received during various formal and informal meetings similarly provides indices to evaluate management approach acceptance. During engagement sessions, if the feedback is commendation rather than confrontation, it indicates the management approach is acceptable with stakeholders.

The results of the evaluation of the management approach

In 2017, our community relations management approach showed improved relationship with the communities, social freedom to operate, lower operating cost, good working relationship with stakeholders and more visibility of the Company within the communities.

Any related adjustments to the management approach

There is a plan to institute an annual award for the 'Most Friendly Community'. This award will be given to communities that provided the Company with the best social license to operate within a given period.

Development and impact of infrastructure investments and services supported

Current or expected impacts on communities and local economies.

The Company implements projects and renders services to identified stakeholders on a pro bono basis and in line with agreed MoUs/GMoUs.

The Company's projects have a number of positive impacts on the communities including:

- Improved social and economic lives of the people.
- Improved health/sanitary status of the people.
- Improved economic mobility of the people.
- Improved community/company relationship.
- Improved company visibility in the community.
- Partnership, collaboration and trust between parties.

Despite the good externalities contributed by these projects, these have been dampened by the instability in the community leadership due to rancor and internal power tussles.



Sustainable cities and communities, reduced inequalities continued

Alignment of our Sustainability Practices to the UN Sustainable Development Goals (SDGs)

Within the period under review, the Company, in conjunction with its joint venture partners actively engaged and executed various sustainable community development programs which helped foster relationships, improved infrastructural development and wellbeing of its stakeholders.

In 2017, Oando and its joint venture partners cumulatively expended approximately NGN5,624,991,111.00 on various sustainable community development projects and programs. (NNPC/NAOC/OANDO JV - NGN4,960,503.00; Network/Oando JV - NGN15.2m and Energia/Oando JV -NGN649,288,111.00).

Projects executed range from tangible projects such as road construction, housing, school infrastructure, and health to intangible projects such as scholarships, welfare, security programs, youth capacity building etc.

As Africa's largest integrated energy solutions company, we recognize that the SDGs are the global priority for the next couple of years. Understanding our role as a vital partner in achieving the SDGs nationally and globally, we have made it our responsibility to begin implementing it as the overarching framework through which we shape, communicate and report our strategies, goals and activities as a business.

We understand that effective communication and cooperation not just across government and international institutions, but also between businesses and individuals is the only way that the SDGs can be successfully implemented. We have focused on highlighting the significant SDGs that are relevant to our businesses in order to make a positive difference in our society, economy and environment.

The most amazing feature of the SDGs however is the observed interconnectivity of them all. We have discovered that while focusing on the targets of one goal, we are simultaneously addressing some of the targets of other goals.

2,169

Some 2,169 school teachers have improved their core subject knowledge and pedagogical practices and are passing on this knowledge to over 102,000 children in adopted schools.

33,000

Through our partnerships cutting across all levels of governance in the basic education sub-sector, more than 33,000 enrolled out of school children, particularly girls and vulnerable children,

5.6b

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10,000

Over 10,000 teaching and learning materials (TLMs) were deployed to aid the transfer of knowledge and enrich the students' learning experiences.

OUR MATERIAL ISSUES IN 2017

Quality Education, Clean Water and Sanitation, Gender Equality, Reduced Inequalities (SDGs 4, 6, 5 & 10)



OANDO FOUNDATION

Background

At Oando, we believe that education is the greatest investment to secure sustainable development in Africa. Since 2003, Oando, as part of its corporate social responsibility initiatives, has demonstrated its commitment to achieving the right of every child to quality education in Nigeria; working with host communities to support primary education. However, to maximize impact and scale, in 2005 Oando envisioned the creation of an independent Foundation dedicated to the course of basic education in Nigeria.

Consequently in 2011, we established the Oando Foundation (the "Foundation") as an independent charity to support the Nigerian Government in achieving its Universal Basic Education goal with a vision to create sustainable and equitable educational systems in communities that empower every child, through its signature project, the Adopt-A-School Initiative ("AASI"). 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 Foundation's activities are funded by Oando PLC as the key donor, and supplemented by income generated from partnerships with development partners and select private sector entities.



Our Mandate

Since 2011, Oando Foundation 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 drives the Foundation's mandate to radically improve the quality of teaching and learning in our schools and communities by ensuring access to world class basic education systems; leveraging resources, best practices, and cross-cutting solutions.

The Universal Declaration of Human Rights recognizes not only the right to access education, but also of the quality of education: «...Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedom. It shall promote understanding, tolerance and friendship among ... racial or religious groups...» (Article 26). Despite the wide recognition of education as an empowering right and one of the most powerful tools by which economically and socially marginalized children and adults can lift themselves out of poverty and participate fully in society, millions of children and adults remain deprived of educational opportunities, many as a result of social, cultural and economic factors.

The right to education is one of the key principles underpinning the Education 2030 Agenda and Sustainable Development Goal 4 (SDG4) adopted by the international community. SDG 4 is rights-based and seeks to ensure the full enjoyment of the right to education as fundamental to achieving sustainable development.

Through our partnerships cutting across all levels of governance in the basic education sub-sector, more than 33,000 enrolled out of school children, 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. Some 2,169 school teachers have improved their core subject knowledge and pedagogical practices and are passing on this knowledge to over 102,000 children in adopted schools. The teachers are able to engage school children in an effective manner that builds their cognitive and socio-emotional skills; resulting in cumulative average annual retention rate of 83%. Over 10,000 teaching and learning materials (TLMs) were deployed to aid the transfer of knowledge and enrich the students' learning experiences. 37,363 students now have access to technology-enhanced learning through 33 ICT centers established in adopted schools.

We are changing behavior towards education in the communities we serve by strategically empowering our implementing partners, school based management committees, and grassroots mobilizers with evidence-based messaging on the importance of basic education, and their role. Our strategic collaboration with key technical partners remain critical to the overall programme quality; providing opportunities for

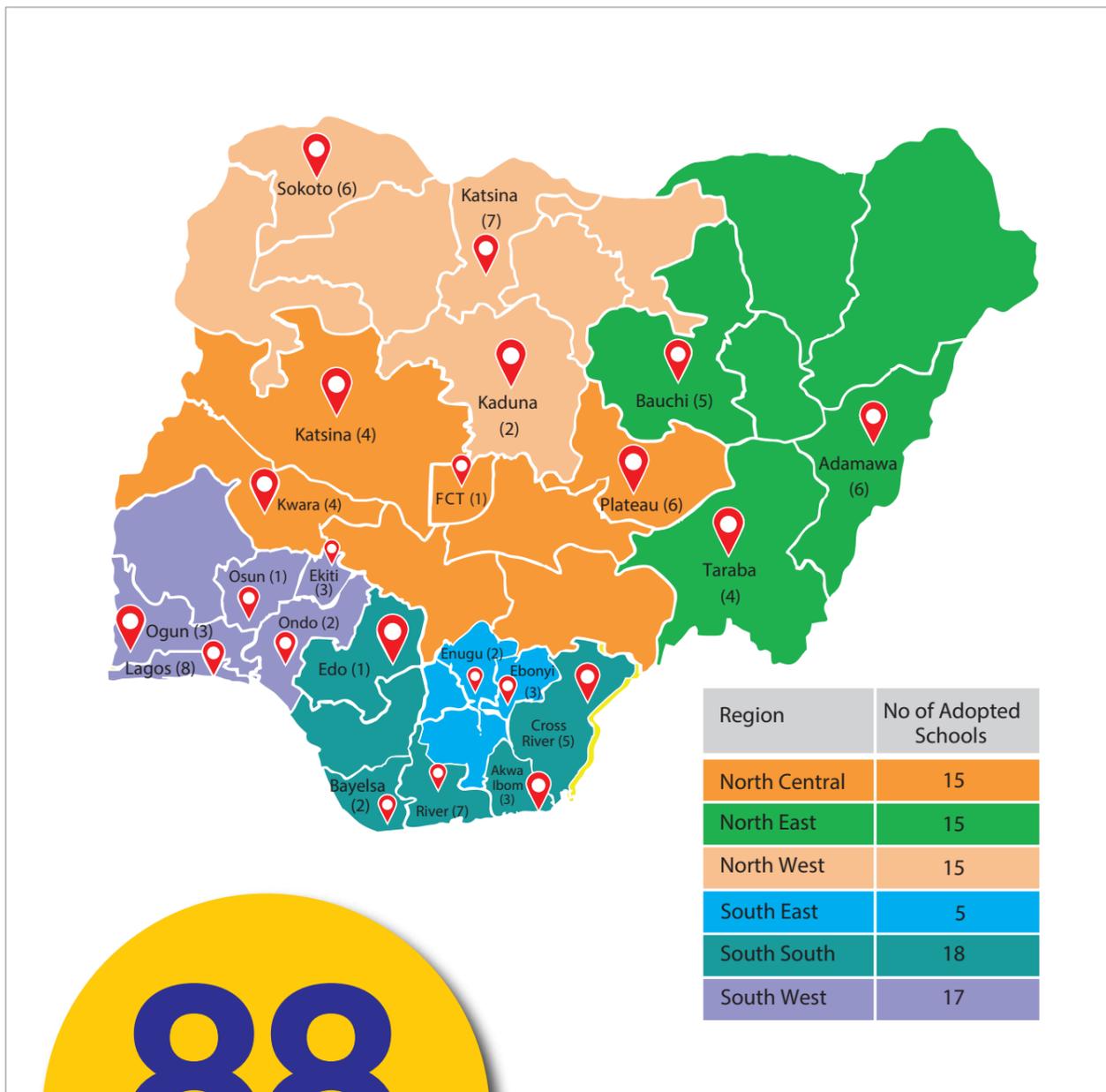
increased awareness and project scale up. We build on the goodwill and commitment demonstrated by state and local partners, working within the ambits and strengthening government systems to create ownership and sustained participation in the programme. This has resulted in improved skills and capacity building of the State Ministries of Education, States' Universal Basic Education Board ("SUBEB"), Local Government Education Authorities ("LGEA"), School Based Management Committees ("SBMCs") to deliver basic education dividends to their communities and strategically contextualizing our approaches and solutions for sustainability and scale up.

Our Model



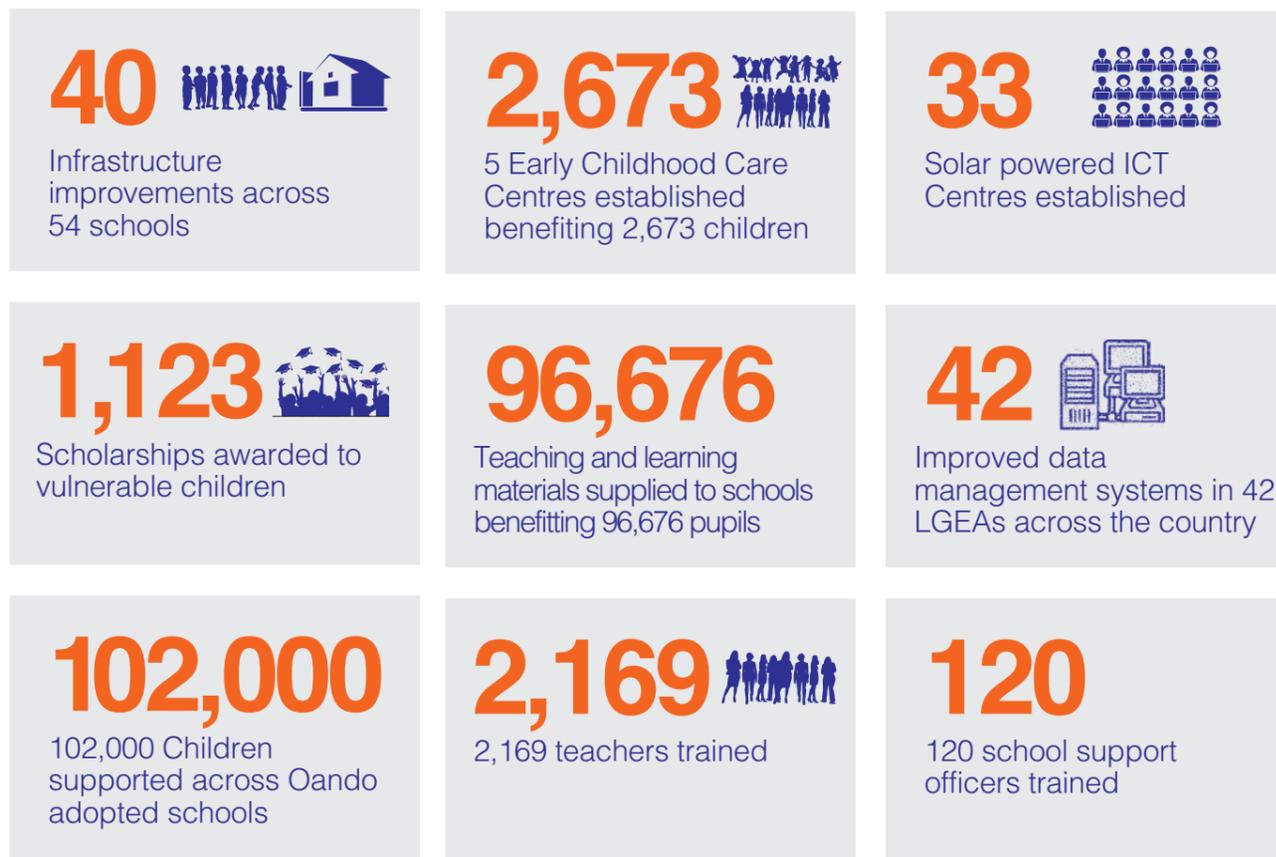
Quality education, clean water and sanitation, gender equality, reduced inequalities continued

Our Reach



88
88 adopted schools across 23 states and the FCT

Impact



Organizational Structure

The Foundation is governed by a Board of Trustees ("BoT") with members overseeing the Nigeria, UK and US arms of the Foundation. The BoT provides oversight to an Executive Head, who is supported by a team of 5 dedicated staff and volunteers to manage its daily operations. The programme officers are drawn from scholarly, scientific, and professional disciplines with extensive experience.

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

Furthermore, the Foundation leverages on shared services provided by Oando Plc. These include Finance, Legal, Human Resources, and Admin services. This significantly reduces the administrative burden to the Foundation, while guaranteeing premium world-class controls.

Limitations

- Operations**
- Utilization of multiple implementing partners poses disparity risks in the quality of programme implementation across different States of the Federation.
 - The rise in competing priorities for global funds affecting the availability of funds for basic education mandate.

Strategy

- The complexities of a holistic approach to education reform may create challenges for scale up and replication.

Quality education, clean water and sanitation, gender equality, reduced inequalities continued

Our Beneficiaries

In line with our commitment to inclusive and equitable quality basic education, the Foundation directly targets disadvantaged children between the ages of 5 -15 in public primary schools, Out of School Children (“OOSC”) including internally displaced persons, children with special needs, orphans, and vulnerable children 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 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 - the world’s highest number. 60 per cent of those children are in northern Nigeria. The Foundation deploys an integrated approach that thrives on the involvement of multiple stakeholders (SUBEB, LGEA, SBMC, and Teachers etc.), deployment of effective community engagement practices and provision of ancillary support where necessary. This approach ensures the entire process – OOSC enrollment, retention and monitoring is community driven, sustainable and cost effective.

Girl child – About 60 per cent of OOSC in Nigeria are girls. Many of those who enroll drop out early. Low perceptions of the value of education for girls and early marriages are among the reasons. Some northern states have laws requiring education of girls and prohibiting their withdrawal from school. Girls’ primary school attendance has been improving, but this has not been the case for girls from the poorest households. The Foundation 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 Gombe and Madagali LGAs were destroyed by the insurgents, making it impossible for children to continue schooling.

The Foundation currently supports 17 adopted schools across 3 states in Northeast Nigeria – Adamawa, Bauchi, and Taraba; some in locations 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 to implement key components of the AASI.

Our work is geared towards strengthening the capacity of government and community stakeholders to support active mobilization and enrolment of out-of-school children, especially those who have been displaced or orphaned by the insurgency; whilst improving systems within the school communities to promote retention and improved learning outcomes.

2017 PROGRAMME UPDATE

The Foundation is committed to improving access to quality education in Nigeria by creating world-class learning environments in public primary schools across the country. Through our signature project the Adopt-A-School Initiative (AASI); leveraging our resources, best practices, and cross-cutting solutions that have delivered similar results, we have achieved and aim to achieve more outstanding results in the educational sector.

The Foundation’s programme interventions support the actualization of Sustainable Development Goals 4 (Quality Education); 5 (Gender Equality); 6 (Clean water and sanitation) and 17 (Partnerships for the Goals) in Nigeria.

Till date, we have adopted 88 public primary schools across 23 states in Nigeria, renovated over 40 of these schools; established 33 ICT centres and 5 Early Child Care Development (ECCD) centres.

The Foundation has further supported community participation and ownership by strengthening the capacity of over 1,133 SBMC members, awarded scholarships to 1,123 pupils, trained 269 teachers, and donated over 10,000 learning and instructional materials across adopted schools.

In 2017, the Foundation continued to prioritize participatory approaches in the implementation of programme interventions, tracking early outcomes across key components of the AASI, and strengthening strategic partnerships and institutional capacity at the state and local levels to implement, monitor, sustain, and scale interventions provided.

We also engaged in various advocacy initiatives and sector discourses supporting basic education and school improvement. Owing to the effective deployment of the Foundation’s programme approaches, we witnessed attribution in policy changes, state-wide replication of our training models, increased community participation in project implementation processes, improvement in teaching and learning experiences, and cumulative increase in school enrolment.

Below is a summary of the Foundation’s key achievements in 2017:

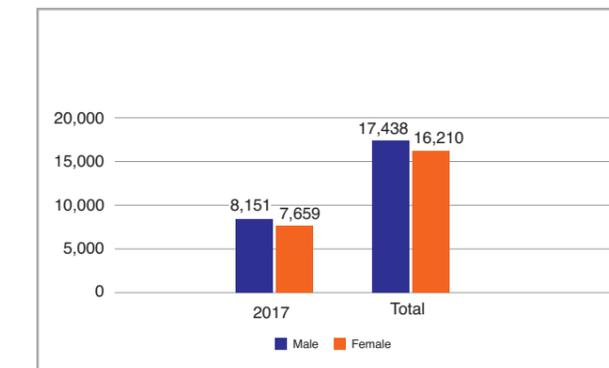
1. Mobilization of Out of School Children (OOSC)

Out of school children are those from ages 7 and above who have never attended formal school or dropped out due to various reasons – distance, poverty, conflict etc. According to UNESCO, of the 59 million children out of school worldwide, 10.5 million are Nigerian, representing 15.2% of the 59 million OOSC. Many children who are victims of the North-East insurgency have had their schooling interrupted, some have become orphaned, while others lack financial resources to continue schooling in their new settlement.

The Foundation is committed to ensuring every child has access to quality education. Hence, we work with various stakeholder groups including the School Based Management Committees and State Agencies for Mass Education to mobilize and enroll OOSC within our school communities. Where required, we also provide back-to-school materials to support their integration into formal school. A total of 17,827 OOSC were enrolled into adopted schools in 2017, making a total of 33,639 OOSC enrolled to date.

Gender representation of OOSC enrolled in 2017

Mobilized Out of School Children



2. School Infrastructure Improvement

Infrastructure development remains a key driver for increased access to and retention of OOSC. Conducive learning environments also have direct impact on improved learning outcomes. The Foundation’s infrastructure intervention supports adopted schools with facilities required to meet learners’ needs (classrooms, furniture, boreholes, toilets, and wash bays), utilizing the Community Based Renovation Approach (“CBRA”) which is aimed at increasing community participation and ownership, empowering local artisans, and optimizing project costs.

In 2017, the Foundation constructed 9 blocks of 30 classrooms, refurbished 8 blocks of 28 classrooms and provided 2,104 units of furniture for students and teachers in 15 schools in Bauchi, Niger, Adamawa, Taraba, Kwara, Katsina, Sokoto, and Plateau. To improve school sanitation and hygiene, we have constructed 75 units of integrated child friendly toilets, and provided 14 motorized boreholes (kitted with power generating sets), water storage facilities and wash bays across adopted schools. WASH sensitization campaigns are on-going to promote and sustain behavioral change amongst students and teachers.

The direct correlation between infrastructure upgrade in adopted schools and increased enrolment is evident in the 17% cumulative average increase in general school enrolment recorded across supported schools in 2017. Over 96,000 children now have access to conducive learning spaces.

Quality education,
clean water and
sanitation, gender
equality, reduced
inequalities
continued

774

In 2017, the Foundation trained 120 LGEA school support officers, 774 teachers (including 43 head teachers/assistants, 693 classroom teachers, and 38 ICT teachers) across 30 adopted schools in 9 states.

3. Scholarships

The Oando Foundation Scholarship programme remains one of the key drivers of increased enrollment and retention of pupils in adopted schools. The Programme supports children from relatively low income backgrounds, who have excelled in their academics to transit to and complete Secondary School whilst building a culture of excellence among children in Oando adopted schools. 1,123 children have benefitted from the scholarship to date, including 21 new scholars selected in 2017.

4. Information Communication and Technology (ICT) Centers

The Foundation's objective is to bridge the existing gap in the implementation of ICT education in public primary schools through the establishment of solar-powered ICT Centers in adopted schools and empowering students with technological skills through creativity and learning. Our intervention approach strengthens the utilization of the existing Nigerian Educational Research and Development Council ("NERDC") curriculum, capacity building and support for ICT teachers, and provision of educational software to aid curriculum implementation.

In 2017, the Foundation established 16 ICT Centers across Adamawa, Bauchi, Taraba, Kaduna, Sokoto, Niger, Plateau, Kwara, and Lagos; trained 38 ICT teachers; and provided NERDC-approved text books and educational software. In addition, 60 girls from 2 adopted schools in Lagos have benefitted from our pilot code club, in partnership with Theirworld UK, aimed at empowering Nigerian girls with technological skills and promoting interest in Science Technology Engineering and Mathematic ("STEM") education. To date, the Foundation has established 33 ICT Centers, improving access to technology based learning for 37,363 students in predominantly rural communities.

5. School Based Management Committees (SBMCs)

Having identified the need to increase community involvement in primary education; the Foundation ensures that there are functional School Based Management Committees in each adopted school, and empowers them to effectively discharge their roles and responsibilities especially increasing demand for quality education, participation in school improvement processes, resource mobilization, strengthening voice and accountability in basic education for improved education quality, and increased access.

In 2017, 496 SBMC members were trained across 16 school communities across 4 states. Increasingly, trained SBMCs are effectively championing OOSC mobilization and enrolment, school improvement efforts, and resource mobilization to support capital projects in their schools.

6. Teacher Training

The Foundation's teacher training programme replicates the Department for International Development ("DFID")-Teacher Development Programme (TDP) training model, uniquely designed to improve teachers' skill in modern pedagogy and content knowledge in three core subjects of Mathematics, English Language and Science & Technology through a phased training approach. It is also designed to strengthen the capacity of head teachers in school management and leadership and school support officers to provide mentorship for teachers' post training. Subject-specific teacher guides, lesson plans, and audio-visual materials are provided to promote self-study and support teachers in preparation and delivery of class lessons.

In 2017, the Foundation trained 120 LGEA school support officers, 774 teachers (including 43 head teachers/assistants, 693 classroom teachers, and 38 ICT teachers) across 30 adopted schools in 9 states. The Foundation has recorded marked improvements among trained teachers in the application of pedagogy skills and utilization of teaching guides and lesson plans provided.

7. Local Government Education Authorities (LGEA)

Oando Foundation's LGEA component is designed to improve efficiency and effectiveness of LGEAs in evidence-based planning and decision making in the basic education sub-sector across all government levels. We achieve this by strengthening the capacity of LGEA officials in the effective application of Education Management Information Systems ("EMIS") in school data collation and reporting. This intervention is based on the premise that accurate education data will lead to proper planning, budgeting and ultimately, achievement of desired outcomes at the schools and government level.

In 2017, the Foundation trained and supported 125 LGEA EMIS officials, and donated laptops to support EMIS related activities in the quality assurance and EMIS departments at the LGEAs and SUBEBs. Early outcomes of this intervention include the overhaul of the EMIS system at the Lagos State Quality Assurance Department (LSQAD) and replication of the training model in Lagos and Bauchi States. A total of 245 LGEA officials were trained in 2017 (120 School Support Officers and 125 EMIS Officers).

8. Partnership and Advocacy

At the Foundation, we believe in the power of partnership as a platform for sustainable, replicable and scalable interventions. Our Adopt-A-School Programme is hinged on effective partnership with public and private sector actors committed to improving the basic education sub-sector.

Leveraging newly established and existing partnerships with key players in the sector, the Foundation raised over N250 million, being direct contributions for projects in adopted schools. Our partnership with Sumitomo Chemical, a Japanese Chemical Company, resulted in the establishment of 3 solar powered ICT Centres in schools across three states – Kaduna, Lagos and Taraba; benefitting over 2,400 students. We also partnered with the Nigerian Stock Exchange to address education needs of the teeming out-of-school population in the North-East occasioned by the Boko Haram insurgency through construction of the Mainsandari Alamderi Model Nursery and Primary School, Maiduguri, Borno State.

The Foundation advocated for increased access to basic education on various national and international platforms in 2017, including the Global Business Coalition on Education (GBC-Ed), World Innovation Summit on Education (WISE), Global Education and Skills Forum (GESF), and the African Philanthropy Forum (APF). Our direct advocacy engagement with the Universal Basic Education Commission resulted in us being selected to champion the strategic coordination of other private sector education affiliates supporting basic education in Nigeria.

125

In 2017, the Foundation trained and supported 125 LGEA EMIS officials, and donated laptops to support EMIS related activities in the quality assurance and EMIS departments at the LGEAs and SUBEBs.

Quality education,
clean water and
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continued

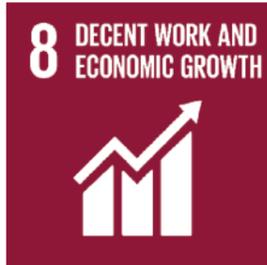
The table below shows a full list of partnerships and collaborations established and sustained by the Foundation in 2017:

Educate A Child (EAC)	Oando Foundation 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 will be established in 2018.
North-East Regional Initiative (NERI)	Oando Foundation established a strategic partnership with the USAID-NERI to support enrolment and quality of learning in rebuilt schools across communities hardest hit by the Boko Haram insurgency in Adamawa State. Two schools rebuilt by NERI have been adopted by the Foundation in Gombi Community. We supported with 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)	UBEC is the federal agency in charge of basic education in Nigeria. Oando Foundation was recently appointed to coordinate other private sector education affiliates supporting basic education in Nigeria. In this role, we champion strategic engagements with UBEC, to transform the basic education sub-sector and strengthen partnership with relevant state education institutions under UBEC's supervision.
USAID Education Crisis Response Programme (ECR)	Oando Foundation is partnering with USAID-ECR to support the mainstreaming of OOSC (including internally Displaced Persons) from non-formal learning centers into adopted schools in Adamawa and Bauchi. 2,008 children have been mainstreamed under this partnership; 500 in 2016 and 1,580 in 2017
DFID Education Sector 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 development and capacity building in adopted schools. TDP provided 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 cost and ensuring sustainability.
National Home Grown School Feeding (HGSF) Programme	In 2016, the Federal Government announced its intention to commence the National Home Grown School Feeding Programme (HGSF) aimed at providing breakfast for children in primary school. 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 HGSF 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 HGSF programme.
Nigerian Stock Exchange	Oando Foundation has supported the construction of Mainsandari Alamderi Model Nursery and Primary School, Maiduguri, Borno State, in partnership with the Nigerian Stock Exchange and Bridge Academies. The school which consists of 3 fully equipped blocks of administrative and learning purposes, was built to address education needs of the teeming out-of-school population in the North-East, occasioned by the Boko Haram insurgency. Pupils are largely made up of children from IDP camps around Abuja Talakawa; a low-income community in Maiduguri.

OUR MATERIAL ISSUES IN 2017

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



ENVIRONMENTAL HEALTH AND SAFETY

Oando is a responsible company focused on safety awareness based on globally applicable HSE standards and best practices. Furthermore, through feedback from employee engagements on safe practices and learnings from previous incidents we have continued to build a stronger HSE culture within the Company.

The Company did not record any minor or major accidents and as such there were no fatalities within the operations which it managed for the year in question.

Safety Awareness & Training:

Security awareness sessions were held to help ensure safety of the employees. Particularly, end-of-year sessions were held to equip our employees with vital security knowledge as a result of high security risks that may be encountered during the ember months.

In addition, the company understands that it's most valuable resources are its workforce and continues to train its personnel to be sensitive to dangerous situations and learn how to avoid them. Responsibility was also placed on employees to extend their learnings from the trainings to family & loved ones so that they are able to create a safe environment at home. The company's EHSSQ team provided guidance regarding the introduction of new EHS concepts, standards or procedures while external facilitators were also brought in to train the employees on other EHS matters. Approximately 90 employees underwent various EHSSQ awareness sessions and training.

Key EHSSQ Awareness Sessions & Courses included:

1. EHS level 1 training
2. EHS level 2 training
3. EHS level 3/HSE in Project training
4. Basic Offshore Safety & Induction & Evacuation Training (BOSIET)
5. Fire-fighting training
6. First Aid training
7. Healthy Living sessions
8. Ergonomics awareness session

Security Practices:

Managing security risks through structured Security Risk assessment is important to ensuring the protection of the lives of employees, contractors, preventing damage to company assets and sustaining operational capability. Security deployment and other mitigation are developed and managed with due consideration to respecting human rights.

A security unit under the EHSSQ department has been established to manage security issues. Standard Operating procedures are in place to guide the implementation of the company's security policy. Security incidents are reported, recorded and investigated. Process audits and reviews are conducted to ensure compliance with Security Standards and respect for human right.

Mitigation measures are deployed to be proactive and also to effectively manage breaches when they occur. Metrics are used to measure adequacy, cost effectiveness, and audits and reviews are conducted to ensure compliance to the security policy.

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

In all, about 122 persons including employees and third parties attended security related trainings.

HUMAN CAPITAL MANAGEMENT

Organizational profile - People

At Oando, we understand that people are pivotal to building a sustainable company, thus, our people constitute the foundation of our existence. While the nature of our work changes frequently, our core values do not. In 2017, we positioned the organization to attract and retain diverse talents and empowered them to continuously seek developmental opportunities.

The Organization's employee profile is displayed below:

Total Employees by Subsidiary

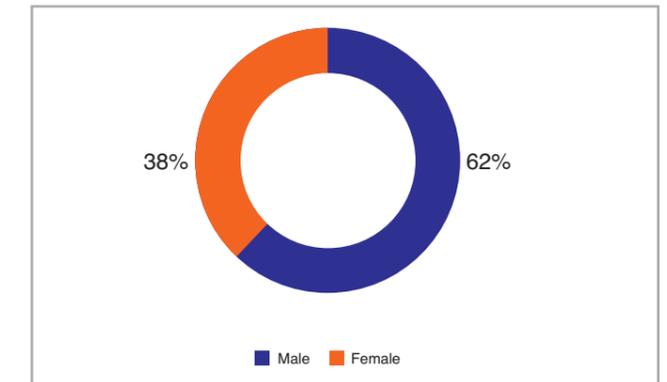
EMPLOYMENT CATEGORY	OER	GROUP	FOUNDATION	OTD	TOTAL
Full time employee (FTE)	82	47	5	13	147
3rd Party	55	12	1	1	67
Consultant	2	0	0	0	2
Interns	8	6	0	0	0
Total	139	72	5	0	216

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

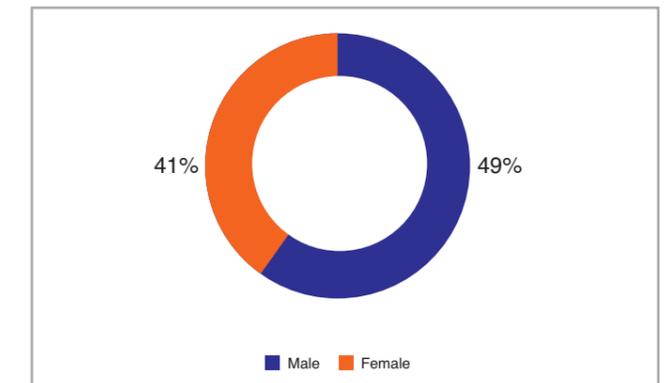
We respect our employees' rights to collective representation and freedom of association in all our locations. We have a healthy representation with the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) Lagos chapter and a collective bargaining agreement covers our engagement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

Gender Distribution

All Employee type gender distribution 2017



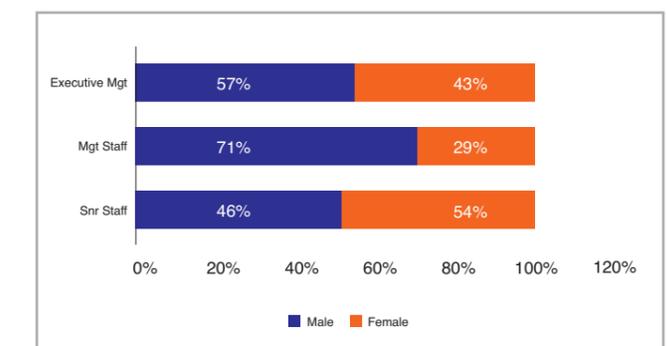
Full time Employee gender distribution 2017



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

FTE	SNR STAFF	MGT	EXECUTIVE MGT	TOTAL
M	31	51	4	86
F	37	21	3	61
Total	68	72	7	147

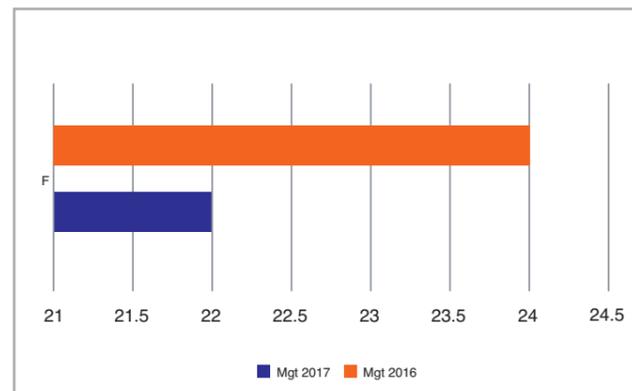
Workforce distribution by management and gender



Decent work and economic growth, gender equality continued

As shown in the diagram below, in 2017, the proportion of female in management positions increased when compared to 2016. A step towards addressing a target of SDG 5, Gender Equality, "ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life." We aim to continue to increase female participation at all levels of management within the company, one step at a time.

Females in Management Positions, 2016 vs 2017



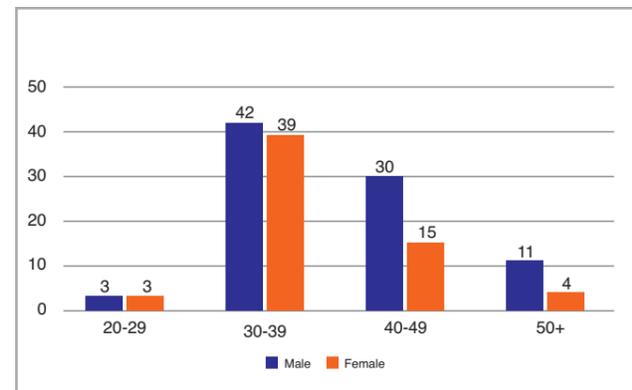
Total number and rates of new employee hires and employee attrition by age group, gender and region

NEW HIRES 2017					TOTAL	RATE
Age Group	20-29	30-39	40-49	50+	16	11%
M	1	11	1	1		
F		2				

ATTRITION 2017					TOTAL	RATE
Age Group	20-29	30-39	40-49	50+	13	9%
M		2	3			
F			6	2		

In 2017, there was a total number of 16 new hires, 14 male and 2 female hires. In 2017, we recorded a total of 13 voluntary exits; 5 males and 8 females. All exits during the time were recorded as relocation, leave of absence and exits to seek other opportunities.

Demography FTE Age Distribution, 2017



Oando strongly advocates diversity and equal opportunity. This is reflected in the composition of the organization with a total of 216 employees who are committed to the development of the organization as a whole and to the identification of new potential investments.

In 2017, Oando employed 16 people across Finance, Corporate Communications, Legal, and Engineering departments on full time contracts. The proportion of women in the reporting year was 38% and 62% for men. We aim to increase the proportion of women in management as well as on the Board.

Remuneration, Benefits & Employee Welfare

At Oando, we are strong advocates of equal opportunity 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 Committees provide guidance in line with the Board Remuneration Policy.

As stated in previous reports, we provide Direct/ 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
- Maternity Leave
- 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 specified 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 2.2% above the 12% 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 engage third party outsourcers for temporary or part time employees to aid operations and ensure that the organizations engaged provide their employees with adequate benefits including but not limited to:

- Life Insurance
- Health Care
- Annual Leave
- Sick Leave
- Parental Leave
- End of year allowance
- Others

Learning and Development

Training and development is pivotal to Oando's business in its 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 were effected through blended learning methods to address identified competency gaps. The gaps were identified through our routine competency assessment report and business exigencies. All these activities are geared towards building organizational and individual capacity to ensure a sustainable organization.

In 2017, we leveraged on the vast wealth of internal knowledge and organized a number of learning sessions tagged "Lunch and learn", which were open to all employees. A total of 30 employees attended other formal learning interventions ranging from Classroom trainings, Seminars, workshops and conferences. All employees were trained on fire safety and safety related courses.

Performance and Talent Management

To sustain the growth trajectory of the Organization,

- Performance management remains a pillar of our corporate governance framework ensuring that our people strive to reach their highest possible potential, achieve their objectives and in turn the organization's objectives. This is achieved through our performance management system which runs bi-annually.
- Succession planning and collegiate review exercises are continuously carried out within all entities to the aim to build talents. These exercises typically involve evaluating direct reports on employee performance and potential in line with the Organization's short and long term objectives, vision and mission.

We regard people management as extremely material to our operations. This embodies the general management position regarding developing, maintaining and improving employee relationships. This is done via communication, performance management, processing grievances / disputes as well as interpreting and conveying the organization's core values and policies.

ECONOMIC PERFORMANCE

Why economic performance is material to the company

The company's economic performance is material to the business as it enables the Company meet its obligations to all stakeholders and shareholders in the immediate and on a long-term sustainable basis. These obligations includes our cash call obligations to our joint venture partners, Debt service obligations, employee remuneration and benefits and returns to shareholders.

How the Company manages her economic performance

The company's financial forecasts for the current year are prepared in the fourth quarter of each preceding year and updated periodically to properly reflect current realities. Any significant changes in forecasts are highlighted and reported to management. Management takes a decision on how to best mitigate the situation.

Key variables prone to changes are commodity price fluctuations which management hedge against, cost management of joint venture expenditures via various governance meetings, financial discipline via debt censure to ensure debt service obligations are met.

Mechanisms for evaluating Management's approach

These mechanisms include the periodic review of performance with stakeholders on a monthly, quarterly and/or annual basis via the various governance structures that ensure befitting and lasting solutions to challenges encountered are adequately proffered, discussed and implemented. The Board and its Committees meet at least quarterly to review the Company's performance on various matters and ensure that management are implementing the strategic objectives set by the Board in a manner that considers all applicable risks to the business and leads to the maximum positive impact to the stakeholders of the Company

Consolidated Entities in the Company's Audited Financial Statements.

Oando includes the performance of its subsidiaries in her consolidated financial statements. The subsidiaries are: 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

Decent work and economic growth, gender equality continued

Limitada, XRS 11, Churchill Finance C300-0462 Limited and Oando Energy Resources Inc. (Subsidiary of Oando E&P Holdings Limited)

Economic Value Distributed/Retained

Our economic value in 2017 was distributed as shown below:

- Operating costs – ₦40.39B
- Employee wages and benefits - ₦460.91M
- Payments to providers of capital (Equity)– NIL
- Payments to providers of capital (Debt) – ₦63,50B
- Payments to government (by country) – Tax ₦15.90M

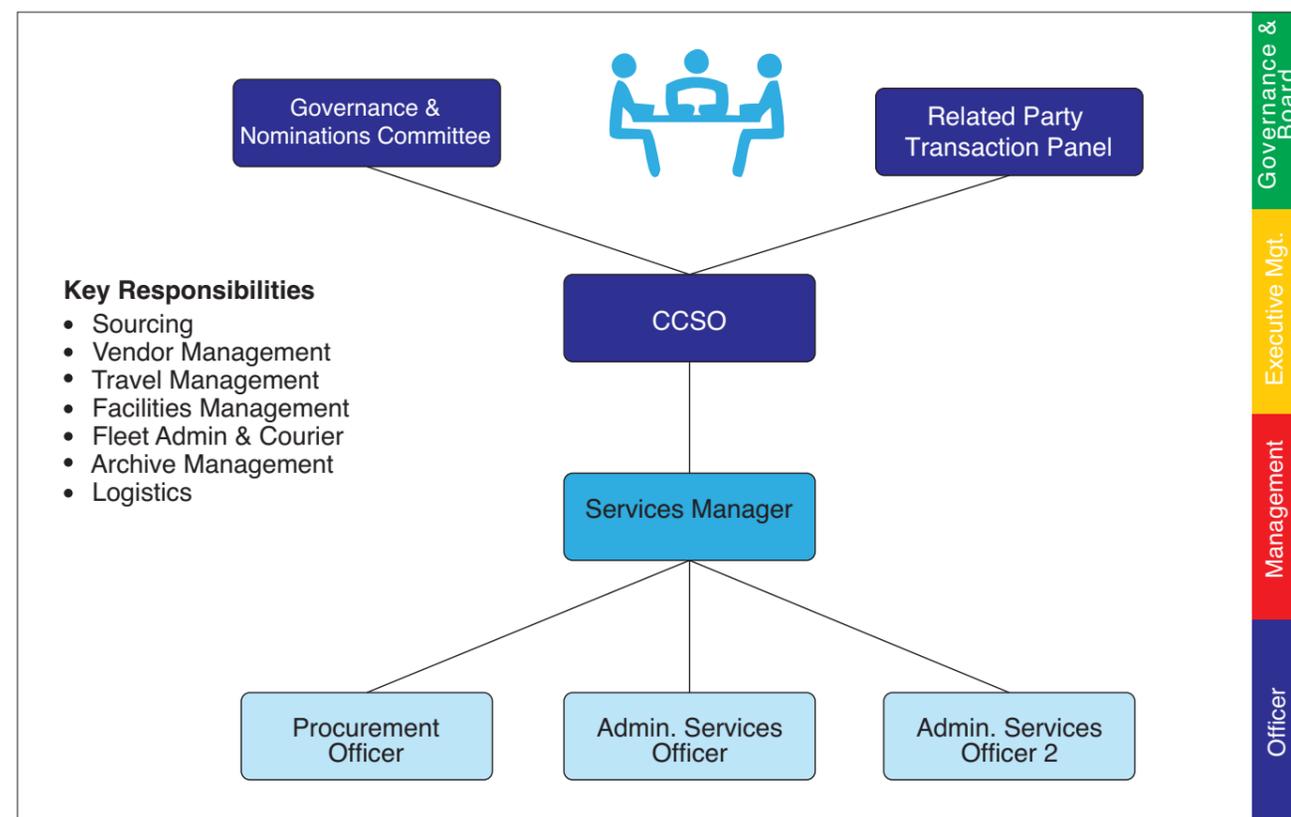
Our economic value retained is ₦30.62B

Financial assistance received from government

The Company did not have any financial assistance from the government in 2017 in the form of tax relief, tax credit or subsidies.

SUPPLY CHAIN AND PROCUREMENT

Organizational Profile



Organizational Profile

The critical changes to the supply chain organization are listed below:

- Shrinking of the Supply Chain organization to be led by the Services Manager. The role of the Group Head, Supply Chain and Admin Services was eliminated. This is a testament to the organization's job shadowing and succession planning initiative and a demonstration of career progression and enrichment.
- All Related Party transactions for the year 2017 were reported through the Related Party Panel and the Governance and Nominations Council

Stakeholder Engagement

Internal Stakeholders- Employees
External Stakeholders- Regulators and Vendors

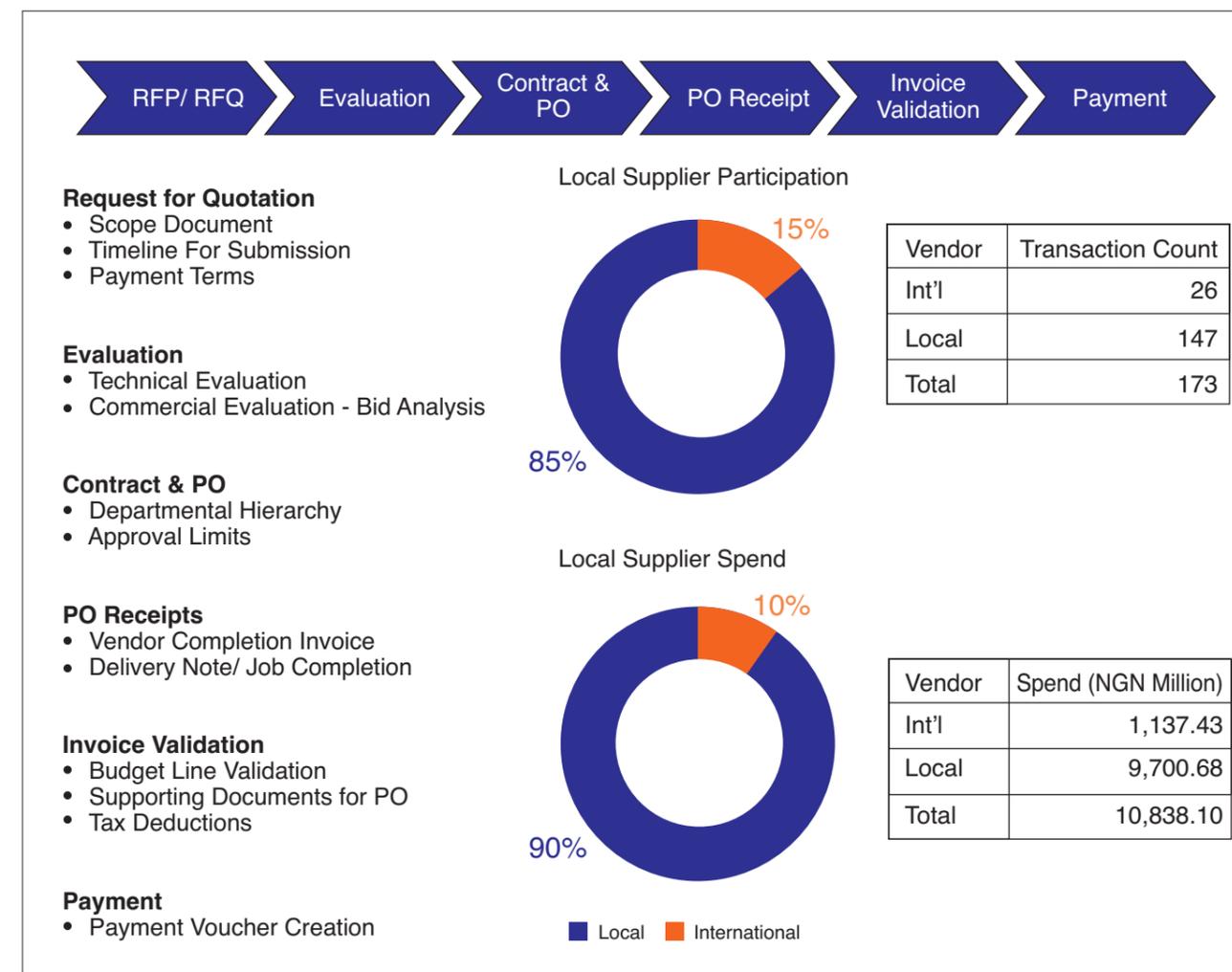
In 2017, all communication to external stakeholders were through the corporate communications unit of the Company.

The purpose of communication to internal stakeholders is to ensure the following:

- Requests are channeled to the appropriate teams
- Elimination of any down time to business operations.

The supply chain organization ran a lean structure with emphasis on efficiency by retaining subject matter experts. This guaranteed our support to the business more as we had better experienced hands. In addition to that, there was also a Customer Satisfaction Survey to measure internal customer satisfaction.

Procurement Practices



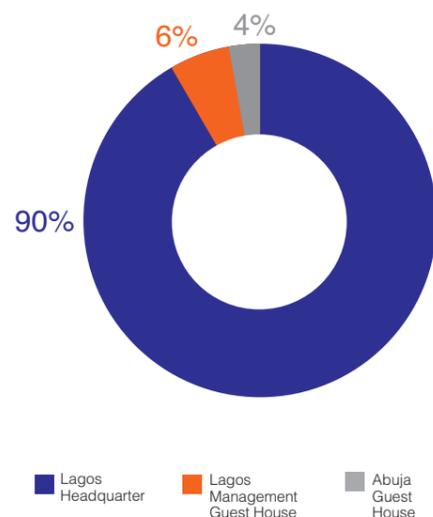
Decent work and economic growth, gender equality continued

Energy

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.

Non - Renewable Energy (Public Power)



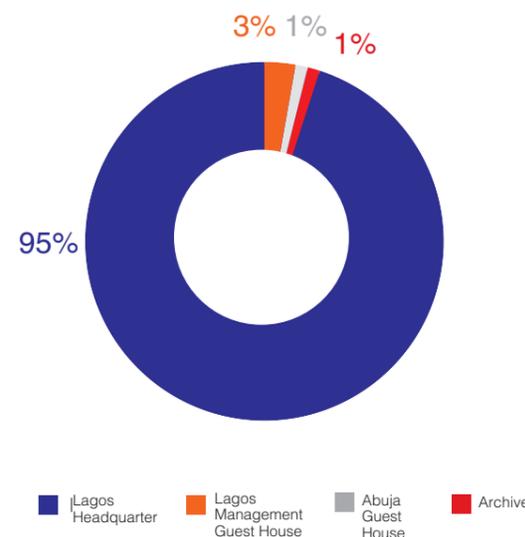
S/N Location	Consumption (KwH)	Conversion (Joule)
1 Lagos HQ	1,216,493.4	4,367.2
2 LMGH	84,497.0	303.3
3 Abj GH	47,666.4	171.1
5 Total	1,348,656.8	4,841.7

1 Litre (AGO) = 10KwH

1KwH= 3.59mJ

1mJ= 0.001 Joules

Non- Renewable Energy (Generator)



S/N Location	Litres (AGO)	KwH	Joule
1 Lagos HQ	457,474	4,574,735	16,423.30
2 LMGH	15,200	152,000	545.68
3 Abj GH	6,794	67,938	243.90
4 Archive	2,600	26,000	93.34
5 Total	482,067	4,820,673	17,306

1 Litre (AGO) = 10KwH

1KwH= 3.59mJ

1mJ= 0.001 Joules

Transportation

Oando operates a carpool system in an effort to reduce traffic congestion and Carbon emissions. Pool car allocations are done on the basis of daily requests received and business location.

The Oando staff bus scheme is a larger representation of this conscious effort at reducing pollution. Our staff buses continue to transport employees to and from work. Staff buses transport an average of 150 employees daily, significantly reducing the number of cars in traffic by 70 cars. This reduced CO2 emissions by 322 metric tonnes in 2017

Human Rights

In the year under review, vendor operations cuts across construction/civil works, office & Guest house maintenance alongside cleaning and installation works. The nature of these tasks regardless of the urgency undergoes a high level of health and safety scrutiny including provision of Bio data/CV/certificate of fitness before deployment of resource to site on each of the tasks. There are processes and documentation required before execution, all of which are clearly stated in a pre-agreed Service Level Agreement shared with all contractors.

Go-Forward Plan 2018 & Beyond

In 2017, we commenced and completed the fit out works for the new Head Office at the Wings Tower and relocated. The focus was to build an office that was not only functional but also sustainable, in line with the "Oando Green Plan".

In view of this, emphasis was placed on the following:

- Use of natural lighting
- Collaborative work environment
- Energy efficiency

The use of clear glass as against drywall partitioning in most areas helped ensure the transmission of natural light and reduced electricity consumption. This was further consolidated with the use of LED lighting across the floors which reduced our energy consumption and ultimately reduce our carbon footprint.

The implementation of the sustainability plan for Wings also ensured that all plumbing installations had motion sensors to control water leakage and any possible waste. The faucets and urinals were fitted with sensors thereby saving about 75% of water that would have been lost from the use of manual taps. In addition to this, multifunctional flusher systems were installed in the toilets to ensure the appropriate proportion of water is used.

Oando also relocated its datacenter to a collocated facility leading to the discontinuation of 2 units of power generating. Needless to say that this reduced pollution and AGO consumption. The estimated reduction in CO2 emissions from discontinuing the use of generators is 130 tonnes.

INFORMATION TECHNOLOGY AS A TOOL FOR SUSTAINABLE DEVELOPMENT

Executive summary

The increased adoption of technology in its diverse forms is a major driver of service innovation and growth across the world. This results in the need for efficient data collection, faster processing, improved storage and retrieval of information. Oando is keen on leveraging Information Technology to run its business efficiently with the aim of improving overall productivity and enhanced stakeholder value.

2017 saw the Information Technology ("IT") department deliver value by focusing on how technology is employed. This led us to seek better alternatives to optimize work processes by implementing automated solutions with major consideration for simplicity and service delivery models adopted. The period also witnessed IT execute further strategic plans following the Group's resolution to return the Company to profitability. While technology utilization was aligned with business objectives, the dynamism of our daily operational activities were managed using a mix of diverse and customized services and sustaining a working flexible architecture model which was adopted recently. Most notable of the strategic initiatives completed during the period are listed here below:

- Company-wide cyber security training: a continuous initiative aimed at creating the right cyber threat awareness amongst employees and other stakeholders.
- Productivity Tools: deployment of Skype for business on mobile and a desktop popup tool to improve collaboration and staff engagement.
- IT Service Level Agreement (SLA) Adjustment: The call resolution time was reviewed to meet the demands of current business realities and Do it Yourself (DIYs) were developed for users.
- Cost Containment Initiative: Optimization and rationalization of technology use through business process reengineering to drive operational efficiency.
- Enterprise Risk Professional (ERP) Systems Optimization: Reviewed and revised sourcing model to optimize the Supply chain process.

These key initiatives were underpinned by a robust governance committee – the IT Steering Committee, membership of which include senior business leaders with the mandate, amongst others, to ensure business and IT alignment.

Decent work and economic growth, gender equality continued

IT Management Approach

Our Information Technology operations references business continuity frameworks, global service delivery standards and security frameworks such as ISO27001, ISO20000 and Information Technology Infrastructure Library (“ITIL”) which enables our business meet acceptable service delivery and security benchmarks. This very pragmatic approach is guided by a governance structure that gives oversight responsibilities to the IT steering committee, a hybrid (co-sourced) organizational structure, to deliver on imperatives that will:

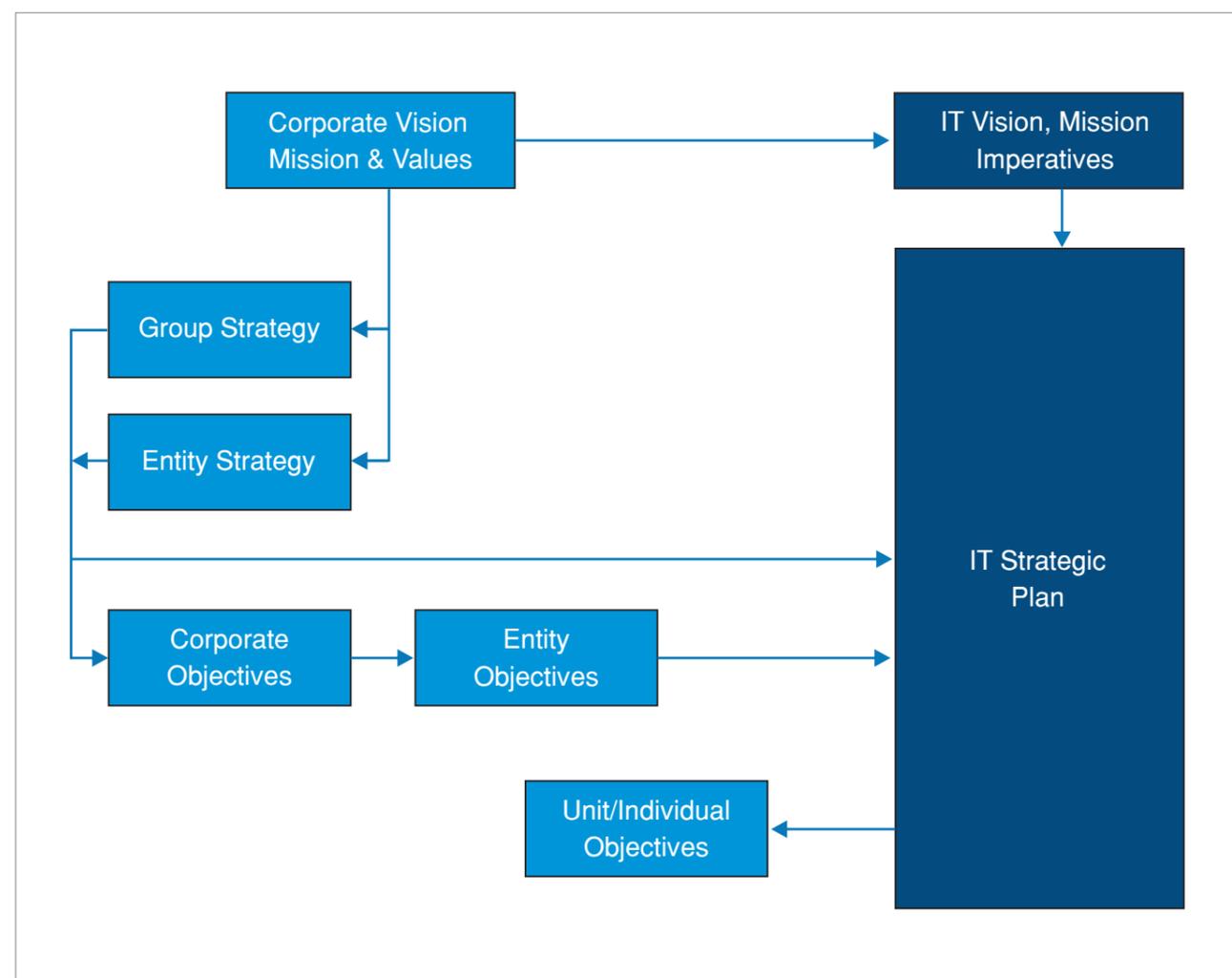
- Give users access to the right information when they need it
- Provide the right tools and technology systems structured to the needs of users
- Deliver good quality services that can be relied upon and with complete cost transparency
- Deliver affordable technology services based on a reasonable return on investment (“ROI”)

- Make available integrated systems that are scalable, reliable, and conform to appropriate standards
- Increase visibility and recognition of Oando as a leader in the energy sector

The steering committee is constituted to oversee and ensure technology investments yield the right ROI. The IT function leverages an operating model depicted by the diagram below:

I. 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. As depicted below, a corporate view of the technology imperatives and performance measures are developed through a direct feed from the business strategic objectives.



II. Policies

The IT manual² (“the manual”) establishes the information technology policies and guidelines required to appropriately identify information resources and business requirements while ensuring that these are effectively protected. The manual also stipulates IT Service Operation guidelines and requirements to govern IT Service management. The manual takes into cognizance the industry Oando operates in and how technology can be utilized to support its broad objectives. Adherence to the manual safeguards the integrity, confidentiality and availability of Oando’s information.

²The manual contains the Server Down Policy, Server Back-up Policy, Information Technology Security Policy, Email Policy, Desktop Move, Add and Change Policy.

III. 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.

IV. Goals and Targets

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

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

Automated Processes: to identify opportunities to streamline manual work processes to improve staff productivity and accelerate work output.

IT Governance, Policies, and oversight processes: to provide departmental IT governance, policy, and oversight processes with the aim of ensuring secure, efficient, and cost effective use of resources.

Risk-based cyber security: to strengthen enterprise situational awareness which will foster near-real-time risk management and combat the advanced persistent threat. It also forges inter-agency and sector partnerships to protect critical infrastructure, promote information sharing, and advance technologies for cyber defenses.

V. 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.

VI. Resources

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

- Chief Strategy Officer
- Head, IT
- Service Delivery Manager

- Business Applications Manager
- IT Security Lead
- Systems Administrators
- Cyber Security Administrators
- Business Information Coordinator
- Application Developers
- End User Support
- Helpdesk Officers
- IT Productivity Coaches

VII. Grievance mechanisms (i.e. Helpdesk)

The Helpdesk is a functional unit made up of a number of devoted staff responsible for dealing with a variety of service events, often made via telephone calls, emails or verbally reported incidents.

The Helpdesk serves as a single point of contact for users to report service disruptions or degradations, IT service requests, incident resolution etc. They also provide a point of coordination for IT groups and processes with the ownership of incidents/requests through lifecycle.

VIII. Processes, Projects, Programs and Initiatives

- IT Security awareness sessions conducted by IT Productivity coaches for all departments across the company with focus on Social Engineering and Information Security
- A work tool refresh survey was carried out to obtain employee feedback on systems and general IT work tools. Results of the survey informed management on the work tool type to be deployed across the organization.
- A customer Satisfaction survey was carried out to drive continuous service improvement
- Staff were informed of the various variants of ransomwares and advised on control measures put in place to avoid falling a victim of cyber-attacks.

Evaluation of IT Management Approach

On a bi-annual basis, IT Management approach for information systems is subject to an audit exercise to identify gaps in current procedures and processes, which are reported to executive management and monitored until identified gaps are closed out.

This 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

Data Center Move

Data centers require a tremendous amount of energy, which can be harmful to the environment. Following the relocation to the Company’s new office space in 2017, we took steps to change the way we operate our primary data center and in turn change the impact on the environment for good. To achieve this, the in-house data center was moved to an energy efficient Tier 3 colocation facility. This helped reduce our carbon footprint, eliminate inefficient energy utilization and provide better visibility with effective monitoring systems.

Decent work
and economic
growth, gender
equality
continued

Employee Engagement

In our bid to shift Internal Communications from being output-focused to outcome-focused, Via Snapcoms; a cloud based communication tool was deployed. The highly visual internal communication tools deepened internal engagement with its various modes of reaching employees.

Reviewed Secure Print Services

The secure print service was reviewed to ensure the actual number of printers required was in place and strategically positioned within the office building. This reduced the print volume by 50% thereby reducing the cost of printing, paper usage, energy consumption and carbon footprint.

Knowledge Sharing Sessions/Employee Development

From early 2017, the management of the IT department introduced knowledge sharing sessions to ensure that members of the department are aware of the latest technology trends that is capable of changing business dynamics and promoting sustainability in the oil and gas industry. This was achieved through research and presentations by members of the IT team. Knowledge sharing presentations are delivered on a weekly basis. This activity gives every team member the opportunity to scan the technology landscape for innovative products and operational best practices that massively impact on the business and the entire Oando staff. The output from the knowledge sharing sessions translate to projects executed by the department.

IT Waste Disposal

In line with the Oando IT Asset Management Process, some faulty and obsolete IT assets were disposed during the year under review. A summary of items disposed were from previous Head office (Zenon) located at Victoria Island. Details of the items is captured in table below:

S/N	ITEM DESCRIPTION	QUANTITY
1	Cisco IP Phones	32
2	Other Cisco Devices (Switches, Routers, Access points etc.)	29
3	Server Racks	11
4	Polycom and Accessories (Desk Phones, Assy, Sound Station etc.)	12
5	FM200 Cylinders	7
6	UPS / AVS	8
7	Laptops Computers and Accessories (Locks, Screens, Batteries, Hard Drives)	114
8	Desktop Computers	24
9	Monitors	79
10	Printers / Scanners	17
11	Toner/Cartridge Modules	64
12	14" CRT Screens	3
13	Projectors	5
14	Microsoft Surface Pro	18
15	Others (cables/monitor stands/fire alarms/keyboards)	77
TOTAL		500

Customer Satisfaction ("CSAT")

The 2017 customer satisfaction survey of information technology services ("ITS") was conducted to achieve the following objectives:

- To ascertain the quality of ITS being rendered to our customers,
- To receive feedback from customers on their satisfaction levels
- To identify areas of improvement.

A total of 104 respondents representing 43% of the expected employees in the organization (OER, OTD, Foundation & PLC) took part in 2017 C-SAT survey with a satisfaction level of 81%. The anonymous survey ran for a duration of 10 days.

The Questionnaire

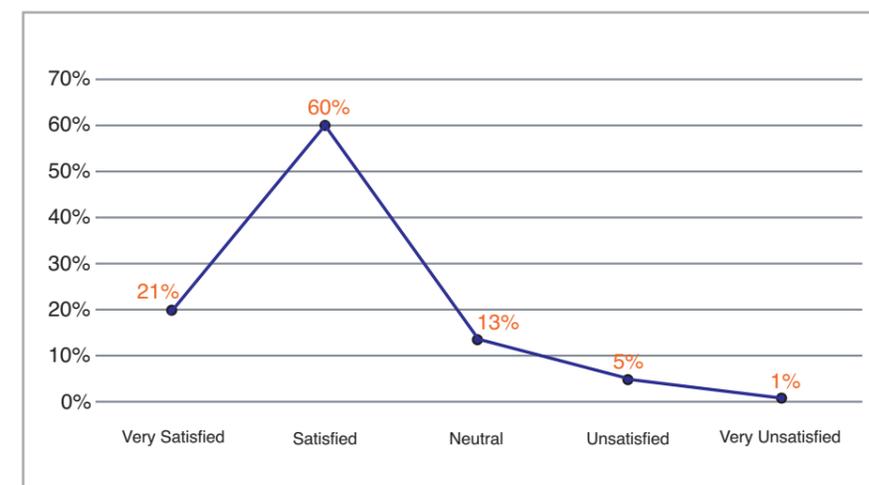
Questions of the survey were focused on the IT customer service experience of the business. This was designed to rate the satisfaction level of our service delivery to the business units.

The Result

81% satisfaction level was achieved, whilst, 6% of respondents were not satisfied with the process of resolving issues. This provided an opportunity to increase customer satisfaction levels.

However, 11% of respondents believed that the IT service can be improved upon.

Overall Satisfaction with Customer service experience



Summary Of Findings

On the overall, the following were the findings that were gathered from the survey:

- Users need IT to improve issue resolution time
- There is room for improvement in the quality and effectiveness of work tools
- Wireless speed and reliability needs to be optimized
- Access and availability of IT peripherals should be improved

Reviews And Audits

What the IT unit did well;

- Customer service was provided in a courteous and patient manner
- Average First Call Resolution (FCR) rate increased from 18% in the previous year to 23%
- Better understanding of issues encountered

Targets and data for 2017

Database for NNPC/NAOC/Oando JV projects commissioned 2017

S/N	Name and Location of Projects	LGAProjects	State	Date Commissioned	Contract No:Projects	Impact
1	Extension of Low Voltage Lines and installation of street lights in ISUKWA community.	ONELGA	RIVERS	25/01/17	4600025692	<ul style="list-style-type: none"> • Infrastructural development • Entrepreneurship development • Improved social lives & security • Improved relationship between community & the JV • Oando visibility
2	2KM Internal Asphalt Roads in OKWUZI community.	ONELGA	RIVERS	26/01/17	4500023344	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility
3	2 KM Internal Road and Drainage in OKWUZI community.	ONELGA	RIVERS	26/01/17	4500023310	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility
4	Low Tension Line in OSEKWENIKE community.	SAGBAMA	BAYELSA	31/01/17	4600022765	<ul style="list-style-type: none"> • Infrastructural development • Entrepreneurship development • Improved social lives & security • Improved relationship between community & the JV • Oando visibility
5	500 M Concrete Road and Drainage in OSIFO community.	SAGBAMA	BAYELSA	31/01/17	4600022906	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility
6	Electrification Extension in ABUETOR Kingdom.	SAGBAMA	BAYELSA	31/01/17	4600025767	<ul style="list-style-type: none"> • Infrastructural development • Entrepreneurship development • Improved social lives & security • Improved relationship between community & the JV • Oando visibility
7	500m Concrete Road with Drainage in ABUETOR Kingdom.	SAGBAMA	BAYELSA	31/01/17	4600026056	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility
8	Youth Development Centre in AGBERE community.	SAGBAMA	BAYELSA	01/02/17	4600041555 4600010361	<ul style="list-style-type: none"> • Recreational development. • Improved relationship between community & the JV • Oando visibility
9	1km road and two side drains in ETEKWURU community.	OHAJI / EGBEMA	IMO	06/03/17	4600020128 4600020644	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility

Database for NNPC/NAOC/Oando JV projects commissioned 2017

S/N	Name and Location of Projects	LGAProjects	State	Date Commissioned	Contract No:Projects	Impact
10	Electrification Upgrade in EPEBU community.	OGBIA	BAYELSA	10/03/17	4600022510	<ul style="list-style-type: none"> • Infrastructural development • Entrepreneurship development • Improved social lives & security • Improved relationship between community & the JV • Oando visibility
11	Construction of 4.86km OMOKU Internal Road in Omoku Clan.	ONELGA	RIVERS	10/03/17	4600011404	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility
12	Construction of 1KM Concrete Road.	SILGA	BAYELSA	29/03/17	4600031671	<ul style="list-style-type: none"> • Improved movement and transportation • Portable drinking water • Improved relationship between community & the JV • Oando visibility
13	Construction of 20,000 Gallon Water Scheme in OKPOTUWARI community.	SILGA	BAYELSA	29/03/17	4500029996	<ul style="list-style-type: none"> • Portable water for community • Improved relationship between community & the JV • Oando visibility
14	Concrete Flooring of Market in UKEPLIEDE Kingdom.	AHOADA WEST	RIVERS	30/03/17	4600011897	<ul style="list-style-type: none"> • Improved movement and transportation • Improved relationship between community & the JV • Oando visibility
15	Construction of 4 open Market Stalls Block A,B,C,D in UKEPLIEDE Kingdom.	AHOADA WEST	RIVERS	30/03/17	5600010696	<ul style="list-style-type: none"> • Better environment for trading particularly market women • Improved relationship between community & the JV • Oando visibility
16	Construction of 4 Lock-Up Market Stalls – Block A,B,C,D in UKEPLIEDE Kingdom.	AHOADA WEST	RIVERS	30/03/17	5600010697	<ul style="list-style-type: none"> • Better environment for trading particularly market women • Improved relationship between community & the JV • Oando visibility
17	Construction of 1no Market Toilet in UKEPLIEDE Kingdom.	AHOADA WEST	RIVERS	30/03/17	4600014821	<ul style="list-style-type: none"> • Better environment for trading particularly market women • Improved relationship between community & the JV • Oando visibility
18	Installation of 350 KVA CAT Generator in AYAMA-AKPEDI, BISENI Clan.	YENEGOA	BAYELSA	26/04/17	4600030163	<ul style="list-style-type: none"> • Infrastructural development • Entrepreneurship development • Improves social lives & security • Improved relationship between community & the JV • Oando visibility

Targets and data for 2017 continued

Database for NNPC/NAOC/Oando JV projects commissioned 2017

S/N	Name and Location of Projects	LGAProjects	State	Date Commissioned	Contract No:Projects	Impact
19	Construction of Science Laboratory Block in OLOGOAMA community.	NEMBE	BAYELSA	26/04/17	4500027124	<ul style="list-style-type: none"> Educational development Improved relationship between community & the JV Oando visibility
20	Construction of Okoron-Ama Community Electrification project in OKORON-AMA community	SILGA	BAYELSA	02/05/17	4600026804	<ul style="list-style-type: none"> Infrastructural development Entrepreneurship development Improves social lives & security Improved relationship between community & the JV Oando visibility
H2						
21	Oruama Community Water Scheme in ORUAMA Community	AWELGA	RIVERS	19/07/17	4600004912	<ul style="list-style-type: none"> Portable water for community Improved relationship between community & the JV Oando visibility
22	500M Concrete Road and drain in OGU-AMA	NEMBE	BAYELSA	19/07/17	4500026636	<ul style="list-style-type: none"> Improved movement and transportation Improved relationship between community & the JV Oando visibility
23	Rehabilitated Asphalt Road (School/Health Centre/Onyige Street) in IDU OSOBILE	ONELGA	RIVERS	19/07/17	4600016514	<ul style="list-style-type: none"> Improved movement and transportation Improved relationship between community & the JV Oando visibility
24	Construction of 1km Road and Drains in AGBAKABIRIYAL	NEMBE	BAYELSA	20/07/17	4500035127	<ul style="list-style-type: none"> Improved movement and transportation Improved relationship between community & the JV Oando visibility Educational development
25	Construction of 3 Nos. Teachers Quarters (Block A, B & C in IKEBIRI 11	SILGA	BAYELSA	21/07/17	5600011658 (Block A); 5600011657 (Block B) & 5600011659	<ul style="list-style-type: none"> Educational development Improved relationship between community & the JV Oando visibility
26	Construction of 1. No 6-Classroom Block in IKEBIRI 11	SILGA	BAYELSA	21/07/17	5600011616	<ul style="list-style-type: none"> Educational development Improved relationship between community & the JV Oando visibility
27	Supply of Medical Laboratory Equipment and Chemicals for OBIGBOR community Health Centre	ONELGA	RIVERS	17/08/17	4600025349	<ul style="list-style-type: none"> Improved health of the people. Improved relationship between community & the JV Oando visibility
28	Supply of Medical Laboratory Equipment for AKAKUMAMA community.	NEMBE	BAYELSA	17/08/17	4600023905	<ul style="list-style-type: none"> Improved health of the people. Improved relationship between community & the JV Oando visibility

Database for NNPC/NAOC/Oando JV projects commissioned 2017

S/N	Name and Location of Projects	LGAProjects	State	Date Commissioned	Contract No:Projects	Impact
29	Supply of School Furniture/Household Equipment and Chemicals for AZUZUAMA Community	NEMBE	BAYELSA	17/08/17	4600024989	<ul style="list-style-type: none"> Educational development Improved relationship between community & the JV Oando visibility
30	Supply of Medical Laboratory Equipment and Furniture at KOROKROSEI community	SILGA	BAYELSA	17/08/17	4600024262	<ul style="list-style-type: none"> Improved health of the people. Improved relationship between community & the JV Oando visibility
31	Supply of school Household Equipment and Furniture at KOROKROSEI community	SILGA	BAYELSA	17/08/17	4600022445	<ul style="list-style-type: none"> Improved health of the people. Improved relationship between community & the JV Oando visibility
32	Supply of School Furniture/Household Equipment and Chemicals for AMURUTU Community	ONELGA	BAYELSA	22/08/17	4600031565	<ul style="list-style-type: none"> Improved health of the people. Improved relationship between community & the JV Oando visibility
33	Supply & Installation of 500 KVA Generator for KOROKROSEI COMMUNITY	SILGA	BAYELSA	11/09/17	4600024987	<ul style="list-style-type: none"> Infrastructural development Entrepreneurship development Improves social lives & security Improved relationship between community & the JV Oando visibility
34	Constructing of Shore Protection Project for FIEREBAGHA-AMA	SILGA	BAYELSA	06/10/17	4500030415	<ul style="list-style-type: none"> Infrastructural development Entrepreneurship development Improves social lives & security Secure life and properties. Improved relationship between community & the JV Oando visibility

Targets and data for 2017
continued

Community trust fund

- For period under review, a total \$2,128,815 (approximately N 649,288,111) - representing 3% of the gross production revenue) accrued to the Community Trust Fund.
- Below is the cumulative revenue to date:

#	COMMUNITY	% REVENUE TRUST FUND	CUMULATIVE REMITTANCES	2017 REVENUE
1	Ebendo	1.25%	₦1,085,881,605.02	₦274,367,605.63
2	Obodougwa	0.75%	₦651,528,963.38	₦164,528,963.38
3	Umusam	0.35%	₦304,064,404.73	₦75,840,493.23
4	Isumpe	0.26%	₦225,945,943.57	₦57,121,309.50
5	Ogbeani	0.11%	₦95,592,562.86	₦166,707.86
6	Umsadege	0.28%	₦233,982,528.02	₦52,171,383.81
	TOTALS	3%	₦2,596,996,008.19	₦649,288,111.94

Summary of community engagements in Q1 & Q2 (January – June 2017)

SN	ACTIVITY	PLANNED	ACHIEVED
1	Host & Impacted Communities Trust Board Meetings	4	4
2	Ebendo & Obodougwa Peoples Parliament Meetings	4	3
3	MoU Renewal (Ebendo and Obodougwa Communities)	2	0
4	NDDC/OPTS Working Level Community Meetings	6	1
5	Sustainable Community Development Projects	5	5
6	Community disturbances	0	0

Trust fund running projects – (disbursements for these year-to-year projects are up to date)

- Ebendo Elders Welfare Scheme – ₦13.6m/annum
- Obodougwa Elders Welfare Scheme – ₦6m/annum
- Ebendo Education Bursary Scheme – ₦15m/annum
- Funding for Obodougwa Secondary School – ₦4.2m/annum
- Maintenance of Ebendo Isue Security Vigilante – ₦5.6m/annum
- Energia/Oando Scholarship Scheme – ₦16m/annum
- Chiefs welfare – ₦400,000 monthly stipends to Council of Chiefs and elders (Ebendo) – ₦4.8m/annum
- Youth Incentives – ₦200,000 monthly allowance for youth body (Ebendo and Obodougwa) – ₦2.4m/annum

Summary of scholarship awarded in 2017

In conjunction with her JV partner, the Company awarded three hundred and thirty five scholarships to students in tertiary institutions to study both in Nigeria and abroad. Find below break down of the total number of students with their level of education:

Ebendo Bursary Program

CATEGORY	NUMBER OF STUDENT
MSC/PGD	16
LLB	6
BSC/HND	194
OND	113
NCE	6
GRAND TOTAL	335

Oando/Nepn JV Scholarship Award

CATEGORY	NUMBER OF STUDENT
OND	18
HND/BSC	37
TOTAL	55

Targets and
data for 2017
continued

Oando Foundation

Schedule of 2017 Activities

Oando Foundation Adopt-A-School Scholarship Award for 21 pupils (a total of 1,123 scholars to date)

ICT Centers

Established solar-powered ICT Centers (fully equipped with furniture, solar powered inverters, computers, server, projectors, printers, ICT educational software and text books) in 16 adopted schools:

- Central Primary School, Gamawa, Bauchi
- Central Primary School, Liman Katagum, Bauchi
- Sabon Kaura Primary School, Bauchi
- Our Lady of Fatima Primary School, Jos, Plateau
- Ibrahim Gusau Nizzamiya Islamiyya Model Primary School, Sokoto
- Mabera Magaji Model Primary School, Sokoto
- Maitunbi Primary School, Minna, Niger
- Muslim Community Primary School, Omupo, Kwara
- Baptist LGEA Primary School, Okuta, Kwara
- Ansaru Islam Primary School, Oke-Aluko, Kwara
- Female Model Primary School, Jalingo, Taraba
- Low Cost Primary School, Jalingo, Taraba
- Yoldepate Primary School, Yola, Adamawa
- Nyibango Primary School, Yola, Adamawa
- LGEA Primary School, Rido, Kaduna
- Dele Ajomale Primary School, Ilasa, Lagos

Infrastructure Development

- Construction of 1 block of 3 classrooms, renovation of 1 block of 3 classrooms, and 3 units of child-friendly toilets at Central Primary School Gamawa, Bauchi
- Renovation of 1 block of 3 classrooms at Central Primary School, Liman Katagum, Bauchi
- Construction of 3 units of child friendly toilets at Sabon Kaura Primary School, Bauchi
- Construction of 1 block of 3 classrooms and wash bay at Maitunbi Primary School, Minna, Niger
- Construction of 2 blocks of 6 classrooms, 3 units of child-friendly toilets, and 1 motorized borehole kitted with power generating sets, water storage facilities at Yoldepate Primary School, Yola, Adamawa
- Construction of 1 block of 3 classrooms, and 3 units of child friendly toilets at Nyibango Primary School, Yola, Adamawa
- Construction of 1 motorized borehole kitted with power generating sets, water storage facilities at Sangere Primary School, Girei, Adamawa
- Construction of 1 block of 3 classrooms, 3 units of child friendly toilets, and 1 motorized borehole kitted with power generating sets, water storage facilities at Low Cost Primary School, Jalingo, Taraba
- Construction of 1 motorized borehole kitted with power generating sets, water storage facilities at Wuro-Sembe Primary School, Jalingo, Taraba
- Construction of 1 motorized borehole kitted with power generating sets, water storage facilities at Female Model Primary School, Jalingo, Taraba
- Renovation of 1 block 9 classrooms, construction of 3 units of child-friendly toilets, and provision of 1 motorized borehole kitted with power generating sets, water storage facilities, and Wash bay at Ansaru Islam Nursery & Primary School, Oke-Aluko, Kwara
- Construction of 1 block of 3 classrooms and 6 units of child-friendly toilets at Baptist LGEA School, Okuta, Kwara
- Construction of 6 units of child-friendly toilets at Gidado Primary School, Katsina
- Construction of school perimeter fence, renovation of 1 block of 3 classrooms, 3 units of child-friendly toilets and 1 hand pump borehole at Daurama Nursery & Primary School, Katsina
- Renovation of 1 block of 2 classrooms, Construction of 3 units of child-friendly toilets, and 1 hand pump borehole at Ahmad Danbabar Primary School, Sokoto
- Construction of 1 block of 3 classrooms , renovation of 1 block of 3 classrooms, provision of 1 motorized borehole kitted with power generating sets, water storage facilities & Wash bay in Mabera Magaji Primary School, Sokoto
- Renovation of 1 block of 3 classrooms, construction of 3 units of child friendly toilets and Wash bay at Ibrahim Gusau Islamiyya School, Sokoto.
- Construction of 1 block of 3 classrooms, 3 units of child friendly toilets at Salihu Anka Primary School, Sokoto
- Construction of 1 block of 3 classrooms, renovation of 1 block of 2 classrooms, and provision of Wash bay at Our Lady of Fatima Primary School, Jos, Plateau
- Construction of 3 units of child friendly toilets, 1 motorized borehole kitted with power generating sets, water storage facilities and wash bay at LEA Primary School, Babale, Plateau

Targets and
data for 2017
continued

Furniture

- Provision of 1,960 units of twin desks for students and 144 units of teachers' desks in 22 Schools

Capacity Building

- 774 teachers trained (693 classroom teachers in key subject competence and modern pedagogy, 43 School Administrators in leadership and management; and 38 ICT Teachers)
- 245 LGEA School Support and Principal Quality Assurance (EMIS) Officers trained to provide school improvement support
- 496 SBMC members trained to support effective school management and governance
- Over 4,000 learning and instructional materials distributed across 48 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 Back-to-School materials to 1,580 IDP children in Adamawa and Bauchi to support their re-integration into formal school
- Donation of exercise books to Idi-Odo Primary School, Gbagada, Lagos, Ogo-Oluwa Primary School, Gbagada, Lagos, Temidire Primary School, Gbagada, Lagos, Archbishop Taylor Memorial Primary School, Victoria Island, Lagos, and Hauwa'u Memorial International School, Kaduna
- Donation of exercise books and fez caps (in commemoration of Day of the Girl Child) to students of Senior Girls Academy, Lafajji, Lagos Island.



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	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
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GRI 415: PUBLIC POLICY	Management Approach	Pages 32, 33
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GRI 419: SOCIOECONOMIC COMPLIANCE	Management Approach	Pages 21, 32- 34
	Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	Page 35

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, please contact the following:

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